

CITY OF RIO GRANDE CITY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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QUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS  
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER  
SUPPLEMENTARY INFORMATION INCLUDING THE  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditor's Report

HONORABLE MAYOR AND BOARD OF ALDERMEN  
CITY OF RIO GRANDE CITY  
P.O. BOX 467  
RIO GRANDE CITY, TEXAS 78582

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF RIO GRANDE CITY (the City) as of September 30, 2004 and for the year ended 2004, 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 administrators. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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.

The City ending balances for all its Property, Plant and Equipment did not agree with a physical inventory taken by a research company. The variance between the two is considered material. The City did not adjust its fixed asset balances.

In our opinion, except for the variance amounts between the general ledger and the physical inventory of the City's Property, Plant and Equipment, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF RIO GRANDE CITY as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2006, 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. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise CITY OF RIO GRANDE CITY's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplementary information, such as the, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements 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.

Luis C. Orozco  
Certified Public Accountant

February 17, 2006

Management's Discussion and Analysis  
THE CITY OF RIO GRANDE CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of THE CITY OF RIO GRANDE CITY (CITY), discuss and analyze the CITY's financial performance for the fiscal year ended September 30, 2004. Please read it in conjunction with our independent auditors' report on and the CITY's Basic Financial Statements.

**FINANCIAL HIGHLIGHTS**

- The City's assets exceeded its liabilities by \$13,840,938 (net assets) for the fiscal year reported.
- Total Net Assets are comprised of the following:
  - Capital Assets, net of related debt, of \$9,073,186 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - Net Assets of \$117,070 are restricted by constraints imposed outside the City.
  - Unrestricted Net Assets of \$4,650,682 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$3,607,277 this year, all of which is unreserved.
- Total liabilities of the City equal to \$4,067,626 during the fiscal year. There were no general obligations or revenue bonds issued for capital improvements during the fiscal.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the CITY as a whole and present a longer-term view of the CITY's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The City's basic financial statements consist of three components; 1) the MD&A, 2) fund financial statements, and 3) notes to the financial statements. Because the CITY is a special-purpose government, the financial statements are presented in accordance with paragraph 138 of GASB Statement No. 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the CITY. Due to the CITY's required adoption of Governmental Accounting Standards Board Statements No. 34, 37 and 38 during the fiscal year, comparative year financial statements are not presented. Future reports will contain comparative financial data allowing for more comparison and analysis.

Fund financial statements report the CITY's operations in more detail than the government-wide statements by providing information about the CITY's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or

services of the CITY were sold to departments within the CITY or to external customers and how the sales revenues covered the expenses of the goods or services.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the CITY's individual funds. These are not required by HUD. The sections labeled Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the CITY is using funds supplied in compliance with the terms of grants.

### ***The Statement of Net Assets and the Statement of Activities***

The analysis of the CITY's overall financial condition and operations begins with Statement of Net Assets. Its primary purpose is to show whether the CITY is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the CITY's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the CITY's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the CITY's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the CITY's net assets and changes in them. The CITY's net assets (the difference between assets and liabilities) provide one measure of the CITY's financial health, or financial position. Over time, increases or decreases in the CITY's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the CITY, however, you should consider nonfinancial factors as well, such as its property tax base and the condition of the CITY's facilities.

In the Statement of Net Assets and the Statement of Activities, we divide the CITY into two kinds of activities:

- Governmental activities—Most of the CITY's basic services are reported here, including the administrative, public safety, debt service, and other general expenses.

Business-type activities—The CITY charges fees for water and sewer services and late charges to help it cover all or most of the cost of services it provides in the Low-Rent program.

### **Reporting the CITY's Most Significant Funds**

#### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not the CITY

as a whole. Laws and contracts require the CITY to establish some funds from the U.S. Department of Housing and Urban Development and other grantors. The CITY's administration establishes many other funds to help it control and manage money for particular purposes. The CITY's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the CITY's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the CITY's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds—The CITY reports the activities for which it charges users (whether outside customers or other units of the CITY) in proprietary funds using the same accounting methods employed in the Statement of Net Assets and the Statement of Activities. In fact, the CITY's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide supplies and services for the CITY's other programs and activities—such as the CITY's self-insurance programs, the print shop, and transportation.

Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the CITY's governmental and business-type activities.

NET ASSETS in thousands						
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	519	0	1,890	0	2,409	0
Capital assets	4,209	0	11,290	0	15,499	0
Total assets	4,728	0	13,180	0	17,908	0
Current liabilities	124	0	391	0	515	0
Other liabilities	997	0	2,556	0	3,553	0
Total liabilities	1,121	0	2,947	0	4,068	0
Net Assets:						
Invested in capital assets, net of	3,607	0	5,466	0	9,073	0
Restricted	0	0	117	0	117	0
Unrestricted	0	0	4,651	0	4,651	0
Total Net Assets	3,607	0	10,234	0	13,841	0

Table II						
THE CITY OF RIO GRANDE CITY						
CHANGES IN NET ASSETS						
in thousands						
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Revenues:</b>						
General and Sales Tax	1,869	0	0	0	1,869	0
Franchise Taxes	442					
Other Taxes	64					
Grants and Contributions	272	0	0	0	272	0
Investment Earnings	4	0	0	0	4	0
Miscellaneous	1,191	0	100	0	1,291	0
Water and Sewer Charges			2,451			
<b>Total Revenues</b>	<b>3,842</b>	<b>0</b>	<b>2,551</b>	<b>0</b>	<b>6,393</b>	<b>0</b>
<b>Expenses:</b>						
General Government	1,579	0	0	0	1,579	0
Judicial	103	0	0	0	103	0
Public Safety	1,404	0	0	0	1,404	0
Code Enforcement	54	0	0	0	54	0
Economic Development	231	0	0	0	231	0
Public Works	1,065	0	0	0	1,065	0
	0	0	0	0	0	0
Charges for Services	0	0	2,513	0	2,513	0
	0	0	0	0	0	0
<b>Total Expenses</b>	<b>4,436</b>	<b>0</b>	<b>2,513</b>	<b>0</b>	<b>6,949</b>	<b>0</b>
Increase in Net Assets before transfers and special items	(594)	0	38	0	(556)	0
Transfers	468		(140)			
Special Items						
Increase in Net Assets	(126)	0	(102)	0	(556)	0
Net assets at 10/01/03	6,340		10,336		16,676	
Prior Period Adjustment	(2,607)		0		(2,607)	
Net assets at 09/30/04	3,607	0	10,234	0	13,513	0

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal-year 2005 budget. While the 2005 budget maintains basic public services, our residents continue to demand additional services. The City's financial security should be a major priority as we begin our second decade as a municipality. Only through diversifying our revenue base through a property tax can we properly secure our future.

While the issue of becoming a taxing entity was thoroughly discussed, no property tax rate was set for 2005. Therefore, no major new programs or initiatives were added to the 2005 budget.

The 2005 budget provides for \$6.7 million for financing current service levels for all municipal operations, based on an expected growth in revenues of approximately 5%. If these estimates are

realized, the City's budgetary General Fund balance is expected to increase modestly by the close of 2005. However, the increase still would not be sufficient to overcome the negative fund balance situation in the General Fund.

In terms of long-term debt, the City will continue to amortize existing revenue bonds in the Enterprise Fund. However, the City will not assume any new bonded debt for 2005.

#### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the CITY's finances and to show the CITY's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the CITY's business office, at THE CITY OF RIO GRANDE CITY, 101 S. Washington St, Rio Grande City, Texas 78582.

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CITY OF RIO GRANDE CITY  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2004

EXHIBIT A-1

Data Control Codes	Primary Government			
	Governmental Activities	Business Type Activities	Total	
<b>ASSETS</b>				
1010	Cash and Cash Equivalents	\$ 255,173	\$ 430,431	\$ 685,604
1030	Investments - Current	-	116,830	116,830
1150	Receivables (net of allowance for uncollectibles)	331,538	616,328	947,866
1300	Internal Balances	(68,383)	66,836	(1,547)
1410	Inventories	-	17,478	17,478
1430	Prepaid Items	1,375	-	1,375
1440	Deferred Charges	-	27,240	27,240
Capital Assets:				
1710	Land	724,070	38,500	762,570
1730	Buildings, net	203,536	337,283	540,819
1740	Improvements other than Buildings, net	2,018,959	-	2,018,959
1750	Machinery and Equipment, net	800,801	16,210,439	17,011,240
1760	Capital Assets, net	-	(5,296,264)	(5,296,264)
1780	Construction in Progress	461,075	-	461,075
1990	Other Assets	-	615,323	615,323
1000	Total Assets	<u>4,728,143</u>	<u>13,180,424</u>	<u>17,908,567</u>
<b>LIABILITIES</b>				
2020	Accounts Payable and other current liabilities	55,230	210,534	265,764
2070	Intergovernmental Payable	21,513	-	21,513
2140	Accrued Interest Payable	-	27,735	27,735
2200	Deferred Revenues	-	8,255	8,255
2220	Deferred Revenues	46,887	-	46,887
2240	Notes Payable - Current	-	13,719	13,719
2270	Other Current Liabilities	-	130,526	130,526
Noncurrent Liabilities				
2501	Due Within One Year	-	2,555,993	2,555,993
2502	Due in More Than One Year	997,234	-	997,234
2000	Total Liabilities	<u>1,120,864</u>	<u>2,946,762</u>	<u>4,067,626</u>
<b>NET ASSETS</b>				
3200	Invested in Capital Assets, Net of Related Debt	3,607,277	5,465,909	9,073,186
3810	Restricted for	-	117,070	117,070
3900	Unrestricted Net Assets	-	4,650,682	4,650,682
3000	Total Net Assets	<u>\$ 3,607,277</u>	<u>\$ 10,233,661</u>	<u>\$ 13,840,938</u>

The accompanying notes are an integral part of this statement.

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CITY OF RIO GRANDE CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Data Control Codes	Expenses	<u>Program Revenues</u>  Charges for Services
<b>Primary Government:</b>		
GOVERNMENTAL ACTIVITIES:		
10 General Government	\$ 1,579,430	\$ -
12 Judicial	103,016	-
20 Public Safety	1,403,884	-
25 Code Enforcement	54,145	-
30 Public Works	1,065,070	-
65 Economic Development and Assistance	230,781	-
80 Capital Outlay	-	-
Total Governmental Activities:	4,436,326	-
BUSINESS-TYPE ACTIVITIES:		
701 Water and Sewer Fund	2,512,437	2,450,687
Total Business-Type Activities:	2,512,437	2,450,687
<b>TOTAL PRIMARY GOVERNMENT:</b>	\$ 6,948,763	\$ 2,450,687
Data Control Codes	<b>General Revenues:</b> Taxes: 5120 Sales Taxes 5170 Franchise Taxes 5180 Other Taxes 5600 Grants and Contributions Not Restricted 5700 Miscellaneous Revenue 5800 Investment Earnings 5800 Transfers In (Out)  Total General Revenues and Transfers  Change in Net Assets  Net Assets--Beginning Prior Period Adjustment Net Assets--Ending	

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,579,430)	\$ -	\$ (1,579,430)
(103,016)	-	(103,016)
(1,403,884)	-	(1,403,884)
(54,145)	-	(54,145)
(1,065,070)	-	(1,065,070)
(230,781)	-	(230,781)
-	-	-
<u>(4,436,326)</u>	<u>-</u>	<u>(4,436,326)</u>
-	(61,750)	(61,750)
-	(61,750)	(61,750)
<u>(4,436,326)</u>	<u>(61,750)</u>	<u>(4,498,076)</u>
1,868,970	-	1,868,970
441,849	-	441,849
63,976	-	63,976
272,235	-	272,235
1,191,460	99,755	1,291,215
3,780	-	3,780
468,745	(140,000)	328,745
<u>4,311,015</u>	<u>(40,245)</u>	<u>4,270,770</u>
(125,311)	(101,995)	(227,306)
6,339,736	10,330,654	16,670,390
(2,607,149)	5,000	(2,602,149)
<u>\$ 3,607,275</u>	<u>\$ 10,233,659</u>	<u>\$ 13,840,934</u>

CITY OF RIO GRANDE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2004

Data Control Codes	10 General Fund	RGC EDC FUND	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1010 Cash and Cash Equivalents	\$ (42,486)	\$ 111,273	\$ 186,386	\$ 255,173
1050 Taxes Receivable	60,208	-	6,121	66,329
1150 Receivables (net of allowance for uncollectibles)	245	-	-	245
1260 Intergovernmental Receivables	167,300	47,332	50,332	264,964
1300 Due from Other Funds	49,266	41,700	163,567	254,533
1430 Prepaid Items	1,375	-	-	1,375
1000 Total Assets	<u>\$ 235,908</u>	<u>\$ 200,305</u>	<u>\$ 406,406</u>	<u>\$ 842,619</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2010 Accounts Payable	\$ 33,604	\$ 21,019	\$ -	\$ 54,623
2020 Wages and Salaries Payable	(877)	1,484	-	607
2070 Intergovernmental Payable	21,513	-	-	21,513
2080 Due to Other Funds	271,881	-	51,035	322,916
2220 Deferred Revenues	46,887	-	-	46,887
2000 Total Liabilities	<u>\$ 373,008</u>	<u>\$ 22,503</u>	<u>\$ 51,035</u>	<u>\$ 446,546</u>
Fund Balances:				
Unreserved and Undesignated:				
3600 Reported in the General Fund	\$ (137,101)	\$ -	\$ -	\$ (137,101)
3610 Reported in the Special Revenue Fund	-	177,802	355,371	533,173
3000 Total Fund Balances	<u>\$ (137,101)</u>	<u>\$ 177,802</u>	<u>\$ 355,371</u>	<u>\$ 396,072</u>
4000 Total Liabilities and Fund Balances	<u>\$ 235,907</u>	<u>\$ 200,305</u>	<u>\$ 406,406</u>	<u>\$ 842,618</u>

The accompanying notes are an integral part of this statement.

CITY OF RIO GRANDE CITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Data Control Codes	10 General Fund	RGC EDC FUND	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes:				
5120 General Sales and Use Taxes	\$ 1,245,980	\$ 622,990	\$ -	\$ 1,868,970
5170 Franchise Tax	441,849	-	-	441,849
5180 Other Taxes	257	-	63,719	63,976
5200 Licenses and Permits	89,461	-	-	89,461
5300 Intergovernmental Revenue and Grants	225,518	-	19,736	245,254
5400 Charges for Services	91,249	-	-	91,249
5610 Investment Earnings	84	2,031	1,665	3,780
5700 Other Revenue	795,057	7,287	235,387	1,037,731
5020 Total Revenues	<u>2,889,455</u>	<u>632,308</u>	<u>320,507</u>	<u>3,842,270</u>
<b>EXPENDITURES:</b>				
Current:				
0010 General Government	1,339,237	-	190,976	1,530,213
0012 Judicial	129,871	-	-	129,871
0020 Public Safety	1,215,460	-	282,505	1,497,965
0025 Code Enforcement	51,306	-	-	51,306
0030 Public Works	1,052,411	-	5,000	1,057,411
Conservation and Development				
0065 Economic Development and Assistance	-	604,636	-	604,636
Capital Outlay:				
0080 Capital Outlay	-	-	14,693	14,693
6030 Total Expenditures	<u>3,788,285</u>	<u>604,636</u>	<u>493,174</u>	<u>4,886,095</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(898,830)</u>	<u>27,672</u>	<u>(172,667)</u>	<u>(1,043,825)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital-related Debt Issued (Regular Bonds)	(79,502)	-	-	(79,502)
7913 Proceeds from Capital Leases	328,984	-	-	328,984
7914 Non-Current Loans	-	70,833	-	70,833
7915 Transfers In	458,995	30,000	140,000	628,995
8911 Transfers Out (Use)	(1,160)	(120,000)	(39,090)	(160,250)
7080 Total Other Financing Sources (Uses)	<u>707,317</u>	<u>(19,167)</u>	<u>100,910</u>	<u>789,060</u>
1200 Net Change in Fund Balances	(191,513)	8,505	(71,757)	(254,765)
0100 Fund Balance - October 1 (Beginning)	<u>54,411</u>	<u>169,296</u>	<u>427,128</u>	<u>650,835</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ (137,102)</u>	<u>\$ 177,801</u>	<u>\$ 355,371</u>	<u>\$ 396,070</u>

The accompanying notes are an integral part of this statement.

CITY OF RIO GRANDE CITY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2004

	Business-Type Activities
	PUBLIC UTILITY FUND
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 430,431
Investments - Current	116,830
Interest Receivable - Investments	316
Taxes Receivable	8,255
Accounts Receivable-Net of Uncollectible Allowance	607,757
Due from Other Funds	66,836
Inventories	17,478
Deferred Charges	27,240
Total Current Assets	<u>1,275,143</u>
Noncurrent Assets:	
Capital Assets:	
Land Purchase and Improvements	38,500
Buildings	337,283
Machinery and Equipment	16,210,439
Capital Assets	64,427
Accumulated Depreciation - Capital Assets	(5,360,691)
Other Assets	615,323
Total Noncurrent Assets	<u>11,905,281</u>
Total Assets	<u>13,180,424</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	191,725
Wages and Salaries Payable	389
Compensated Absences Payable	18,420
Accrued Interest Payable	27,735
Deferred Revenue	8,255
Notes Payable - Current	13,719
Revenue Bonds Payable	2,543,000
Capital Leases Payable - Current	12,993
Other Current Liabilities	130,526
Total Liabilities	<u>2,946,762</u>
<b>NET ASSETS</b>	
Investments in Capital Assets, Net of Debt	5,465,909

The accompanying notes are an integral part of this statement.

CITY OF RIO GRANDE CITY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2004

	Business-Type Activities
	PUBLIC UTILITY FUND
Restricted for	117,070
Unrestricted Net Assets	4,650,682
Total Net Assets	\$ 10,233,661

The accompanying notes are an integral part of this statement.





















































































