

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Webb County, Texas we offer readers of the County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2004. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Transmittal Letter (beginning on page vii) and the County's financial statements (beginning on page 17).

### FINANCIAL HIGHLIGHTS

#### Highlights for Government-wide Financial Statements

- The assets of the County of Webb exceeded its liabilities at the close of the fiscal year 2004 by \$73,648,263 (*total net assets*). Of this amount, \$15,528,833 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$8,668,269 (13.3%) during 2004. The most significant change that led to this increase was revenues in excess of expenses of \$6,234,551 for infrastructure and environmental services function in the governmental activities.
- The governmental net assets increased by \$8,631,266 (13.4%) and the business-type net assets increased by \$37,003 (10.8%) during 2004.

#### Highlights for Fund Financial Statements

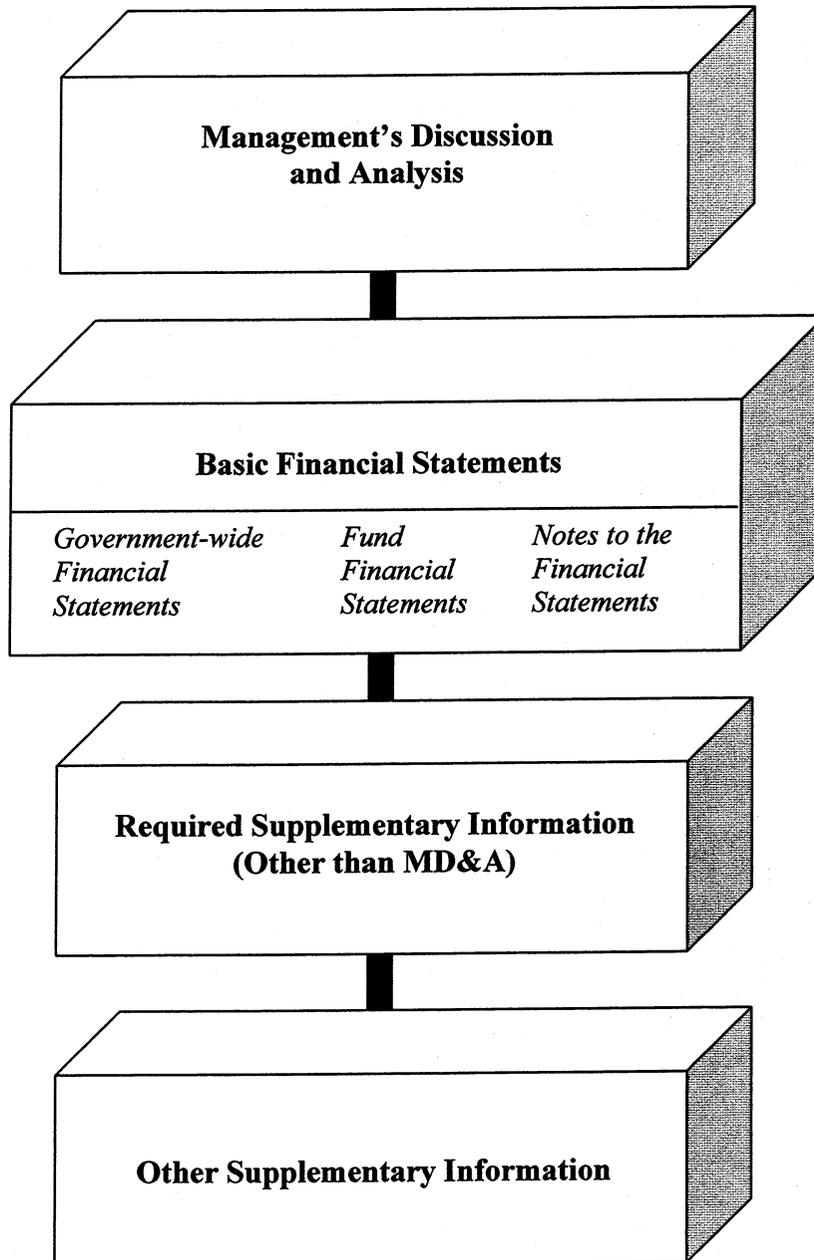
- As of the close of the current fiscal year, the County of Webb's governmental funds reported a combined ending fund balance of \$36,796,710, an increase of \$4,394,414 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,658,972, or 18.3% of total general fund expenditures.

#### General Financial Highlight

- In October 2003, Webb County issued \$10 million of certificates of obligation series 2003. These bonds were issued to finance acquisition of land, equipment and other general County improvements.

**USING THIS ANNUAL REPORT**

The financial section of this annual report consists of four components: management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information. In order to assist the readers in using this annual report, the following graphic is provided for your review.



## OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements include the Statement of Net Assets and the Statement of Activities, on pages 17 - 19, which provide information about the activities of the County as a whole (government-wide) and present a longer-term view of the County's finances. For governmental activities, fund financial statements provide an overview of how these services were financed in the short-term as well as what remains for future spending. Fund financial statements start on page 20. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County of Webb's finances, in a matter similar to private sector business. The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the *financial position* of the County is improving or deteriorating. During 2004, the net assets of the County increased by \$8.7 million.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*, thus being consistent with *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies.

The Statement of Net Assets and the Statement of Activities, present information about the two types of County activities:

- **Governmental activities** - All of the County's basic services that are principally supported by property taxes, charges for services, and intergovernmental revenues are considered to be governmental activities. The governmental activities of Webb County include general government, public safety, justice system, health and human services, infrastructure and environmental services, correction and rehabilitation, and community and economic development.

- **Business-type activities** - Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. This includes the Webb County Water Utility Fund.

*The government-wide financial statements can be found on pages 17 – 19 of this report.*

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The County's three categories of funds – *governmental, proprietary and fiduciary* use different accounting approaches.

***Governmental Funds*** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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.

The County maintains 139 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Head Start Fund, Juvenile Youth Village Fund, TWDB Rio Bravo and El Cenizo Water and Wastewater contract fund, Capital Projects Interest Income Fund Series 2003, each of which are considered to be major funds. Information for the other 134 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *schedules* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20 - 27 of this report.

**Proprietary Funds** - The County maintains two different types of proprietary funds, enterprise and internal service funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Water Utility Fund. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for support services provided to other departments, which includes the employees' health benefits and worker compensation funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements elsewhere* in this report.

The basic proprietary fund financial statements can be found on pages 28 - 31 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 - 72 of this report.

**Required Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes a schedule concerning the County's progress in funding its obligation to provide pension benefits to county employees, and budgetary comparison schedules for the General fund and major special revenue. Required supplementary information can be found on pages 73 - 82 of this report.

**Other Information:** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 83 - 396 of this report.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The government-wide financial analysis focuses on the net assets and changes in net assets of the County's governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$73,648,263 at September 30, 2004.

### Webb County's Net Assets (in Thousands)

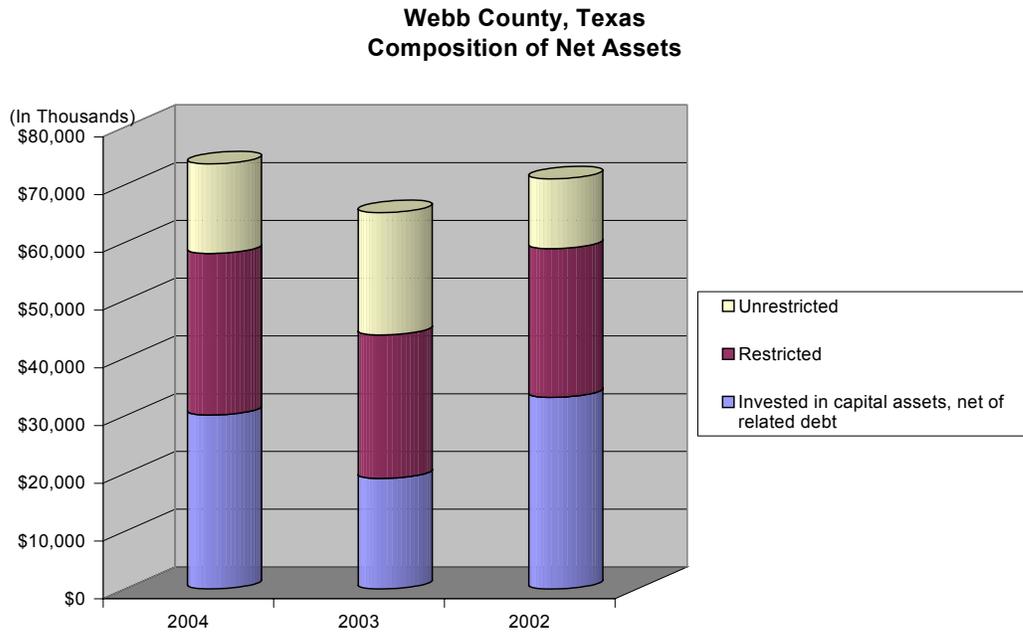
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 67,854	\$ 57,049	\$ 1,846	\$ 2,079	\$ 69,700	\$ 59,129
Capital Assets	95,061	83,389	4,665	3,124	99,726	86,513
Total assets	<u>162,915</u>	<u>140,439</u>	<u>6,511</u>	<u>5,203</u>	<u>169,426</u>	<u>145,642</u>
Long-term liabilities outstanding	73,695	66,088	5,768	4,736	79,463	70,824
Other liabilities	15,952	9,470	363	123	16,315	9,593
Total liabilities	<u>89,647</u>	<u>75,558</u>	<u>6,131</u>	<u>4,860</u>	<u>95,778</u>	<u>80,417</u>
Net assets:						
Invested in capital assets, net of related debt	29,800	18,787	342	363	30,142	19,150
Restricted	27,977	24,871	-	-	27,977	24,871
Unrestricted	<u>15,491</u>	<u>21,223</u>	<u>38</u>	<u>(20)</u>	<u>15,529</u>	<u>21,203</u>
<b>Total net assets</b>	<b><u>\$ 73,268</u></b>	<b><u>\$ 64,881</u></b>	<b><u>\$ 380</u></b>	<b><u>\$ 343</u></b>	<b><u>\$ 73,648</u></b>	<b><u>\$ 65,224</u></b>

By far, the largest portion of the County's net assets, \$30,141,797 (40.9%) reflects investment in buildings, vehicles, equipment, infrastructure and construction and infrastructure in progress, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net assets, \$27,977,633 (38%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$15,528,833 (21.1%) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Webb County as a whole is able to report positive balances in all three categories (invested in capital assets - net of related debt, restricted and unrestricted) of net assets, as well as for its separate governmental and business-type activities.

The following chart represents the composition of net assets for Webb County as a whole for the past three years.



The following table demonstrates, the County’s net assets increased by \$8,668,269 during the current fiscal year. Business-type activities did experience a positive change in net assets when compared to the previous year as a result of increased charges for services.

**Webb County, Texas**  
**Changes in Net Assets**  
(in Thousands)

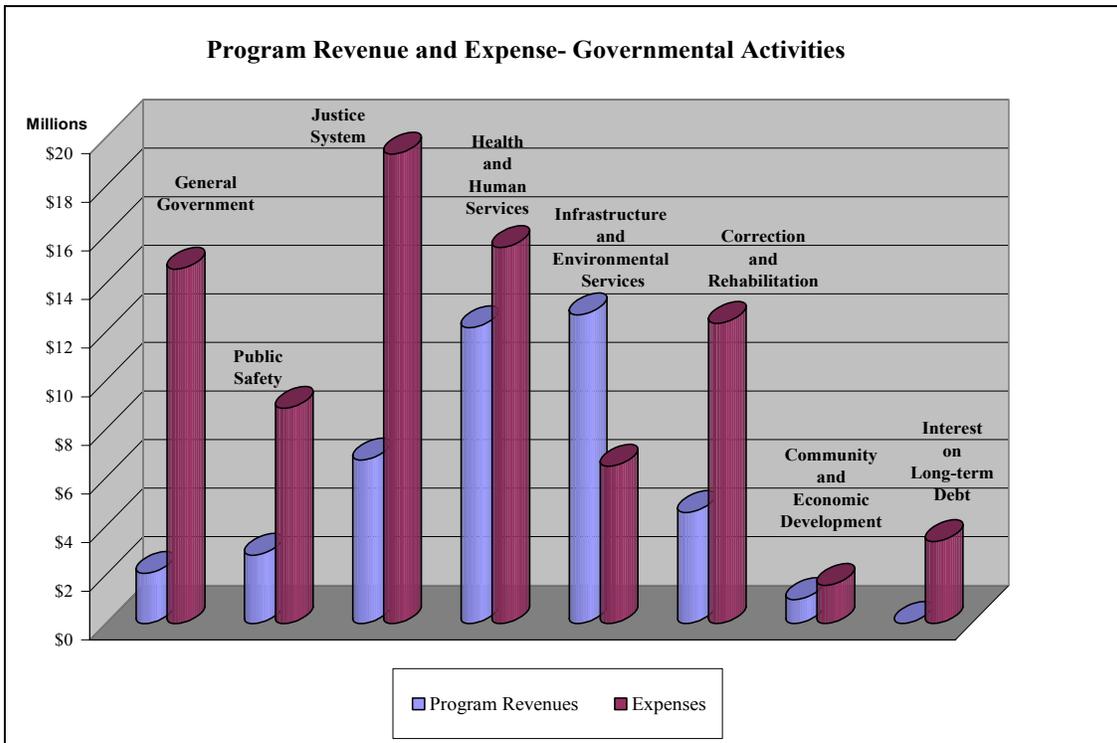
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>REVENUES</b>						
<b>Program revenues:</b>						
Charges for services	\$ 10,958	\$ 10,752	\$ 1,334	\$ 1,114	\$ 12,292	\$ 11,865
Operating grants and contributions	23,607	26,262	-	-	23,607	26,262
Capital grants and contributions	7,451	1,163	-	-	7,451	1,163
<b>General revenues:</b>						
Property taxes	35,897	33,010	-	-	35,897	33,010
Other taxes	10,478	9,692	-	-	10,478	9,692
Other	2,225	3,322	26	25	2,251	3,347
<b>Total Revenues</b>	<b>\$ 90,617</b>	<b>\$ 84,200</b>	<b>\$ 1,360</b>	<b>\$ 1,139</b>	<b>\$ 91,977</b>	<b>\$ 85,338</b>
<b>EXPENSES</b>						
<b>Program activities</b>						
<b>Primary government:</b>						
Governmental activities:						
General Government	\$ 14,586	\$ 13,487			14,586	\$ 13,487
Public Safety	8,857	7,985			8,857	7,985
Justice System	19,319	18,844			19,319	18,844
Health and Human Services	15,475	17,295			15,475	17,295
Infrastructure and Environmental Services	6,468	7,833			6,468	7,833
Correction and Rehabilitation	12,347	12,415			12,347	12,415
Community and Economic Development	1,568	1,973			1,568	1,973
Interest on Long-term Debt	3,366	3,169			3,366	3,169
<b>Business-type Activities</b>						
Webb County Water Utility			\$ 1,323	\$ 1,244	1,323	1,244
<b>Total Expenses</b>	<b>\$ 81,986</b>	<b>\$ 83,002</b>	<b>\$ 1,323</b>	<b>\$ 1,244</b>	<b>\$ 83,309</b>	<b>\$ 84,246</b>
Increase (decrease) in net assets						
before transfers	\$ 8,631	\$ 1,198	\$ 37	\$ (106)	\$ 8,668	\$ 1,092
Transfers	-	467	-	33	-	500
<b>Increase in net assets</b>	<b>\$ 8,631</b>	<b>\$ 1,665</b>	<b>\$ 37</b>	<b>\$ (73)</b>	<b>\$ 8,668</b>	<b>\$ 1,592</b>
<b>Net assets - beginning of year (restated)</b>	<b>64,637</b>	<b>63,216</b>	<b>343</b>	<b>416</b>	<b>64,980</b>	<b>63,632</b>
<b>Net assets - end of year</b>	<b>\$ 73,268</b>	<b>\$ 64,881</b>	<b>\$ 380</b>	<b>\$ 343</b>	<b>\$ 73,648</b>	<b>\$ 65,224</b>

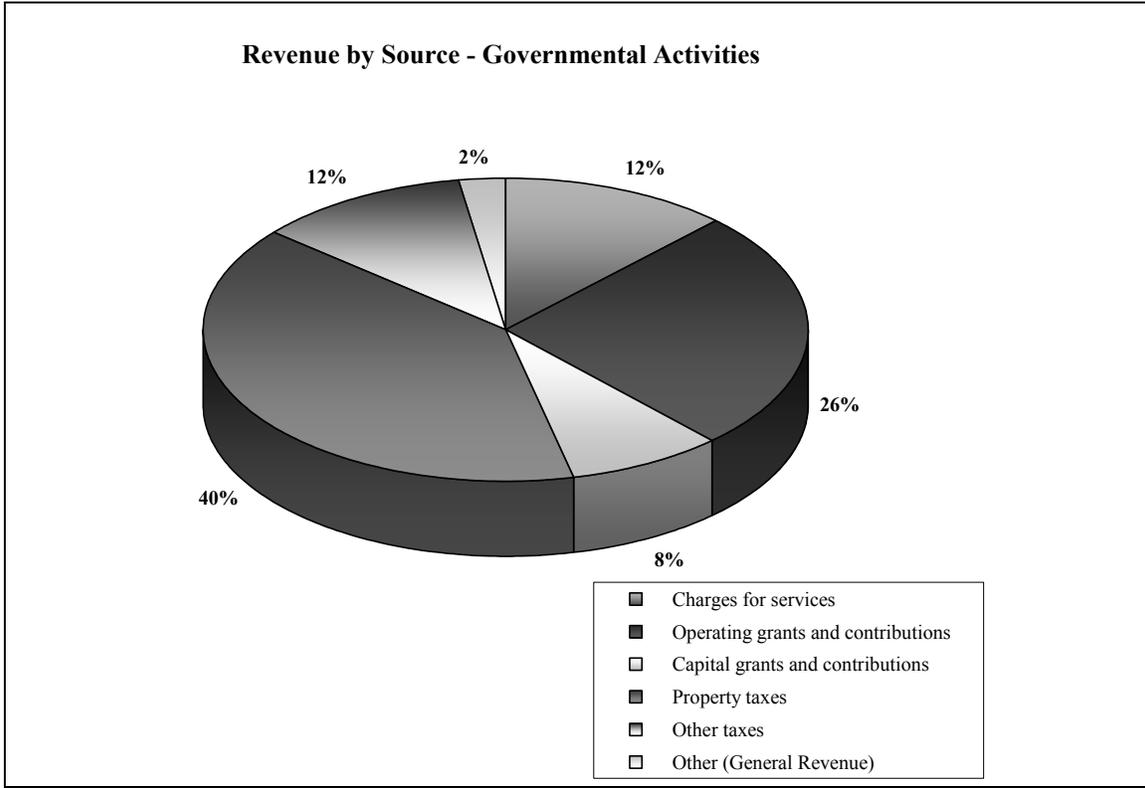
During the current fiscal year, the County's total revenues increased by \$6,639,007 (7.8%) and total expenses decrease by \$936,822 (1.1%). Total revenues for this year were more than total expenses resulting in an increase in *total net assets* of \$8,668,269. Most of the growth largely reflects a decrease in health and human services expenses as compared to the previous year and major increases in property taxes, capital grants and contributions.

**Governmental Activities**

Governmental activities increased the County’s net assets by \$8,631,266, resulting in 99.6% of the total growth in net assets. Key elements of this increase are as follows:

- Property taxes collected increased by approximately \$2.9 million (8.7%) from the previous fiscal year. Increase is the product of raising property values and residential growth.
- Capital grants and contributions had a positive net change of \$6,234,551. Most of this increase is attributed to a capital grant from Texas Water Development Board for a water and wastewater project.
- Charges for services revenues also increased by a moderate \$206,308 (1.9%).
- Special revenue taxes (sales and hotel/motel tax) increased by approximately \$786,000 when compared to the previous fiscal year.
- Expenses of governmental activities decreased by \$1,015,981 which compromised a 1.2% decrease from the prior year.
- The most significant decreases in expenses were evident in the functions of health and human services and infrastructure and environmental services by approximately \$1.8 million (10.5%) and \$1.4 million (17.4%) from the previous fiscal year expenses respectively. This is a result of an aggressive campaign by management to control costs more effectively.



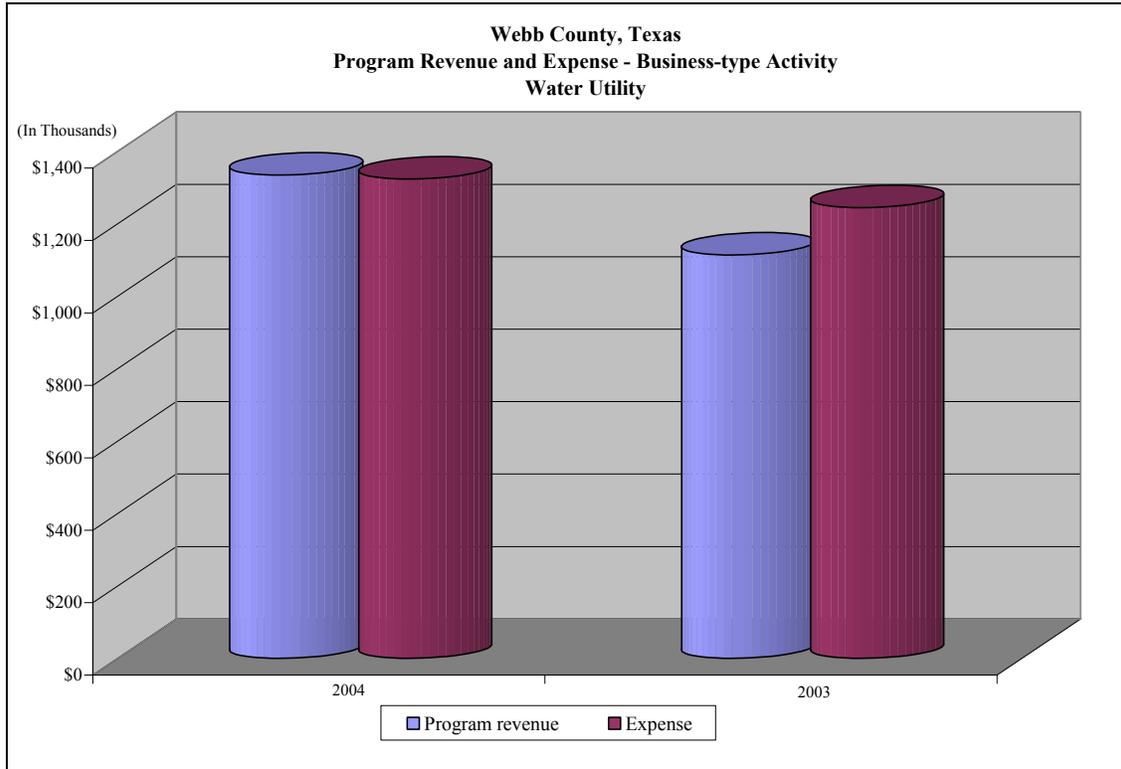


**Business-type Activities**

Business-type activities increased the County’s net assets by \$37,003 which resulted in an ending net asset balance of \$380,103. This is a turn around from the previous year which had a negative change in net assets. Key elements of the current year increase in net assets are as follows:

- Charges for services increased by approximately \$220,305 (19.8%), compared to the prior year. This is a result of increased service rates and a modest increase in demand.
- Investment earnings increased by a moderate 5.7% from the previous year.

The following charts represent the fiscal year trends for the business-type activity.



## **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

As noted earlier, Webb County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### **Governmental Funds**

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36,796,710, an increase of \$4,394,414 in comparison with the prior year.

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year, unreserved balance of the General Fund was \$8,658,972, while the total fund balance was \$8,804,075. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 18.3 % of total General Fund expenditures.

The Fund Balance of the Webb County's General Fund increased by \$1,257,517 from the previous fiscal year. Key factors in this growth are as follows:

- An increase in property values increased property tax revenues by \$1.9 million.
- Receipts from sales and miscellaneous taxes were better than anticipated by \$401,532.
- Total expenditures for Health and Human Services decreased by \$1.9 million.

The **Head Start Fund** accounts for resources received by the Department of Health and Human Services - Administration for Children and Families. These resources are used for student's education, nutrition, physical and mental health, disability and medical services as well as parent's literary services. This fund does not contribute to the governmental fund balance at year end as the revenues received directly offset the expenses incurred. In addition to this, Webb County provided in-kind contributions (non-federal share) which exceeded the amount required by over \$120,174.

The **Juvenile Youth Village Fund** accounts for the \$11.3 million construction project which will house a juvenile detention center and juvenile justice alternative education program. Although investment earnings were earned, fund balance still decreased by \$4,223 due to capital outlay expenditures of \$130,074.

The **TWDB Rio Bravo and El Cenizo Water and Wastewater Contract Fund** accounts for the \$16.8 million project for the design and construction of water treatment and distribution and wastewater collection and treatment facilities to serve the economically distressed areas of Webb County known as the City of Rio Bravo and the City of El Cenizo.

The **Capital Projects Interest Income Fund Series 2003** is used to account for interest earned on the investment of bond proceeds as required by bond covenants. Interest income is available for funding corresponding capital projects, if needed. At year end investment earnings total \$87,570 added to the total governmental fund balance.

### **Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Total *net assets* of the Water Utility Fund at year end totaled \$350,665. Of this amount, 97.6% is invested in capital assets net of related debt. Factors relating to the Water Utility fund have already been addressed in the discussion of the Webb County's business-type activities.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$27,911 increase in appropriations between the original and final amended budget. The increase was for personnel cost of the Justice of the Peace Precinct 4. The increase was possible because of an increase in revenues in the Road & Bridge fund with a corresponding transfer to the General Fund. In addition, the Webb County Commissioner's Court approved transfers between functions which had no effect on the total appropriated budget.

At year end, general fund expenditures were less than budget estimates. The result was a \$1.5 million variance. The most significant positive variance was in the Health and Human Services function for \$743,271.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The County's investment in capital assets for its governmental and business type activities as of September 30, 2004, amounted to \$99,725,944 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, infrastructure in progress, buildings, equipment, furniture and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Infrastructure in progress costs for a water and wastewater project, an international bridge, and for paving roads in Las Colonias. The total costs are \$8,658,649.
- Various ongoing construction projects with a total cost of \$3,288,777.
- Acquisition of land and building from Texas Mexican Railway for \$1,377,690.
- New Heavy machinery at a cost of \$623,795.
- The cost related to the purchase of land for the construction of a public park. The land was purchased in the San Isidro subdivision for \$500,795.
- Completion of Larga Vista Library at a cost of \$155,911.

**Webb County's Capital Assets**  
(net of depreciation)  
(in Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Capital assets, not being depreciated:						
Land and improvements	\$ 6,577	\$ 5,637	\$ 216	\$ 216	\$ 6,794	\$ 5,853
Infrastructure in progress	19,746	11,087	3,632	2,037	23,378	13,125
Construction in progress	3,289	738	-	-	3,289	738
Total capital assets, not being depreciated	<u>29,612</u>	<u>17,463</u>	<u>3,848</u>	<u>2,254</u>	<u>33,460</u>	<u>19,717</u>
Capital assets, being depreciated, net:						
Infrastructure	12,636	12,098	374	385	13,010	12,483
Buildings	47,010	47,145	417	430	47,428	47,575
Furniture, fixtures and equipment	5,802	6,768	25	55	5,828	6,823
Total capital assets, being depreciated, net	<u>65,448</u>	<u>66,010</u>	<u>817</u>	<u>870</u>	<u>66,266</u>	<u>66,881</u>
<b>Total</b>	<u><u>\$ 95,061</u></u>	<u><u>\$ 83,473</u></u>	<u><u>\$ 4,665</u></u>	<u><u>\$ 3,124</u></u>	<u><u>\$ 99,726</u></u>	<u><u>\$ 86,597</u></u>

Additional information on the County's capital assets can be found in note III C on pages 49 - 50 of this report.

**Debt Administration**

At the end of the current fiscal year, the County had total bond debt outstanding of \$75,384,616. The governmental bond debt is payable from the levy of a direct ad valorem tax on all taxable property located within the County and the business-type debt is payable from Webb County Water Utility self-supporting fees.

The County's total debt increased by \$8,036,542 (11.9%) from the previous fiscal year.

New borrowing during the year was \$10 million in Certificates of Obligations, Series 2003 and a loan for \$1.1 million. Proceeds from the Certificates of Obligation Series 2003 will be used for the design, planning, construction, and equipment of golf course improvements; improvements to various County parks and the colonias off Highways 359, 59, 83 North and 83 South and various road improvements. The loan is for the design and construction of water treatment and distribution and waste-water collections and treatment facilities to serve the economically distressed areas of the County.

**Webb County's Outstanding Debt**  
 General Obligation  
 (in Thousands)

	<u>Governmental</u> Activities		<u>Business-type</u> Activities		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Certificates of obligation	\$ 37,400	\$ 28,978	\$ 2,640	\$ 2,707	\$ 40,040	\$ 31,685
General obligation refunding bonds	7,610	7,680			7,610	7,680
Limited tax refunding bonds	11,642	12,271			11,642	12,271
Limited tax improvement bonds	10,510	10,910			10,510	10,910
Other lending requirements	2,343	2,568	3,032	1,950	5,375	4,518
<b>Total</b>	<b>\$ 69,505</b>	<b>\$ 62,407</b>	<b>\$ 5,672</b>	<b>\$ 4,657</b>	<b>\$ 75,176</b>	<b>\$ 67,064</b>

The presently outstanding ad valorem tax supported debt of Webb County has an underlying rating of "A3" by Moody's, "A" by Standard & Poor's, and "A" by Fitch. By virtue of an insurance policy, the Certificates have received a rating of "Aaa" by Moody's and "AAA" by Standard & Poor's and Fitch.

Texas Statutes limit the amount of general obligation debt a government entity may issue to 5% of its total assessed valuation. The current debt limitation for the County of Webb is \$1,985,977,206 which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III G on pages 53 - 63 of this report.

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

The following economic factors were known as of the printing of this report:

- The unemployment rate for the County of Webb is currently 5.9%, which is a decrease from a rate of 6.4% a year ago. Although this is good news, Webb County's unemployment rate was still higher than the state and national average.
- Webb County got a favorable final ruling from Judge John Dietz who sits on the 261<sup>st</sup> District Court in Austin, Texas in that Webb County has the authority to build a fifth international bridge without the City's consent. However, the federal government will not issue a presidential permit to construct the international port of entry between the United States and Mexico without an agreement between Webb County and the City of Laredo.

- The Texas Commission on Jail Standards has determined that the Webb County Jail is in compliance with state jail standards. Furthermore, the Attorney General of the State of Texas has dropped its intention to take legal action against the County.
- The U.S. Marshals renewed a contract with the Sheriff to house federal inmates in the Webb County Jail.
- The Commissioner's Court approved a two cent decrease in the property tax rate.
- The real property assessed value for fiscal year 2005 increased by \$1,088,414,738.
- The rate increase for the Water Utility fund for fiscal year 2005 was not passed on to customers as a user-fee charge. Instead, the estimated amount of \$80,000 in operating revenues lost is going to be covered with a transfer from the General Fund.

All of these factors were considered in preparing the Webb County's budget for the 2005 fiscal year.

#### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Webb County Auditor's Office, 1110 Washington Street, Suite 201, Laredo, Texas 78040 or call (956) 523-4016. This report can also be found on the County's website at [www.webbcountytx.gov](http://www.webbcountytx.gov).