

**Webb County, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2003**

**Capital Projects  
Interest Income Series  
2001**

	<b>General Fund</b>	<b>Headstart</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,184,402	\$ -	\$ 4,487,019
Taxes receivable, net	6,655,233	-	-
Due from other funds	3,113,122	-	-
Receivable from other governments	1,562,338	464,307	-
Other receivables	244,210	22	-
Inventories	136,550	-	-
Prepaid expenses	15,785	-	-
Total assets	19,911,640	464,329	4,487,019
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	2,797,817	157,013	-
Due to other funds	318,485	125,350	4,311,809
Payable to other governments	334,527	-	-
Deferred revenue	7,257,847	-	-
Other accrued expenses	942,273	181,506	-
Other payables	722,685	460	-
Total liabilities	12,373,634	464,329	4,311,809
 Fund balances:			
Reserved for:			
Inventories	136,550	-	-
Debt service	-	-	-
Capital projects	-	-	134,565
Other purposes	-	-	-
Unreserved, reported in:			
General Fund	7,401,456	-	-
Debt service	-	-	-
Capital projects	-	-	40,645
Other purposes	-	-	-
Total fund balances	7,538,006	-	175,210
Total liabilities and fund balances	\$ 19,911,640	\$ 464,329	\$ 4,487,019

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

**Webb County, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2003**

<b>Capital Projects Interest Income Series 2002</b>	<b>Juvenile Youth Village</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,668,360	\$ 11,156,534	\$ 6,411,730	\$ 33,908,045
-	-	1,548,715	8,203,948
-	-	11,497,893	14,611,015
-	-	2,353,468	4,380,113
-	-	106,794	351,026
-	-	3,240	139,790
-	-	60,473	76,258
<u>3,668,360</u>	<u>11,156,534</u>	<u>21,982,313</u>	<u>61,670,195</u>
-	-	689,497	3,644,327
3,614,107	-	4,915,566	13,285,317
-	-	93,264	427,791
-	-	1,818,796	9,076,643
-	-	300,267	1,424,046
-	-	450,098	1,173,243
<u>3,614,107</u>	<u>-</u>	<u>8,267,488</u>	<u>29,031,367</u>
-	-	3,240	139,790
-	-	577,819	577,819
878	11,085,356	10,658,446	21,879,245
-	-	3,975,938	3,975,938
-	-	-	7,401,456
-	-	(299,193)	(299,193)
53,375	71,178	(2,367,559)	(2,202,361)
-	-	1,166,134	1,166,134
<u>54,253</u>	<u>11,156,534</u>	<u>13,714,825</u>	<u>32,638,828</u>
<u>\$ 3,668,360</u>	<u>\$ 11,156,534</u>	<u>\$ 21,982,313</u>	<u>\$ 61,670,195</u>



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**Webb County, Texas**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**  
**September 30, 2003**

Total fund balance, governmental funds	\$	32,638,828
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Add - capital assets		160,998,620
Deduct - accumulated depreciation		(77,639,142)

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Taxes receivables, deferred		7,795,624
Accounts receivables and fines, net		3,548,086

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

1,394,538

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

Deduct - bonds payable		(62,690,783)
Deduct - accrued interest on bonds payable		(490,069)
Deduct - bond premiums		(80,304)
Deduct - Arbitrage Rebate		(46,786)
Add - bond discounts		48,632
Add - Deferred Amount for Refunding		315,852
Add - bond issuance cost		1,007,198

Deduct - accrued compensated absences and other long-term liabilities		(1,919,366)
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Net Assets of Governmental Activities in the Statement of Net Assets	\$	64,880,928
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The accompanying notes are an integral part of these financial statements.

**Webb County, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2003**

	<b>General Fund</b>	<b>Headstart</b>	<b>Projects Interest Income Series 2001</b>
<b>REVENUES</b>			
Property Taxes	\$ 26,801,544	\$ -	\$ -
Sales and miscellaneous taxes	9,156,206	-	-
Fees and fines	303,955	-	-
Intergovernmental	5,718,296	7,678,965	-
Charges for services	3,250,811	-	-
Investment earnings	220,961	-	68,222
Miscellaneous	569,187	720	-
Grant matching	-	2,182,565	-
Total revenues	<u>46,020,960</u>	<u>9,862,250</u>	<u>68,222</u>
<b>EXPENDITURES</b>			
Current:			
General government	11,808,029	-	-
Public safety	6,368,887	-	-
Justice system	14,581,697	-	-
Health and human services	4,619,137	9,790,088	-
Infrastructure and environmental services	143,170	-	-
Corrections and rehabilitation	8,887,129	-	-
Community and economic development	1,543,097	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Payment to escrow agent	-	-	-
Capital outlay	37,397	72,162	-
Total Expenditures	<u>47,988,543</u>	<u>9,862,250</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,967,583)</u>	<u>-</u>	<u>68,222</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	-
Capital leases issued	-	-	-
Premium (discount) on bonds issued	-	-	-
Payments to refunded bond escrow agent	-	-	-
Transfers in	862,000	-	-
Transfers out	(332,862)	-	(27,577)
Total other financing sources and uses	<u>529,138</u>	<u>-</u>	<u>(27,577)</u>
Net change in fund balances	(1,438,445)	-	40,645
Fund balances - beginning, Restated	8,976,451	-	134,565
Fund balances - ending	<u>\$ 7,538,006</u>	<u>\$ -</u>	<u>\$ 175,210</u>

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

**Webb County, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2003**

<u>Capital Projects</u> <u>Interest Income</u> <u>Series 2002</u>	<u>Juvenile Youth</u> <u>Village</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ -	\$ 6,158,863	\$ 32,960,407
-	-	362,359	9,518,565
-	-	2,373,167	2,677,122
-	-	10,816,548	24,213,809
-	-	3,788,209	7,039,020
53,375	146,263	126,550	615,371
-	-	1,398,708	1,968,615
-	-	1,105,579	3,288,144
<u>53,375</u>	<u>146,263</u>	<u>26,129,983</u>	<u>82,281,053</u>
-	-	1,190,518	12,998,547
-	-	1,900,979	8,269,866
-	-	3,064,630	17,646,327
-	-	2,890,090	17,299,315
-	-	4,453,111	4,596,281
-	-	3,336,218	12,223,347
-	-	622,613	2,165,710
-	-	-	-
-	-	3,438,462	3,438,462
-	-	3,071,267	3,071,267
-	-	85,554	85,554
-	75,085	4,772,375	4,957,019
<u>-</u>	<u>75,085</u>	<u>28,825,817</u>	<u>86,751,695</u>
<u>53,375</u>	<u>71,178</u>	<u>(2,695,834)</u>	<u>(4,470,642)</u>
-	-	12,610,000	12,610,000
-	-	1,013,240	1,013,240
-	-	430,011	430,011
-	-	(12,823,613)	(12,823,613)
-	-	855,166	1,717,166
-	-	(889,589)	(1,250,028)
-	-	1,195,215	1,696,776
53,375	71,178	(1,500,619)	(2,773,866)
878	11,085,356	15,215,444	35,412,694
<u>\$ 54,253</u>	<u>\$ 11,156,534</u>	<u>\$ 13,714,825</u>	<u>\$ 32,638,828</u>



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**Webb County, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2003**

Net change in fund balances - total governmental funds: \$ (2,773,866)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$4,957,019 exceeded depreciation \$4,318,228 in the current period. 638,791

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 1,721,158

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.

Debt issued:	
Refunding bonds issued	(12,610,000)
Premium (discount) on bonds issued	(430,011)
Capital leases issued	(1,013,240)
Repayments	
To escrow agent	12,823,613
Bond issuance costs	216,398
Principal payments	3,438,462

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	(98,092)
Bad debt expenses	(790,472)
Changes in inventory	17,148
Compensated absences	(225,065)
Issuance cost expense	(62,105)
Arbitrage rebate	(2,372)

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 814,802

Change in net assets of governmental activities	\$ 1,665,149
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The accompanying notes are an integral part of these financial statements.