

City of Corpus Christi, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended July 31, 2008



City of
Corpus
Christi

CITY OF CORPUS CHRISTI, TEXAS

Comprehensive Annual Financial Report

For Fiscal Year Ended July 31, 2008

CITY COUNCIL

Mayor

Henry Garrett

City Council Members

Melody Cooper

Larry Elizondo, Sr.

Mike Hummell

Bill Kelly

Priscilla G. Leal

John E. Marez

Nelda Martinez

Michael McCutcheon, M.D.

City Manager

Ángel R. Escobar

Assistant City Managers

Oscar R. Martinez

Cindy O'Brien, CPA, Interim

Johnny Perales, Interim

Margie C. Rose

Director of Financial Services

Constance P. Sanchez, CPA, CPM, Interim

Controller

Anna S. Marquez, CPA

Chief Accountant

Martha A. Messer, CPA

Prepared by the staff of the Financial Services Department



City of
Corpus
Christi

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Brenda Herring
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Daniel Peña
Crystalina Perez
Olga Plomarity, CPM
Adelita S. Rowland*

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City of
Corpus
Christi



City of Corpus Christi

January 28, 2009

The Honorable Mayor Henry Garrett, Members of the City Council and Citizens of the City of Corpus Christi

FINANCIAL SERVICES

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Dear Honorable Mayor, Members of City Council, and Citizens of Corpus Christi:

State law requires that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended July 31, 2008.

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

Collier, Johnson & Woods, P.C., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Corpus Christi, Texas (City)’s financial statements for the year ended July 31, 2008. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City was incorporated in 1852. In 1909 the City was organized under a City Charter and operated as a General Law city until 1926, at which time a Home Rule Charter with a Commission form of government was adopted. The Charter was amended in 1945 to adopt the present and nationally predominant Council-Manager form of government.

The City Council consists of the Mayor and eight Council Members elected for two-year terms. The Mayor and three Council Members are elected at large, and five Council Members are elected from single member districts. The City Council is



responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager, City Secretary, and Municipal Court Judges. The City Manager is the Chief Administrative and Executive Officer and is responsible for carrying out policies and ordinances of the City Council, overseeing day-to-day operations, presenting an annual budget, and appointing all other City employees, except for the City Secretary and the Municipal Court Judges.

The City provides a full range of services, including a combined utility system (System) consisting of the water, wastewater, stormwater, and gas systems; garbage collection and disposal services; police, fire protection, and emergency medical services; the construction and maintenance of streets and other infrastructure; and recreational and cultural activities.

The City is financially accountable for the Corpus Christi Community Improvement Corporation, the Corpus Christi Housing Finance Corporation, the Corpus Christi Industrial Development Corporation, the Corpus Christi Crime Control and Prevention District, the Corpus Christi Business and Job Development Corporation, the North Padre Island Development Corporation (which includes the Tax Increment Financing Zone Number 2), and the Corpus Christi Digital Community Development Corporation. These are shown as 'blended component units' within the City's financial statements. The City of Corpus Christi has financial accountability for the legally separate Coastal Bend Health Facilities Development Corporation and the Corpus Christi Convention and Visitors Bureau, both of which are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements.

The City Manager must submit a proposed budget to the City Council at least sixty days prior to the beginning of the fiscal year, and the City Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department (e.g., police). Department directors may transfer resources within a department as they see fit. Transfers between funds, however, need approval from the City Council.

ECONOMIC CONDITION

Local Economy

The City of Corpus Christi is the eighth largest city in the State of Texas with a population of 297,447 based on the City's 2008 estimate. The geographic location of the City on the Gulf of Mexico and the Intercoastal Waterway gives it one of the most strategic locations in the Southwest and has been important to its economic development. The Corpus Christi region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include industrial, petrochemical, construction, meat processing, fast food restaurant, convenience store, banking, and financial services.

The federal government also has a major presence within the area with a federal courthouse and the largest industrial employer in South Texas – the Corpus Christi Army Depot, which employs over 3,400 people. The Corpus Christi Army Depot is the first military facility in the world to be certified to the standard for aerospace industry “Maintenance and Repair Overhaul (MRO)” facilities and is one of only five organizations in the world to be certified to this coveted standard. In addition, two bases make up the South Texas military complex: Naval Air Station – Corpus Christi and Naval Air Station – Kingsville (jet aviation training). The region’s third base, Naval Station Ingleside (base for the Navy’s mine warfare fleet), was identified in 2005 for base closure with the actual closure of the entire base expected to be by September 30, 2010. The Ingleside Local Redevelopment Authority was tasked with developing a plan for redevelopment of this land, owned by the Port of Corpus Christi, once the base closes. They ended their job of planning the redevelopment of 155 surplus acres of Nation Station Ingleside in December 2008 with its approval of two documents sent to two federal agencies: the Department of Housing and Urban Development and the Office of Economic Adjustment (the federal agency that oversees communities affected by base closure and realignment.)

The Corpus Christi’s trade area consists of five counties: Aransas, Jim Wells, Kleberg, Nueces and San Patricio. Each of these counties maintains a solid and diversified economic base which contributes material support to Corpus Christi due to its location as a regional trade center and international shipping point. The Corpus Christi economy provides a diversified product market including metal fabrication, chemical processing, farm and ranch equipment, oil field equipment, cement, food processing, electronic and petrochemical products, fishing and seafood products, and more.

The land in the Corpus Christi region has strong mineral deposits and rich soil with the principle crops being grain, sorghum, and cotton. The region also produces a large supply of livestock including beef and dairy cattle, hogs, and poultry. The oil and gas industry is a major factor in the growth and economic stability within the trade area. This industry provides a secondary market for petroleum by-products and chemicals.

Port of Corpus Christi

The trade area’s principal outlet for agricultural and petroleum products is the Port of Corpus Christi, which opened to world markets in 1926. It is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Port’s channel stretches over 30 miles and links the Corpus Christi Bay with the Gulf of Mexico. It is currently ranked as the sixth largest port in the United States and handled a volume of 89.3 million tons of cargo during the 2007 calendar year. The Port has many initiatives underway, including the Joe Fulton International Trade Corridor and the La Quinta Gateway. The Joe Fulton International Trade Corridor encompasses an 11.5-mile road and rail project that connects two major highway components – US Highway 181 and Interstate Highway 37; thus establishing efficient intermodal links between highway, marine, and rail transportation systems. Construction began in 2004 and was completed in October 2007. The Texas Department of Transportation has approved full funding for a \$23 million flyover that will provide a direct connection between Interstate 37 and the Joe Fulton International Trade Corridor.

A second major initiative of the Port's long-term diversification plan is the La Quinta Gateway project. This 1,100-acre site will accommodate a modern, multi-modal facility providing seamless transfer of cargo, trailers, and containers between highway, rail, ferry, coastal and deep sea conveyances. Since 2006, the Port has been receiving regular shipments of wind turbines at the Southside General Cargo Terminal. These initial shipments, which are destined for projects in the Texas Panhandle, have helped make Texas the number one state in the nation of wind power production.

Tourism

Corpus Christi continues to be a favorite vacation spot for visitors and is the sixth most popular tourist destination in Texas according to a report dated May 2007 prepared for the Corpus Christi Convention and Visitor's Bureau by Jim Lee, Ph.D. with Texas A&M-Corpus Christi. According to the Texas Department of Economic Development and Tourism, 7 million people visit Corpus Christi and the surrounding area annually, spending nearly \$1 billion per year. The number one reason visitors flock to the area has always been to enjoy miles of beaches along Mustang and Padre Islands, the longest barrier island in nature fronting on the Gulf of Mexico. The opposite side of the barrier provides a shoreline for Corpus Christi Bay, Laguna Madre, and the various bays and bayous north of the Coastal Bend which are ideal for outdoor recreation.

Tourist facilities located within the City include: a multi-purpose arena at the American Bank Center, Whataburger Field which houses the Corpus Christi Hooks, a AA major league affiliate baseball team, the Texas State Aquarium, the USS Lexington Museum, the Museum of Science and History, the South Texas Art Museum, the Asian Cultures Museum, the Multicultural Center/Heritage Park complex, and the Concrete Street Amphitheater. The Corpus Christi area is also a renowned location for water sports, including windsurfing and kiteboarding, and serves as host to the annual U. S. Open Windsurfing Regatta, international power and sail boat races, and the Texas International Boat Show.

Construction Permits

The table below shows the number of permits and value of permits since FY 1998-1999. New construction activity in Corpus Christi, as shown by the number of permits issued in each fiscal year, has been decreasing over the last two years:

<u>Year</u>	<u>Building Permits</u>	<u>Value</u>
1998-1999	5,984	\$142,154,244
1999-2000	5,845	152,987,779
2000-2001	4,761	149,264,763
2001-2002	5,207	154,763,863
2002-2003	7,854	333,016,517
2003-2004	7,111	295,984,882
2004-2005	5,781	387,122,472
2005-2006	5,989	450,750,242
2006-2007	5,699	503,027,247
2007-2008	5,118	343,865,608

Employment

Because of its location in a region with a varied economic base, unemployment has remained relatively stable. During the past ten years, the unemployment rate has been steadily declining from 7.4% in 1999 to 4.8% in 2008. During this same period, personal income rose from \$21,948 to \$37,661 or 71.6%. Due to events that have transpired in the financial market since the fiscal year-end, the unemployment rate has risen to 5.3% as of November 2008. The City is monitoring the effects to our citizens and our community.

Major Expenditures

As illustrated in Statistical Table 2 “Changes in Net Assets, during the past seven years (since GASB No. 34 was implemented and the new reporting model was adopted), the government’s expenses related to police and municipal court, fire and ambulance, streets, health, parks and recreation, museums, community enrichment, and convention and visitors activities have increased as a percentage of total expenses, as the following table shows:

	<u>% increase</u> <u>from 2002 to 2008</u>
Police and municipal court	38.29%
Fire and ambulance	25.16%
Streets	65.52%
Health	31.71%
Parks and recreation	34.62%
Museums	44.13%
Community enrichment	431.14%
Convention and visitor activities	126.11%

In the case of police and fire, as in previous years, much of the increase reflects a regional trend that has seen the salaries and benefits of police officers and firefighters growing at a much faster rate than those of other categories of public-sector employees. Additionally, the City Council has committed to implement improvements in public safety services consistent with strategic plans for those services. In the case of streets, the City Council has committed to its citizens to develop a street plan to improve the conditions of its streets – both in improvements to existing streets and in routine maintenance. In the case of health, the cost can be attributed the expansion of programs, such as Animal Control. In the case of parks and recreation, the growth can be attributed to increased costs associated with increased development of parks in subdivisions and expansion of programs such as Latchkey. In the case of museums, the increase can be attributed to the increase in the number of sponsored programs and events. In the case of community enrichment, the growth can be attributed to reacquisition of the wi-fi system in May 2008 when the City’s partnership with Earthlink ended. For convention and visitors activities, the growth is due to the operating expenditures for the City’s arena and convention center whose operations are continuing to expand to date.

During this same seven-year period, charges for services, while continuing to increase in amount, have actually remained relatively stable as a percentage of total revenue. The reason for this is the relative increase in expenses related to services that are not supported by fees and charges (e.g., public safety); thus, as tax revenues have increased to support these services, so has the proportion of total revenue generated by taxes.

Long-term financing plan/relevant financing policies

Unreserved, undesignated fund balance in the general fund (15.1% of total general fund expenditures) falls within the policy guidelines set by the City Council for budgetary and planning purposes. The City Council established a goal several years ago to build and maintain an unreserved fund balance in the general fund which totals at least ten (10%) percent of the total annual general fund appropriations, excluding anticipated reimbursements and inter-fund transfers, within five years. Through the prudent and fiscally responsible leadership of the City's management, this goal has been met, and the balances have exceeded the 10% goal for the past seven years.

During the fiscal year 2007-08 budget process, the City Council reaffirmed the financial policy noted above, providing policies for maintenance of the general fund unreserved, undesignated balance at an adequate level and providing policy direction on preparation of the fiscal year 2007-08 budget. Specifically, the resolution reaffirmed the maintenance of a reserve in the general fund unreserved fund balance which totals at least ten (10%) percent of total annual general fund appropriations. Amounts in excess of the 10% policy requirement may be recommended for one-time improvement expenditures, with a priority on infrastructure and equipment which will reduce the need for future debt.

Additionally, the policy provided that the property tax rate for maintenance and operations be set for the fiscal year 2007-2008 proposed budget at the effective tax rate (with an exemption for the Packery Channel tax increment financing zone taxes). This is the rate which only generates new revenue from new growth and improvements added to the tax roll and not from any change in value to existing property. It should be noted that this provision of the financial policies was removed for the fiscal year 2008-2009 budget.

The City Council recognized the need to provide public services which support the continued growth of the local economy and personal income growth to insure an adequate financial base for the future. Priority for funding in fiscal year 2007-2008 was on improvements in public safety services consistent with strategic plans for those services and for infrastructure maintenance and repair. The City Council committed to making every effort to provide for such improvements without reducing current services in other areas.

The City Council also directed the City Manager to budget at least \$200,000 in fiscal year 2007-08 as an operating contingency as part of the general fund expenditures in order to further insulate the general fund's unreserved fund balance from unforeseen circumstances. A similar directive was made for operating contingencies in the enterprise and special revenue funds.

The remaining sections of the financial policy were consistent with the previous policy and included the need for a five-year financial plan for the general fund; the need to pursue revenue enhancements; quarterly financial reporting and monitoring; the use of nonrecurring revenue to fund one-time expenditures; the maintenance of strong debt management practices; the maintenance of an acceptable level of fund balance in the general obligation debt service fund; reaffirmation of debt retirement practices; and continuation of a ten-year capital improvement plan.

Major Initiatives

The City Council has adopted goals and priorities that are focused on establishing a comprehensive road/street plan; developing and implementing a process for identifying proposals for the 2008 Capital Improvement Bond issue; developing and implementing a plan for maintenance and use of the Coliseum; improving the development process by adoption of a clear and consistent Unified Development Code and implementing process improvements to make it more efficient and effective; developing a plan for Texas A&M University – Corpus Christi (TAMU-CC) expansion; completing the updating of the City’s master plans for the Storm Water Master Plan; increasing the effectiveness and efficiency of code enforcement; expanding the Neighborhood Initiative Program (NIP) and Model Block Program; reviewing the City Charter; and developing a downtown plan. Significant progress was made during fiscal year 2007-2008 in taking steps towards achieving those goals.

The City Council’s first goal was to establish a comprehensive road/street plan. The condition of the City streets has been evaluated and placed into one of four categories: good, satisfactory, fair, or poor. The recommended plan is that funds available in the operating budget be used mostly for preventative maintenance work to keep streets in the good and satisfactory categories from deteriorating. The major work for streets in the fair and poor categories will be accomplished through bond programs and other discretionary funding if it becomes available. Additionally, street projects had been identified for inclusion in the Bond 2008 package and were subsequently approved by the voters on November 4, 2008.

The City Council’s second goal was to develop and implement a process for identifying proposals for the 2008 Capital Improvement Bond issue to be considered by voters on November 4, 2008. The process was developed and followed to identify proposals for Bond 2008. All projects were approved by the voters on November 4, 2008.

The City Council’s third goal was to develop and implement a plan for maintenance and use of the Coliseum. To address this goal, a committee consisting of Council members and citizens was formed. Proposals were requested and received from developers with a presentation on the various options scheduled for the City Council in January 2009.

The City Council’s fourth goal was to improve the development process by adoption of a clear and consistent Unified Development Code and to implement process improvements to make it more efficient and effective. In response to this goal, the Development Services Department made several process improvements including the managing of its own

website which has allowed information to be communicated in a timely manner; the reorganization of the front counter to facilitate a more project-oriented atmosphere whereby encouraging more informal ad-hoc meetings to assist customers; the expansion of the Early Assistance program to include those projects whose core mission is only to obtain a building permit without zoning or planning action required; the expansion of plan review meetings to twice a week to ensure that customers with serious plan issues have the opportunity to have a meeting with all technical staff involved; the installation of a new computer module to expedite the process; the initiation of a Performance Measurement Program for the Building Division and front counter operations; and the continual review of cost of service fee adjustments.

The City Council's fifth goal was to develop a plan for the expansion of Texas A&M University – Corpus Christi. In response to this goal, in 2008, the City donated 137 acres of land to the University for expansion. Additionally in November 2008, the City Council approved a resolution supporting an agreement between the Corpus Christi Business and Job Development Corporation and Texas A&M – Corpus Christi for development of facilities for a Bachelor of Science in Mechanical Engineering Program.

The City Council's sixth goal was to complete the updating process on the City's Master Plan utility elements. Consequently, the City Council has been updated on the status of the Water Master Plan. The Plan was reviewed with the Port Industries in October 2008, and was presented to the City Council for final adoption in November 2008. Updating the Wastewater and Stormwater Master Plans are anticipated to occur in 2009.

The City Council's seventh goal was to increase the effectiveness and efficiency in Code Enforcement. In response to this goal, an action plan was developed to develop/adopt a Downtown Vacant Building Ordinance (which was approved and enacted on February 19, 2008); and a downtown overlay (which is currently being addressed); to revise the Junk Vehicle Ordinance (which was approved and enacted on October 16, 2007); to modify and update the Building Standards Code, which is currently being addressed in the Unified Development Code; to streamline the data entry process of violations, which has been addressed; and to achieve interdepartmental cross-training, which is currently on-going.

The City Council's eighth goal was to expand the Neighborhood Initiative Program and the Model Block Program. The Neighborhood Initiative Program (NIP) completed its fourth year in FY 2007-2008. This program targets selected neighborhoods for concentrated City services. A presentation and report was made to the City Council in January 2008 regarding the assessment and profile of each established NIP site. At that time, the City Council approved three additional neighborhoods to participate in NIP in FY 2007-2008. All three NIP programs were initiated between January and June 2008 for a total of 23 established NIP sites. In addition, the Model Block Program was created to help with the infilling of vacant lots and creating affordable housing. Each of these programs continues to flourish in fiscal year 2007-2008.

The City Council's ninth goal was to review the City Charter. In response to this goal, the City Council appointed a committee to look at the City Charter and to make recommendations. The committee has been meeting and is formulating its

recommendations to present to the City Council in the spring of 2009 so that the City Council can decide as to which items will be presented to the voters for approval in April 2009.

The City Council's tenth and final goal is to develop a downtown plan. A consultant was hired to assist with this development, and public input was sought. In December 2008 a presentation was made to the City Council detailing an implementation plan for recommendations. This project is currently underway.

AWARDS AND ACKNOWLEDGMENTS

Awards

In November 2008, the City was ranked eighth in the nation by the Center for Digital Governments among those with a population class of 250,000 and greater. Even though the City ended its partnership with Earthlink in May 2008, it continues to be on the forefront of wireless technology.

The City was also named into the Palladium Balanced Scorecard Hall of Fame for Executing Strategy™ in November 2008. Palladium Group, Inc. is the global market leader in helping organizations execute their strategies. The City is only the second United States city to receive this honor and the fourth in the world.

Additionally, the City was named by Forbes as the No. 1 city for "Best Small Commute" and by Minor League News as having the best minor league ballpark (Whataburger Field). The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corpus Christi for its comprehensive annual financial report (CAFR) for the fiscal year ended July 31, 2007, continuing to confirm compliance with both GAAP and legal requirements. This was the twenty-fifth consecutive year that the City has received this prestigious award. A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

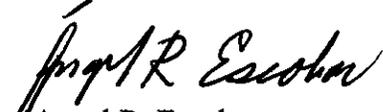
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning August 1, 2007. The City has received eighteen of these awards. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

The preparation of this report is possible only because of the dedication of the staff members in the Department of Financial Services. Special thanks must be given to Interim Assistant City Manager of Administrative Services, Cindy O'Brien, and Assistant City Manager Oscar Martinez for their continued guidance and support.

Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Corpus Christi and the prudent financial policies to which it subscribes.

Respectfully submitted,


Angel R. Escobar
City Manager


Constance P. Sanchez, CPA, CPM
Interim Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Corpus Christi
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
July 31, 2007

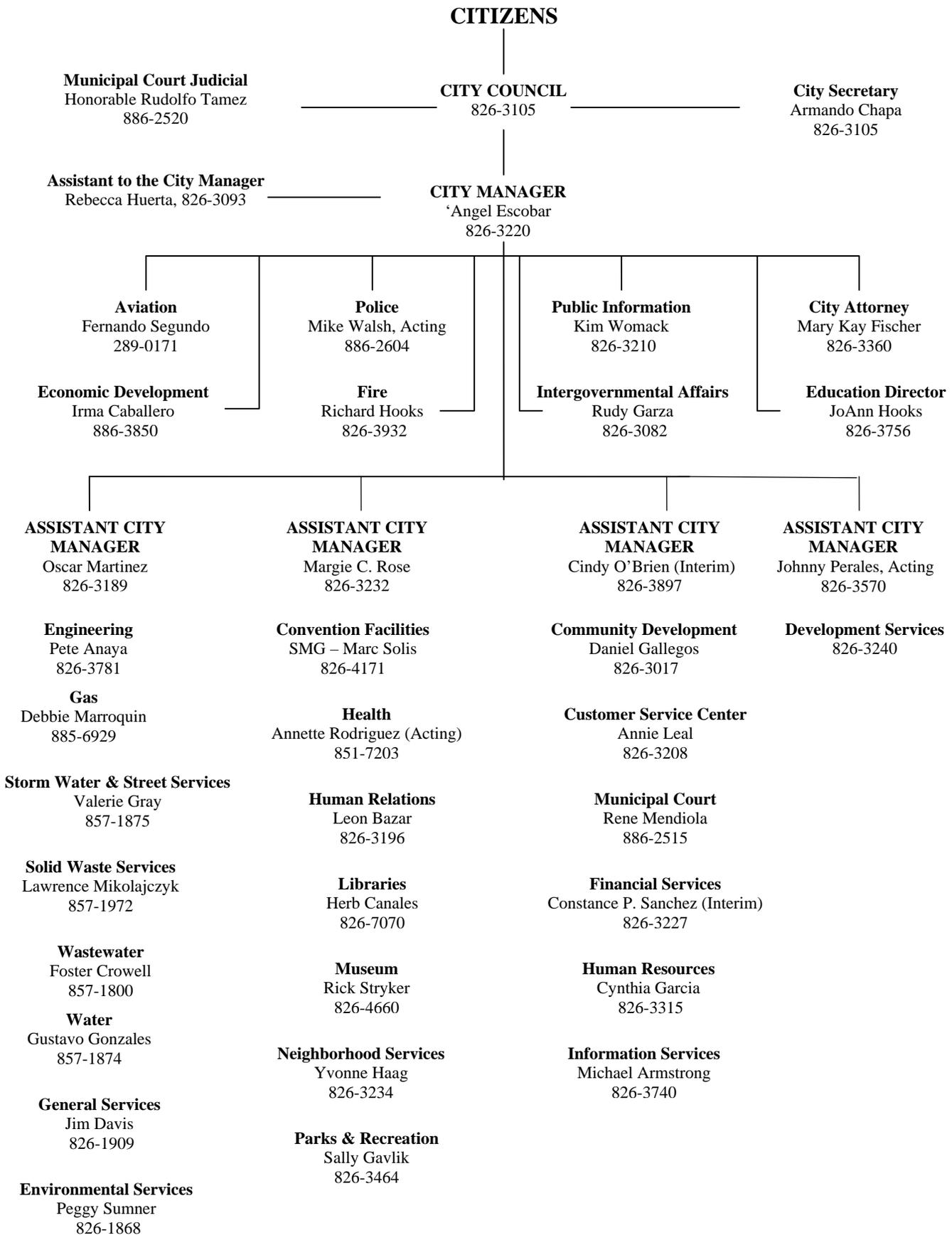
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City Organizational Chart



INDEPENDENT AUDITOR'S REPORT

January 28, 2009

The Honorable Mayor, City Council Members,
and the City Manager of the
City of Corpus Christi, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas as of and for the year ended July 31, 2008, 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's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Corpus Christi Convention and Visitors Bureau whose assets were \$786,455 and revenues were \$3,000,628, the American Bank Center Convention Center Fund whose assets were \$719,631 and revenues were \$2,269,258, the American Bank Center Arena Operations Fund whose assets were \$1,732,721 and revenues were \$4,023,692 and the American Bank Center Food and Beverage Operation Fund whose assets were \$175,896 and revenues were \$1,830,678. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corpus Christi Convention and Visitors Bureau and the American Bank Center Convention Center Fund, Arena Operations Fund and Food and Beverage Operation Fund, is based on the reports of the other auditors.

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 opinion.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas as of July 31, 2008 and the respective changes in financial position, cash flows, where applicable, and the respective budgetary comparison for the general fund 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 January 30, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 assessing the results of our audit.

The management's discussion and analysis and the other required supplementary information on pages 3 through 16 and 77 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 an opinion on the financial statements that collectively comprise the City of Corpus Christi's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, capital assets used in the operation of governmental funds and the statistical tables listed in the table of contents 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/state awards, pages 341 through 349, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning and is also not a required part of the basic financial statements of the City. The combining and individual fund statements and schedules, capital assets used in the operation of governmental funds 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 section and statistical tables 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.

Collier, Johnson & Woods

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Corpus Christi's (City) annual financial report presents an overview, through management's discussion and analysis (MD&A), of the City's financial activities and performance during the fiscal year ended July 31, 2008. The MD&A should be read in conjunction with the transmittal letter found in the Introductory Section of this report and the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

Entity Wide

- Total net assets of the City, excluding component units, were \$930.7 million at July 31, 2008, an increase of \$38.1 million, or 4.3% compared to July 31, 2007. Of these assets, 87.1% are invested in capital assets or restricted, with the remaining 12.9% unrestricted.
- Total net expenses over program revenue were just \$273 thousand less than prior year, reflecting net expenses of \$130.0 million at July 31, 2008 compared to \$130.3 million at July 31, 2007.
- Total general revenue and transfers, excluding component units, were \$168.1 million at July 31, 2008, an increase of \$4.3 million, or 2.6% greater than the prior year.

Governmental Activities

- On a government-wide basis for governmental activities, the City had expenses net of program revenue of \$158.9 million at July 31, 2008, compared to \$146.8 million at July 31, 2007, representing an increase of 8.2% from prior year.
- General revenues and transfers totaled \$182.2 million at July 31, 2008, resulting in an increase in net assets of \$23.3 million. This compares to July 31, 2007 totals of \$175.4 million in general revenues and transfers with an increase in net assets of \$28.6 million.
- Net assets increased by 8.5%, from \$273.6 million at July 31, 2007 to \$296.8 million at July 31, 2008.
- During the fiscal year ended July 31, 2008, though the City did not issue any new general improvement bonds or certificates of obligation, the City did issue \$22.3 million in tax notes to fund general improvements and equipment and refinanced \$13.445 million of the North Padre Island Development Corporation Tax Increment Refunding Bonds for Packery Channel through a private placement. At the end of fiscal year 2008, the City as a whole had \$297.4 million in outstanding ad valorem and sales tax supported bonds compared to \$316.5 million at July 31, 2007. The City has continued to maintain its ratings of AA- by Fitch, and A1 by Moody's and received an upgrade of AA- from A+ by Standard & Poor's, for the General Improvement bonds.

Business-Type Activities

- On a government-wide basis for business-type activities, program revenue net of expenses was \$28.9 million for fiscal year ended July 31, 2008 compared to \$16.6 million for 2007.
- Net assets increased by 2.4%, from \$619.0 million at July 31, 2007 to \$633.8 million at July 31, 2008.
- During the fiscal year ended July 31, 2008, the City did not issue either new or refunding bonds. At the end of fiscal year 2008, the City as a whole had \$526.7 million in outstanding revenue bonds and certificates of obligation compared to \$555.0 million at July 31, 2007. The City maintained its ratings of A+ by Standard & Poor's, AA- by Fitch, and A2 by Moody's for the Utility System bonds.

General Fund

- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$27.1 million, or 15.1% of the General Fund expenditures. This compares to an unreserved, undesignated fund balance of \$27.9 million, or 16.7% of General Fund expenditures for fiscal year ended July 31, 2007.
- Revenues of \$177.7 million for fiscal year ended July 31, 2008 increased by 4.9% from prior year revenues of \$169.4 million.
- General Fund expenditures were \$179.8 million for the current year, compared to \$166.6 million for fiscal year ended July 31, 2007, or a 7.9% increase.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and single audit. As illustrated in the following chart, Figure 1, the financial section of this report has three components: *management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

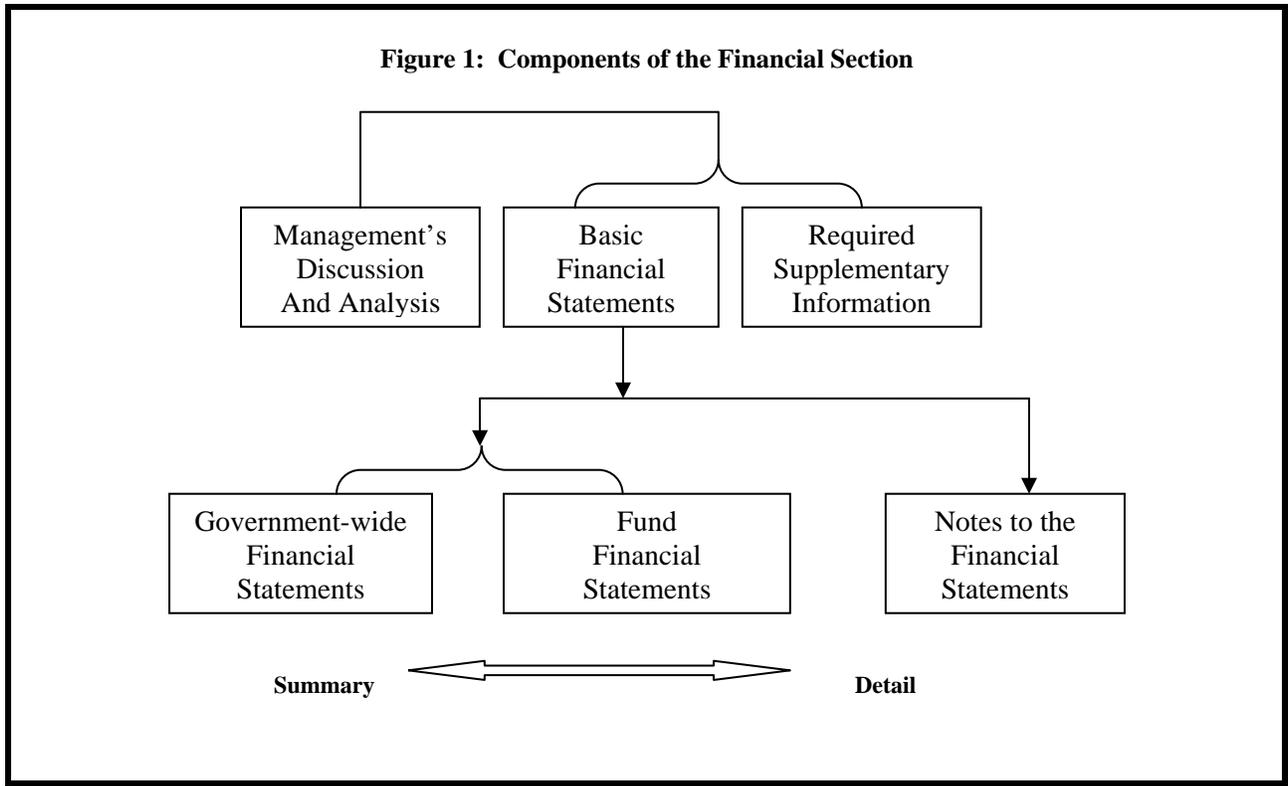


Figure 1 depicts how the required parts of this annual financial report are arranged and relate to one another. In addition to these required elements, a section with combining and individual fund financial statements and schedules that provides details about the non-major governmental funds and internal service funds is included.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the City of Corpus Christi are comprised of three elements:

1. **Government-wide financial statements** provide both long-term and short-term information about the City’s overall financial condition. The *Statement of Net Assets* and the *Statement of Activities*, which are the government-wide statements, report information about the City as a whole, and about its activities, in a way that provides information helpful in determining whether the City’s financial condition has improved or deteriorated as a result of current year’s activities. These statements are presented for both *governmental activities* and *business-type activities*. All assets and liabilities are reported using the accrual basis of

accounting so the statements will provide readers with a broad overview of the City's finances, similar to statements used by most private-sector companies. Legally separate *component units* (Coastal Bend Health Facilities Corporation and Corpus Christi Convention and Visitors Bureau) are also shown in these statements.

2. Fund financial statements provide a detailed short-term view of the City's operations, focusing on the most significant funds in greater detail than the government-wide statements. The three types of funds reported are:

- Governmental funds – General Fund, Debt Service Fund, and other Non-major funds consisting of special revenue funds, capital project funds, the other debt service funds, focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. The governmental funds statements provide the short-term view that helps determine whether there are more or fewer financial resources to be spent in the near future to finance the City's programs. Because the focus of governmental funds does not encompass the additional long-term focus of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- Proprietary funds – Enterprise funds and Internal Service funds are used to report services for which the City charges their customers, either internal or external, a fee. These funds, like the government-wide statements, provide both long-term and short-term financial information, however, in more detail. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements, excluding Solid Waste Services, which is recorded in the General Fund. The City uses enterprise funds to account for its Utility System, Airport, Golf Courses, and Marina. Internal service funds are used to report activities that provide supplies and services for the City's various other programs and activities. The City uses internal service funds to account for Stores, Maintenance Services, Municipal Information Systems, Liability and Employee Benefits, Engineering Services, and the newly formed Corpus Christi Digital Communities Development Corporation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.
- Fiduciary funds – The City is trustee, or fiduciary, for certain amounts held on behalf of others or, because of an arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. A Deferred Compensation Plan and a Private Purpose Trust Fund are the City's two fiduciary activities and are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These fiduciary activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

3. Notes to the financial statements provide disclosures and additional information that are essential to the full understanding of the financial information presented in the government-wide and fund financial statements.

Following the notes to the financial statements is *required supplementary information (RSI)* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

At July 31, 2008, the net assets for the City of Corpus Christi totaled \$930.7 million, \$38.1 million higher than the prior year. The composition of these net assets is \$296.8 million for governmental activities and \$633.8 million for business-type activities. The largest portion of the City's net assets, 84.5%, are invested in capital assets (e.g., land, infrastructure, buildings, machinery and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City's unrestricted net assets, \$120.0 million for 2008, are used to finance day-to-day operations. The City has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to meet its long-term obligations, without major reductions in fund balances or net assets.

Table 1 reflects a comparative summary of statement of net assets of the City of Corpus Christi.

Table 1
Summary of Statement of Net Assets
As of July 31, 2008 and 2007
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Capital assets, net of accumulated depreciation	\$ 443,569	\$ 428,812	\$ 1,142,767	\$ 1,074,172	\$ 1,586,336	\$ 1,502,984
Other assets	279,383	259,408	255,671	336,276	535,054	595,684
Total assets	722,952	688,220	1,398,438	1,410,448	2,121,390	2,098,668
Long-term liabilities	373,077	372,696	737,008	764,164	1,110,085	1,136,860
Other liabilities	53,036	41,946	27,610	27,321	80,646	69,267
Total liabilities	426,113	414,642	764,618	791,485	1,190,731	1,206,127
Net assets						
Invested in capital assets, net of related debt	171,560	160,007	614,735	550,154	786,295	710,161
Restricted	7,162	5,085	17,162	20,653	24,324	25,738
Unrestricted	118,117	108,486	1,923	48,156	120,040	156,642
Total net assets	\$ 296,839	\$ 273,578	\$ 633,820	\$ 618,963	\$ 930,659	\$ 892,541

Of the business-type activities, the Utility System fund is the largest operation at the City with total assets of \$1.2 billion, comprising 86.6% of all business-type activities total assets for 2008. The Utility System fund net assets were \$541.2 million which is 85.4% of total business-type activities net assets for 2008, compared to 86.4% for 2007.

Changes in Net Assets

Table 2 reflects a comparative detail of changes in net assets of the City of Corpus Christi.

Table 2
Changes in Net Assets
For the Fiscal Years Ended July 31, 2008 and 2007
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenues						
Charges for services	\$ 52,901	\$ 54,947	\$ 215,255	\$ 194,148	\$ 268,156	\$ 249,095
Operating grants and contributions	13,293	13,586	48	105	13,341	13,691
Capital grants and contributions	<u>9,215</u>	<u>5,742</u>	<u>24,437</u>	<u>26,818</u>	<u>33,652</u>	<u>32,560</u>
Total program revenues	<u>75,409</u>	<u>74,275</u>	<u>239,740</u>	<u>221,071</u>	<u>315,149</u>	<u>295,346</u>
General revenue						
Property taxes	77,310	73,583	--	--	77,310	73,583
Sales taxes	70,121	66,125	--	--	70,121	66,125
Hotel occupancy taxes	10,337	9,630	--	--	10,337	9,630
Investment earnings	<u>6,210</u>	<u>7,321</u>	<u>4,134</u>	<u>7,120</u>	<u>10,344</u>	<u>14,441</u>
Total general revenue	<u>163,978</u>	<u>156,659</u>	<u>4,134</u>	<u>7,120</u>	<u>168,112</u>	<u>163,779</u>
Total revenues	<u>239,387</u>	<u>230,934</u>	<u>243,874</u>	<u>228,191</u>	<u>483,261</u>	<u>459,125</u>
Expenses						
General government	20,659	20,910	--	--	20,659	20,910
Police and municipal court	73,019	67,187	--	--	73,019	67,187
Fire and ambulance	38,222	37,478	--	--	38,222	37,478
Emergency management	470	359	--	--	470	359
Inspections	1,699	1,721	--	--	1,699	1,721
Streets	25,060	23,145	--	--	25,060	23,145
Health	6,856	6,126	--	--	6,856	6,126
Parks and recreation	21,456	18,933	--	--	21,456	18,933
Libraries	4,994	4,594	--	--	4,994	4,594
Museums	1,887	1,413	--	--	1,887	1,413
Community enrichment	2,625	1,784	--	--	2,625	1,784
Community development	4,594	4,114	--	--	4,594	4,114
Convention and visitors activities	18,124	18,615	--	--	18,124	18,615
Interest on long-term debt	14,665	14,714	--	--	14,665	14,714
Solid waste	--	--	20,076	27,046	20,076	27,046
Utilities	--	--	175,425	163,010	175,425	163,010
Airport	--	--	11,556	10,991	11,556	10,991
Golf centers	--	--	1,949	1,780	1,949	1,780
Marina	--	--	1,807	1,693	1,807	1,693
Total expenses	<u>234,330</u>	<u>221,093</u>	<u>210,813</u>	<u>204,520</u>	<u>445,143</u>	<u>425,613</u>
Excess revenues over expenses	5,057	9,841	33,061	23,671	38,118	33,512
Transfers	<u>18,204</u>	<u>18,760</u>	<u>(18,204)</u>	<u>(18,760)</u>	<u>--</u>	<u>--</u>
Increase in net assets	<u>23,261</u>	<u>28,601</u>	<u>14,857</u>	<u>4,911</u>	<u>38,118</u>	<u>33,512</u>
Net assets at beginning of year	<u>273,578</u>	<u>244,977</u>	<u>618,963</u>	<u>614,052</u>	<u>892,541</u>	<u>859,029</u>
Net assets at end of year	<u>\$ 296,839</u>	<u>\$ 273,578</u>	<u>\$ 633,820</u>	<u>\$ 618,963</u>	<u>\$ 930,659</u>	<u>\$ 892,541</u>

Governmental Activities

As shown in Table 2, the increase in net assets for governmental activities for 2008 was \$23.3 million, compared to a net increase of \$28.6 million for 2007. For fiscal year ended July 31, 2008, revenues totaled \$239.4 million compared to \$230.9 million in the prior year. The two largest sources of revenue were property taxes and sales taxes, which increased in total \$7.7 million from prior year. Property taxes increased from \$73.6 million in 2007 to \$77.3 million in 2008 even after a decrease in the overall property tax rate of almost 4 cents. This was due to a 14.79% increase in net assessed values from 2007 to 2008. Even though building permits were down from the prior year, the City is still experiencing continued growth with 5,118 permits issued for a total value of \$344 million. Sales taxes continued to increase with collections reported for 2008 of \$70.1 million compared to \$66.1 million in 2007, a 6% increase. Additionally, hotel occupancy taxes reflect a 7% increase – from \$9.6 million in 2007 to \$10.3 million in 2008. Factors contributing to this increase are the multiple tourist facilities in the City that continue to draw visitors, such as the multi-purpose arena and the AA major league affiliate baseball field, and the fact that the City continues to be a regional shopping destination. The third largest revenue source for 2008, \$52.9 million, was charges for services, which reflects a decrease of \$2.0 million over the prior year. The major contributor to this decrease is the convention center services which are \$2.8 million less than prior year, a 29.6% decrease. The American Bank Center (Center) continues to bring in a variety of venues to the facility; however, there has been some competition from two other facilities within the Corpus Christi area that have caused the Center to lose out some of the venues that they had accommodated in the past.

Expenses for governmental activities totaled \$234.3 million compared to \$221.1 million in 2007. The major variances between years included the following: police and municipal court – \$5.8 million increase due to a 4% pay increase for police sworn personnel as well as five additional management assistants for the Criminal Investigation Division to allow the five sworn personnel to return to their investigatory duties; fire and ambulance – \$743 thousand increase for a 2 ¼% pay increase per the contract with the Firefighter’s Association and a planned increase in the City’s contribution for firefighters’ retirement; streets – \$1.9 million increase due to the increased cost of street materials, replacement of several pieces of equipment, and funding for expansion of the street seal coat program, which is a City Council initiative; health – \$730 thousand increase for animal control and immunization divisions; and parks and recreation – \$2.5 million due to the combination of implementation of a skilled-based pay program for the parks and recreation employees and a change in reporting for the senior community services activity.

Business-type Activities

As shown in Table 2, the net assets for business-type activities for 2008 increased \$14.9 million versus a net increase in net assets for 2007 of \$4.9 million. Business-type activities generated revenues of \$243.9 million for 2008 compared to \$228.2 million for 2007. This \$15.7 million net increase is due to a \$21.1 million increase in charges for services offset by decreases of \$2.4 million in capital grants and contributions (less contributions of water and wastewater infrastructure from developers than prior year) and \$3 million in investment earnings (interest rates declined significantly in 2008). Revenues for the City’s business-type activities are associated with operating activities accounted for in the enterprise funds, the largest activity being the Utilities (79.9%). The Utility System fund consists of the gas, water, and wastewater systems.

Program revenue for the Utilities totals \$187.8 million for 2008, as compared to \$171.2 million for 2007 – an increase of \$16.6 million or 9.7%. The gas and water systems' program revenue increased by \$4.5 million and \$13.0 million, respectively while the wastewater system's program revenue decreased by \$895 thousand. Contributing to the increase in program revenue for gas and water was the City's reacquisition of the wi-fi system which added \$2.0 million and \$2.9 million of revenue, respectively. The gas, water, and wastewater system's operating revenues increased by \$1.8 million, \$10.1 million, and \$3.0 million respectively due to rate increases to support additional financing of capital improvements as well as needed operating costs. Additionally, gas realized a smaller net loss (\$700 thousand) on the sale of net assets in 2008 than in 2007. Wastewater's program revenue decreased in 2008 due to the completion of two lift stations totaling \$3.9 million in 2007 causing contributions from developers to spike in that year. Program revenue for solid waste comprises 13.9% of the total program revenue for business-type activities. Program revenue for 2008 of \$29.8 million increased by \$3.2 million over program revenue for 2007 of \$26.6 million or 12.0% due to rate adjustments in 2008, as well as increased volumes.

Expenses for business-type activities totaled \$210.8 million in 2008 compared to \$204.5 million for 2007, a 3.1% increase. The major expense reported in the business-type activities was Utilities (83.2%), reflecting \$175.4 million in 2008 compared to \$163.0 million in 2007. Contributing to this increase were increased expenses for gas (\$1.2 million), water (\$8.3 million) and wastewater (\$2.9 million). Gas experienced an increase in electricity and fuel costs in 2008. The water system experienced a water quality issue in 2008 which required large outlays of unbudgeted expenditures (\$2.3 million) to rectify the problem. Water also experienced increases in electricity, fuel costs, and other operating costs during 2008 of \$1.9 million and increases in contractual services for water administration, maintenance of water lines and water construction of \$4.1 million. As with the other utility funds, wastewater experienced an increase of \$2.0 million in contractual services and \$900 thousand in increased electricity and fuel costs. Expenses for solid waste make up 9.5% of total expenses for business-type activities. Expenses for solid waste decreased from \$27.0 million in 2007 to \$20.1 million in 2008. This 25.8% decrease of \$6.97 million was due in part to the fact that in 2007, revised landfill closure and post-closure care costs for the City's J.C. Elliott landfill were recorded to expense totaling \$11.2 million. Additionally, a full year of expenses associated with the JC Elliott Transfer Station and the new Cefe Valenzuela landfill were recorded in 2008. This along with increased electricity and fuel costs added to an increase in operating costs of \$3.0 million for 2008.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

Governmental Funds

- Total assets of the General Fund increased from the prior year, reporting \$44.9 million in 2008 compared to \$43.5 million in 2007. Cash, cash equivalents and investments reflect \$25.5 million or 56.9% of total assets with net receivables reporting \$14.7 million, or 32.9% of the total. The majority of the net receivables balance was in property taxes receivables, solid waste receivables, demolition liens, and intergovernmental receivables attributed to sales tax.

- Total liabilities of the General Fund increased 14.0%, from \$11.1 million in 2007 to \$12.7 million in 2008. This was attributable mainly to increases in the accounts payable and accrued liabilities categories, caused by the timing of vendor invoices received and an increase in the payroll accrual.
- General Fund revenues reflect a \$2.6 million increase over the budget estimate and an \$8.0 million increase over 2007. Although the City experienced an overall growth of 14.79% in net assessed property values for 2008, for the City to be in compliance with the financial policy adopted by the City Council, the Maintenance and Operations (M&O) portion of the property tax rate was reduced to the effective M&O rate which resulted in property tax revenues totaling \$454 thousand less than amounts budgeted, yet still \$784 thousand more than prior year revenues. Sales tax revenues have continued to rebound from previous years' collections, reflecting a growth of 6.7% in 2007 and a growth of 5.4% in 2008. This trend, however, is expected to decelerate due to recent nation-wide market conditions, with only little to moderate growth expected in the future. In the business fees category, cable TV franchise fees continue to grow, reflecting an increase of \$613 thousand over prior year. Revenues for police were approximately \$200 thousand over the budget in the category of 9-1-1 wireless service fees to the increase in the utilization of cellular and mobile phones. The ambulance division continues to report an increase in emergency calls, generating \$225 thousand more than amounts budgeted and \$56 thousand more than prior year. The solid waste department has experienced a \$825 thousand increase in revenue over the budget due mainly to increased collections in refuse disposal charges. Additionally, recreational services have experienced a \$767 thousand increase of revenue over what was budgeted to the expansion of its Latchkey program. Overall, the City continues to experience growth, as is reflected in these General Fund revenues for 2008.
- The General Fund's unreserved undesignated fund balance decreased by 2.8% in 2008, reporting a balance of \$27.1 million, compared to \$27.9 million in 2007. The contributing factors to the decrease were intentional draw-downs of General Fund excess revenues over expenditures by the City Council for one-time expenditures as allowed by the City's financial policies, including \$500 thousand for repairs to the City's Water Garden and \$306 for "one-time" expenditures for the buy-down of lease purchases.
- The Debt Service Fund's total fund balance increased by \$4.9 million, reporting a balance of \$16.6 million in 2008. Contributors to this increase were the combination of \$2.8 million in additional ad valorem tax collections, compared to prior year and \$1.4 million less in annual debt service payments for 2008. Though the fund balance increased in 2008, the balance is scheduled to be drawn down by \$7.4 million in 2009 for the payment of tax notes issued in 2008.
- The FY2007-08 ad valorem tax rate was reduced for a fourth year in a row, from \$0.602372 per \$100 of assessed value, to \$0.563846, distributed \$0.364671 for the General Fund and \$0.199175 for Debt Service.

Non-major Governmental Funds

Funds comprising the non-major governmental category are Special Revenue, Capital Projects funds and Debt Service funds from the Corpus Christi Business and Job Development Corporation and the North Padre Island Development Corporation. The combined fund balance for the non-major governmental funds for 2008 were \$157.2 million, as compared to \$153.8 million from 2007. This represents a \$3.4 million increase of 2.2%. In the Special Revenue funds, Corpus Christi Business and Job Development Corporation continued to report higher sales tax collections and interest earnings (\$810 thousand), reflecting an increase in growth, and North Padre Island Development Corporation reported an increase in property tax collections and interest earnings (\$535 thousand), likewise reflecting additional growth in the Tax Increment Financing Zone – Packery Channel. The fund balance for the capital projects funds decreased from \$93.0 million in 2007 to \$87.5 million in 2008 (6.0%) due to the netting of increases for the tax notes issued with the continued spend down and completion of projects started in the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

As shown in Table 3 below, at the end of 2008 the City had invested almost \$1.6 billion in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and bridges, and its utility system and airport. This amount represented a net increase (after additions, deductions, and depreciation) of \$84.76 million, or 5.6% over last year. The major increases in the governmental activities were \$20.1 million of construction in progress with major street repairs continuing and near completion of Bond 2004 projects. The business-type activities increased by \$70.0 million, with the majority of the increase in improvements (\$11.1 million), infrastructure (\$45.9 million), and construction in progress (\$13.6 million) associated with Utility System improvements. (See Note 8 of the Financial Statements for more details on capital assets.)

Table 3
Capital Assets (net of depreciation) at July 31, 2008 and 2007
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2008-2007
	2008	2007	2008	2007	2008	2007	
Land	\$ 56,088	\$ 55,688	\$ 33,512	\$ 33,510	\$ 89,600	\$ 89,198	0.5%
Buildings	155,151	160,071	57,682	59,371	212,833	219,442	-3.0%
Improvements	80,781	83,044	220,799	209,724	301,580	292,768	3.0%
Equipment	29,819	29,004	18,015	16,943	47,834	45,947	4.1%
Infrastructure	78,488	77,846	659,068	613,168	737,556	691,014	6.7%
Construction in progress	43,192	23,111	155,099	141,456	198,291	164,567	20.5%
Total	<u>\$ 443,519</u>	<u>\$ 428,764</u>	<u>\$ 1,144,175</u>	<u>\$ 1,074,172</u>	<u>\$ 1,587,694</u>	<u>\$ 1,502,936</u>	5.6%

Long-term Liabilities

After the completion of three bond issues last fiscal year which funded projects that represented a significant long term commitment to revitalization strategies that support expansion of tourism, as well as commercial and industrial growth, the current fiscal year was less active. The City did, however, complete one refunding bond issue and issued one series of tax notes

In March 2008, the City issued \$13,445,000 in North Padre Island Development Corporation Tax Increment Contract Revenue Refunding Bonds, Series 2008 to refund four separate series of private placement bonds issued to fund development of a channel and other facilities in the Packery Channel area on North Padre Island. The bonds were originally issued with interest rates ranging from 7.25% to 7.50%. The bonds were privately placed through a bank which provided significant net present value savings, with a significantly lower interest rate of 4.5%. Additionally, with the refinancing, the City was able to reduce the required \$3,000,000 bond reserve to \$1,500,000, freeing up more funds for additional projects.

In May 2008, the City issued \$22,260,000 in 2008 Series Tax Notes to fund much needed improvements to facilities within the Bayfront Arts and Sciences Park, located in the downtown area; the relocation of a youth ball fields facility; the acquisition of solid waste and street heavy equipment; and the construction of street overlays to multiple streets throughout the City.

Table 4 shows that total long-term liabilities decreased \$26.8 million in 2008, from \$1.14 billion to \$1.11 billion, or 2.4%. As described in the preceding paragraphs, the decrease is due to fewer debt issues in smaller increments occurring during 2008. Governmental activities only reported a net increase of \$377 thousand in long-term liabilities which reflects the new debt issue (\$22 million) and increase in accumulated compensated absences (\$1.5 million) offset by the pay-down on debt (\$16.6 million), capital leases (\$2 million), and deferred amounts (\$1.6 million). Business-type activities reported a \$29.6 million decrease, with nearly all the decrease associated to the pay-down on debt, with the only increases in long-term liabilities being \$1.1 million in landfill closure costs, and \$891 thousand in net increases in capital leases. Total debt outstanding at fiscal year end was \$1.04 billion, down from \$1.07 billion the prior year, again, mainly due to the pay-down on existing debt combined with the issuance of less new debt in 2008. Accumulated compensated absences increased 4.1% from prior year, in part because employees are staying longer with the City and not retiring. These longer-term employees earn compensated absence benefits at a higher rate than employees with less tenure. (See Note 14 Long-term Obligations in the Financial Statements).

GASB No. 45: Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB) was implemented by the City in FY2007-2008. An actuarial valuation was obtained in accordance with this statement and determined that the total annual required contribution (ARC) for the City at July 31, 2008 is \$6,464,650. Contributions made by the City during the year equaled \$1,626,268 resulting in a net OPEB obligation at July 31, 2008 of \$4,838,382. Additionally, the actuarial accrued liability for the City at July 31, 2008 is \$67,986,606. (See Note 10 Post-Employment Health Care Benefits in the Financial Statements.)

Table 4
Long-Term Liabilities at July 31, 2008 and 2007
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2008-2007
	2008	2007	2008	2007	2008	2007	
General obligation bonds	\$ 152,030	\$ 166,575	\$ --	\$ --	\$ 152,030	\$ 166,575	-8.7%
Certificates of obligation	30,886	32,926	47,524	48,189	78,410	81,115	-3.3%
Revenue bonds	114,480	117,030	--	--	114,480	117,030	-2.2%
Utility revenue bonds	--	--	459,125	486,225	459,125	486,225	-5.6%
Airport revenue bonds	--	--	20,095	20,570	20,095	20,570	-2.3%
Capital leases	9,103	11,054	4,591	3,700	13,694	14,754	-7.2%
Other notes	25,510	4,000	168,572	168,901	194,082	172,901	12.3%
Deferred amounts	6,573	8,142	7,045	7,656	13,618	15,798	-13.8%
Total debt	<u>338,582</u>	<u>339,727</u>	<u>706,952</u>	<u>735,241</u>	<u>1,045,534</u>	<u>1,074,968</u>	-2.7%
Accumulated compensated absences	34,496	32,974	3,788	3,802	38,284	36,776	4.1%
Landfill closure cost	--	--	26,268	25,121	26,268	25,121	4.6%
Total long-term liabilities	<u>\$ 373,078</u>	<u>\$ 372,701</u>	<u>\$ 737,008</u>	<u>\$ 764,164</u>	<u>\$ 1,110,086</u>	<u>\$ 1,136,865</u>	-2.4%

Bond Ratings

Since the City did not issue new General Obligation bonds or Certificates of Obligation in FY2007-08, the City did not receive new ratings. However, in October 2006 the City received bond ratings from Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Service (S&P), and Fitch Ratings (Fitch) for the Utility System Revenue Refunding and Improvement bonds discussed previously of Aaa, AAA, and AAA, respectively, based upon the simultaneous delivery of a municipal bond insurance policy, with un-enhanced revenue bond ratings of A2, A+, and AA-, respectively. The rating agencies assigned the same AAA enhanced ratings to the City's General Improvement bonds which were issued in March 2008, with un-enhanced ratings remaining the same as in prior years for two of the three rating agencies: A1 from Moody's and AA- from Fitch. The City received an upgrade from Standard and Poor's in FY 07-08 for its general obligation debt from A+ to AA-.

GENERAL FUND BUDGETARY HIGHLIGHTS

A primary goal for the General Fund operating budget is that current budgeted revenues will equal or exceed current budgeted expenditures. Only unforeseen or emergency circumstances will be considered justification for utilizing the fund balance or contingency funds during the annual budget process.

The following is a brief review of the budgetary changes from the original to the final amended budget approved by City Council. (See budget to actual comparison in Exhibit 3 of the Financial Statements.)

The General Fund revenue budget was increased five times during FY2007-08 for a total of \$565,838. The two major amendments were \$306,017 in estimated excess revenues to be used for the one-time buy-down of lease purchases, and \$153,210 from a transfer from the City Hall CIP Fund for the Community Visioning Project and the Northside Redevelopment Project. The remaining amendments were mostly from contributions used to purchase library books and Metrocom equipment.

During FY2007-08, City Council amended the General Fund expenditure budget nineteen times for a total of \$6,812,920. The four major amendments were \$2,838,025 for encumbrances approved to carry forward from the end of the prior fiscal year; \$1,155,000 appropriated from unreserved, fund balance for purchase vehicles and equipment as a “one-time” expenditure; \$750,000 appropriated from unreserved, fund balance for South Guth Ball Fields Relocation Project (which was subsequently reimbursed upon issuance of debt to fund that project); and \$500,588 appropriated from unreserved, fund balance for transfer to the Visitor’s Facility Fund for Water Garden repairs. The remaining amendments were for police overtime, one-time purchases, and the buy-down of capital leases. (See Note 6 of the Financial Statements for more details on the budget amendments).

Budgetary Variances

Taxes and business fees were \$115 million, a \$3.7 million increase over prior year, and \$600 thousand over the original budget. This year sales tax was budgeted at a 3.5% growth over FY2006-07 estimated collections. As an indicator of a continued upward trend in 2008, sales tax collections (\$44.3 million) exceeded the original budget by \$700 thousand. Cable TV Franchise Fees had a sizeable increase of \$600 thousand over budget. Electric franchise fees were budgeted at one percent over FY 2006-07 estimated collections; however, actual collections fell short, dipping below prior year actuals by \$31 thousand.

Licenses and permits reported an increase of \$171 thousand over budget, with occupancy of public R-O-W, oversized load, and backload prevention fees being the main categories reporting the increases.

Charges for services reflect an overall increase of \$2.1 million over the original budget, with a combination of increases and decreases for the various categories. The major increase comes from ambulance services, which collected \$225 thousand more in emergency services than was budgeted due to increased calls and improved collections services. Another increase in collections compared to original budget is recreation services, which reports a \$767 thousand increase mainly due to increased participation in the latchkey program and an increase in the number of beach parking permits sold. The police activity was up \$225 thousand overall, with the main contributor being 911 wireless fees. The solid waste department reported an increase over budgeted revenues of \$825 thousand due mainly to increased tonnage. Health services also reflected a \$180 thousand positive variance to the original budget due to vital statistics fees and pound fees.

The fines and forfeitures category reflects a \$523 thousand decrease in actual collections (\$6.8 million) under budget. Many of the fines and fees reflect a shortfall with the majority coming from moving vehicle fines and photo redlight enforcement.

Overall, General Fund revenues were \$2.6 million higher than the final budget.

General Fund expenditures for the FY2007-08 final budget were \$194.2 million, \$10.8 million higher than the prior year's budget. The major items making up the increase were: increase for administration of the new photo redlight enforcement program of \$661 thousand; increase of \$2.0 million in the fire department for a two and one-quarter percent pay increase for sworn personnel and an increase in the City's contribution for the firefighters' retirement plan; increase in the police department of \$4.3 million which funded a four percent pay increase for uniformed personnel and an increase of five additional personnel in the Police Department which will "free up" sworn personnel from office duties; street department increased by \$1.8 million for an additional 303 thousand square yards of street maintenance; solid waste department increased by \$1.5 million for a full year of funding for JC Elliott Transfer station and the new landfill; and a \$700 thousand increase for process improvements to the Development Services operation.

General Fund actual expenditures were \$3.9 million under the amended budget with general government, fire, streets, and libraries categories contributing to the savings. Main contributing factors to the savings were approximately \$1 million of the reserves for merit compensation not being fully utilized and the postponement of budgeted programs; \$750 thousand for land purchased which was subsequently purchased with Capital Improvement Program funds; \$200 thousand in other reserve funds not expended; \$286 thousand in the fire department due mainly to sworn personnel vacancies; \$2.4 million in the Street department for asphalt maintenance due to projects not completed in FY 2008; and various departments that were over budget, the majority of which was due to increased cost at the landfill caused by an increase in tonnage.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- With major initiatives underway aimed at revitalizing the downtown area, attracting new jobs, improving infrastructure, and improving the quality of life in neighborhoods, the economic climate in the City has remained favorable. The City has also capitalized on many of its newest assets such as Packery Channel, the baseball stadium, and the arena, and these venues are anticipated to add to the development of the City.
- The unemployment rate for Corpus Christi increased slightly from 4.7% in 2007 to 4.8% in 2008. As of November 2008, the rate increased to 5.3%. The City is monitoring the effects to our citizens and our community.
- For FY2008-2009, the Certified Net Assessed Taxable Value experienced an increase of 5.36% to \$13,813,335,014. Because this increase was not as significant as in prior years, the City Council repealed the provision in the City's financial policies requiring that the property tax rate for maintenance and operations be set at the effective tax rate. The tax rate for FY2008-2009, therefore, was kept at the tax rate for FY2007-2008 which is \$0.563846 per \$100 valuation. The Maintenance and Operations (M&O) rate remains at \$0.364671 per \$100 valuation while the Debt Service rate will remain at \$0.199175 per \$100 valuation.
- The City of Corpus Christi has appropriated in total, revenues and expenditures for FY2008-09 of \$648,485,649, and \$654,740,297, respectively. Included for the General Fund are expenditures budgeted at \$197,476,778, which is a \$3.3 million increase over the final budget for FY2007-08, with the major item making up the difference being pay increases for sworn personnel to comply with collective bargaining agreements - police department (\$1.9 million) and fire department (\$1.1 million).

- A 5.00% rate increase for Water and Wastewater utilities has been programmed for FY2008-09 based upon capital budget discussions and directives from City Council. No increases have been budgeted for the Gas utility. The Water utility includes a revised rate schedule that is designed to charge customers for the cost of service received. Additionally in FY2008-2009, a Storm Water utility was established to improve management and cost measurement of the Storm Water System. These rate increases are necessary to continue to support capital improvements for water, wastewater, storm water, and gas infrastructure.

CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City Council, citizens, taxpayers, customers, bondholders, creditors, and other governmental sectors with a general overview of the City's financial condition and to demonstrate the City's accountability for the funds it receives.

If you have any questions about this report or need additional information, contact:

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Director of Financial Services
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Corpus Christi, TX 78469-9277

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or visit our web site at: **www.cctexas.com**



City of
Corpus
Christi

**STATEMENT OF NET ASSETS
JULY 31, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 5)	\$ 35,404,842	\$ 11,199,052	\$ 46,603,894	\$ 466,649
Investments (Note 5)	117,227,074	14,312,076	131,539,150	--
Receivables, net of allowance for uncollectibles (Note 7)	40,870,932	28,579,277	69,450,209	5,754
Internal balances	4,130,400	(4,130,400)	--	--
Inventories	1,495,714	434,112	1,929,826	8,598
Prepaid items	2,400,709	--	2,400,709	99,654
Restricted assets				
Cash and cash equivalents (Note 5)	4,565,103	13,869,342	18,434,445	--
Investments (Note 5)	69,041,723	20,201,987	89,243,710	--
Receivables, net of allowance for uncollectibles (Note 7)	176,979	333,037	510,016	--
Water supply rights, net of amortization	--	160,270,066	160,270,066	--
Notes receivable, net of current portion (Note 7)	--	1,882,015	1,882,015	--
Bond issue costs	4,069,165	7,312,209	11,381,374	--
Other property	49,871	--	49,871	--
Land and construction in progress (Note 8)	99,280,414	188,610,938	287,891,352	--
Other capital assets, net of accumulated depreciation (Note 8)	344,239,007	955,564,018	1,299,803,025	209,471
Total assets	<u>722,951,933</u>	<u>1,398,437,729</u>	<u>2,121,389,662</u>	<u>790,126</u>
LIABILITIES				
Accounts payable	12,374,316	20,085,477	32,459,793	229,668
Accrued expenses	7,244,590	1,074,785	8,319,375	183
Accrued interest	5,856,518	2,317,546	8,174,064	--
Contractor interest and retainage payable	923,551	3,274,212	4,197,763	--
Deposits	1,213,974	561,965	1,775,939	--
Liability to claimants - escheat property	266,255	104,224	370,479	--
Due to other governmental agencies	550,182	11,353	561,535	--
Unearned revenue	5,203,738	132,230	5,335,968	--
Current portion of estimated claims liability (Note 11)	7,246,772	--	7,246,772	--
Current portion of long-term liabilities (Note 14)				
Long-term debt	34,838,306	34,762,505	69,600,811	--
Accumulated unpaid compensated absences	8,851,809	1,882,207	10,734,016	--
Landfill closure cost	--	7,462,179	7,462,179	--

(Continued)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Accrued arbitrage rebate liability	--	47,931	47,931	--
Estimated liability claims, excluding current portion (Note 11)	7,317,445	--	7,317,445	--
Net OPEB obligation (Note 10)	4,838,382	--	4,838,382	--
Long-term liabilities, excluding current portion (Note 14)				
Long-term debt	303,743,432	672,190,130	975,933,562	--
Accumulated unpaid compensated absences	25,644,005	1,905,433	27,549,438	--
Landfill closure cost	--	18,805,692	18,805,692	--
Total liabilities	<u>426,113,275</u>	<u>764,617,869</u>	<u>1,190,731,144</u>	<u>229,851</u>
NET ASSETS				
Invested in capital assets, net of related debt	171,559,799	614,734,623	786,294,422	209,471
Restricted for				
Law enforcement officers' standards and education	--	5,203	5,203	--
Passenger facility charges projects	--	2,335,074	2,335,074	--
Bond interest and redemption	--	977,301	977,301	--
Construction of capital assets	7,161,689	8,348,820	15,510,509	--
Improvements to utility lines and facilities	--	4,028,425	4,028,425	--
Abatement of public health hazards	--	93,973	93,973	--
Reserves required by bond covenants	--	1,373,333	1,373,333	--
Unrestricted	<u>118,117,170</u>	<u>1,923,108</u>	<u>120,040,278</u>	<u>350,804</u>
Total net assets	<u>\$ 296,838,658</u>	<u>\$ 633,819,860</u>	<u>\$ 930,658,518</u>	<u>\$ 560,275</u>

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

STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2008

	<u>Expenses</u>	<u>Charges for Services</u>
Primary government		
Governmental activities		
General government	\$ 20,658,739	\$ 21,120,037
Police and municipal court	73,018,660	13,309,368
Fire and ambulance	38,221,888	5,272,809
Emergency management	470,593	--
Inspections	1,699,251	--
Streets	25,060,354	1,026,272
Health	6,856,261	1,811,669
Parks and recreation	21,455,686	3,752,882
Libraries	4,993,605	196,291
Museums	1,886,531	334,766
Community enrichment	2,624,646	--
Community development	4,594,232	660,763
Convention and visitor activities	18,134,378	5,415,557
Interest on long-term debt	14,665,318	--
Total governmental activities	<u>234,340,142</u>	<u>52,900,414</u>
Business-type activities		
Solid Waste	20,075,708	29,843,162
Utilities		
Water	94,885,353	87,131,217
Gas	38,128,913	43,166,492
Wastewater	42,411,241	41,784,614
Airport	11,555,900	9,948,929
Golf centers	1,948,903	1,943,751
Marina	1,806,755	1,436,603
Total business-type activities	<u>210,812,773</u>	<u>215,254,768</u>
Total primary government	<u>\$ 445,152,915</u>	<u>\$ 268,155,182</u>
Component units		
Convention and visitor activities	<u>2,815,790</u>	<u>196,153</u>

City of Corpus Christi, Texas

Exhibit 1-B

Program Revenue		Net (expense) revenue and changes in net assets			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
\$ 2,856,974	\$ 852,211	\$ 4,170,483	\$ --	\$ 4,170,483	
1,910,678	140,329	(57,658,285)	--	(57,658,285)	
572,852	1,120,367	(31,255,860)	--	(31,255,860)	
57,544	129,525	(283,524)	--	(283,524)	
--	--	(1,699,251)	--	(1,699,251)	
8,815	3,071,148	(20,954,119)	--	(20,954,119)	
1,997,696	15,613	(3,031,283)	--	(3,031,283)	
3,054,637	235,792	(14,412,375)	--	(14,412,375)	
618,761	886,511	(3,292,042)	--	(3,292,042)	
--	--	(1,551,765)	--	(1,551,765)	
1,537,522	390,755	(696,369)	--	(696,369)	
677,862	1,615,344	(1,640,263)	--	(1,640,263)	
--	--	(12,718,821)	--	(12,718,821)	
--	757,553	(13,907,765)	--	(13,907,765)	
<u>13,293,341</u>	<u>9,215,148</u>	<u>(158,931,239)</u>	<u>--</u>	<u>(158,931,239)</u>	
29,339	20,000	--	9,816,793	9,816,793	
16,441	8,340,939	--	603,244	603,244	
--	2,061,072	--	7,098,651	7,098,651	
--	5,344,865	--	4,718,238	4,718,238	
1,748	8,670,087	--	7,064,864	7,064,864	
--	--	--	(5,152)	(5,152)	
140	--	--	(370,012)	(370,012)	
<u>47,668</u>	<u>24,436,963</u>	<u>--</u>	<u>28,926,626</u>	<u>28,926,626</u>	
<u>\$ 13,341,009</u>	<u>\$ 33,652,111</u>	<u>(158,931,239)</u>	<u>28,926,626</u>	<u>(130,004,613)</u>	
<u>--</u>	<u>--</u>				<u>\$ (2,619,637)</u>
General revenue					
Taxes					
Property taxes, levied for general purposes		52,288,456	--	52,288,456	--
Property taxes, levied for debt service		25,021,687	--	25,021,687	--
Sales taxes		70,120,506	--	70,120,506	--
Hotel occupancy taxes		10,337,342	--	10,337,342	--
Unrestricted investment earnings		6,220,124	4,133,827	10,353,951	8,989
Payment from primary government		--	--	--	2,795,486
Transfers		<u>18,203,976</u>	<u>(18,203,976)</u>	<u>--</u>	<u>--</u>
Total general revenue and transfers		<u>182,192,091</u>	<u>(14,070,149)</u>	<u>168,121,942</u>	<u>2,804,475</u>
Changes in net assets		23,260,852	14,856,477	38,117,329	184,838
Net assets at beginning of year		<u>273,577,806</u>	<u>618,963,383</u>	<u>892,541,189</u>	<u>375,437</u>
Net assets at end of year		<u>\$ 296,838,658</u>	<u>\$ 633,819,860</u>	<u>\$ 930,658,518</u>	<u>\$ 560,275</u>

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
JULY 31, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents (Note 5)	\$ 8,063,522	\$ 1,509,366	\$ 26,590,404	\$ 36,163,292
Investments (Note 5)	17,471,079	14,994,312	116,294,845	148,760,236
Receivables, net of allowance for uncollectibles (Note 7)	14,744,794	679,652	28,851,484	44,275,930
Due from other funds (Note 16)	4,165,000	--	100,224	4,265,224
Inventories	246,989	--	--	246,989
Prepaid items	183,341	--	399,514	582,855
	<u>\$ 44,874,725</u>	<u>\$ 17,183,330</u>	<u>\$ 172,236,471</u>	<u>\$ 234,294,526</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,723,985	\$ 293	\$ 6,633,632	\$ 10,357,910
Accrued liabilities	6,140,853	--	669,041	6,809,894
Contractor interest and retainage payable	--	--	953,152	953,152
Deposits	495,296	--	933,252	1,428,548
Liability to claimants - escheat property	178,986	--	--	178,986
Due to other funds (Note 16)	104,805	--	943,360	1,048,165
Due to other governmental agencies	550,182	--	--	550,182
Advance from other funds (Note 16)	34,600	--	--	34,600
Deferred revenues	1,436,218	591,523	4,945,989	6,973,730
Total liabilities	<u>12,664,925</u>	<u>591,816</u>	<u>15,078,426</u>	<u>28,335,167</u>

(Continued)

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances				
Reserved for encumbrances	3,305,581	--	27,370,041	30,675,622
Reserved for loans	--	--	17,397,383	17,397,383
Reserved for inventory	246,989	--	--	246,989
Reserved for prepaid items	183,341	--	--	183,341
Reserved for Municipal Court building security	121,440	--	--	121,440
Reserved for Municipal Court technology	258,906	--	--	258,906
Reserved for Judicial/Court improvements	26,686	--	--	26,686
Reserved for Juvenile Court case manager	227,112	--	--	227,112
Reserved for government access equipment	11,959	--	--	11,959
Reserved for public access equipment and facility	7,000	--	--	7,000
Reserved for capital replacement - radio system	30,000	--	--	30,000
Reserved for debt service	--	4,878,914	2,079,700	6,958,614
Reserved for Senior Community Services	--	--	19,532	19,532
Reserved for law enforcement	--	--	158,874	158,874
Reserved for firefighters training	4,000	--	--	4,000
Reserved for Fire Contributions Trust	188,456	--	--	188,456
Reserved for traffic safety programs	3,266	--	--	3,266
Reserved for vital statistics records retention	23,555	--	--	23,555
Reserved for Sister City programs	--	--	1,134	1,134
Reserved for park projects	--	--	1,903,254	1,903,254
Reserved for permanent art projects	--	--	156,535	156,535
Reserved for infrastructure	--	--	1,314,572	1,314,572
Reserved for local emergency response planning	--	--	61,913	61,913
Reserved for Affordable Housing	--	--	1,137,456	1,137,456
Reserved for Stadium Capital Repair	--	--	36,448	36,448
Reserved for naming rights' capital projects	--	--	516,000	516,000
Unreserved				
Designated for subsequent year's expenditures in the general fund	481,627	--	--	481,627
Designated for subsequent year's expenditures in the debt service fund	--	7,400,483	--	7,400,483
Designated for subsequent year's expenditures in special revenue funds	--	--	2,445,645	2,445,645
Designated for specific projects in the capital projects fund	--	--	25,249,693	25,249,693
Designated for incentive program in special revenue fund	--	--	33,000	33,000
Undesignated				
General fund	27,089,882	--	--	27,089,882
Debt service funds	--	4,312,117	--	4,312,117
Special revenue funds	--	--	40,579,176	40,579,176
Capital project funds	--	--	36,697,689	36,697,689
Total fund balances	<u>32,209,800</u>	<u>16,591,514</u>	<u>157,158,045</u>	<u>205,959,359</u>
Total liabilities and fund balances	<u>\$ 44,874,725</u>	<u>\$ 17,183,330</u>	<u>\$ 172,236,471</u>	<u>\$ 234,294,526</u>

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



City of
Corpus
Christi

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JULY 31, 2008**

Total fund balance - total governmental funds \$ 205,959,359

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 the governmental funds. The cost of the assets is \$834,342,407 and the accumulated depreciation is \$363,974,225. Solid Waste net assets of \$52,675,188 are included in business-type activities. 470,368,182

Some other long-term assets are not available to pay for current period expenditures and are, therefore, deferred in the funds. A detail of these assets follows.

Governmental activities		
Bond issue cost	\$ 4,069,165	
Deferred taxes	1,674,548	
Deferred assessments and liens	106,478	
Solid Waste		
Bond issue cost	639,709	6,489,900

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets. 53,404,330

Some liabilities are not due and payable in the current period and therefore are not reported in funds. A detail of these liabilities follows.

Governmental activities		
Accrued interest	\$ (5,856,518)	
Long-term debt	(332,735,596)	
Accumulated compensated absences	(32,773,850)	
Solid Waste		
Accrued interest	(737,034)	
Accrued arbitrage liability	(10,445)	
Long-term debt	(42,197,201)	
Accumulated compensated absences	(692,899)	
Landfill closure costs	(26,267,871)	(441,271,414)

Solid Waste is a business-type activity that is included in the general fund. Assets and liabilities relating to Solid Waste are included in business-type activities in the government-wide statement of net assets. 1,888,301

Net assets of governmental activities \$ 296,838,658

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes and business fees	\$ 115,198,120	\$ 24,884,901	\$ 34,816,291	\$ 174,899,312
Licenses and permits	3,576,249	--	--	3,576,249
Grants	403,127	--	17,813,059	18,216,186
Charges for services	48,952,962	--	6,036,604	54,989,566
Fines and forfeitures	6,825,170	--	--	6,825,170
Deposits	--	--	191,724	191,724
Contributions and donations	--	--	3,380,012	3,380,012
Special assessments	--	--	442,323	442,323
Earnings on investments	1,532,486	534,075	4,320,387	6,386,948
Interest on loans	--	--	233,846	233,846
Payments from Lexington Museum Association	--	248,868	--	248,868
Payments from Texas State Aquarium	--	508,685	--	508,685
Sale of City property	--	--	12,353	12,353
Naming rights	--	--	175,000	175,000
Miscellaneous	1,199,353	--	191,292	1,390,645
Total revenues	<u>177,687,467</u>	<u>26,176,529</u>	<u>67,612,891</u>	<u>271,476,887</u>
Expenditures				
Current				
General government	16,131,881	--	5,174,825	21,306,706
Police and municipal court	63,968,127	--	7,236,815	71,204,942
Fire and ambulance	36,734,309	--	572,851	37,307,160
Emergency management	373,811	--	81,378	455,189
Inspections	1,696,384	--	--	1,696,384
Streets	14,224,719	--	8,332	14,233,051
Solid waste	18,249,243	--	29,339	18,278,582
Health	4,428,969	--	2,163,831	6,592,800
Parks and recreation	14,946,339	--	4,017,570	18,963,909
Libraries	4,118,688	--	--	4,118,688
Museums	1,690,261	--	587,668	2,277,929
Community enrichment	17,955	--	2,616,560	2,634,515
Community development	--	--	3,253,807	3,253,807
Convention and visitors activities	--	--	13,193,524	13,193,524
Capital projects	--	--	35,812,462	35,812,462
Debt service				
Principal retirement	3,018,049	17,840,000	3,995,000	24,853,049
Interest	237,267	11,371,053	5,872,312	17,480,632
Paying agent fees	--	10,857	23,137	33,994
Bond issue cost	--	9,500	721,403	730,903
Total expenditures	<u>179,836,002</u>	<u>29,231,410</u>	<u>85,360,814</u>	<u>294,428,226</u>
Deficiency of revenues under expenditures	(2,148,535)	(3,054,881)	(17,747,923)	(22,951,339)

(Continued)

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)				
Capital leases	2,623,408	--	--	2,623,408
Tax notes issued	--	--	22,260,000	22,260,000
Refunding bonds issued	--	--	13,445,000	13,445,000
Payment to escrow agent for refunded bonds	--	--	(12,822,371)	(12,822,371)
Transfers in (Note 16)	4,981,976	8,024,124	670,263	13,676,363
Transfers out (Note 16)	(5,673,653)	--	(2,462,695)	(8,136,348)
Total other financing sources	<u>1,931,731</u>	<u>8,024,124</u>	<u>21,090,197</u>	<u>31,046,052</u>
Net change in fund balance	(216,804)	4,969,243	3,342,274	8,094,713
Fund balances at beginning of year	<u>32,426,604</u>	<u>11,622,271</u>	<u>153,815,771</u>	<u>197,864,646</u>
Fund balances at end of year	<u>\$ 32,209,800</u>	<u>\$ 16,591,514</u>	<u>\$ 157,158,045</u>	<u>\$ 205,959,359</u>

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



City of
Corpus
Christi

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

Net change in fund balances - total governmental funds \$ 8,094,713

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Governmental activities

Capital outlays, net of retirements	\$	33,980,265	
Depreciation		(24,433,195)	
Solid Waste			
Capital outlays		6,742,079	
Depreciation		(2,008,440)	14,280,709

Delinquent property taxes and special assessments, net of allowance, are not reported as revenue in the governmental funds. These items increased in the current fiscal year. (293,171)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayment exceeded proceeds.

Governmental activities

Bonds issued	\$	(22,260,000)	
Refunding bonds issued		(13,445,000)	
Payment to escrow agent for refunded bonds		12,822,371	
Capital leases		(1,069,420)	
Bond issue cost		730,603	
Principal retirement		22,673,298	
Interest		953,082	
Solid Waste			
Capital leases		(1,553,988)	
Principal retirement		2,179,751	
Interest		(34,410)	
Arbitrage rebate		88,508	1,084,795

Compensated absences reported in the statement of net assets did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Compensated absences for governmental activities increased by \$1,499,176, and solid waste activities increased by \$42,182. (1,541,358)

Landfill closure costs reported in the statement of net assets did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Landfill closure costs increased in the current year. (1,147,073)

Solid Waste is a business-type activity that is included in governmental funds. Net expense relating to Solid Waste are included in business-type activities in the government-wide statement of activities.

Net income	\$	(9,816,793)	
Net transfers		5,984,028	
Investment earnings		(592,060)	
Interest expense		1,930,936	(2,493,889)

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 5,276,126

Change in net assets of governmental activities \$ 23,260,852

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

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and business fees	\$ 114,618,410	\$ 114,618,410	\$ 115,198,120	\$ --
Licenses and permits	3,405,243	3,405,243	3,576,249	--
Grants	371,669	371,669	403,127	--
Charges for services	46,531,949	46,889,577	48,952,962	--
Fines and forfeitures	7,348,097	7,348,097	6,825,170	--
Earnings on investments	1,530,000	1,530,000	1,532,486	--
Miscellaneous	612,602	667,602	1,199,353	--
Reimbursements	8,316,274	8,316,274	--	8,040,591
Total revenues	<u>182,734,244</u>	<u>183,146,872</u>	<u>177,687,467</u>	<u>8,040,591</u>
Expenditures				
Current				
General government	22,452,343	21,760,046	16,131,881	3,263,994
Police and municipal court	64,085,504	66,329,163	63,968,127	2,440,631
Fire and ambulance	36,860,541	37,630,940	36,734,309	610,895
Emergency management	388,162	392,848	373,811	--
Inspections	1,617,364	1,757,293	1,696,384	168,610
Streets	16,986,054	17,983,735	14,224,719	1,338,005
Solid waste	20,491,423	21,598,124	18,249,243	4,414,434
Health	4,471,017	4,562,227	4,428,969	13,823
Parks and recreation	14,800,711	15,894,957	14,946,339	1,403,195
Libraries	3,922,133	4,477,054	4,118,688	22,302
Museums	1,770,749	1,770,749	1,690,261	--
Community enrichment	17,943	17,943	17,955	--
Debt service				
Principal retirement	--	--	3,018,049	(3,018,049)
Interest	--	--	237,267	(237,267)
Total expenditures	<u>187,863,944</u>	<u>194,175,079</u>	<u>179,836,002</u>	<u>10,420,573</u>
Deficiency of revenues under expenditures	(5,129,700)	(11,028,207)	(2,148,535)	(2,379,982)
Other financing sources (uses)				
Capital leases	--	--	2,623,408	(2,623,408)
Transfers in	4,819,279	4,972,489	4,981,976	--
Transfers out	(182,940)	(684,725)	(5,673,653)	5,003,390
Total other financing sources	<u>4,636,339</u>	<u>4,287,764</u>	<u>1,931,731</u>	<u>2,379,982</u>
Net change in fund balance	(493,361)	(6,740,443)	(216,804)	--
Fund balance at beginning of year	--	32,426,604	32,426,604	--
Fund balance at end of year	<u>\$ (493,361)</u>	<u>\$ 25,686,161</u>	<u>\$ 32,209,800</u>	<u>\$ --</u>

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

Exhibit 3

Actual Budget Basis	Variance Final Budget Positive (Negative)
\$ 115,198,120	\$ 579,710
3,576,249	171,006
403,127	31,458
48,952,962	2,063,385
6,825,170	(522,927)
1,532,486	2,486
1,199,353	531,751
8,040,591	(275,683)
<u>185,728,058</u>	<u>2,581,186</u>
19,395,875	2,364,171
66,408,758	(79,595)
37,345,204	285,736
373,811	19,037
1,864,994	(107,701)
15,562,724	2,421,011
22,663,677	(1,065,553)
4,442,792	119,435
16,349,534	(454,577)
4,140,990	336,064
1,690,261	80,488
17,955	(12)
--	--
--	--
<u>190,256,575</u>	<u>3,918,504</u>
(4,528,517)	6,499,690
--	--
4,981,976	9,487
(670,263)	14,462
<u>4,311,713</u>	<u>23,949</u>
(216,804)	6,523,639
<u>32,426,604</u>	--
<u>\$ 32,209,800</u>	<u>\$ 6,523,639</u>

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JULY 31, 2008**

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Utility System Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
ASSETS				
Current assets				
Cash and cash equivalents (Note 5)	\$ 6,557,959	\$ 3,457,169	\$ 10,015,128	\$ 6,322,388
Investments (Note 5)	10,312,076	4,000,000	14,312,076	47,008,561
Receivables, net of allowance for uncollectibles (Note 7)	23,741,712	1,055,639	24,797,351	647,746
Due from other funds (Note 16)	--	--	--	947,941
Current portion of advance to other funds (Note 16)	34,600	--	34,600	--
Inventories	397,479	36,633	434,112	1,248,725
Prepaid items	--	--	--	1,817,854
Restricted assets				
Cash and cash equivalents (Note 5)	10,039,654	2,497,877	12,537,531	--
Investments (Note 5)	9,701,987	1,000,000	10,701,987	--
Receivables, net of allowance for uncollectibles (Note 7)	23,465	215,733	239,198	--
Total restricted assets	<u>19,765,106</u>	<u>3,713,610</u>	<u>23,478,716</u>	<u>--</u>
Total current assets	<u>60,808,932</u>	<u>12,263,051</u>	<u>73,071,983</u>	<u>57,993,215</u>
Noncurrent assets				
Water supply rights	160,270,066	--	160,270,066	--
Notes receivable	1,882,015	--	1,882,015	--
Other assets	--	--	--	49,871
Bond issue costs	6,109,294	563,206	6,672,500	--
Capital assets (Note 8)				
Land and construction in progress	141,326,237	19,363,954	160,690,191	68,558
Other capital assets, net of accumulated depreciation	841,169,465	89,640,113	930,809,578	25,757,868
Net capital assets	<u>982,495,702</u>	<u>109,004,067</u>	<u>1,091,499,769</u>	<u>25,826,426</u>
Total noncurrent assets	<u>1,150,757,077</u>	<u>109,567,273</u>	<u>1,260,324,350</u>	<u>25,876,297</u>
Total assets	<u>1,211,566,009</u>	<u>121,830,324</u>	<u>1,333,396,333</u>	<u>83,869,512</u>

(Continued)

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
LIABILITIES				
Current liabilities				
Accounts payable	18,119,409	1,121,535	19,240,944	2,860,939
Accrued expenses	804,675	172,690	977,365	532,116
Accrued interest	1,012,619	567,893	1,580,512	--
Current portion of estimated liability claims (Note 11)	--	--	--	7,246,772
Contractor interest and retainage payable	2,862,964	381,059	3,244,023	588
Deposits	246,689	98,222	344,911	2,480
Liability to claimants - escheat property	104,224	--	104,224	87,269
Due to other funds (Note 16)	4,165,000	--	4,165,000	--
Due to other governmental agencies	--	11,353	11,353	--
Unearned revenue	14,784	117,396	132,180	11,085
Current portion of long-term liabilities (Note 14)				
Long-term debt	32,434,712	774,565	33,209,277	1,342,512
Accumulated unpaid compensated absences	1,348,708	239,423	1,588,131	821,852
Total current liabilities	<u>61,113,784</u>	<u>3,484,136</u>	<u>64,597,920</u>	<u>12,905,613</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion (Note 11)	--	--	--	7,317,445
Long-term liabilities, net of current portion (Note 14)				
Accrued arbitrage rebate liability	--	37,486	37,486	--
Long-term debt	607,937,978	23,608,179	631,546,157	4,503,630
Accumulated unpaid compensated absences	1,335,115	171,495	1,506,610	900,112
Net OPEB obligation	--	--	--	4,838,382
Total noncurrent liabilities	<u>609,273,093</u>	<u>23,817,160</u>	<u>633,090,253</u>	<u>17,559,569</u>
Total liabilities	<u>670,386,877</u>	<u>27,301,296</u>	<u>697,688,173</u>	<u>30,465,182</u>
NET ASSETS				
Invested in capital assets, net of related debt	510,287,076	84,621,323	594,908,399	19,980,284
Restricted for				
Passenger facility charges projects	--	2,335,074	2,335,074	--
Bond interest and redemption	977,301	--	977,301	--
Construction of capital assets	6,771,407	--	6,771,407	--
Improvements to utility lines and facilities	4,028,425	--	4,028,425	--
Abatement of public health hazards	93,973	--	93,973	--
Reserves required by bond covenants	--	1,373,333	1,373,333	--
Law enforcement officers' standards and education	--	5,203	5,203	--
Unrestricted	<u>19,020,950</u>	<u>6,194,095</u>	<u>25,215,045</u>	<u>33,424,046</u>
Total net assets	<u>\$ 541,179,132</u>	<u>\$ 94,529,028</u>	<u>\$ 635,708,160</u>	<u>\$ 53,404,330</u>

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



City of
Corpus
Christi

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET ASSETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JULY 31, 2008**

Total net assets - total proprietary funds \$ 635,708,160

Amounts reported for business-type activities in the statement of net assets are different because:

Solid Waste is a business-type activity that is included in governmental funds. Assets and liabilities relating to Solid Waste are included in business-type activities in the government-wide statement of net assets.

(1,888,300)

Net assets of business-type activities \$ 633,819,860

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Utility System Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Operating revenues				
Charges for services - net	\$ 174,023,636	\$ 11,411,870	\$ 185,435,506	\$ 67,006,143
Operating expenses				
Personal services	23,677,005	5,265,156	28,942,161	15,414,611
Materials and supplies	42,918,613	673,925	43,592,538	3,463,009
Contractual services	25,540,599	1,884,339	27,424,938	12,488,744
Other operating expenses	25,266,159	1,287,112	26,553,271	5,398,899
Uncollectible accounts	2,283,375	5,252	2,288,627	11,580
Depreciation	27,071,191	4,747,236	31,818,427	5,037,320
Self-insurance claims	--	--	--	23,551,473
Other post employment benefits-annual required contribution	--	--	--	6,464,650
Total operating expenses	<u>146,756,942</u>	<u>13,863,020</u>	<u>160,619,962</u>	<u>71,830,286</u>
Operating income (loss)	27,266,694	(2,451,150)	24,815,544	(4,824,143)
Nonoperating revenues (expenses)				
Investment income	5,070,166	402,537	5,472,703	2,275,904
Interest expense and fiscal charges	(27,512,333)	(1,388,332)	(28,900,665)	(177,700)
Passenger facility charges	--	1,697,905	1,697,905	--
Recovery of prior years revenues	--	--	--	100
Net gain (loss) on disposal of assets	(5,724)	218,672	212,948	352,655
Recovery on damage claims	6,763	836	7,599	122,715
Developer deposits	1,772,363	--	1,772,363	--
Reimbursements to developers	(4,084,491)	--	(4,084,491)	--
Contributions from other governmental agencies	16,441	1,888	18,329	--
Total nonoperating revenues (expenses)	<u>(24,736,815)</u>	<u>933,506</u>	<u>(23,803,309)</u>	<u>2,573,674</u>
Capital contributions				
Contributions from other governmental agencies	20,505	8,670,087	8,690,592	--
Contributions from developers	10,720,829	--	10,720,829	--
Contributions from others	98,092	--	98,092	4,907,450
Total capital contributions	<u>10,839,426</u>	<u>8,670,087</u>	<u>19,509,513</u>	<u>4,907,450</u>
Income before transfers	13,369,305	7,152,443	20,521,748	2,656,981
Transfers in	114,210	3,012	117,222	3,143,200
Transfers out	(6,977,696)	(1,298,686)	(8,276,382)	(524,055)
Total transfers	<u>(6,863,486)</u>	<u>(1,295,674)</u>	<u>(8,159,160)</u>	<u>2,619,145</u>
Net income	6,505,819	5,856,769	12,362,588	5,276,126
Net assets at beginning of year	<u>534,673,313</u>	<u>88,672,259</u>	<u>623,345,572</u>	<u>48,128,204</u>
Net assets at end of year	<u>\$ 541,179,132</u>	<u>\$ 94,529,028</u>	<u>\$ 635,708,160</u>	<u>\$ 53,404,330</u>

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

Exhibit 4-D

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

Net change in fund balances - total proprietary funds \$ 12,362,588

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

Solid Waste is a business-type activity that is included in governmental funds. The net revenues of the Solid Waste activity are reported in the business-type activities.

Net expense	\$	9,816,793	
Net transfers		(5,984,028)	
Investment earnings		592,060	
Interest expense		(1,930,936)	
			2,493,889

Change in net assets of business-type activities \$ 14,856,477

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

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from customers	\$ 165,350,578	\$ 11,539,076	\$ 176,889,654	\$ 9,602,555
Receipts from interfund services provided	123,590	--	123,590	69,780,439
Payments to suppliers	(62,368,906)	(2,457,499)	(64,826,405)	(27,097,107)
Payments to employees	(20,739,314)	(4,634,682)	(25,373,996)	(14,055,592)
Internal activity - payments to other funds	(27,433,225)	(1,884,994)	(29,318,219)	(6,256,324)
Claims paid	--	--	--	(25,156,632)
Net cash provided by operating activities	<u>54,932,723</u>	<u>2,561,901</u>	<u>57,494,624</u>	<u>6,817,339</u>
Cash flows from noncapital financing activities				
Changes in interfund borrowings	4,195,000	(500,172)	3,694,828	(943,360)
Interest on interfund borrowings	2,946	--	2,946	(16,436)
Contributions from other government agencies	14,378	1,748	16,126	--
Transfers in from other funds	110,376	3,012	113,388	--
Transfers out to other funds	(6,977,696)	(1,298,686)	(8,276,382)	(524,054)
Other non-operating revenues	--	--	--	122,815
Other non-operating expenses	--	(20,323)	(20,323)	(4,966)
Net cash used for noncapital financing activities	<u>(2,654,996)</u>	<u>(1,814,421)</u>	<u>(4,469,417)</u>	<u>(1,366,001)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(73,351,127)	(12,796,403)	(86,147,530)	(5,250,537)
Proceeds from sale of capital assets	1,791,461	218,672	2,010,133	352,656
Developers deposits	1,772,362	--	1,772,362	--
Contributions from developers	94,727	--	94,727	--
Reimbursements to developers	(3,889,326)	--	(3,889,326)	--
Contributions from other governmental agencies	20,505	8,534,787	8,555,292	--
Passenger facility charge	--	1,732,044	1,732,044	--
Proceeds from issuance of notes payable	4,382,400	--	4,382,400	--
Transfers in from (out to) other funds for capital acquisition	--	--	--	3,143,200
Principal paid on long-term debt	(31,907,711)	(758,912)	(32,666,623)	(1,764,951)
Interest and fiscal charges	(27,297,639)	(1,309,158)	(28,606,797)	(155,424)
Recovery on damage claims	6,763	836	7,599	--
Net cash used for capital and related financing activities	<u>(128,377,585)</u>	<u>(4,378,134)</u>	<u>(132,755,719)</u>	<u>(3,675,056)</u>
Cash flows from investing activities				
Purchase of investment securities	(110,502,249)	(7,000,000)	(117,502,249)	(93,949,698)
Proceeds from sale and maturity of investment securities	168,997,896	10,499,799	179,497,695	94,949,497
Interest on investments	5,700,873	384,644	6,085,517	2,474,256
Net cash provided by investing activities	<u>64,196,520</u>	<u>3,884,443</u>	<u>68,080,963</u>	<u>3,474,055</u>
Net increase (decrease) in cash and cash equivalents	(11,903,338)	253,789	(11,649,549)	5,250,337
Cash and cash equivalents at beginning of year, including restricted accounts	<u>28,500,951</u>	<u>5,701,257</u>	<u>34,202,208</u>	<u>1,072,051</u>
Cash and cash equivalents at end of year, including restricted accounts	<u>\$ 16,597,613</u>	<u>\$ 5,955,046</u>	<u>\$ 22,552,659</u>	<u>\$ 6,322,388</u>

(Continued)

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 27,266,694	\$ (2,451,150)	\$ 24,815,544	\$ (4,824,143)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	27,071,191	4,747,236	31,818,427	5,037,320
Amortization of water rights	4,375,761	--	4,375,761	--
Amortization of fish and wildlife costs	270,042	--	270,042	--
Provision for uncollectible accounts	2,283,375	7,940	2,291,315	11,580
Recovery of uncollectible accounts	--	(2,688)	(2,688)	--
Changes in assets and liabilities				
Receivables	(7,758,691)	29,767	(7,728,924)	(15,729)
Due from other funds	492,160	49,848	542,008	596,016
Inventory	(46,112)	2,634	(43,478)	8,577
Prepaid items	--	940	940	(560,233)
Accounts payable	1,591,044	19,649	1,610,693	1,555,456
Accrued expenses	171,743	51,451	223,194	139,281
Unearned revenue	--	70,192	70,192	1,867
Accumulated unpaid compensated absences	(67,884)	11,281	(56,603)	26,943
Contractor interest and retainage payable	8,829	(2,162)	6,667	(2,082)
Customer deposits	17,299	16,056	33,355	(131)
Liability to claimants-escheat property	1,112	--	1,112	(24,405)
Estimated claims liability	--	--	--	45,514
Net OPEB obligation	--	--	--	4,838,382
Due to other funds	(743,840)	(446)	(744,286)	(16,874)
Due to other governmental agencies	--	11,353	11,353	--
Net cash provided by operating activities	<u>\$ 54,932,723</u>	<u>\$ 2,561,901</u>	<u>\$ 57,494,624</u>	<u>\$ 6,817,339</u>
Noncash investing, capital and financing activities				
Change in fair value of investments	\$ 12,887	\$ 805	\$ 13,692	\$ 12,317
Transfer of capital assets from other funds	\$ 4,698	\$ --	\$ 4,698	\$ --
Contribution of capital assets	\$ 10,713,987	\$ --	\$ 10,713,987	\$ 4,907,450
Acquisition of capital assets under capital lease	\$ 661,367	\$ 570,808	\$ 1,232,175	\$ 87,350

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

**FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JULY 31, 2008**

	Deferred Compensation Plan	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents (Note 5)	\$ --	\$ 142,834
Mutual funds		
Guaranteed Rate Accounts	20,278,460	--
Stocks	22,427,977	--
Bonds	1,278,498	--
Combined Stocks and Bonds	5,246,647	--
Money Markets	467,160	--
Participant loans	1,143,851	--
Total assets	50,842,593	142,834
LIABILITIES	--	--
NET ASSETS		
Held in trust for deferred compensation benefits	50,842,593	--
Held in trust for individuals and organizations	--	142,834
Total net assets	\$ 50,842,593	\$ 142,834

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

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JULY 31, 2008

	Deferred Compensation Plan	Private Purpose Trust Fund
Additions		
Employee contributions	\$ 7,538,283	\$ --
Earnings (loss) on investments	(1,293,049)	303
Total additions	6,245,234	303
Deductions		
Payment of benefits	5,307,054	--
Administrative fees	94,047	--
Disbursements for designated purposes	--	8,775
Total deductions	5,401,101	8,775
Net increase (decrease)	844,133	(8,472)
Net assets beginning of year	49,998,460	151,306
Net assets at end of year	\$ 50,842,593	\$ 142,834

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



City of
Corpus
Christi

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The City of Corpus Christi (the City) was incorporated in 1852 and operates as a Council-Manager form of government. The principal services accounted for as general governmental functions include public safety, health, streets, sanitation, parks and recreation, planning, zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types in accordance with an election made by the City under GASB Statement No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of these Notes. The remainder of the Notes is organized to provide explanations, including required disclosures, on the City's financial activities for the fiscal year ended July 31, 2008.

A. Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units

The Corpus Christi Community Improvement Corporation was formed to provide financing for the rehabilitation of residential property in the City. The Corpus Christi Housing Finance Corporation and the Corpus Christi Industrial Development Corporation promote business development and issue housing revenue or industrial development bonds. The City manages the day-to-day operations of these corporations. The Mayor and Council Members are directors of the corporations.

The Corpus Christi Crime Control and Prevention District (District) is a public non-profit corporation created under State law to provide funding for public safety programs. Although the District is legally separate from the City, the District is reported as if it were part of the primary government because it is a financing mechanism for the City to provide public safety to the citizens of the City.

The Corpus Christi Business and Job Development Corporation (CCBJDC) is a public non-profit corporation created by State law to provide funding of voter approved capital improvement programs. The City Council appoints the Board and has financial accountability. Although it is legally separate from the City, CCBJDC is reported as if it were part of the primary government because its primary purpose is to issue revenue bonds to finance major capital improvements on behalf of the City.

North Padre Island Development Corporation (NPIDC) was created by the City pursuant to the Tax Increment Financing Act to facilitate development of the land within the boundaries of the tax increment zone, namely Packery Channel. NPIDC became effective on November 14, 2000, and will terminate on December 31, 2022. The receipt of post-2000 incremental property taxes from taxing units with property within the boundaries of the zone provides the funding for its projects. The Mayor and Council Members are a voting majority of the board, and the City manages its day-to-day operations.

Corpus Christi Digital Community Development Corporation (CCDCDC) is a U.S. public non-profit corporation founded in 2006. The Corporation was founded by the City of Corpus Christi (City) who identified the significant opportunities for government, public safety, economy, and quality of life that can be enabled through a digital community development corporation. CCDCDC primarily provides services to the City and is managed and operated by a board and employees formerly a part of the City's Municipal Information Service Fund.

Except for CCDCDC which is included with Internal Service Funds in the proprietary fund statements, all other blended component units are included in the governmental fund statements as non-major governmental funds.

Complete financial statements for each of the individual blended component units may be obtained from the City's Director of Financial Services at 1201 Leopard Street, Corpus Christi, Texas 78469-9277

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the City's other component units for which the City Council appoints the majority of the Board and has financial accountability.

The Coastal Bend Health Facilities Development Corporation (CBHFDC) is a public, non-profit corporation created by the City under State law to facilitate financing and development of health and health-related facilities. The CBHFDC is presented as a governmental fund type.

The Corpus Christi Convention and Visitors Bureau (Visitors Bureau) is a private Texas nonprofit corporation organized for the purpose of promoting convention and visitors' activity in the Corpus Christi Bay area. The Visitors Bureau is presented as a governmental fund type. For presentation purposes, the Visitors Bureau's financial statements have been adjusted to eliminate liabilities included in the City's financial statements.

	Coastal Bend Health Facilities Development Corporation	Corpus Christi Convention and Visitors Bureau
Assets		
Current assets	\$ 3,671	\$ 576,984
Capital assets	--	209,471
Total assets	<u>3,671</u>	<u>786,455</u>
Current liabilities	<u>--</u>	<u>229,851</u>
Net assets		
Invested in capital assets	--	209,471
Unrestricted	<u>3,671</u>	<u>347,133</u>
Total net assets	<u>\$ 3,671</u>	<u>\$ 556,604</u>
Revenues	\$ --	\$ 3,000,628
Expenses	<u>--</u>	<u>2,815,790</u>
Change in net assets	--	184,838
Net assets at beginning of year	<u>3,671</u>	<u>371,766</u>
Net assets at end of year	<u>\$ 3,671</u>	<u>\$ 556,604</u>

The component unit combining statements reflect these discretely presented units. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Coastal Bend Health Facilities Development Corporation
1201 Leopard
Corpus Christi, TX 78401

Corpus Christi Convention and Visitors Bureau
1201 North Shoreline
Corpus Christi, Texas 78401

Governmental accounting standards require reasonable separation between the primary government (including its blended components units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable to the City and the component units.

B. Related Organizations and Jointly Governed Organizations

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the City Council may appoint a voting majority of an organization's board members. Consequently, financial information for the Coastal Bend Council of Governments, the Regional Transit Authority, the Corpus Christi Housing Authority, the Corpus Christi Regional Economic Development Corporation, and the Port of Corpus Christi Authority are not included in these financial statements.

C. Government-wide 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 non-fiduciary activities of the primary government and its component units. 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 or services. Accordingly, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide statement of net assets, both the governmental and business-type activities columns are (1) presented on a consolidated basis by column, and (2) reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net cost per functional category (police and municipal court, fire, streets, etc.) which are otherwise being supported by general government revenues (e.g., property taxes, sales taxes, certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from charges for services, franchise fees, fines and forfeitures, licenses and permits fees, and special assessments. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide statement focuses on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The City's solid waste activity is included in governmental funds in the fund financial statements and as a business-type activity in the government-wide financial statements. This presentation is appropriate because the City does not have a pricing policy for solid waste designed to recover its cost.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (excluded from the government-wide financial statements). Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

D. Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Proprietary funds statements are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Enterprise funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's enterprise funds account for the operations of the City's utility system, airport, golf centers and marina.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in the summary form as part of the proprietary fund financial statements. The City's internal service funds account for printing and messenger services, maintaining an inventory of commonly used supplies, vehicle and building maintenance, data processing and process automation, wired and wireless internet, voice and video communication, risk management, and engineering services to other departments within the City on a cost-reimbursement basis. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level in the Statement of Net Assets. The net activity of these services is offset against the appropriate functional activity in the Statement of Activities. This complies with the City's policy of eliminating internal activity from the government-wide statements.

The City's fiduciary funds are presented in the fund financial statements by type (pension and private-purpose). Since by definition these assets are being held for the benefit of a third party (e.g., other local governments, private parties, pension participants) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds are used to account for the assets in the deferred compensation plans of the City held in trust for the exclusive benefit of the employees, as well as to account for the severance package for both the City Manager and City Secretary.

The focus is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. GASB 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds:

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The debt service fund is used to account for funds needed to make principal and interest payments on outstanding bonds when due. The City reports this fund as a major fund because of public interest and consistency between years.

The utility system fund is used to account for the operations of the City's combined utilities. The Utility System includes the City's water and storm water system, wastewater disposal system and gas distribution system.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements and the proprietary, fiduciary and component unit financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes available if they are collected within 60 days after year end. A 120 day availability period is used for revenue recognition for all other governmental fund revenues. Those revenues considered susceptible to accrual are property taxes, hotel occupancy taxes, special assessments, interest income, and charges for services. Sales taxes collected and held by the State at year end on behalf of the City are also recognized as revenues. Fines, permits, and parking meter revenues are not susceptible to accrual because they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early the following year.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions”, the revenue provider recognizes liabilities and expenses and the revenue recipient recognizes receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and as deferred revenue by the recipient.

E. Cash and Cash Equivalents

Cash balances of all City funds (except for the Deferred Compensation Plan) are pooled for investment purposes and each fund has equity in the pooled amount. Cash and cash equivalents include currency on hand, demand deposits with banks, amounts included in pooled cash and liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents are included in both unrestricted as well as restricted assets.

F. Investments

The City can legally invest in certificates of deposit, repurchase agreements, obligations of the U.S. Government, and its Agencies or instrumentalities, and State obligations. The types of investments made by the Deferred Compensation Plan are not restricted and are carried at market value. The City’s investments are stated at fair value, except for money market investments with a remaining maturity of one year or less when purchased and nonparticipating interest earning investment contracts, which are stated at cost. Net change in the fair value of investments is recognized and reported as investment income in the financial statements.

Interest earned from investments purchased with pooled cash is allocated to each fund based on the fund’s participation in that investment. Aside from those clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from valuation is allocated to each fund based on the fund’s participation in that investment.

G. Receivables

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, such amounts are equally offset by a fund balance reserve that indicates they do not constitute available expendable resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 28% percent of outstanding property taxes at the end of the fiscal year.

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled has been included in the accompanying financial statements.

H. Inventories and prepaid items

Inventories are valued at cost, which approximates market, using either the first-in/first-out (FIFO) method or the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at fair market value as of the date donated. 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. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Life in Years</u>
Dams	100
Water pipeline	50
Gas pipelines	57
Infrastructure	50
Utility plants	45
Runways and related improvements	25
Terminals and hangers	50
Buildings	40
Improvements other than buildings	20
Vehicles	4-6
Machinery and equipment	5-15
Office furniture	12

The City has a collection of art housed in the Corpus Christi Museum of Science and History. The collection is not capitalized because it meets all the following conditions.

- The collection is held for reasons other than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to City policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

Interest is capitalized on assets, other than infrastructure assets, acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of the borrowing until completion of the project.

K. Restricted Assets

Certain debt proceeds of the City's enterprise funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

All revenues received from passenger facility charges (PFC) are reported as restricted assets in the Airport Fund. In accordance with Federal Regulations, PFC funds can only be expended on projects approved by the Federal Aviation Administration. Current approved projects include runway pavement reconstruction, terminal improvements, and runway lighting. It is management's intention to use a portion of the PFC funds on approved projects on a pay-as-you-go basis with the remaining funds to be used to support approved airport revenue bond issues debt service.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

L. Accumulated Unpaid Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are accounted for using the termination payment method. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. Expenditures are recorded in the governmental funds as employees resign or retire. Compensated absence liabilities are normally paid from the funds reporting payroll and related expenditures including the general fund and special revenue funds.

M. Long-term Obligations

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 using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Pension Plans

It is the policy of the City to fund pension costs annually. Pension costs are composed of normal cost and, where applicable, amortization of unfunded actuarial accrued liability and unfunded prior service costs.

O. Fund Equity

In the fund financial statements, governmental funds 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.

2. Budget Policy and Budgetary Accounting

City Charter requires the City Manager to submit a proposed budget to the City Council at least sixty days prior to August 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. The budget and tax levy are legally enacted through the passage of ordinances.

Budgets are prepared for all governmental funds except the Federal/State grant fund, the capital projects funds, the community enrichment fund, the infrastructure fund, the Corpus Christi Community Improvement Corporation (CCCIC), the Corpus Christi Housing Finance Corporation (CCHFC) and the Corpus Christi Industrial Development Corporation (CCIDC). The Federal/State grant fund and the capital projects funds adopt project-length budgets. Budgets are not adopted for the community enrichment fund, the infrastructure fund, CCCIC, CCHFC and the CCIDC. The budgets are prepared on a basis consistent with generally accepted accounting principles, except that expenditures financed by capital leases are not included in the governmental fund budgets, principal and interest payments are included in the activity expenditures and reimbursements are accounted for as revenues rather than reductions of expenditures. The detail of these differences is included in the statement of revenues, expenditures and changes in fund balance – budget (GAAP basis) and actual in the column titled “Adjustments to Budget Basis.” All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, department, and activity. The City Manager is authorized to transfer appropriations at the object of expenditure level and department levels within any fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council. During the year, several supplemental appropriations were necessary. All budget amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities until the commitments are honored by inclusion in the subsequent year's budget.

3. Sales Tax Revenue

The City has a 1% city sales tax, a 0.125% sales tax for crime control, a 0.125% sales tax for construction of a multipurpose arena, a 0.125% sales tax for improvements to the downtown seawall, and a 0.125% sales tax for economic development and the construction of a baseball stadium. Sales tax is collected monthly by the State of Texas and remitted to the City. The tax is collected by the merchants, remitted to the State, and then paid to the City by the 10th of the month following collection from the merchants. A two-month lag exists between collection by the merchant and payment to the City by the State.

In governmental funds, sales tax revenue is recognized in the period when the underlying exchange transaction has occurred and the resources are available.

4. Property Taxes

Property taxes attach, as an enforceable lien, on property as of January 1. The City's property tax is levied each October 1 on the basis of assessed values at the date the enforceable lien attaches. Appraised values are established by the Nueces County Appraisal District, assessed at 100% of appraised value, approved by the Nueces County Appraisal Review Board, and certified by the Chief Appraiser. Responsibility for the billing and collection of the City's taxes is contracted to Nueces County as an efficiency measure.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February of the year following the year in which imposed. Taxes become delinquent on February 1 at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become available. On July 31, property tax receivables are fully deferred because collections received within the following sixty days are immaterial. As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuations (unless City Charter provides less). On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed value for all purposes including debt service. The amended charter provided for the tax rate to increase up to the State limit, \$1.50 per \$100 of assessed value, for voter approved debt after April 4, 1993. The State allowable is computed based on 90% collections.

The 2007-2008 tax rates were \$0.364671 for the general fund and \$0.199175 for debt service for a total of \$0.563846 per \$100 of assessed value. Therefore, the City's tax margin of \$0.116154 per \$100 of assessed value could raise up to \$15,228,757 additional taxes each year based on the assessed value of \$13,110,832,851. The City could raise up to \$143,732,277 in additional taxes for voter approved tax supported obligations, based on the assessed valuation of \$13,110,832,851 and a debt margin of \$1.096286 calculated on 90% collections.

5. Deposits and Investments

As of July 31, 2008, the carrying amount of the City's cash and cash equivalents was \$65,181,173. In accordance with City policy, the total bank deposits were covered by Federal Depository Insurance (FDIC) or by collateral held by the City's agent in the City's name. The cash funds and short-term investments included in cash and cash equivalents are not subject to collateralization requirements. The discretely presented component units had total cash and cash equivalents of \$466,649 which were covered by FDIC or were secured by collateral held by the City's or component unit's agent in the name of the City or the component unit.

As of July 31, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal agency coupon securities	\$ 200,325,780	\$ 200,126,276	0.986
Bank Certificate of Deposit	20,457,080	20,457,080	0.326
Local government investment pools-overnight	53,111,486	53,111,486	0.003
Money market funds	8,588,317	8,588,317	0.003
Total	<u>282,482,663</u>	<u>282,283,159</u>	
Short-term investments included in cash and cash equivalents	61,699,803	61,699,803	
Total	<u>\$ 220,782,860</u>	<u>\$ 220,583,356</u>	
Portfolio weighted average maturity			0.723

Interest rate risk – In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 365 days.

Credit risk - Texas statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities; and (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent).

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. In addition to other provisions of the PFIA designed to promote liquidity and safety of principal, the (PFIA) requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. All investments noted above have been rated AAA-m by Standard & Poor's and AAA by Moody's.

Concentration of credit risk – The City's investment policy does not allow for an investment in any one local government investment pool in excess of five percent of the current invested balance of the local government investment pool or \$50,000,000. The maximum amount that may be invested in all local government investment pools is twenty-five (25) percent of the investment portfolio.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City's deposits, including blended component units, held at financial institutions at year end were entirely covered by federal depository insurance (FDIC) or were secured by collateral held by the City's agent in the City's name.

Custodial credit risk – investments - For an investment, this is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This type of transaction is not addressed by the City’s investment policy, and therefore, is not an investment option for the City at this time.

6. Budgetary Data

General Fund budget amendments approved during the year included the following:

\$ 565,838 to revenues and other financing sources comprised of:

- \$39,338 from Council of Governments,
- \$12, 273 from Police unclaimed property,
- \$153,210 from City Hall CIP fund,
- \$306,017 from excess General fund revenues,
- \$55,000 from Corpus Christi Public Library Foundation.

\$6,812,920 to expenditures and other financing sources comprised of:

- \$2,838,025 for encumbrances approved to carry forward from the end of the prior fiscal year,
- \$20,000 for Police overtime,
- \$1,155,000 for vehicles and equipment,
- \$50,000 for downtown improvements,
- \$178,000 for A/C for Ben Garza Gym,
- \$750,000 for South Guth Ball Fields Relocation Project, reimbursed after issuance of debt,
- \$100,000 for Memorial Coliseum immediate preservation requirements,
- \$107,106 for 911 wireless services,
- \$39,338 for equipment for MetroCom computer training center,
- \$306,017 to buy down capital leases,
- \$12,273 for Police building maintenance,
- \$500,588 for transfer to Visitor’s Facility Fund for Water Garden repairs,
- \$49,410 for Community Visioning project,
- \$209,484 for Municipal Court deputy marshals, warrant round-up overtime, leased space, and temporary security services,
- \$241,400 for Municipal Court technology improvements,
- \$62,479 for Municipal Court for temporary staff, warrant round-up overtime, and lease space,
- \$35,000 for expenses related to promotion and redevelopment of Downtown,
- \$55,000 for books for Garcia Library,
- \$103,800 for consultant services for the Performance Improvement in the Northside Redevelopment Plan project.

Budget variances to expenditures and transfers include the following:

- Engineering services was over budget by \$3,142 as a result of using temporary staff to supplement staffing levels.
- Police Dept. expenditures were over budget in the aggregate by \$12,592 due to increased costs of fuel.
- Municipal Court expenditures were over budget by \$67,003 due to costs of shift and weekend differential add-on pay. In estimating the budget, it was expected that these costs would be offset by salary savings due to vacancies that did not materialize.
- Inspection expenditures were over budget by \$107,701 largely due to use of a temporary Building Official and other temporary staff, and operational costs associated with the supplemental staff.

- Solid Waste expenditures were over budget by \$1,065,553 due to three major items:
 - increased costs of fuel,
 - overtime higher than expected due to staffing shortages,
 - tonnage received at the landfill higher than anticipated. Solid waste burial is performed by a contractor and paid for on a per ton rate. Higher tonnage costs were partially offset by additional revenues.
- Parks and Recreation expenditures were over budget by \$454,557 due to increased program and operational costs. These include the opening of new Latchkey sites, increased food and supply costs, increased electricity prices, and the use of temporary staff and overtime in the Tourist District.

7. Receivables

	<u>General</u>	<u>Debt Service</u>	<u>Utility System</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Unrestricted					
Accounts	\$ 6,071,369	\$ --	\$ 26,693,775	\$ 4,322,215	\$ 37,087,359
Taxes	3,390,221	1,851,661	--	51	5,241,933
Accrued interest	165,756	70,476	473,688	436,416	1,146,336
Intergovernmental	5,095,175	17,653	1,038,970	9,010,974	15,162,772
Mortgages and loans	--	--	--	17,692,792	17,692,792
Property leases	350	--	--	18,672	19,022
Demolition liens	2,462,258	--	--	771,995	3,234,253
Special assessments	--	--	--	518,952	518,952
Notes	--	--	1,882,015	--	1,882,015
Employees	1,813	--	55	737	2,605
Miscellaneous	3,472,432	--	2,720	62,271	3,537,423
Restricted					
Accounts	--	--	--	202,372	202,372
Accrued interest	--	--	23,465	284,179	307,644
Gross receivables	<u>20,659,374</u>	<u>1,939,790</u>	<u>30,114,688</u>	<u>33,321,626</u>	<u>86,035,478</u>
Less allowance for uncollectible	<u>(5,914,580)</u>	<u>(1,260,138)</u>	<u>(4,467,496)</u>	<u>(2,551,024)</u>	<u>(14,193,238)</u>
Net total receivables	<u>\$ 14,744,794</u>	<u>\$ 679,652</u>	<u>\$ 25,647,192</u>	<u>\$ 30,770,602</u>	<u>\$ 71,842,240</u>

The only receivable not expected to be collected within one year is \$1,882,015 notes receivable in the Utility System Fund.

8. Capital Assets

A summary of changes in the capital assets follows:

	Beginning Balance	Additions and Transfers	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 55,688,396	\$ 399,899	\$ --	\$ 56,088,295
Construction in Progress	23,111,523	20,080,596	--	43,192,119
Total capital assets, not being depreciated	78,799,919	20,480,495	--	99,280,414
Capital assets, being depreciated				
Buildings	214,159,879	162,187	--	214,322,066
Improvements	167,166,342	6,564,586	--	173,730,928
Mach & Equip	140,046,001	8,426,437	5,502,772	142,969,666
Infrastructure	189,577,910	8,737,254	--	198,315,164
Total capital assets, being depreciated	710,950,132	23,890,464	5,502,772	729,337,824
Less accumulated depreciation for:				
Buildings	54,089,125	5,082,331	--	59,171,456
Improvements	84,121,663	8,828,465	--	92,950,128
Mach & Equip	111,042,333	7,465,809	5,357,416	113,150,726
Infrastructure	111,732,596	8,093,911	--	119,826,507
Total accumulated depreciation	360,985,717	29,470,516	5,357,416	385,098,817
Total capital assets, being depreciated, net	349,964,415	(5,580,052)	145,356	344,239,007
Governmental activities capital assets, net	\$ 428,764,334	\$ 14,900,443	\$ 145,356	\$ 443,519,421

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 33,509,948	\$ 1,765	\$ --	\$ 33,511,713
Construction in progress	<u>141,455,918</u>	<u>13,643,307</u>	<u>--</u>	<u>155,099,225</u>
Total capital assets, not being depreciated	<u>174,965,866</u>	<u>13,645,072</u>	<u>--</u>	<u>188,610,938</u>
Capital assets, being depreciated				
Buildings	86,958,083	65,594	1,915,509	85,108,168
Improvements	311,688,679	24,335,573	722,836	335,301,416
Machinery and equipment	41,049,173	4,776,202	1,781,323	44,044,052
Infrastructure	<u>818,721,182</u>	<u>61,320,736</u>	<u>678,477</u>	<u>879,363,441</u>
Total capital assets, being depreciated	<u>1,258,417,117</u>	<u>90,498,105</u>	<u>5,098,145</u>	<u>1,343,817,077</u>
Less: accumulated depreciation for				
Buildings	27,586,918	1,754,731	1,915,509	27,426,140
Improvements	101,964,143	13,261,501	722,836	114,502,808
Machinery and equipment	24,106,147	3,617,481	1,694,891	26,028,737
Infrastructure	<u>205,553,512</u>	<u>15,193,154</u>	<u>451,292</u>	<u>220,295,374</u>
Total accumulated depreciation	<u>359,210,720</u>	<u>33,826,867</u>	<u>4,784,528</u>	<u>388,253,059</u>
Total capital assets, being depreciated, net	<u>899,206,397</u>	<u>56,671,238</u>	<u>313,617</u>	<u>955,564,018</u>
Business-type activities capital assets, net	<u>\$ 1,074,172,263</u>	<u>\$ 70,316,310</u>	<u>\$ 313,617</u>	<u>\$ 1,144,174,956</u>

Discretely presented component units

Activity for the Convention and Visitors Bureau for the year ended July 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, being depreciated				
Buildings	\$ 235,023	\$ --	\$ --	\$ 235,023
Machinery and equipment	<u>276,521</u>	<u>20,077</u>	<u>--</u>	<u>296,598</u>
Total capital assets, being depreciated	<u>511,544</u>	<u>20,077</u>	<u>--</u>	<u>531,621</u>
Less accumulated depreciation for				
Buildings	96,712	11,815	--	108,527
Machinery and equipment	<u>211,235</u>	<u>2,388</u>	<u>--</u>	<u>213,623</u>
Total accumulated depreciation	<u>307,947</u>	<u>14,203</u>	<u>--</u>	<u>322,150</u>
Total capital assets, being depreciated, net	<u>203,597</u>	<u>5,874</u>	<u>--</u>	<u>209,471</u>
Convention and Visitor's Bureau capital assets, net	<u>\$ 203,597</u>	<u>\$ 5,874</u>	<u>\$ --</u>	<u>\$ 209,471</u>

Depreciation expense is charged to functions as follows:

<u>Governmental activity</u>		<u>Business-type activity</u>	
General government	\$ 1,321,734	Gas	\$ 1,676,626
Police	804,976	Water	15,921,378
Fire	1,132,248	Wastewater	9,473,187
Emergency management	380	Airport	3,905,018
Inspections	7,568	Golf centers	270,262
Streets	11,241,203	Marina	571,956
Health	242,230	Solid waste	2,008,440
Parks and recreations	3,000,930	Total	<u>\$ 33,826,867</u>
Libraries	310,416		
Museums	170,211		
Community enrichment	22,887		
Community development	1,336,011		
Convention and visitors facilities	4,842,402		
Internal service fund	5,037,320		
Total	<u>\$ 29,470,516</u>		

The City has entered or will enter into contracts for the construction or renovation of various facilities as follows:

	<u>Project Authorization</u>	<u>Expenditures Through 07-31-08</u>	<u>Additional Funds Committed</u>	<u>Required Future Financing</u>
Airport	\$ 25,887,385	\$ 16,133,103	\$ 9,754,282	\$ --
Arena	18,031	15,716	2,315	--
Bayfront Development	12,352,945	1,905,307	10,447,638	--
Gas	1,100,240	938,720	161,520	--
Library	6,773,447	5,216,892	1,556,555	--
Marina Development	7,420	6,811	609	--
Packery Channel	822,806	157,169	665,637	--
Parks	4,982,135	2,923,580	2,058,555	--
Police Building	37,720	7,033	30,687	--
Public Health and Safety	6,373,030	4,055,807	2,317,223	--
Sanitary Landfill	12,765,984	8,191,632	4,574,352	--
Seawall	13,955	5,976	7,979	--
Stomwater	52,280,716	49,443,403	2,837,313	--
Street	68,526,962	47,796,992	20,729,970	--
Wastewater	34,696,473	29,756,429	4,940,044	--
Water	32,735,683	26,645,883	6,089,800	--
Total	<u>\$ 259,374,932</u>	<u>\$ 193,200,453</u>	<u>\$ 66,174,479</u>	<u>\$ --</u>

9. Employment Retirement Benefits

A. Retirement Systems

The City participates in funding two retirement plans: (1) all City employees, except firefighters, are provided benefits through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 821 administered by TMRS, an agent multiple-employer public employee retirement system and (2) all firefighters are covered by the Fire Fighters Retirement System of Corpus Christi, a single-employer defined benefit pension plan. An independent board of trustees administers each plan. The fiscal year of each pension fund ends December 31. The most recently available financial statements of the City employees' pension fund is for the year ended December 31, 2007 and for the fire fighters' pension fund is for the year ended December 31, 2007. Membership in the plans is as follows:

	<u>City Employees</u>	<u>Fire Fighters</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2,112	281	2,393
Current employees	<u>2,538</u>	<u>407</u>	<u>2,945</u>
Total	<u><u>4,650</u></u>	<u><u>688</u></u>	<u><u>5,338</u></u>

Each plan provides service retirement, death, disability, and withdrawal benefits. State law governs benefit and contribution provisions. Amendments may be made by the Legislature of the State of Texas.

Financial reports that include financial statements and supplementary information for each plan are publicly available at the addresses shown below.

<u>Plan</u>	<u>Address</u>
Texas Municipal Retirement System	P.O. Box 149153 Austin, Texas 78714-9153
Fire Fighters Retirement System	American Bank Plaza 711 N. Carancahua, Suite 724 Corpus Christi, Texas 78475

	<u>Texas Municipal Retirement System</u>	<u>Fire Fighters Retirement System</u>
Authority establishing contribution obligation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly
Employee's contribution (percent of earnings)		
July 9, 2007 - July 31, 2008	6.00%	11.10%
August 1, 2008 - December, 2008	6.00%	12.20%
City's contribution (percent of earnings)		
July 9, 2007 - December 31, 2007	14.58%	14.58%
January 1, 2008 - December 31, 2008	14.80%	15.39%

While the contribution requirements are not actuarially determined, State law requires that a qualified actuary approve each plan of benefits adopted. The actuary of each plan has certified that the contribution commitment by the participants and the City provide an adequate financing arrangement. Contributions for fiscal year ended July 31, 2008, are as follows:

	<u>City Employees</u>	<u>Fire Fighters</u>	<u>Total</u>
City	\$15,448,938	\$ 3,541,183	\$18,990,121
Employees	<u>6,302,501</u>	<u>2,761,842</u>	<u>9,064,343</u>
Total	<u>\$21,751,439</u>	<u>\$ 6,303,025</u>	<u>\$28,054,464</u>

Change in Actuarial Calculation – TMRS

In December 2007, the TMRS Board of Trustees voted to adopt a change in the Actuarial Cost Method used to calculate liabilities and contribution rates for TMRS cities. TMRS had used the Unit Credit actuarial cost method since 1948. The change to Projected Unit Credit was made to provide a level rate of funding, improve the funding ratios of cities, and advance fund projected benefits by recognizing future increases in salary and annually repeating benefits. The Board also adopted a change in amortization from a 25 year “open” period to a 25 year “closed” period. Additionally, for cities experiencing a rate increase of more than 0.50%, the Board approved an increase in amortization period to a 30 year closed period. For the City of Corpus Christi, these changes will initially result in a higher required contribution and lower funded ratio. The funded ratio should show steady improvement over time. To assist in the transition, the Board approved an eight year phase-in period which will allow cities the opportunity to increase their contributions gradually to their full rate (required contribution rate). The minimum required contribution rate for 2009 based on the eight year phase-in provision is 15.75%, the full rate is calculated to be 21.31%

If the changes in actuarial funding method and assumptions had not been adopted for the 2007 valuation, the city’s unfunded actuarial accrued liability would have been \$133,262,277 and the funded ratio would have been 63.8%. Figures based on the actual 2007 valuation are shown in the Required Supplementary Information following the Notes to the Financial Statements.

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost of \$18,990,121 for fiscal year ended July 31, 2008, was equal to the City’s required and actual contributions. Three-year trend information is as follows:

	<u>City Employees</u>	<u>Fire Fighters</u>	<u>Total (Memorandum Only)</u>
City's Annual Pension Cost (APC)			
2006	\$13,452,618	\$2,913,749	\$16,366,367
2007	\$14,035,058	\$3,040,260	\$17,075,318
2008	\$15,448,938	\$3,541,183	\$18,990,121
Percentage of APC contributed			
2006	100%	100%	N/A
2007	100%	100%	N/A
2008	100%	100%	N/A
Net Pension Obligation			
2006	\$ --	\$ --	\$ --
2007	\$ --	\$ --	\$ --
2008	\$ --	\$ --	\$ --

Funded Status and Funding Progress

The funded status of the plan for the last valuation date was as follows:

	<u>City Employees</u>	<u>Fire Fighters</u>
Valuation date	12/31/2007	12/31/2006
Actuarial accrued liability	\$ 433,507,405	\$ 134,669,650
Actuarial value of plan assets	<u>234,960,197</u>	<u>92,448,683</u>
Unfunded actuarial accrued liability	<u>\$ 198,547,208</u>	<u>\$ 42,220,967</u>
Funded ratio	54.2%	68.6%
Covered payroll	\$ 106,042,731	\$ 21,946,798
Unfunded actuarial accrued liability as a percentage of covered payroll	187.2%	192.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

The latest actuarial valuation for City employees was completed as of December 31, 2007, and for Fire Fighters was completed as of December 31, 2006. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

	<u>City Employees</u>	<u>Fire Fighters</u>
Actuarial Cost Method	Projected Unit Credit	Entry Age
Asset Valuation Basis	Amortization Cost	Market Value
Inflation Rate	3.5%	4%
Projected Annual Salary Increases	N/A	4%
Post Retirement Benefit Increase	N/A	N/A
Assumed Rate of Return on Investments	7%	8%
Amortization Method	Level percent of payroll, closed	Level percent of payroll, open
Remaining Amortization Period	30 years	25 years

B. Deferred Compensation Plan

The City follows GASB 32, Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans. The City maintains the responsibility for reviewing and approving emergency withdrawals from the Plans. The assets of the Plans are reported in a pension trust fund.

10. Post-Employment Health Care Benefits

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer’s financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the City of Corpus Christi is August 1, 2007. Accordingly, the City did obtain an actuarial valuation in accordance with GASB 45 standards as of August 1, 2007, and discloses the following:

Plan Description and Funding Policy

Employees who retire from the City of Corpus Christi, and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the “blended” employee group rate which is determined annually by the City of Corpus Christi and approved by the City Council. Retirees have 31 days to elect to enroll in the City's self-funded health insurance plan (Citicare, Citicare Public Safety, and Citicare-Fire) in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of July 31, 2008, a total of 562 eligible retirees and dependents were participating in the City's group health program detailed as follows:

Citicare	304
Citicare Public Safety	135
Citicare Fire	117
Pending election	6
Total	<u>562</u>

The City provides no funding for any portion of the premiums after retirement. However, the City recognizes that there is an “implicit subsidy” arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City’s annual OPEB cost for each plan for the current year is as follows:

	<u>Citicare</u>	<u>Citicare Public Safety</u>	<u>Citicare Fire</u>	<u>Total</u>
Annual required contribution	\$ 3,109,043	\$ 1,502,603	\$ 1,853,004	\$ 6,464,650
Interest on net OPEB obligation	--	--	--	--
Annual OPEB cost	3,109,043	1,502,603	1,853,004	6,464,650
Contributions made (pay-as-you-go basis)	628,619	455,812	541,837	1,626,268
Increase in net OPEB obligation	2,480,424	1,046,791	1,311,167	4,838,382
Net OPEB obligation - beginning of year	--	--	--	--
Net OPEB obligation - end of year	<u>\$ 2,480,424</u>	<u>\$ 1,046,791</u>	<u>\$ 1,311,167</u>	<u>\$ 4,838,382</u>

Funded Status and Funding Progress

The funded status of the plan as of July 31, 2008, was as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
Actuarial accrued liability	\$ 29,091,554	\$ 17,463,290	\$ 21,431,762	\$ 67,986,606
Actuarial value of plan assets	--	--	--	--
Unfunded actuarial accrued liability	<u>\$ 29,091,554</u>	<u>\$ 17,463,290</u>	<u>\$ 21,431,762</u>	<u>\$ 67,986,606</u>
Funded ratio				0%
Covered payroll				\$ 130,398,414
Unfunded actuarial accrued liability as a percentage of covered payroll				52.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of implementation no prior year information is available.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Measurement Date	August 1, 2007
Actuarial Cost Method	Projected Unit Credit (PUC)
Amortization Period	30 years
Amortization Method	Level Percent of Payroll
Discount rate	4.50%
CPI	2.50%
Healthcare Cost Trend Rate	10% initial rate, 5% ultimate rate, 6 yr grade in period
Payroll Growth Rate	3% annually

11. Risk Management

The City operates a risk management program for workers compensation, life and health insurance, and liability claims.

A. Insurance

The City self-funds worker’s compensation, general/auto liabilities and health benefits. Purchased coverage includes: Commercial property insurance of \$250 million limits on City buildings, \$75 million in airport liability and \$10 million of excess gas utility liability insurance. The City purchases excess insurance which covers workers’ compensation claims that exceed \$350,000 per accident and general/auto liability claims, public officials, employment and law enforcement in excess of \$500,000 per claim. Primary flood coverage provides up to \$500,000 on specified buildings within flood zones A & B. All funds of the City participate in the program and make payments to the Liability and Employee Benefits Fund based on estimates needed to pay prior claims, current year claims and claims incurred but not reported. In addition, the City of Corpus Christi provides comprehensive health coverage to employees, dependents and retirees. Coverage becomes effective the first day of employment and the plan provides a lifetime maximum limit of \$2 million.

The estimated claims liability of \$14,564,217 at July 31, 2008, of which \$7,246,772 is due within one year, is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires 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. The City purchases annuity contracts from commercial insurers to satisfy certain liabilities under worker’s compensations claims; accordingly, no liability is reported for those claims. Changes in the fund claims liability amounts for fiscal years 2007 and 2008 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
Fiscal Year				
2006-2007	\$ 15,489,787	\$ 22,725,532	\$ (23,696,616)	\$ 14,518,703
2007-2008	14,518,703	25,177,741	(25,132,227)	14,564,217

B. Contingent Liabilities

The City is a defendant in various tort claims and lawsuits involving general liability, automobile liability, civil rights actions, employment and various contractual matters. In the opinion of the City’s management and counsel, the outcome of the pending litigation will not have a material effect on the City’s financial position or operation.

12. Operating Leases

A. Property Leased From Others

The City leases various office space sites and equipment under operating leases. Most of the leases are cancelable and extended on a monthly basis.

B. Property Leased To Others

The City is the lessor of airport floor space under operating leases expiring through the fiscal year 2027 and the arena under operating leases expiring through the fiscal year 2009. Minimum rentals to be received from non-cancelable leases are:

<u>Fiscal Year Ending July 31,</u>	<u>Enterprise Funds</u>	<u>Special Revenue Funds</u>
2009	\$ 1,256,503	\$ 268,000
2010	254,659	--
2011	142,288	--
2012	144,268	--
2013	67,268	--
2014-2027	359,886	--
Total minimum future rentals	<u>\$ 2,224,872</u>	<u>\$ 268,000</u>

Minimum future rentals do not include contingent rentals that may be received if the lessee meets certain performance clauses under the leases.

13. Commercial Paper

On March 1, 2003, the City Council approved a \$75,000,000 commercial paper program for a term of seven years to provide interim funding of Utility System capital projects. As of July 31, 2008, there was no commercial paper outstanding. The commercial paper is supported by a letter of credit with WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale).

14. Long-term obligations

The following is a summary of long-term obligation transactions of the City for the year ended July 31, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Long-term debt					
General obligation bonds	\$ 166,575,000	\$ --	\$ (14,545,000)	\$ 152,030,000	\$ 8,130,000
Certificates of obligation	32,925,695	--	(2,040,000)	30,885,695	2,140,000
Revenue bonds	117,030,000	13,445,000	(15,995,000)	114,480,000	4,385,000
Discount on bonds payable	(33,336)	--	2,716	(30,620)	--
Premium on bonds payable	10,418,188	--	(1,082,634)	9,335,554	--
Deferred gain on refunding	(2,242,841)	(822,371)	333,770	(2,731,442)	--
Capital leases	11,054,030	1,156,769	(3,108,250)	9,102,549	2,183,306
Other notes payable	4,000,000	22,260,000	(750,000)	25,510,000	18,000,000
Total long-term debt	<u>339,726,736</u>	<u>36,039,398</u>	<u>(37,184,398)</u>	<u>338,581,736</u>	<u>34,838,306</u>
Accumulated compensated absences	<u>32,973,773</u>	<u>10,373,852</u>	<u>(8,851,810)</u>	<u>34,495,815</u>	<u>8,851,810</u>
Governmental activities Long-term liabilities	<u>\$ 372,700,509</u>	<u>\$ 46,413,250</u>	<u>\$ (46,036,208)</u>	<u>\$ 373,077,551</u>	<u>\$ 43,690,116</u>
Business-type activities					
Long-term debt					
Certificates of obligation	\$ 48,189,305	\$ --	\$ (665,000)	\$ 47,524,305	\$ 690,000
Revenue bonds	506,795,000	--	(27,575,000)	479,220,000	28,835,000
Discount on bonds payable	(874,532)	--	104,648	(769,884)	--
Premium on bonds payable	22,876,377	--	(2,343,901)	20,532,476	--
Deferred gain on refunding	(14,345,856)	--	1,628,692	(12,717,164)	--
Capital leases	3,699,996	2,786,163	(1,894,965)	4,591,194	1,290,832
Utility notes payable	168,900,718	4,382,400	(4,711,410)	168,571,708	3,946,673
Total long-term debt	<u>735,241,008</u>	<u>7,168,563</u>	<u>(35,456,936)</u>	<u>706,952,635</u>	<u>34,762,505</u>
Landfill closure cost	25,120,798	1,147,072	--	26,267,870	7,462,179
Accumulated compensated absences	<u>3,802,057</u>	<u>2,689,641</u>	<u>(2,704,058)</u>	<u>3,787,640</u>	<u>1,882,207</u>
Business-type activities Long-term liabilities	<u>\$ 764,163,863</u>	<u>\$ 11,005,276</u>	<u>\$ (38,160,994)</u>	<u>\$ 737,008,145</u>	<u>\$ 44,106,891</u>

In the schedule above, business-type activities include the enterprise funds' and Solid Waste's long-term obligations.

A. Bonds

Bonds payable at July 31, 2008, are comprised of the following:

Governmental activities

General Obligation Bonds

\$39,150,000 2001 General Improvement Refunding Bonds due in annual installments of \$370,000 to \$3,850,000 through March 1, 2018, including \$10,000,000 in March 1, 2021 term bonds with annual mandatory redemptions of \$1,245,000 to \$1,375,000 from March 1, 2019 through March 1, 2021, interest at 4.50% to 5.375%	\$21,725,000
\$11,340,000 2001-A General Improvement Refunding Bonds due in annual installments of \$3,130,000 on March 1, 2008 and \$120,000 to \$135,000 March 1, 2009 through March 1, 2012, interest at 5.00%	500,000
\$22,575,000 2003 General Improvement Refunding Bonds due in annual installments of \$725,000 to \$3,760,000 through March 1, 2015, except 2011-2012 in which no payments are due, interest at 3.25% to 5.00%	5,910,000
\$25,640,000 2004 General Improvement Refunding Bonds due in annual installments of \$165,000 to \$8,900,000 through March 1, 2012, interest at 5.00%	4,895,000
\$86,485,000 2005 General Improvement and Refunding bonds due in annual installments of \$680,000 to \$6,775,000 through March 1, 2025, interest at 3.25% to 5.25%	84,025,000
\$3,830,000 2007 Texas Military Value Revolving Loan Program Bonds due in annual installments of \$160,000 to \$310,000 through September 1, 2026, interest at 3.75% to 4.00%	3,830,000
\$31,145,000 2007-A General Improvement due in annual installments of \$1,100,000 to \$2,350,000 through March 1, 2027, interest at 4.375% to 5.00%	<u>31,145,000</u>
Total General Improvement Bonds	<u>152,030,000</u>

Certificates of Obligation

\$4,400,000 1996 Combination Tax and Texas State Aquarium Revenue Certificates of Obligation due in annual installments of \$225,000 to \$250,000 through March 1, 2010, interest at 4.85% to 5.15%	500,000
\$13,870,000 2000 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$595,000 to \$715,000 through March 1, 2011, interest at 4.5% to 4.85%	2,045,000
\$31,545,000 2002 Combination Tax and Municipal Hotel Occupancy Tax Revenue Certificates of Obligation due in annual installments of \$1,150,000 to \$2,430,000 through September 1, 2022, including \$3,600,000 in September 1, 2017 term certificates with annual mandatory redemptions of \$1,750,000 and \$1,850,000 September 1, 2016 and September 1, 2017, interest at 3.1% to 5.50%	25,925,000
34.58% of \$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 from September 1, 2010 through September 1, 2026, interest at 4.00% to 4.375%	<u>2,415,695</u>
Total Certificates of Obligation	<u>30,885,695</u>

Revenue Bonds

\$43,960,000 2001 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Bonds due in annual installments of \$1,095,000 to \$2,915,000 through March 1, 2024, including \$5,165,000 in March 1, 2022 term bonds with annual mandatory redemptions of \$2,520,000 and \$2,645,000 March 1, 2021 and March 1, 2022, and \$6,285,000 in March 1, 2026 term bonds with annual mandatory redemptions of \$3,065,000 and \$3,220,000 March 1, 2025 and March 1, 2026, interest at 4.00% to 5.375%	38,895,000
\$49,185,000 2002 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Refunding and Improvement Bonds due in annual installments of \$1,185,000 to \$3,645,000 through September 1, 2022, including \$10,425,000 in September 1, 2025 term bonds with annual mandatory redemptions of \$3,305,000 to \$3,645,000 from September 1, 2023 through September 1, 2025, interest at 3.25% to 5.50%	43,650,000
\$24,565,000 2004 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Bonds due in annual installments of \$1,500,000 to \$2,230,000 through September 1, 2017, interest at 2.00% to 5.00%	18,490,000
\$13,445,000 2008 North Padre Island Development Corporation Tax Increment Contract Revenue Refunding Bonds due in annual installments of \$165,000 to \$1,605,000 through September 15, 2022, interest at 4.50%	<u>13,445,000</u>
Total Revenue Bonds	<u>114,480,000</u>
Total Governmental Activities	<u>\$297,395,695</u>

Business-type activities

Certificates of Obligation

\$6,845,000 2004 Combination Tax and Solid Waste Revenue Certificates of Obligation due in annual installments of \$250,000 to \$510,000 through March 1, 2019, including \$2,320,000 in March 1, 2024 term bonds with annual mandatory redemptions of \$420,000 to \$510,000 from March 1, 2020 through March 1, 2024, interest at 3.00% to 5.12%	\$5,895,000
\$14,520,000 2005 Combination Tax and Solid Waste Revenue Certificates of Obligation due in annual installments of \$250,000 to \$485,000 through September 1, 2024, including \$2,825,000 in September 1, 2029 term bonds with annual mandatory redemptions of \$510,000 to \$625,000 from September 1, 2025 through September 1, 2029, and \$5,355,000 in September 1, 2036 term bonds with annual mandatory redemptions of \$655,000 to \$885,000 from September 1, 2030 through September 1, 2036, interest at 3.00% to 5.00%	14,270,000
\$4,500,000 2005 Combination Tax and Revenue Marina Certificates of Obligation due in annual installments of \$155,000 to \$325,000 through September 1, 2025, interest at 3.00% to 4.375%	4,185,000
\$18,605,000 2006 Combination Tax and Solid Waste Revenue Certificates of Obligation due in annual installments of \$350,000 to \$660,000 from March 1, 2009 through March 1, 2024, including \$3,800,000 in March 1, 2029 term bonds with mandatory redemptions of \$690,000 to \$830,000 from March 1, 2025 through March 1, 2029, and \$7,040,000 in March 1, 2036 term bonds with mandatory redemptions of \$870,000 to \$1,150,000 from March 1, 2030 through March 1, 2036, interest at 4.00% to 4.82%	18,605,000

65.42% of \$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 from September 1, 2010 through September 1, 2026, interest at 4.00% to 4.375%	<u>4,569,305</u>
Total Certificates of Obligation - Business Type Activities	<u>47,524,305</u>
Revenue Bonds	
\$118,195,000 1997 Nueces River Authority Water Supply Facilities Revenue Bonds due in annual installments of \$2,710,000 to \$3,020,000 through July 15, 2009, interest at 5.125% to 6.00%	3,020,000
\$8,970,000 1997-A Lavaca-Navidad River Authority Water Supply Facilities Revenue Bonds due in annual installments of \$430,000 to \$470,000 through July 15, 2009, interest at 4.90% to 5.125%	470,000
\$47,740,000 1999 Utility System Revenue Refunding and Improvement Bonds due in annual installments of \$725,000 to \$3,505,000 through July 15, 2017, including \$5,810,000 in July 15, 2019 term bonds with annual mandatory redemptions of \$2,835,000 and \$2,978,000 July 15, 2018 and July 15, 2019, interest at 4.25% to 5.25%	8,355,000
\$15,750,000 1999-A Utility System Revenue Refunding and Improvement Bonds due in annual installments of \$700,000 to \$1,100,000 due July 15, 2019, interest at 3.25% to 4.10%	10,100,000
\$34,740,000 2000 Utility System Revenue Refunding Bonds due in annual installments of \$4,295,000 to \$6,045,000 through July 15, 2010, interest at 5.50%	10,825,000
\$42,520,000 2000-A Utility System Revenue Refunding Bonds due in annual installments of \$1,675,000 to \$2,060,000 through July 15, 2011, interest at 4.80% to 5.75%	5,885,000
\$13,010,000 2000-A General Airport Revenue Bonds due in annual installments of \$455,000 to \$885,000 through February 15, 2020 including \$2,375,000 in February 15, 2023 term bonds with annual mandatory redemptions of \$450,000 to \$990,000 from February 15, 2021 to February 15, 2023, interest at 4.90% to 5.625%	10,455,000
\$9,640,000 2000-B General Airport Revenue Bonds February 15, 2030 term bonds with annual mandatory redemptions of \$590,000 to \$1,505,000 from February 15, 2023 through February 15, 2030, interest at 5.375%	9,640,000
\$92,330,000 2002 Utility System Revenue Refunding and Improvement Bonds due in annual installments of \$3,455,000 to \$6,960,000 through July 15, 2022, interest at 3.50% to 5.25%	43,500,000
\$28,870,000 2003 Utility System Revenue Refunding Bonds due in annual installments of \$1,975,000 to \$4,815,000 through July 15, 2015, interest at 2.50% to 5.00%	23,035,000
\$4,475,000 2003 Nueces River Authority Water Supply Revenue Refunding Bonds due in annual installments of \$890,000 to \$945,000 through April 1, 2009, interest at 2.85%	945,000
\$50,000,000 2004 Utility System Revenue Refunding and Improvement Bonds due in annual installments of \$1,810,000 to \$3,830,000 through July 15, 2024, interest at 3.00% to 5.25%	43,345,000
\$70,390,000 2005 Utility Revenue Refunding Bonds due in annual installments of \$2,200,000 to \$10,965,000 through July 15, 2020, interest at 3.00% to 5.25%	70,185,000

\$94,575,000 2005 Nueces River Authority Water Supply Facilities Revenue Refunding Bonds due in annual installments of \$100,000 to \$7,545,000 through March 1, 2027, interest at 3.00% to 5.25%	92,585,000
\$5,160,000 2005 Lavaca-Navidad River Authority Water Supply Facilities Revenue Refunding bonds due in annual installments of \$20,000 to \$715,000 through July 15, 2017, interest at 3.25% to 4.00%	5,045,000
\$68,325,000 2005A Utility Revenue Refunding Bonds due in annual installments of \$2,340,000 to \$5,205,000 through July 15, 2025, interest at 3.00% to 5.00%	61,890,000
\$84,415,000 2006 Utility Revenue Refunding Bonds due in annual installments of \$1,625,000 to \$7,165,000 through July 15, 2026, interest at 4.00% to 5.00%	<u>79,940,000</u>
Total Revenue Bonds - Business Type Activities	<u>479,220,000</u>
Total Business-type Activities	<u>\$526,744,305</u>

The annual requirements to amortize all bonded debt outstanding as of July 31, 2008, are as follows:

<u>Fiscal</u> <u>Year Ending July 31</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	9,230,000	7,219,506	2,040,000	1,421,032
2010	9,280,000	6,823,719	2,315,000	1,438,638
2011	9,245,000	6,413,056	2,145,294	1,294,224
2012	8,835,000	5,964,306	1,483,752	1,203,926
2013	8,990,000	5,536,606	1,543,940	1,144,090
2014-2018	45,680,000	20,956,569	8,933,867	4,508,855
2019-2023	41,645,000	10,094,868	11,692,390	1,754,440
2024-2027	19,125,000	1,797,576	731,452	65,672
Total	<u>\$ 152,030,000</u>	<u>\$ 64,806,206</u>	<u>\$ 30,885,695</u>	<u>\$ 12,830,877</u>

<u>Fiscal</u> <u>Year Ending July 31</u>	<u>Governmental Activities</u>	
	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2009	4,385,000	5,458,004
2010	4,635,000	5,302,180
2011	5,295,000	5,119,190
2012	5,680,000	4,898,749
2013	5,960,000	4,634,848
2014-2018	35,160,000	18,279,987
2019-2023	33,740,000	9,584,149
2024-2026	19,625,000	1,737,769
Total	<u>\$ 114,480,000</u>	<u>\$ 55,014,876</u>

Fiscal Year Ending July 31	Business-Type Activities		Business-Type Activities	
	Certificates of Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2009	1,040,000	2,123,089	28,835,000	23,291,021
2010	1,080,000	2,086,402	29,095,000	22,059,756
2011	929,706	1,629,549	25,515,000	20,736,719
2012	1,736,248	2,406,230	26,635,000	19,616,371
2013	1,411,060	1,940,501	27,925,000	18,358,247
2014-2018	7,476,134	8,771,804	142,000,000	71,291,731
2019-2023	10,397,610	6,904,084	131,015,000	35,695,612
2024-2028	9,013,547	4,583,614	65,270,000	7,866,862
2029-2033	7,855,000	2,703,788	2,930,000	238,382
2034-2037	6,585,000	657,125		
Total	<u>47,524,305</u>	<u>33,806,186</u>	<u>\$ 479,220,000</u>	<u>\$ 219,154,701</u>

\$977,301 was retained by the Trustee out of the proceeds of the Nueces River Authority Water Supply Revenue Bonds to pay the maximum amount of principal and interest of all outstanding bonds in any fiscal year.

\$16,591,514 is available in the Debt Service Fund to service general obligation bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The City also may be contingently liable for rebates to the Federal government associated with interest earned on proceeds of tax exempt bonds issued. Based on regulations of the Tax Reform Act of 1986, the rebate would not be made until five years from the bond issuance date and may be liquidated through lower interest earnings in future years. For the fiscal year ended July 31, 2008, the City has recorded arbitrage liability of \$47,931 in the business-type activities.

B. Capital Leases

The City has entered into lease agreements as lessee for the acquisition of the following assets: various trucks and heavy equipment for the Solid Waste Department, Health Department, Street Department, and Fire Department; a building and improvements for the Emergency Operations Center and Development Services Department; golf carts for the Park and Recreation Department; and computer and connectivity equipment for several City departments. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a schedule of assets leased under capital leases as of July 31, 2008.

	Governmental Activities	Business-Type Activities
Land	\$ 66,359	\$ --
Building	1,260,821	--
Machinery and equipment	11,659,850	8,130,856
Less accumulated depreciation	(5,022,766)	(3,844,597)
Total	<u>\$ 7,964,264</u>	<u>\$ 4,286,259</u>

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at July 31, 2008:

<u>Fiscal Year Ending July 31</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2009	2,520,756	1,426,598
2010	2,403,566	1,173,935
2011	1,594,724	1,055,743
2012	1,299,790	909,996
2013	1,085,209	351,072
2014-2018	1,054,789	--
2019-2023	429,336	--
Total minimum lease payments	<u>10,388,170</u>	<u>4,917,344</u>
Less amount representing interest	1,285,621	326,150
Present value of minimum lease payments	<u>\$ 9,102,549</u>	<u>\$ 4,591,194</u>

C. Other Notes Payable

Other notes payable as of July 31, 2008, are as follows:

4.5% State Infrastructure Loan, payable in annual principal installments of \$750,000 to \$2,000,00 plus semi-annual interest through January 4, 2010.	\$ 3,250,000
3.52% 2008 Tax Notes - Frost Bank due in annual installments of \$965,000 to \$16,000,000 through March 1, 2015	<u>22,260,000</u>
Total	<u>\$ 25,510,000</u>

The annual requirements to amortize the notes outstanding as of July 31, 2008, are as follows:

<u>Fiscal Year Ending July 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	18,000,000	683,854
2010	2,215,000	276,602
2011	995,000	186,384
2012	1,025,000	151,360
2013	1,060,000	115,280
2014-2015	2,215,000	117,568
Total	<u>\$ 25,510,000</u>	<u>\$ 1,531,048</u>

D. Utility System Notes Payable

The Utility System notes payable of \$168,571,708 consists of \$66,073,868 related to an agreement with the Bureau of Reclamation for water rights and recreational facilities at Choke Canyon Dam and \$99,944,240 which represents the present value of an agreement with the Lavaca Navidad River Authority for water rights from Lake Texana and contract payable of \$2,553,600 to Natural Energy and Trade, LP.

Choke Canyon Dam

The U.S. Department of the Interior, through the Bureau of Reclamation (the Bureau), constructed a 700,000 acre feet dam on the Frio River, known as the Choke Canyon Dam (the Project). The City and the Nueces River Authority (the Authority) are local sponsors of the Project and entered into an agreement with the Bureau to provide a portion of the funds necessary to construct the dam (cost of water supply rights).

The dam site will remain the property of the Bureau although the City and Authority have the right, in perpetuity, to impound 80% and 20% respectively, of the water in the Project's reservoir. Pursuant to a separate agreement between the City and the Authority, the City, in exchange for certain services, will pay the Authority \$100,000 per calendar year plus additional sums for water used as specified in the agreement. The Bureau also constructed recreation and fish and wildlife facilities. At July 31, 2008, the City's share of the liability of the reservoir and related facilities, excluding interest, totaled \$66,073,868 and is payable over a 37 year period at an interest rate of 5.116%.

All costs are recorded as Water Supply Rights and Choke Canyon construction and related facilities in the Utility System. Annual payment of principal and interest for the cost of water supply rights and related facilities is as follows:

Fiscal Year Ending July 31,	<u>Principal</u>	<u>Interest</u>
2009	1,614,825	3,380,338
2010	1,697,439	3,297,724
2011	1,784,280	3,210,883
2012	1,875,563	3,119,600
2013	1,971,518	3,023,645
2014-2018	11,477,774	13,498,041
2019-2023	14,729,967	10,245,848
2024-2028	18,903,661	6,072,154
2029-2033	5,307,835	2,212,877
2034-2038	2,683,929	1,455,741
2039-2043	3,444,411	695,259
2044	582,666	29,809
Total	<u>\$66,073,868</u>	<u>\$50,241,919</u>

The City is responsible for the care, operation, and maintenance of the Project which must be carried out in compliance with the applicable government requirements.

Lake Texana Water Rights

The City entered into an agreement with the Lavaca Navidad River Authority to acquire the rights to purchase water from Lake Texana for a period of forty-two years. The purchase price is based on a formula which includes a percentage of the operating and maintenance expenses of Lake Texana and a percentage of the principal and interest on the bonds associated with the construction of the reservoir. The City has recorded on its books a liability in the amount of \$99,944,240 for the present value of the payments associated with the contract.

The following is a schedule of the future minimum payments under the agreement and the present value of the net minimum payments computed using a 3.5% discount rate as of July 31, 2008:

<u>Fiscal Year Ending July 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	1,455,848	3,498,048
2010	1,570,501	3,447,094
2011	1,690,550	3,392,126
2012	1,816,213	3,332,957
2013	1,947,717	3,269,389
2014-2018	11,932,590	15,224,717
2019-2023	16,242,962	12,848,016
2024-2028	21,596,972	9,646,779
2029-2033	28,217,091	5,423,373
2034-2035	13,473,796	713,305
Total	<u>\$ 99,944,240</u>	<u>\$ 60,795,804</u>

Pipeline Acquisition Contract Payable

The City entered into a contract with National Energy and Trade, LP for acquisition of natural gas pipeline. The following is a schedule of future minimum payments under the agreement:

<u>Fiscal Year Ending July 31,</u>	<u>Payment Amount</u>
2009	\$ 876,000
2010	876,000
2011	801,600
Total	<u>\$ 2,553,600</u>

E. Closure and Post-closure Care Costs

State and Federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an accrued liability has been recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The amount of the liability is based on what it would cost to have all such closure and post-closure care performed in the current year, and is assigned to periods based on cumulative landfill use. The estimated liability for landfill closure and post-closure costs recorded in the business-type activities at July 31, 2008, is \$26,267,870 for both the J.C. Elliott Landfill and the Cefe Valenzuela Landfill. The City ceased accepting waste for disposal at the JC Elliott Landfill on November 10, 2007, and began full-time waste operations at Cefe Valenzuela Landfill. As of July 31, 2008, Cefe Valenzuela Landfill was at 0.4% filled capacity. The estimated remaining total current cost of the landfill closure and post-closure care of \$34,558,013 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of July 31, 2008. The current portion of this amount is \$7,462,179, of which the majority is related to the costs for the final cap for J.C. Elliott Landfill. The actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

15. Advance Refundings and Defeasances

The City issued \$13,445,000 of Tax Increment Financing Refunding Bonds, Series 2008 dated March 14, 2008, with an average interest rate of 4.5% to refund \$12,000,000 of Series 2003, 2003A, 2004 and 2006 with an average interest rate of 7.4%. The City will reduce its total debt service payments over the next 15 years by approximately \$1,813,032 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,299,379.

The proceeds from the issuance of the bonds were used to purchase government securities that were placed in trust with an escrow agent to provide debt service payments on the bonds being refunded. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the City's financial statements.

In prior years, the City refinanced other bond issues through the issuance of refunding bonds. The proceeds from the refunding bonds have been deposited in irrevocable trusts which, together with interest earnings on those deposits, will provide amounts sufficient for future redemption or payment of principal and interest of the issues refunded. The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. On July 31, 2008, \$113,450,000 of bonds outstanding were considered defeased.

16. Interfund Transfers, Receivables and Payables

Interfund transfers for the year ended July 31, 2008, are as follows:

	Transfers Out					Total
	General	Non-major Governmental	Utility System Fund	Non-major Proprietary	Internal Service	
Transfers In:						
General	\$ -	\$ 561,021	\$ 3,654,280	\$ 733,807	\$ 32,868	\$ 4,981,976
Debt service	4,185,390	1,901,674	998,216	564,879	373,965	8,024,124
Non-major government	670,263	-	-	-	-	670,263
Utility system	-	-	-	-	114,210	114,210
Non-major proprietary	-	-	-	-	3,012	3,012
Internal Service	818,000	-	2,325,200	-	-	3,143,200
Total	\$ 5,673,653	\$ 2,462,695	\$ 6,977,696	\$ 1,298,686	\$ 524,055	\$ 16,936,785

During the year various interfund transfers were made to finance expenditures and service debt. The \$5,673,653 General Fund transfers out includes transfers of \$4,185,390 for payment of debt service, \$818,000 for capital equipment and improvements, \$169,675 to the Federal/State Grants Fund as matching grants, and \$500,588 to visitors facility fund for water garden repairs.

The General Fund received transfers in of \$4,981,976 of which \$4,795,898 was for administrative service charges, \$32,868 was distribution of internal service surplus funds, \$49,410 from capital projects funds for the Community Visioning Project and \$103,800 from capital projects funds for the Northside Redevelopment Plan Project.

The Debt Service Fund received transfers in of \$8,024,124 from the various funds (including the General Fund) for payment of debt service principal and interest and to establish debt service reserves.

Additional transfers were made between the various other funds consisting of \$2,325,200 from the Utility System Fund to the Maintenance Service Fund for acquisition of capital assets, and surplus internal service funds of \$109,512 and \$3,012 returned to the utility system fund and non-major proprietary funds respectively. Additionally, \$4,698 capital asset was transferred from maintenance service fund to the utility system fund.

In the government-wide financial statements, the solid waste activity, which is part of the General Fund, is presented as a business-type activity. The \$2,493,889 net income of the solid waste activity is accounted for as a transfer from governmental activities in the statement of activities.

Interfund advances for the year ended July 31, 2008, are as follows:

<u>To</u>	<u>From</u>	<u>Amount</u>
General Fund	Utility System Fund	\$34,600

Interfund receivables and payables at July 31, 2008, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds		
General fund	\$ 4,165,000	\$ 104,805
Other non-major governmental funds	100,224	943,360
Total governmental	<u>4,265,224</u>	<u>1,048,165</u>
Enterprise funds		
Utility system fund	-	4,165,000
Internal service funds	947,941	-
Total	<u>\$ 5,213,165</u>	<u>\$ 5,213,165</u>

The change in the interfund receivables and payables between the current and prior year may not agree to the "Change in assets and liabilities section" of the "Reconciliation of operating income (loss) to net cash provided by operating activities" in the Statement of Cash Flows due to non-operating activity.

17. Fund Deficits

At fiscal year end, the Visitors Facilities Fund had an accumulated deficit of \$2,707,285, which represents an increase in the deficit by \$534,112 from fiscal year 2007-2008. This was the third full year of operations subsequent to the renovations to the Convention Center and the construction of a new Arena. The fiscal year 2008-2009 budget addresses a portion of the current deficit, and additional funding sources are being considered.

18. Conduit Debt Obligations

The Corpus Christi Housing Finance Corporation (CCHFC), Corpus Christi Industrial Development Corporation (CCIDC), and the Coastal Bend Health Facilities Development Corporation are public non-profit corporations created by the City under State law to facilitate financing of authorized projects. These entities issued bonds to unrelated commercial entities. As of July 31, 2008, there were nine series of bonds outstanding with an aggregate principal amount payable of \$171,499,118. The bonds are not liabilities of the City or the respective corporations and are solely payable from revenues of the various commercial entities.

19. Segment Information for Enterprise Funds

The City issued revenue bonds to finance certain improvements to its utility system, airport and marina. Because the utility system fund is a segment and is reported as a major fund in the fund financial statements, segment disclosures herein are not reported. The airport and marina activities are accounted for as other enterprise fund in the fund financial statements. Segment information of airport funds and marina funds as of and for the year ended July 31, 2008, is as follows:

	<u>Airport Fund</u>	<u>Marina Fund</u>
Current assets, excluding restricted assets	\$ 8,137,121	\$ 231,115
Restricted assets	3,713,610	--
Capital assets	98,065,384	9,587,196
Other assets	495,987	67,219
Total assets	<u>110,412,102</u>	<u>9,885,530</u>
Current liabilities	2,728,905	494,784
Long-term liabilities	19,281,553	4,078,308
Total liabilities	<u>22,010,458</u>	<u>4,573,092</u>
Net assets		
Invested in capital assets, net of related debt	78,405,179	5,402,254
Restricted	3,713,610	--
Unrestricted	6,282,855	(89,816)
Net assets	<u>\$ 88,401,644</u>	<u>\$ 5,312,438</u>
Operating revenue	\$ 8,201,557	\$ 1,435,890
Depreciation	(3,905,018)	(571,956)
Other operating expenses	(6,438,810)	(1,042,156)
Operating loss	<u>(2,142,271)</u>	<u>(178,222)</u>
Nonoperating income (expense)	956,494	(168,456)
Capital contributions	8,670,087	--
Transfers	(761,727)	(263,184)
Net income (loss)	6,722,583	(609,862)
Net assets beginning of year	81,679,061	5,922,300
Net assets end of year	<u>\$ 88,401,644</u>	<u>\$ 5,312,438</u>
Net cash flow provided by (used for)		
Operating activities	\$ 1,860,620	\$ 540,501
Noncapital financing activities	(780,302)	(763,356)
Capital and related financing activities	(4,135,937)	(139,204)
Investment activities	3,871,382	8,625
Beginning cash and cash equivalents	4,868,830	483,048
Ending cash and cash equivalents	<u>\$ 5,684,593</u>	<u>\$ 129,614</u>

**REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYMENT RETIREMENT BENEFITS – ANALYSIS OF FUNDING PROGRESS
FOR YEAR ENDED JULY 31, 2008**

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll (FYE 7/31)	(6) Percentage of Unfunded Actuarial Accrued Liability to Covered Payroll Ratio
Texas Municipal Retirement System						
12/31/2005	\$ 235,856,593	\$ 350,376,189	67.3%	\$ 114,519,596	\$ 91,595,006	125.0%
12/31/2006	236,329,255	360,090,781	65.6%	123,761,526	97,756,667	126.6%
12/31/2007	234,960,197	433,507,405	54.2%	198,547,208	106,042,731	187.2%
Fire Fighters Retirement System						
12/31/2002	\$ 78,135,835	\$ 120,879,630	64.6%	\$ 42,743,795	\$ 20,272,430	210.8%
12/31/2004	87,250,141	126,998,434	68.7%	39,748,293	22,338,760	177.9%
12/31/2006	92,448,683	134,669,650	68.6%	42,220,967	21,946,798	192.4%
Other Post Employment Benefits Plan						
8/1/2007	\$ --	\$ 67,986,606	0.0%	\$ 67,986,606	\$ 130,398,414	52.1%



City of
Corpus
Christi

***Combining and Individual Fund
Financial Statements and Schedules***

Governmental Funds

General Fund – Used to account for resources traditionally associated with government and which are not required to be accounted for in another fund.

**GENERAL FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 8,063,522	\$ 2,927,313
Investments	17,471,079	24,499,372
Receivables		
Accounts	6,061,705	5,067,177
Taxes	3,390,221	3,372,489
Accrued interest	165,756	573,953
Demolition liens	2,462,258	2,501,799
Property leases	350	1,785
Employees	11,477	12,937
Intergovernmental	5,095,175	5,703,325
Miscellaneous	3,472,432	3,573,863
Allowance for uncollectibles	(5,914,580)	(5,600,038)
Net receivables	<u>14,744,794</u>	<u>15,207,290</u>
Due from other funds	4,165,000	234,642
Inventories	246,989	397,647
Prepaid items	<u>183,341</u>	<u>270,236</u>
Total assets	<u>\$ 44,874,725</u>	<u>\$ 43,536,500</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,723,985	\$ 3,404,296
Accrued liabilities	6,140,853	4,973,372
Deposits	495,296	521,146
Liability to claimants - escheat property	178,986	218,332
Due to other funds	104,805	300,386
Due to other governmental agencies	550,182	326,142
Advance from other funds	34,600	64,600
Deferred revenues		
Taxes	1,083,025	992,885
Other	353,193	308,737
Total liabilities	<u>12,664,925</u>	<u>11,109,896</u>
Fund balance		
Reserved for encumbrances	3,305,581	2,825,607
Reserved for inventory	246,989	397,647
Reserved for prepaid items	183,341	269,160
Reserved for Municipal Court building security	121,440	--
Reserved for Municipal Court technology	258,906	342,642
Reserved for Judicial/Court improvements	26,686	62,480
Reserved for Juvenile Court case manager	227,112	--
Reserved for government access equipment	11,959	11,959
Reserved for public access equipment and facility	7,000	3,500
Reserved for 9-1-1 wireless system	--	107,106
Reserved for capital replacement - radio system	30,000	30,000
Reserved for firefighters training	4,000	4,000
Reserved for Fire Contributions Trust	188,456	--
Reserved for traffic safety programs	3,266	--
Reserved for vital statistics records retention	23,555	--
Unreserved		
Designated for subsequent year's expenditures	481,627	493,361
Undesignated	<u>27,089,882</u>	<u>27,879,142</u>
Total fund balance	<u>32,209,800</u>	<u>32,426,604</u>
Total liabilities and fund balance	<u>\$ 44,874,725</u>	<u>\$ 43,536,500</u>

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Taxes				
General property taxes				
Ad valorem taxes - current	\$ 44,618,838	\$ 44,618,838	\$ 44,456,051	\$ --
Ad valorem taxes - delinquent	1,213,448	1,213,448	1,144,068	--
Penalties and interest	887,362	887,362	964,990	--
Industrial District - in lieu of taxes	5,958,216	5,958,216	5,653,371	--
Housing Authority - in lieu of taxes	10,000	10,000	15,573	--
Total general property taxes	<u>52,687,864</u>	<u>52,687,864</u>	<u>52,234,053</u>	<u>--</u>
City sales tax	<u>43,675,656</u>	<u>43,675,656</u>	<u>44,345,165</u>	<u>--</u>
Liquor drink tax	<u>929,618</u>	<u>929,618</u>	<u>1,009,960</u>	<u>--</u>
Bingo tax	<u>301,000</u>	<u>301,000</u>	<u>286,432</u>	<u>--</u>
Business fees				
Electric franchise	9,495,872	9,495,872	9,225,397	--
Electric franchise - Nueces Co-op	226,139	226,139	205,877	--
Telecommunications fees	4,534,700	4,534,700	4,504,062	--
CATV franchise	2,723,961	2,723,961	3,337,179	--
Taxicab franchise	42,400	42,400	48,795	--
AT&T right of way lease fee	1,200	1,200	1,200	--
Total business fees	<u>17,024,272</u>	<u>17,024,272</u>	<u>17,322,510</u>	<u>--</u>
Total taxes and business fees	<u>114,618,410</u>	<u>114,618,410</u>	<u>115,198,120</u>	<u>--</u>
Licenses and permits				
Amusement licenses	17,500	17,500	15,888	--
Technology fee	58,889	58,889	54,437	--
Pipeline - license fee	36,000	36,000	38,164	--
Pipeline license agreement	450,000	450,000	453,000	--
Beer and liquor licenses	90,000	90,000	95,403	--
Electricians licenses and exam fees	40,000	40,000	37,348	--
Auto wrecker permits	17,250	17,250	15,895	--
Taxi driver permits	3,000	3,000	8,620	--
Dance hall permits	2,700	2,700	--	--
House mover licenses	400	400	665	--
Forfeited house mover deposits	--	--	6,500	--
Other business licenses	21,300	21,300	23,530	--
Tax incentive application fees	--	--	--	--
Deferment agreement fees	8,696	8,696	--	--
Building permits	960,280	960,280	932,724	--
Electrical permits	451,274	451,274	474,743	--
Plumbing permits	350,000	350,000	351,388	--
Mechanical permits	350,000	350,000	341,368	--
Certificate of occupancy fees	50,000	50,000	44,811	--
Plan review fees	125,000	125,000	154,918	--
Occupational registration fees	10,500	10,500	17,208	--
Backflow prevention fees	--	--	36,321	--
Driveway permit fees	7,500	7,500	5,395	--
Occupancy of public R-O-W	20,000	20,000	55,161	--
Street easement closure fees	25,000	25,000	19,921	--

(Continued)

Exhibit 6-B

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
\$ 44,456,051	\$ (162,787)	\$ 43,481,986
1,144,068	(69,380)	1,147,978
964,990	77,628	910,821
5,653,371	(304,845)	5,899,224
15,573	5,573	10,027
<u>52,234,053</u>	<u>(453,811)</u>	<u>51,450,036</u>
<u>44,345,165</u>	<u>669,509</u>	<u>42,082,398</u>
<u>1,009,960</u>	<u>80,342</u>	<u>926,518</u>
<u>286,432</u>	<u>(14,568)</u>	<u>302,733</u>
9,225,397	(270,475)	9,263,025
205,877	(20,262)	199,583
4,504,062	(30,638)	4,423,114
3,337,179	613,218	2,806,430
48,795	6,395	45,595
1,200	--	1,200
<u>17,322,510</u>	<u>298,238</u>	<u>16,738,947</u>
<u>115,198,120</u>	<u>579,710</u>	<u>111,500,632</u>
15,888	(1,612)	18,649
54,437	(4,452)	24,763
38,164	2,164	37,064
453,000	3,000	450,000
95,403	5,403	102,642
37,348	(2,652)	40,971
15,895	(1,355)	15,742
8,620	5,620	3,150
--	(2,700)	50
665	265	399
6,500	6,500	--
23,530	2,230	16,818
--	--	10,000
--	(8,696)	--
932,724	(27,556)	974,172
474,743	23,469	496,319
351,388	1,388	355,494
341,368	(8,632)	375,583
44,811	(5,189)	22,260
154,918	29,918	125,928
17,208	6,708	14,193
36,321	36,321	--
5,395	(2,105)	8,400
55,161	35,161	28,020
19,921	(5,079)	24,318

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Licenses and permits (continued)				
Landscape fees	6,000	6,000	8,693	--
Research and survey fees	8,000	8,000	6,872	--
Construction document fees	3,000	3,000	1,117	--
Accessibility review & inspection fees	--	--	21,751	--
Site plan fees	--	--	23,186	--
Vacant building inspection fees	13,600	13,600	--	--
Billboard fees	14,300	14,300	12,661	--
House moving route permits	4,406	4,406	2,472	--
Oversized load permits	157,660	157,660	217,096	--
Street blockage permits	700	700	10,171	--
Energy code permits	100,000	100,000	85,790	--
Banner permits	500	500	375	--
Special event permits	1,788	1,788	2,657	--
Total licenses and permits	<u>3,405,243</u>	<u>3,405,243</u>	<u>3,576,249</u>	<u>--</u>
Grants				
Equal Employment Opportunity Commission	48,320	48,320	66,200	--
Federal Emergency Management Assistance	60,000	60,000	57,036	--
Disaster Relief - Hurricane Katrina	--	--	508	--
Sexual Assault Exam	93,349	93,349	80,981	--
HUD Fair Housing Assessment	120,000	120,000	123,700	--
General Land Office - beach cleaning	50,000	50,000	74,702	--
Total grants	<u>371,669</u>	<u>371,669</u>	<u>403,127</u>	<u>--</u>
Charges for services				
General governmental services				
Zoning fees	209,647	209,647	79,922	--
Platting fees	82,287	82,287	72,220	--
Board of Adjustment appeal fees	27,089	27,089	16,494	--
Attorney fees - demolition liens	17,000	17,000	26,449	--
CC Citizen University fees	900	900	630	--
Sale of City publications	600	600	359	--
Blueprint sales and GIS sales	1,000	1,000	19,350	--
Candidate filing fees	--	--	--	--
Nonprofit registration fees	2,004	2,004	1,290	--
Dog track admission fees	6,804	6,804	4,564	--
Total general governmental services	<u>347,331</u>	<u>347,331</u>	<u>221,278</u>	<u>--</u>
Police				
Police towing and storage charges	753,000	753,000	911,086	--
Police impound certified mail recovery	69,000	69,000	64,379	--
Police accident reports	61,279	61,279	87,157	--
Proceeds from auction	596,260	608,533	571,325	--
Parking meter collections	154,212	154,212	163,878	--
Police open record request	2,404	2,404	3,931	--
Police subpoenas	2,664	2,664	208	--
Fingerprinting fees	6,141	6,141	4,777	--
Customs/FBI	138,740	138,740	126,582	--

(Continued)

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
8,693	2,693	7,560
6,872	(1,128)	5,174
1,117	(1,883)	3,320
21,751	21,751	--
23,186	23,186	--
--	(13,600)	--
12,661	(1,639)	12,206
2,472	(1,934)	1,900
217,096	59,436	124,546
10,171	9,471	440
85,790	(14,210)	97,887
375	(125)	400
2,657	869	1,625
<u>3,576,249</u>	<u>171,006</u>	<u>3,399,993</u>
66,200	17,880	77,043
57,036	(2,964)	64,482
508	508	--
80,981	(12,368)	117,808
123,700	3,700	115,000
74,702	24,702	123,187
<u>403,127</u>	<u>31,458</u>	<u>497,520</u>
79,922	(129,725)	75,787
72,220	(10,067)	78,028
16,494	(10,595)	4,286
26,449	9,449	18,240
630	(270)	--
359	(241)	1,577
19,350	18,350	621
--	--	2,000
1,290	(714)	1,140
4,564	(2,240)	7,828
<u>221,278</u>	<u>(126,053)</u>	<u>189,507</u>
911,086	158,086	821,535
64,379	(4,621)	66,020
87,157	25,878	64,818
571,325	(37,208)	541,767
163,878	9,666	152,344
3,931	1,527	3,558
208	(2,456)	775
4,777	(1,364)	5,084
126,582	(12,158)	102,940

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Police (continued)				
Office of Justice Award	--	--	--	--
Police Security Services	51,570	51,570	24,866	--
DWI Videotaping	--	--	859	--
Alarm system permits and services	514,711	514,711	437,680	--
800 MHz radio	182,236	182,236	145,778	--
9-1-1 wireless service fees	951,720	951,720	1,156,759	--
9-1-1 wireline service fees	1,560,000	1,560,000	1,486,608	--
Police C.A.D. calls	59	59	128	--
Restitution	--	--	2,905	--
CCISD-Crossing guards	7,670	7,670	7,670	--
CCISD-DARE	78,500	78,500	78,500	--
School crossing guard program	67,457	67,457	79,299	--
Nueces county - Metrocom	883,252	980,353	1,076,591	--
Council of Governments - Metrocom	--	39,338	39,338	--
Kingsville Police Dept - CAD/RMS	15,000	15,000	--	--
Total police	<u>6,095,875</u>	<u>6,244,587</u>	<u>6,470,304</u>	<u>--</u>
Fire				
Fire prevention permits	217,000	217,000	213,701	--
Hazmat response calls	2,000	2,000	2,050	--
Emergency management alert system fees	--	--	15,376	--
Pipeline reporting administrative fees	31,000	31,000	36,400	--
Total fire	<u>250,000</u>	<u>250,000</u>	<u>267,527</u>	<u>--</u>
Ambulance				
Emergency calls	4,500,000	4,708,916	4,949,010	--
Interlocal Agreement - Port Aransas	10,000	10,000	10,000	--
Nueces Co OCL charges	60,000	60,000	41,747	--
Ambulance permits	1,000	1,000	4,525	--
Total Ambulance	<u>4,571,000</u>	<u>4,779,916</u>	<u>5,005,282</u>	<u>--</u>
Streets				
RTA - street services contribution	1,089,612	1,089,612	1,104,254	--
Speed humps	--	--	4,500	--
State of Texas - expressway lighting	229,680	229,680	179,652	--
Subdivision street lighting participation	160,000	160,000	116,631	--
Total streets	<u>1,479,292</u>	<u>1,479,292</u>	<u>1,405,037</u>	<u>--</u>
Solid waste services				
Residential refuse collection fees	13,210,428	13,210,428	13,342,605	--
Commercial and industrial refuse collection fees	1,598,931	1,598,931	1,637,874	--
Municipal solid waste system service charge (MSWSSC)	3,223,098	3,223,098	3,363,150	--
Refuse disposal charges	10,475,915	10,475,915	11,109,592	--
Disposal charges - landfill project	--	--	--	--
Refuse collection permits	20,000	20,000	21,018	--
Special debris pickup	380,024	380,024	225,978	--
Brush fees	20,000	20,000	31,568	--
Recycling	40,000	40,000	65,768	--
Recycling containers	50,000	50,000	45,599	--
Unsecured load charge	36	36	10	--
Total solid waste services	<u>29,018,432</u>	<u>29,018,432</u>	<u>29,843,162</u>	<u>--</u>

(Continued)

City of Corpus Christi, Texas

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
--	--	12,608
24,866	(26,704)	88,284
859	859	884
437,680	(77,031)	487,459
145,778	(36,458)	187,522
1,156,759	205,039	1,097,284
1,486,608	(73,392)	1,131,451
128	69	74
2,905	2,905	5,063
7,670	--	--
78,500	--	78,500
79,299	11,842	77,524
1,076,591	96,238	988,527
39,338	--	--
--	(15,000)	15,000
<u>6,470,304</u>	<u>225,717</u>	<u>5,929,021</u>
213,701	(3,299)	212,377
2,050	50	7,969
15,376	15,376	11,606
36,400	5,400	32,100
<u>267,527</u>	<u>17,527</u>	<u>264,052</u>
4,949,010	240,094	4,890,078
10,000	--	10,000
41,747	(18,253)	32,019
4,525	3,525	3,750
<u>5,005,282</u>	<u>225,366</u>	<u>4,935,847</u>
1,104,254	14,642	1,073,609
4,500	4,500	3,412
179,652	(50,028)	197,001
116,631	(43,369)	189,396
<u>1,405,037</u>	<u>(74,255)</u>	<u>1,463,418</u>
13,342,605	132,177	12,882,495
1,637,874	38,943	1,598,798
3,363,150	140,052	2,531,257
11,109,592	633,677	9,211,095
--	--	3,685
21,018	1,018	21,508
225,978	(154,046)	238,442
31,568	11,568	39,093
65,768	25,768	49,923
45,599	(4,401)	52,135
10	(26)	13,089
<u>29,843,162</u>	<u>824,730</u>	<u>26,641,520</u>

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Health services				
Food service permits	603,000	603,000	636,352	--
Vital statistics fees	540,000	540,000	608,316	--
Nueces County - health administration	90,000	90,000	79,735	--
Swimming pool inspection fees	50,000	50,000	40,312	--
Private sewage inspection fees	8,200	8,200	7,850	--
Pound fee and handling charges	36,500	36,500	105,951	--
Pet licenses	60,000	60,000	87,713	--
Pest control services	13,000	13,000	12,336	--
Adopt a kennel fees	--	--	495	--
Microchipping fee	--	--	320	--
Lab shipping fees	1,800	1,800	1,269	--
Child care facilities fees	8,000	8,000	9,500	--
Total health services	<u>1,410,500</u>	<u>1,410,500</u>	<u>1,590,149</u>	<u>--</u>
Recreation services				
Swimming pools	211,221	211,221	254,236	--
Swimming instruction fees	110,789	110,789	136,994	--
H.E. Butt tennis center	33,969	33,969	45,847	--
Al Kruse tennis center	27,133	27,133	23,056	--
Athletic events	100,500	100,500	132,072	--
Athletic instruction fees	45,400	45,400	35,206	--
Facilities rentals	91,418	91,418	99,687	--
Latchkey program	1,806,638	1,806,638	2,286,655	--
Buc days/Bayfest	36,000	36,000	56,587	--
Summer program registration fees	13,000	13,000	19,383	--
Beach parking permits	320,000	320,000	461,480	--
Heritage Park revenues	6,096	6,096	6,725	--
Heritage Park maintenance contract	--	--	--	--
Recreation instruction fees	48,000	48,000	43,195	--
Other recreation services	2,000	2,000	6,421	--
Nueces County Parks & Recreation reimbursement	--	--	11,622	--
Total recreation services	<u>2,852,164</u>	<u>2,852,164</u>	<u>3,619,166</u>	<u>--</u>
Libraries				
Fines	134,397	134,397	130,766	--
Lost book charges	19,555	19,555	19,588	--
Copy machine sales	38,607	38,607	32,329	--
Other library revenue	12,883	12,883	13,608	--
Total libraries	<u>205,442</u>	<u>205,442</u>	<u>196,291</u>	<u>--</u>
Museums				
Admissions	117,345	117,345	118,809	--
Special program fees	6,000	6,000	18,800	--
McGregor reproduction fees	5,523	5,523	7,134	--

(Continued)

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
636,352	33,352	640,295
608,316	68,316	520,100
79,735	(10,265)	67,686
40,312	(9,688)	35,850
7,850	(350)	15,147
105,951	69,451	51,768
87,713	27,713	73,885
12,336	(664)	13,778
495	495	75
320	320	226
1,269	(531)	876
9,500	1,500	9,650
<u>1,590,149</u>	<u>179,649</u>	<u>1,429,336</u>
254,236	43,015	218,988
136,994	26,205	144,923
45,847	11,878	38,191
23,056	(4,077)	23,721
132,072	31,572	116,620
35,206	(10,194)	44,003
99,687	8,269	86,099
2,286,655	480,017	1,988,289
56,587	20,587	38,108
19,383	6,383	19,031
461,480	141,480	346,210
6,725	629	5,218
--	--	22,956
43,195	(4,805)	56,773
6,421	4,421	2,790
11,622	11,622	--
<u>3,619,166</u>	<u>767,002</u>	<u>3,151,920</u>
130,766	(3,631)	121,518
19,588	33	18,370
32,329	(6,278)	35,139
13,608	725	13,543
<u>196,291</u>	<u>(9,151)</u>	<u>188,570</u>
118,809	1,464	111,257
18,800	12,800	9,000
7,134	1,611	3,887

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Museums (continued)				
Facility rental	17,762	17,762	18,925	--
Education group programs	705	705	1,899	--
School District - museum educational program	21,000	21,000	22,175	--
Parties and recitals	4,615	4,615	5,505	--
Columbus ships				
Admissions	128,263	128,263	139,419	--
Facility rental	700	700	2,100	--
Total museums	<u>301,913</u>	<u>301,913</u>	<u>334,766</u>	<u>--</u>
Total charges for services	<u>46,531,949</u>	<u>46,889,577</u>	<u>48,952,962</u>	<u>--</u>
Fines and forfeitures				
Moving vehicle fines	3,016,540	3,016,540	2,773,374	--
Parking fines	151,509	151,509	167,961	--
General fines	815,172	815,172	815,397	--
Photo redlight enforcement	907,339	907,339	734,843	--
Officers fees	222,708	222,708	195,111	--
Uniform Traffic Act fines	96,207	96,207	84,003	--
Warrant fees	328,356	328,356	289,241	--
Municipal Court				
State fee discount	253,658	253,658	264,527	--
Time Pay Fee - Court	27,757	27,757	26,683	--
Time Pay Fee - City	111,400	111,400	105,181	--
Technology Fee	178,234	178,234	157,664	--
Building security	132,097	132,097	120,750	--
Miscellaneous revenue	--	--	118	--
Juvenile case mgr fee	93,431	93,431	91,732	--
Juvenile expungement fee	--	--	276	--
Failure to appear fines	848,506	848,506	845,869	--
Animal control fines	10,504	10,504	6,277	--
Special parking enforcement	2,700	2,700	360	--
Teen Court administration fee	2,365	2,365	2,827	--
Other court fines	149,614	149,614	142,976	--
Total fines and forfeitures	<u>7,348,097</u>	<u>7,348,097</u>	<u>6,825,170</u>	<u>--</u>
Earnings on investments	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,532,486</u>	<u>--</u>
Miscellaneous				
Rental of general property	133,683	133,683	162,638	--
Recovery on damage claims	15,000	15,000	125,407	--
Special Inventory Tax Escrow Refund	80,000	80,000	93,025	--
Contributions and donations	73,511	128,511	113,152	--
Fire department trust donations	--	--	199,255	--
Contributions - in kind	--	--	--	--
Time Warner-Public Access Equipment	7,000	7,000	3,500	--
Automated teller machines	1,200	1,200	1,200	--
RTA bus advertising revenues	12,000	12,000	28,931	--

(Continued)

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
18,925	1,163	17,050
1,899	1,194	1,265
22,175	1,175	21,000
5,505	890	6,390
139,419	11,156	124,685
2,100	1,400	800
<u>334,766</u>	<u>32,853</u>	<u>295,334</u>
<u>48,952,962</u>	<u>2,063,385</u>	<u>44,488,525</u>
2,773,374	(243,166)	3,106,780
167,961	16,452	158,444
815,397	225	944,088
734,843	(172,496)	16,850
195,111	(27,597)	241,325
84,003	(12,204)	103,815
289,241	(39,115)	366,050
264,527	10,869	305,535
26,683	(1,074)	31,066
105,181	(6,219)	124,765
157,664	(20,570)	193,202
120,750	(11,347)	148,091
118	118	1,851
91,732	(1,699)	99,879
276	276	--
845,869	(2,637)	933,272
6,277	(4,227)	4,083
360	(2,340)	1,305
2,827	462	2,700
<u>142,976</u>	<u>(6,638)</u>	<u>141,691</u>
<u>6,825,170</u>	<u>(522,927)</u>	<u>6,924,792</u>
<u>1,532,486</u>	<u>2,486</u>	<u>1,500,447</u>
162,638	28,955	138,110
125,407	110,407	13,708
93,025	13,025	80,177
113,152	(15,359)	174,096
199,255	199,255	--
--	--	230,034
3,500	(3,500)	3,500
1,200	--	1,300
28,931	16,931	15,642

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous (continued)				
Sale of city property	--	--	91,431	--
Sale of fixed assets	--	--	--	--
Copy sales	2,685	2,685	5,054	--
Skatepark Concessions	--	--	3,722	--
Returned check fees	4,000	4,000	4,379	--
Administrative processing fee	--	--	17,189	--
Demolition and weed liens	100,000	100,000	152,453	--
Purchase discounts	80,000	80,000	130,667	--
Vending machine sales	6,000	6,000	4,348	--
City Hall food service commission	4,200	4,200	2,042	--
Forfeited plan deposits	24,000	24,000	18,615	--
Miscellaneous	69,323	69,323	42,345	--
Total miscellaneous revenue	<u>612,602</u>	<u>667,602</u>	<u>1,199,353</u>	<u>--</u>
Reimbursements				
Interdepartmental	5,042,449	5,042,449	--	5,008,374
Traffic engineering cost recovery	44,955	44,955	--	3,842
Capital budget cost recovery	190,446	190,446	--	191,199
Finance cost recovery - CIP	738,008	738,008	--	737,257
Engineering svcs - interdepartmental	--	--	--	45,376
Street recovery fees	988,000	988,000	--	827,857
Interdepartmental services - street	745,460	745,460	--	657,055
Fire hydrant maintenance	327,472	327,472	--	327,472
800 MHz radio - interdepartmental	239,484	239,484	--	242,159
Total reimbursements revenue	<u>8,316,274</u>	<u>8,316,274</u>	<u>--</u>	<u>8,040,591</u>
Total revenues	<u>182,734,244</u>	<u>183,146,872</u>	<u>177,687,467</u>	<u>8,040,591</u>
Other financing sources				
Capital leases	--	--	2,623,408	(2,623,408)
Total other financing sources	<u>--</u>	<u>--</u>	<u>2,623,408</u>	<u>(2,623,408)</u>
Transfers in				
Administrative charges				
Federal grants	129,824	129,824	138,030	--
CCCIC	11,000	11,000	12,281	--
Visitor facility	257,500	257,500	257,500	--
Gas division	803,485	803,485	803,485	--
Wastewater division	897,213	897,213	897,213	--
Water division	1,953,582	1,953,582	1,953,582	--
Airport	341,534	341,534	341,534	--
Golf	206,000	206,000	206,000	--
Marina	186,273	186,273	186,273	--

(Continued)

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
91,431	91,431	83,598
--	--	48,360
5,054	2,369	9,412
3,722	3,722	6,931
4,379	379	4,113
17,189	17,189	--
152,453	52,453	110,940
130,667	50,667	68,763
4,348	(1,652)	5,978
2,042	(2,158)	2,618
18,615	(5,385)	9,800
42,345	(26,978)	57,649
<u>1,199,353</u>	<u>531,751</u>	<u>1,064,729</u>
5,008,374	(34,075)	5,269,211
3,842	(41,113)	113,379
191,199	753	204,722
737,257	(751)	803,805
45,376	45,376	14,869
827,857	(160,143)	943,945
657,055	(88,405)	914,065
327,472	--	327,472
242,159	2,675	219,936
<u>8,040,591</u>	<u>(275,683)</u>	<u>8,811,404</u>
<u>185,728,058</u>	<u>2,581,186</u>	<u>178,188,042</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>
138,030	8,206	98,507
12,281	1,281	14,936
257,500	--	250,000
803,485	--	780,083
897,213	--	871,081
1,953,582	--	1,896,681
341,534	--	331,586
206,000	--	200,000
186,273	--	180,848

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Transfers in				
Other (continued)				
Stores division	32,868	32,868	32,868	--
City hall CIP	--	153,210	153,210	--
Total transfers in	<u>4,819,279</u>	<u>4,972,489</u>	<u>4,981,976</u>	<u>--</u>
Transfers out				
Debt service fund	--	--	(4,185,390)	4,185,390
Federal grants	(182,940)	(184,137)	(169,675)	--
Transfers for capital outlay	--	--	(818,000)	818,000
Corpus Christi Digital Community Development Corporation	--	--	--	--
Visitor's Facility fund	--	(500,588)	(500,588)	--
Total transfers out	<u>(182,940)</u>	<u>(684,725)</u>	<u>(5,673,653)</u>	<u>5,003,390</u>
Total other sources	<u>4,636,339</u>	<u>4,287,764</u>	<u>1,931,731</u>	<u>2,379,982</u>
 Total revenues and other sources	 <u>\$ 187,370,583</u>	 <u>\$ 187,434,636</u>	 <u>\$ 179,619,198</u>	 <u>\$ 10,420,573</u>

**Exhibit 6-B
(Continued)**

2008 Actual Budget Basis	Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
32,868	--	--
153,210	--	--
<u>4,981,976</u>	<u>9,487</u>	<u>4,623,722</u>
--	--	(12,888)
(169,675)	14,462	(744,920)
--	--	--
--	--	(24,494)
(500,588)	--	--
<u>(670,263)</u>	<u>14,462</u>	<u>(782,302)</u>
<u>4,311,713</u>	<u>23,949</u>	<u>3,841,420</u>
<u>\$ 190,039,771</u>	<u>\$ 2,605,135</u>	<u>\$ 182,029,462</u>

**GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Actual GAAP Expenditures</u>				
	<u>Personal Services</u>	<u>Materials & Supplies</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Capital Outlays</u>
General government					
Control					
City Council and City Secretary	\$ 661,539	\$ 25,625	\$ 64,543	\$ 123,529	\$ --
City Manager	398,136	7,688	61,439	45,363	--
Group Managers	549,282	12,469	72,227	46,825	--
Management and budget office	527,012	11,568	33,414	66,113	--
Communications/quality management	220,979	7,402	39,539	39,564	--
Cable public education government access	--	--	--	--	--
Capital budgeting	86,219	3,411	841	16,652	--
Total general government - control	<u>2,443,167</u>	<u>68,163</u>	<u>272,003</u>	<u>338,046</u>	<u>--</u>
Staff agencies					
Director of finance	376,421	3,719	1,376	45,879	--
Accounting	1,390,477	39,218	396,293	364,798	--
Nueces County Tax Appraisal District	--	--	1,060,368	--	--
Central cashiering	536,645	20,348	35,760	325,967	--
Cash management	238,086	16,219	1,215	119,172	--
Legal	1,835,993	74,982	152,021	236,607	--
Economic development	--	--	182,763	--	--
Downtown Management District	--	--	110,000	--	--
Development services admin	255,742	56,050	81,849	765,580	--
Development process management	461,016	19,332	44,564	38,418	--
Planning	794,284	30,270	187,383	208,367	28,441
Code enforcement	591,129	88,603	248,138	378,071	--
Neighborhood initiative program	315,567	6,203	5,334	43,619	101,181
Human resources	1,003,677	42,422	63,625	209,960	--
Incentive program	--	--	27,590	--	--
Training	147,982	501	77,383	6,697	--
ADA Compliance	--	7,699	53,899	316	--
Human relations	362,579	12,693	13,344	81,617	--
Total staff agencies	<u>8,309,598</u>	<u>418,259</u>	<u>2,742,905</u>	<u>2,825,068</u>	<u>129,622</u>
Engineering services					
Engineering support services	--	--	32,766	308,808	--
Special services	416,717	19,732	49,065	89,229	--
Total engineering services	<u>416,717</u>	<u>19,732</u>	<u>81,831</u>	<u>398,037</u>	<u>--</u>
Other expenditures					
Uncollectible accounts	--	--	--	533,339	--
Major memberships	--	--	84,085	--	--
Reserve for comp/merit pay	--	--	--	--	--
Purchasing/messenger service allocation	--	--	--	280,548	--
Refuge of last resort	2,892	15,798	48	--	--
Reserve appropriations	--	--	--	--	--
Reserve for accrued pay	--	--	--	--	--
Total other expenditures	<u>2,892</u>	<u>15,798</u>	<u>84,133</u>	<u>813,887</u>	<u>--</u>
Total general government	<u>11,172,374</u>	<u>521,952</u>	<u>3,180,872</u>	<u>4,375,038</u>	<u>129,622</u>

(Continued)

City of Corpus Christi, Texas

Exhibit 6-C

Reimbursements	Total Expenditures	Adjustments Budget Basis	2008 Actual Budget Basis	Budget		Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
				Original	Final		
\$ --	\$ 875,236	\$ --	\$ 875,236	\$ 863,738	\$ 892,003	\$ 16,767	\$ 1,052,165
--	512,626	--	512,626	424,356	475,966	(36,660)	450,779
--	680,803	--	680,803	761,324	860,574	179,771	560,021
(165,732)	472,375	165,732	638,107	602,747	678,415	40,308	463,241
(50,000)	257,484	50,000	307,484	282,416	296,930	(10,554)	263,414
--	--	--	--	--	--	--	1,788
(191,199)	(84,076)	191,199	107,123	103,281	108,281	1,158	198,602
(406,931)	2,714,448	406,931	3,121,379	3,037,862	3,312,169	190,790	2,990,010
(330,179)	97,216	330,179	427,395	427,767	428,867	1,472	392,781
(1,289,957)	900,829	1,289,957	2,190,786	2,216,218	2,241,360	50,574	2,060,934
--	1,060,368	--	1,060,368	1,016,242	1,016,242	(44,126)	930,993
(475,890)	442,830	475,890	918,720	984,368	983,268	64,548	927,366
(244,026)	130,666	244,026	374,692	374,191	374,191	(501)	320,307
(91,430)	2,208,173	91,430	2,299,603	2,274,607	2,421,703	122,100	2,289,064
(131,563)	51,200	131,563	182,763	182,763	182,763	--	186,604
(49,264)	60,736	49,264	110,000	110,000	110,000	--	80,073
--	1,159,221	12,767	1,171,988	1,162,898	1,205,957	33,969	972,408
--	563,330	--	563,330	694,720	694,720	131,390	--
(71,541)	1,177,204	74,791	1,251,995	1,224,226	1,351,714	99,719	1,400,528
--	1,305,941	--	1,305,941	1,266,576	1,282,825	(23,116)	1,203,897
--	471,904	--	471,904	545,475	545,475	73,571	344,033
--	1,319,684	--	1,319,684	1,343,323	1,344,428	24,744	1,306,058
--	27,590	--	27,590	21,005	27,900	310	21,933
--	232,563	--	232,563	218,752	234,158	1,595	163,355
--	61,914	--	61,914	82,348	100,867	38,953	48,930
--	470,233	--	470,233	450,920	459,493	(10,740)	394,468
(2,683,850)	11,741,602	2,699,867	14,441,469	14,596,399	15,005,931	564,462	13,043,732
(4,896)	336,678	4,896	341,574	341,418	341,419	(155)	324,626
(100,982)	473,761	100,982	574,743	571,756	571,756	(2,987)	482,589
(105,878)	810,439	105,878	916,317	913,174	913,175	(3,142)	807,215
--	533,339	--	533,339	245,891	245,891	(287,448)	238,649
(51,318)	32,767	51,318	84,085	83,412	93,912	9,827	95,537
--	--	--	--	2,008,284	916,243	916,243	--
--	280,548	--	280,548	280,548	280,548	--	232,140
--	18,738	--	18,738	15,000	15,000	(3,738)	1,770
--	--	--	--	271,773	977,177	977,177	--
--	--	--	--	1,000,000	--	--	--
(51,318)	865,392	51,318	916,710	3,904,908	2,528,771	1,612,061	568,096
(3,247,977)	16,131,881	3,263,994	19,395,875	22,452,343	21,760,046	2,364,171	17,409,053

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Actual GAAP Expenditures				
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays
Police and municipal court					
Police					
Administration	1,716,123	129,451	215,047	770,891	--
Police training	1,370,588	110,860	36,712	84,775	--
Criminal investigation	5,166,340	178,163	1,966	350,753	40,272
Special services	2,423,316	137,836	20,249	268,007	--
Uniformed division	26,739,465	553,522	564,197	5,308,379	170,715
Forensics services division	1,171,937	52,982	15,295	97,844	--
School crossing guards	595,345	4,273	386	120,192	--
Parking control	157,766	2,160	23,958	36,934	--
MetroCom	3,500,923	55,580	754,828	173,592	--
Police computer support	81,539	45,823	606,749	2,676	--
9-1-1 call delivery wireline	30,086	35,510	294,561	13,748	--
9-1-1 call delivery wireless	--	20,082	433,012	--	--
Building maintenance and operations	308,962	61,143	859,762	70,638	--
Vehicle pound operation	280,812	6,570	635,381	39,797	--
Community services	--	--	--	--	--
Central information	1,243,824	33,627	31,036	132,665	--
Criminal intelligence unit	611,483	27,835	5,043	115,868	--
Civil offenses	--	339	539,434	1,204	--
Beach safety	120,989	--	--	--	--
Police Special Events Overtime	45,154	--	--	--	--
Total police	<u>45,564,652</u>	<u>1,455,756</u>	<u>5,037,616</u>	<u>7,587,963</u>	<u>210,987</u>
Municipal court					
Administration	1,223,643	144,320	173,870	778,672	--
Judicial	406,970	4,554	14,522	48,278	--
Environmental court	141,040	--	5,259	11,247	--
Municipal juvenile court	178,553	3,567	37,713	18,139	--
Detention facility	1,262,529	17,910	76,171	85,339	--
Building security	--	--	--	--	--
City marshals	607,564	58,419	104,305	45,038	--
Total municipal court	<u>3,820,299</u>	<u>228,770</u>	<u>411,840</u>	<u>986,713</u>	<u>--</u>
Total police and municipal court	<u>49,384,951</u>	<u>1,684,526</u>	<u>5,449,456</u>	<u>8,574,676</u>	<u>210,987</u>
Fire and Ambulance					
Administration and training	959,909	32,523	70,526	323,938	--
Fire academy training	995,250	97,590	8,608	40,260	--
Communications	75,773	14,033	137,643	66,457	--
Apparatus and shop	232,781	265,924	254,415	18,466	--
Stations	25,986,295	658,734	655,465	1,665,702	597,815
Fire safety/Haz-Mat	--	--	--	--	--
Fire prevention	1,027,342	18,049	23,053	162,542	--
Fire support services	95,243	36,163	6,609	4,080	--
Fire department contributions	178,384	11,395	2,722	14,961	--
City ambulance operations	789,997	440,806	817,803	63,281	221,912
Total fire and ambulance	<u>30,340,974</u>	<u>1,575,217</u>	<u>1,976,844</u>	<u>2,359,687</u>	<u>819,727</u>

(Continued)

City of Corpus Christi, Texas

Exhibit 6-C
(Continued)

Reimbursements	Total Expenditures	Adjustments Budget Basis	2008 Actual Budget Basis	Budget		Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
				Original	Final		
(2,172)	2,829,340	2,172	2,831,512	2,510,369	2,903,720	72,208	2,223,381
--	1,602,935	--	1,602,935	1,587,039	1,590,398	(12,537)	1,555,630
--	5,737,494	--	5,737,494	5,180,692	5,473,276	(264,218)	4,747,587
--	2,849,408	--	2,849,408	2,697,724	2,721,175	(28,233)	2,482,885
(242,159)	33,094,119	1,047,159	34,141,278	33,389,935	33,907,226	(234,052)	28,734,290
--	1,338,058	--	1,338,058	1,212,801	1,316,040	(22,018)	1,123,406
--	720,196	--	720,196	791,842	812,622	92,426	712,405
--	220,818	--	220,818	231,478	235,777	14,959	198,670
(253,608)	4,231,315	253,608	4,484,923	4,526,653	4,536,338	51,415	4,682,103
(754,665)	(17,878)	754,665	736,787	728,223	730,194	(6,593)	2,672,345
--	373,905	87,434	461,339	435,474	515,820	54,481	490,349
--	453,094	87,434	540,528	350,855	457,961	(82,567)	196,777
--	1,300,505	124,294	1,424,799	1,442,456	1,462,812	38,013	1,390,909
--	962,560	--	962,560	895,578	901,873	(60,687)	876,986
--	--	--	--	--	--	--	1,653,745
--	1,441,152	--	1,441,152	1,456,737	1,489,282	48,130	1,383,855
--	760,229	--	760,229	968,538	864,873	104,644	802,870
--	540,977	--	540,977	660,911	660,911	119,934	--
(83,865)	37,124	83,865	120,989	123,786	123,786	2,797	129,657
--	45,154	--	45,154	244,460	244,460	199,306	166,480
(1,336,469)	58,520,505	2,440,631	60,961,136	59,435,551	60,948,544	(12,592)	56,224,330
--	2,320,505	--	2,320,505	2,057,855	2,528,143	207,638	2,313,241
--	474,324	--	474,324	465,673	484,393	10,069	452,262
--	157,546	--	157,546	169,659	169,659	12,113	133,473
--	237,972	--	237,972	223,442	235,539	(2,433)	210,844
--	1,441,949	--	1,441,949	1,251,389	1,280,806	(161,143)	1,342,655
--	--	--	--	--	--	--	111,272
--	815,326	--	815,326	481,935	682,079	(133,247)	626,918
--	5,447,622	--	5,447,622	4,649,953	5,380,619	(67,003)	5,190,665
(1,336,469)	63,968,127	2,440,631	66,408,758	64,085,504	66,329,163	(79,595)	61,414,995
(10,668)	1,376,228	10,668	1,386,896	1,435,518	1,461,030	74,134	1,623,801
--	1,141,708	--	1,141,708	1,284,250	1,304,238	162,530	1,523,962
--	293,906	--	293,906	294,284	294,284	378	281,548
--	771,586	--	771,586	645,033	698,119	(73,467)	590,125
(327,472)	29,236,539	449,688	29,686,227	29,348,644	29,718,273	32,046	29,580,708
--	--	--	--	--	--	--	202,767
--	1,230,986	--	1,230,986	1,260,258	1,262,631	31,645	1,322,090
--	142,095	--	142,095	205,721	207,287	65,192	164,624
--	207,462	--	207,462	235,013	235,013	27,551	--
--	2,333,799	150,539	2,484,338	2,151,820	2,450,065	(34,273)	2,038,413
(338,140)	36,734,309	610,895	37,345,204	36,860,541	37,630,940	285,736	37,328,038

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Actual GAAP Expenditures				
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays
Emergency management					
Emergency management	135,133	36,935	41,935	120,509	--
Pipeline transportation	35,586	221	--	3,492	--
Total emergency management	<u>170,719</u>	<u>37,156</u>	<u>41,935</u>	<u>124,001</u>	<u>--</u>
Inspections	<u>1,290,924</u>	<u>49,641</u>	<u>129,246</u>	<u>344,369</u>	<u>41,064</u>
Streets					
Office and yard	678,743	31,447	82,821	201,156	--
Asphalt rework and construction	470,425	1,006,497	230,577	194,148	--
Utility cut repairs	247,948	153,736	5,787	46,908	--
Asphalt maintenance	2,182,142	2,741,951	221,069	722,016	615,807
Traffic signals	464,596	604,670	116,159	123,054	--
Traffic engineering	413,256	28,186	10,810	87,468	--
Street lighting	--	--	3,063,104	13,608	--
Residential traffic management	--	--	26,947	--	--
Signs and markings	448,644	329,566	81,743	157,627	--
Total streets	<u>4,905,754</u>	<u>4,896,053</u>	<u>3,839,017</u>	<u>1,545,985</u>	<u>615,807</u>
Solid Waste					
Solid waste office	627,625	46,074	156,169	219,898	--
J.C. Elliot Transfer Station	241,172	153,927	20,134	18,120	458,501
Refuse collection	3,836,304	1,248,296	57,357	645,397	1,238,161
Refuse disposal	401,793	116,898	3,857,369	246,394	--
Brush collection	1,658,068	415,585	47,216	294,780	320,964
Recycling collection	835,832	89,040	10,978	115,063	--
Cefe Valenzuela landfill operation	172,277	42,460	214,434	22,741	338,421
Graffiti clean-up project	73,752	8,748	4,102	--	--
Landfill regulation compliance	--	--	--	--	--
Total solid waste	<u>7,846,823</u>	<u>2,121,028</u>	<u>4,367,759</u>	<u>1,562,393</u>	<u>2,356,047</u>
Health					
Administration and special programs	463,502	47,813	40,622	169,215	--
T.B. Clinic - Health Department	55,905	1,049	(36)	653	--
Immunization and venereal disease	45,701	12,090	4,725	13,128	--
Vital statistics	122,641	16,489	20,475	17,785	--
Nursing	472,395	36,719	18,096	48,048	--
Environmental health	210,805	18,173	25,088	41,819	--
STD clinic	79,496	1,329	1,213	8,652	--
Vector control	302,045	42,763	7,334	105,708	--
Laboratory	110,954	1,765	1,632	13,032	--
Mental health	--	--	54,000	--	--
Animal control	739,505	101,231	70,099	324,616	63,196
Health office building	30,894	25,055	305,884	141,822	--
Total health	<u>2,633,843</u>	<u>304,476</u>	<u>549,132</u>	<u>884,478</u>	<u>63,196</u>

(Continued)

City of Corpus Christi, Texas

Exhibit 6-C
(Continued)

Reimbursements	Total Expenditures	Adjustments Budget Basis	2008 Actual Budget Basis	Budget		Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
				Original	Final		
--	334,512	--	334,512	346,884	350,670	16,158	240,504
--	39,299	--	39,299	41,278	42,178	2,879	21,294
--	373,811	--	373,811	388,162	392,848	19,037	261,798
(158,860)	1,696,384	168,610	1,864,994	1,617,364	1,757,293	(107,701)	1,929,400
--	994,167	--	994,167	988,283	991,136	(3,031)	953,353
--	1,901,647	--	1,901,647	1,671,367	1,673,199	(228,448)	2,004,053
--	454,379	--	454,379	446,126	446,126	(8,253)	430,897
(1,515,777)	4,967,208	1,184,056	6,151,264	7,395,672	8,125,631	1,974,367	5,758,622
(2,425)	1,306,054	57,484	1,363,538	1,243,211	1,373,552	10,014	1,422,764
(49,218)	490,502	49,218	539,720	537,926	562,749	23,029	516,153
--	3,076,712	--	3,076,712	3,615,672	3,699,472	622,760	3,518,985
--	26,947	--	26,947	54,000	54,000	27,053	22,650
(10,477)	1,007,103	47,247	1,054,350	1,033,797	1,057,870	3,520	1,019,839
(1,577,897)	14,224,719	1,338,005	15,562,724	16,986,054	17,983,735	2,421,011	15,647,316
--	1,049,766	--	1,049,766	1,146,404	1,160,830	111,064	1,070,526
--	891,854	(32,478)	859,376	844,995	844,995	(14,381)	5,113
--	7,025,515	537,570	7,563,085	5,985,509	6,832,107	(730,978)	6,010,021
(1,702)	4,620,752	4,174,325	8,795,077	8,427,742	8,147,653	(647,424)	8,242,844
--	2,736,613	(268,088)	2,468,525	2,298,836	2,326,824	(141,701)	2,195,561
(3,105)	1,047,808	3,105	1,050,913	1,147,956	1,166,511	115,598	1,036,377
--	790,333	--	790,333	539,981	1,019,204	228,871	142,070
--	86,602	--	86,602	100,000	100,000	13,398	3,965
--	--	--	--	--	--	--	1,860
(4,807)	18,249,243	4,414,434	22,663,677	20,491,423	21,598,124	(1,065,553)	18,708,337
(6,156)	714,996	6,156	721,152	728,802	728,802	7,650	676,318
--	57,571	--	57,571	63,200	63,200	5,629	59,613
--	75,644	--	75,644	107,984	107,984	32,340	69,270
--	177,390	--	177,390	174,172	174,172	(3,218)	222,618
--	575,258	--	575,258	576,642	576,642	1,384	534,690
--	295,885	--	295,885	312,182	312,082	16,197	307,997
--	90,690	--	90,690	95,884	95,884	5,194	91,225
--	457,850	450	458,300	438,038	438,038	(20,262)	456,006
--	127,383	--	127,383	131,095	131,195	3,812	107,964
--	54,000	--	54,000	54,000	54,000	--	54,000
--	1,298,647	7,217	1,305,864	1,401,957	1,483,669	177,805	1,167,947
--	503,655	--	503,655	387,061	396,559	(107,096)	419,399
(6,156)	4,428,969	13,823	4,442,792	4,471,017	4,562,227	119,435	4,167,047

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Actual GAAP Expenditures				
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays
Parks and recreation					
Director of parks and recreation	653,383	21,210	53,388	170,999	118,472
Park operation	3,094,056	616,633	217,925	1,417,057	415,071
Bayfront Science Park	--	2,580	(2,580)	--	--
Recreation centers	692,705	42,033	153,041	265,494	--
Senior community services	257,347	275,092	390,873	8,121	15,357
Athletics	550,363	29,464	347,129	131,578	--
Aquatics	623,145	125,098	144,728	148,897	--
Special programs	--	--	--	--	--
Multicultural center	177,829	22,871	74,659	46,171	--
Latchkey program	1,486,849	118,282	64,980	273,908	--
Arts subgranting	--	45	38,718	--	--
Beach maintenance/safety	--	19,070	4	--	--
Beach parking permits	8,607	20,527	86,956	14,317	--
Beach maintenance and operations	286,099	149,792	195,053	84,396	43,375
Life guarding and first response	224,205	35,780	39,488	30,116	73,899
Tennis center operations	--	18,391	185,824	29,437	--
Assessment center	153,794	4,230	3,927	29,653	--
Corpus Christi Independent School District	--	--	2,500	--	--
Coliseum	--	93,669	17,526	--	--
Volunteer center	--	--	8,450	--	--
Tourist district	639,940	87,437	51,056	127,742	--
Summer recreation scholarships	94,760	13,071	16,616	13,596	--
Natorium	--	532	129,820	--	--
Total parks and recreation	<u>8,943,082</u>	<u>1,695,807</u>	<u>2,220,081</u>	<u>2,791,482</u>	<u>666,174</u>
Libraries					
Central	1,273,829	581,681	330,270	312,073	66,566
Anita & W.T. Neyland Branch	302,215	6,762	65,531	73,280	--
Greenwood Branch	270,874	7,146	50,626	61,573	--
Northwest Branch	233,024	7,561	42,012	60,390	--
Janet F. Harte Branch	203,728	6,265	47,204	55,458	28,810
Dr. Clotilde P. Garcia Branch	31,810	--	--	--	--
Total libraries	<u>2,315,480</u>	<u>609,415</u>	<u>535,643</u>	<u>562,774</u>	<u>95,376</u>
Museums					
Museum of Science and History	850,282	17,954	360,286	359,300	--
Columbus ships	77,316	2,571	4,384	18,168	--
Total museums	<u>927,598</u>	<u>20,525</u>	<u>364,670</u>	<u>377,468</u>	<u>--</u>
Community enrichment					
Sister City program	--	1,754	1,119	15,082	--

(Continued)

City of Corpus Christi, Texas

Exhibit 6-C
(Continued)

Reimbursements	Total Expenditures	Adjustments Budget Basis	2008 Actual Budget Basis	Budget		Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
				Original	Final		
--	1,017,452	--	1,017,452	828,967	1,028,849	11,397	844,851
(285,556)	5,475,186	228,252	5,703,438	5,176,088	5,701,577	(1,861)	5,554,523
--	--	--	--	--	--	--	423,372
--	1,153,273	--	1,153,273	1,107,548	1,125,249	(28,024)	1,057,429
--	946,790	--	946,790	943,970	858,247	(88,543)	--
--	1,058,534	--	1,058,534	787,021	1,017,461	(41,073)	700,567
--	1,041,868	--	1,041,868	956,721	1,016,442	(25,426)	986,755
--	--	--	--	--	--	--	108,684
(114,132)	207,398	114,132	321,530	368,298	333,103	11,573	346,227
--	1,944,019	1,510	1,945,529	1,779,707	1,796,598	(148,931)	1,827,631
--	38,763	--	38,763	40,000	40,000	1,237	43,803
(13,222)	5,852	13,222	19,074	13,525	19,357	283	4,396
(90,393)	40,014	90,393	130,407	135,444	135,444	5,037	70,152
(586,229)	172,486	673,383	845,869	798,397	821,494	(24,375)	731,886
(280,755)	122,733	282,303	405,036	297,986	308,544	(96,492)	249,401
--	233,652	--	233,652	203,409	203,409	(30,243)	213,675
--	191,604	--	191,604	202,704	205,937	14,333	168,069
--	2,500	--	2,500	30,000	22,000	19,500	2,150
--	111,195	--	111,195	24,596	124,596	13,401	197,870
--	8,450	--	8,450	8,450	8,450	--	8,450
--	906,175	--	906,175	822,965	850,558	(55,617)	788,895
--	138,043	--	138,043	124,915	127,642	(10,401)	--
--	130,352	--	130,352	150,000	150,000	19,648	151,815
(1,370,287)	14,946,339	1,403,195	16,349,534	14,800,711	15,894,957	(454,577)	14,480,601
--	2,564,419	22,302	2,586,721	2,352,995	2,868,966	282,245	2,268,352
--	447,788	--	447,788	453,849	453,849	6,061	418,898
--	390,219	--	390,219	400,644	400,644	10,425	399,111
--	342,987	--	342,987	359,329	367,629	24,642	306,421
--	341,465	--	341,465	308,884	339,534	(1,931)	292,069
--	31,810	--	31,810	46,432	46,432	14,622	--
--	4,118,688	22,302	4,140,990	3,922,133	4,477,054	336,064	3,684,851
--	1,587,822	--	1,587,822	1,632,495	1,632,495	44,673	1,433,346
--	102,439	--	102,439	138,254	138,254	35,815	136,239
--	1,690,261	--	1,690,261	1,770,749	1,770,749	80,488	1,569,585
--	17,955	--	17,955	17,943	17,943	(12)	14,315

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Actual GAAP Expenditures				
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays
Debt service					
Principal retired	--	--	--	3,018,049	--
Interest	--	--	--	237,267	--
Total debt service	--	--	--	3,255,316	--
Total expenditures	\$ 119,932,522	\$ 13,517,550	\$ 22,655,774	\$ 26,772,749	\$ 4,998,000

Reimbursements	Total Expenditures	Adjustments Budget Basis	2008 Actual Budget Basis	Budget		Variance Final Budget Positive (Negative)	2007 Actual Budget Basis
				Original	Final		
--	3,018,049	(3,018,049)	--	--	--	--	--
--	237,267	(237,267)	--	--	--	--	--
--	3,255,316	(3,255,316)	--	--	--	--	--
<u>\$ (8,040,593)</u>	<u>\$ 179,836,002</u>	<u>\$ 10,420,573</u>	<u>\$ 190,256,575</u>	<u>\$ 187,863,944</u>	<u>\$ 194,175,079</u>	<u>\$ 3,918,504</u>	<u>\$ 176,615,336</u>



City of
Corpus
Christi

Debt Service Fund – Also known as the *Interest and Sinking Fund*. Was established to account for funds needed to make principal and interest payments on outstanding bonds when due.

Exhibit 7-A

**DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 1,509,366	\$ 460,379
Investments	14,994,312	10,999,375
Receivables		
Taxes	1,851,661	1,665,973
Accrued interest	70,476	159,154
Intergovernmental	17,653	13,113
Allowance for uncollectibles	(1,260,138)	(1,175,498)
Net receivables	<u>679,652</u>	<u>662,742</u>
Total assets	<u>\$ 17,183,330</u>	<u>\$ 12,122,496</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 293	\$ 9,750
Deferred revenues		
Taxes	<u>591,523</u>	<u>490,475</u>
Total liabilities	<u>591,816</u>	<u>500,225</u>
Fund balance		
Reserved for debt service	4,878,914	4,775,514
Unreserved		
Designated for subsequent year's expenditures	7,400,483	--
Undesignated	<u>4,312,117</u>	<u>6,846,757</u>
Net unreserved	<u>11,712,600</u>	<u>6,846,757</u>
Total fund balance	<u>16,591,514</u>	<u>11,622,271</u>
Total liabilities and fund balance	<u>\$ 17,183,330</u>	<u>\$ 12,122,496</u>

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>
Revenues				
Ad valorem taxes	\$ 22,753,994	\$ 22,753,994	\$ 24,884,901	\$ 2,130,907
Earnings on investments	500,000	500,000	534,075	34,075
Payments from Lexington Museum Association	248,869	248,869	248,868	(1)
Payments from Texas State Aquarium	508,685	508,685	508,685	--
Total revenues	<u>24,011,548</u>	<u>24,011,548</u>	<u>26,176,529</u>	<u>2,164,981</u>
Expenditures				
Debt service				
Principal retirement	17,840,000	17,840,000	17,840,000	--
Interest	11,554,435	11,554,435	11,371,053	183,382
Paying agent fees	12,000	12,000	10,857	1,143
Bond issue cost	--	--	9,500	(9,500)
Total expenditures	<u>29,406,435</u>	<u>29,406,435</u>	<u>29,231,410</u>	<u>175,025</u>
Deficiency of revenues under expenditures	(5,394,887)	(5,394,887)	(3,054,881)	2,340,006
Other financing sources				
Transfers in from				
General fund	4,185,390	4,185,390	4,185,390	--
Marina fund	76,910	76,910	76,910	--
Utility system fund	1,184,080	1,184,080	998,216	(185,864)
Airport fund	423,206	423,206	423,206	--
Golf centers fund	64,763	64,763	64,763	--
Hotel occupancy tax fund	1,886,648	1,886,648	1,886,648	--
Visitors facilities fund	15,026	15,026	15,026	--
Stores fund	14,523	14,523	14,523	--
Maintenance service fund	147,051	147,051	147,051	--
Municipal information systems fund	196,869	196,869	196,869	--
Liability and employee benefits fund	15,522	15,522	15,522	--
Total other financing sources	<u>8,209,988</u>	<u>8,209,988</u>	<u>8,024,124</u>	<u>(185,864)</u>
Net change in fund balance	2,815,101	2,815,101	4,969,243	2,154,142
Fund balance at beginning of year	<u>11,450,582</u>	<u>11,622,271</u>	<u>11,622,271</u>	<u>--</u>
Fund balance at end of year	<u>\$ 14,265,683</u>	<u>\$ 14,437,372</u>	<u>\$ 16,591,514</u>	<u>\$ 2,154,142</u>

Exhibit 7-B

2007
Actual
\$ 22,036,645
541,948
347,173
<u>518,117</u>
23,443,883
20,065,000
10,545,155
12,423
--
<u>30,622,578</u>
(7,178,695)
3,830,940
123,779
1,193,334
510,582
--
2,492,279
15,169
14,661
148,448
200,194
15,669
<u>8,545,055</u>
1,366,360
<u>10,255,911</u>
<u><u>\$ 11,622,271</u></u>



City of
Corpus
Christi

Non-major Governmental Funds



City of
Corpus
Christi

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds		Eliminations
			Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	
ASSETS					
Cash and cash equivalents	\$ 13,562,346	\$ 12,448,058	\$ 580,000	\$ --	\$ --
Investments	36,420,250	79,874,595	--	--	--
Receivables, net of allowance for uncollectibles	27,879,937	971,547	--	--	--
Due from other funds	100,224	--	--	--	--
Prepaid items	399,514	--	--	--	--
Total assets	\$ 78,362,271	\$ 93,294,200	\$ 580,000	\$ --	\$ --
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,456,547	\$ 4,176,785	\$ 300	\$ --	\$ --
Accrued liabilities	669,041	--	--	--	--
Contractor interest and retainage payable	66,767	886,385	--	--	--
Deposits	626,885	306,367	--	--	--
Due to other funds	943,360	--	--	--	--
Deferred revenues	4,488,498	457,491	--	--	--
Total liabilities	9,251,098	5,827,028	300	--	--
Fund balances					
Reserved for encumbrances	1,850,251	25,519,790	--	--	--
Reserved for loans	17,397,383	--	--	--	--
Reserved for debt service	1,500,000	--	579,700	--	--
Reserved for Senior Community Services	19,532	--	--	--	--
Reserved for law enforcement	158,874	--	--	--	--
Reserved for Sister City programs	1,134	--	--	--	--
Reserved for park projects	1,903,254	--	--	--	--
Reserved for permanent art projects	156,535	--	--	--	--
Reserved for infrastructure	1,314,572	--	--	--	--
Reserved for local emergency response planning	61,913	--	--	--	--
Reserved for Affordable Housing	1,137,456	--	--	--	--
Reserved for Stadium Capital Repair	36,448	--	--	--	--
Reserved for naming rights capital projects	516,000	--	--	--	--
Unreserved					
Designated for subsequent year's expenditures	2,445,645	--	--	--	--
Designated for specific projects	--	25,249,693	--	--	--
Designated for incentive program	33,000	--	--	--	--
Undesignated					
Special revenue funds	40,579,176	--	--	--	--
Capital project funds	--	36,697,689	--	--	--
Total fund balances	69,111,173	87,467,172	579,700	--	--
Total liabilities and fund balances	\$ 78,362,271	\$ 93,294,200	\$ 580,000	\$ --	\$ --

Exhibit 8-A

Total

\$	26,590,404
	116,294,845
	28,851,484
	100,224
	399,514
<hr/>	
\$	172,236,471
<hr/> <hr/>	

\$	6,633,632
	669,041
	953,152
	933,252
	943,360
	4,945,989
<hr/>	
	15,078,426

27,370,041
17,397,383
2,079,700
19,532
158,874
1,134
1,903,254
156,535
1,314,572
61,913
1,137,456
36,448
516,000

2,445,645
25,249,693
33,000

40,579,176
36,697,689
<hr/>
157,158,045
<hr/>

\$	172,236,471
<hr/> <hr/>	

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds		Eliminations
			Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	
Revenues					
Taxes and business fees	\$ 34,816,291	\$ --	\$ --	\$ --	\$ --
Grants	16,926,780	886,279	--	--	--
Charges for services	6,036,604	--	--	--	--
Deposits	191,724	--	--	--	--
Contributions and donations	1,164,166	2,215,846	--	--	--
Special assessments	--	442,323	--	--	--
Earnings on investments	1,739,533	2,550,079	30,775	--	--
Interest on loans	233,846	--	--	--	--
Sale of city property	12,353	--	--	--	--
Naming rights	175,000	--	--	--	--
Miscellaneous	191,292	--	--	--	--
Total revenues	61,487,589	6,094,527	30,775	--	--
Expenditures					
Current					
General government	2,849,696	2,325,129	--	--	--
Police and municipal court	7,236,815	--	--	--	--
Fire and ambulance	572,851	--	--	--	--
Emergency management	81,378	--	--	--	--
Streets	8,332	--	--	--	--
Solid waste	29,339	--	--	--	--
Health	2,163,831	--	--	--	--
Parks and recreation	4,017,570	--	--	--	--
Libraries	587,668	--	--	--	--
Community enrichment	2,616,560	--	--	--	--
Community development	3,253,807	--	--	--	--
Convention and visitors activities	13,193,524	--	--	--	--
Capital projects	4,467,297	31,345,165	--	--	--
Debt service					
Principal retirement	--	--	3,995,000	--	--
Interest	888,200	--	4,984,112	--	--
Paying agent fees	19,697	--	3,440	--	--
Bond issuance cost	622,079	99,324	--	--	--
Total expenditures	42,608,644	33,769,618	8,982,552	--	--
Excess (deficiency) of revenues over (under) expenditures	18,878,945	(27,675,091)	(8,951,777)	--	--
Other financing sources (uses)					
Tax Notes issued	--	22,260,000	--	--	--
Refunding bonds issued	13,445,000	--	--	--	--
Payment to escrow agent for refunded bonds	(12,822,371)	--	--	--	--
Transfers in	670,263	--	8,982,898	--	(8,982,898)
Transfers out	(11,292,383)	(153,210)	--	--	8,982,898
Total other financing sources (uses)	(9,999,491)	22,106,790	8,982,898	--	--
Net change in fund balances	8,879,454	(5,568,301)	31,121	--	--
Fund balances at beginning of year	60,231,719	93,035,473	548,579	--	--
Fund balances at end of year	\$ 69,111,173	\$ 87,467,172	\$ 579,700	\$ --	\$ --

Exhibit 8-B

<u>Total</u>	
\$	34,816,291
	17,813,059
	6,036,604
	191,724
	3,380,012
	442,323
	4,320,387
	233,846
	12,353
	175,000
	191,292
	<u>67,612,891</u>
	5,174,825
	7,236,815
	572,851
	81,378
	8,332
	29,339
	2,163,831
	4,017,570
	587,668
	2,616,560
	3,253,807
	13,193,524
	35,812,462
	3,995,000
	5,872,312
	23,137
	721,403
	<u>85,360,814</u>
	(17,747,923)
	22,260,000
	13,445,000
	(12,822,371)
	670,263
	(2,462,695)
	<u>21,090,197</u>
	3,342,274
	<u>153,815,771</u>
\$	<u><u>157,158,045</u></u>



City of
Corpus
Christi

Special Revenue Funds

Special Revenue Funds are used to account for resources allocated to specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purpose.

Visitors Facilities Fund – This fund records revenues and expenditures related to the Convention Center, Arena, and other tourist-related activities.

Hotel Occupancy Tax Fund – This fund accounts for revenues and expenditures of the hotel/motel occupancy taxes.

Federal/State Grants Fund – This fund was established to account for grant programs.

Community Enrichment Fund – This fund was established to record revenues and expenditures for community enrichment programs and activities not in the General Fund.

Infrastructure Fund – This fund was established to record revenues and expenditures related to developers' participation in the enhancement of streets and roads in neighborhood subdivisions.

Local Emergency Planning Committee – This fund was established by Interlocal Agreement between the County of Nueces, City of Corpus Christi, and the Port of Corpus Christi Authority for the purposes of implementing the federally mandated plan and required training under the Community Right-To-Know Act.

Corpus Christi Community Improvement Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Community Improvement Corporation.

Corpus Christi Housing Finance Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Housing Finance Corporation.

Corpus Christi Industrial Development Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Industrial Development Corporation.

Corpus Christi Crime Control and Prevention District – This fund is a public non-profit corporation created under State law to provide for funding of public safety programs.

Corpus Christi Business and Job Development Corporation – This fund is a public non-profit corporation created under State law to provide funding of voter approved capital improvement programs.

North Padre Island Development Corporation - This fund accounts for the facilitation of development of land within the boundaries of the Tax Increment Zone No. 2. The fund is utilized for Packery Channel development and improvement projects within the Zone.



City of
Corpus
Christi

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

ASSETS	Visitors Facilities	Hotel Occupancy Tax	Federal/ State Grants	Community Enrichment
Cash and cash equivalents	\$ 804,953	\$ 4,328	\$ 511,358	\$ --
Investments	--	--	--	1,000,000
Receivables				
Accounts	1,898,934	1,620,932	18,672	--
Taxes	--	--	--	--
Accrued interest	--	--	--	13,361
Due from Subdivision Developer	--	--	--	--
Mortgages and loans	--	--	--	--
Demolition liens	--	--	771,995	--
Special assessments	--	--	8,395	--
Employees	--	--	2,340	--
Intergovernmental	--	--	5,818,199	--
Allowance for uncollectibles	(1,387,652)	(38,106)	(676,252)	--
Net receivables	<u>511,282</u>	<u>1,582,826</u>	<u>5,943,349</u>	<u>13,361</u>
Due from other funds	--	--	--	1,117,761
Prepaid Items	<u>399,514</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total assets	 <u>\$ 1,715,749</u>	 <u>\$ 1,587,154</u>	 <u>\$ 6,454,707</u>	 <u>\$ 2,131,122</u>

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 1,041,375	\$ 301	\$ 1,158,128	\$ 25,536
Accrued liabilities	414,530	--	252,640	--
Contractor interest and retainage payable	--	--	66,767	--
Deposits	650	--	398,478	--
Due to other funds	1,855,933	223,837	943,360	--
Deferred revenues				
Demolition liens and other	--	--	105,767	--
Paving assessments	--	--	711	--
U.S. Department of Justice	--	--	--	--
Asset seizure and forfeiture	--	--	45,943	--
Grants	--	--	3,142,149	--
Texas Commission on Environmental Quality	--	--	83,382	--
Other	1,110,546	--	--	--
Total deferred revenues	<u>1,110,546</u>	<u>--</u>	<u>3,377,952</u>	<u>--</u>
Total liabilities	<u>4,423,034</u>	<u>224,138</u>	<u>6,197,325</u>	<u>25,536</u>

(Continued)

Exhibit 9-A

<u>Infrastructure</u>	<u>Local Emergency Planning Committee</u>	<u>Corpus Christi Community Improvement Corporation</u>	<u>Corpus Christi Housing Finance Corporation</u>	<u>Corpus Christi Industrial Development Corporation</u>	<u>Corpus Christi Crime Control and Prevention District</u>
\$ 355,063	\$ 95,714	\$ 1,669,481	\$ 403,970	\$ 67,872	\$ 1,040,895
--	--	--	--	--	1,000,000
--	--	--	--	--	156
--	--	--	--	--	--
--	--	--	--	--	6,611
--	--	--	--	--	--
--	--	17,692,792	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	213,562	--	--	484,233
--	--	(295,409)	--	--	--
--	--	17,610,945	--	--	491,000
962,009	--	100,224	--	--	--
--	--	--	--	--	--
<u>\$ 1,317,072</u>	<u>\$ 95,714</u>	<u>\$ 19,380,650</u>	<u>\$ 403,970</u>	<u>\$ 67,872</u>	<u>\$ 2,531,895</u>
\$ --	\$ 7,563	\$ 25,844	\$ 675	\$ --	\$ 136,987
--	1,871	--	--	--	--
--	--	--	--	--	--
2,500	--	225,257	--	--	--
--	--	2,500	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>2,500</u>	<u>9,434</u>	<u>253,601</u>	<u>675</u>	<u>--</u>	<u>136,987</u>

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

	<u>Visitors Facilities</u>	<u>Hotel Occupancy Tax</u>	<u>Federal/ State Grants</u>	<u>Community Enrichment</u>
Fund balances				
Reserved for encumbrances	160,921	--	608,973	44,663
Reserved for loans	--	--	--	--
Reserved for debt service	--	--	--	--
Reserved for Senior Community Services	--	--	19,532	--
Reserved for law enforcement	--	--	158,874	--
Reserved for Sister City programs	--	--	--	1,134
Reserved for park projects	--	--	--	1,903,254
Reserved for permanent art projects	--	--	--	156,535
Reserved for infrastructure	--	--	--	--
Reserved for local emergency response planning	--	--	--	--
Reserved for Affordable Housing	--	--	--	--
Reserved for Stadium Capital Repair	--	--	--	--
Reserved for naming rights capital projects	516,000	--	--	--
Unreserved				
Designated for subsequent year's expenditures	--	1,066,227	--	--
Designated for incentive program	--	33,000	--	--
Undesignated (deficit)	(3,384,206)	263,789	(529,997)	--
Total fund balances (deficits)	<u>(2,707,285)</u>	<u>1,363,016</u>	<u>257,382</u>	<u>2,105,586</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,715,749</u>	<u>\$ 1,587,154</u>	<u>\$ 6,454,707</u>	<u>\$ 2,131,122</u>

(Continued)

Exhibit 9-A
(Continued)

<u>Infrastructure</u>	<u>Local Emergency Planning Committee</u>	<u>Corpus Christi Community Improvement Corporation</u>	<u>Corpus Christi Housing Finance Corporation</u>	<u>Corpus Christi Industrial Development Corporation</u>	<u>Corpus Christi Crime Control and Prevention District</u>
--	--	--	--	--	--
--	--	17,397,383	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,314,572	--	--	--	--	--
--	61,913	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	24,367	--	--	--	--
--	--	--	--	--	--
--	--	1,729,666	403,295	67,872	2,394,908
<u>1,314,572</u>	<u>86,280</u>	<u>19,127,049</u>	<u>403,295</u>	<u>67,872</u>	<u>2,394,908</u>
<u>\$ 1,317,072</u>	<u>\$ 95,714</u>	<u>\$ 19,380,650</u>	<u>\$ 403,970</u>	<u>\$ 67,872</u>	<u>\$ 2,531,895</u>

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

ASSETS	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Eliminations	2008 Total
Cash and cash equivalents	\$ 3,464,350	\$ 5,144,362	\$ --	\$ 13,562,346
Investments	34,420,250	--	--	36,420,250
Receivables				
Accounts	19,684	--	--	3,558,378
Taxes	--	51	--	51
Accrued interest	93,892	8,275	--	122,139
Due from Subdivision Developer	--	--	--	--
Mortgages and loans	--	--	--	17,692,792
Demolition liens	--	--	--	771,995
Special assessments	--	--	--	8,395
Employees	--	--	--	2,340
Intergovernmental	1,605,272	--	--	8,121,266
Allowance for uncollectibles	--	--	--	(2,397,419)
Net receivables	<u>1,718,848</u>	<u>8,326</u>	<u>--</u>	<u>27,879,937</u>
Due from other funds	2,500	--	(2,082,270)	100,224
Prepaid Items	<u>--</u>	<u>--</u>	<u>--</u>	<u>399,514</u>
 Total assets	 <u>\$ 39,605,948</u>	 <u>\$ 5,152,688</u>	 <u>\$ (2,082,270)</u>	 <u>\$ 78,362,271</u>

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 45,920	\$ 14,218	\$ --	\$ 2,456,547
Accrued liabilities	--	--	--	669,041
Contractor interest and retainage payable	--	--	--	66,767
Deposits	--	--	--	626,885
Due to other funds	--	--	(2,082,270)	943,360
Deferred revenues				
Demolition liens and other	--	--	--	105,767
Paving assessments	--	--	--	711
U.S. Department of Justice	--	--	--	--
Asset seizure and forfeitures	--	--	--	45,943
Grants	--	--	--	3,142,149
Texas Commission on Environmental Quality	--	--	--	83,382
Other	--	--	--	1,110,546
Total deferred revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,488,498</u>
Total liabilities	<u>45,920</u>	<u>14,218</u>	<u>(2,082,270)</u>	<u>9,251,098</u>

(Continued)

Exhibit 9-A
(Continued)

2007
Actual

\$	6,475,876
	32,493,125
	2,888,345
	5,129
	347,058
	302,847
	18,365,586
	583,559
	8,193
	2,340
	6,658,953
	(1,587,094)
	<u>27,574,916</u>
	224,704
	<u>744,056</u>
\$	<u><u>67,512,677</u></u>

\$	2,169,740
	786,876
	91,363
	393,365
	7,516
	582,278
	8,560
	2,679
	73,765
	2,446,035
	94,321
	<u>624,460</u>
	<u>3,832,098</u>
	7,280,958

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Eliminations	2008 Total
Fund balances				
Reserved for encumbrances	672,567	363,127	--	1,850,251
Reserved for loans	--	--	--	17,397,383
Reserved for debt service	--	1,500,000	--	1,500,000
Reserved for Senior Community Services	--	--	--	19,532
Reserved for law enforcement	--	--	--	158,874
Reserved for Sister City programs	--	--	--	1,134
Reserved for park projects	--	--	--	1,903,254
Reserved for permanent art projects	--	--	--	156,535
Reserved for infrastructure	--	--	--	1,314,572
Reserved for local emergency response planning	--	--	--	61,913
Reserved for Affordable Housing	1,137,456	--	--	1,137,456
Reserved for Stadium Capital Repair	36,448	--	--	36,448
Reserved for naming rights capital projects	--	--	--	516,000
Unreserved				
Designated for subsequent year's expenditures	1,355,051	--	--	2,445,645
Designated for incentive program	--	--	--	33,000
Undesignated (deficit)	36,358,506	3,275,343	--	40,579,176
Total fund balances (deficits)	<u>39,560,028</u>	<u>5,138,470</u>	<u>--</u>	<u>69,111,173</u>
Total liabilities and fund balances (deficits)	<u>\$ 39,605,948</u>	<u>\$ 5,152,688</u>	<u>\$ (2,082,270)</u>	<u>\$ 78,362,271</u>

Exhibit 9-A
(Continued)

2007
Actual

2,420,307
18,972,247
3,000,000
10,582
682,726
1,097
1,933,026
146,881
1,202,087
29,485
747,849
282,498
341,000

590,609
33,000
29,838,325
60,231,719

\$ 67,512,677

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Visitors Facilities	Hotel Occupancy Tax	Federal/ State Grants	Community Enrichment
Revenues				
Taxes and business fees	\$ --	\$ 10,337,342	\$ --	\$ --
Grants	--	--	15,518,433	--
Charges for services	5,240,557	--	614,155	--
Deposits	--	--	--	--
Contributions and donations	--	--	--	373,755
Earnings on investments	--	--	18,361	70,403
Interest on loans	--	--	--	--
Sale of City property	--	--	--	--
Naming rights	175,000	--	--	--
Miscellaneous	--	--	188,490	--
Total revenues	<u>5,415,557</u>	<u>10,337,342</u>	<u>16,339,439</u>	<u>444,158</u>
Expenditures				
Current				
General government	--	--	2,637,900	--
Police and municipal court	--	--	2,382,408	--
Fire and ambulance	--	--	572,851	--
Emergency management	--	--	--	--
Streets	--	--	8,332	--
Solid waste	--	--	29,339	--
Health	--	--	2,163,831	--
Parks and recreation	--	1,054,464	2,862,486	100,620
Libraries	--	--	587,668	--
Community enrichment	--	723,593	1,892,967	--
Community development	--	--	640,730	--
Convention and visitors activities	6,963,116	6,230,408	--	--
Capital projects	8,550	--	2,598,880	334,965
Debt service				
Interest	--	--	--	--
Bond issuance cost	--	--	--	--
Paying agent fees	--	--	--	--
Total expenditures	<u>6,971,666</u>	<u>8,008,465</u>	<u>16,377,392</u>	<u>435,585</u>
Excess (deficiency) of revenues over (under) expenditures	(1,556,109)	2,328,877	(37,953)	8,573
Other financing sources (uses)				
Proceeds from sale of refunding bonds	--	--	--	--
Payment to escrow agent for refunded bonds	--	--	--	--
Transfers in	1,294,523	--	174,711	4,709
Transfers out	(272,526)	(1,891,357)	(138,030)	--
Total other financing sources (uses)	<u>1,021,997</u>	<u>(1,891,357)</u>	<u>36,681</u>	<u>4,709</u>
Net change in fund balance	(534,112)	437,520	(1,272)	13,282
Fund balances (deficits) at beginning of year	<u>(2,173,173)</u>	<u>925,496</u>	<u>258,654</u>	<u>2,092,304</u>
Fund balances (deficits) at end of year	<u>\$ (2,707,285)</u>	<u>\$ 1,363,016</u>	<u>\$ 257,382</u>	<u>\$ 2,105,586</u>

(Continued)

Exhibit 9-B

<u>Infrastructure</u>	<u>Local Emergency Planning Committee</u>	<u>Corpus Christi Community Improvement Corporation</u>	<u>Corpus Christi Housing Finance Corporation</u>	<u>Corpus Christi Industrial Development Corporation</u>	<u>Corpus Christi Crime Control and Prevention District</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 4,997,916
--	--	1,408,347	--	--	--
--	--	99,576	68,422	--	13,894
191,724	--	--	--	--	--
660,886	129,525	--	--	--	--
19,962	2,537	35,793	12,482	2,404	82,183
--	--	233,846	--	--	--
--	--	--	--	--	12,353
--	--	--	--	--	--
--	--	2,802	--	--	--
<u>872,572</u>	<u>132,062</u>	<u>1,780,364</u>	<u>80,904</u>	<u>2,404</u>	<u>5,106,346</u>
--	--	--	--	--	--
--	--	--	--	--	4,854,407
--	--	--	--	--	--
--	81,378	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	1,850,482	31,640	--	--
--	--	--	--	--	--
760,087	--	--	--	--	128,087
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>760,087</u>	<u>81,378</u>	<u>1,850,482</u>	<u>31,640</u>	<u>--</u>	<u>4,982,494</u>
112,485	50,684	(70,118)	49,264	2,404	123,852
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	(17,317)	--	--	--
<u>--</u>	<u>--</u>	<u>(17,317)</u>	<u>--</u>	<u>--</u>	<u>--</u>
112,485	50,684	(87,435)	49,264	2,404	123,852
<u>1,202,087</u>	<u>35,596</u>	<u>19,214,484</u>	<u>354,031</u>	<u>65,468</u>	<u>2,271,056</u>
<u>\$ 1,314,572</u>	<u>\$ 86,280</u>	<u>\$ 19,127,049</u>	<u>\$ 403,295</u>	<u>\$ 67,872</u>	<u>\$ 2,394,908</u>

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Eliminations	2008 Total
Revenues				
Taxes and business fees	\$ 16,629,438	\$ 2,851,595	\$ --	\$ 34,816,291
Grants	--	--	--	16,926,780
Charges for services	--	--	--	6,036,604
Deposits	--	--	--	191,724
Contributions and donations	--	--	--	1,164,166
Earnings on investments	1,352,380	143,028	--	1,739,533
Interest on loans	--	--	--	233,846
Sale of City property	--	--	--	12,353
Naming rights	--	--	--	175,000
Miscellaneous	--	--	--	191,292
Total revenue	<u>17,981,818</u>	<u>2,994,623</u>	<u>--</u>	<u>61,487,589</u>
Expenditures				
Current				
General government	189,576	22,220	--	2,849,696
Police and municipal court	--	--	--	7,236,815
Fire and ambulance	--	--	--	572,851
Emergency management	--	--	--	81,378
Streets	--	--	--	8,332
Solid waste	--	--	--	29,339
Health	--	--	--	2,163,831
Parks and recreation	--	--	--	4,017,570
Libraries	--	--	--	587,668
Community enrichment	--	--	--	2,616,560
Community development	730,955	--	--	3,253,807
Convention and visitors activities	--	--	--	13,193,524
Capital projects	250,000	386,728	--	4,467,297
Debt service				
Interest	--	888,200	--	888,200
Bond issuance costs	--	622,079	--	622,079
Paying agent fees	--	19,697	--	19,697
Total expenditures	<u>1,170,531</u>	<u>1,938,924</u>	<u>--</u>	<u>42,608,644</u>
Excess (deficiency) of revenues over (under) expenditures	16,811,287	1,055,699	--	18,878,945
Other financing sources (uses)				
Refunding bonds issued	--	13,445,000	--	13,445,000
Payment to escrow agent for refunded bonds	--	(12,822,371)	--	(12,822,371)
Transfers in	--	--	(803,680)	670,263
Transfers out	(9,776,833)	--	803,680	(11,292,383)
Total other financing sources (uses)	<u>(9,776,833)</u>	<u>622,629</u>	<u>--</u>	<u>(9,999,491)</u>
Net change in fund balances	7,034,454	1,678,328	--	8,879,454
Fund balances (deficits) at beginning of year	<u>32,525,574</u>	<u>3,460,142</u>	<u>--</u>	<u>60,231,719</u>
Fund balances (deficits) at end of year	<u>\$ 39,560,028</u>	<u>\$ 5,138,470</u>	<u>\$ --</u>	<u>\$ 69,111,173</u>

Exhibit 9-B
(Continued)

	2007
	Actual
\$	32,443,233
	15,546,247
	9,171,636
	270,716
	1,896,067
	1,905,577
	374,210
	4,940
	175,000
	113,911
	<u>61,901,537</u>
	4,578,760
	7,210,100
	1,402,920
	82,656
	319,513
	23,181
	1,825,600
	4,226,391
	801,014
	1,765,194
	2,780,388
	13,930,473
	3,393,208
	--
	--
	--
	<u>42,339,398</u>
	19,562,139
	--
	--
	883,541
	<u>(12,578,996)</u>
	<u>(11,695,455)</u>
	7,866,684
	<u>52,365,035</u>
\$	<u><u>60,231,719</u></u>

**VISITORS FACILITIES FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 804,953	\$ 230,157
Receivables		
Accounts	1,898,934	1,413,094
Allowance for uncollectibles	(1,387,652)	(793,487)
Net receivables	<u>511,282</u>	<u>619,607</u>
Due from other funds	--	83,239
Prepaid Items	<u>399,514</u>	<u>744,056</u>
Total assets	<u>\$ 1,715,749</u>	<u>\$ 1,677,059</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,041,375	\$ 1,098,712
Accrued liabilities	414,530	283,530
Deposits	650	--
Due to other funds	1,855,933	1,843,530
Deferred revenues		
Other	<u>1,110,546</u>	<u>624,460</u>
Total liabilities	<u>4,423,034</u>	<u>3,850,232</u>
Fund balance		
Reserved for encumbrances	160,921	46,500
Reserved for naming rights capital projects	516,000	341,000
Unreserved		
Undesignated (deficit)	<u>(3,384,206)</u>	<u>(2,560,673)</u>
Total fund deficit	<u>(2,707,285)</u>	<u>(2,173,173)</u>
Total liabilities and fund deficit	<u>\$ 1,715,749</u>	<u>\$ 1,677,059</u>

VISITORS FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Charges for services					
Arena	\$ 3,985,452	\$ 3,985,452	\$ 3,263,385	\$ (722,067)	\$ 4,342,399
Convention center services	1,817,192	1,817,192	1,907,164	89,972	3,178,510
Harbor Playhouse	--	--	--	--	800
Multicultural center rentals	38,970	38,970	34,582	(4,388)	--
Pavillion rentals	12,570	12,570	12,672	102	--
Heritage park maintenance contract	25,356	25,356	22,754	(2,602)	--
Total charges for services	<u>5,879,540</u>	<u>5,879,540</u>	<u>5,240,557</u>	<u>(638,983)</u>	<u>7,521,709</u>
Naming rights for American Bank Center	175,000	175,000	175,000	--	175,000
Total revenues	<u>6,054,540</u>	<u>6,054,540</u>	<u>5,415,557</u>	<u>(638,983)</u>	<u>7,696,709</u>
Expenditures					
Current					
Arena	4,982,171	4,982,171	4,469,156	513,015	5,205,495
Auditorium/convention center	3,989,569	633,069	1,422,266	(789,197)	3,055,215
Bayfront Arts and Science Park	509,497	495,330	514,571	(19,241)	--
Harbor Playhouse	--	--	24,760	(24,760)	--
Water garden	171,810	663,848	441,299	222,549	153,328
Cultural facility maintenance	76,896	91,064	91,064	--	464,000
Capital projects	--	8,550	8,550	--	--
Total expenditures	<u>9,729,943</u>	<u>6,874,032</u>	<u>6,971,666</u>	<u>(97,634)</u>	<u>8,878,038</u>
Deficiency of revenues under expenditures	(3,675,403)	(819,492)	(1,556,109)	(736,617)	(1,181,329)
Other financing sources (uses)					
Transfers in	1,045,867	1,546,455	1,294,523	(251,932)	843,111
Transfers out	(272,526)	(272,526)	(272,526)	--	(265,169)
Total other financing sources	<u>773,341</u>	<u>1,273,929</u>	<u>1,021,997</u>	<u>(251,932)</u>	<u>577,942</u>
Net change in fund balance	(2,902,062)	454,437	(534,112)	(988,549)	(603,387)
Fund deficit beginning of year	<u>(1,053,230)</u>	<u>(2,173,173)</u>	<u>(2,173,173)</u>	<u>--</u>	<u>(1,569,786)</u>
Fund deficit end of year	<u>\$ (3,955,292)</u>	<u>\$ (1,718,736)</u>	<u>\$ (2,707,285)</u>	<u>\$ (988,549)</u>	<u>\$ (2,173,173)</u>

Exhibit 11-A

**HOTEL OCCUPANCY TAX FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 4,328	\$ --
Receivables		
Accounts	1,620,932	1,459,076
Allowance for uncollectibles	(38,106)	(59,413)
Net receivables	<u>1,582,826</u>	<u>1,399,663</u>
Due from other funds	<u>--</u>	<u>11,873</u>
Total assets	<u><u>\$ 1,587,154</u></u>	<u><u>\$ 1,411,536</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 301	\$ 194,542
Due to other funds	<u>223,837</u>	<u>291,498</u>
Total liabilities	224,138	486,040
Fund balance		
Designated for subsequent year's expenditures	1,066,227	584,498
Designated for incentive program	33,000	33,000
Undesignated	<u>263,789</u>	<u>307,998</u>
Total fund balance	<u>1,363,016</u>	<u>925,496</u>
Total liabilities and fund balance	<u><u>\$ 1,587,154</u></u>	<u><u>\$ 1,411,536</u></u>

HOTEL OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Hotel occupancy tax	\$ 7,143,304	\$ 7,143,304	\$ 8,035,670	\$ 892,366	\$ 7,495,233
Hotel occupancy tax-Convention expansion	2,034,982	2,034,982	2,301,672	266,690	2,134,919
Total hotel occupancy taxes	9,178,286	9,178,286	10,337,342	1,159,056	9,630,152
Miscellaneous	--	--	--	--	299
Total revenues	9,178,286	9,178,286	10,337,342	1,159,056	9,630,451
Expenditures					
Current					
Convention center/auditorium	3,450,000	3,450,000	3,434,922	15,078	2,411,435
Convention and Visitors Bureau-convention promotion	2,593,370	2,795,486	2,795,486	--	2,641,000
Art Museum of South Texas	340,600	340,600	340,600	--	340,600
Multicultural services support	114,132	114,132	114,132	--	113,579
Jazz festival	10,000	10,000	10,000	--	7,500
Arts grants and projects	91,500	86,791	86,791	--	73,433
Harbor Playhouse	45,070	45,070	45,070	--	45,070
Center for Hispanic Arts	15,000	15,000	15,000	--	15,000
Asian Cultures Museum	30,000	30,000	30,000	--	15,000
Arts Community Center	30,000	30,000	30,000	--	15,000
Botanical Gardens	20,000	20,000	20,000	--	--
Instituto de Cultura Hispanica	20,000	20,000	20,000	--	--
Corpus Christi Symphony	12,000	12,000	12,000	--	--
Beach cleaning	1,054,464	1,054,464	1,054,464	--	1,030,359
Total expenditures	7,826,136	8,023,543	8,008,465	15,078	6,707,976
Excess of revenues over expenditures	1,352,150	1,154,743	2,328,877	1,174,134	2,922,475
Other financing sources (uses)					
Transfers out	(1,886,648)	(1,891,357)	(1,891,357)	--	(2,510,346)
Net change in fund balance	(534,498)	(736,614)	437,520	1,174,134	412,129
Fund balance at beginning of year	732,927	925,496	925,496	--	513,367
Fund balance at end of year	<u>\$ 198,429</u>	<u>\$ 188,882</u>	<u>\$ 1,363,016</u>	<u>\$ 1,174,134</u>	<u>\$ 925,496</u>

**FEDERAL/STATE GRANTS FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	2008	2007
Cash and cash equivalents	\$ 511,358	\$ 250,179
Receivables		
Accounts	18,672	16,103
Demolition liens	771,995	583,559
Special assessments	8,395	8,193
Employees	2,340	2,340
Intergovernmental	5,818,199	4,349,275
Allowance for uncollectibles	(676,252)	(443,519)
Net receivables	<u>5,943,349</u>	<u>4,515,951</u>
Due from other funds	<u>--</u>	<u>27,098</u>
Total assets	<u>\$ 6,454,707</u>	<u>\$ 4,793,228</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,158,128	\$ 497,952
Accrued liabilities	252,640	503,346
Contractor interest and retainage payable	66,767	91,363
Deposits	398,478	234,275
Due to other funds	943,360	--
Deferred revenues		
Demolition liens and other	105,767	582,278
Paving assessments	711	8,560
U.S. Department of Justice	--	2,679
Asset seizure and forfeitures	45,943	73,765
Grants	3,142,149	2,446,035
Texas Commission on Environmental Quality	83,382	94,321
Total deferred revenues	<u>3,377,952</u>	<u>3,207,638</u>
Total liabilities	<u>6,197,325</u>	<u>4,534,574</u>
Fund balance		
Reserved for encumbrances	608,973	1,428,430
Reserved for senior community services	19,532	10,582
Reserved for law enforcement		
State forfeitures	71,519	275,795
Federal forfeitures	59,821	385,046
Officers' standards and education	27,534	21,885
Total reserved for law enforcement	<u>158,874</u>	<u>682,726</u>
Unreserved (deficit)	<u>(529,997)</u>	<u>(1,863,084)</u>
Total fund balance	<u>257,382</u>	<u>258,654</u>
Total liabilities and fund balances	<u>\$ 6,454,707</u>	<u>\$ 4,793,228</u>

FEDERAL/STATE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JULY 31, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Grants				
State of Texas	\$ 17,905,846	\$ 8,140,050	\$ 6,771,229	\$ 14,911,279
Federal Government	42,932,439	28,350,995	7,144,084	35,495,079
Coastal Bend Council of Governments	2,364,219	1,472,140	810,858	2,282,998
Drug forfeitures				
State	1,534,038	1,357,701	176,337	1,534,038
Federal	1,806,719	1,634,920	171,799	1,806,719
Local grants and contributions	566,960	105,036	444,126	549,162
Total grants	<u>67,110,221</u>	<u>41,060,842</u>	<u>15,518,433</u>	<u>56,579,275</u>
Charges for services	5,493,406	3,569,737	614,155	4,183,892
Earnings on investments	180,150	161,787	18,361	180,148
Miscellaneous	425,000	230,698	188,490	419,188
Total revenue	<u>73,208,777</u>	<u>45,023,064</u>	<u>16,339,439</u>	<u>61,362,503</u>
Expenditures				
Current				
General government	26,995,782	21,407,668	2,637,900	24,045,568
Police and municipal court	7,601,476	4,998,922	2,382,408	7,381,330
Fire and ambulance	4,571,168	3,171,238	572,851	3,744,089
Streets	3,774,750	2,779,190	8,332	2,787,522
Solid waste	73,620	5,323	29,339	34,662
Health	4,744,794	1,535,984	2,163,831	3,699,815
Parks and recreation	7,498,495	3,660,598	2,862,486	6,523,084
Libraries	1,520,865	716,449	587,668	1,304,117
Community enrichment	6,099,499	1,943,973	1,892,967	3,836,940
Community development	5,473,983	2,252,919	640,730	2,893,649
Capital projects	5,603,182	3,004,302	2,598,880	5,603,182
Total expenditures	<u>73,957,614</u>	<u>45,476,566</u>	<u>16,377,392</u>	<u>61,853,958</u>
Deficiency of revenues under expenditures	(748,837)	(453,502)	(37,953)	(491,455)
Other financing sources (uses)				
Transfers in				
Corpus Christi Community Improvement Corporation	5,036	--	5,036	5,036
General fund	888,262	718,587	169,675	888,262
Total transfers in	<u>893,298</u>	<u>718,587</u>	<u>174,711</u>	<u>893,298</u>
Transfers out				
General fund	(144,461)	(6,431)	(138,030)	(144,461)
Total transfers out	<u>(144,461)</u>	<u>(6,431)</u>	<u>(138,030)</u>	<u>(144,461)</u>
Total other financing sources	<u>748,837</u>	<u>712,156</u>	<u>36,681</u>	<u>748,837</u>
Net change in fund balance	<u>\$ --</u>	<u>\$ 258,654</u>	(1,272)	<u>\$ 257,382</u>
Fund balance at beginning of year			<u>258,654</u>	
Fund balance at end of year			<u>\$ 257,382</u>	

**COMMUNITY ENRICHMENT FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ --	\$ 184,448
Investments	1,000,000	999,688
Receivables		
Accrued interest	13,361	--
Due from other funds	<u>1,117,761</u>	<u>934,816</u>
 Total assets	 <u><u>\$ 2,131,122</u></u>	 <u><u>\$ 2,118,952</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 25,536	\$ 25,935
Due to other funds	<u>--</u>	<u>713</u>
Total liabilities	25,536	26,648
 Fund balance		
Reserved for encumbrances	44,663	11,300
Reserved for sister city programs	1,134	1,097
Reserved for park projects	1,903,254	1,933,026
Reserved for permanent art projects	<u>156,535</u>	<u>146,881</u>
Total fund balance	<u>2,105,586</u>	<u>2,092,304</u>
 Total liabilities and fund balance	 <u><u>\$ 2,131,122</u></u>	 <u><u>\$ 2,118,952</u></u>

Exhibit 13-B

COMMUNITY ENRICHMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Contributions and donations	\$ 373,755	\$ 242,559
Earnings on investments	70,403	93,504
Total revenues	<u>444,158</u>	<u>336,063</u>
Expenditures		
Current		
Parks and recreation	100,620	10,035
Libraries	--	244
Capital projects	<u>334,965</u>	<u>65,849</u>
Total expenditures	<u>435,585</u>	<u>76,128</u>
Excess of revenues over expenditures	8,573	259,935
Other financing sources		
Transfers in	<u>4,709</u>	<u>18,067</u>
Net change in fund balance	13,282	278,002
Fund balance at beginning of year	<u>2,092,304</u>	<u>1,814,302</u>
Fund balance at end of year	<u>\$ 2,105,586</u>	<u>\$ 2,092,304</u>

**INFRASTRUCTURE FUND
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 355,063	\$ --
Accounts receivable		
Due from subdivision developer	--	302,847
Due from other funds	<u>962,009</u>	<u>901,781</u>
 Total assets	 <u>\$ 1,317,072</u>	 <u>\$ 1,204,628</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Deposits	\$ 2,500	\$ 2,500
Due to other funds	--	41
Total liabilities	<u>2,500</u>	<u>2,541</u>
 Fund balance		
Reserved for infrastructure	<u>1,314,572</u>	<u>1,202,087</u>
Total fund balance	<u>1,314,572</u>	<u>1,202,087</u>
 Total liabilities and fund balance	 <u>\$ 1,317,072</u>	 <u>\$ 1,204,628</u>

Exhibit 14-B

INFRASTRUCTURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Deposits	\$ 191,724	\$ 270,716
Contributions and donations	660,886	1,570,758
Earnings on investments	19,962	45,713
Total revenues	<u>872,572</u>	<u>1,887,187</u>
Expenditures		
Capital projects	<u>760,087</u>	<u>1,833,731</u>
Net change in fund balance	112,485	53,456
Fund balance at beginning of year	<u>1,202,087</u>	<u>1,148,631</u>
Fund balance at end of year	<u><u>\$ 1,314,572</u></u>	<u><u>\$ 1,202,087</u></u>

**LOCAL EMERGENCY PLANNING COMMITTEE
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 95,714	\$ 35,868
Total assets	<u>\$ 95,714</u>	<u>\$ 35,868</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 7,563	\$ 272
Accrued liabilities	1,871	--
Total liabilities	<u>9,434</u>	<u>272</u>
Fund balance		
Reserved for local emergency response planning	61,913	29,485
Unreserved		
Designated for subsequent year's expenditures	24,367	6,111
Total fund balance	<u>86,280</u>	<u>35,596</u>
Total liabilities and fund balance	<u>\$ 95,714</u>	<u>\$ 35,868</u>

LOCAL EMERGENCY PLANNING COMMITTEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Budget		2008 Actual	Variance Final Budget Positive (Negative)	2007 Actual
	Original	Final			
Revenues					
Contributions and donations	\$ 80,000	\$ 80,000	\$ 129,525	\$ 49,525	\$ 82,750
Earnings on investments	1,600	1,600	2,537	937	1,890
Total revenues	81,600	81,600	132,062	50,462	84,640
Expenditures					
Current					
Public safety					
Emergency management	86,081	87,711	81,378	6,333	72,656
Reserve appropriations	1,630	--	--	--	--
Total expenditures	87,711	87,711	81,378	6,333	72,656
Net change in fund balance	(6,111)	(6,111)	50,684	56,795	11,984
Fund balance at beginning of year	29,488	35,596	35,596	--	23,612
Fund balance at end of year	\$ 23,377	\$ 29,485	\$ 86,280	\$ 56,795	\$ 35,596

**CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 1,669,481	\$ 708,301
Receivables		
Mortgages and loans	17,692,792	18,365,586
Intergovernmental	213,562	354,105
Allowance for uncollectibles	(295,409)	(290,675)
Net receivables	<u>17,610,945</u>	<u>18,429,016</u>
Due from other funds	<u>100,224</u>	<u>394,949</u>
Total assets	<u><u>\$ 19,380,650</u></u>	<u><u>\$ 19,532,266</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 25,844	\$ 158,692
Deposits	225,257	156,590
Due to other funds	<u>2,500</u>	<u>2,500</u>
Total liabilities	253,601	317,782
Fund balance		
Reserved for loans	17,397,383	18,972,247
Unreserved		
Undesignated	<u>1,729,666</u>	<u>242,237</u>
Total fund balance	<u>19,127,049</u>	<u>19,214,484</u>
Total liabilities and fund balance	<u><u>\$ 19,380,650</u></u>	<u><u>\$ 19,532,266</u></u>

Exhibit 16-B

CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Federal Government	\$ 1,408,347	\$ 1,258,275
Charges for services	99,576	103,264
Earnings on investments	35,793	68,337
Interest on loans	233,846	383,910
Miscellaneous	2,802	354
Total revenues	<u>1,780,364</u>	<u>1,814,140</u>
Expenditures		
Current		
Grants	588,329	1,120,569
Warranty costs	--	1,604
Administration costs	161,584	207,837
Forgiven and uncollectible loans	1,100,569	422,102
Total expenditures	<u>1,850,482</u>	<u>1,752,112</u>
Excess (deficiency) of revenues over (under) expenditures	(70,118)	62,028
Other financing uses		
Transfers out	<u>(17,317)</u>	<u>(35,462)</u>
Net change in fund balance	(87,435)	26,566
Fund balance at beginning of year	<u>19,214,484</u>	<u>19,187,918</u>
Fund balance at end of year	<u><u>\$ 19,127,049</u></u>	<u><u>\$ 19,214,484</u></u>

**CORPUS CHRISTI HOUSING FINANCE CORPORATION
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 403,970	\$ 355,431
Total assets	<u>\$ 403,970</u>	<u>\$ 355,431</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 675	\$ 1,400
Fund balance		
Unreserved		
Undesignated	<u>403,295</u>	<u>354,031</u>
Total liabilities and fund balance	<u>\$ 403,970</u>	<u>\$ 355,431</u>

**CORPUS CHRISTI HOUSING FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Revenues		
Charges for services	\$ 68,422	\$ 5,850
Earnings on investments	12,482	16,238
Total revenues	<u>80,904</u>	<u>22,088</u>
Expenditures		
Current		
Development	<u>31,640</u>	<u>26,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,264</u>	<u>(3,947)</u>
Net change in fund balance	49,264	(3,947)
Fund balance at beginning of year	<u>354,031</u>	<u>357,978</u>
Fund balance at end of year	<u><u>\$ 403,295</u></u>	<u><u>\$ 354,031</u></u>

**CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 67,872	\$ 65,468
Total assets	<u>\$ 67,872</u>	<u>\$ 65,468</u>
LIABILITIES AND FUND BALANCE		
Liabilities	\$ --	\$ --
Fund balance		
Unreserved		
Undesignated	<u>67,872</u>	<u>65,468</u>
Total liabilities and fund balance	<u>\$ 67,872</u>	<u>\$ 65,468</u>

Exhibit 18-B

**CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Revenues		
Earnings on investments	\$ 2,404	\$ 2,646
Net change in fund balance	2,404	2,646
Fund balance at beginning of year	<u>65,468</u>	<u>62,822</u>
Fund balance at end of year	<u><u>\$ 67,872</u></u>	<u><u>\$ 65,468</u></u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF NET ASSETS
JULY 31, 2008**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Assets</u>
ASSETS			
Cash and cash equivalents	\$ 1,040,895	\$ --	\$ 1,040,895
Investments	1,000,000	--	1,000,000
Receivables			
Accounts	156	--	156
Accrued interest	6,611	--	6,611
Intergovernmental	484,233	--	484,233
Net receivables	<u>491,000</u>	<u>--</u>	<u>491,000</u>
 Total assets	 <u>\$ 2,531,895</u>	 <u>--</u>	 <u>2,531,895</u>
LIABILITIES			
Accounts payable	\$ 136,987	--	136,987
Accumulated unpaid compensated absences			
Due within one year	--	201,880	201,880
Due in more than one year	--	215,122	215,122
Total liabilities	<u>136,987</u>	<u>417,002</u>	<u>553,989</u>
FUND BALANCE			
Unreserved			
Undesignated	2,394,908	(2,394,908)	--
Total fund balance	<u>2,394,908</u>	<u>(2,394,908)</u>	<u>--</u>
 Total liabilities and fund balance	 <u>\$ 2,531,895</u>		
NET ASSETS			
Restricted for			
Crime control and prevention		1,977,906	1,977,906
 Total net assets		 <u>\$ 1,977,906</u>	 <u>\$ 1,977,906</u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
Police	\$ 4,854,407	\$ 34,015	\$ 4,888,422
Capital projects	128,087	(128,087)	--
Total expenditures/expenses	<u>4,982,494</u>	<u>(94,072)</u>	<u>4,888,422</u>
General revenue			
Sales tax	4,997,916	--	4,997,916
Juvenile drug testing	13,894	--	13,894
Earnings on investments	82,183	--	82,183
Sale of City property	12,353	--	12,353
Other financing sources (uses)			
Transfers out	--	(128,087)	(128,087)
Total general revenue and other financing uses	<u>5,106,346</u>	<u>(128,087)</u>	<u>4,978,259</u>
Excess of revenues over expenditures and other financing uses	123,852	(123,852)	--
Change in net assets	--	89,837	89,837
Fund balance/net assets beginning of year	<u>2,271,056</u>	<u>(382,987)</u>	<u>1,888,069</u>
Fund balance/net assets end of year	<u>\$ 2,394,908</u>	<u>\$ (417,002)</u>	<u>\$ 1,977,906</u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
COMPARATIVE BALANCE SHEETS
JULY 31, 2008 AND 2007**

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 1,040,895	\$ 6
Investments	1,000,000	2,000,000
Receivables		
Accounts	156	72
Accrued interest	6,611	--
Intergovernmental	484,233	439,643
Net receivables	<u>491,000</u>	<u>439,715</u>
Due from other funds	<u>--</u>	<u>6,368</u>
Total assets	<u>\$ 2,531,895</u>	<u>\$ 2,446,089</u>
 LIABILITIES AND FUND BALANCE 		
Liabilities		
Accounts payable	\$ 136,987	\$ 168,168
Due to other funds	<u>--</u>	<u>6,865</u>
Total liabilities	136,987	175,033
Fund balance		
Reserved for encumbrances	--	3,900
Unreserved		
Undesignated	2,394,908	2,267,156
Total fund balance	<u>2,394,908</u>	<u>2,271,056</u>
Total liabilities and fund balance	<u>\$ 2,531,895</u>	<u>\$ 2,446,089</u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Sales tax	\$ 4,855,618	\$ 4,855,618	\$ 4,997,916	\$ 142,298	\$ 4,700,088
Juvenile drug testing	16,000	16,000	13,894	(2,106)	7,380
Earnings on investments	73,113	73,113	82,183	9,070	115,251
Sale of City property	--	--	12,353	12,353	4,940
Total revenue	<u>4,944,731</u>	<u>4,944,731</u>	<u>5,106,346</u>	<u>161,615</u>	<u>4,827,659</u>
Expenditures					
Current					
Police officers	3,913,383	4,076,609	4,117,070	(40,461)	3,878,339
Crime Control Prevention Dist	--	--	--	--	77,246
Pawn shop detail	162,692	166,396	158,354	8,042	159,029
MDT/AVL tech support	--	--	--	--	62,442
Juvenile Curfew & Truancy Assessment Center	354,705	380,805	356,934	23,871	324,207
Citizens advisory council	11,374	11,374	9,902	1,472	11,051
Public safety vehicles and equipment	--	--	--	--	1,545
Juvenile City marshals	190,130	194,489	158,420	36,069	109,565
Graffiti Eradication Program	--	124,644	53,727	70,917	--
Reserved for comp/merit pay	15,264	--	--	--	--
Capital projects	<u>141,390</u>	<u>141,390</u>	<u>128,087</u>	<u>13,303</u>	<u>305,082</u>
Total expenditures	<u>4,788,938</u>	<u>5,095,707</u>	<u>4,982,494</u>	<u>113,213</u>	<u>4,928,506</u>
Net change in fund balance	155,793	(150,976)	123,852	274,828	(100,847)
Fund balance at beginning of year	<u>2,244,724</u>	<u>2,271,056</u>	<u>2,271,056</u>	<u>--</u>	<u>2,371,903</u>
Fund balance at end of year	<u>\$ 2,400,517</u>	<u>\$ 2,120,080</u>	<u>\$ 2,394,908</u>	<u>\$ 274,828</u>	<u>\$ 2,271,056</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF NET ASSETS
JULY 31, 2008**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Assets</u>
ASSETS			
Cash and cash equivalents	\$ 4,572,218	\$ --	\$ 4,572,218
Investments	34,420,250	--	34,420,250
Receivables			
Accounts	19,684	--	19,684
Accrued interest	93,892	--	93,892
Intergovernmental	1,605,272	--	1,605,272
Net receivables	<u>1,718,848</u>	--	<u>1,718,848</u>
Due from other funds	2,500	--	2,500
Bond issuance cost	--	871,890	871,890
Total assets	<u>\$ 40,713,816</u>	<u>871,890</u>	<u>41,585,706</u>
LIABILITIES			
Accounts payable	\$ 46,220	--	46,220
Accrued interest	--	2,041,124	2,041,124
Long-term debt			
Due within one year	--	4,220,000	4,220,000
Due in more than one year	--	99,539,748	99,539,748
Total liabilities	<u>46,220</u>	<u>105,800,872</u>	<u>105,847,092</u>
FUND BALANCE			
Reserved for encumbrances	723,428	(723,428)	--
Reserved for debt service	579,700	(579,700)	--
Reserved for Affordable Housing	1,137,456	(1,137,456)	--
Reserved for Stadium Capital Repair	36,448	(36,448)	--
Unreserved			
Designated for subsequent years' expenditures	1,355,051	(1,355,051)	--
Designated for specific projects	63	(63)	--
Undesignated	36,835,450	(36,835,450)	--
Total fund balance	<u>40,667,596</u>	<u>(40,667,596)</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 40,713,816</u>		
NET ASSETS (LIABILITIES)			
Restricted for			
Bond interest and redemption		579,700	579,700
Construction of capital assets		63	63
Unrestricted		<u>(64,841,149)</u>	<u>(64,841,149)</u>
Total net liabilities		<u>\$ (64,261,386)</u>	<u>\$ (64,261,386)</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
General government	\$ 201,363	\$ --	\$ 201,363
Community development	730,955	--	730,955
Capital projects	425,417	(425,417)	--
Debt service			
Principal retirement	3,995,000	(3,995,000)	--
Interest	4,984,112	(66,137)	4,917,975
Paying agent fees	3,440	(3,440)	--
Total expenditures/expenses	<u>10,340,287</u>	<u>(4,489,994)</u>	<u>5,850,293</u>
General revenues			
Sales tax	16,629,438	--	16,629,438
Earnings on investments	1,396,339	--	1,396,339
Other financing uses			
Transfers out	<u>(793,935)</u>	<u>(425,417)</u>	<u>(1,219,352)</u>
Total general revenues and other financing uses	<u>17,231,842</u>	<u>(425,417)</u>	<u>16,806,425</u>
Excess of revenues over expenditures and other financing uses	6,891,555	(6,891,555)	--
Change in net assets	--	10,956,132	10,956,132
Fund balance/net liabilities beginning of year	<u>33,776,041</u>	<u>(108,993,559)</u>	<u>(75,217,518)</u>
Fund balance/net liabilities end of year	<u>\$ 40,667,596</u>	<u>\$ (104,928,982)</u>	<u>\$ (64,261,386)</u>

CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
BALANCE SHEETS
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007

ASSETS	Special Revenue		
	Seawall Improvement	Arena Facility	Economic Development
Cash and cash equivalents	\$ 704,104	\$ 1,314,836	\$ 1,445,410
Investments	15,420,250	9,000,000	10,000,000
Receivables			
Accounts	--	--	19,684
Accrued interest	46,318	28,610	18,964
Intergovernmental	535,091	535,090	535,091
Net receivables	581,409	563,700	573,739
Due from other funds	--	--	2,500
Total assets	\$ 16,705,763	\$ 10,878,536	\$ 12,021,649
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ --	\$ --	\$ 45,920
Due to other funds	--	--	--
Total liabilities	--	--	45,920
Fund balances			
Reserved for encumbrances	--	--	672,567
Reserved for debt service	--	--	--
Reserved for Affordable Housing	--	--	1,137,456
Reserved for Stadium Capital Repair	--	--	36,448
Unreserved			
Designated for subsequent year's expenditures	--	444,214	910,837
Designated for specific projects	--	--	--
Undesignated	16,705,763	10,434,322	9,218,421
Total fund balance	16,705,763	10,878,536	11,975,729
Total liabilities and fund balances	\$ 16,705,763	\$ 10,878,536	\$ 12,021,649

Exhibit 20-C

Debt Service			Capital Projects		2008 Total	2007 Total
Seawall	Arena	Economic Development	Seawall	Arena		
\$ 355,086	\$ 220,665	\$ 4,249	\$ 522,916	\$ 4,952	\$ 4,572,218	\$ 1,955,844
--	--	--	--	--	34,420,250	29,993,437
--	--	--	--	--	19,684	--
--	--	--	--	--	93,892	351,182
--	--	--	--	--	1,605,272	1,515,930
--	--	--	--	--	1,718,848	1,867,112
--	--	--	--	--	2,500	2,500
<u>\$ 355,086</u>	<u>\$ 220,665</u>	<u>\$ 4,249</u>	<u>\$ 522,916</u>	<u>\$ 4,952</u>	<u>\$ 40,713,816</u>	<u>\$ 33,818,893</u>
\$ --	\$ --	\$ 300	\$ --	\$ --	\$ 46,220	\$ 33,242
--	--	--	--	--	--	9,610
--	--	300	--	--	46,220	42,852
--	--	--	48,546	2,315	723,428	1,046,149
355,086	220,665	3,949	--	--	579,700	548,366
--	--	--	--	--	1,137,456	747,849
--	--	--	--	--	36,448	282,498
--	--	--	--	--	1,355,051	213
--	--	--	63	--	63	429
--	--	--	474,307	2,637	36,835,450	31,150,537
<u>355,086</u>	<u>220,665</u>	<u>3,949</u>	<u>522,916</u>	<u>4,952</u>	<u>40,667,596</u>	<u>33,776,041</u>
<u>\$ 355,086</u>	<u>\$ 220,665</u>	<u>\$ 4,249</u>	<u>\$ 522,916</u>	<u>\$ 4,952</u>	<u>\$ 40,713,816</u>	<u>\$ 33,818,893</u>

CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Special Revenue		
	Seawall Improvement	Arena Facility	Economic Development
Revenues			
Sales tax	\$ 5,543,146	\$ 5,543,146	\$ 5,543,146
Earnings on investments	614,686	355,790	381,904
Total revenue	<u>6,157,832</u>	<u>5,898,936</u>	<u>5,925,050</u>
Expenditures			
Current			
General government	4,440	9,469	175,667
Community development	--	--	730,955
Capital projects	--	--	250,000
Debt service			
Principal retirement	--	--	--
Interest	--	--	--
Paying agent fees	--	--	--
Total expenditures	<u>4,440</u>	<u>9,469</u>	<u>1,156,622</u>
Excess (deficiency) of revenues over (under) expenditures	6,153,392	5,889,467	4,768,428
Other financing sources (uses)			
Transfers in	--	--	--
Transfers out	(3,205,881)	(4,284,477)	(2,286,475)
Total other financing sources (uses)	<u>(3,205,881)</u>	<u>(4,284,477)</u>	<u>(2,286,475)</u>
Net change in fund balances	2,947,511	1,604,990	2,481,953
Fund balances at beginning of year	<u>13,758,252</u>	<u>9,273,546</u>	<u>9,493,776</u>
Fund balances at end of year	<u><u>\$ 16,705,763</u></u>	<u><u>\$ 10,878,536</u></u>	<u><u>\$ 11,975,729</u></u>

Exhibit 20-D

Debt Service			Capital Project		2008 Total	2007 Total
Seawall	Arena	Economic Development	Seawall	Arena		
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,629,438	\$ 15,780,900
18,963	10,885	927	13,184	--	1,396,339	1,595,249
18,963	10,885	927	13,184	--	18,025,777	17,376,149
--	--	--	2,119	9,668	201,363	343,555
--	--	--	--	--	730,955	411,042
--	--	--	172,086	3,331	425,417	4,488,395
1,185,000	1,280,000	1,530,000	--	--	3,995,000	3,780,000
2,019,381	2,209,043	755,688	--	--	4,984,112	5,104,623
1,140	1,200	1,100	--	--	3,440	4,539
3,205,521	3,490,243	2,286,788	174,205	12,999	10,340,287	14,132,154
(3,186,558)	(3,479,358)	(2,285,861)	(161,021)	(12,999)	7,685,490	3,243,995
3,205,881	3,490,542	2,286,475	--	--	8,982,898	8,890,623
--	--	--	--	--	(9,776,833)	(9,595,113)
3,205,881	3,490,542	2,286,475	--	--	(793,935)	(704,490)
19,323	11,184	614	(161,021)	(12,999)	6,891,555	2,539,505
335,763	209,481	3,335	683,937	17,951	33,776,041	31,236,536
\$ 355,086	\$ 220,665	\$ 3,949	\$ 522,916	\$ 4,952	\$ 40,667,596	\$ 33,776,041

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SEAWALL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Sales tax	\$ 5,459,456	\$ 5,459,456	\$ 5,543,146	\$ 83,690	\$ 5,260,300
Earnings on investments	600,000	600,000	614,686	14,686	595,452
Total revenue	<u>6,059,456</u>	<u>6,059,456</u>	<u>6,157,832</u>	<u>98,376</u>	<u>5,855,752</u>
Expenditures					
Current					
General government	15,000	15,000	4,440	10,560	449
Excess of revenues over expenditures	6,044,456	6,044,456	6,153,392	108,936	5,855,303
Other financing uses					
Transfers out	<u>(3,205,881)</u>	<u>(3,205,881)</u>	<u>(3,205,881)</u>	<u>--</u>	<u>(3,159,681)</u>
Net change in fund balance	2,838,575	2,838,575	2,947,511	108,936	2,695,622
Fund balance at beginning of year	<u>13,677,239</u>	<u>13,758,252</u>	<u>13,758,252</u>	<u>--</u>	<u>11,062,630</u>
Fund balance at end of year	<u>\$ 16,515,814</u>	<u>\$ 16,596,827</u>	<u>\$ 16,705,763</u>	<u>\$ 108,936</u>	<u>\$ 13,758,252</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ARENA FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	Budget		2008 Actual	Variance	2007 Actual
	Original	Final		Final Budget Positive (Negative)	
Revenues					
Sales tax	\$ 5,459,456	\$ 5,459,456	\$ 5,543,146	\$ 83,690	\$ 5,260,300
Earnings on investments	400,000	400,000	355,790	(44,210)	402,105
Total revenue	5,859,456	5,859,456	5,898,936	39,480	5,662,405
Expenditures					
Current					
General government	15,000	15,000	9,469	5,531	449
Excess of revenues over expenditures	5,844,456	5,844,456	5,889,467	45,011	5,661,956
Other financing uses					
Transfers out	(4,536,410)	(4,536,410)	(4,284,477)	251,933	(4,146,532)
Net change in fund balance	1,308,046	1,308,046	1,604,990	296,944	1,515,424
Fund balance at beginning of year	9,062,111	9,273,546	9,273,546	--	7,758,122
Fund balance at end of year	\$ 10,370,157	\$ 10,581,592	\$ 10,878,536	\$ 296,944	\$ 9,273,546

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Sales tax	\$ 5,459,456	\$ 5,459,456	\$ 5,543,146	\$ 83,690	\$ 5,260,300
Earnings on investments	200,000	200,000	381,904	181,904	393,285
Total revenue	<u>5,659,456</u>	<u>5,659,456</u>	<u>5,925,050</u>	<u>265,594</u>	<u>5,653,585</u>
Expenditures					
Current					
General government	176,687	176,687	175,667	1,020	230,933
Community development	2,050,000	3,533,692	730,955	2,802,737	411,042
Capital projects	--	250,000	250,000	--	11,100
Total expenditures	<u>2,226,687</u>	<u>3,960,379</u>	<u>1,156,622</u>	<u>2,803,757</u>	<u>653,075</u>
Excess of revenues over expenditures	3,432,769	1,699,077	4,768,428	3,069,351	5,000,510
Other financing uses					
Transfers out	<u>(2,286,475)</u>	<u>(2,286,475)</u>	<u>(2,286,475)</u>	<u>--</u>	<u>(2,288,900)</u>
Net change in fund balance	1,146,294	(587,398)	2,481,953	3,069,351	2,711,610
Fund balance at beginning of year	<u>4,596,250</u>	<u>9,493,776</u>	<u>9,493,776</u>	<u>--</u>	<u>6,782,166</u>
Fund balance at end of year	<u>\$ 5,742,544</u>	<u>\$ 8,906,378</u>	<u>\$ 11,975,729</u>	<u>\$ 3,069,351</u>	<u>\$ 9,493,776</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SEAWALL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Earnings on investments	\$ 15,000	\$ 15,000	\$ 18,963	\$ 3,963	\$ 20,770
Expenditures					
Debt service					
Principal retirement	1,185,000	1,185,000	1,185,000	--	1,095,000
Interest	2,019,381	2,019,381	2,019,381	--	2,063,181
Paying agent fees	1,500	1,500	1,140	360	1,939
Total expenditures	<u>3,205,881</u>	<u>3,205,881</u>	<u>3,205,521</u>	<u>360</u>	<u>3,160,120</u>
Deficiency of revenues under expenditures	(3,190,881)	(3,190,881)	(3,186,558)	4,323	(3,139,350)
Other financing sources					
Transfers in	<u>3,205,881</u>	<u>3,205,881</u>	<u>3,205,881</u>	<u>--</u>	<u>3,159,681</u>
Net change in fund balance	15,000	15,000	19,323	4,323	20,331
Fund balance at beginning of year	<u>342,353</u>	<u>335,763</u>	<u>335,763</u>	<u>--</u>	<u>315,432</u>
Fund balance at end of year	<u>\$ 357,353</u>	<u>\$ 350,763</u>	<u>\$ 355,086</u>	<u>\$ 4,323</u>	<u>\$ 335,763</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ARENA DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Earnings on investments	\$ 1,200	\$ 1,200	\$ 10,885	\$ 9,685	\$ 3,249
Expenditures					
Debt service					
Principal retirement	1,280,000	1,280,000	1,280,000	--	1,185,000
Interest	2,209,043	2,209,043	2,209,043	--	2,253,542
Paying agent fees	1,500	1,500	1,200	300	1,500
Total expenditures	<u>3,490,543</u>	<u>3,490,543</u>	<u>3,490,243</u>	<u>300</u>	<u>3,440,042</u>
Deficiency of revenues under expenditures	(3,489,343)	(3,489,343)	(3,479,358)	9,985	(3,436,793)
Other financing sources					
Transfers in	<u>3,490,543</u>	<u>3,490,543</u>	<u>3,490,542</u>	<u>(1)</u>	<u>3,442,042</u>
Net change in fund balance	1,200	1,200	11,184	9,984	5,249
Fund balance at beginning of year	<u>212,597</u>	<u>209,481</u>	<u>209,481</u>	<u>--</u>	<u>204,232</u>
Fund balance at end of year	<u>\$ 213,797</u>	<u>\$ 210,681</u>	<u>\$ 220,665</u>	<u>\$ 9,984</u>	<u>\$ 209,481</u>

CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ECONOMIC DEVELOPMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	Budget		2008 Actual	Variance Final Budget Positive (Negative)	2007 Actual
	Original	Final			
Revenues					
Earnings on investments	\$ --	\$ --	\$ 927	\$ 927	\$ --
Expenditures					
Debt service					
Principal retirement	1,530,000	1,530,000	1,530,000	--	1,500,000
Interest	755,688	755,688	755,688	--	787,900
Paying agent fees	1,000	1,000	1,100	(100)	1,100
Total expenditures	<u>2,286,688</u>	<u>2,286,688</u>	<u>2,286,788</u>	<u>(100)</u>	<u>2,289,000</u>
Deficiency of revenues under expenditures	(2,286,688)	(2,286,688)	(2,285,861)	827	(2,289,000)
Other financing sources					
Transfers in	<u>2,286,475</u>	<u>2,286,475</u>	<u>2,286,475</u>	<u>--</u>	<u>2,288,900</u>
Net change in fund balance	(213)	(213)	614	827	(100)
Fund balance at beginning of year	<u>3,435</u>	<u>3,335</u>	<u>3,335</u>	<u>--</u>	<u>3,435</u>
Fund balance at end of year	<u>\$ 3,222</u>	<u>\$ 3,122</u>	<u>\$ 3,949</u>	<u>\$ 827</u>	<u>\$ 3,335</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF NET ASSETS
JULY 31, 2008**

	Governmental Funds	Adjustments	Schedule of Net Assets
ASSETS			
Cash and cash equivalents	\$ 5,315,441	\$ --	\$ 5,315,441
Receivables			
Taxes	51	--	51
Accrued interest	10,712	--	10,712
Net receivables	10,763	--	10,763
Bond issuance cost	--	1,541,324	1,541,324
Total assets	<u>\$ 5,326,204</u>	<u>1,541,324</u>	<u>6,867,528</u>
LIABILITIES			
Accounts payable	\$ 19,660	--	\$ 19,660
Accrued interest	--	76,048	76,048
Long-term debt			
Due within one year	--	165,000	165,000
Due in more than one year	--	12,468,538	12,468,538
Total liabilities	<u>19,660</u>	<u>12,709,586</u>	<u>12,729,246</u>
FUND BALANCE			
Reserved for encumbrances	1,028,764	(1,028,764)	--
Reserved for debt service	1,500,000	(1,500,000)	--
Unreserved			
Undesignated	2,777,780	(2,777,780)	--
Total fund balance	<u>5,306,544</u>	<u>(5,306,544)</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 5,326,204</u>		
NET ASSETS (LIABILITIES)			
Unrestricted		<u>(5,861,718)</u>	<u>(5,861,718)</u>
Total net liabilities		<u>\$ (5,861,718)</u>	<u>\$ (5,861,718)</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
General government	\$ 36,477	\$ --	\$ 36,477
Capital projects	338,838	(338,838)	--
Debt service			
Interest	888,200	(246,118)	642,082
Bond issuance cost	622,079	(601,358)	20,721
Paying agent fees	19,697	--	19,697
Total expenditures/expenses	<u>1,905,291</u>	<u>(1,186,314)</u>	<u>718,977</u>
Net program revenue (expense)	<u>(1,905,291)</u>	<u>1,186,314</u>	<u>(718,977)</u>
General revenues			
Property tax	2,851,595	--	2,851,595
Earnings on investments	197,472	--	197,472
Other financing sources (uses)			
Refunding bonds issued	13,445,000	(13,445,000)	--
Payment to escrow agent for refunded bonds	(12,822,371)	12,822,371	--
Transfers out	--	(338,838)	(338,838)
Total general revenues and other financing sources (uses)	<u>3,671,696</u>	<u>(961,467)</u>	<u>2,710,229</u>
Excess of revenues over expenditures and transfers out	1,766,405	(1,766,405)	--
Change in net assets	--	1,991,252	1,991,252
Fund balance/net liabilities beginning of year	<u>3,540,139</u>	<u>(11,393,109)</u>	<u>(7,852,970)</u>
Fund balance/net liabilities end of year	<u>\$ 5,306,544</u>	<u>\$ (11,168,262)</u>	<u>\$ (5,861,718)</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
BALANCE SHEETS
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>2008 Total</u>	<u>2007 Total</u>
ASSETS					
Cash and cash equivalents	\$ 5,144,362	\$ --	\$ 171,079	\$ 5,315,441	\$ 3,570,046
Receivables					
Taxes	51	--	--	51	5,129
Accrued interest	8,275	--	2,437	10,712	21,210
Net receivables	<u>8,326</u>	<u>--</u>	<u>2,437</u>	<u>10,763</u>	<u>26,339</u>
Due from other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>321</u>
Total assets	<u><u>\$ 5,152,688</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 173,516</u></u>	<u><u>\$ 5,326,204</u></u>	<u><u>\$ 3,596,706</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 14,218	\$ --	\$ 5,442	\$ 19,660	\$ 52,255
Contractor interest and retainage payable	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,312</u>
Total liabilities	<u>14,218</u>	<u>--</u>	<u>5,442</u>	<u>19,660</u>	<u>56,567</u>
Fund balances					
Reserved for encumbrances	363,127	--	665,637	1,028,764	258,309
Reserved for debt service	1,500,000	--	--	1,500,000	3,000,000
Unreserved					
Undesignated	<u>3,275,343</u>	<u>--</u>	<u>(497,563)</u>	<u>2,777,780</u>	<u>281,830</u>
Total fund balance	<u>5,138,470</u>	<u>--</u>	<u>168,074</u>	<u>5,306,544</u>	<u>3,540,139</u>
Total liabilities and fund balances	<u><u>\$ 5,152,688</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 173,516</u></u>	<u><u>\$ 5,326,204</u></u>	<u><u>\$ 3,596,706</u></u>

NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenues					
Taxes and business fees	\$ 2,851,595	\$ --	\$ --	\$ 2,851,595	\$ 2,332,093
Grants	--	--	--	--	217,657
Earnings on investments	143,028	--	54,444	197,472	204,273
Total revenue	<u>2,994,623</u>	<u>--</u>	<u>54,444</u>	<u>3,049,067</u>	<u>2,754,023</u>
Expenditures					
Current					
General government	22,220	--	14,257	36,477	56,492
Capital projects	386,728	--	(47,890)	338,838	800,925
Debt service					
Interest	888,200	--	--	888,200	809,582
Bond issuance cost	622,079	--	--	622,079	--
Refund of bond issuance cost	--	--	--	--	(9,660)
Paying agent fees	19,697	--	--	19,697	19,087
Total expenditures	<u>1,938,924</u>	<u>--</u>	<u>(33,633)</u>	<u>1,905,291</u>	<u>1,676,426</u>
Excess of revenues over expenditures	1,055,699	--	88,077	1,143,776	1,077,597
Other financing sources (uses)					
Refunding bonds issued	13,445,000	--	--	13,445,000	--
Payment to escrow agent for refunded bonds	(12,822,371)	--	--	(12,822,371)	--
Transfers in	--	--	--	--	817,482
Transfers out	--	--	--	--	(817,482)
Total other financing sources	<u>622,629</u>	<u>--</u>	<u>--</u>	<u>622,629</u>	<u>--</u>
Net change in fund balances	1,678,328	--	88,077	1,766,405	1,077,597
Fund balances at beginning of year	<u>3,460,142</u>	<u>--</u>	<u>79,997</u>	<u>3,540,139</u>	<u>2,462,542</u>
Fund balances at end of year	<u>\$ 5,138,470</u>	<u>\$ --</u>	<u>\$ 168,074</u>	<u>\$ 5,306,544</u>	<u>\$ 3,540,139</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Revenues					
Taxes and business fees	\$ 2,441,898	\$ 2,441,898	\$ 2,851,595	\$ 409,697	\$ 2,332,093
Earnings on investments	100,000	100,000	143,028	43,028	127,129
Total revenues	<u>2,541,898</u>	<u>2,541,898</u>	<u>2,994,623</u>	<u>452,725</u>	<u>2,459,222</u>
Expenditures					
Current					
General government	--	111,919	22,220	89,699	--
Capital projects	--	479,568	386,728	92,840	--
Debt service					
Interest	888,200	888,200	888,200	--	--
Bond issuance costs	--	622,079	622,079	--	--
Paying agent fees	20,000	20,000	19,697	303	--
Total expenditures	<u>908,200</u>	<u>2,121,766</u>	<u>1,938,924</u>	<u>182,842</u>	<u>--</u>
Excess of revenues over expenditures	1,633,698	420,132	1,055,699	635,567	2,459,222
Other financing sources (uses)					
Proceeds from sale of refunding bonds	--	13,445,000	13,445,000	--	--
Payment to escrow agent for refunded bonds	--	(12,822,371)	(12,822,371)	--	--
Transfers out	--	--	--	--	(817,482)
Total other financing sources (uses)	<u>--</u>	<u>622,629</u>	<u>622,629</u>	<u>--</u>	<u>(817,482)</u>
Net change in fund balance	1,633,698	1,042,761	1,678,328	635,567	1,641,740
Fund balance at beginning of year	<u>3,309,916</u>	<u>3,460,142</u>	<u>3,460,142</u>	<u>--</u>	<u>1,818,402</u>
Fund balance at end of year	<u>\$ 4,943,614</u>	<u>\$ 4,502,903</u>	<u>\$ 5,138,470</u>	<u>\$ 635,567</u>	<u>\$ 3,460,142</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

	<u>Budget</u>		<u>2008 Actual</u>	<u>Variance</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>	
Expenditures					
Debt service					
Interest	\$ --	\$ --	\$ --	\$ --	\$ 809,582
Paying agent fees	--	--	--	--	19,087
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>828,669</u>
Other financing sources					
Transfers in	--	--	--	--	817,482
Total other financing sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>817,482</u>
Net change in fund balance	--	--	--	--	(11,187)
Fund balance at beginning of year	--	--	--	--	11,187
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



City of
Corpus
Christi

Capital Projects Funds

Bayfront Arts/Science Bond Fund – This fund was established for recording the construction of additions to the Museum, construction of the Columbus Fleet Shipyard and Seaport and other improvements at the Bayfront Arts & Science Park.

City Hall Bond Fund – This fund was established for recording the purchase of a site, and constructing and equipping a new City Hall.

Convention Facility Bond Fund – This fund was established for recording the construction of a community convention facility.

Library Bond Fund – This fund was established for recording the construction of improvements to the Corpus Christi Public Library System.

Park Bond Fund – This fund was established for recording improvements and expansion of park and recreational facilities.

Police Building Bond Fund – This fund was established for recording the construction of improvements for the Police Department.

Public Health and Safety Bond Fund – This fund was established for recording the construction of improvements related to health and safety projects.

Landfill Bond Fund – This fund was established for recording the construction of improvements to the landfill.

Street Bond Fund – This fund was established for recording the improvements and widening of streets.

Corpus Christi Business and Job Development Corporation – Arena Bond Fund – This fund was established for recording the construction of the arena.

Corpus Christi Business and Job Development Corporation – Seawall Bond Fund – This fund was established for recording the construction of improvements to the seawall.

North Padre Island Development Corporation Bond Fund – This fund was established for recording the construction of Packery Channel.



City of
Corpus
Christi

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

ASSETS	Bayfront Arts/Science	City Hall	Convention Facility	Library
Cash and cash equivalents	\$ 796,040	\$ 146,175	\$ 4,352	\$ 570,055
Investments	12,978,438	--	--	1,494,375
Receivables				
Accrued interest	67,688	--	--	--
Special assessments	--	--	--	--
Intergovernmental	--	--	--	--
Net receivables	<u>67,688</u>	<u>--</u>	<u>--</u>	<u>--</u>
Due from other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u><u>\$ 13,842,166</u></u>	<u><u>\$ 146,175</u></u>	<u><u>\$ 4,352</u></u>	<u><u>\$ 2,064,430</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 24,977	\$ --	\$ 1,600	\$ 229,659
Contractor interest and retainage payable	--	--	--	131,436
Deposits	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenues				
Paving assessments	--	--	--	--
Grants	--	--	--	101,832
Total liabilities	<u>24,977</u>	<u>--</u>	<u>1,600</u>	<u>462,927</u>
Fund balances				
Reserved for encumbrances	95,733	--	--	1,361,312
Unreserved				
Designated for specific projects	10,326,929	--	--	98,209
Undesignated (deficit)	<u>3,394,527</u>	<u>146,175</u>	<u>2,752</u>	<u>141,982</u>
Total fund balances	<u>13,817,189</u>	<u>146,175</u>	<u>2,752</u>	<u>1,601,503</u>
Total liabilities and fund balances	<u><u>\$ 13,842,166</u></u>	<u><u>\$ 146,175</u></u>	<u><u>\$ 4,352</u></u>	<u><u>\$ 2,064,430</u></u>

(Continued)

Exhibit 22-A

<u>Park</u>	<u>Police Building</u>	<u>Public Health & Safety</u>	<u>Landfill</u>	<u>Street</u>
\$ 766,171	\$ 35,642	\$ 539,553	\$ 2,515,430	\$ 6,375,693
9,992,812	--	1,000,000	9,500,000	44,908,970
23,743	--	--	93,839	85,550
--	--	--	--	510,557
--	--	--	--	187,733
<u>23,743</u>	<u>--</u>	<u>--</u>	<u>93,839</u>	<u>783,840</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 10,782,726</u>	<u>\$ 35,642</u>	<u>\$ 1,539,553</u>	<u>\$ 12,109,269</u>	<u>\$ 52,068,503</u>
\$ 136,744	\$ --	\$ 6,205	\$ 827,659	\$ 2,944,499
8,056	--	7,480	30,189	709,224
--	--	--	--	306,367
--	--	--	--	--
--	--	--	--	355,659
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>144,800</u>	<u>--</u>	<u>13,685</u>	<u>857,848</u>	<u>4,315,749</u>
557,352	--	1,012,496	4,451,629	17,324,770
1,545,523	29,968	14,708	723,880	12,510,413
8,535,051	5,674	498,664	6,075,912	17,917,571
<u>10,637,926</u>	<u>35,642</u>	<u>1,525,868</u>	<u>11,251,421</u>	<u>47,752,754</u>
<u>\$ 10,782,726</u>	<u>\$ 35,642</u>	<u>\$ 1,539,553</u>	<u>\$ 12,109,269</u>	<u>\$ 52,068,503</u>

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JULY 31, 2008
WITH COMPARATIVE TOTALS FOR JULY 31, 2007**

	Corpus Christi Business and Job Development Corporation		North Padre Island Development Corporation	Eliminations
	Seawall	Arena		
ASSETS				
Cash and cash equivalents	\$ 522,916	\$ 4,952	\$ 171,079	\$ --
Investments	--	--	--	--
Receivables				
Accrued interest	--	--	2,437	--
Special assessments	--	--	--	--
Intergovernmental	--	--	--	--
Net receivables	--	--	2,437	--
Due from other funds	--	--	--	--
Total assets	<u>\$ 522,916</u>	<u>\$ 4,952</u>	<u>\$ 173,516</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ --	\$ --	\$ 5,442	\$ --
Contractor interest and retainage payable	--	--	--	--
Deposits	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenues				
Paving assessments	--	--	--	--
Grants	--	--	--	--
Total liabilities	--	--	5,442	--
Fund balances				
Reserved for encumbrances	48,546	2,315	665,637	--
Unreserved				
Designated for specific projects	63	--	--	--
Undesignated (deficit)	474,307	2,637	(497,563)	--
Total fund balances	<u>522,916</u>	<u>4,952</u>	<u>168,074</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 522,916</u>	<u>\$ 4,952</u>	<u>\$ 173,516</u>	<u>\$ --</u>

**Exhibit 22-A
(Continued)**

2008 Total	2007 Total
\$ 12,448,058	\$ 18,791,750
79,874,595	76,985,887
273,257	1,177,099
510,557	540,431
187,733	465,869
971,547	2,183,399
--	7,413
\$ 93,294,200	\$ 97,968,449
\$ 4,176,785	\$ 2,627,025
886,385	788,103
306,367	203,246
--	23,491
355,659	383,427
101,832	907,684
5,827,028	4,932,976
25,519,790	25,527,494
25,249,693	43,300,949
36,697,689	24,207,030
87,467,172	93,035,473
\$ 93,294,200	\$ 97,968,449

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Bayfront Arts/Science</u>	<u>City Hall</u>	<u>Convention Facility</u>	<u>Library</u>
Revenues				
Grants	\$ --	\$ --	\$ --	\$ 886,279
Contributions and donations	--	--	--	--
Special assessments	--	--	--	--
Interest on special assessments	336,728	--	--	--
Attorneys fees on special assessments	--	--	--	--
Earnings on investments	--	9,152	--	140,662
Total revenues	<u>336,728</u>	<u>9,152</u>	<u>--</u>	<u>1,026,941</u>
Expenditures				
Current				
General government	25,745	2,745	62,461	82,491
Capital projects	543,457	487	7,970	3,067,516
Debt service				
Bond issuance cost	15,687	--	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	<u>584,889</u>	<u>3,232</u>	<u>70,431</u>	<u>3,150,007</u>
Excess (deficiency) of revenues over (under) expenditures	(248,161)	5,920	(70,431)	(2,123,066)
Other financing sources (uses)				
General obligation bonds issued	--	--	--	--
Revenue bonds issued	--	--	--	--
Certificates of obligation bonds issued	--	--	--	--
Tax Notes issued	3,511,682	--	--	4,005
Premium on bonds issued	--	--	--	--
Transfer in from				
City Hall CIP fund	--	--	--	--
Transfers out to				
Park CIP	--	(70,000)	--	--
Visitors facility fund	--	--	--	--
General fund	--	(153,210)	--	--
Total other financing sources (uses)	<u>3,511,682</u>	<u>(223,210)</u>	<u>--</u>	<u>4,005</u>
Net change in fund balances	3,263,521	(217,290)	(70,431)	(2,119,061)
Fund balances at beginning of year	<u>10,553,668</u>	<u>363,465</u>	<u>73,183</u>	<u>3,720,564</u>
Fund balances at end of year	<u>\$ 13,817,189</u>	<u>\$ 146,175</u>	<u>\$ 2,752</u>	<u>\$ 1,601,503</u>

(Continued)

Exhibit 22-B

<u>Park</u>	<u>Police Building</u>	<u>Public Health & Safety</u>	<u>Landfill</u>	<u>Street</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	2,215,846
--	--	--	--	74,379
--	--	--	--	27,342
--	--	--	--	3,874
150,089	--	51,066	503,551	1,627,931
<u>150,089</u>	<u>--</u>	<u>51,066</u>	<u>503,551</u>	<u>3,949,372</u>
42,313	--	40,861	343,498	1,698,971
1,387,258	--	264,264	4,452,464	21,494,222
33,615	--	--	5,511	44,511
--	--	--	--	--
<u>1,463,186</u>	<u>--</u>	<u>305,125</u>	<u>4,801,473</u>	<u>23,237,704</u>
(1,313,097)	--	(254,059)	(4,297,922)	(19,288,332)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
7,533,615	--	--	1,235,187	9,975,511
--	--	--	--	--
70,000	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>7,603,615</u>	<u>--</u>	<u>--</u>	<u>1,235,187</u>	<u>9,975,511</u>
6,290,518	--	(254,059)	(3,062,735)	(9,312,821)
4,347,408	35,642	1,779,927	14,314,156	57,065,575
<u>\$ 10,637,926</u>	<u>\$ 35,642</u>	<u>\$ 1,525,868</u>	<u>\$ 11,251,421</u>	<u>\$ 47,752,754</u>

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JULY 31, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007

	<u>Corpus Christi Business and Job Development Corporation</u>		<u>North Padre Island Development Corporation</u>	<u>Eliminations</u>
	<u>Seawall</u>	<u>Arena</u>		
Revenues				
Grants	\$ --	\$ --	\$ --	\$ --
Contributions and donations	--	--	--	--
Special assessments	--	--	--	--
Interest on special assessments	--	--	--	--
Attorneys fees on special assessments	--	--	--	--
Earnings on investments	13,184	--	54,444	--
Total revenues	<u>13,184</u>	<u>--</u>	<u>54,444</u>	<u>--</u>
Expenditures				
Current				
General government	2,119	9,668	14,257	--
Capital projects	172,086	3,331	(47,890)	--
Debt service				
Bond issuance cost	--	--	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	<u>174,205</u>	<u>12,999</u>	<u>(33,633)</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(161,021)	(12,999)	88,077	--
Other financing sources (uses)				
General obligation bonds issued	--	--	--	--
Certificates of obligation bonds issued	--	--	--	--
Tax Notes issued	--	--	--	--
Premium on bonds issued	--	--	--	--
Transfer in from				
City Hall CIP fund	--	--	--	(70,000)
Transfers out to				
Park CIP	--	--	--	70,000
Visitors facility fund	--	--	--	--
General fund	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(161,021)	(12,999)	88,077	--
Fund balances at beginning of year	<u>683,937</u>	<u>17,951</u>	<u>79,997</u>	<u>--</u>
Fund balances at end of year	<u>\$ 522,916</u>	<u>\$ 4,952</u>	<u>\$ 168,074</u>	<u>\$ --</u>

**Exhibit 22-B
(Continued)**

<u>2008</u> <u>Total</u>	<u>2007</u> <u>Total</u>
\$ 886,279	\$ 217,657
2,215,846	52,740
74,379	50,755
364,070	20,387
3,874	3,093
<u>2,550,079</u>	<u>4,452,747</u>
6,094,527	4,797,379
2,325,129	1,830,313
31,345,165	30,013,747
99,324	650,025
--	(9,660)
<u>33,769,618</u>	<u>32,484,425</u>
(27,675,091)	(27,687,046)
--	34,975,000
--	2,415,695
22,260,000	--
--	480,163
--	--
--	--
--	(20,821)
<u>(153,210)</u>	<u>--</u>
<u>22,106,790</u>	<u>37,850,037</u>
(5,568,301)	10,162,991
<u>93,035,473</u>	<u>82,872,482</u>
<u>\$ 87,467,172</u>	<u>\$ 93,035,473</u>



City of
Corpus
Christi

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for City operations that are financed and/or operated in a manner similar to private business. Included in this category are Utility System, Airport, Golf Centers, and Marina Funds.

Major Fund

Utility System Fund – This fund was established to account for sales of water, natural gas, and wastewater treatment by the City to residential, commercial, and industrial customers and to surrounding communities.

Non-major Funds

Airport Fund – This fund was established to account for operations of the Corpus Christi International Airport.

Golf Centers Fund – This fund was established to reflect operations of the Gabe Lozano, Sr. and the Oso Golf Centers.

Marina Fund – This fund was established to reflect the operations of the Marina.



City of
Corpus
Christi

**UTILITY SYSTEM FUND
COMBINING SCHEDULE OF NET ASSETS
JULY 31, 2008**

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 141,138	\$ 3,224,059	\$ 3,192,762	\$ --	\$ 6,557,959
Investments	--	7,812,076	2,500,000	--	10,312,076
Receivables					
Accounts	6,763,092	13,287,840	6,660,779	(17,936)	26,693,775
Accrued interest	--	312,398	161,290	--	473,688
Employees	--	55	--	--	55
Intergovernmental	10,980	1,027,990	--	--	1,038,970
Miscellaneous	1,200	1,520	--	--	2,720
Allowance for uncollectibles	(1,152,609)	(2,155,282)	(1,159,605)	--	(4,467,496)
Net receivables	5,622,663	12,474,521	5,662,464	(17,936)	23,741,712
Current portion of advance to other funds	34,600	--	--	--	34,600
Inventories	--	397,479	--	--	397,479
Restricted assets					
Cash and cash equivalents	--	6,280,558	3,759,096	--	10,039,654
Investments	--	8,701,987	1,000,000	--	9,701,987
Accrued interest	--	20,300	3,165	--	23,465
Total restricted assets	--	15,002,845	4,762,261	--	19,765,106
Total current assets	5,798,401	38,910,980	16,117,487	(17,936)	60,808,932
Noncurrent assets					
Water supply rights, net of accumulated amortization	--	160,270,066	--	--	160,270,066
Notes receivable	1,134,875	301,108	446,032	--	1,882,015
Bond issue costs	47,097	4,607,045	1,455,152	--	6,109,294
Capital assets					
Land	688,623	17,156,879	4,456,215	--	22,301,717
Buildings	1,732,754	33,356,489	1,911,257	--	37,000,500
Improvements other than buildings	5,580,913	83,617,924	137,122,865	--	226,321,702
Machinery and equipment	2,409,689	12,329,417	7,651,843	--	22,390,949
Infrastructure	64,454,280	557,681,522	240,062,350	--	862,198,152
Total capital assets in service	74,866,259	704,142,231	391,204,530	--	1,170,213,020
Less accumulated depreciation	(26,656,977)	(176,152,815)	(103,932,046)	--	(306,741,838)
Net capital assets in service	48,209,282	527,989,416	287,272,484	--	863,471,182
Construction in progress	2,790,977	85,520,752	30,712,791	--	119,024,520
Net capital assets	51,000,259	613,510,168	317,985,275	--	982,495,702
Total noncurrent assets	52,182,231	778,688,387	319,886,459	--	1,150,757,077
Total assets	57,980,632	817,599,367	336,003,946	(17,936)	1,211,566,009

(Continued)

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES					
Current liabilities					
Accounts payable	2,030,017	11,638,197	4,469,131	(17,936)	18,119,409
Accrued expenses	169,312	420,822	214,541	--	804,675
Accrued interest	6,057	767,343	239,219	--	1,012,619
Contractor interest and retainage payable	64,362	2,038,224	760,378	--	2,862,964
Deposits	123,851	108,828	14,010	--	246,689
Liability to claimants - escheat property	--	104,224	--	--	104,224
Due to other funds	2,165,000	2,000,000	--	--	4,165,000
Unearned revenue	--	403	14,381	--	14,784
Current portion of long-term liabilities					
Long-term debt	995,813	22,463,463	8,975,436	--	32,434,712
Accumulated unpaid compensated absences	302,335	703,714	342,659	--	1,348,708
Total current liabilities	<u>5,856,747</u>	<u>40,245,218</u>	<u>15,029,755</u>	<u>(17,936)</u>	<u>61,113,784</u>
Noncurrent liabilities					
Long-term liabilities, net of current portion					
Long-term debt	4,756,275	493,331,958	109,849,745	--	607,937,978
Accumulated unpaid compensated absences	420,964	420,011	494,140	--	1,335,115
Total noncurrent liabilities	<u>5,177,239</u>	<u>493,751,969</u>	<u>110,343,885</u>	<u>--</u>	<u>609,273,093</u>
Total liabilities	<u>11,033,986</u>	<u>533,997,187</u>	<u>125,373,640</u>	<u>(17,936)</u>	<u>670,386,877</u>
NET ASSETS					
Invested in capital assets, net of related debt	45,248,170	264,018,328	201,020,578	--	510,287,076
Restricted for					
Bond interest and redemption	--	977,301	--	--	977,301
Construction of capital assets	--	4,510,576	2,260,831	--	6,771,407
Improvements to utility lines and facilities	--	3,481,453	546,972	--	4,028,425
Abatement of public health hazards	--	--	93,973	--	93,973
Unrestricted	1,698,476	10,614,522	6,707,952	--	19,020,950
Total net assets	<u>\$ 46,946,646</u>	<u>\$ 283,602,180</u>	<u>\$ 210,630,306</u>	<u>\$ --</u>	<u>\$ 541,179,132</u>



City of
Corpus
Christi

UTILITY SYSTEM FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues					
Charges for services - net	\$ 43,218,322	\$ 87,357,168	\$ 43,817,922	\$ (369,776)	\$ 174,023,636
Operating expenses					
Personal services	4,923,325	11,099,517	7,654,163	--	23,677,005
Materials and supplies	26,559,111	13,221,553	3,137,949	--	42,918,613
Contractual services	1,015,416	16,412,908	8,112,275	--	25,540,599
Other operating expenses	3,185,092	15,072,937	7,377,906	(369,776)	25,266,159
Uncollectible accounts	470,625	1,214,284	598,466	--	2,283,375
Depreciation	1,676,626	15,921,378	9,473,187	--	27,071,191
Total operating expenses	<u>37,830,195</u>	<u>72,942,577</u>	<u>36,353,946</u>	<u>(369,776)</u>	<u>146,756,942</u>
Operating income	5,388,127	14,414,591	7,463,976	--	27,266,694
Nonoperating revenues (expenses)					
Investment income	42,601	3,027,386	2,000,179	--	5,070,166
Interest expense and fiscal charges	(155,093)	(21,487,987)	(5,869,253)	--	(27,512,333)
Net gain (loss) on disposal of assets	(56,743)	(60,349)	111,368	--	(5,724)
Recovery on damage claims	4,913	1,850	--	--	6,763
Developer deposits	--	740,441	1,031,922	--	1,772,363
Reimbursements to developers	--	(907,893)	(3,176,598)	--	(4,084,491)
Contributions from other governmental agencies	--	16,441	--	--	16,441
Total nonoperating expenses	<u>(164,322)</u>	<u>(18,670,111)</u>	<u>(5,902,382)</u>	<u>--</u>	<u>(24,736,815)</u>
Capital contributions					
Contributions from other governmental agencies	--	20,505	--	--	20,505
Contributions from developers	--	5,375,964	5,344,865	--	10,720,829
Contributions from others	98,092	--	--	--	98,092
Total capital contributions	<u>98,092</u>	<u>5,396,469</u>	<u>5,344,865</u>	<u>--</u>	<u>10,839,426</u>
Income before transfers	<u>5,321,897</u>	<u>1,140,949</u>	<u>6,906,459</u>	<u>--</u>	<u>13,369,305</u>
Transfers in	18,360	66,432	29,418	--	114,210
Transfers out	(1,322,586)	(3,883,212)	(1,771,898)	--	(6,977,696)
Total transfers	<u>(1,304,226)</u>	<u>(3,816,780)</u>	<u>(1,742,480)</u>	<u>--</u>	<u>(6,863,486)</u>
Net income (loss)	4,017,671	(2,675,831)	5,163,979	--	6,505,819
Net assets at beginning of year	<u>42,928,975</u>	<u>286,278,011</u>	<u>205,466,327</u>	<u>--</u>	<u>534,673,313</u>
Net assets at end of year	<u>\$ 46,946,646</u>	<u>\$ 283,602,180</u>	<u>\$ 210,630,306</u>	<u>\$ --</u>	<u>\$ 541,179,132</u>

**UTILITY SYSTEM FUND
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operating activities					
Receipts from customers	\$ 40,202,890	\$ 82,681,247	\$ 42,466,441	\$ --	\$ 165,350,578
Receipts from interfund services provided	131,457	323,022	38,887	(369,776)	123,590
Payments to suppliers	(26,822,425)	(25,687,517)	(9,858,964)	--	(62,368,906)
Payments to employees	(4,259,300)	(9,846,553)	(6,633,461)	--	(20,739,314)
Internal activity - payments to other funds	(4,767,861)	(13,815,817)	(9,219,323)	369,776	(27,433,225)
Net cash provided by operating activities	<u>4,484,761</u>	<u>33,654,382</u>	<u>16,793,580</u>	<u>--</u>	<u>54,932,723</u>
Cash flows from noncapital financing activities					
Changes in interfund borrowings	1,745,000	2,450,000	--	--	4,195,000
Interest on interfund borrowings	2,946	--	--	--	2,946
Contributions from other governmental agencies	--	14,378	--	--	14,378
Transfers in from other funds	18,360	67,296	24,720	--	110,376
Transfers out to other funds	(1,322,586)	(3,883,212)	(1,771,898)	--	(6,977,696)
Net cash provided by (used for) noncapital financing activities	<u>443,720</u>	<u>(1,351,538)</u>	<u>(1,747,178)</u>	<u>--</u>	<u>(2,654,996)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(9,065,504)	(44,845,703)	(19,439,920)	--	(73,351,127)
Proceeds from sale of capital assets	635,625	1,044,468	111,368	--	1,791,461
Developers deposits	--	740,441	1,031,921	--	1,772,362
Contributions from developers	--	85,569	9,158	--	94,727
Reimbursements to developers	--	(818,975)	(3,070,351)	--	(3,889,326)
Contributions from other governmental agencies	--	20,505	--	--	20,505
Proceeds from issuance of notes payable	4,382,400	--	--	--	4,382,400
Principal paid on long-term debt	(1,943,907)	(21,369,761)	(8,594,043)	--	(31,907,711)
Interest expense and fiscal charges	(161,984)	(21,235,948)	(5,899,707)	--	(27,297,639)
Recovery on damage claims	4,913	1,850	--	--	6,763
Net cash used for capital and related financing activities	<u>(6,148,457)</u>	<u>(86,377,554)</u>	<u>(35,851,574)</u>	<u>--</u>	<u>(128,377,585)</u>
Cash flows from investing activities					
Purchase of investment securities	--	(68,002,250)	(42,499,999)	--	(110,502,249)
Proceeds from sale and maturity of investment securities	--	110,499,899	58,497,997	--	168,997,896
Interest on investments	53,494	3,461,283	2,186,096	--	5,700,873
Net cash provided by investing activities	<u>53,494</u>	<u>45,958,932</u>	<u>18,184,094</u>	<u>--</u>	<u>64,196,520</u>
Net decrease in cash and cash equivalents	<u>(1,166,482)</u>	<u>(8,115,778)</u>	<u>(2,621,078)</u>	<u>--</u>	<u>(11,903,338)</u>
Cash and cash equivalents at beginning of year, including restricted accounts	<u>1,307,620</u>	<u>17,620,395</u>	<u>9,572,936</u>	<u>--</u>	<u>28,500,951</u>
Cash and cash equivalents at end of year, including restricted accounts	<u>\$ 141,138</u>	<u>\$ 9,504,617</u>	<u>\$ 6,951,858</u>	<u>\$ --</u>	<u>\$ 16,597,613</u>

(Continued)

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 5,388,127	\$ 14,414,591	\$ 7,463,976	\$ --	\$ 27,266,694
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	1,676,626	15,921,378	9,473,187	--	27,071,191
Amortization of water rights	--	4,375,761	--	--	4,375,761
Amortization of fish and wildlife costs	--	270,042	--	--	270,042
Provision for uncollectible accounts	470,625	1,214,284	598,466	--	2,283,375
Changes in assets and liabilities					
Receivables	(2,903,909)	(3,544,894)	(1,309,888)	--	(7,758,691)
Due from other funds	--	429,577	62,583	--	492,160
Inventory	--	(46,112)	--	--	(46,112)
Accounts payable	12,531	1,056,512	522,001	--	1,591,044
Accrued expenses	43,315	72,938	55,490	--	171,743
Accumulated unpaid compensated absences	24,955	(117,608)	24,769	--	(67,884)
Contractor interest and retainage payable	--	8,829	--	--	8,829
Customer deposits	19,934	71	(2,706)	--	17,299
Liability to claimants - escheat property	--	1,112	--	--	1,112
Due to other funds	(247,443)	(402,099)	(94,298)	--	(743,840)
Net cash provided by operating activities	<u>\$ 4,484,761</u>	<u>\$ 33,654,382</u>	<u>\$ 16,793,580</u>	<u>\$ --</u>	<u>\$ 54,932,723</u>
Noncash investing, capital and financing activities					
Change in fair value of investments	\$ --	\$ 16,544	\$ (3,657)	\$ --	\$ 12,887
Transfer of capital assets from other funds	\$ --	\$ -	\$ 4,698	\$ --	\$ 4,698
Contribution of capital assets	\$ 98,092	\$ 5,290,395	\$ 5,325,500	\$ --	\$ 10,713,987
Acquisition of capital assets under capital lease	\$ --	\$ 661,367	\$ --	\$ --	\$ 661,367

**GAS SYSTEM
COMPARATIVE SCHEDULE OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 141,138	\$ 49,712
Receivables		
Accounts	6,763,092	4,326,805
Accrued interest	--	13,839
Notes	--	429,042
Intergovernmental	10,980	1,524
Miscellaneous	1,200	1,312
Allowance for uncollectibles	(1,152,609)	(852,137)
Net receivables	<u>5,622,663</u>	<u>3,920,385</u>
Current portion of advance to other funds	34,600	30,000
Restricted assets:		
Cash and cash equivalents	--	1,257,908
Total current assets	<u>5,798,401</u>	<u>5,258,005</u>
Noncurrent assets		
Advances to other funds	--	34,600
Notes receivable	1,134,875	417,709
Contract receivable	--	636,000
Bond issue costs	47,097	51,647
Capital assets		
Land	688,623	688,623
Buildings	1,732,754	1,687,160
Improvements other than buildings	5,580,913	3,552,861
Machinery and equipment	2,409,689	2,371,332
Infrastructure	64,454,280	59,640,941
Total capital assets in service	<u>74,866,259</u>	<u>67,940,917</u>
Less accumulated depreciation	(26,656,977)	(25,030,903)
Net capital assets in service	<u>48,209,282</u>	<u>42,910,014</u>
Construction in progress	2,790,977	263,697
Net capital assets	<u>51,000,259</u>	<u>43,173,711</u>
Total noncurrent assets	<u>52,182,231</u>	<u>44,313,667</u>
Total assets	<u>57,980,632</u>	<u>49,571,672</u>

(Continued)

**Exhibit 24-A
(Continued)**

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,030,017	1,655,980
Accrued expenses	169,312	125,997
Accrued interest	6,057	6,248
Contractor interest and retainage payable	64,362	9,921
Deposits	123,851	103,918
Due to other funds	2,165,000	717,443
Current portion of long-term liabilities		
Long-term debt	995,813	115,107
Accumulated unpaid compensated absences	302,335	286,204
Total current liabilities	<u>5,856,747</u>	<u>3,020,818</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	4,756,275	3,209,739
Accumulated unpaid compensated absences	420,964	412,140
Total noncurrent liabilities	<u>5,177,239</u>	<u>3,621,879</u>
Total liabilities	<u>11,033,986</u>	<u>6,642,697</u>
NET ASSETS		
Invested in capital assets, net of related debt	45,248,170	41,071,436
Restricted for construction of capital assets	--	35,337
Unrestricted	1,698,476	1,822,202
Total net assets	<u>\$ 46,946,646</u>	<u>\$ 42,928,975</u>



City of
Corpus
Christi

GAS SYSTEM
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	2008	2007
Operating revenues		
Charges for services - net	\$ 43,218,322	\$ 41,457,307
Operating expenses		
Personal services	4,923,325	4,898,880
Materials and supplies	26,559,111	26,343,381
Contractual services	1,015,416	841,717
Other operating expenses	3,185,092	2,954,762
Uncollectible accounts	470,625	501,036
Depreciation	1,676,626	1,513,113
Total operating expenses	37,830,195	37,052,889
Operating income	5,388,127	4,404,418
Nonoperating revenues (expenses)		
Investment income	42,601	80,182
Interest expense and fiscal charges	(155,093)	(143,609)
Net loss on disposal of assets	(56,743)	(764,533)
Recovery on damage claims	4,913	1,603
Total nonoperating expenses	(164,322)	(826,357)
Capital contributions		
Contributions from others	98,092	--
Income before transfers	5,321,897	3,578,061
Transfers in	18,360	--
Transfers out	(1,322,586)	(853,499)
Total transfers	(1,304,226)	(853,499)
Net income	4,017,671	2,724,562
Net assets at beginning of year	42,928,975	40,204,413
Net assets at end of year	\$ 46,946,646	\$ 42,928,975

**GAS SYSTEM
COMPARATIVE SCHEDULE OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 40,202,890	\$ 40,080,043
Receipts from interfund services provided	131,457	132,249
Payments to suppliers	(26,822,425)	(26,451,186)
Payments to employees	(4,259,300)	(4,271,048)
Internal activity - payments to other funds	(4,767,861)	(3,827,796)
Net cash provided by operating activities	4,484,761	5,662,262
Cash flows from noncapital financing activities		
Changes in interfund borrowings	1,745,000	10,000
Interest on interfund borrowings	2,946	4,314
Transfers in from other funds	18,360	--
Transfers out to other funds	(1,322,586)	(853,499)
Net cash provided by (used for) noncapital financing activities	443,720	(839,185)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(9,065,504)	(6,004,546)
Proceeds from sale of capital assets	635,625	1,354,070
Proceeds from issuance of revenue bonds	--	1,648,115
Proceeds from issuance of notes payable	4,382,400	--
Principal paid on long-term debt	(1,943,907)	(96,160)
Principal paid on commercial paper	--	(558,338)
Interest expense and fiscal charges	(161,984)	(146,799)
Recovery on damage claims	4,913	1,603
Net cash used for capital and related financing activities	(6,148,457)	(3,802,055)
Cash flows from investing activities		
Interest on investments	53,494	62,027
Net increase (decrease) in cash and cash equivalents	(1,166,482)	1,083,049
Cash and cash equivalents at beginning of year, including restricted accounts	1,307,620	224,571
Cash and cash equivalents at end of year, including restricted accounts	\$ 141,138	\$ 1,307,620

(Continued)

Exhibit 24-C

	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 5,388,127	\$ 4,404,418
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	1,676,626	1,513,113
Provision for uncollectible accounts	470,625	501,036
Change in assets and liabilities		
Receivables	(2,903,909)	(1,284,650)
Due from other funds	--	980
Accounts payable	12,531	229,755
Accrued expenses	43,315	20,569
Accumulated unpaid compensated absences	24,955	(38,372)
Customer deposits	19,934	38,657
Due to other funds	(247,443)	276,756
	<u>\$ 4,484,761</u>	<u>\$ 5,662,262</u>
Net cash provided by operating activities		
Noncash investing, capital and financing activities		
Contribution of capital assets	\$ 98,092	\$ --

**WATER SYSTEM
COMPARATIVE SCHEDULE OF NET ASSETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,224,059	\$ 8,849,960
Investments	7,812,076	34,044,451
Receivables		
Accounts	13,287,840	8,794,940
Accrued interest	312,398	591,757
Notes	--	103,057
Employees	55	981
Intergovernmental	1,027,990	2,346,318
Miscellaneous	1,520	--
Allowance for uncollectibles	(2,155,282)	(1,213,429)
Net receivables	12,474,521	10,623,624
Due from other funds	--	728,614
Inventories	397,479	351,368
Restricted assets		
Cash and cash equivalents	6,280,558	8,770,435
Investments	8,701,987	24,950,717
Accrued interest	20,300	191,383
Due from other funds	--	3,794
Total restricted assets	15,002,845	33,916,329
Total current assets	38,910,980	88,514,346
Noncurrent assets		
Water supply rights, net of accumulated amortization	160,270,066	164,915,869
Notes receivable	301,108	100,444
Contract receivable	--	954,000
Bond issue costs	4,607,045	5,209,558
Capital assets		
Land	17,156,879	17,156,879
Buildings	33,356,489	33,356,489
Improvements other than buildings	83,617,924	84,238,760
Machinery and equipment	12,329,417	11,277,016
Infrastructure	557,681,522	509,106,706
Total capital assets in service	704,142,231	655,135,850
Less accumulated depreciation	(176,152,815)	(161,363,597)
Net capital assets in service	527,989,416	493,772,253
Construction in progress	85,520,752	84,315,542
Net capital assets	613,510,168	578,087,795
Total noncurrent assets	778,688,387	749,267,666
Total assets	817,599,367	837,782,012

(Continued)

Exhibit 25-A

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current liabilities		
Accounts payable	11,638,197	10,320,247
Accrued expenses	420,822	347,885
Accrued interest	767,343	742,539
Contractor interest and retainage payable	2,038,224	1,504,811
Deposits	108,828	108,757
Liability to claimants - escheat property	104,224	103,111
Due to other funds	2,000,000	254,066
Unearned revenue	403	2,159
Current portion of long-term liabilities		
Long-term debt	22,463,463	21,299,785
Accumulated unpaid compensated absences	703,714	680,858
Total current liabilities	<u>40,245,218</u>	<u>35,364,218</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	493,331,958	515,579,308
Accumulated unpaid compensated absences	420,011	560,475
Total noncurrent liabilities	<u>493,751,969</u>	<u>516,139,783</u>
Total liabilities	<u>533,997,187</u>	<u>551,504,001</u>
NET ASSETS		
Invested in capital assets, net of related debt	264,018,328	236,331,667
Restricted for		
Bond interest and redemption	977,301	987,305
Construction of capital assets	4,510,576	4,420,617
Improvements to utility lines and facilities	3,481,453	3,510,869
Unrestricted	<u>10,614,522</u>	<u>41,027,553</u>
Total net assets	<u>\$ 283,602,180</u>	<u>\$ 286,278,011</u>



City of
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**WATER SYSTEM
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Operating revenues		
Charges for services - net	\$ 87,357,168	\$ 77,344,002
Operating expenses		
Personal services	11,099,517	10,686,824
Materials and supplies	13,221,553	12,065,356
Contractual services	16,412,908	12,256,364
Other operating expenses	15,072,937	14,741,774
Uncollectible accounts	1,214,284	736,843
Depreciation	15,921,378	15,434,688
Total operating expenses	72,942,577	65,921,849
Operating income	14,414,591	11,422,153
Nonoperating revenues (expenses)		
Investment income	3,027,386	5,488,869
Interest expense and fiscal charges	(21,487,987)	(21,326,421)
Net loss on disposal of assets	(60,349)	(1,224,076)
Recovery on damage claims	1,850	4,456
Developer deposits	740,441	654,343
Reimbursement to developers	(907,893)	(1,276,273)
Contribution from other governmental agencies	16,441	21,036
Total nonoperating expenses	(18,670,111)	(17,658,066)
Capital contributions		
Contributions from other governmental agencies	20,505	964,148
Contributions from developers	5,375,964	6,345,796
Total capital contributions	5,396,469	7,309,944
Income before transfers	1,140,949	1,074,031
Transfers in	66,432	--
Transfers out	(3,883,212)	(3,311,940)
Total transfers	(3,816,780)	(3,311,940)
Net loss	(2,675,831)	(2,237,909)
Net assets at beginning of year	286,278,011	288,515,920
Net assets at end of year	\$ 283,602,180	\$ 286,278,011

**WATER SYSTEM
COMPARATIVE SCHEDULE OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 82,681,247	\$ 77,857,642
Receipts from interfund services provided	323,022	290,105
Payments to suppliers	(25,687,517)	(18,433,084)
Payments to employees	(9,846,553)	(9,224,742)
Internal activity - payments to other funds	(13,815,817)	(12,979,337)
Net cash provided by operating activities	33,654,382	37,510,584
Cash flows from noncapital financing activities		
Changes in interfund borrowings	2,450,000	(8,551,000)
Interest on interfund borrowings	--	(169,341)
Contributions from other governmental agencies	14,378	17,187
Transfers in from other funds	67,296	(3,794)
Transfers out to other funds	(3,883,212)	(3,311,940)
Net cash used for noncapital financing activities	(1,351,538)	(12,018,888)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(44,845,703)	(43,110,636)
Proceeds from sale of capital assets	1,044,468	2,058,760
Developer deposits	740,441	654,966
Contributions from developers	85,569	--
Reimbursements to developers	(818,975)	(1,242,821)
Contributions from other governmental agencies	20,505	14,360
Proceeds from issuance of revenue bonds	--	60,211,809
Proceeds from issuance of certificates of obligation	--	3,746,197
Principal paid on long-term debt	(21,369,761)	(18,869,220)
Principal paid on commercial paper	--	(11,108,325)
Interest expense and fiscal charges	(21,235,948)	(21,658,084)
Recovery on damage claims	1,850	4,456
Net cash used for capital and related financing activities	(86,377,554)	(29,298,538)
Cash flows from investing activities		
Purchase of investment securities	(68,002,250)	(132,528,482)
Proceeds from sale and maturity of investment securities	110,499,899	140,990,832
Interest on investments	3,461,283	5,792,380
Net cash provided by investing activities	45,958,932	14,254,730
Net increase (decrease) in cash and cash equivalents	(8,115,778)	10,447,888
Cash and cash equivalents at beginning of year, including restricted accounts	17,620,395	7,172,507
Cash and cash equivalents at end of year, including restricted accounts	\$ 9,504,617	\$ 17,620,395

(Continued)

Exhibit 25-C

	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 14,414,591	\$ 11,422,153
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	15,921,378	15,434,688
Amortization of water rights	4,375,761	4,273,285
Amortization of fish and wildlife costs	270,042	270,042
Provision for uncollectible accounts	1,214,284	736,843
Operating and maintenance expenses previously capitalized	--	(9,103)
Change in assets and liabilities		
Receivables	(3,544,894)	1,669,056
Deposits receivable	--	2,300
Due from other funds	429,577	(301,200)
Inventory	(46,112)	(34,674)
Accounts payable	1,056,512	3,933,064
Accrued expenses	72,938	103,493
Accumulated unpaid compensated absences	(117,608)	73,519
Contractor interest and retainage payable	8,829	(853)
Customer deposits	71	(12,156)
Liability to claimants - escheat property	1,112	(647)
Due to other funds	(402,099)	(49,226)
Net cash provided by operating activities	<u>\$ 33,654,382</u>	<u>\$ 37,510,584</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 16,544	\$ 189,026
Contribution of capital assets	\$ 5,290,395	\$ 6,345,796
Acquisition of capital assets under capital lease	\$ 661,367	\$ 124,369
Bond refunding	\$ --	\$ 5,703,672

**WASTEWATER SYSTEM
COMPARATIVE SCHEDULE OF NET ASSETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,192,762	\$ 1,948,586
Investments	2,500,000	12,499,456
Receivables		
Accounts	6,660,779	5,671,905
Accrued interest	161,290	295,812
Notes	--	161,949
Miscellaneous	--	225
Allowance for uncollectibles	(1,159,605)	(756,187)
Net receivables	5,662,464	5,373,704
Due from other funds	--	61,881
Restricted assets		
Cash and cash equivalents	3,759,096	7,624,350
Investments	1,000,000	6,997,198
Accrued interest	3,165	55,903
Due from other funds	--	702
Total restricted assets	4,762,261	14,678,153
Total current assets	16,117,487	34,561,780
Noncurrent assets		
Notes receivable	446,032	157,894
Bond issue costs	1,455,152	1,677,318
Capital assets		
Land	4,456,215	4,454,450
Buildings	1,911,257	1,911,257
Improvements other than buildings	137,122,865	128,195,834
Machinery and equipment	7,651,843	7,248,464
Infrastructure	240,062,350	233,146,667
Total capital assets in service	391,204,530	374,956,672
Less accumulated depreciation	(103,932,046)	(94,484,797)
Net capital assets in service	287,272,484	280,471,875
Construction in progress	30,712,791	20,872,078
Net capital assets	317,985,275	301,343,953
Total noncurrent assets	319,886,459	303,179,165
Total assets	336,003,946	337,740,945

(Continued)

Exhibit 26-A

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current liabilities		
Accounts payable	4,469,131	2,752,119
Accrued expenses	214,541	154,656
Accrued interest	239,219	242,214
Contractor interest and retainage payable	760,378	504,750
Deposits	14,010	16,717
Due to other funds	--	94,298
Unearned revenue	14,381	28,983
Current portion of long-term liabilities		
Long-term debt	8,975,436	8,594,043
Accumulated unpaid compensated absences	342,659	393,778
Total current liabilities	<u>15,029,755</u>	<u>12,781,558</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	109,849,745	119,074,808
Accumulated unpaid compensated absences	494,140	418,252
Total noncurrent liabilities	<u>110,343,885</u>	<u>119,493,060</u>
Total liabilities	<u>125,373,640</u>	<u>132,274,618</u>
NET ASSETS		
Invested in capital assets, net of related debt	201,020,578	183,140,091
Restricted for		
Construction of capital assets	2,260,831	4,182,647
Improvements to utility lines and facilities	546,972	2,617,271
Abatement of public health hazards	93,973	90,563
Unrestricted	6,707,952	15,435,755
Total net assets	<u>\$ 210,630,306</u>	<u>\$ 205,466,327</u>



City of
Corpus
Christi

**WASTEWATER SYSTEM
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services - net	\$ 43,817,922	\$ 40,779,842
Operating expenses		
Personal services	7,654,163	7,771,627
Materials and supplies	3,137,949	3,156,436
Contractual services	8,112,275	6,159,540
Other operating expenses	7,377,906	7,009,005
Uncollectible accounts	598,466	456,501
Depreciation	9,473,187	9,032,877
Total operating expenses	<u>36,353,946</u>	<u>33,585,986</u>
Operating income	7,463,976	7,193,856
Nonoperating revenues (expenses)		
Investment income	2,000,179	2,058,476
Interest expense and fiscal charges	(5,869,253)	(6,641,894)
Net gain on disposal of assets	111,368	10,000
Recovery on damage claims	--	1,920
Developer deposits	1,031,922	1,097,818
Reimbursement to developers	(3,176,598)	(3,056,220)
Total nonoperating expenses	<u>(5,902,382)</u>	<u>(6,529,900)</u>
Capital contributions		
Contributions from developers	<u>5,344,865</u>	<u>9,146,168</u>
Income before transfers	<u>6,906,459</u>	<u>9,810,124</u>
Transfers in	29,418	--
Transfers out	(1,771,898)	(1,701,740)
Total transfers	<u>(1,742,480)</u>	<u>(1,701,740)</u>
Net income	5,163,979	8,108,384
Net assets at beginning of year	<u>205,466,327</u>	<u>197,357,943</u>
Net assets at end of year	<u>\$ 210,630,306</u>	<u>\$ 205,466,327</u>

**WASTEWATER SYSTEM
COMPARATIVE SCHEDULE OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 42,466,441	\$ 39,801,280
Receipts from interfund services provided	38,887	27,130
Payments to suppliers	(9,858,964)	(9,132,202)
Payments to employees	(6,633,461)	(6,863,773)
Internal activity - payments to other funds	(9,219,323)	(8,624,114)
Net cash provided by operating activities	16,793,580	15,208,321
Cash flows from noncapital financing activities		
Changes in interfund borrowings	--	(5,000,000)
Interest on interfund borrowings	--	(120,935)
Transfers in from other funds	24,720	5,768
Transfers out to other funds	(1,771,898)	(1,748,451)
Net cash used for noncapital financing activities	(1,747,178)	(6,863,618)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(19,439,920)	(16,204,068)
Proceeds from sale of capital assets	111,368	10,000
Developer deposits	1,031,921	1,171,912
Contributions from developers	9,158	24,271
Reimbursements to developers	(3,070,351)	(3,056,220)
Proceeds from issuance of revenue bonds	--	18,192,656
Proceeds from issuance of certificates of obligation	--	693,453
Principal paid on long-term debt	(8,594,043)	(8,602,130)
Principal paid on commercial paper	--	(5,333,337)
Interest expense and fiscal charges	(5,899,707)	(5,929,444)
Recovery on damage claims	--	1,920
Net cash used for capital and related financing activities	(35,851,574)	(19,030,987)
Cash flows from investing activities		
Purchase of investment securities	(42,499,999)	(54,497,996)
Proceeds from sale and maturity of investment securities	58,497,997	67,800,000
Interest on investments	2,186,096	2,280,756
Net cash provided by investing activities	18,184,094	15,582,760
Net increase (decrease) in cash and cash equivalents	(2,621,078)	4,896,476
Cash and cash equivalents at beginning of year, including restricted accounts	9,572,936	4,676,460
Cash and cash equivalents at end of year, including restricted accounts	\$ 6,951,858	\$ 9,572,936

(Continued)

Exhibit 26-C

	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 7,463,976	\$ 7,193,856
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	9,473,187	9,032,877
Provision for uncollectible accounts	598,466	456,501
Operating and maintenance expenses previously capitalized	--	(95,407)
Change in assets and liabilities		
Receivables	(1,309,888)	(893,703)
Due from other funds	62,583	(52,464)
Accounts payable	522,001	(483,552)
Accrued expenses	55,490	9,384
Unearned revenue	--	450
Accumulated unpaid compensated absences	24,769	(41,762)
Customer deposits	(2,706)	(5,716)
Due to other funds	(94,298)	87,857
	<u>\$ 16,793,580</u>	<u>\$ 15,208,321</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ (3,657)	\$ 59,810
Transfer of capital assets from other funds	\$ 4,698	\$ --
Contribution of capital assets	\$ 5,325,500	\$ 9,146,035
Bond refunding	\$ --	\$ 257,038

**NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JULY 31, 2008**

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,186,716	\$ 140,839	\$ 129,614	\$ 3,457,169
Investments	4,000,000	--	--	4,000,000
Receivables, net of allowance for uncollectibles	944,413	9,725	101,501	1,055,639
Inventories	5,992	30,641	--	36,633
Restricted assets				
Cash and cash equivalents	2,497,877	--	--	2,497,877
Investments	1,000,000	--	--	1,000,000
Receivables, net of allowance for uncollectibles	215,733	--	--	215,733
Total restricted assets	<u>3,713,610</u>	<u>--</u>	<u>--</u>	<u>3,713,610</u>
Total current assets	<u>11,850,731</u>	<u>181,205</u>	<u>231,115</u>	<u>12,263,051</u>
Noncurrent assets				
Bond issue costs	495,987	--	67,219	563,206
Capital assets				
Land	3,554,942	94,337	9,000	3,658,279
Buildings	46,132,895	711,295	1,034,523	47,878,713
Improvements other than buildings	69,990,786	2,529,531	20,690,888	93,211,205
Machinery and equipment	4,306,532	957,522	182,810	5,446,864
Infrastructure	--	--	54,226	54,226
Total capital assets in service	<u>123,985,155</u>	<u>4,292,685</u>	<u>21,971,447</u>	<u>150,249,287</u>
Less accumulated depreciation	<u>(41,620,828)</u>	<u>(2,941,198)</u>	<u>(12,388,869)</u>	<u>(56,950,895)</u>
Net capital assets in service	<u>82,364,327</u>	<u>1,351,487</u>	<u>9,582,578</u>	<u>93,298,392</u>
Construction in progress	15,701,057	--	4,618	15,705,675
Net capital assets	<u>98,065,384</u>	<u>1,351,487</u>	<u>9,587,196</u>	<u>109,004,067</u>
Total noncurrent assets	<u>98,561,371</u>	<u>1,351,487</u>	<u>9,654,415</u>	<u>109,567,273</u>
Total assets	<u>110,412,102</u>	<u>1,532,692</u>	<u>9,885,530</u>	<u>121,830,324</u>

(Continued)

**Exhibit 27-A
(continued)**

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,027,773	72,231	21,531	1,121,535
Accrued expenses	129,345	25,666	17,679	172,690
Accrued interest	497,151	--	70,742	567,893
Contractor interest and retainage payable	381,059	--	--	381,059
Deposits	214	2,344	95,664	98,222
Due to other governmental agencies	--	11,353	--	11,353
Unearned revenue	--	17,819	99,577	117,396
Current portion of long-term liabilities				
Long-term debt	501,719	107,846	165,000	774,565
Accumulated unpaid compensated absences	191,644	23,188	24,591	239,423
Total current liabilities	<u>2,728,905</u>	<u>260,447</u>	<u>494,784</u>	<u>3,484,136</u>
Noncurrent liabilities				
Long-term liabilities, net of current portion				
Accrued arbitrage rebate liability	--	--	37,486	37,486
Long-term debt	19,158,486	429,751	4,019,942	23,608,179
Accumulated unpaid compensated absences	123,067	27,548	20,880	171,495
Total noncurrent liabilities	<u>19,281,553</u>	<u>457,299</u>	<u>4,078,308</u>	<u>23,817,160</u>
Total liabilities	<u>22,010,458</u>	<u>717,746</u>	<u>4,573,092</u>	<u>27,301,296</u>
NET ASSETS				
Invested in capital assets, net of related debt	78,405,179	813,890	5,402,254	84,621,323
Restricted for				
Passenger facility charges projects	2,335,074	--	--	2,335,074
Reserves required by bond covenants	1,373,333	--	--	1,373,333
Law enforcement officers' standards and education	5,203	--	--	5,203
Unrestricted	6,282,855	1,056	(89,816)	6,194,095
Total net assets	<u>\$ 88,401,644</u>	<u>\$ 814,946</u>	<u>\$ 5,312,438</u>	<u>\$ 94,529,028</u>



City of
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NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
Operating revenues				
Charges for services - net	\$ 8,201,557	\$ 1,774,423	\$ 1,435,890	\$ 11,411,870
Operating expenses				
Personal services	3,963,942	689,168	612,046	5,265,156
Materials and supplies	339,536	264,941	69,448	673,925
Contractual services	1,203,189	495,550	185,600	1,884,339
Other operating expenses	934,831	179,659	172,622	1,287,112
Uncollectible accounts	(2,688)	5,500	2,440	5,252
Depreciation	3,905,018	270,262	571,956	4,747,236
Total operating expenses	<u>10,343,828</u>	<u>1,905,080</u>	<u>1,614,112</u>	<u>13,863,020</u>
Operating loss	(2,142,271)	(130,657)	(178,222)	(2,451,150)
Nonoperating revenues (expenses)				
Investment income	387,912	4,436	10,189	402,537
Interest expense and fiscal charges	(1,180,538)	(28,296)	(179,498)	(1,388,332)
Passenger facility charges	1,697,905	--	--	1,697,905
Net gain on disposal of assets	48,631	169,328	713	218,672
Recovery on damage claims	836	--	--	836
Contributions from other governmental agencies	1,748	--	140	1,888
Total nonoperating revenues (expenses)	<u>956,494</u>	<u>145,468</u>	<u>(168,456)</u>	<u>933,506</u>
Capital contributions				
Contributions from other governmental agencies	<u>8,670,087</u>	<u>--</u>	<u>--</u>	<u>8,670,087</u>
Income (loss) before transfers	7,484,310	14,811	(346,678)	7,152,443
Transfers in	3,012	--	--	3,012
Transfers out	(764,739)	(270,763)	(263,184)	(1,298,686)
Total transfers	<u>(761,727)</u>	<u>(270,763)</u>	<u>(263,184)</u>	<u>(1,295,674)</u>
Net income (loss)	6,722,583	(255,952)	(609,862)	5,856,769
Net assets at beginning of year	<u>81,679,061</u>	<u>1,070,898</u>	<u>5,922,300</u>	<u>88,672,259</u>
Net assets at end of year	<u>\$ 88,401,644</u>	<u>\$ 814,946</u>	<u>\$ 5,312,438</u>	<u>\$ 94,529,028</u>

**NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
Cash flows from operating activities				
Receipts from customers	\$ 8,232,383	\$ 1,800,804	\$ 1,505,889	\$ 11,539,076
Payments to suppliers	(1,439,409)	(774,262)	(243,828)	(2,457,499)
Payments to employees	(3,512,260)	(598,631)	(523,791)	(4,634,682)
Internal activity - payments to other funds	(1,420,094)	(267,131)	(197,769)	(1,884,994)
Net cash provided by operating activities	<u>1,860,620</u>	<u>160,780</u>	<u>540,501</u>	<u>2,561,901</u>
Cash flows from noncapital financing activities				
Changes in interfund borrowings	--	--	(500,172)	(500,172)
Contributions from other governmental agencies	1,748	--	--	1,748
Transfers in from other funds	3,012	--	--	3,012
Transfers out to other funds	(764,739)	(270,763)	(263,184)	(1,298,686)
Other non-operating expenses	(20,323)	--	--	(20,323)
Net cash used for noncapital financing activities	<u>(780,302)</u>	<u>(270,763)</u>	<u>(763,356)</u>	<u>(1,814,421)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(12,354,013)	(125,184)	(317,206)	(12,796,403)
Proceeds from sale of capital assets	48,631	169,328	713	218,672
Contributions from other governmental agencies	8,024,717	--	510,070	8,534,787
Passenger facility charge	1,732,044	--	--	1,732,044
Principal paid on long-term debt	(480,071)	(118,841)	(160,000)	(758,912)
Interest expense and fiscal charges	(1,108,081)	(28,296)	(172,781)	(1,309,158)
Recovery on damage claims	836	--	--	836
Net cash used for capital and related financing activities	<u>(4,135,937)</u>	<u>(102,993)</u>	<u>(139,204)</u>	<u>(4,378,134)</u>
Cash flows from investing activities				
Purchase of investment securities	(7,000,000)	--	--	(7,000,000)
Proceeds from sale and maturity of investment securities	10,499,799	--	--	10,499,799
Interest on investments	371,583	4,436	8,625	384,644
Net cash provided by investing activities	<u>3,871,382</u>	<u>4,436</u>	<u>8,625</u>	<u>3,884,443</u>
Net increase (decrease) in cash and cash equivalents	815,763	(208,540)	(353,434)	253,789
Cash and cash equivalents at beginning of year, including restricted accounts	<u>4,868,830</u>	<u>349,379</u>	<u>483,048</u>	<u>5,701,257</u>
Cash and cash equivalents at end of year, including restricted accounts	<u>\$ 5,684,593</u>	<u>\$ 140,839</u>	<u>\$ 129,614</u>	<u>\$ 5,955,046</u>

(Continued)

Exhibit 27-C

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
Reconciliation of operating loss to net cash provided by operating activities				
Operating loss	\$ (2,142,271)	\$ (130,657)	\$ (178,222)	\$ (2,451,150)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation	3,905,018	270,262	571,956	4,747,236
Provision for uncollectible accounts	--	5,500	2,440	7,940
Recovery of uncollectible accounts	(2,688)	--	--	(2,688)
Change in assets and liabilities				
Receivables	30,827	(48)	(1,012)	29,767
Due from other funds	--	--	49,848	49,848
Inventory	(2,059)	4,693	--	2,634
Prepaid items	940	--	--	940
Accounts payable	28,457	(24,103)	15,295	19,649
Accrued expenses	38,476	7,690	5,285	51,451
Unearned revenue	--	12,942	57,250	70,192
Accumulated unpaid compensated absences	4,078	1,142	6,061	11,281
Contractor interest and retainage payable	--	--	(2,162)	(2,162)
Customer deposits	160	2,134	13,762	16,056
Due to other funds	(318)	(128)	--	(446)
Due to other governmental agencies	--	11,353	--	11,353
	<u>\$ 1,860,620</u>	<u>\$ 160,780</u>	<u>\$ 540,501</u>	<u>\$ 2,561,901</u>
Noncash investing, capital and financing activities				
Change in fair value of investments	\$ 805	\$ --	\$ --	\$ 805
Acquisition of capital assets under capital lease	\$ --	\$ 570,808	\$ --	\$ 570,808

**AIRPORT FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,186,716	\$ 3,172,454
Investments	4,000,000	7,192,968
Receivables		
Accounts	253,873	331,325
Accrued interest	13,361	9,693
Employees	476	--
Intergovernmental	678,521	33,356
Miscellaneous	51,571	5,522
Allowance for uncollectibles	(53,389)	(56,177)
Net receivables	944,413	323,719
Inventories	5,992	3,933
Prepaid items	--	940
Restricted assets		
Cash and cash equivalents	2,497,877	1,696,376
Investments	1,000,000	1,306,025
Receivables		
Accounts	202,372	234,300
Accrued interest	13,361	1,325
Net receivables	215,733	235,625
Due from other funds	--	2,390
Total restricted assets	3,713,610	3,240,416
Total current assets	11,850,731	13,934,430
Noncurrent assets		
Bond issue costs	495,987	532,747
Capital assets		
Land	3,554,942	3,554,942
Buildings	46,132,895	48,048,404
Improvements other than buildings	69,990,786	64,194,338
Machinery and equipment	4,306,532	5,149,273
Total capital assets in service	123,985,155	120,946,957
Less accumulated depreciation	(41,620,828)	(40,570,182)
Net capital assets in service	82,364,327	80,376,775
Construction in progress	15,701,057	12,220,648
Net capital assets	98,065,384	92,597,423
Total noncurrent assets	98,561,371	93,130,170
Total assets	110,412,102	107,064,600

(Continued)

Exhibit 28-A

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,027,773	3,906,806
Accrued expenses	129,345	90,869
Accrued interest	497,151	507,819
Contractor interest and retainage payable	381,059	454,600
Deposits	214	54
Due to other funds	--	318
Unearned revenue	--	205
Current portion of long-term liabilities		
Long-term debt	501,719	479,943
Accumulated unpaid compensated absences	191,644	212,527
Total current liabilities	<u>2,728,905</u>	<u>5,653,141</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	19,158,486	19,634,293
Accumulated unpaid compensated absences	123,067	98,105
Total noncurrent liabilities	<u>19,281,553</u>	<u>19,732,398</u>
Total liabilities	<u>22,010,458</u>	<u>25,385,539</u>
NET ASSETS		
Invested in capital assets, net of related debt	78,405,179	72,483,187
Restricted for		
Passenger facility charges projects	2,335,074	1,650,845
Construction of capital assets	--	115,260
Required capital reserve	250,000	250,000
Required operating reserve	1,123,333	1,220,165
Law enforcement officers' standards and education	5,203	3,828
Unrestricted	<u>6,282,855</u>	<u>5,955,776</u>
Total net assets	<u>\$ 88,401,644</u>	<u>\$ 81,679,061</u>



City of
Corpus
Christi

AIRPORT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	2008	2007
Operating revenues		
Charges for services - net	\$ 8,201,557	\$ 8,007,780
Operating expenses		
Personal services	3,963,942	3,884,523
Materials and supplies	339,536	320,064
Contractual services	1,203,189	1,548,592
Other operating expenses	934,831	792,354
Uncollectible accounts	(2,688)	3,923
Depreciation	3,905,018	3,636,224
Total operating expenses	10,343,828	10,185,680
Operating loss	(2,142,271)	(2,177,900)
Nonoperating revenues (expenses)		
Investment income	387,912	494,292
Interest expense and fiscal charges	(1,180,538)	(1,216,172)
Passenger facility charges	1,697,905	1,721,069
Net gain on disposal of assets	48,631	4,740
Recovery of damage claims	836	--
Contribution from other governmental agencies	1,748	1,831
Miscellaneous	--	30,760
Total nonoperating revenues	956,494	1,036,520
Capital contributions		
Contribution from other governmental agencies	8,670,087	9,842,945
Income before transfers	7,484,310	8,701,565
Transfers in	3,012	--
Transfers out	(764,739)	(842,168)
Total transfers	(761,727)	(842,168)
Net income	6,722,583	7,859,397
Net assets at beginning of year	81,679,061	73,819,664
Net assets at end of year	\$ 88,401,644	\$ 81,679,061

**AIRPORT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 8,232,383	\$ 8,080,586
Payments to suppliers	(1,439,409)	(1,531,247)
Payments to employees	(3,512,260)	(3,440,531)
Internal activity - payments to other funds	(1,420,094)	(1,407,381)
Net cash provided by operating activities	1,860,620	1,701,427
Cash flows from noncapital financing activities		
Contributions from other governmental agencies	1,748	1,831
Transfers in from other funds	3,012	--
Transfers out to other funds	(764,739)	(842,168)
Other non-operating expenses	(20,323)	1,334
Net cash used for noncapital financing activities	(780,302)	(839,003)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(12,354,013)	(8,116,231)
Proceeds from sale of capital assets	48,631	4,740
Contributions from other governmental agencies	8,024,717	9,994,524
Passenger facility charge	1,732,044	1,711,568
Principal paid on long-term debt	(480,071)	(459,943)
Interest expense and fiscal charges	(1,108,081)	(1,130,049)
Recovery of damage claims	836	--
Net cash provided by (used for) capital and related financing activities	(4,135,937)	2,004,609
Cash flows from investing activities		
Purchase of investment securities	(7,000,000)	(10,099,799)
Proceeds from sale and maturity of investment securities	10,499,799	5,700,000
Interest on investments	371,583	482,537
Net cash provided by (used for) investing activities	3,871,382	(3,917,262)
Net increase (decrease) in cash and cash equivalents	815,763	(1,050,229)
Cash and cash equivalents at beginning of year, including restricted accounts	4,868,830	5,919,059
Cash and cash equivalents at end of year, including restricted accounts	\$ 5,684,593	\$ 4,868,830

(Continued)

Exhibit 28-C

	<u>2008</u>	<u>2007</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,142,271)	\$ (2,177,900)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	3,905,018	3,636,224
Provision for uncollectible accounts	--	3,923
Recovery of uncollectible accounts	(2,688)	--
Changes in assets and liabilities		
Receivables	30,827	72,807
Due from other funds	--	7,102
Inventory	(2,059)	(85)
Prepaid items	940	(940)
Accounts payable	28,457	109,260
Accrued expenses	38,476	18,446
Accumulated unpaid compensated absences	4,078	33,361
Customer deposits	160	(110)
Due to other funds	(318)	(661)
	<u>\$ 1,860,620</u>	<u>\$ 1,701,427</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 805	\$ 15,865



City of
Corpus
Christi

**GOLF CENTERS FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 140,839	\$ 349,379
Receivables		
Accounts	1,365	19,817
Miscellaneous	8,360	8,304
Allowance for uncollectibles	--	(12,944)
Net receivables	<u>9,725</u>	<u>15,177</u>
Inventories	<u>30,641</u>	<u>35,334</u>
Total current assets	<u>181,205</u>	<u>399,890</u>
Noncurrent assets		
Capital assets		
Land	94,337	94,337
Buildings	711,295	711,295
Improvements other than buildings	2,529,531	2,529,531
Machinery and equipment	<u>957,522</u>	<u>973,432</u>
Total capital assets in service	4,292,685	4,308,595
Less accumulated depreciation	<u>(2,941,198)</u>	<u>(3,382,838)</u>
Net capital assets	<u>1,351,487</u>	<u>925,757</u>
Total noncurrent assets	<u>1,351,487</u>	<u>925,757</u>
Total assets	<u>1,532,692</u>	<u>1,325,647</u>
LIABILITIES		
Current liabilities		
Accounts payable	72,231	96,334
Accrued expenses	25,666	17,976
Deposits	2,344	210
Due to other funds	--	128
Due to other governmental agencies	11,353	--
Unearned revenue	17,819	4,877
Current portion of long-term liabilities		
Long-term debt	107,846	60,156
Accumulated unpaid compensated absences	<u>23,188</u>	<u>18,892</u>
Total current liabilities	<u>260,447</u>	<u>198,573</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	429,751	25,474
Accumulated unpaid compensated absences	<u>27,548</u>	<u>30,702</u>
Total noncurrent liabilities	<u>457,299</u>	<u>56,176</u>
Total liabilities	<u>717,746</u>	<u>254,749</u>
NET ASSETS		
Invested in capital assets, net of related debt	813,890	840,128
Unrestricted	<u>1,056</u>	<u>230,770</u>
Total net assets	<u>\$ 814,946</u>	<u>\$ 1,070,898</u>

Exhibit 29-B

GOLF CENTERS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services - net	\$ 1,774,423	\$ 1,740,134
Operating expenses		
Personal services	689,168	667,754
Materials and supplies	264,941	252,137
Contractual services	495,550	495,678
Other operating expenses	179,659	135,425
Uncollectible accounts	5,500	12,944
Depreciation	270,262	218,751
Total operating expenses	<u>1,905,080</u>	<u>1,782,689</u>
Operating loss	(130,657)	(42,555)
Nonoperating revenues (expenses)		
Investment income	4,436	13,445
Interest expense and fiscal charges	(28,296)	(25,290)
Net gain on disposal of assets	169,328	--
Total nonoperating revenues (expenses)	<u>145,468</u>	<u>(11,845)</u>
Income (loss) before transfers	14,811	(54,400)
Transfers out	<u>(270,763)</u>	<u>(200,000)</u>
Net loss	(255,952)	(254,400)
Net assets at beginning of year	<u>1,070,898</u>	<u>1,325,298</u>
Net assets at end of year	<u>\$ 814,946</u>	<u>\$ 1,070,898</u>

**GOLF CENTERS FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Receipts from customers	\$ 1,800,804	\$ 1,722,423
Payments to suppliers	(774,262)	(666,983)
Payments to employees	(598,631)	(591,707)
Internal activity - payments to other funds	(267,131)	(230,625)
Net cash provided by operating activities	<u>160,780</u>	<u>233,108</u>
Cash flows from noncapital financing activities		
Transfers out to other funds	(270,763)	(200,000)
Net cash used for noncapital financing activities	<u>(270,763)</u>	<u>(200,000)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(125,184)	(17,896)
Proceeds from sale of capital assets	169,328	--
Principal paid on long-term debt	(118,841)	(58,795)
Interest expense and fiscal charges	(28,296)	(25,290)
Net cash used for capital and related financing activity	<u>(102,993)</u>	<u>(101,981)</u>
Cash flows from investing activities		
Interest on investments	4,436	13,445
Net decrease in cash and cash equivalents	(208,540)	(55,428)
Cash and cash equivalents at beginning of year	<u>349,379</u>	<u>404,807</u>
Cash and cash equivalents at end of year	<u>\$ 140,839</u>	<u>\$ 349,379</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (130,657)	\$ (42,555)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	270,262	218,751
Provision for uncollectible accounts	5,500	12,944
Receivables	(48)	3,147
Inventory	4,693	5,126
Accounts payable	(24,103)	67,699
Accrued expenses	7,690	3,073
Unearned revenue	12,942	(21,019)
Accumulated unpaid compensated absences	1,142	(8,808)
Deposits payable	2,134	160
Due to other funds	(128)	(5,410)
Due to other governmental agencies	11,353	--
Net cash provided by operating activities	<u>\$ 160,780</u>	<u>\$ 233,108</u>
Noncash investing, capital and financing activities		
Acquisition of capital assets under capital lease	\$ 570,808	\$ --

**GOLF CENTERS FUND
 SCHEDULE OF OPERATING EXPENSES BY FUNCTION
 YEAR ENDED JULY 31, 2008
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JULY 31, 2007**

<u>FUNCTION</u>	2008			
	<u>PERSONAL SERVICES</u>	<u>MATERIALS & SUPPLIES</u>	<u>CONTRACTUAL SERVICES</u>	<u>OTHER OPERATING EXPENSES</u>
Gabe Lozano Sr. Golf Center operations	\$ 351,441	\$ 161,628	\$ 276,341	\$ 110,251
Oso Golf Center operations	<u>337,727</u>	<u>103,313</u>	<u>219,209</u>	<u>69,408</u>
Total operating expenses	<u><u>\$ 689,168</u></u>	<u><u>\$ 264,941</u></u>	<u><u>\$ 495,550</u></u>	<u><u>\$ 179,659</u></u>

Exhibit 29-D

UNCOLLECTIBLE ACCOUNTS	DEPRECIATION	2008 TOTAL	2007 TOTAL
\$ 1,750	\$ 182,737	\$ 1,084,148	\$ 1,045,231
3,750	87,525	820,932	737,458
<u>\$ 5,500</u>	<u>\$ 270,262</u>	<u>\$ 1,905,080</u>	<u>\$ 1,782,689</u>

**MARINA FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 129,614	\$ 483,048
Receivables		
Accounts	135,481	134,469
Intergovernmental	23,454	533,524
Allowance for uncollectibles	(57,434)	(54,993)
Net receivables	101,501	613,000
Due from other funds	--	42,585
Total current assets	231,115	1,138,633
Noncurrent assets		
Bond issue costs	67,219	73,930
Capital assets		
Land	9,000	9,000
Buildings	1,034,523	1,034,523
Improvements other than buildings	20,690,888	20,624,784
Machinery and equipment	182,810	182,809
Infrastructure	54,226	54,226
Total capital assets in service	21,971,447	21,905,342
Less accumulated depreciation	(12,388,869)	(11,816,913)
Net capital assets in service	9,582,578	10,088,429
Construction in progress	4,618	13,648
Net capital assets	9,587,196	10,102,077
Total noncurrent assets	9,654,415	10,176,007
Total assets	9,885,530	11,314,640

(Continued)

Exhibit 30-A

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current liabilities		
Accounts payable	21,531	64,699
Accrued expenses	17,679	12,394
Accrued interest	70,742	70,742
Contractor interest and retainage payable	--	203,829
Deposits	95,664	81,903
Due to other funds	--	492,910
Unearned revenue	99,577	42,467
Current portion of long-term liabilities		
Long-term debt	165,000	160,000
Accumulated unpaid compensated absences	24,591	17,637
Total current liabilities	<u>494,784</u>	<u>1,146,581</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Accrued arbitrage rebate liability	37,486	39,050
Long-term debt	4,019,942	4,184,936
Accumulated unpaid compensated absences	20,880	21,773
Total noncurrent liabilities	<u>4,078,308</u>	<u>4,245,759</u>
Total liabilities	<u>4,573,092</u>	<u>5,392,340</u>
NET ASSETS		
Invested in capital assets, net of related debt	5,402,254	5,757,141
Unrestricted	(89,816)	165,159
Total net assets	<u>\$ 5,312,438</u>	<u>\$ 5,922,300</u>

Exhibit 30-B

MARINA FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating revenues		
Slip rentals	\$ 1,021,558	\$ 936,137
Bayfront revenue	212,610	211,365
Boat haul-outs	27,270	24,473
Transient fees	59,301	42,061
Resale of electricity	34,916	21,709
Raw seafood sales permits	1,600	2,000
Miscellaneous	78,635	86,959
Total operating revenue	<u>1,435,890</u>	<u>1,324,704</u>
Operating expenses		
Personal services	612,046	629,529
Materials and supplies	69,448	78,779
Contractual services	185,600	166,306
Other operating expenses	172,622	170,626
Uncollectible accounts	2,440	2,187
Depreciation	571,956	485,252
Total operating expenses	<u>1,614,112</u>	<u>1,532,679</u>
Operating loss	(178,222)	(207,975)
Nonoperating revenues (expenses)		
Investment income	10,189	80,896
Interest expense and fiscal charges	(179,498)	(183,343)
Net gain on disposal of assets	713	1,927
Contributions from other governmental agencies	140	14,525
Contributions and donations	--	44,492
Total nonoperating expenses	<u>(168,456)</u>	<u>(41,503)</u>
Capital contributions		
Contributions from other governmental agencies	<u>--</u>	<u>519,000</u>
Income (loss) before transfers	(346,678)	269,522
Transfers out	(263,184)	(304,627)
Total transfers	<u>(263,184)</u>	<u>(304,627)</u>
Net loss	(609,862)	(35,105)
Net assets at beginning of year	<u>5,922,300</u>	<u>5,957,405</u>
Net assets at end of year	<u>\$ 5,312,438</u>	<u>\$ 5,922,300</u>

**MARINA FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 1,505,889	\$ 1,404,621
Payments to suppliers	(243,828)	(242,426)
Payments to employees	(523,791)	(556,837)
Internal activity - payments to other funds	(197,769)	(300,094)
Net cash provided by operating activities	540,501	305,264
Cash flows from noncapital financing activities		
Changes in interfund borrowings	(500,172)	(465,044)
Transfers out to other funds	(263,184)	(304,627)
Net cash used for noncapital financing activities	(763,356)	(769,671)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(317,206)	(3,995,607)
Proceeds from sale of capital assets	713	1,927
Contributions from other government agencies	510,070	1,000,000
Bond issuance cost	--	(612)
Principal paid on long-term debt	(160,000)	(155,000)
Interest expense and fiscal charges	(172,781)	(179,208)
Net cash used for capital and related financing activities	(139,204)	(3,328,500)
Cash flows from investing activities		
Purchase of investment securities	--	3,000,000
Interest on investments	8,625	124,997
Net cash provided by investing activities	8,625	3,124,997
Net decrease in cash and cash equivalents	(353,434)	(667,910)
Cash and cash equivalents at beginning of year, including restricted accounts	483,048	1,150,958
Cash and cash equivalents at end of year, including restricted accounts	\$ 129,614	\$ 483,048
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (178,222)	\$ (207,975)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	571,956	485,252
Provision for uncollectible accounts	2,440	2,187
Changes in assets and liabilities		
Receivables	(1,012)	(2,559)
Due from other funds	49,848	(7,521)
Accounts payable	15,295	(11,306)
Accrued expenses	5,285	14,045
Unearned revenue	57,250	30,911
Accumulated unpaid compensated absences	6,061	(3,736)
Contractor interest and retainage payable	(2,162)	2,162
Customer deposits	13,762	7,077
Due to other funds	--	(3,273)
Net cash provided by operating activities	\$ 540,501	\$ 305,264



City of
Corpus
Christi

Internal Service Funds

Internal Service Funds were established to finance and account for services, materials, and supplies furnished to the various departments of the City and, on a limited basis, to other local governmental agencies. These services are provided on a cost reimbursement basis.

Stores Fund – This fund was established to maintain an inventory of commonly used materials and supplies and to provide printing at a reasonable cost.

Maintenance Service Fund – This fund was established to provide fleet and building maintenance services to City departments.

Municipal Information Systems Fund – This fund was originally established to provide data processing services to city departments and now further supports departments citywide through the automation of processes and the provision of wired and wireless data, voice and video communications.

Corpus Christi Digital Community Development Corporation Fund – This fund is a public non-profit corporation created under State law to increase government efficiency in delivering services, improve safety and security, increase economic opportunity for businesses, and enable easier access to information for everyone in the community.

Liability and Employee Benefits Fund – This fund accumulates funds for the payment of liability and workers' compensation claims and various premiums for insurance coverage. This fund also accounts for the employee health insurance plans offered by the City.

Engineering Services Fund – This fund provides complete engineering services to City departments.



City of
Corpus
Christi

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JULY 31, 2008

	<u>Stores</u>	<u>Maintenance Service</u>	<u>Municipal Information Systems</u>	<u>Corpus Christi Digital Community Development Corporation</u>
ASSETS				
Current assets				
Cash and cash equivalents	--	2,476,913	428,822	196,562
Investments	--	3,009,063	2,000,000	--
Receivables, net of allowance for uncollectibles	170	13,729	14,729	--
Due from other funds	--	--	--	--
Inventories	883,245	365,480	--	--
Prepaid items	--	--	--	--
Total current assets	<u>883,415</u>	<u>5,865,185</u>	<u>2,443,551</u>	<u>196,562</u>
Noncurrent assets				
Other assets	--	--	--	--
Capital assets				
Land	--	66,359	--	--
Buildings	316,637	5,856,603	--	--
Improvements other than buildings	13,852	449,632	5,674,450	--
Machinery and equipment	208,564	42,487,052	15,709,262	543,142
Total capital assets in service	<u>539,053</u>	<u>48,859,646</u>	<u>21,383,712</u>	<u>543,142</u>
Less accumulated depreciation	<u>(376,242)</u>	<u>(36,684,082)</u>	<u>(8,346,808)</u>	<u>(149,825)</u>
Net capital assets	<u>162,811</u>	<u>12,175,564</u>	<u>13,036,904</u>	<u>393,317</u>
Total noncurrent assets	<u>162,811</u>	<u>12,175,564</u>	<u>13,036,904</u>	<u>393,317</u>
Total assets	<u>1,046,226</u>	<u>18,040,749</u>	<u>15,480,455</u>	<u>589,879</u>
LIABILITIES				
Current liabilities				
Accounts payable	124,438	1,656,072	269,071	179,527
Accrued expenses	11,354	140,486	222,881	--
Current portion of estimated liability claims	--	--	--	--
Contractor interest and retainage payable	--	588	--	--
Deposits	--	2,480	--	--
Liability to claimants - escheat property	--	--	--	--
Due to other funds	553,632	--	--	--
Unearned revenue	--	--	--	--
Current portion of long-term liabilities				
Long-term debt	--	57,372	1,221,422	63,718
Accumulated unpaid compensated absences	<u>14,676</u>	<u>223,925</u>	<u>390,117</u>	<u>--</u>
Total current liabilities	<u>704,100</u>	<u>2,080,923</u>	<u>2,103,491</u>	<u>243,245</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion	--	--	--	--
Long-term liabilities, net of current portion				
Long-term debt	--	1,239,348	3,175,653	88,629
Accumulated unpaid compensated absences	18,473	198,132	354,897	--
Net OPEB obligation	--	--	--	--
Total noncurrent liabilities	<u>18,473</u>	<u>1,437,480</u>	<u>3,530,550</u>	<u>88,629</u>
Total liabilities	<u>722,573</u>	<u>3,518,403</u>	<u>5,634,041</u>	<u>331,874</u>
NET ASSETS				
Invested in capital assets, net of related debt	162,811	10,878,844	8,639,829	240,970
Unrestricted	<u>160,842</u>	<u>3,643,502</u>	<u>1,206,585</u>	<u>17,035</u>
Net assets	<u>323,653</u>	<u>14,522,346</u>	<u>9,846,414</u>	<u>258,005</u>

Exhibit 31-A

Liability and Employee Benefits	Engineering Services	Eliminations	Total
2,533,198	686,893	--	6,322,388
41,999,498	--	--	47,008,561
619,118	--	--	647,746
558,213	943,360	(553,632)	947,941
--	--	--	1,248,725
1,817,854	--	--	1,817,854
<u>47,527,881</u>	<u>1,630,253</u>	<u>(553,632)</u>	<u>57,993,215</u>
49,871	--	--	49,871
--	2,199	--	68,558
--	--	--	6,173,240
--	--	--	6,137,934
--	183,592	--	59,131,612
--	185,791	--	71,511,344
--	(127,961)	--	(45,684,918)
--	57,830	--	25,826,426
<u>49,871</u>	<u>57,830</u>	<u>--</u>	<u>25,876,297</u>
<u>47,577,752</u>	<u>1,688,083</u>	<u>(553,632)</u>	<u>83,869,512</u>
573,011	58,820	--	2,860,939
69,904	87,491	--	532,116
7,246,772	--	--	7,246,772
--	--	--	588
--	--	--	2,480
87,269	--	--	87,269
--	--	(553,632)	--
11,085	--	--	11,085
--	--	--	1,342,512
48,527	144,607	--	821,852
<u>8,036,568</u>	<u>290,918</u>	<u>(553,632)</u>	<u>12,905,613</u>
7,317,445	--	--	7,317,445
--	--	--	4,503,630
6,915	321,695	--	900,112
4,838,382	--	--	4,838,382
<u>12,162,742</u>	<u>321,695</u>	<u>--</u>	<u>17,559,569</u>
<u>20,199,310</u>	<u>612,613</u>	<u>(553,632)</u>	<u>30,465,182</u>
--	57,830	--	19,980,284
<u>27,378,442</u>	<u>1,017,640</u>	<u>--</u>	<u>33,424,046</u>
<u>27,378,442</u>	<u>1,075,470</u>	<u>--</u>	<u>53,404,330</u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008

	<u>Stores</u>	<u>Maintenance Service</u>	<u>Municipal Information Systems</u>	<u>Corpus Christi Digital Community Development Corporation</u>
Operating revenues				
Charges for services - net	\$ 527,581	\$ 9,620,368	\$ 15,774,278	\$ 2,646,540
Operating expenses				
Personal services	334,796	4,448,991	6,914,266	83,520
Materials and supplies	94,736	1,569,233	1,165,570	363,532
Contractual services	217,810	1,774,689	2,801,256	1,446,881
Other operating expenses	90,240	901,823	3,059,662	546,621
Self-insurance claims	--	--	--	--
Other post employment benefits	--	--	--	--
Uncollectible accounts	--	--	--	--
Depreciation	9,889	3,154,705	1,763,264	84,444
Total operating expenses	<u>747,471</u>	<u>11,849,441</u>	<u>15,704,018</u>	<u>2,524,998</u>
Operating income (loss)	(219,890)	(2,229,073)	70,260	121,542
Nonoperating revenues (expenses)				
Investment income	--	175,255	175,189	374
Interest expense and fiscal charges	(15,994)	(84,624)	(64,692)	(6,107)
Recovery of prior years revenues	--	--	--	--
Net gain on disposal of assets	560	350,556	--	1,539
Recovery of damage claims	--	121,465	--	--
Total nonoperating revenues (expenses)	<u>(15,434)</u>	<u>562,652</u>	<u>110,497</u>	<u>(4,194)</u>
Capital contributions				
Contributions from others	<u>--</u>	<u>--</u>	<u>4,907,450</u>	<u>--</u>
Income (loss) before transfers	(235,324)	(1,666,421)	5,088,207	117,348
Transfers in	--	3,147,808	--	37,976
Transfers out	<u>(164,523)</u>	<u>(151,748)</u>	<u>(234,846)</u>	<u>--</u>
Net transfers	<u>(164,523)</u>	<u>2,996,060</u>	<u>(234,846)</u>	<u>37,976</u>
Net income (loss)	(399,847)	1,329,639	4,853,361	155,324
Net assets at beginning of year	<u>723,500</u>	<u>13,192,707</u>	<u>4,993,053</u>	<u>102,681</u>
Net assets at end of year	<u>\$ 323,653</u>	<u>\$ 14,522,346</u>	<u>\$ 9,846,414</u>	<u>\$ 258,005</u>

Exhibit 31-B

Liability and Employee Benefits	Engineering Services	Eliminations	Totals
\$ 34,687,221	\$ 3,750,155	\$ --	\$ 67,006,143
861,029	2,772,009	--	15,414,611
139,997	129,941	--	3,463,009
5,854,201	393,907	--	12,488,744
177,113	623,440	--	5,398,899
23,551,473	--	--	23,551,473
6,464,650	--	--	6,464,650
11,580	--	--	11,580
--	25,018	--	5,037,320
<u>37,060,043</u>	<u>3,944,315</u>	<u>--</u>	<u>71,830,286</u>
(2,372,822)	(194,160)	--	(4,824,143)
1,891,612	33,474	--	2,275,904
(6,283)	--	--	(177,700)
100	--	--	100
--	--	--	352,655
1,250	--	--	122,715
<u>1,886,679</u>	<u>33,474</u>	<u>--</u>	<u>2,573,674</u>
--	--	--	4,907,450
(486,143)	(160,686)	--	2,656,981
--	--	(42,584)	3,143,200
<u>(15,522)</u>	<u>--</u>	<u>42,584</u>	<u>(524,055)</u>
<u>(15,522)</u>	<u>--</u>	<u>--</u>	<u>2,619,145</u>
(501,665)	(160,686)	--	5,276,126
<u>27,880,107</u>	<u>1,236,156</u>	<u>--</u>	<u>48,128,204</u>
<u>\$ 27,378,442</u>	<u>\$ 1,075,470</u>	<u>\$ --</u>	<u>\$ 53,404,330</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	<u>Stores</u>	<u>Maintenance Service</u>	<u>Municipal Information Systems</u>	<u>Corpus Christi Digital Community Development Corporation</u>
Cash flows from operating activities				
Receipts from customers	\$ --	\$ 49,586	\$ 93,328	\$ 233,277
Receipts from interfund services provided	3,264,959	19,227,167	15,680,950	2,432,914
Payments to suppliers	(2,875,138)	(11,436,562)	(3,666,506)	(1,714,516)
Payments to employees	(289,378)	(4,392,158)	(6,530,399)	--
Internal activity - payments to other funds	(118,268)	(909,086)	(3,629,528)	(610,365)
Claims paid	--	--	--	--
Net cash provided by (used for) operating activities	<u>(17,825)</u>	<u>2,538,947</u>	<u>1,947,845</u>	<u>341,310</u>
Cash flows from noncapital financing activities				
Changes in interfund borrowings	197,783	--	--	--
Interest on interfund borrowings	(15,995)	--	--	--
Transfers in from other funds	--	4,608	--	--
Transfers out to other funds	(164,523)	(151,748)	(196,869)	--
Other non-operating revenues	--	121,465	--	--
Other non-operating expenses	--	--	--	--
Net cash provided by (used for) noncapital financing activities	<u>17,265</u>	<u>(25,675)</u>	<u>(196,869)</u>	<u>--</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	--	(3,335,392)	(1,752,795)	(140,548)
Proceeds from sale of capital assets	560	350,557	--	1,539
Transfer in from other funds for capital acquisition	--	3,143,200	--	--
Principal paid on long-term debt	--	(96,028)	(1,605,607)	(63,316)
Interest expense and fiscal charges	--	(84,625)	(64,692)	(6,107)
Net cash provided by (used for) capital and related financing activity	<u>560</u>	<u>(22,288)</u>	<u>(3,423,094)</u>	<u>(208,432)</u>
Cash flows from investing activities				
Purchase of investment securities	--	(6,000,000)	(8,000,000)	--
Proceeds from sale and maturity of investment securities	--	5,500,000	9,500,000	--
Interest on investments	--	156,838	212,108	6,084
Net cash provided by (used for) investing activities	<u>--</u>	<u>(343,162)</u>	<u>1,712,108</u>	<u>6,084</u>
Net increase in cash and cash equivalents	--	2,147,822	39,990	138,962
Cash and cash equivalents at beginning of year	<u>--</u>	<u>329,091</u>	<u>388,832</u>	<u>57,600</u>
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ 2,476,913</u>	<u>\$ 428,822</u>	<u>\$ 196,562</u>

(Continued)

Exhibit 31-C

Liability and Employee Benefits	Engineering Services	Eliminations	Total
\$ 9,226,364	\$ --	\$ --	\$ 9,602,555
25,423,684	3,750,765	--	69,780,439
(6,446,498)	(957,887)	--	(27,097,107)
(787,974)	(2,055,683)	--	(14,055,592)
(98,419)	(890,658)	--	(6,256,324)
(25,156,632)	--	--	(25,156,632)
<u>2,160,525</u>	<u>(153,463)</u>	<u>--</u>	<u>6,817,339</u>
(197,783)	(943,360)	--	(943,360)
(1,317)	876	--	(16,436)
--	--	(4,608)	--
(15,522)	--	4,608	(524,054)
1,350	--	--	122,815
(4,966)	--	--	(4,966)
<u>(218,238)</u>	<u>(942,484)</u>	<u>--</u>	<u>(1,366,001)</u>
--	(21,802)	--	(5,250,537)
--	--	--	352,656
--	--	--	3,143,200
--	--	--	(1,764,951)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(155,424)</u>
--	(21,802)	--	(3,675,056)
(79,949,698)	--	--	(93,949,698)
78,449,497	1,500,000	--	94,949,497
2,065,196	34,030	--	2,474,256
<u>564,995</u>	<u>1,534,030</u>	<u>--</u>	<u>3,474,055</u>
2,507,282	416,281	--	5,250,337
25,916	270,612	--	1,072,051
<u>\$ 2,533,198</u>	<u>\$ 686,893</u>	<u>\$ --</u>	<u>\$ 6,322,388</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	<u>Stores</u>	<u>Maintenance Service</u>	<u>Municipal Information Systems</u>	<u>Corpus Christi Digital Community Development Corporation</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (219,890)	\$ (2,229,073)	\$ 70,260	\$ 121,542
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	9,889	3,154,705	1,763,264	84,444
Provision for uncollectible accounts	--	--	--	--
Changes in assets and liabilities				
Receivables	(101)	1,066	2,695	19,650
Due from other funds	7,662	492,910	36,605	50,000
Inventory	111,759	(103,182)	--	--
Prepaid items	--	--	--	--
Accounts payable	65,029	1,174,663	7,600	65,674
Accrued expenses	4,326	34,409	69,905	--
Estimated claims liability	--	--	--	--
Contractor interest and retainage payable	--	(2,082)	--	--
Deposits	--	(131)	--	--
Liability to claimants-escheat property	--	--	--	--
Due to other funds	--	(6,762)	--	--
Unearned revenue	--	--	--	--
Accumulated unpaid compensated absences	3,501	22,424	(2,484)	--
Net OPEB obligation	--	--	--	--
Net cash provided by (used for) operating activities	<u>\$ (17,825)</u>	<u>\$ 2,538,947</u>	<u>\$ 1,947,845</u>	<u>\$ 341,310</u>
Noncash investing, capital and financing activities				
Change in fair value of investments	\$ --	\$ 9,063	\$ --	\$ --
Acquisition of capital assets under capital lease	\$ --	\$ --	\$ --	\$ 87,350
Transfer of capital lease to other fund	\$ --	\$ --	\$ (37,976)	\$ 37,976
Contribution of capital assets	\$ --	\$ --	\$ 4,907,450	\$ --

**Exhibit 31-C
(Continued)**

Liability and Employee Benefits	Engineering Services	Eliminations	Total
\$ (2,372,822)	\$ (194,160)	\$ --	\$ (4,824,143)
--	25,018	--	5,037,320
11,580	--	--	11,580
(39,039)	--	--	(15,729)
8,229	610	--	596,016
--	--	--	8,577
(560,233)	--	--	(560,233)
227,821	14,669	--	1,555,456
10,297	20,344	--	139,281
45,514	--	--	45,514
--	--	--	(2,082)
--	--	--	(131)
(24,405)	--	--	(24,405)
--	(10,112)	--	(16,874)
1,867	--	--	1,867
13,334	(9,832)	--	26,943
4,838,382	--	--	4,838,382
\$ 2,160,525	\$ (153,463)	\$ --	\$ 6,817,339
\$ 3,254	\$ --	\$ --	\$ 12,317
\$ --	\$ --	\$ --	\$ 87,350
\$ --	\$ --	\$ --	\$ --
\$ --	\$ --	\$ --	\$ 4,907,450



City of
Corpus
Christi

**STORES FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Receivables		
Employees	\$ 101	\$ --
Intergovernmental	69	69
Net receivables	<u>170</u>	<u>69</u>
Due from other funds	--	7,662
Inventories	883,245	995,005
Total current assets	<u>883,415</u>	<u>1,002,736</u>
Noncurrent assets		
Capital assets		
Buildings	316,637	316,637
Improvements other than buildings	13,852	13,852
Machinery and equipment	208,564	208,564
Total capital assets in service	<u>539,053</u>	<u>539,053</u>
Less accumulated depreciation	<u>(376,242)</u>	<u>(366,354)</u>
Net capital assets	<u>162,811</u>	<u>172,699</u>
Total noncurrent assets	<u>162,811</u>	<u>172,699</u>
Total assets	<u>1,046,226</u>	<u>1,175,435</u>
LIABILITIES		
Current liabilities		
Accounts payable	124,438	59,409
Accrued expenses	11,354	7,028
Due to other funds	553,632	355,849
Current portion of accumulated unpaid compensated absences	14,676	11,125
Total current liabilities	<u>704,100</u>	<u>433,411</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Accumulated unpaid compensated absences	<u>18,473</u>	<u>18,524</u>
Total liabilities	<u>722,573</u>	<u>451,935</u>
NET ASSETS		
Invested in capital assets, net of related debt	162,811	172,699
Unrestricted	<u>160,842</u>	<u>550,801</u>
Total net assets	<u>\$ 323,653</u>	<u>\$ 723,500</u>

STORES FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	2008	2007
Operating revenues		
Sale of materials and supplies	\$ 3,153,200	\$ 3,251,801
Less cost of sales	<u>(2,625,619)</u>	<u>(2,538,874)</u>
Gross operating income	527,581	712,927
Operating expenses		
Personal services	334,796	298,380
Materials and supplies	94,736	76,868
Contractual services	217,810	266,617
Other operating expenses	90,240	70,998
Depreciation	9,889	14,908
Total operating expenses	<u>747,471</u>	<u>727,771</u>
Operating loss	(219,890)	(14,844)
Nonoperating revenues (expenses)		
Interest expense and fiscal charges	(15,994)	(17,866)
Net gain on disposal of assets	560	1,778
Total nonoperating expenses	<u>(15,434)</u>	<u>(16,088)</u>
Loss before transfers	(235,324)	(30,932)
Transfers out	<u>(164,523)</u>	<u>(14,661)</u>
Net loss	(399,847)	(45,593)
Net assets at beginning of year	<u>723,500</u>	<u>769,093</u>
Net assets at end of year	<u><u>\$ 323,653</u></u>	<u><u>\$ 723,500</u></u>

**STORES FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Receipts from customers	\$ --	\$ 45
Receipts from interfund services provided	3,264,959	3,319,723
Payments to suppliers	(2,875,138)	(2,892,023)
Payments to employees	(289,378)	(282,934)
Internal activity - payments to other funds	(118,268)	(116,334)
Net cash provided by (used for) operating activities	<u>(17,825)</u>	<u>28,477</u>
Cash flows from noncapital financing activities		
Changes in interfund borrowings	197,783	2,272
Interest on interfund borrowings	(15,995)	(17,866)
Transfers out to other funds	(164,523)	(14,661)
Net cash provided by (used for) noncapital financing activities	<u>17,265</u>	<u>(30,255)</u>
Cash flows from capital and related financing activities		
Proceeds from sale of fixed assets	<u>560</u>	<u>1,778</u>
Net decrease in cash and cash equivalents	--	--
Cash and cash equivalents at beginning of year	<u>--</u>	<u>--</u>
Cash and cash equivalents at end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (219,890)	\$ (14,844)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	9,889	14,908
Changes in assets and liabilities		
Receivables	(101)	104
Due from other funds	7,662	(7,662)
Inventory	111,759	67,922
Accounts payable	65,029	(9,646)
Accrued expenses	4,326	1,325
Deferred revenue	--	(59)
Accumulated unpaid compensated absences	3,501	(23,571)
Net cash provided by (used for) operating activities	<u><u>\$ (17,825)</u></u>	<u><u>\$ 28,477</u></u>

**MAINTENANCE SERVICE FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,476,913	\$ 329,091
Investments	3,009,063	2,500,000
Receivables		
Accounts	--	1,066
Accrued interest	13,729	4,375
Net receivables	13,729	5,441
Due from other funds	--	492,910
Inventories	365,480	262,298
Total current assets	5,865,185	3,589,740
Noncurrent assets		
Capital assets		
Land	66,359	66,359
Buildings	5,856,603	5,856,603
Improvements other than buildings	449,632	323,339
Machinery and equipment	42,487,052	44,221,730
Total capital assets in service	48,859,646	50,468,031
Less accumulated depreciation	(36,684,082)	(38,473,155)
Net capital assets	12,175,564	11,994,876
Total noncurrent assets	12,175,564	11,994,876
Total assets	18,040,749	15,584,616
LIABILITIES		
Current liabilities		
Accounts payable	1,656,072	481,409
Accrued expenses	140,486	106,077
Contractor interest and retainage payable	588	2,670
Deposits	2,480	2,610
Due to other funds	--	6,762
Current portion of long-term liabilities		
Long-term debt	57,372	96,028
Accumulated unpaid compensated absences	223,925	212,886
Total current liabilities	2,080,923	908,442
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	1,239,348	1,296,720
Accumulated unpaid compensated absences	198,132	186,747
Total noncurrent liabilities	1,437,480	1,483,467
Total liabilities	3,518,403	2,391,909
NET ASSETS		
Invested in capital assets, net of related debt	10,878,844	10,602,128
Unrestricted	3,643,502	2,590,579
Total net assets	\$ 14,522,346	\$ 13,192,707

Exhibit 33-B

**MAINTENANCE SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues		
Sale of materials and services	\$ 18,782,783	\$ 15,681,152
Less cost of materials sold and outside repairs	(9,162,415)	(7,066,502)
Gross operating income	<u>9,620,368</u>	<u>8,614,650</u>
Operating expenses		
Personal services	4,448,991	4,277,357
Materials and supplies	1,569,233	1,145,844
Contractual services	1,774,689	1,414,765
Other operating expenses	901,823	822,751
Depreciation	3,154,705	3,188,443
Total operating expenses	<u>11,849,441</u>	<u>10,849,160</u>
Operating loss	(2,229,073)	(2,234,510)
Nonoperating revenues (expenses)		
Investment income	175,255	153,635
Interest expense and fiscal charges	(84,624)	(92,482)
Recovery of prior years expenses	--	1,990
Net gain on disposal of assets	350,556	34,528
Recovery on damage claims	121,465	44,978
Total nonoperating revenues	<u>562,652</u>	<u>142,649</u>
Loss before transfers	(1,666,421)	(2,091,861)
Transfers in	3,147,808	1,931,000
Transfers out	(151,748)	(203,448)
Net transfers	<u>2,996,060</u>	<u>1,727,552</u>
Net income (loss)	1,329,639	(364,309)
Net assets at beginning of year	<u>13,192,707</u>	<u>13,557,016</u>
Net assets at end of year	<u>\$ 14,522,346</u>	<u>\$ 13,192,707</u>

**MAINTENANCE SERVICES FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 49,586	\$ 28,313
Receipts from interfund services provided	19,227,167	15,315,089
Payments to suppliers	(11,436,562)	(9,776,684)
Payments to employees	(4,392,158)	(4,278,410)
Internal activity - payments to other funds	(909,086)	(817,009)
Net cash provided by operating activities	2,538,947	471,299
Cash flows from noncapital financing activities		
Transfers in from other funds	4,608	--
Transfers out to other funds	(151,748)	(203,448)
Other non-operating revenues	121,465	46,967
Net cash used for noncapital financing activities	(25,675)	(156,481)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(3,335,392)	(2,891,487)
Proceeds from sale of capital assets	350,557	34,528
Transfer in from other funds for capital acquisition	3,143,200	1,931,000
Principal paid on long term debt	(96,028)	(153,271)
Interest expense and fiscal charges	(84,625)	(92,481)
Net cash used for capital and related financing activities	(22,288)	(1,171,711)
Cash flows from investing activities		
Purchase of investment securities	(6,000,000)	(4,500,000)
Proceeds from sale and maturity of investment securities	5,500,000	5,150,000
Interest on investments	156,838	154,937
Net cash provided by (used for) investing activities	(343,162)	804,937
Net increase (decrease) in cash and cash equivalents	2,147,822	(51,956)
Cash and cash equivalents at beginning of year	329,091	381,047
Cash and cash equivalents at end of year	\$ 2,476,913	\$ 329,091

(Continued)

Exhibit 33-C

	<u>2008</u>	<u>2007</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,229,073)	\$ (2,234,510)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	3,154,705	3,188,443
Changes in assets and liabilities		
Receivables	1,066	(103)
Due from other funds	492,910	(337,647)
Inventory	(103,182)	(21,294)
Accounts payable	1,174,663	(133,314)
Accrued expenses	34,409	(6,986)
Contractor interest and retainage payable	(2,082)	2,670
Deposits	(131)	1,345
Due to other funds	(6,762)	6,762
Accumulated unpaid compensated absences	22,424	5,933
	<u>\$ 2,538,947</u>	<u>\$ 471,299</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 9,063	\$ (4,262)



City of
Corpus
Christi

**MUNICIPAL INFORMATION SYSTEMS FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 428,822	\$ 388,832
Investments	2,000,000	3,500,000
Receivables		
Accounts	--	2,695
Accrued interest	14,729	51,649
Net receivables	14,729	54,344
Due from other funds	--	36,605
Total current assets	<u>2,443,551</u>	<u>3,979,781</u>
Noncurrent assets		
Capital assets		
Improvements other than buildings	5,674,450	--
Machinery and equipment	15,709,262	14,765,663
Total capital assets in service	21,383,712	14,765,663
Less accumulated depreciation	(8,346,808)	(6,587,764)
Net capital assets	13,036,904	8,177,899
Total noncurrent assets	<u>13,036,904</u>	<u>8,177,899</u>
Total assets	<u>15,480,455</u>	<u>12,157,680</u>
LIABILITIES		
Current liabilities		
Accounts payable	269,071	261,471
Accrued expenses	222,881	152,976
Current portion of long-term liabilities		
Long-term debt	1,221,422	1,496,201
Accumulated unpaid compensated absences	390,117	413,277
Total current liabilities	<u>2,103,491</u>	<u>2,323,925</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	3,175,653	4,506,481
Accumulated unpaid compensated absences	354,897	334,221
Total noncurrent liabilities	<u>3,530,550</u>	<u>4,840,702</u>
Total liabilities	<u>5,634,041</u>	<u>7,164,627</u>
NET ASSETS		
Invested in capital assets, net of related debt	8,639,829	2,175,217
Unrestricted	1,206,585	2,817,836
Total net assets	<u>\$ 9,846,414</u>	<u>\$ 4,993,053</u>

Exhibit 34-B

**MUNICIPAL INFORMATION SYSTEMS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services - net	\$ 15,774,278	\$ 14,121,203
Operating expenses		
Personal services	6,914,266	6,272,963
Materials and supplies	1,165,570	1,351,053
Contractual services	2,801,256	2,264,449
Other operating expenses	3,059,662	2,681,570
Depreciation	1,763,264	791,863
Total operating expenses	<u>15,704,018</u>	<u>13,361,898</u>
Operating income (loss)	70,260	759,305
Nonoperating revenues (expenses)		
Investment income	175,189	196,431
Interest expense and fiscal charges	(64,692)	(190,410)
Net gain on disposal of assets	--	1,432
Contribution from other governmental agencies	--	5,420
Total nonoperating revenues	<u>110,497</u>	<u>12,873</u>
Capital contributions		
Contributions from others	<u>4,907,450</u>	<u>--</u>
Income before transfers	5,088,207	772,178
Transfers in	--	1,399
Transfers out	(234,846)	(200,194)
Net transfers	<u>(234,846)</u>	<u>(198,795)</u>
Net income	4,853,361	573,383
Net assets at beginning of year	<u>4,993,053</u>	<u>4,419,670</u>
Net assets at end of year	<u>\$ 9,846,414</u>	<u>\$ 4,993,053</u>

**MUNICIPAL INFORMATION SYSTEMS FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Receipts from customers	\$ 93,328	\$ --
Receipts from interfund services provided	15,680,950	14,121,203
Payments to suppliers	(3,666,506)	(3,419,762)
Payments to employees	(6,530,399)	(5,892,885)
Internal activity - payments to other funds	(3,629,528)	(3,432,323)
Net cash provided by operating activities	<u>1,947,845</u>	<u>1,376,233</u>
Cash flows from noncapital financing activities		
Transfers out to other funds	(196,869)	(200,194)
Other non-operating revenues	--	5,420
Net cash used for noncapital financing activities	<u>(196,869)</u>	<u>(194,774)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(1,752,795)	(426,148)
Proceeds from sale of fixed assets	--	1,432
Principal paid on long term debt	(1,605,607)	(1,082,191)
Interest expense and fiscal charges	(64,692)	(190,410)
Net cash used for capital and related financing activities	<u>(3,423,094)</u>	<u>(1,697,317)</u>
Cash flows from investing activities		
Purchase of investment securities	(8,000,000)	--
Proceeds from sale and maturity of investment securities	9,500,000	150,000
Interest on investments	212,108	153,273
Net cash provided by investing activities	<u>1,712,108</u>	<u>303,273</u>
Net increase (decrease) in cash and cash equivalents	39,990	(212,585)
Cash and cash equivalents at beginning of year	<u>388,832</u>	<u>601,417</u>
Cash and cash equivalents at end of year	<u>\$ 428,822</u>	<u>\$ 388,832</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ 70,260	\$ 759,305
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	1,763,264	791,863
Changes in assets and liabilities		
Receivables	2,695	(2,345)
Due from other funds	36,605	(36,192)
Accounts payable	7,600	(108,283)
Accrued expenses	69,905	26,815
Due to other funds	--	(40,109)
Accumulated unpaid compensated absences	(2,484)	(14,821)
Net cash provided by operating activities	<u>\$ 1,947,845</u>	<u>\$ 1,376,233</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ --	\$ (9,913)
Acquisition of capital assets under capital lease	\$ --	\$ 5,697,019
Transfer of capital lease from (to) other fund	\$ (37,976)	\$ 1,399
Contribution of capital assets	\$ 4,907,450	\$ --



City of
Corpus
Christi

CORPUS CHRISTI DIGITAL COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
JULY 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 196,562	\$ 57,600
Receivables		
Accounts	--	19,650
Accrued interest	--	5,710
Net receivables	<u>--</u>	<u>25,360</u>
Due from other funds	--	50,000
Total current assets	<u>196,562</u>	<u>132,960</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	543,142	273,049
Total capital assets in service	<u>543,142</u>	<u>273,049</u>
Less accumulated depreciation	(149,825)	(61,161)
Net capital assets	<u>393,317</u>	<u>211,888</u>
Total noncurrent assets	<u>393,317</u>	<u>211,888</u>
Total assets	<u>589,879</u>	<u>344,848</u>
LIABILITIES		
Current liabilities		
Accounts payable	179,527	113,853
Current portion of long-term liabilities		
Long-term debt	63,718	34,909
Total current liabilities	<u>243,245</u>	<u>148,762</u>
Noncurrent liabilities		
Long-term liabilities, net of current portion		
Long-term debt	88,629	93,405
Total liabilities	<u>331,874</u>	<u>242,167</u>
NET ASSETS		
Invested in capital assets, net of related debt	240,970	83,574
Unrestricted	17,035	19,107
Total net assets	<u>\$ 258,005</u>	<u>\$ 102,681</u>

Exhibit 35-B

CORPUS CHRISTI DIGITAL COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services - net	\$ 2,646,540	\$ 2,421,995
Operating expenses		
Personal services	83,520	37,633
Materials and supplies	363,532	241,569
Contractual services	1,446,881	1,324,205
Other operating expenses	546,621	731,344
Depreciation	84,444	36,912
Total operating expenses	<u>2,524,998</u>	<u>2,371,663</u>
Operating income	121,542	50,332
Nonoperating revenues (expenses)		
Investment income	374	15,765
Interest expense and fiscal charges	(6,107)	(3,547)
Net gain on disposal of assets	1,539	--
Contributions and donations	--	17,036
Total nonoperating revenues	<u>(4,194)</u>	<u>29,254</u>
Income before transfers	117,348	79,586
Transfers in	37,976	24,494
Transfers out	--	(1,399)
Net transfers	<u>37,976</u>	<u>23,095</u>
Net income	155,324	102,681
Net assets at beginning of year	<u>102,681</u>	<u>--</u>
Net assets at end of year	<u>\$ 258,005</u>	<u>\$ 102,681</u>

**CORPUS CHRISTI DIGITAL COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 233,277	\$ 65,545
Receipts from interfund services provided	2,432,914	2,336,800
Payments to suppliers	(1,714,516)	(1,431,738)
Internal activity - payments to other funds	(610,365)	(839,159)
Net cash provided by operating activities	341,310	131,448
Cash flows from noncapital financing activities		
Contributions and donations	--	17,037
Cash flows from capital and related financing activities		
Acquisition of capital assets	(140,548)	(94,076)
Proceeds from sale of fixed assets	1,539	--
Transfer in from other funds for capital acquisition	--	24,458
Principal paid on long term debt	(63,316)	(27,774)
Interest and fiscal charges	(6,107)	(3,547)
Net cash used for capital and related financing activities	(208,432)	(100,939)
Cash flows from investing activities		
Interest on investments	6,084	10,054
Net increase in cash and cash equivalents	138,962	57,600
Cash and cash equivalents at beginning of year	57,600	--
Cash and cash equivalents at end of year	\$ 196,562	\$ 57,600
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 121,542	\$ 50,332
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	84,444	36,913
Changes in assets and liabilities		
Receivables	19,650	(19,650)
Due from other funds	50,000	(50,000)
Accounts payable	65,674	113,853
Net cash provided by operating activities	\$ 341,310	\$ 131,448
Noncash investing, capital and financing activities		
Acquisition of capital assets under capital lease	\$ 87,350	\$ 68,953
Transfer of capital lease from (to) other fund	\$ 37,976	\$ (1,363)



City of
Corpus
Christi

**LIABILITY AND EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,533,198	\$ 25,916
Investments	41,999,498	40,496,043
Receivables		
Accounts	391,721	665,796
Accrued interest	270,019	446,858
Employees	160	--
Allowance for uncollectibles	(42,782)	(344,265)
Net receivables	619,118	768,389
Due from other funds	558,213	368,767
Prepaid items	1,817,854	1,257,622
Total current assets	<u>47,527,881</u>	<u>42,916,737</u>
Noncurrent assets		
Other assets	49,871	49,871
Total assets	<u>47,577,752</u>	<u>42,966,608</u>
LIABILITIES		
Current liabilities		
Accounts payable	573,011	345,191
Accrued expenses	69,904	59,607
Current portion of estimated liability claims	5,493,772	5,742,860
Estimated health insurance claims payable	1,753,000	1,452,000
Liability to claimants-escheat property	87,269	111,674
Unearned revenue	11,085	9,218
Current portion of accumulated unpaid compensated absences	48,527	42,108
Total current liabilities	<u>8,036,568</u>	<u>7,762,658</u>
Noncurrent liabilities		
Estimated liability claims	7,317,445	7,323,843
Accumulated unpaid compensated absences, net of current portion	6,915	--
Net OPEB obligation	4,838,382	--
Total noncurrent liabilities	<u>12,162,742</u>	<u>7,323,843</u>
Total liabilities	<u>20,199,310</u>	<u>15,086,501</u>
NET ASSETS		
Unrestricted	<u>27,378,442</u>	<u>27,880,107</u>
Total net assets	<u>\$ 27,378,442</u>	<u>\$ 27,880,107</u>

Exhibit 36-B

LIABILITY AND EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services		
Liability insurance	\$ 8,600,935	\$ 8,195,614
Life insurance	93,134	93,126
Health insurance	24,697,136	24,557,970
Disability insurance	148,780	148,597
Administration	1,147,236	1,066,204
Total operating revenues	<u>34,687,221</u>	<u>34,061,511</u>
Operating expenses		
Personal services	861,029	750,585
Materials and supplies	139,997	134,963
Contractual services	2,006,354	1,920,987
Insurance premiums	3,847,847	3,714,921
Other operating expenses	177,113	140,965
Group health claims	19,268,349	17,910,413
General liability claims	1,084,264	2,828,058
Workers' compensation claims	3,078,800	1,717,326
Unemployment compensation claims	120,060	127,500
Other post employment benefits	6,464,650	--
Uncollectible accounts	11,580	27,937
Total operating expenses	<u>37,060,043</u>	<u>29,273,655</u>
Operating income (loss)	(2,372,822)	4,787,856
Nonoperating revenues (expenses)		
Investment income	1,891,612	2,019,412
Interest expense and fiscal charges	(6,283)	(5,866)
Recovery of prior year revenues	100	18,866
Recovery of damage claims	1,250	--
Total nonoperating revenues	<u>1,886,679</u>	<u>2,032,412</u>
Income (loss) before transfers	(486,143)	6,820,268
Transfers out	(15,522)	(78,469)
Net income (loss)	(501,665)	6,741,799
Net assets at beginning of year	<u>27,880,107</u>	<u>21,138,308</u>
Net assets at end of year	<u>\$ 27,378,442</u>	<u>\$ 27,880,107</u>

Exhibit 36-C

**LIABILITY AND EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	2008	2007
Cash flows from operating activities		
Receipts from customers	\$ 9,226,364	\$ 9,358,585
Receipts from interfund services provided	25,423,684	24,973,099
Payments to suppliers	(6,446,498)	(6,980,459)
Payments to employees	(787,974)	(709,455)
Internal activity - payments to other funds	(98,419)	(29,982)
Claims paid	(25,156,632)	(23,551,551)
Net cash provided by operating activities	2,160,525	3,060,237
Cash flows from noncapital financing activities		
Changes in interfund borrowings	(197,783)	2,378,954
Interest on interfund borrowings	(1,317)	37,458
Transfers out to other funds	(15,522)	(78,469)
Other non-operating revenue	1,350	18,866
Other non-operating expenses	(4,966)	--
Net cash provided by (used for) noncapital financing activities	(218,238)	2,356,809
Cash flows from investing activities		
Purchase of investment securities	(79,949,698)	(60,499,647)
Proceeds from sale and maturity of investment securities	78,449,497	52,793,605
Purchase of other assets	--	(49,871)
Interest on investments	2,065,196	1,647,124
Net cash provided by (used for) investing activities	564,995	(6,108,789)
Net increase (decrease) in cash and cash equivalents	2,507,282	(691,743)
Cash and cash equivalents at beginning of year	25,916	717,659
Cash and cash equivalents at end of year	\$ 2,533,198	\$ 25,916
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (2,372,822)	\$ 4,787,856
Adjustments to reconcile operating income to net cash provided by operating activities		
Provision for uncollectible accounts	11,580	27,937
Changes in assets and liabilities		
Receivables	(39,039)	268,299
Due from other funds	8,229	87,332
Prepaid items	(560,233)	(743,166)
Accounts payable	227,821	(383,318)
Accrued expenses	10,297	10,992
Estimated claims liability	45,514	(971,084)
Liability to claimants-escheat property	(24,405)	2,830
Due to other funds	--	(26,631)
Unearned revenue	1,867	1,874
Accumulated unpaid compensated absences	13,334	(2,684)
Net OPEB obligation	4,838,382	--
Net cash provided by operating activities	\$ 2,160,525	\$ 3,060,237
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 3,254	\$ 90,790



City of
Corpus
Christi

**ENGINEERING SERVICES FUND
COMPARATIVE STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 686,893	\$ 270,612
Investments	--	1,500,000
Receivables		
Accrued interest	--	1,432
Due from other funds	943,360	610
Total current assets	<u>1,630,253</u>	<u>1,772,654</u>
Noncurrent assets		
Capital assets		
Land	2,199	--
Machinery and equipment	183,592	163,989
Total capital assets in service	<u>185,791</u>	<u>163,989</u>
Less accumulated depreciation	(127,961)	(102,943)
Net capital assets	<u>57,830</u>	<u>61,046</u>
Total noncurrent assets	<u>57,830</u>	<u>61,046</u>
Total assets	<u>1,688,083</u>	<u>1,833,700</u>
LIABILITIES		
Current liabilities		
Accounts payable	58,820	44,151
Accrued expenses	87,491	67,147
Due to other funds	--	10,112
Current portion of accumulated unpaid compensated absences	144,607	126,652
Total current liabilities	<u>290,918</u>	<u>248,062</u>
Noncurrent liabilities		
Accumulated unpaid compensated absences, net of current portion	<u>321,695</u>	<u>349,482</u>
Total liabilities	<u>612,613</u>	<u>597,544</u>
NET ASSETS		
Invested in capital assets	57,830	61,046
Unrestricted	<u>1,017,640</u>	<u>1,175,110</u>
Total net assets	<u>\$ 1,075,470</u>	<u>\$ 1,236,156</u>

Exhibit 37-B

**ENGINEERING SERVICES FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues		
Charges for services - net	\$ 3,750,155	\$ 3,675,363
Operating expenses		
Personal services	2,772,009	2,598,040
Materials and supplies	129,941	113,751
Contractual services	393,907	503,326
Other operating expenses	623,440	555,098
Depreciation	25,018	24,042
Total operating expenses	<u>3,944,315</u>	<u>3,794,257</u>
Operating loss	(194,160)	(118,894)
Nonoperating revenues		
Investment income	<u>33,474</u>	<u>64,800</u>
Net loss	(160,686)	(54,094)
Net assets at beginning of year	<u>1,236,156</u>	<u>1,290,250</u>
Net assets at end of year	<u><u>\$ 1,075,470</u></u>	<u><u>\$ 1,236,156</u></u>

Exhibit 37-C

**ENGINEERING SERVICES FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Receipts from customers	\$ -	\$ 17,242
Receipts from interfund services provided	3,750,765	3,659,525
Payments to suppliers	(957,887)	(988,084)
Payments to employees	(2,055,683)	(1,885,250)
Internal activity - payments to other funds	(890,658)	(883,999)
Net cash used for operating activities	<u>(153,463)</u>	<u>(80,566)</u>
Cash flows from noncapital financing activities		
Changes in interfund borrowings	(943,360)	--
Interest on interfund borrowings	876	1,314
Net cash provided by (used for) noncapital financing activities	<u>(942,484)</u>	<u>1,314</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(21,802)	(13,337)
Net cash used for capital and related financing activity	<u>(21,802)</u>	<u>(13,337)</u>
Cash flows from investing activities		
Purchase of investment securities	--	(1,500,000)
Proceeds from sale and maturity of investment securities	1,500,000	1,400,000
Interest on investments	34,030	61,936
Net cash provided by (used for) investing activities	<u>1,534,030</u>	<u>(38,064)</u>
Net increase (decrease) in cash and cash equivalents	416,281	(130,653)
Cash and cash equivalents at beginning of year	<u>270,612</u>	<u>401,265</u>
Cash and cash equivalents at end of year	<u>\$ 686,893</u>	<u>\$ 270,612</u>
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (194,160)	\$ (118,894)
Adjustments to reconcile operating income to net cash used for operating activities		
Depreciation	25,018	24,042
Changes in assets and liabilities		
Receivables	--	3,942
Due from other funds	610	1,403
Accounts payable	14,669	(13,483)
Accrued expenses	20,344	17,259
Due to other funds	(10,112)	(30,416)
Accumulated unpaid compensated absences	(9,832)	35,581
Net cash used for operating activities	<u>\$ (153,463)</u>	<u>\$ (80,566)</u>
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ --	\$ 1,550



City of
Corpus
Christi

Component Units

The Coastal Bend Health Facilities Development Corporation is a public non-profit corporation created by State law to facilitate financing and development of health and health-related facilities.

The Corpus Christi Convention and Visitors Bureau is a private Texas non-profit corporation organized for the purpose of promoting convention and visitors' activity in the Corpus Christi Bay area.



City of
Corpus
Christi

**DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
JULY 31, 2008**

	Coastal Bend Health Facilities Development Corporation	Corpus Christi Convention and Visitors Bureau	Total
ASSETS			
Cash and cash equivalents	\$ 3,671	\$ 462,978	\$ 466,649
Receivables	--	5,754	5,754
Inventories	--	8,598	8,598
Prepaid items	--	99,654	99,654
Capital assets, net of accumulated depreciation	--	209,471	209,471
Total assets	<u>3,671</u>	<u>786,455</u>	<u>790,126</u>
LIABILITIES			
Accounts payable	--	229,668	229,668
Accrued liabilities	--	183	183
Total liabilities	<u>--</u>	<u>229,851</u>	<u>229,851</u>
NET ASSETS			
Invested in capital assets	--	209,471	209,471
Unrestricted	3,671	347,133	350,804
Total net assets	<u>\$ 3,671</u>	<u>\$ 556,604</u>	<u>\$ 560,275</u>

**DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2008**

	Coastal Bend Health Facilities Development Corporation	Corpus Christi Convention and Visitors Bureau	Total
Expenditures/expenses			
Convention and visitor activities	\$ --	\$ 2,815,790	\$ 2,815,790
Program revenue			
Charges for services	--	196,153	196,153
Net program expense	--	(2,619,637)	(2,619,637)
General revenue			
Earnings on investments	--	8,989	8,989
Payments from the City of Corpus Christi	--	2,795,486	2,795,486
Total general revenues	--	2,804,475	2,804,475
Change in net assets	--	184,838	184,838
Net assets beginning of year	<u>3,671</u>	<u>371,766</u>	<u>375,437</u>
Net assets end of year	<u>\$ 3,671</u>	<u>\$ 556,604</u>	<u>\$ 560,275</u>

COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 3,671	\$ 3,671
LIABILITIES	<u>--</u>	<u>--</u>
NET ASSETS		
Unrestricted	<u>3,671</u>	<u>3,671</u>
Net assets	<u><u>\$ 3,671</u></u>	<u><u>\$ 3,671</u></u>

COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION
 STATEMENT OF ACTIVITIES
 YEAR ENDED JULY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Expenditures/expenses		
Health	\$ --	\$ 49,975
General revenue		
Earnings on investments	<u>--</u>	<u>294</u>
Change in net assets	--	(49,681)
Fund balance/net assets beginning of year	<u>3,671</u>	<u>53,352</u>
Fund balance/net assets end of year	<u>\$ 3,671</u>	<u>\$ 3,671</u>

**CORPUS CHRISTI CONVENTION AND VISITORS BUREAU
STATEMENT OF NET ASSETS
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 462,978	\$ 293,542
Accounts receivable	5,754	15,456
Inventories	8,598	19,487
Prepaid items	99,654	32,738
Capital assets, net of accumulated depreciation	<u>209,471</u>	<u>203,597</u>
Total assets	<u>786,455</u>	<u>564,820</u>
LIABILITIES		
Accounts payable	229,668	192,927
Accrued liabilities	<u>183</u>	<u>127</u>
Total liabilities	<u>229,851</u>	<u>193,054</u>
NET ASSETS		
Invested in capital assets	209,471	203,597
Unrestricted	<u>347,133</u>	<u>168,169</u>
Total net assets	<u>\$ 556,604</u>	<u>\$ 371,766</u>

**CORPUS CHRISTI CONVENTION AND VISITORS BUREAU
STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Expenditures/expenses		
Convention and visitor activities	\$ 2,815,790	\$ 2,864,185
Program revenue		
Charges for services	196,153	222,103
Net program expense	<u>(2,619,637)</u>	<u>(2,642,082)</u>
General revenue		
Earnings on investments	8,989	15,512
Payments from the City of Corpus Christi	2,795,486	2,641,000
Total general revenues	<u>2,804,475</u>	<u>2,656,512</u>
Change in net assets	184,838	14,430
Fund balance/net assets beginning of year	<u>371,766</u>	<u>357,336</u>
Fund balance/net assets end of year	<u>\$ 556,604</u>	<u>\$ 371,766</u>



City of
Corpus
Christi

***Capital Assets Used in the Operation
of Governmental Funds***

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE *
JULY 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets		
Land	\$ 63,571,454	\$ 63,173,754
Buildings	208,377,781	208,195,594
Improvements other than buildings	183,361,503	175,181,723
Machinery and equipment	100,044,293	94,259,852
Infrastructure	215,426,227	206,350,552
Construction in progress	<u>63,561,149</u>	<u>46,881,828</u>
Total governmental funds capital assets	<u>\$ 834,342,407</u>	<u>\$ 794,043,303</u>
Investment in governmental funds capital assets by source		
Capital projects funds	\$ 607,265,474	\$ 575,975,783
General and special revenue funds	66,381,670	61,867,465
Donations	17,212,978	16,007,291
Developers contributions	17,994,804	16,907,497
Federal revenue sharing	98,673,345	96,471,618
Tax increment zone	21,769,033	21,769,033
Claim settlements	<u>5,045,103</u>	<u>5,044,616</u>
Total investment in governmental funds capital assets by source	<u>\$ 834,342,407</u>	<u>\$ 794,043,303</u>

* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts and capital assets relating to solid waste activities are included. Generally, the capital assets of internal service funds are included as governmental activities and the Solid Waste capital assets are included as business-type activities in the statement of net assets.

City of Corpus Christi, Texas

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY *
JULY 31, 2008**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>
General Government				
Control				
City Council and City Secretary	\$ 397,358	\$ --	\$ 14,000	\$ 4,319
City Manager	359,940	--	--	7,673
Management and budget	102,156	--	--	--
Information services	835,417	--	--	600
Total control	<u>1,694,871</u>	<u>--</u>	<u>14,000</u>	<u>12,592</u>
Staff Agencies				
Director of finance	54,522	--	--	--
Accounting	3,874,599	--	--	92,405
Federal grant accounting	5,317	--	--	--
Accounts receivable and meter reading	566,240	--	--	--
Central cashiering	192,096	--	--	--
Cash management	6,577	--	--	--
Utility billing office administration and customer service operation	2,118,616	--	--	--
Nueces County Tax Appraisal District	70,588	--	--	3,710
Purchasing	47,964	--	--	--
Messenger service	1,675	--	--	--
City Attorney	388,621	--	--	118
Business development	35,074	--	--	--
Planning	635,303	--	--	--
Human resources	2,986,711	--	--	--
Human relations	3,450	--	--	--
City Hall vehicle pool	14,994	--	--	--
City Hall and Emergency Management Facility	22,875,444	3,732,487	17,705,759	89,844
Total staff agencies	<u>33,877,791</u>	<u>3,732,487</u>	<u>17,705,759</u>	<u>186,077</u>
Miscellaneous	2,708,289	434,045	37,170	1,515,500
Total general government	<u>38,280,951</u>	<u>4,166,532</u>	<u>17,756,929</u>	<u>1,714,169</u>
Police and municipal court				
Police				
Police	19,910,111	2,325,928	6,773,411	823,858
Crime Control District	650,611	--	--	--
Total police	<u>20,560,722</u>	<u>2,325,928</u>	<u>6,773,411</u>	<u>823,858</u>
Municipal Court	1,862,841	--	107,715	60,027
Total police and municipal court	<u>22,423,563</u>	<u>2,325,928</u>	<u>6,881,126</u>	<u>883,885</u>
Fire				
Fire	23,815,635	956,298	4,625,931	4,062,261
Fire academy	29,896	--	--	--
Fire prevention	140,443	--	--	--
Total fire	<u>23,985,974</u>	<u>956,298</u>	<u>4,625,931</u>	<u>4,062,261</u>
Ambulance	4,126,220	--	--	--
Emergency management				
Emergency management	119,665	--	--	7,592
Local Emergency Planning Committee	10,775	--	--	--
Total emergency management	<u>130,440</u>	<u>--</u>	<u>--</u>	<u>7,592</u>

(Continued)

Exhibit 41-B

<u>Machinery and Equipment</u>	<u>Infrastructure</u>
\$ 379,039	\$ --
352,267	--
102,156	--
834,817	--
<u>1,668,279</u>	<u>--</u>
54,522	--
3,782,194	--
5,317	--
566,240	--
192,096	--
6,577	--
2,118,616	--
66,878	--
47,964	--
1,675	--
388,503	--
35,074	--
635,303	--
2,986,711	--
3,450	--
14,994	--
1,347,354	--
<u>12,253,468</u>	<u>--</u>
721,574	--
<u>14,643,321</u>	<u>--</u>
9,986,914	--
650,611	--
<u>10,637,525</u>	<u>--</u>
1,695,099	--
<u>12,332,624</u>	<u>--</u>
14,171,145	--
29,896	--
140,443	--
<u>14,341,484</u>	<u>--</u>
<u>4,126,220</u>	<u>--</u>
112,073	--
10,775	--
<u>122,848</u>	<u>--</u>

City of Corpus Christi, Texas

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY *
JULY 31, 2008**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>
Inspections				
Building inspection	234,532	--	--	--
Petroleum inspection	5,223	--	--	--
Total inspections	<u>239,755</u>	<u>--</u>	<u>--</u>	<u>--</u>
Streets				
Director and engineering office	649,574	--	16,106	58,634
Streets, sidewalks, curbs and gutters	198,227,926	13,507,410	--	480,761
Street maintenance and construction	14,867,751	266,937	--	9,760,677
Street signs and markings	186,410	--	--	--
Street cleaning	70,868	--	--	--
Harbor Bridge and approaches	7,322,587	64,110	--	7,258,477
JFK Causeway	4,000,000	--	--	4,000,000
Seawall	45,803,259	--	--	45,803,259
Traffic engineering	4,549,287	--	14,999	286,135
Parking control	186,942	--	--	32,690
Total streets	<u>275,864,604</u>	<u>13,838,457</u>	<u>31,105</u>	<u>67,680,633</u>
Solid Waste				
Office	69,433	--	17,083	--
Refuse collections	10,911,812	--	133,224	107,934
Refuse disposal	45,885,238	7,551,717	78,648	15,660,575
Total solid waste	<u>56,866,483</u>	<u>7,551,717</u>	<u>228,955</u>	<u>15,768,509</u>
Health				
Health	4,955,512	61,909	3,165,835	299,781
Animal control	4,277,220	--	3,466,102	481,450
Total health	<u>9,232,732</u>	<u>61,909</u>	<u>6,631,937</u>	<u>781,231</u>
Parks, recreation and education				
Director of parks and recreation	53,342	--	--	--
Parks	67,102,691	16,326,948	1,544,412	41,796,626
Recreation	6,343,048	935,436	1,695,034	3,223,178
Miradores and Selena Memorial	1,965,000	--	--	1,965,000
Senior services	4,507,934	130,714	3,231,028	911,854
Upper level college facilities	1,529,971	1,510,810	--	19,161
Municipal service center	2,177,428	204,024	662,316	--
Total parks, recreation and education	<u>83,679,414</u>	<u>19,107,932</u>	<u>7,132,790</u>	<u>47,915,819</u>
Libraries				
Libraries	21,664,839	773,001	8,789,291	372,287
Corpus Christi museums				
Corpus Christi museums	6,476,755	--	4,724,292	1,282,349
Community enrichment				
Cultural and convention facilities				
Multipurpose arena	48,618,516	2,829,110	43,198,880	2,590,526
Coliseum	2,799,472	--	1,850,979	392,843
Auditorium	6,067,142	--	6,025,014	--
Baseball stadium	28,191,770	1,836,762	26,186,852	168,156
Harbor Playhouse	883,928	--	869,675	3,409
Convention center	63,498,058	798,244	52,565,434	2,783,450
Water Garden	1,508,263	--	--	1,499,926
Bayfront Science Park	10,552,998	3,647,642	2,468,913	4,279,696
Texas State Aquarium	20,844,296	2,047,044	11,024,033	7,773,219
Total cultural and convention facilities	<u>182,964,443</u>	<u>11,158,802</u>	<u>144,189,780</u>	<u>19,491,225</u>

(Continued)

**Exhibit 41-B
(Continued)**

Machinery and Equipment	Infrastructure
234,532	--
<u>5,223</u>	<u>--</u>
<u>239,755</u>	<u>--</u>
574,834	--
652,834	183,586,921
4,840,137	--
186,410	--
70,868	--
--	--
--	--
--	--
4,248,153	--
154,252	--
<u>10,727,488</u>	<u>183,586,921</u>
52,350	--
10,670,654	--
<u>5,483,235</u>	<u>17,111,063</u>
<u>16,206,239</u>	<u>17,111,063</u>
1,427,987	--
<u>329,668</u>	<u>--</u>
<u>1,757,655</u>	<u>--</u>
53,342	--
2,644,643	4,790,062
489,400	--
--	--
234,338	--
--	--
1,311,088	--
<u>4,732,811</u>	<u>4,790,062</u>
11,730,260	--
470,114	--
--	--
555,650	--
42,128	--
--	--
10,844	--
7,350,930	--
8,337	--
156,747	--
--	--
<u>8,124,636</u>	<u>--</u>

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY *
JULY 31, 2008**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>
Community enrichment (continued)				
Sister City	2,338	--	--	--
Bicentennial celebration	5,359	--	--	--
Public art	67,826	--	--	67,826
Total community enrichment	<u>183,039,966</u>	<u>11,158,802</u>	<u>144,189,780</u>	<u>19,559,051</u>
Community development				
Housing rehabilitation	31,827	19,750	--	--
Neighborhood improvement	198,511	--	--	4,255
Community renewal	12,633	--	--	--
Community Development Block Grant	30,333,487	800,221	5,941,629	23,329,462
Corpus Christi Community Improvement Corp.	1,473,294	59,497	1,413,797	--
Total community development	<u>32,049,752</u>	<u>879,468</u>	<u>7,355,426</u>	<u>23,333,717</u>
Other general capital assets:				
Packery Channel	9,938,181	--	--	--
Army Corp of Engineers office	10,909	--	10,909	--
State School sports complex	14,750	--	14,750	--
Workforce development	4,560	--	4,560	--
Naval Air Station safety zone	2,672,482	2,672,482	--	--
Transit facility	78,928	78,928	--	--
Total other general capital assets	<u>12,719,810</u>	<u>2,751,410</u>	<u>30,219</u>	<u>--</u>
Total capital assets in service	770,781,258	63,571,454	208,377,781	183,361,503
Less: accumulated depreciation	<u>363,974,225</u>	<u>--</u>	<u>56,758,038</u>	<u>93,450,042</u>
Net capital assets in service	<u>406,807,033</u>	<u>63,571,454</u>	<u>151,619,743</u>	<u>89,911,461</u>
Construction in progress	<u>63,561,149</u>	<u>567,648</u>	<u>4,420,463</u>	<u>25,562,118</u>
Total general capital assets	<u>\$ 470,368,182</u>	<u>\$ 64,139,102</u>	<u>\$ 156,040,206</u>	<u>\$ 115,473,579</u>

* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts and capital assets relating to solid waste activities are included. Generally, the capital assets of internal service funds are included as governmental activities and the Solid Waste capital assets are included as business-type activities in the statement of net assets.

**Exhibit 41-B
(Continued)**

Machinery and Equipment	Infrastructure
2,338	--
5,359	--
--	--
<u>8,132,333</u>	<u>--</u>
12,077	--
194,256	--
12,633	--
262,175	--
--	--
<u>481,141</u>	<u>--</u>
--	9,938,181
--	--
--	--
--	--
--	--
<u>--</u>	<u>9,938,181</u>
100,044,293	215,426,227
<u>82,298,818</u>	<u>131,467,327</u>
<u>17,745,475</u>	<u>83,958,900</u>
<u>15,612</u>	<u>32,995,308</u>
<u>\$ 17,761,087</u>	<u>\$ 116,954,208</u>

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY *
YEAR ENDED JULY 31, 2008**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
General government				
Control				
City Council and City Secretary	\$ 397,358	\$ --	\$ --	\$ 397,358
City Manager	359,940	--	--	359,940
Management and budget	102,156	--	--	102,156
Information services	835,417	--	--	835,417
Total control	<u>1,694,871</u>	<u>--</u>	<u>--</u>	<u>1,694,871</u>
Staff agencies				
Director of finance	54,522	--	--	54,522
Accounting	3,874,599	--	--	3,874,599
Federal grant accounting	5,317	--	--	5,317
Accounts receivable and meter reading	566,240	--	--	566,240
Central cashiering	192,096	--	--	192,096
Cash management	6,577	--	--	6,577
Utilities billing office administration and customer service operation	2,118,616	--	--	2,118,616
Nueces County Tax Appraisal District	70,588	--	--	70,588
Purchasing	47,964	--	--	47,964
Messenger service	1,675	--	--	1,675
City attorney	388,621	--	--	388,621
Business development	35,074	--	--	35,074
Planning	606,862	28,441	--	635,303
Human resources	2,986,712	--	--	2,986,712
Human relations	3,450	--	--	3,450
City Hall vehicle pool	14,994	--	--	14,994
City Hall and Emergency Management Facility	22,874,957	488	--	22,875,445
Total staff agencies	<u>33,848,864</u>	<u>28,929</u>	<u>--</u>	<u>33,877,793</u>
Miscellaneous	2,424,652	283,637	--	2,708,289
Total general government	<u>37,968,387</u>	<u>312,566</u>	<u>--</u>	<u>38,280,953</u>
Police and municipal court				
Police	19,571,148	338,963	--	19,910,111
Crime Control District	814,278	128,087	21,556	920,809
Total police	<u>20,385,426</u>	<u>467,050</u>	<u>21,556</u>	<u>20,830,920</u>
Municipal court	1,862,840	--	--	1,862,840
Total police and municipal court	<u>22,248,266</u>	<u>467,050</u>	<u>21,556</u>	<u>22,693,760</u>
Fire				
Fire	22,185,302	1,689,177	58,846	23,815,633
Fire academy	29,897	--	--	29,897
Fire prevention	140,443	--	--	140,443
Total fire	<u>22,355,642</u>	<u>1,689,177</u>	<u>58,846</u>	<u>23,985,973</u>
Ambulance	3,874,004	221,912	239,893	3,856,023

(Continued)

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY *
FISCAL YEAR ENDED JULY 31, 2008**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Emergency management				
Emergency management	119,665	--	--	119,665
Local emergency planning committee	10,775	--	--	10,775
Total emergency management	<u>130,440</u>	<u>--</u>	<u>--</u>	<u>130,440</u>
Inspections				
Building inspection	193,468	41,064	--	234,532
Petroleum inspection	5,223	--	--	5,223
Total inspections	<u>198,691</u>	<u>41,064</u>	<u>--</u>	<u>239,755</u>
Streets				
Director and engineering office	649,574	--	--	649,574
Streets, sidewalks, curbs and gutters	186,649,219	15,985	--	186,665,204
Street maintenance and construction	17,015,433	9,415,038	--	26,430,471
Street signs and markings	186,410	--	--	186,410
Street cleaning	70,868	--	--	70,868
Harbor Bridge and approaches	7,322,587	--	--	7,322,587
JFK Causeway	4,000,000	--	--	4,000,000
Seawall	45,613,756	--	--	45,613,756
Traffic engineering	4,549,288	189,502	--	4,738,790
Parking control	186,942	--	--	186,942
Total streets	<u>266,244,077</u>	<u>9,620,525</u>	<u>--</u>	<u>275,864,602</u>
Solid Waste				
Office	69,433	--	--	69,433
Refuse collections	8,532,419	2,475,427	96,035	10,911,811
Refuse disposal	38,130,881	7,754,358	--	45,885,239
Total solid waste	<u>46,732,733</u>	<u>10,229,785</u>	<u>96,035</u>	<u>56,866,483</u>
Health				
Health	4,955,512	--	--	4,955,512
Animal control	4,214,024	63,196	--	4,277,220
Total health	<u>9,169,536</u>	<u>63,196</u>	<u>--</u>	<u>9,232,732</u>
Parks, recreation and education				
Director of parks and recreation	53,342	--	--	53,342
Parks	66,175,967	1,021,753	95,029	67,102,691
Recreation	6,183,562	159,487	--	6,343,049
Miradores and Selena Memorial	1,965,000	--	--	1,965,000
Senior services	4,507,935	--	--	4,507,935
Upper level college facilities	1,529,971	--	--	1,529,971
Municipal service center	2,177,428	--	--	2,177,428
Total parks, recreation and education	<u>82,593,205</u>	<u>1,181,240</u>	<u>95,029</u>	<u>83,679,416</u>
Libraries	21,550,073	114,766	--	21,664,839
Corpus Christi museums	6,476,755	--	--	6,476,755

(Continued)



City of
Corpus
Christi

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY *
FISCAL YEAR ENDED JULY 31, 2008**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Community enrichment				
Cultural and convention facilities				
Multipurpose arena	53,438,330	7,669	--	53,445,999
Coliseum	2,799,472	--	--	2,799,472
Auditorium	6,067,142	--	--	6,067,142
Baseball stadium	28,191,771	--	--	28,191,771
Harbor Playhouse	883,928	--	--	883,928
Convention center	58,661,722	8,851	--	58,670,573
Water Garden	1,508,263	--	--	1,508,263
Bayfront Science Park	10,552,997	--	--	10,552,997
Texas State Aquarium	20,844,296	--	--	20,844,296
Total cultural and convention facilities	<u>182,947,921</u>	<u>16,520</u>	<u>--</u>	<u>182,964,441</u>
Sister City	2,338	--	--	2,338
Bicentennial celebration	5,358	--	--	5,358
Public art	67,826	--	--	67,826
Total community enrichment	<u>183,023,443</u>	<u>16,520</u>	<u>--</u>	<u>183,039,963</u>
Community development				
Housing rehabilitation	31,827	--	--	31,827
Neighborhood improvement	97,330	101,181	--	198,511
Community renewal	12,633	--	--	12,633
Community Development Block Grant	30,213,438	120,050	--	30,333,488
Corpus Christi Improvement Corp.	1,473,294	--	--	1,473,294
Total community development	<u>31,828,522</u>	<u>221,231</u>	<u>--</u>	<u>32,049,753</u>
Other general capital assets:				
Packery Channel	9,986,072	(47,890)	--	9,938,182
Army Corp of Engineers office	10,909	--	--	10,909
State School sports complex	14,750	--	--	14,750
Workforce development	4,560	--	--	4,560
Naval Air Station safety zone	2,672,482	--	--	2,672,482
Transit facility	78,928	--	--	78,928
Total other general capital assets	<u>12,767,701</u>	<u>(47,890)</u>	<u>--</u>	<u>12,719,811</u>
Total capital assets in service	<u>747,161,475</u>	<u>24,131,142</u>	<u>511,359</u>	<u>770,781,258</u>
Less: accumulated depreciation	337,955,830	26,441,636	423,241	363,974,225
Net capital assets in service	<u>409,205,645</u>	<u>(2,310,494)</u>	<u>88,118</u>	<u>406,807,033</u>
Construction in progress	46,881,828	32,949,406	16,270,085	63,561,149
Total general capital assets	<u>\$ 456,087,473</u>	<u>\$ 30,638,912</u>	<u>\$ 16,358,203</u>	<u>\$ 470,368,182</u>

* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts and capital assets relating to solid waste activities are included. Generally, the capital assets of internal service funds are included as governmental activities and the Solid Waste capital assets are included as business-type activities in the statement of net assets.



City of
Corpus
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Statistical Section

This part of the City of Corpus Christi, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	282
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	296
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	304
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	311
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	314
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

CITY OF CORPUS CHRISTI, TEXAS
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 148,248,890	\$ 85,981,541	\$ 67,103,377	\$ 52,992,539	\$ 95,591,014
Restricted	--	--	--	--	--
Unrestricted	44,913,259	104,798,961	136,973,037	164,904,402	144,449,151
Total governmental activities net assets	<u>\$ 193,162,149</u>	<u>\$ 190,780,502</u>	<u>\$ 204,076,414</u>	<u>\$ 217,896,941</u>	<u>\$ 240,040,165</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 390,904,239	\$ 420,036,983	\$ 478,884,825	\$ 527,336,134	\$ 505,475,536
Restricted	78,639,564	79,888,038	36,201,782	41,045,812	28,524,868
Unrestricted	97,669,351	76,317,057	69,891,251	30,102,257	85,278,867
Total business-type activities net assets	<u>\$ 567,213,154</u>	<u>\$ 576,242,078</u>	<u>\$ 584,977,858</u>	<u>\$ 598,484,203</u>	<u>\$ 619,279,271</u>
Primary government					
Invested in capital assets, net of related debt	\$539,153,129	\$506,018,524	\$545,988,202	\$580,328,673	\$601,066,550
Restricted	78,639,564	79,888,038	36,201,782	41,045,812	28,524,868
Unrestricted	142,582,610	181,116,018	206,864,288	195,006,659	229,728,018
Total primary government net assets	<u>\$ 760,375,303</u>	<u>\$ 767,022,580</u>	<u>\$ 789,054,272</u>	<u>\$ 816,381,144</u>	<u>\$ 859,319,436</u>

Note: The data in this table is abstracted from Exhibit 1-A

Table 1

<u>2007</u>	<u>2008</u>
\$ 160,007,194	\$ 171,559,799
5,085,156	7,161,689
108,485,456	118,117,170
<u>\$ 273,577,806</u>	<u>\$ 296,838,658</u>
\$ 557,699,068	\$ 614,734,623
20,698,409	17,162,129
40,565,906	1,923,108
<u>\$ 618,963,383</u>	<u>\$ 633,819,860</u>
\$ 717,706,262	\$ 786,294,422
25,783,565	24,323,818
149,051,362	120,040,278
<u>\$ 892,541,189</u>	<u>\$ 930,658,518</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Primary government				
Governmental activities				
General government	\$ 17,676,659	\$ 19,233,035	\$ 20,531,590	\$ 18,958,373
Police and municipal court	52,801,220	54,867,613	53,624,255	58,210,747
Fire and ambulance	30,538,482	31,482,882	30,530,062	32,947,348
Emergency management	448,349	844,952	548,443	390,319
Inspections	1,746,315	1,680,337	1,795,333	1,547,147
Streets	15,139,933	18,895,098	19,667,552	19,393,011
Health	5,205,759	5,659,932	5,542,871	6,382,815
Parks and recreation	15,937,495	17,982,043	17,557,686	18,385,625
Libraries	4,814,281	5,336,567	4,992,771	4,611,585
Museums	1,308,938	1,343,444	1,473,214	1,422,397
Community enrichment	494,149	617,513	589,503	925,890
Community development	6,014,092	5,841,595	4,367,786	5,621,030
Convention and visitor activities	8,015,530	7,212,965	7,377,505	13,894,739
Interest on long-term debt	12,870,489	13,389,707	15,004,915	13,193,892
Total governmental activities	<u>173,011,691</u>	<u>184,387,683</u>	<u>183,603,486</u>	<u>195,884,918</u>
Business-type activities				
Solid Waste	13,497,621	12,533,282	11,723,823	14,390,390
Utilities				
Water	62,457,605	67,117,405	74,419,004	83,950,395
Gas	19,360,646	30,105,373	29,157,534	33,417,878
Wastewater	25,250,795	28,426,726	30,881,821	33,308,073
Airport	7,129,046	8,959,181	10,271,494	11,161,666
Golf Centers	2,041,632	2,061,485	1,817,627	1,794,576
Marina	1,273,958	1,236,838	1,208,005	1,261,117
Total business-type activities	<u>131,011,303</u>	<u>150,440,290</u>	<u>159,479,308</u>	<u>179,284,095</u>
Total primary government	<u>\$ 304,022,994</u>	<u>\$ 334,827,973</u>	<u>\$ 343,082,794</u>	<u>\$ 375,169,013</u>
Program revenue				
Governmental activities				
Charges for services				
General government	\$ 1,825,616	\$ 18,925,978	\$ 19,443,016	\$ 21,245,892
Public safety	9,653,790	10,268,928	7,832,085	14,548,068
Other activities	8,142,229	8,354,158	13,174,757	12,407,743
Operating grants and contributions	12,662,355	13,946,396	11,987,476	13,713,334
Capital grants and contributions	10,494,751	4,016,522	5,441,051	5,495,781
Total governmental activities program revenues	<u>42,778,741</u>	<u>55,511,982</u>	<u>57,878,385</u>	<u>67,410,818</u>
(Continued)				

Table 2

	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	18,932,482	\$ 20,909,738	\$ 20,658,739
	60,561,629	67,186,703	73,018,660
	33,180,982	37,478,787	38,221,888
	2,392,096	358,799	470,593
	1,805,234	1,721,108	1,699,251
	21,438,339	23,145,350	25,060,354
	6,416,746	6,126,090	6,856,261
	19,253,871	18,933,077	21,455,686
	4,596,041	4,593,979	4,993,605
	1,521,829	1,412,561	1,886,531
	1,500,961	1,784,029	2,624,646
	6,228,409	4,114,411	4,594,232
	18,437,872	18,615,167	18,134,378
	17,291,116	14,713,700	14,665,318
	<u>213,557,607</u>	<u>221,093,499</u>	<u>234,340,142</u>
	11,872,414	27,045,462	20,075,708
	87,305,836	86,542,198	94,885,353
	37,394,842	36,919,568	38,128,913
	38,851,313	39,548,014	42,411,241
	11,154,572	10,991,302	11,555,900
	1,795,616	1,780,434	1,948,903
	1,381,124	1,692,618	1,806,755
	<u>189,755,717</u>	<u>204,519,596</u>	<u>210,812,773</u>
\$	<u>403,313,324</u>	<u>425,613,095</u>	<u>445,152,915</u>
\$	20,293,609	\$ 20,328,447	\$ 21,120,037
	16,365,087	18,053,712	18,582,177
	16,315,719	16,564,997	13,198,200
	12,553,974	13,585,522	13,293,341
	6,788,244	5,742,472	9,215,148
	<u>72,316,633</u>	<u>74,275,150</u>	<u>75,408,903</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Program revenue (continued)				
Business-type activities				
Charges for services				
Solid Waste	\$ 19,208,920	\$ 19,394,343	\$ 21,469,832	\$ 22,987,776
Utilities				
Water	60,880,266	65,534,811	74,937,669	82,332,283
Gas	22,184,588	31,540,322	30,639,162	33,835,399
Wastewater	30,927,823	32,859,510	36,177,877	39,458,482
Airport	6,859,874	8,117,196	9,120,533	9,752,728
Golf Centers	2,072,006	1,890,608	1,713,712	1,944,177
Marina	1,137,144	1,165,243	1,251,637	1,285,583
Operating grants and contributions	8,819,557	3,602,016	3,069,436	4,853,315
Capital grants and contributions	-	55,000	-	20,980
Total business-type activities program revenues	<u>152,090,178</u>	<u>164,159,049</u>	<u>178,379,858</u>	<u>196,470,723</u>
Total primary government program revenues	<u>\$ 194,868,919</u>	<u>\$ 219,671,031</u>	<u>\$ 236,258,243</u>	<u>\$ 263,881,541</u>
Net (expense) revenue				
Governmental activities	\$ (130,232,950)	\$ (128,875,701)	\$ (125,725,101)	\$ (128,474,100)
Business-type activities	21,078,875	13,718,759	18,900,550	17,186,628
Total primary government net expenses	<u>\$ (109,154,075)</u>	<u>\$ (115,156,942)</u>	<u>\$ (106,824,551)</u>	<u>\$ (111,287,472)</u>
General revenues and other changes in net assets				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	\$ 42,265,643	\$ 44,750,554	\$ 46,191,431	\$ 51,358,047
Property taxes, levied for debt service	14,824,482	15,222,925	16,827,513	16,851,911
Sales taxes	37,885,688	47,393,030	53,237,728	56,303,645
Hotel occupancy taxes	7,420,400	7,894,879	8,145,156	8,320,624
Other taxes and business fees	26,029,495	-	-	-
Unrestricted investment earnings	3,364,910	3,024,981	2,167,309	2,932,063
Miscellaneous	1,424,665	-	-	-
Transfers	9,705,252	6,010,676	10,296,957	7,196,375
Total governmental activities	<u>142,920,535</u>	<u>124,297,045</u>	<u>136,866,094</u>	<u>142,962,665</u>
Business-type activities				
Unrestricted investment earnings	5,540,869	3,517,850	2,287,106	2,848,054
Transfers	(9,705,252)	(6,010,676)	(10,296,957)	(7,196,375)
Total business-type activities	<u>(4,164,383)</u>	<u>(2,492,826)</u>	<u>(8,009,851)</u>	<u>(4,348,321)</u>
Total primary government	<u>\$ 138,756,152</u>	<u>\$ 121,804,219</u>	<u>\$ 128,856,243</u>	<u>\$ 138,614,344</u>
Changes in Net Assets				
Governmental activities	\$ 12,687,585	\$ (4,578,656)	\$ 11,140,993	\$ 14,488,565
Business-type activities	16,914,492	11,225,933	10,890,699	12,838,307
Total primary government	<u>\$ 29,602,077</u>	<u>\$ 6,647,277</u>	<u>\$ 22,031,692</u>	<u>\$ 27,326,872</u>

Note: In 2005 and after, the ambulance activity was included in the general fund. Prior years have not been restated.

**Table 2
(Continued)**

<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 24,187,529	\$ 26,641,520	\$ 29,843,162
84,775,949	75,147,044	87,131,217
40,274,507	40,694,377	43,166,492
36,284,201	38,833,360	41,784,614
9,908,494	9,764,349	9,948,929
2,242,033	1,740,134	1,943,751
1,222,145	1,326,631	1,436,603
8,634,637	105,065	47,668
12,018,013	26,818,057	24,436,963
<u>219,547,508</u>	<u>221,070,537</u>	<u>239,739,399</u>
<u>\$ 291,864,141</u>	<u>\$ 295,345,687</u>	<u>\$ 239,739,399</u>
\$ (141,240,974)	\$ (146,818,349)	\$ (158,931,239)
29,791,791	16,550,941	28,926,626
<u>\$ (111,449,183)</u>	<u>\$ (130,267,408)</u>	<u>\$ (130,004,613)</u>
\$ 50,834,041	\$ 51,477,867	\$ 52,288,456
20,470,482	22,105,552	25,021,687
61,261,030	66,124,730	70,120,506
9,408,919	9,630,152	10,337,342
--	--	--
5,423,353	7,321,196	6,220,124
--	--	--
16,259,591	18,759,642	18,203,976
<u>163,657,416</u>	<u>175,419,139</u>	<u>182,192,091</u>
6,798,421	7,120,196	4,133,827
(16,259,591)	(18,759,642)	(18,203,976)
<u>(9,461,170)</u>	<u>(11,639,446)</u>	<u>(14,070,149)</u>
<u>\$ 154,196,246</u>	<u>\$ 163,779,693</u>	<u>\$ 168,121,942</u>
\$ 22,416,442	\$ 28,600,790	\$ 23,260,852
20,330,621	4,911,495	14,856,477
<u>\$ 42,747,063</u>	<u>\$ 33,512,285</u>	<u>\$ 38,117,329</u>



City of
Corpus
Christi

Table 3

**CITY OF CORPUS CHRISTI, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Year	Property tax	Sales tax	Hotel tax	Total
1999	49,877,349	29,641,048	5,086,016	84,604,413
2000	51,511,700	30,590,459	6,714,211	88,816,370
2001	52,555,675	32,051,919	6,471,438	91,079,032
2002	57,075,633	37,885,688	7,420,400	102,381,721
2003	59,973,478	47,393,030	7,894,879	115,261,387
2004	63,018,943	53,237,728	8,145,156	124,401,827
2005	68,209,958	56,303,645	8,320,624	132,834,227
2006	71,304,523	61,261,030	9,408,919	141,974,472
2007	73,583,419	66,124,730	9,630,152	149,338,301
2008	77,310,143	70,120,506	10,337,342	157,767,991

CITY OF CORPUS CHRISTI, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General fund				
Reserved	\$ 2,021,443	\$ 1,398,054	\$ 2,209,702	\$ 2,743,442
Unreserved	1,164,854	3,316,997	8,159,676	10,944,746
Total general fund	<u>\$ 3,186,297</u>	<u>\$ 4,715,051</u>	<u>\$ 10,369,378</u>	<u>\$ 13,688,188</u>
All other governmental funds				
Reserved	\$ 30,145,011	\$ 25,467,572	\$ 36,518,759	\$ 41,729,212
Unreserved, reported in:				
Debt service funds	8,847,914	9,236,156	8,185,892	8,532,088
Special revenue funds	(983,177)	1,645,729	(288,470)	9,781,597
Capital projects funds	13,004,647	6,849,024	34,621,301	67,313,163
Total all other governmental funds	<u>\$ 51,014,395</u>	<u>\$ 43,198,481</u>	<u>\$ 79,037,482</u>	<u>\$ 127,356,060</u>

Note: In 2006 and 2005, the ambulance activity was included in the general fund. Prior years have not been restated.

Table 4

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$ 1,992,177	\$ 2,354,362	\$ 2,003,587	\$2,477,879	\$ 4,054,101	\$ 4,638,291
10,943,268	13,367,581	18,437,527	24,534,599	28,372,503	27,571,509
<u>\$ 12,935,445</u>	<u>\$ 15,721,943</u>	<u>\$ 20,441,114</u>	<u>\$27,012,478</u>	<u>\$ 32,426,604</u>	<u>\$ 32,209,800</u>
\$ 96,950,987	\$ 82,631,409	\$ 48,296,146	\$46,933,550	\$ 60,621,159	\$ 57,031,756
7,936,187	7,144,072	4,777,336	5,834,111	6,846,970	11,712,600
15,719,849	16,974,681	21,145,467	26,358,642	30,461,934	43,057,821
67,009,735	41,950,925	89,208,498	67,191,943	67,507,979	61,947,382
<u>\$ 187,616,758</u>	<u>\$ 148,701,087</u>	<u>\$ 163,427,447</u>	<u>\$146,318,246</u>	<u>\$ 165,438,042</u>	<u>\$ 173,749,559</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues				
Taxes and business fees	\$ 100,897,703	\$ 105,663,860	\$ 110,813,865	\$ 128,411,216
Licenses and permits	1,749,314	1,991,569	1,701,743	1,680,236
Intergovernmental	1,514,240	1,553,963	1,321,649	-
Grants	17,241,082	16,600,920	19,888,008	18,309,359
Charges for services	27,430,528	26,730,334	25,635,388	29,342,087
Fines and forfeitures	2,836,311	3,238,230	4,011,734	4,318,635
Deposits	--	--	--	79,219
Contributions and donations	567,539	1,838,030	1,303,391	314,233
Special assessments	460,075	277,221	366,819	225,863
Earnings on investments	2,320,138	1,618,102	2,731,642	3,364,910
Interest on loans	122,989	118,486	107,291	108,825
Change in fair value of investments	(158,539)	120,006	36,331	--
Payments from Lexington Museum Association	282,025	284,650	276,585	268,390
Payments from Las Carabelas Foundation	276,950	269,200	--	--
Payments from Corpus Christi Convention and Visitors Bureau	--	--	202,151	219,320
Payments from Texas State Aquarium	512,088	504,008	495,507	497,478
Payments from other agencies	14,225	13,575	12,900	12,900
Sale of city property	--	--	--	111,923
Recovery of prior years expenditures	--	--	--	54,633
Claim settlement	638,238	--	816,676	3,451,221
Naming rights	--	--	--	--
Miscellaneous	3,095,794	4,037,336	3,759,598	1,851,001
Total revenues	<u>159,800,700</u>	<u>164,859,490</u>	<u>173,481,278</u>	<u>192,621,449</u>
Expenditures				
General government	18,193,901	18,499,525	16,680,997	12,968,280
Public safety	64,384,420	64,623,972	64,371,854	73,918,474
Streets	9,047,340	9,671,249	9,137,705	10,452,285
Solid waste	12,593,994	13,645,632	12,721,571	16,097,663
Health	4,960,960	4,895,092	4,460,371	4,874,857
Community enrichment	27,413,609	27,358,068	29,743,311	23,875,847
Convention and visitors activities	--	--	--	7,152,823
Other	1,252,864	2,102,189	2,706,043	3,706,216
Capital projects	16,862,311	16,265,090	20,610,405	26,205,474
Debt service				
Principal retirement	16,291,803	16,558,068	17,173,700	18,521,900
Interest	6,507,686	6,049,570	5,581,069	8,896,238
Paying agent fees	--	--	--	9,824
Bond issue cost	7,679	5,589	9,558	1,198,739
Refund of bond issue cost	--	--	--	--
Interest on interfund borrowings	--	--	--	--
Total expenditures	<u>177,516,567</u>	<u>179,674,044</u>	<u>183,196,584</u>	<u>207,878,620</u>
Excess (deficiency) of revenues over (under) expenditures	(17,715,867)	(14,814,554)	(9,715,306)	(15,257,171)

City of Corpus Christi, Texas

Table 5

Fiscal Year		2003		2004		2005		2006		2007		2008	
\$	131,623,695	\$	140,974,351	\$	148,183,043	\$	158,452,760	\$	165,980,510	\$	174,899,312		
	1,917,640		2,396,870		3,321,875		3,493,616		3,399,993		3,576,249		
	-		-		-		-		--		--		
	15,489,416		14,952,235		15,163,571		14,535,800		16,261,424		18,216,186		
	30,268,143		34,531,641		41,306,241		50,520,423		53,669,631		54,989,566		
	3,922,564		5,189,598		5,658,571		6,118,520		6,907,942		6,825,170		
	340,917		103,674		605,095		1,093,803		270,716		191,724		
	592,601		907,170		1,881,172		2,589,488		1,948,807		3,380,012		
	225,768		274,427		154,380		118,526		74,235		442,323		
	3,024,981		2,167,309		2,372,884		5,447,570		8,424,738		6,386,948		
	103,108		93,839		254,651		31,771		374,210		233,846		
	--		--		--		--		--		--		
	190,120		181,125		283,800		352,849		347,173		248,868		
	--		--		--		--		--		--		
	249,223		241,786		252,841		272,234		--		--		
	117,117		377,255		512,182		500,427		518,117		508,685		
	12,900		12,900		11,425		7,425		--		--		
	108,627		6,035		6,413		3,230		4,940		12,353		
	32,558		--		--		--		--		--		
	1,171,565		3,000,000		--		--		--		--		
	--		--		--		175,000.0		175,000		175,000		
	1,125,302		1,166,420		1,689,941		979,929		1,186,020		1,390,645		
	<u>190,516,245</u>		<u>206,576,635</u>		<u>221,658,085</u>		<u>244,693,371</u>		<u>259,543,456</u>		<u>271,476,887</u>		
	13,753,127		16,221,322		18,096,800		18,961,633		20,707,495		21,306,706		
	80,532,121		82,785,712		87,833,826		101,805,112		107,360,877		110,663,675		
	10,531,232		12,107,029		10,989,960		13,056,076		13,502,624		14,233,051		
	12,715,966		14,840,086		13,825,317		13,569,912		15,192,042		18,278,582		
	5,329,227		5,536,134		6,417,300		6,452,124		5,980,026		6,592,800		
	26,684,023		26,889,774		27,786,066		30,008,152		27,458,882		31,248,848		
	5,836,428		6,164,876		10,887,455		13,794,220		13,782,313		13,193,524		
	750,414		999,374		--		--		--		--		
	30,908,856		82,358,053		70,456,764		46,907,032		33,406,955		35,812,462		
	19,178,933		22,975,927		25,911,488		24,697,600		26,918,876		24,853,049		
	10,175,576		12,660,246		12,954,911		15,746,138		16,657,960		17,480,632		
	9,850		11,914		19,044		24,746		36,049		33,994		
	2,110,181		1,006,357		2,132,781		589,508		650,025		730,903		
	--		--		--		--		(9,660)		--		
	--		--		21,147		80,169		148,160		--		
	<u>218,515,934</u>		<u>284,556,804</u>		<u>287,332,859</u>		<u>285,692,422</u>		<u>281,792,624</u>		<u>294,428,226</u>		
	(27,999,689)		(77,980,169)		(65,674,774)		(40,999,051)		(22,249,168)		(22,951,339)		

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Other financing sources (uses)				
Capital leases	\$ 1,132,471	\$ 3,076,314	\$ 2,087,995	\$ 4,448,062
Notes payable	--	--	--	9,000,000
General obligation bonds issued	--	--	--	--
Revenue bonds issued	--	--	--	44,641,271
Certificate of obligation bonds issued	--	--	9,229,090	--
Tax notes issued	--	--	--	--
Refunding bonds issued	--	--	26,376,000	11683849
Refund on bond issue costs	--	--	--	--
Proceeds of refunding bonds	--	--	18,296,494	--
Premium on bonds sold	--	--	--	--
Discount on bonds issued	--	--	--	--
Payment to escrow agent for refunded bonds	--	--	(8,593,000)	(11,458,676)
Transfers in	13,100,046	13,339,005	13,429,064	13,015,889
Transfers out	(9,145,708)	(7,887,925)	(9,617,009)	(8,744,499)
Total other financing sources (uses)	<u>5,086,809</u>	<u>8,527,394</u>	<u>51,208,634</u>	<u>62,585,896</u>
Net change in fund balances	<u>\$ (12,629,058)</u>	<u>\$ (6,287,160)</u>	<u>\$ 41,493,328</u>	<u>\$ 47,328,725</u>
Debt service as a percentage of noncapital expenditures	14.20%	13.84%	14.00%	15.76%

Note: In 2005 and after, the ambulance activity was included in the general fund. Prior years have not been restated.

Table 5
(Continued)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	1,735,104	\$ 3,083,773	\$ 2,032,704	\$ 2,917,492	\$ 3,447,512	\$ 2,623,408
	2,150,000	--	--	--	--	--
	--	--	60,000,000	--	34,975,000	--
	80,739,862	27,065,000	4,100,000	2,900,000	--	--
	--	6,901,632	14,914,122	18,605,000	2,415,695	--
	--	--	--	--	--	22,260,000
	23,855,037	--	--	--	--	13,445,000
	--	--	--	19,952	--	--
	--	--	60,685,564	--	--	--
	--	751,185	--	--	480,163	--
	--	(56,632)	--	(272,896)	--	--
	(23,474,491)	--	(59,387,098)	--	--	(12,822,371)
	15,682,295	15,717,877	14,400,438	12,291,674	14,031,497	13,676,363
	(13,180,863)	(11,611,839)	(11,625,425)	(6,464,810)	(8,276,245)	(8,136,348)
	<u>87,506,944</u>	<u>41,850,996</u>	<u>85,120,305</u>	<u>29,996,412</u>	<u>47,073,622</u>	<u>31,046,052.0</u>
\$	<u>59,507,255</u>	<u>\$ (36,129,173)</u>	<u>\$ 19,445,531</u>	<u>\$ (11,002,639)</u>	<u>\$ 24,824,454</u>	<u>\$ 8,094,713</u>
	16.78%	18.13%	18.92%	17.23%	17.88%	16.67%

Table 6

CITY OF CORPUS CHRISTI, TEXAS
GENERAL GOVERNMENTAL TAX AND BUSINESS FEES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property tax	Sales tax	Hotel tax	Business fees	Other taxes	Total
1999	49,877,349	29,641,048	5,086,016	14,596,050	1,697,240	100,897,703
2000	51,511,700	30,590,459	6,714,211	15,150,930	1,696,560	105,663,860
2001	52,555,675	32,051,919	6,471,438	17,895,243	1,839,590	110,813,865
2002	57,075,633	32,674,742	7,420,400	17,221,953	802,386	115,195,114
2003	59,935,265	45,677,489	7,894,879	16,119,482	1,996,580	131,623,695
2004	63,647,829	51,266,141	8,145,156	15,943,638	1,971,587	140,974,351
2005	67,482,260	55,236,059	8,320,624	16,076,514	1,067,586	148,183,043
2006	71,213,224	60,092,032	9,408,919	16,569,587	1,168,998	158,452,760
2007	75,818,774	62,563,386	9,630,152	16,738,947	1,229,251	165,980,510
2008	79,970,549	65,972,519	10,337,342	17,322,510	1,296,392	174,899,312

Table 7

**CITY OF CORPUS CHRISTI, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31	Tax Year	Real Property	Personal Property	Less: Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1999	1998	7,591,733,133	885,989,925	1,251,677,194	7,226,045,864	0.6237260	8,477,723,058	85.24%
2000	1999	7,829,632,259	922,955,223	1,290,002,278	7,462,585,204	0.6237260	8,752,587,482	85.26%
2001	2000	8,077,929,844	940,291,975	1,366,164,416	7,652,057,403	0.6237260	9,018,221,819	84.85%
2002	2001	8,435,234,205	1,033,337,024	1,439,246,174	8,029,325,055	0.6441745	9,468,571,229	84.80%
2003	2002	8,922,477,009	1,047,865,471	1,543,685,753	8,426,656,727	0.6441745	9,970,342,480	84.52%
2004	2003	9,525,269,802	1,091,986,683	1,669,360,087	8,947,896,398	0.6441745	10,617,256,485	84.28%
2005	2004	10,272,935,304	1,191,484,860	1,824,858,392	9,639,561,772	0.6341750	11,464,420,164	84.08%
2006	2005	11,130,529,932	1,230,303,736	1,872,808,840	10,488,024,828	0.6257990	12,360,833,668	84.84%
2007	2006	12,166,239,146	1,247,502,997	1,992,436,225	11,421,305,918	0.6023720	13,413,742,143	85.15%
2008	2007	14,084,066,107	1,447,200,791	2,420,434,047	13,110,832,851	0.5638460	15,531,266,898	84.42%

Exemptions include: residential homestead exemptions including exemptions granted to persons disabled and/or 65 years of age and older; exemptions granted to disabled and deceased veterans; productivity value loss; tax abatements; and House Bill 366 exemptions. Exemptions are granted to disabled veterans or their survivors based upon percent of disability with a minimum exemption of \$5,000 and a maximum exemption of \$12,000. Mobile homes, while classified as personal property, may be residential homesteads.

Source: Nueces County Appraisal District

**CITY OF CORPUS CHRISTI, TEXAS
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 VALUATION
FISCAL YEARS ENDED 1999 THROUGH 2008**

Fiscal Year	Tax Year	City of Corpus Christi General Fund	City of Corpus Christi Debt Service	Total City of Corpus Christi	Calallen ISD	Corpus Christi ISD	Corpus Christi Junior College District	Flour Bluff ISD	London ISD	Nueces County
1999	1998	0.449336	0.174390	0.623726	1.570000	1.555000	0.207811	1.496720	--	0.334585
2000	1999	0.468133	0.155593	0.623726	1.485810	1.500000	0.220466	1.491920	--	0.344622
2001	2000	0.463133	0.160593	0.623726	1.524170	1.570000	0.220466	1.526200	--	0.352742
2002	2001	0.457523	0.186652	0.644175	1.599830	1.570000	0.219880	1.526200	--	0.350242
2003	2002	0.460031	0.184144	0.644175	1.594900	1.590000	0.219880	1.526200	1.260000	0.360922
2004	2003	0.466554	0.177621	0.644175	1.599000	1.590000	0.235660	1.526200	1.255000	0.379693
2005	2004	0.460000	0.174175	0.634175	1.599000	1.620000	0.233800	1.526200	1.249000	0.424200
2006	2005	0.426624	0.199175	0.625799	1.599000	1.616000	0.228327	1.526197	1.390600	0.398929
2007	2006	0.403197	0.199175	0.602372	1.430000	1.486000	0.255723	1.386650	1.277300	0.365932
2008	2007	0.364671	0.199175	0.563846	1.276500	1.176050	0.241782	1.069500	1.143800	0.351340

Note: Data presented is received from Nueces County Tax Assessor-Collector.

Table 8

Nueces County Farm Roads and Flood Control	Nueces County Emergency Services District 1	Nueces County Hospital District	Port of Corpus Christi Authority	Nueces County Water Control & Improv. District 4	Port Aransas ISD	Robstown ISD	Tuloso Midway ISD	West Oso ISD
0.002488	0.022535	0.228028	0.026593	0.076400	1.440000	--	1.592050	1.510000
0.002563	0.030000	0.228028	0.024797	0.066818	1.420295	--	1.672050	1.480000
0.002738	0.030000	0.228028	0.023718	0.062498	1.449057	--	1.750050	1.540000
0.005238	0.060000	0.228028	0.002117	0.050000	1.462000	--	1.739700	1.540000
0.005396	0.060000	0.228028	-	-	1.536300	1.614000	1.727000	1.540000
0.005688	0.060000	0.228028	-	-	1.560458	1.614000	1.724700	1.570000
0.005500	0.060000	0.225000	-	-	1.557800	1.714000	1.724700	1.900000
0.005167	0.075000	0.174903	-	-	1.550000	1.714000	1.742200	1.780000
0.004746	0.075000	0.160715	-	-	1.394582	1.584000	1.612200	1.650000
0.004338	0.100000	0.144782	-	-	1.058300	1.254000	1.332200	1.340000

Table 9

**CITY OF CORPUS CHRISTI, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
JULY 31, 2008 AND JULY 31, 1999**

Name of Taxpayer	2008			1999		
	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value
American Electric Power Texas Central Co.	\$ 121,280,080	1	0.93%	\$ --		
Markwest Energy Partners L.P.	70,753,370	2	0.54%	--		0.00%
Padre Staples Mall, LP	64,972,156	3	0.50%	--		0.00%
H.E. Butt Grocery Company	58,878,328	4	0.45%	66,119,879	3	0.92%
Sabco Operating Company	57,921,940	5	0.44%			0.00%
Southwestern Bell Telephone Company	53,981,010	6	0.41%	82,890,607	2	1.15%
Bay Area Healthcare	50,004,843	7	0.38%			0.00%
Wal-Mart Auto Center	45,695,687	8	0.35%	46,102,108	6	0.64%
Zohouri Developments Mustang Island LLC	36,481,984	9	0.28%	--		0.00%
TRT Development Company	36,542,518	10	0.28%	32,846,259	8	0.45%
Columbia Bay Area Realty, Ltd.	--		0.00%	57,093,984	4	0.79%
Central Power & Light Company	--		0.00%	184,390,402	1	2.55%
Celanese Ltd.	--		0.00%	43,716,870	7	0.60%
Coastal Javelina Company	--		0.00%	52,154,237	5	0.72%
South Padre Drive LP	--		0.00%	30,682,562	10	0.42%
Camden Property Trust	--		0.00%	31,919,735	9	0.44%
	<u>\$ 596,511,916</u>		<u>4.56%</u>	<u>\$ 627,916,643</u>		<u>8.68%</u>

Source: Nueces County Appraisal District

Table 10

**CITY OF CORPUS CHRISTI, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEAR ENDED 2008**

Fiscal Year Ended July 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years (1)	Total Collections to Date	
		Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
1999	1998	45,070,727	43,379,465	96.25%	1,056,723	44,436,188	98.59%
2000	1999	46,546,084	44,836,825	96.33%	1,256,701	46,093,526	99.03%
2001	2000	47,727,871	45,900,923	96.17%	1,200,467	47,101,390	98.69%
2002	2001	51,722,865	49,683,646	96.06%	1,509,804	51,193,450	98.98%
2003	2002	54,282,374	52,161,807	96.09%	1,631,724	53,793,531	99.10%
2004	2003	57,640,112	55,417,905	96.14%	1,575,879	56,993,784	98.88%
2005	2004	61,131,691	58,864,317	96.29%	1,829,112	60,693,429	99.28%
2006	2005	65,237,253	62,656,806	96.04%	1,684,900	64,341,706	98.63%
2007	2006	68,230,749	64,961,636	95.21%	1,704,973	66,666,609	97.71%
2008	2007	72,029,119	70,048,380	97.25%	1,756,979	71,805,359	99.69%

(1) Information required by GASB # 44 differs from information reported. Collections in subsequent years represent total delinquent amounts received during the fiscal year, regardless of the fiscal year of the tax levy. Data for delinquent tax collections by levy year is not available from the Nueces County Tax Assessor's Office.



City of
Corpus
Christi

Table 11

**CITY OF CORPUS CHRISTI, TEXAS
ADOPTED TAX RATE
FISCAL YEARS ENDED 1999 THROUGH 2008**

Fiscal Year Ended July 31	Tax Year	Total Assessed Valuation	Assessments Rate	Gross Tax Rate (1)
1999	1998	7,226,045,864	100%	0.623726
2000	1999	7,462,585,204	100%	0.623726
2001	2000	7,652,057,403	100%	0.623726
2002	2001	8,029,325,055	100%	0.644175
2003	2002	8,426,656,727	100%	0.644175
2004	2003	8,947,896,398	100%	0.644175
2005	2004	9,639,561,772	100%	0.634175
2006	2005	10,488,024,828	100%	0.625799
2007	2006	11,421,305,918	100%	0.602372
2008	2007	13,110,832,851	100%	0.563846

(1) As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuation (unless City Charter provides less). The State allowables are computed based on 90% collections. On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed valuation for all purposes including debt service. The amended Charter provided for the tax rate to increase up to the State limit for voter approved debt after April 4, 1993.

**CITY OF CORPUS CHRISTI, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year Ended July 31	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Capital Leases	Other Notes Payable
1999	93,584,259	30,775,000	--	4,844,973	517,717
2000	84,876,424	29,075,000	--	5,817,440	442,931
2001	114,965,327	34,715,000	--	6,234,140	363,503
2002	109,164,376	31,110,000	43,960,000	6,956,538	9,363,645
2003	109,222,449	52,675,000	95,645,000	8,716,166	6,424,643
2004	100,489,139	57,110,000	120,910,000	7,378,760	6,001,404
2005	162,079,446	34,990,000	121,485,000	5,923,899	4,796,465
2006	149,085,000	32,480,000	120,810,000	6,525,617	4,360,000
2007	166,575,000	32,925,695	117,030,000	11,054,031	4,000,000
2008	152,030,000	30,885,695	114,480,000	9,102,549	25,510,000

Note: Details regarding the City's outstanding debt can be found in Note 14 of the Notes to the Financial Statements. See Table 17, the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 12

Fiscal Year Ended July 31	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Obligation	Revenue Bonds Payable	Capital Leases	Utility Notes			
1999	--	283,160,000	1,152,488	182,961,759	596,996,196	1.49%	0.05%
2000	--	274,490,000	1,068,636	180,474,498	576,244,929	1.62%	0.05%
2001	--	328,640,000	978,072	179,962,651	665,858,693	1.46%	0.04%
2002	--	316,768,796	4,868,267	179,085,859	701,294,466	1.43%	0.04%
2003	--	392,468,699	3,420,504	177,907,801	846,492,366	1.23%	0.03%
2004	--	375,633,482	5,119,476	176,221,133	848,869,790	1.32%	0.03%
2005	25,660,000	407,805,891	4,529,354	174,136,591	941,407,936	1.25%	0.03%
2006	44,025,000	453,850,000	3,277,956	171,604,070	986,017,643	1.14%	0.03%
2007	48,189,305	506,795,000	3,699,994	168,900,717	1,059,169,742	1.12%	0.03%
2008	47,524,305	479,220,000	4,591,194	166,018,108	1,029,361,851	1.26%	0.03%

Table 13

**CITY OF CORPUS CHRISTI, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31	General Obligation Bonds	Certificates of Obligation	Less Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value of Property	Per Capita (1)
1999	93,584,259	30,775,000	12,878,565	111,480,694	1.3150%	376.73
2000	84,876,424	29,075,000	11,747,384	102,204,040	1.1677%	368.36
2001	114,965,327	34,715,000	12,079,370	137,600,957	1.5258%	491.03
2002	109,164,376	31,110,000	11,285,112	128,989,264	1.3623%	461.04
2003	109,222,449	52,675,000	12,005,625	149,891,824	1.5034%	521.74
2004	100,489,139	57,110,000	11,259,740	146,339,399	1.3783%	504.34
2005	162,079,446	34,990,000	10,328,565	186,740,881	1.6289%	637.08
2006	149,085,000	32,480,000	10,255,911	171,309,089	1.3859%	579.77
2007	166,575,000	32,925,695	11,622,271	187,878,424	1.4006%	635.60
2008	152,030,000	30,885,695	16,591,514	166,324,181	1.0709%	559.17

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

(1) See Table 17 - Schedule of Demographic and Economic Statistics on page xxx for personal income and population data.

Table 14

**CITY OF CORPUS CHRISTI, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JULY 31, 2008**

<u>City</u>	<u>Net Direct Debt</u>		<u>Estimated % of Debt Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
	<u>Amount</u>	<u>As of</u>		
City of Corpus Christi, Texas - direct	\$ 152,501,365	7/31/2008	100.00%	\$ 152,501,365
County				
Nueces County (excluding special districts)	124,799,110	7/31/2008	37.05%	46,238,070
School District				
Calallen Independent School District	46,669,790	7/31/2008	39.77%	18,560,575
Corpus Christi Independent School District	67,649,194	7/31/2008	94.22%	63,739,071
Flour Bluff Independent School District	5,048,143	7/31/2008	85.45%	4,313,638
London Independent School District	10,501,260	7/31/2008	3.83%	402,198
Port Aransas Independent School District	9,274,472	7/31/2008	70.08%	6,499,550
Robstown Independent School District	23,646,947	7/31/2008	0.13%	30,741
Tuloso-Midway Independent School District	49,362,084	7/31/2008	50.16%	24,760,021
West Oso Independent School District	27,610,994	7/31/2008	32.16%	8,879,696
Other				
Corpus Christi Junior College District	134,477,584	7/31/2008	92.14%	123,907,646
Nueces County Hospital District	11,237,887	7/31/2008	37.05%	4,163,637
Total overlapping debt	510,277,465			301,494,843
Total direct and overlapping debt	\$ 662,778,830			\$ 453,996,208

NOTE A: It is estimated that \$106,884,957 is self supporting debt. To continue to maintain this debt as self-supporting, transfers will be made from Tourist and Convention, Airport Parking, Reinvestment Zone #2, Airport lease revenues, Marina, Golf Centers, Storm Water and Solid Waste in amounts sufficient to pay both principal and interest on the self-supporting debt.

NOTE B: Total direct debt shown for the City of Corpus Christi excludes self-supporting debt, and prorated share available for repayment in Debt Service Fund.

NOTE C: Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by the percent of area of each government that is within the boundaries of the City.

**CITY OF CORPUS CHRISTI, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit	\$ 847,772,306	\$ 875,258,748	\$ 901,822,182	\$ 946,857,123	\$ 997,034,248
Total net debt applicable to limit	<u>111,998,411</u>	<u>102,646,971</u>	<u>137,964,460</u>	<u>138,352,909</u>	<u>156,316,467</u>
Legal debt margin	<u>\$ 735,773,895</u>	<u>\$ 772,611,777</u>	<u>\$ 763,857,722</u>	<u>\$ 808,504,214</u>	<u>\$ 840,717,781</u>
Total net debt applicable to the limit as a percentage of debt limit	13.21%	11.73%	15.30%	14.61%	15.68%

(1) Assessed value is based on the appraised value of property prior to any deductions for exemptions. The assessed value is derived from the certified valuations provided by the Nueces County Tax Appraisal District as of July 25, 2008.

Table 15

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 1,061,725,649	\$ 1,146,442,016	\$ 1,235,133,813	\$ 1,341,374,214	\$ 1,553,126,690
<u>152,340,803</u>	<u>217,197,346</u>	<u>219,694,089</u>	<u>240,067,729</u>	<u>239,358,486</u>
<u>\$ 909,384,846</u>	<u>\$ 929,244,670</u>	<u>\$ 1,007,939,724</u>	<u>\$ 1,101,306,485</u>	<u>\$ 1,313,768,204</u>
14.35%	18.95%	17.79%	17.90%	15.41%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2008

Assessed value (1)	\$ 15,531,266,898
Debt limit (10% of total assessed value)	1,553,126,690
Debt applicable to limit:	
Gross Bonded Debt	255,950,000
Less: Net assets in Debt Service Fund	<u>16,591,514</u>
Total net debt applicable to limit	<u>239,358,486</u>
Legal debt margin	<u>\$ 1,313,768,204</u>

Table 16

**CITY OF CORPUS CHRISTI, TEXAS
PLEDGED - REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenue	Adjusted (1, 2) Operating Income Deductions	Net Revenue Available for Debt Service	Annual Debt Service Requirements		
				Principal	Interest	Coverage
1999	103,551,830	66,608,408	36,943,422	5,165,000	6,311,556	3.22
2000	122,631,232	71,213,069	51,418,163	6,970,000	7,359,474	3.59
2001	138,403,272	93,263,739	45,139,533	8,020,000	9,231,516	2.62
2002	115,312,497	80,330,621	34,981,876	8,735,000	9,202,086	1.95
2003	128,063,246	90,540,742	37,522,504	12,990,000	11,849,862	1.51
2004	133,214,799	95,996,767	37,218,032	13,205,000	12,334,049	1.46
2005	149,924,365	114,931,084	34,993,281	15,505,000	13,715,886	1.20
2006	169,845,386	124,064,017	45,781,369	17,890,000	15,459,432	1.37
2007	167,638,283	120,023,039	47,615,244	21,030,000	18,213,273	1.21
2008	174,023,636	121,130,851	52,892,785	22,715,000	18,133,573	1.29

(1) Beginning in fiscal year 2004-2005, storm water expenses are included.

Fiscal Year	Airport Revenue Bonds					
	Gross Revenue	Adjusted (2) Operating Income Deductions	Net Revenue Available for Debt Service	Annual Debt Service Requirements		
				Principal	Interest	Coverage
2001	\$ 8,382,606	\$ 4,819,174	\$ 3,563,432	\$ --	\$ 603,412	5.91
2002	6,216,202	5,392,659	823,543	--	1,206,824	0.68
2003	7,565,145	6,038,848	1,526,297	380,000	1,206,824	0.96
2004	8,607,001	6,257,371	2,349,630	395,000	1,188,964	1.48
2005	9,240,844	6,752,183	2,488,661	415,000	1,170,399	1.57
2006	9,643,668	7,514,851	2,128,817	435,000	1,150,686	1.34
2007	9,749,890	6,881,042	2,868,848	455,000	1,129,806	1.81
2008	9,913,635	6,777,331	3,136,304	475,000	1,107,966	1.98

(2) This amount is direct operating expenses less debt service, depreciation, capital outlay and amortization expenditures.

Table 17

**CITY OF CORPUS CHRISTI, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS ENDED 1999 THROUGH 2008**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (4)	School Enrollment Rate (5)	Unemployment Rate (6)
1999	295,920	8,870,496	21,948	32.5	--	40,290	7.4
2000	277,454	9,348,023	23,182	32.7	12.4	39,618	6.8
2001	280,228	9,706,189	24,141	33.2	--	39,138	6.3
2002	279,780	10,014,443	24,763	32.2	12.7	39,383	6.7
2003	287,290	10,438,622	25,696	33.6	--	39,268	7.1
2004	290,163	11,199,871	27,340	33.2	12.7	39,310	6.7
2005	293,122	11,802,000	28,539	34.2	--	38,978	5.4
2006	295,478	11,199,871	33,904	34.7	--	36,158	5.7
2007	295,594	11,816,184	35,750	34.6	--	38,796	4.7
2008	297,447	13,006,066	37,700	34.6	--	38,754	4.8

Source:

- (1) Texas State Data Center
- (2) Texas Workforce Commission
- (3) City of Corpus Christi staff
- (4) U. S. Census Bureau for population 25 years or older, some years not available
- (5) Corpus Christi Independent School District - budgeted daily enrollment
- (6) Texas Workforce Commission, city civilian labor force



City of
Corpus
Christi

Table 18

**CITY OF CORPUS CHRISTI, TEXAS
PRINCIPAL EMPLOYERS
JULY 31, 2008 AND JULY 31, 1999**

Employer	2008			1999 *		
	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Corpus Christi Army Depot	4,876	1	2.77%	--	--	--
Corpus Christi Independent School District	4,776	2	2.71%	--	--	--
Christus Spohn Health System	4,260	3	2.42%	--	--	--
City of Corpus Christi	3,434	4	1.95%	--	--	--
H.E.B. Grocery Company	2,539	5	1.44%	--	--	--
Bay, Ltd.	2,500	6	1.42%	--	--	--
Texas A&M - Corpus Christi	1,994	7	1.13%	--	--	--
Driscoll Children's Hospital	1,705	8	0.97%	--	--	--
Naval Air Station Corpus Christi	1,630	9	0.93%	--	--	--
Corpus Christi Medical Center	1,347	10	0.77%	--	--	--
Total			<u>16.51%</u>	<u>--</u>	<u>--</u>	<u>--</u>

Source: Corpus Christi Regional Economic and Development Corporation

* Information for 1999 not available

CITY OF CORPUS CHRISTI, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

Function	1999	2000	2001	2002	2003
General Fund					
Mayor	2.00	2.00	2.00	2.00	2.00
ACM - administrative services	2.00	2.00	2.00	2.00	2.00
ACM - development services	--	--	--	--	3.00
Capital budget	2.00	--	--	--	--
City attorney	24.50	25.00	21.00	21.00	23.00
City manager	3.00	6.00	5.00	5.00	5.00
City secretary	7.00	7.00	7.00	8.00	7.00
Communications and quality management	5.00	4.00	4.00	4.00	--
Community development	48.00	47.00	43.00	43.00	--
Neighborhood services	--	--	--	--	16.80
Economic development office	--	--	--	--	--
Education advisor	--	--	--	--	--
Engineering - special services	--	--	--	17.00	6.00
Engineering	10.00	11.00	17.00	--	10.00
Inspections	--	--	--	--	28.00
Internal auditor	--	--	--	--	--
Financial services	148.00	142.00	139.00	145.00	139.00
Fire	325.60	325.60	325.80	332.80	352.80
Health	77.50	76.13	65.63	66.63	69.63
Human relations	5.00	6.00	4.00	5.00	5.00
Human resources	25.30	24.25	20.25	20.38	18.75
Internal audit	3.00	3.00	--	--	--
Libraries	69.00	70.50	66.50	67.50	67.50
Management and budget	5.00	9.50	8.00	8.00	10.00
Materials management	9.00	8.00	--	--	--
Municipal court - administration	50.00	54.00	48.00	51.00	51.00
Municipal court - judicial	7.50	5.50	4.00	4.00	4.50
Museum	27.80	23.80	21.30	25.80	26.30
Office of Intergovernmental Relations a					
Community Development	--	--	3.0	3.00	--
Parks and recreation	290.50	292.78	280.76	280.37	286.51
Planning	20.00	19.00	17.00	17.00	17.00
Police	642.00	682.50	605.50	614.50	616.50
Public information	--	--	--	--	2.00
Risk management	12.00	11.00	--	--	--
Street and solid waste services	381.00	395.00	378.00	374.00	338.00
Total	2,201.70	2,252.56	2,087.74	2,116.98	2,107.29

Table 19

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
--	--	--	--	--
25.00	25.00	26.00	26.00	26.00
3.00	3.00	3.00	3.00	3.00
7.00	7.00	7.00	7.00	7.00
--	--	--	--	--
--	--	--	--	--
23.00	23.40	18.80	20.80	24.80
2.00	2.00	1.00	1.00	2.00
--	--	--	--	1.50
--	9.00	8.00	9.00	8.30
9.00	--	--	--	--
--	--	--	--	--
--	--	--	--	2.0
56.00	56.00	56.00	57.00	57.00
356.00	356.00	424.00	412.00	414.00
68.63	68.00	69.50	70.50	71.50
6.00	7.00	6.00	6.00	6.00
19.75	19.75	20.75	20.75	22.00
--	--	--	--	--
67.50	67.50	67.50	67.50	74.00
9.00	9.00	8.00	9.00	9.00
--	--	--	--	--
44.00	44.00	35.00	37.00	46.00
7.50	21.00	43.30	42.96	35.94
25.60	24.10	22.50	22.80	22.80
--	--	--	--	--
283.21	332.18	342.08	345.50	341.50
--	--	--	--	--
613.50	613.50	601.50	601.50	619.00
3.00	3.00	3.00	3.00	3.00
--	--	--	--	--
<u>310.00</u>	<u>315.00</u>	<u>292.00</u>	<u>303.00</u>	<u>305.00</u>
1,943.69	2,010.43	2,059.93	2,070.31	2,106.34

CITY OF CORPUS CHRISTI, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

<u>Function</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Enterprise Funds					
Aviation	86.80	87.00	89.00	91.75	93.75
Ambulance	61.00	61.00	61.0	61.00	68.00
Golf Centers	32.80	32.50	32.50	32.50	32.50
Marina	17.40	18.40	16.40	16.50	16.50
Gas	154.50	155.50	151.00	148.00	148.00
Wastewater	238.00	228.00	196.00	178.00	178.00
Water	234.50	239.00	202.50	179.50	180.00
ACM - Public Works	--	--	--	--	--
Utility Business Office	--	--	--	--	--
Utility Field Services	--	--	--	--	--
Engineering	68.00	68.10	--	--	--
Storm Water	81.00	85.00	85.00	85.00	85.00
Total	<u>974.00</u>	<u>974.50</u>	<u>833.40</u>	<u>792.25</u>	<u>801.75</u>
Internal Service Funds					
Engineering	--	--	57.10	57.10	57.10
Liability and employee benefits fund	--	--	11.0	13.0	14.00
Maintenance service	95.00	91.00	97.00	96.00	99.00
Municipal information system	27.00	29.00	47.00	47.00	50.00
Stores	10.00	10.00	10.00	10.00	8.00
Total	<u>132.00</u>	<u>130.00</u>	<u>222.10</u>	<u>223.10</u>	<u>228.10</u>
Special Revenue Funds					
Development Services	2.00	2.00	--	--	--
Visitor's facilities fund	40.00	40.00	40.00	40.00	40.00
Crime Control	--	--	74.00	80.50	76.10
Local Emergency Planning Committee	1.00	1.00	1.00	1.00	1.00
Total	<u>43.00</u>	<u>43.00</u>	<u>115.00</u>	<u>121.50</u>	<u>117.10</u>
Total operating budget FTE's	<u><u>3,350.70</u></u>	<u><u>3,400.06</u></u>	<u><u>3,258.24</u></u>	<u><u>3,253.83</u></u>	<u><u>3,254.24</u></u>

Source: City of Corpus Christi Office of Management and Budget

Table 19
(Continued)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
95.75	96.75	93.75	98.95	95.20
68.00	68.00	--	--	--
30.50	30.50	22.00	29.50	29.50
16.50	16.50	16.50	14.00	14.00
148.80	148.80	148.80	147.80	134.80
177.00	177.00	177.00	173.00	162.00
180.00	175.00	172.00	175.00	159.00
--	2.00	2.00	2.00	2.00
27.00	74.00	19.00	18.00	19.00
45.00	--	44.00	45.00	45.00
--	--	--	--	--
<u>85.00</u>	<u>85.00</u>	<u>85.00</u>	<u>84.00</u>	<u>77.00</u>
873.55	873.55	780.05	787.25	737.50
57.10	57.10	57.10	57.10	57.00
13.00	14.00	14.00	15.00	15.00
97.00	99.00	99.00	100.00	100.00
71.00	75.00	93.00	100.00	109.00
<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>
246.10	253.10	271.10	281.10	290.00
54.00	54.00	57.00	58.00	63.00
35.0	11.00	1.00	1.00	1.00
65.10	62.10	65.60	64.60	63.60
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>155.10</u>	<u>128.10</u>	<u>124.60</u>	<u>124.60</u>	<u>128.60</u>
<u><u>3,218.44</u></u>	<u><u>3,265.18</u></u>	<u><u>3,235.68</u></u>	<u><u>3,263.26</u></u>	<u><u>3,262.44</u></u>

**CITY OF CORPUS CHRISTI, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST SEVEN YEARS**

Function	2002	2003	2004	2005
Police				
Physical arrests	n/a	n/a	n/a	5,214
Parking violations	21,728 *	18,090 *	17,622 *	17,960 *
Traffic violations	n/a	n/a	n/a	64,449
Number of commissioned police officers	448	448	448	448
Number of employees - police officers and civilians	667	674	674	678
Officers per 1000 population	1.60	1.56	1.54	1.53
School crossing guards	83	83	83	83
Fire				
Number of calls answered	1,219	1,200	1,000	1,219
Inspections	3,659	3,000	3,500	3,659
Number of firefighters	379	394	395	383
Number of employees - firefighters and civilians	399	414	418	402
Employees per 1,000 population	1.35	1.37	1.36	1.31
State Fire Insurance Credit Rating	Class 4	Class 4	Class 4	Class 4
Streets				
Street resurfacing (miles)	--	--	--	--
Potholes repaired	51,622	50,000	60,000	75,024
Parks and recreation				
Athletic field permits issued	n/a	n/a	n/a	n/a
Community center admissions	n/a	n/a	n/a	n/a
Libraries				
Number of volumes	394,177	413,308	446,830	394,666
Circulation	1,155,516	1,096,084	1,149,994	1,155,516
Library cards in force	144,755	189,896	124,624	144,755
Computer usage, sessions	703,494	491,512	524,400	703,494
Number of website visitors	--	--	--	--
Number of in-house personal computer users	--	--	--	--
Solid Waste				
Refuse collected (tons/day)	299	325	325	364
Recyclables collected (tons/day)	62	57	53	12
Water				
New connections	n/a	n/a	n/a	1,302
Water main breaks	n/a	n/a	n/a	2,400
Average daily gallons treated & raw water sold	80,000,000	96,953,488	90,770,847	97,685,942
Average daily consumption per capita (gallons)	120	120	122	123
Gas				
Average daily consumption (mcf)	9,602	9,954	8,964	9,064
Wastewater				
Average daily sewage treatment (thousands of gallons)	28,403	n/a	n/a	n/a
Airport				
Number of airports	1	1	1	1
Number of acres	2,571	2,428	2,428	2,574

Sources: Various city departments

* Note: Data presented is for the calendar year rather than the fiscal year.

** Number includes the combined Fire Department and EMS calls. Previous years figures reflect only Fire Department calls.

Table 20

2006	2007	2008
4,792	11,282	14,440
18,287 *	17,571	23,973
57,478	58,885 *	53,355
448	448	448
671	672	672
1.52	1.52	1.51
87	87	91
30,700 **	33,000	37,492
3,000	4,765	4,641
383	402	394
400	419	433
1.30	1.36	1.32
Class 4	Class 3	Class 3
--	722,367 sq yds	367,266 sq yds
75,000	83,177	97,634
n/a	n/a	n/a
n/a	n/a	n/a
394,666	389,634	405,225
1,191,605	1,211,792	1,241,042
150,552	143,699	150,712
1,044,617	1,160,698	--
--	--	1,562,782
--	--	203,480
389	395	386
13	13	13
1,358	1,690	1,137
2,617	2,313	2,022
106,251,600	136,281,605	169,415,273
121	134	119
8,438	2,842	8,498
27,477,926	30,605,216	28,807,687
1	1	1
2,574	2,574	2,657

**CITY OF CORPUS CHRISTI, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN YEARS**

Function	2002	2003	2004	2005
General government				
Buildings: (City owned)				
Total square footage, approximate	2,185,079	2,185,079	2,850,000	2,864,000
Police				
Stations	4	4	4	4
Patrol units	298	298	301	301
Area of responsibility - land area (square miles)	147.10	150.48	150.48	150.48
Fire				
Fire stations	15	16	16	16
Fire apparatus	38	38	39	30
Other motorized vehicles	67	67	62	77
Number of fire hydrants	8,000	8,000	8,300	8,300
Streets				
Streets (miles)	1,094	1,095	1,097	1,103
Streetlights	14,298	14,455	14,670	16,308
Libraries				
Number of libraries	5	5	5	5
Parks and recreation				
Parks acreage	1,408	1,580	1,408	1,408
Parks	189	190	189	189
Swimming pools	10	10	10	9
Tennis courts	43	49	49	49
Community centers	5	5	5	5
Park acreage partially developed	172	172	171	178
Playgrounds	139	139	139	139
Municipal beaches	4	4	4	4
Baseball diamonds	1	1	1	1
Softball diamonds	10	10	5	5
Senior centers	8	8	8	8
Gymnasiums	2	2	2	2
Covered basketball courts	2	2	2	1
Water				
Water mains (miles)	1,950	1,950	1,445	1,533
Maximum daily capacity (thousands of gallons)	112,000	110,000	110,000	109,000
Water connections - active	80,083	80,083	82,944	82,467
Storm water drainage ditches (miles)	607	607	607	607
Storm water underground pipe (miles)	597	597	597	597

Table 21

2006	2007	2008
2,864,000	2,864,000	2,883,975
4	4	4
295	295	295
150.48	150.48	150.48
16	16	16
30	30	30
77	77	77
8,400	8,400	8,479
1,103	1,119	1,123
16,308	16,662	16,767
5	5	5
1,418	1,415	1,418
189	190	190
9	9	9
37	37	37
5	5	5
171	171	168
128	129	131
4	4	4
1	1	4
5	5	5
8	8	8
2	2	2
3	3	3
1,533	1,553	1,584
104,880	97,750	97,850
83,785	85,959	84,442
607	607	610
597	597	606

**CITY OF CORPUS CHRISTI, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN YEARS**

Function	2002	2003	2004	2005
Gas				
Gas mains (miles)	1,251	1,262	1,279	1,288
Gas connections - active	n/a	54,413	55,789	53,461
Wastewater				
Sanitary sewers (miles)	1,262	1,268	1,292	1,220
Maximum daily treatment capacity (thousands of gallons)	44,700	44,700	44,700	44,700
Sewer connections	n/a	81,966	78,788	78,837
Lift stations	98	99	93	91
Airport				
Length of main runways	13,588	13,588	13,588	13,588
Scheduled airline arrivals and departures per year	17,844	16,640	20,228	19,704
Passengers enplaning and deplaning (including commercial helicopters)	777,530	758,846	789,830	854,606
Golf centers				
Municipal golf courses	2	2	2	2
Municipal golf links - acres	378	378	378	378
Marina				
Marina slips	580	580	558	451

Table 21
(Continued)

2006	2007	2008
1,291	1,327	1,337
53,989	54,436	53,688
1,243	1,258	1,265
44,700	44,700	44,700
80,725	82,957	81,823
96	95	97
13,588	13,588	13,588
19,689	19,710	16,306
890,800	886,528	861,641
2	2	2
378	376	376
456	590	590

Table 22

**MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR ENDED JULY 31, 2008**

GOVERNMENT: (1)

Date of incorporation	1852
Charter:	
Revised	July 13, 1968
Revised	September 15, 1970
Revised	January 22, 1975
Revised	April 5, 1980
Revised	August 11, 1984
Revised	April 4, 1987
Revised	January 19, 1991
Revised	April 3, 1993
Revised	November 2, 2004
Form of government:	
Fiscal year begins	August 1st
Number of City employees	3,309

GEOGRAPHICAL LOCATION: Southeastern Coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border.

AREA OF CITY: (in square miles)	Land	150.5
	Water	353.8
		<u>504.3</u>

POPULATION:	Year	Trade Area	Population
	1950	293,661	108,053
	1960	382,423	167,690
	1970	359,523	204,525
	1980	400,500	232,134
	2000	(Census) 474,157	277,454
	2006	487,294	295,594
	2007	485,885	297,447

ELEVATION: Sea level to 85 feet

TEMPERATURE: 82.739° F maximum average
62.84° F minimum average
72.78° F mean average

SEASONAL RAINFALL
27.41 inches for fiscal year ended 7-31-08

Source: (1) City Staff
(2) Port of Corpus Christi

**Table 22
(Continued)**

**MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR ENDED JULY 31, 2008**

PORT OF CORPUS CHRISTI: (2)

Tonnage handled through the Port during the year 2007	89,319,692
Number of ships handled during the year 2007	2,134
Number of barges handled during the year 2007	4,610

Public Docks:

Bulk oil	11
Dry cargo	8
Bulk materials	2
Total	<u>21</u>

Private Docks:

Dry Cargo -

ADM/Growmark	1 - Main Harbor
Bay, Inc.	2 - Main Harbor
Heldenfels	1 - Main Harbor
Interstate Grain	1 - Main Harbor
Cemex USA	1 - Main Harbor
Texas Lehigh Cement	1 - Main Harbor
Corpus Christi Equipment Co.	1 - Rincon
Tor Minerals International, Inc.	1 - Rincon
Sherwin Alumina Company	1 - La Quinta
McDermott	1 - Harbor Island
Corpus Christi Day Cruises	1 - Harbor Island
Gulf Marine Fabricators	1 - Ingleside
Kiewit Offshore Services, Inc.	1 - Ingleside

Bulk Liquids -

Citgo	6 - Main Harbor
Equistar	1 - Main Harbor
Flint Hills	3 - Main Harbor
Valero	3 - Main Harbor
Occidental Chemical	1 - La Quinta
Koch Gathering	1 - Ingleside
Channel Investments	1 - Jewel Fulton
Arco	1 - Jewel Fulton
Braswell	1 - Jewel Fulton
Total	<u>32</u>

Source:

- (1) City Staff
- (2) Port of Corpus Christi

Table 23

**CITY PAYROLL STATISTICS
FISCAL YEARS ENDED 1999 THROUGH 2008**

Fiscal Year	Salaries	Social Security & Medicare	Texas Municipal Retirement System	Fire Fighters' Retirement System Plan	Total Paid	Number Employees Last Payday of Year
1999	101,889,392	6,149,968	9,019,103	2,248,927	119,307,390	3,276
2000	102,242,291	6,241,322	9,026,902	2,171,942	119,682,457	3,277
2001	100,927,146	6,064,690	8,686,111	2,223,410	117,901,357	3,278
2002	105,312,317	6,418,618	9,826,228	2,300,476	123,857,639	3,264
2003	112,071,665	6,818,824	10,241,750	2,423,671	131,555,910	3,264
2004	121,745,107	7,370,874	11,386,987	2,673,855	143,176,822	3,317
2005	120,616,280	7,350,960	12,827,988	2,482,092	143,277,320	3,126
2006	124,601,361	5,903,267	13,853,273	2,795,774	147,153,675	3,183
2007	127,318,989	7,603,602	14,372,192	3,040,260	152,335,043	3,217
2008	133,145,260	7,991,390	15,603,377	3,575,262	160,315,289	3,309

Note: The data in this Table is abstracted from payroll reports.

Table 24

**RETIREMENT SYSTEM PENSION DATA
FISCAL YEARS ENDED 1999 THROUGH 2008**

TEXAS MUNICIPAL RETIREMENT SYSTEM PENSION DATA

Fiscal Year	Unfunded Pension Plan Liability	Pension Plan Receipts	Pension Plan Assets	Pension Benefits Paid	Investment Income
1999	59,102,885	20,352,492	200,864,672	4,059,461	11,456,800
2000	61,529,964	21,140,412	219,109,580	10,232,543	11,977,958
2001	* 67,157,221	33,955,322	222,098,830	30,966,073	21,149,094
2002	* 73,357,936	33,410,273	229,017,517	26,191,586	20,340,369
2003	* 80,254,024	33,378,009	232,869,362	29,526,164	19,360,126
2004	* 88,310,121	33,899,027	236,961,675	29,806,713	18,215,670
2005	* 107,200,266	32,945,242	238,411,240	31,495,577	16,180,600
2006	* 114,519,596	32,767,434	235,856,593	35,322,082	13,915,946
2007	* 123,761,526	33,620,204	236,329,255	33,147,542	13,206,208
2008	* 198,547,208	32,602,880	234,960,197	33,971,939	11,536,275

Note: Information is as of December 31 of the previous year which is the latest information available.

* Reflects information from both the Municipal Accumulation Fund and Employee Savings Fund. Previously, only the Municipal Accumulation Fund was presented.

FIRE FIGHTERS' RETIREMENT SYSTEM PENSION DATA

Fiscal Year	Unfunded Pension Plan Liability	Pension Plan Receipts	Pension Plan Assets	Pension Benefits Paid	Investment Income
1999	* 14,819,634	8,230,065	74,362,231	4,076,113	4,666,502
2000	*** --	11,496,409	84,101,910	4,800,634	7,741,256
2001	** 25,706,026	5,223,641	84,953,930	5,612,741	1,248,239
2002	*** --	2,843,990	80,023,270	5,918,829	(1,232,160)
2003	42,743,795	(1,525,575)	78,135,835	7,214,298	(5,750,086)
2004	*** --	18,168,197	81,278,306	7,412,898	13,706,022
2005	39,748,293	13,364,477	87,250,141	7,130,547	8,718,570
2006	--	4,949,285	89,401,693	7,399,360	1,704,474
2007	42,220,967	4,957,716	92,448,683	8,326,653	1,867,998
2008	*** --	5,723,279	101,440,018	8,789,387	1,904,806

Note: The Fire Fighters' Retirement System is not subject to any control by the City Council as the governing body of the City of Corpus Christi. Information is as of December 31 of the previous year which is the latest information available.

* Demographic assumptions were revised.

** Reflects plan benefit provisions effective January 3, 2000.

*** No actuarial valuation performed for previous calendar year.

Table 25

**ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED JULY 31, 2008**

<u>Type of Insurance</u>	<u>Insurer and Expiration Date</u>	<u>Amount of Coverage</u>
1. Property Insurances		
Commercial Property & Wind Policy First of Multiple layers Commercial City Properties	Underwriters at Lloyds Expires 5-4-09	Up to \$150 million Layer 1 (1 of 2) Building & Personal Property Blanket Coverage 1% Minimum \$250,000 for Named Storm Deductible \$250,000 all other Wind/Hail Deductible \$50,000 Deductible Other Perils \$100,000 Flood; Earthquake Deductible (Replacement cost coverage)
Commercial Property & Wind Policy Combination Primary Layer	Lantana Insurance, LTD Expires 5-4-09	Up to \$150 million Layer 1 (2 of 2) Building & Personal Property Blanket coverage
Excess Property & Wind Coverage Commercial City Properties	Underwriters at Lloyds Expires 5-4-09	ICAT Primary 10 Million Layer Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Arch Specialty Insurance Expires 5-4-09	\$6,250,00 part of \$15 Million Excess of \$10 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Essex Insurance Co Expires 5-4-09	\$5 Million part of \$15 Million excess of \$10 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	RSUI Indemnity Insurance Expires 5-4-09	\$6,250,00 part of \$25 Million Excess of \$25 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Aspen Insurance - UK Limited Expires 5-4-09	\$2,500,000 part of \$25 Million Excess of \$25 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Westchester Surplus Lines Expires 5-4-09	\$10 Million part of \$25 Million Excess of \$25 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Arch Specialty Insurance Expires 5-4-09	\$10 Million part of \$50 Million Excess of \$50 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Axis Specialty Company Expires 5-4-09	\$25 Million part of \$50 Million Excess of \$50 Million Building & Personal Property Blanket Coverage

Table 25
(Continued)

ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED JULY 31, 2008

Type of Insurance	Insurer and Policy Date	Amount of Coverage
1. Property Insurances (continued)		
Excess Property & Wind Coverage Commercial City Properties	Aspen Insurance UK Limited Expires 5-4-09	\$6,250,000 part of \$50 Million excess of \$50 Million Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lancashire Insurance Company Expires 5-4-09	\$37,500,000 part of \$50 Million excess of \$100,000,000 Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	RSUI Indemnity company Expires 5-4-09	\$100 Million Excess of \$150 Million excluding CAT Building & Personal Property Blanket Coverage
Boiler & Machinery Coverage Commercial City Properties	C N A Insurance Companies Expires 5-4-09	\$100 Million Property Damage \$2,500 Property Damage Deductible
2. Flood Insurance		
Primary Flood Specified City Buildings	National Flood Program/ Selective Insurance Expires 11-4-08	Building &/or contents values up to maximum of \$500,000 per building &/or \$500,000 per contents per location (specified locations)
3. Airport Liability		
Primary Aviation	Texas Municipal League Expires 11-4-08	\$25,000,000 limit, \$5,000 each occurrence deductible and \$10,000 annual aggregate deductible.
Excess Aviation	Underwriters at Lloyds Expires 11-4-08	\$50,000,000 Liability Limit in Excess of \$25,000,000 (\$75,000,000 max.)
4. Employee Dishonesty / Crime Coverage		
	Ace-Westchester Fire Ins Co Expires 11-4-08	\$1,000,000 per occ. for Employee Theft Faithful Performance; Forgery or Alteration Theft of Money & Securities Inside Premises Robbery or Safe Burglary Inside Premises Outside Premises; Computer Fraud; Funds Transfer Fraud; Money Orders Counterfeit Paper Currency with \$15,000 Deductible \$25,000 Credit Card Coverage with \$250 Deductible
5. Excess General Liability, Public Officials, Employment & Law Enforcement Liability & Excess Workers Compensation		
	Star Insurance Company Expires 3-1-09	\$3 Million each Accident or Occurrence Limit \$6 Million Aggregate Limit Workers Compensation Statutory \$500,000 SIR for Liability other than WC \$350,000 SIR for Workers Compensation

Table 25
(Continued)

ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED JULY 31, 2008

Type of Insurance	Insurer and Policy Date	Amount of Coverage
6 Special Events Policy July 4th Celebration	Northfiled Ins. Co. Expires 7-6-08	\$2,000,000 General Aggregate \$1,000,000 each Occurrence \$500 Deductible
7. Gas Utility Excess Liability	Texas Municipal League Expires 11-4-08	\$10,000,000 limit per occurrence \$250,000-General Liability/Pollution Deductible
8. General Liability Columbus Ships / Museum	Texas Municipal League Expires 11-4-08	\$500,000 each occurrence \$100,000 deductible
CCPD -- Flint Hills Lease GL	Texas Municipal League Expires 11-4-08	\$1,000,000 each occurrence \$1,000 deductible
9. Automobile Coverage TB Clinic Van	Texas Municipal League Expires 11-4-08	\$500,000 bodily Injury & Property Damage \$25,000-Medical Payments Actual Cash Value - physical damage \$250 deductible
Fleet Catastrophic	Texas Municipal League Expires 11-4-08	\$18,500,000 per Occurrence \$250,000 Deductible
Automobile Physical Damage CCPD Leased Vehicles Solid Waste Transfer Trailers	Texas Municipal League Expires 11-4-08	Actual Cash Value - physical damage \$250 deductible \$500 deductible

**INDEPENDENT AUDITOR'S 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**

January 28, 2009

The Honorable Mayor, City Council Members,
and the City Manager of the
City of Corpus Christi, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas as of and for the year ended July 31, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2009. 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 and the State of Texas, *Single Audit Circular*.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Corpus Christi in a separate letter dated January 28, 2009.

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

Collier, Johnson & Woods

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

January 28, 2009

The Honorable Mayor, City Council Members,
and the City Manager of the
City of Corpus Christi, Texas

Compliance

We have audited the compliance of the City of Corpus Christi, 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 July 31, 2008. The City's federal programs are identified in the summary of auditor's 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's management. Our responsibility is to express an opinion on the City's 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 Non-Profit 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's 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's compliance with those requirements.

In our opinion, the City of Corpus Christi, 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 July 31, 2008.

Internal Control Over Compliance

The management of the City 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's internal control over compliance with the requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

This report is intended solely for the information and use of the Honorable Mayor and Members of the City Council, management, 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.

Collins, Johnson & Woods

CITY OF CORPUS CHRISTI, TEXAS

SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

YEAR ENDED JULY 31, 2008

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Corpus Christi, Texas.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's 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*".
3. No instances of noncompliance material to the financial statements of the City of Corpus Christi, Texas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133".
5. The auditor's report on compliance for the major federal award programs for the City of Corpus Christi, Texas expresses an unqualified opinion on all major programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 - U.S. Department of Housing and Urban Development:
 - Community Development Block Grant (CFDA – 14.218)
 - Supportive Housing Program (CFDA 14.235)
 - U.S. Department of Justice
 - Edward Byrne Memorial Justice Assistance Grant (CFDA - 16.738)
 - U.S. Department of Transportation
 - Airport Improvement Program (CFDA – 20.106)
 - U.S. Department of Health and Human Services:
 - Immunization Grants (CFDA – 93.268)
 - Promoting Safe and Stable Families (CFDA – 93.556)
 - U.S. Department of Homeland Security
 - Law Enforcement Terrorism Prevention Program (CFDA – 97.074)
8. The dollar threshold for distinguishing Type A and Type B programs was \$711,955.
9. The City of Corpus Christi, Texas qualifies as a low-risk auditee.

Findings - Financial Statement Audit

The audit disclosed no findings required to be reported.

Findings and Questioned Costs – Major Federal Award Programs Audit

The audit disclosed no findings required to be reported.

Prior Year Findings and Questioned Costs – Major Federal Award Programs Audit

The audit disclosed no findings required to be reported.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

January 28, 2009

The Honorable Mayor, City Council Members,
and the City Manager of the
City of Corpus Christi, Texas

Compliance

We have audited the compliance of the City of Corpus Christi, Texas with the types of compliance requirements described in *the State of Texas Single Audit Circular* that are applicable to each of its major State programs for the year ended July 31, 2008. The City's major State programs are identified in the summary of auditor's 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 State programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's 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 the State of Texas Single Audit Circular issued by the Governor's Office of Budget and Planning. Those standards and the Circular 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 State program occurred. An audit includes examining, on a test basis, evidence about the City's 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's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended July 31, 2008.

Internal Control Over Compliance

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

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

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

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

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

Collier, Johnson & Woods

CITY OF CORPUS CHRISTI, TEXAS

SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JULY 31, 2008

I. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Corpus Christi, Texas.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's 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*".
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major State award programs are reported in the "Independent Auditors Report on Compliance with Requirements Applicable to each Major State Program and Internal Control over Compliance in Accordance with the State of Texas Single Audit Circular."
5. The auditor's report on compliance for the major State award programs for the City expresses an unqualified opinion on all major programs.
6. No audit findings are required to be reported in accordance with Section 510(a) of State of Texas Single Audit Circular.
7. Major programs include:

Air Quality Planning Activities
Immunization Grants
Promoting Safe and Stable Families
8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
9. Low risk auditee: No

II. Findings Related to the Financial Statements

The audit disclosed no findings required to be reported.

III. Findings and Questioned Costs Related to the State Awards

The audit disclosed no findings required to be reported.

IV. Prior Year Findings

There were no findings reported in the prior year.

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

<u>Federal Grantor/Pass-Through Grantor State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
Federal Assistance				
U.S. Department of HUD				
<u>Direct Programs</u>				
Comm. Dev.Block Grant-Entitlement Grant 01-02	14.218	B01-MC48-0502	\$ 6,281,519	\$ 4,441
Comm. Dev.Block Grant-Entitlement Grant 02-03		B03-MC48-0502	4,950,000	59,625
Comm. Dev.Block Grant-Entitlement Grant 03-04		B04-MC48-0502	4,219,000	29,884
Comm. Dev.Block Grant-Entitlement Grant 04-05		B05-MC48-0502	4,105,000	181,716
Comm. Dev.Block Grant-Entitlement Grant 05-06		B06-MC48-0502	3,882,133	334,146
Comm. Dev.Block Grant-Entitlement Grant 06-07		B06-MC48-0502	3,489,407	1,667,739
Comm. Dev.Block Grant-Entitlement Grant 07-08		B07-MC48-0502	3,480,612	2,885,990
Total CFDA Number 14.218			<u>30,407,671</u>	<u>5,163,541</u>
Emergency Shelter Grants Program 06-07	14.231	S06-MC48-0502	150,000	82,125
Emergency Shelter Grants Program 07-08		S07-MC48-0502	150,498	77,189
Total CFDA Number 14.231			<u>300,498</u>	<u>159,314</u>
Supportive Housing Program 07-08	14.235	74-6000-574	1,074,009	787,554
Supportive Housing Program 08-09		74-6000-574	1,009,759	105,561
Total CFDA Number 14.235			<u>2,083,768</u>	<u>893,115</u>
Home Investment Partnerships Program 04-05	14.239	M-04-MC-48-0502	1,848,127	354,987
Home Investment Partnerships Program 05-06		M-05-MC-48-0502	1,772,241	1,022,825
Home Investment Partnerships Program 06-07		M-06-MC-48-0502	1,772,241	98,056
Home Investment Partnerships Program 07-08		M-07-MC-48-0502	1,772,241	145,296
Total CFDA Number 14.239			<u>7,164,850</u>	<u>1,621,164</u>
Fair Housing Assistance Program_State and Local	14.401	FF206K066008	123,700	123,700
Total CFDA Number 14.401			<u>123,700</u>	<u>123,700</u>
Total Direct Programs			<u>40,080,487</u>	<u>7,960,834</u>
Total U.S. Department of HUD			<u>40,080,487</u>	<u>7,960,834</u>
Office of National Drug Control Policy				
<u>Direct Programs</u>				
Texas Coastal Corridor	16.000	I6PHNP517Z	286,380	166,716
Texas Coastal Corridor		I7PHNP517Z	142,500	114,825
Total CFDA Number 16.000			<u>428,880</u>	<u>281,541</u>
Total Direct Programs			<u>428,880</u>	<u>281,541</u>
Total Office of National Drug Control Policy			<u>428,880</u>	<u>281,541</u>
U.S. Department of Justice				
<u>Direct Programs</u>				
Community Capacity Development Office Program	16.595	2007-WS-Q7-0056	200,000	151,828
Community Capacity Development Office Program		2007-WS-Q7-0258	175,000	55,996
Total CFDA Number 16.595			<u>375,000</u>	<u>207,824</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

Federal Grantor/Pass-Through Grantor State Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Disbursements/ Expenditures
Community Prosecution & Project Safe Neighborhoods	16.609	321-20S033	207,081	7,418
Community Prosecution & Project Safe Neighborhoods		321-20S035	57,450	14,166
Community Prosecution & Project Safe Neighborhoods		321-20S048	25,039	2,293
Community Prosecution & Project Safe Neighborhoods		321-20-B142	44,294	26,909
Community Prosecution & Project Safe Neighborhoods		2007-PG-BX-0074	25,635	1,248
Total CFDA Number 16.609			<u>359,499</u>	<u>52,034</u>
Edward Byrne Memorial Justice Assistance Grant	16.738	2005DJBX0412	258,284	24
Edward Byrne Memorial Justice Assistance Grant		2006DJBX0221	159,671	9,053
Edward Byrne Memorial Justice Assistance Grant		2007DJBX1163	236,403	183,096
Total CFDA Number 16.738			<u>654,358</u>	<u>192,173</u>
Total Direct Programs			<u>1,388,857</u>	<u>452,031</u>
<u>Passed Through Texas Alcoholic Beverage Commission</u>				
Enforcing Underage Drinking Laws Program	16.727	N/A	45,000	30,176
Total CFDA Number 16.727			<u>45,000</u>	<u>30,176</u>
Total Passed through TABC			<u>45,000</u>	<u>30,176</u>
<u>Passed Through Office of Attorney General</u>				
Missing Children's Assistance	16.543	2006MCCXK012	9,500	9,500
Total CFDA Number 16.543			<u>9,500</u>	<u>9,500</u>
Total Passed through Office of Attorney General			<u>9,500</u>	<u>9,500</u>
<u>Passed through Office of the Governor CJD</u>				
Juvenile Accountability Incentive Block Grants	16.523	JB-06-J20-13299-09	10,773	10,518
Total CFDA Number 16.523			<u>10,773</u>	<u>10,518</u>
Legal Assistance for Victims	16.524	WF-06-V30-15171-08	113,333	12,381
Legal Assistance for Victims		WF-07-V30-15171-09	92,921	89,142
Total CFDA Number 16.524			<u>206,254</u>	<u>101,523</u>
Victims of Crime Act	16.575	VA-07-V30-15223-08	43,430	52,484
Victims of Crime Act		VA-08-V30-15223-09	89,001	5,197
Total CFDA Number 16.575			<u>132,431</u>	<u>57,681</u>
Total Passed Through Office of the Governor CJD			<u>394,458</u>	<u>169,722</u>
Total U.S. Department of Justice			<u>1,837,815</u>	<u>661,429</u>
U.S. Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Programs	20.106			
Update Plan, Acquire ARFFVehicle, Runway 13/31		3-48-0051-36	8,218,378	205
Terminal Imp., Rehab Runway 13/31 Ph2; Drainage		3-48-0051-37	7,788,088	762,654
Terminal Imp., Rehab West GA Apron,Ph1;Air Carr		3-48-0051-38	9,356,300	5,474,043
Terminal Imp., Rehab West GA Apron,Ph2;Taxiway		3-48-0051-39	3,914,214	1,989,603
Terminal Imp., Rehab Taxiway, Ph2; Modify ARFF Bldg		3-48-0051-40	2,234,346	--
Terminal Imp., Improv Airport Drainage Area VI, Ph2		3-48-0051-41	2,500,000	10
Total CFDA Number 20.106			<u>34,011,326</u>	<u>8,226,515</u>
Total Direct Programs			<u>34,011,326</u>	<u>8,226,515</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

<u>Federal Grantor/Pass-Through Grantor State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
<u>Passed through State Dept. of Highways and Public Transportation</u>				
State and Community Highway Safety	20.600	588EGF6131	139,694	110,104
State and Community Highway Safety		588XXF6028	19,988	19,969
Total CFDA Number 20.600			<u>159,682</u>	<u>130,073</u>
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	587XXF6119	35,000	11,366
Alcohol Traffic Safety and Drunk Driving Prevention		588EGF6010	15,000	12,344
Total CFDA Number 20.601			<u>50,000</u>	<u>23,710</u>
Interagency Hazardous Materials Public Sector	20.703	07-DEM-LEPC-10	16,000	5,000
Interagency Hazardous Materials Public Sector		08-DEM-LEPC-10	9,000	9,000
Total CFDA Number 20.703			<u>25,000</u>	<u>14,000</u>
Recreational Trails Program	20.219	N/A	100,000	100,000
Total CFDA Number 20.219			<u>100,000</u>	<u>100,000</u>
Total Passed Through Programs			<u>334,682</u>	<u>267,783</u>
Total Department of Transportation			<u>34,346,008</u>	<u>8,494,298</u>
Equal Employment Opportunity Commission				
<u>Direct Programs</u>				
Employment Discrimination State & Local Fair	30.002	6FPSLP0087	79,900	66,200
Employment Practices Agency Contracts				
Total CFDA Number 30.002			<u>79,900</u>	<u>66,200</u>
Total Direct Programs			<u>79,900</u>	<u>66,200</u>
Total Equal Employment Opportunity Commission			<u>79,900</u>	<u>66,200</u>
Institute of Museum and Library Services				
<u>Passed through Texas State Library & Archives Commission</u>				
<u>Library Services:</u>				
Grants To States	45.310	470-07004	484,821	36,320
Grants To States		470-08004	508,873	369,385
Grants To States		476-07014	80,000	5,983
Grants To States		476-08014	78,250	42,031
Grants To States		771-07040	155,802	15,407
Grants To States		771-08003	151,934	129,095
Total CFDA Number 45.310			<u>1,459,680</u>	<u>598,221</u>
Total Passed Through Programs			<u>1,459,680</u>	<u>598,221</u>
Total Institute of Museum and Library Services			<u>1,459,680</u>	<u>598,221</u>
National Endowment for the Arts				
<u>Passed through Texas Commission of Arts</u>				
Promotion of the Arts_Partnership Agreement	45.025	29448	2,000	--
Total CFDA Number 45.025			<u>2,000</u>	<u>--</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

<u>Federal Grantor/Pass-Through Grantor State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services				
<u>Passed through Texas Depart. of Aging & Disability Svc</u>				
Special Programs for the Aging Title III, Part B Grants For Supportive Services and Senior Centers	93.044	AA3-0748-4	36,712	6,052
Special Programs for the Aging Title III, Part B Grants For Supportive Services and Senior Centers		AA3-0848-4	36,712	35,959
Total CFDA Number 93.044			<u>73,424</u>	<u>42,011</u>
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	AA3-0748-4	687,314	96,965
Special Programs for the Aging Title III, Part C Nutrition Services		AA3-0848-4	573,539	573,539
Total CFDA Number 93.045			<u>1,260,853</u>	<u>670,504</u>
National Family Caregiver Support	93.052	AA3-0748-4	26,494	3,228
National Family Caregiver Support		AA3-0848-4	26,494	7,870
Total CFDA Number 93.052			<u>52,988</u>	<u>11,098</u>
Nutrition Services Incentive Program	93.053	AA3-0848-4	127,964	127,964
Nutrition Services Incentive Program		PS-07-292-P-02	211,352	39,425
Nutrition Services Incentive Program		PS-08-292-P-02	257,311	228,041
Total CFDA Number 93.053			<u>596,627</u>	<u>395,430</u>
Total Passed Through DADS			<u>1,983,892</u>	<u>1,119,043</u>
<u>Passed through Texas Department of State Health Svs</u>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2007-021972	103,009	41,736
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		2008-025275	106,537	65,811
Total CFDA Number 93.116			<u>209,546</u>	<u>107,547</u>
Immunization Grants	93.268	2007-021264	240,041	29,134
Immunization Grants		2008-023551	100,148	73,546
Total CFDA Number 93.268			<u>340,189</u>	<u>102,680</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	0000329315	14,000	13,451
Centers for Disease Control and Prevention Investigations and Technical Assistance		0000310178	550,950	22,475
Centers for Disease Control and Prevention Investigations and Technical Assistance		2008-022961	200,351	195,374
Total CFDA Number 93.283			<u>765,301</u>	<u>231,300</u>
National Bioterrorism Hospital Preparedness Program	93.889	2008-022961	50,000	48,844
Total CFDA Number 93.889			<u>50,000</u>	<u>48,844</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

Federal Grantor/Pass-Through Grantor State Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Disbursements/ Expenditures
Cooperative Agreements For State-Based Diabetes Control Programs and Evaluation of Suveillance Sys	93.988	0000325630	80,000	78,564
Cooperative Agreements For State-Based Diabetes Control Programs and Evaluation of Suveillance Sys		2008-025332-001	80,000	5,778
Total CFDA Number 93.988			<u>160,000</u>	<u>84,342</u>
Preventive Health and Health Services Block Grant	93.991	2007-021972	202,923	8,598
Preventive Health and Health Services Block Grant		2008-024505	202,923	160,690
Total CFDA Number 93.991			<u>405,846</u>	<u>169,288</u>
Total Passed Through Dept. of State Health Svs			<u>1,930,882</u>	<u>744,001</u>
<u>Passed through Texas Dept of Family & Protective Svs</u>				
Promoting Safe and Stable Families	93.556	23362174-FY07-AM01	380,250	30,306
Promoting Safe and Stable Families		23362174-FY08-AM03	380,250	329,053
Total CFDA Number 93.556			<u>760,500</u>	<u>359,359</u>
Total Passed Through Dept. of Protective & Regulatory Svc			<u>760,500</u>	<u>359,359</u>
Total Department of Health & Human Services			<u>4,675,274</u>	<u>2,222,403</u>
Corporation for National and Community Service				
<u>Direct Programs</u>				
Retired and Senior Volunteer Program	94.002	05SRWTX018	167,609	27,759
Retired and Senior Volunteer Program		08SR086324	55,139	50,741
Retired and Senior Volunteer Program		07RZWTX002	20,987	20,987
Total CFDA Number 94.002			<u>243,735</u>	<u>99,487</u>
Senior Companion Program	94.016	07SCWTX001	275,761	226,721
Senior Companion Program		08SCWTX001	270,943	25,013
Senior Companion Program		07SZWTX001	5,381	5,381
Total CFDA Number 94.016			<u>552,085</u>	<u>257,115</u>
Total Direct Programs			<u>795,820</u>	<u>356,602</u>
Total Corporation for National & Community Service			<u>795,820</u>	<u>356,602</u>
Federal Emergency Management Agency				
<u>Passed through Texas Department of Public Safety</u>				
Emergency Management Performance Grants	97.042	20074-EM-E7-0027	64,482	57,035
Total CFDA Number 97.042			<u>64,482</u>	<u>57,035</u>
Total Passed Through Programs			<u>64,482</u>	<u>57,035</u>
Total Federal Emergency Management Agency			<u>64,482</u>	<u>57,035</u>
U. S. Department of Homeland Security				
<u>Direct Programs</u>				
Assistance to Firefighters Grant	97.044	EMW-2004-FP-01286	39,435	2,125
Total CFDA Number 97.044			<u>39,435</u>	<u>2,125</u>
Citizen Corps	97.053	2006-GE-T6-0068	15,000	4,170
Total CFDA Number 97.053			<u>15,000</u>	<u>4,170</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

Federal Grantor/Pass-Through Grantor State Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Disbursements/ Expenditures
State Homeland Security Program	97.073	2005-GE-T5-4025	1,710,934	7,926
State Homeland Security Program		2006-GE-T6-0068	125,105	124,935
State Homeland Security Program		2007-GE-T7-0024	578,000	65,934
Total CFDA Number 97.073			<u>2,414,039</u>	<u>198,795</u>
Law Enforcement Terrorism Prevention Program	97.074	2006-GE-T6-0068	1,019,635	974,812
Law Enforcement Terrorism Prevention Program		2007-GE-T7-0024	550,000	7,700
Total CFDA Number 97.074			<u>1,569,635</u>	<u>982,512</u>
Metropolitan Medical Response System	97.071	282-00-0040	880,000	200,945
Metropolitan Medical Response System		N/A	227,592	136
Metropolitan Medical Response System		2006-GE-T6-0068	232,330	250,239
Metropolitan Medical Response System		2007-GE-T7-0024	258,145	34,504
Total CFDA Number 97.071			<u>1,598,067</u>	<u>485,824</u>
Total Direct Programs			<u>5,636,176</u>	<u>1,673,426</u>
<u>Passed through US Dept. of Justice Office of Justice Programs</u>				
Port Security Grant Program	97.056	2006-GB-T6-0092	95,400	32,420
Port Security Grant Program		2007-GB-T7-0037	474,200	153,977
Total CFDA Number 97.056			<u>569,600</u>	<u>186,397</u>
Total Passed Through US Dept of Justice (OJP)			<u>569,600</u>	<u>186,397</u>
Total U. S. Department of Homeland Security			<u>6,205,776</u>	<u>1,859,823</u>
U.S. Department of Agriculture				
<u>Passed through Texas Health & Human Svs Commission</u>				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	2007-020880	733,497	139,146
Special Supplemental Nutrition Program for Women, Infants & Children		2008-024669	673,200	612,117
Total CFDA Number 10.557			<u>1,406,697</u>	<u>751,263</u>
Child and Adult Care Food Program	10.558	TX178-1009	206,451	110,128
Total CFDA Number 10.558			<u>206,451</u>	<u>110,128</u>
Summer Food Service Program for Children	10.559	TX178-1009	416,840	2,822
Summer Food Service Program for Children		TX178-1009	416,840	40,940
Summer Food Service Program for Children		TX178-1009	417,000	271,424
Total CFDA Number 10.559			<u>1,250,680</u>	<u>315,186</u>
Total Passed Through Texas Health & Human Svc			<u>2,863,828</u>	<u>1,176,577</u>
Total Department of Agriculture			<u>2,863,828</u>	<u>1,176,577</u>

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Interior				
<u>Passed Through Texas Park and Wildlife</u>				
Marina Restroom Facility	15.662	BIG-001	200,000	140
Total CFDA Number 15.662			200,000	140
Total Passed Texas Park and Wildlife			200,000	140
Total Department of Interior			200,000	140
Total Federal and passed through Assistance			\$ 93,039,950	\$ 23,735,103
State Assistance:				
Governor's Division of Emergency Management				
Texas Department of Public Safety				
<u>Direct Programs</u>				
Local Border Security Progm FY08		LBSP-08-053	\$ 99,981	\$ 94,764
Total Direct Programs			99,981	94,764
Total Governor's Div of Emergency Mgmt			99,981	94,764
Texas Department of State Health Services				
<u>Direct Programs</u>				
Seafood & Aquatic Life		2008-023219	\$ 22,500	\$ 3,543
TB/PC		0000320248	79,140	17,640
TB/PC		2008-023217	96,685	81,856
Immunization Grants		2008-023551	141,489	105,834
Total Direct Programs			339,814	208,873
Total Department of Health			339,814	208,873
Texas Parks and Wildlife				
<u>Direct Programs</u>				
Escape Outdoors		52-000429	30,000	26,217
Total Direct Programs			30,000	26,217
Total Texas Parks and Wildlife			30,000	26,217
Texas Commission on Environmental Quality				
<u>Direct Programs</u>				
Air Quality Planning Activities		582-4-64576	884,600	10,672
Air Quality Planning Activities		582-6-70888	884,600	456,387
Air Quality Planning Activities		582-6-86230	884,600	26,573
Fire Station #10 Mitigation		109850	31,531	(4,258)
Total Direct Programs			2,685,331	489,374
<u>Passed through Coastal Bend Council of Governments</u>				
Education		07-20-G11	15,000	10,269
Education		08-20-G03	25,000	12,275
Citizens' Collection Stations		06-20-G14	20,000	20,000
Education		09-20-G09	25,000	--
Household Hazardous Waste		08-20-G04	6,120	5,399
Total Passed Through CBCOG			91,120	47,943
Total Texas Commission on Environmental Quality			2,776,451	537,317

(Continued)

**SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
Texas Department of Transportation				
<u>Direct Programs</u>				
Transportation Enhancement Project		0916-35-112	316,400	27,886
Total Direct Programs			<u>316,400</u>	<u>27,886</u>
<u>Passed through Texas Automobile Theft Prevention Authority</u>				
Corpus Christi Auto Theft Prevention Grant		SA-T01-10045-07	538,896	(113,813)
Corpus Christi Auto Theft Prevention Grant		SA-T01-10045-08	445,182	385,450
Total Passed Through Texas ATPA			<u>984,078</u>	<u>271,637</u>
Total Texas Department of Transportation			<u>1,300,478</u>	<u>299,523</u>
Texas Department of Protective & Regulatory Services				
<u>Direct Programs</u>				
Promoting Safe and Stable Families		23362174-FY07-AM01	126,750	10,102
Promoting Safe and Stable Families		23362174-FY08-AM03	126,750	109,684
Total Direct Programs			<u>253,500</u>	<u>119,786</u>
Total Dept. of Protective & Regulatory Svc			<u>253,500</u>	<u>119,786</u>
State Comptroller of Public Accounts				
<u>State General Revenue</u>				
Law Enforcement Fire Prevention		N/A	2,018	727
Total SGR			<u>2,018</u>	<u>727</u>
Total State Comptroller of Public Accounts			<u>2,018</u>	<u>727</u>
Texas State Library & Archives Commission				
<u>State General Revenue</u>				
Lone Star Libraries Grant 06-07		442-07109	15,656	202
Lone Star Libraries Grant 07-08		442-08111	30,580	19,577
Total SGR			<u>46,236</u>	<u>19,779</u>
Total State Library & Archives Commission			<u>46,236</u>	<u>19,779</u>
Texas General Land Office				
<u>Direct Programs</u>				
Beach Maintenance Reimbursement Fund		07-008-09	91,981	74,702
Total Direct Programs			<u>91,981</u>	<u>74,702</u>
Total Texas General Land Office			<u>91,981</u>	<u>74,702</u>
Texas Criminal Justice Division				
<u>Direct Programs</u>				
Sex Offender Investigative Unit		SF-08-A10-19326-01	65,914	10,276
Total Direct Programs			<u>65,914</u>	<u>10,276</u>
Total Texas Criminal Justice Division			<u>65,914</u>	<u>10,276</u>
Total State Assistance			5,006,373	1,391,964
Total Federal, Pass Through & State Financial Assistance			<u>\$ 98,046,323</u>	<u>\$ 25,127,067</u>

**NOTES TO SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FISCAL YEAR ENDED JULY 31, 2008**

1. General

The accompanying Schedule of Federal/State Expenditures of Awards presents the activity of all Federal and State financial assistance programs of the City of Corpus Christi, Texas. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All Federal financial assistance received directly from Federal agencies or passed through other governmental agencies is included on the Schedule.

2. Basis of Accounting

The accompanying Schedule of Federal/State Expenditures of Awards is presented using the modified accrual basis of accounting, which is described in Note 2 to the City's basic financial statements.

3. Relationship to Basic Financial Statements

A reconciliation of Federal and State Program expenditures as reported in the City's basic financial statement follows:

General Fund	\$ 321,637
Special Revenue Funds	
Federal/State Grants	14,957,611
Corpus Christi Community Improvement Corporation	1,621,164
Enterprise Funds	
Airport Fund	8,226,515
Marina Fund	140
Total expenditures	<u>\$ 25,127,067</u>

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal/State Expenditures of Awards may not agree with the amounts reported in the related Federal/State financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.

5. Major Grant Programs

These represent major Federal Financial Assistance Programs.

6. Insurance in Effect

The City self-funds worker's compensation, general/auto liabilities and health benefits. Purchased coverage includes: commercial property insurance of \$200 million limits on City buildings, \$75 million in airport liability and \$10 million of excess gas utility liability insurance. The City also purchases excess insurance which covers workers' compensation claims that exceed \$350,000 per accident. In addition, excess liability insurance is purchased for general/auto liability claims, public officials, employment and law enforcement in excess of \$500,000 per claim. Primary flood coverage provides up to \$500,000 on specified buildings within flood zones A & B. All funds of the City participate in the program and make payments to the Liability and Employee Benefits Fund based on estimates needed to pay prior claims, current year claims and claims incurred but not reported. A specific stop loss policy which covers health claims in excess of \$150,000 per individual with maximum lifetime coverage of \$1 million is kept in force. In addition, City maintains aggregate stop loss coverage of its group health expenses at 125% of projected claims.

