

Webb County, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2002

	<u>Enterprise Fund</u>		<u>Internal Service</u>
	<u>Water Utility</u>		<u>Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,708,311	\$	2,922,950
Investments	-		-
Accounts Receivable, net	150,728		-
Deferred charges	155,822		-
Due from other funds	122,694		531,523
Receivables from other governments	-		-
Other receivables	738		21,690
Inventories	15,469		-
Prepaid Expenses	54,718		-
Total current assets	<u>4,208,480</u>		<u>3,476,163</u>
Non-current assets:			
Capital Assets:			
Land and improvements	201,598		-
Infrastructure	1,570,584		-
Utility System	747,627		-
Construction in Progress	193,456		-
Buildings	272,908		-
Equipment and Furniture	378,885		84,068
Less Accumulated depreciation	<u>(338,391)</u>		<u>(42,271)</u>
Total non-current assets	<u>3,026,667</u>		<u>41,797</u>
Total assets	<u><u>7,235,147</u></u>		<u><u>3,517,960</u></u>

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

**Statement of Net Assets
Proprietary Funds
September 30, 2002**

	Enterprise Fund	Internal Service Funds
	Water Utility	
LIABILITIES		
Current Liabilities:		
Accounts payable	63,804	635,838
Salaries payable	10,690	6,070
Accrued interest payable	42,171	-
Due to other funds	1,839,593	838,094
Payable to other governments	-	-
Other accrued expenses	75,805	106,625
Deferred revenue	-	-
Compensated absences	29,977	18,015
Capital lease obligation	-	-
Claims and judgments	-	-
Bonds, notes and loans payable	63,668	-
Total current liabilities	2,125,708	1,604,642
Non-current liabilities:		
Compensated absences	-	-
Capital lease obligation	-	-
Claims and judgments	-	1,360,582
Bonds, notes and loans payable	4,657,289	-
Total non-current liabilities	4,657,289	1,360,582
Total liabilities	6,782,997	2,965,224
NET ASSETS		
Invested in capital assets, net of related debt	355,799	40,879
Restricted for debt service	-	-
Restricted for capital projects	-	-
Restricted for other purposes	-	-
Unrestricted	96,351	511,857
Total net assets	\$ 452,150	\$ 552,736

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the Business Activities of the Statement of Net Assets.

Total net assets per Government-Wide financial statements

Webb County, Texas
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2002

	Enterprise Fund	Internal Service
	Water Utility	Funds
REVENUES		
Charges for services	\$ 1,016,497	\$ 7,058,628
Miscellaneous	22,636	-
Total operating revenues	1,039,133	7,058,628
OPERATING EXPENSES		
Personal services	445,141	253,046
Contractual services	-	47,561
Utilities	98,318	-
Repairs and maintenance	59,769	-
Other supplies and expenses	155,477	3,548
Insurance claims and expenses	-	5,399,403
Depreciation	83,535	9,864
Total Operating Expenses	842,240	5,713,422
Operating income (loss)	196,893	1,345,206
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment revenue	41,215	45,217
Miscellaneous revenue	(2,407)	-
Operating grants and contributions	-	-
Interest expense	(260,078)	-
Miscellaneous expenses	-	-
Total non-operating revenue (expenses)	(221,270)	45,217
Income (loss) before contributions and transfers	(24,377)	1,390,423
Capital contributions	-	-
Transfers in	54,652	531,523
Transfers out	-	(531,523)
Special item - gain (loss) on sale of land	-	-
Change in net assets	30,275	1,390,423
Total net assets - beginning, restated	421,875	(837,688)
Total net assets - ending	\$ 452,150	\$ 552,735

Change in net assets, per above

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.

Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements

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

**Webb County Water Utility
Statement of Cash Flows
Proprietary Fund
Year Ended September 30, 2002**

Business-type Activity-Enterprise Fund

Cash flows from operating activities

Receipts from customers	\$	1,009,700
Payments to employees		(423,213)
Payments to suppliers		(200,493)
Internal transactions		2,611,966
Net cash provided by operating activities		2,997,960

Cash flows from noncapital financing activities

Transfers In		54,652
Net cash provided by noncapital and related financing activities		54,652

Cash flows from capital and related financing activities

Infrastructure		(256,095)
Enterprise System Assets		(406,142)
Equipment		(3,321)
Construction in Progress		(184,185)
Short Term Notes Payable		8,000
Short Term Bonds Payable		2,301
Long Term Notes Payable		(8,000)
Long Term Bonds Payable		(55,668)
Net cash provided by capital and related financing activities		(903,110)

Cash flows from investing activities

Interest and dividends received		41,215
Net cash used by investing activities		41,215

Net increase/(decrease) in cash and cash equivalents 2,190,717

Cash and pooled investments, beginning of year 1,517,594

Cash and pooled investments, end of year **\$ 3,708,311**

Reconciliation of operating income to cash provided(used) by operating activities:

Operating Income	\$	196,894
Adjustments to reconcile operating income to net cash provided(used) by operating activities:		
Depreciation		83,535
Amortization		8,632
(Increase) Decrease in Receivables		(49,553)
(Increase) Decrease in Due from other funds		2,792,591
(Increase) Decrease in Other Receivables		(109)
(Increase) Decrease in Inventories		(4,609)
(Increase) Decrease in Prepaid and Other Assets		107,410
(Increase) Decrease in Deferred Charges		7,445
Increase (Decrease) in Accounts Payable		(4,720)
Increase (Decrease) in Due to Other Funds		(180,625)
Increase (Decrease) in Other Payables		37,325
Increase (Decrease) in Accrued Wages Payable		2,278
Increase (Decrease) in Accrued Interest Payable		(484)
Increase (Decrease) in Short Term compensated Absences		1,950
Total adjustments		2,801,066
Net Cash Provided by operating activities		\$ 2,997,960

Noncash investing, capital, and financing activities:

Increase (Decrease) in Contributed Capital		(6,823)
--	--	---------

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