

**Webb County, Texas**  
**Required Supplementary Information**  
**September 30, 2004**

**Required Supplemental Information - Pension Schedules**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UALL)	(a/b) Funded Ratio	(c) Annual Covered Payroll (1)	((b-a)/c) UAAL as a Percentage of Covered Payroll
1995	25,121,661	26,552,751	1,431,090	94.61%	17,267,309	8.29%
1996	27,966,045	29,918,538	1,952,493	93.47%	18,652,953	10.47%
1997 (2)	31,007,225	33,464,090	2,456,865	92.66%	23,000,529	10.68%
1998	34,576,893	37,695,179	3,118,286	91.73%	25,267,205	12.34%
1999	38,980,680	42,449,840	3,469,160	91.83%	27,560,693	12.59%
2000	43,995,130	47,403,979	3,408,849	92.80%	29,705,993	11.48%
2001	48,742,504	53,768,531	5,026,027	90.65%	31,662,450	15.87%
2002	53,575,361	59,754,394	6,179,033	89.66%	35,507,037	17.40%
2003	61,170,816	65,788,256	4,617,441	92.98%	38,726,678	11.92%

(1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

(2) Revised economic and demographic assumptions due to an experience review were first reflected in this valuation.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1995	937,548	100%	- 0 -
1996	1,177,795	100%	- 0 -
1997	1,311,881	100%	- 0 -
1998	1,559,893	100%	- 0 -
1999	1,770,801	100%	- 0 -
2000	1,861,316	100%	- 0 -
2001	2,061,148	100%	- 0 -
2002	2,827,957	100%	- 0 -
2003	3,002,132	100%	- 0 -

**Webb County, Texas  
Required Supplementary Information  
September 30, 2004**

**TREND INFORMATION**

Actuarial Valuation Date	12/31/1995	12/31/1996	12/31/1997	12/31/1998	12/31/1999
Actuarial Cost Method	entry age	entry age	entry age	entry age	entry age
Amortization Method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, opened	level percentage of payroll, opened	level percentage of payroll, opened
Amortization Period in Years	23.0	25.0	20.0	20.0	20.0
Asset Valuation Method	amortized cost for bonds: no equities	amortized cost for bonds: no equities	long-term appreciation with adjustment	long-term appreciation with adjustment	long-term appreciation with adjustment
Actuarial Assumptions:					
Investment Return (1)	8.00%	8.00%	8.00%	8.00%	8.00%
Projected Salary Increases (1)	6.2%	6.2%	5.9%	5.9%	5.9%
Inflation	4.5%	4.5%	4.0%	4.0%	4.0%
Cost-Of-Living Adjustments	0.0%	0.0%	0.0%	0.0%	0.0%
(1) Includes inflation at the stated rate					

Actuarial Valuation Date	12/31/2000	12/31/2001	12/31/2002	12/31/2003
Actuarial Cost Method	entry age	entry age	entry age	entry age
Amortization Method	level percentage of payroll, opened			
Amortization Period in Years	20.0	20.0	20.0	20.0
Asset Valuation Method	long-term appreciation with adjustment			
Actuarial Assumptions:				
Investment Return (1)	8.00%	8.00%	8.00%	8.00%
Projected Salary Increases (1)	5.9%	5.5%	5.5%	5.5%
Inflation	4.0%	3.5%	3.5%	3.5%
Cost-Of-Living Adjustments	0.0%	0.0%	0.0%	0.0%
(1) Includes inflation at the stated rate				

**Webb County, Texas**  
**Notes to Schedule of Revenues, Expenditures, and Changes to Fund Balance**  
**Budget and Actual**  
**September 30, 2004**

**BUDGETARY INFORMATION** - Operating budgets for the governmental fund types are legally adopted each year for the General Fund, Special Revenues Funds, and the Debt Service Fund on the same modified accrual basis used to reflect actual revenues and expenditures.

Operating budgets are also legally adopted each year for the proprietary funds on the same accrual basis used to reflect actual revenues and expenses.

The adopted budget normally covers all funds existing at the time the annual budget is adopted. However federal grants, state grants and assistance programs included in the Special Revenue Funds and Capital Projects Funds major and non-major funds are budgeted by grant period and project-length financial plans are adopted rather than by fiscal year.

The County follows these procedures set by The Texas Local Government Code, (Code) Chapter 111 "County Budget" in establishing the budgetary data reflected in the financial statements:

The County Judge serves as the Budget Officer for the Commissioners Court (Court) of the County. Each department submits a budget request to the County Judge. The County Judge, with the assistance of the County Auditor, prepares a budget to cover all the proposed expenditures for the succeeding fiscal year. The budget establishes an appropriation for the estimated expenditures to be included in the proposed budget. The County Judge also estimates the revenues available from all sources and to be derived from taxes to be levied and collected to cover the budget. In practical application, very seldom is the proposed budget balanced from the undesignated fund balance. Once the proposed budget is completed and balanced, it is filed with the County Clerk by July 31<sup>st</sup> for public inspection by any taxpayer. The Court, the governmental body of the County, regarding the proposed budgets, holds public hearings. The Court may increase or decrease the budgeted amounts for the various funds and departments. After final approval of the budget, the Court may spend county funds only in strict compliance with the budget. The Court may levy taxes only in accordance with the budget. The Court is authorized to transfer budgeted amounts between departments or categories during the year; however, public notice must be given when adopting any revisions to the budget. The County Auditor is responsible for monitoring the expenditures of the various funds and departments to prevent expenditures from exceeding line item appropriations.

The County Auditor reports to the Court on a monthly basis to inform on the condition of the various funds, departments and line item accounts. Management has no authority to make changes to the budget without the Court approval. Budgetary controls exist at the expenditures line item and control at the department level. Operating budgeted amounts reflected in the financial statements represent the final budget as amended by the Commissioners' Court. "Personnel General Order" by department and by fund and an "Operational General Order" are adopted by the Court for approving personnel

positions and immediate and non-immediate payments for financial processing procedures for each fiscal year. "Amending the Budget" is a section that specifically directs how to request line item transfers only during the last six months of the fiscal year. The Commissioners' Court is very actively involved in the administration of the operating budgets for the county, and no line item amendments shall be made, except those from state and federal funding sources, without the Court's prior approval.

The Code stipulates that Court may authorize an emergency expenditure as an amendment to the budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention."

Function/Program	Budgeted Amounts		Budget Amendments during the fiscal year
	Original	Final	
General Fund			
General government	12,632,454	12,546,551	(85,903)
Public safety	7,091,131	6,801,901	(289,230)
Justice system	15,193,914	15,464,805	270,891
Health and human services	3,748,351	3,747,390	(961)
Infrastructure and environmental services	145,605	145,605	-
Corrections and rehabilitation	9,241,783	9,515,013	273,230
Community and economic development	919,768	781,290	(138,478)
Capital Outlay	50,000	48,362	(1,638)
Total Expenditures	<u>49,023,006</u>	<u>49,050,917</u>	<u>27,911</u>

The total general fund budget increase by \$ 27,911 was for personnel cost for the Justice of the Peace Precinct 4 with a corresponding revenue increase to transfer in from the Special Revenue - Road & Bridge nonmajor fund.

The following line item transfers were court approved between functions:

Departments under the commissioners court transfer to justice system for autopsies and judicial general for civil court appointed or criminal indigent defense attorneys general government \$ 87,541; community and economic development \$ 138,478; public safety \$ 16,000; health and human services \$ 961.

Public safety \$ 273,230 from the sheriff's department was transfer to sheriff's corrections and rehabilitation department.

Capital Outlay \$ 1,638 was transfer to fund minor tools and apparatus to the general government function.

Special Revenue Head Start Program period ended August 31, 2004 had \$ 406,424 budget amendments for \$ 227,000 one time funds to replace playground surfacing and equipment and other non-consumables, \$ 2,000 for participation in the National Head Start Institute of Fatherhood, \$ 177,424 increase non-federal share in-kind contributions. Revenues increased by \$ 229,000 from grant funds and \$ 177,424 from non-federal share in-kind revenues.

Special Revenue Head Start Program period ended August 31, 2005 had \$ 5,000 budget amendments for \$ 4,000 one time funds for training for the improvement of the grantee's Head Start governance structure and \$ 1,000 to increase non-federal share in-kind contributions. Revenues increased by \$ 4,000 from grant funds and \$ 1,000 from non-federal share in-kind revenues.

TWDB Rio Bravo and El Cenizo Water and Wastewater Contract G11800 had budget amendments for increase the scope of work for additional infrastructure improvement with corresponding revenue increase from grant funds and the County's match.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budgeted amounts (that have been adjusted for legally authorized revisions of the annual budgets during the year). The County payroll clearing fund requires no budget. The election contract services fund requires no budget according to the State's Election Code.

Governmental Funds	Estimated Revenues		Appropriations	
	Original Adopted Budget	Final Revised Budget	Original Adopted Budget	Final Revised Budget
Major Funds				
General Fund	\$ 49,231,042	49,258,953	49,078,206	49,106,117
Special Revenue Fund				
Head Start Program as of 08/31/2004	9,524,851	9,931,275	9,524,851	9,931,275
Head Start Program as of 08/31/2005	9,675,620	9,680,620	9,675,620	9,680,620
Capital Projects Funds				
TWDB Rio Bravo & El Cenizo				
Water & Wastewater Contract G11800	15,474,000	16,811,082	15,474,000	16,811,082
Capital Projects Interest Income, Series 2003	25,000	25,000		
Juvenile Youth Village Fund	11,300,000	11,300,000	11,300,000	11,300,000
Other Nonmajor Governmental Funds	50,650,921	63,405,869	60,361,201	74,722,145
Total	\$ 145,881,434	160,412,799	155,413,878	171,551,239

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrance) issued for goods and services not received at year-end.

The actual results of operations are presented in accordance with GAAP, and the County's accounting policies do not recognize encumbrances as expenditures until the period in which the goods and services are actually received and a liability is incurred. All encumbrances lapse at the end of year. At year-end all outstanding encumbrances are presented as purchase order commitments.

Grant awards representing state and/or federal funding sources included in the special revenues and capital projects funds are project-period or entity differences. Grant awards are initially approved by the Commissioners' Court for the grants' special terms and conditions for contractual performance. All subsequent budget amendments are approved by the various granting agencies governing bodies during the fiscal year and by the Court. In addition to the agencies' governing bodies and the Court, the Board of District Judges approves amendments for the Community Justice Assistance Division grants for the Adult Probation and Texas Juvenile Probation Commission grants for the Juvenile Probation special revenue funds.

**GOVERNMENTAL FUNDS**  
**Major Fund**

**WEBB COUNTY FUNDS**

GENERAL FUND

The general fund is the chief operating fund of the County. Webb County adopts annual appropriated budget for its general fund. A detailed budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.