

**Webb County, Texas  
Statement of Net Assets  
Proprietary Funds  
September 30, 2008**

	<b>Enterprise Fund</b>	<b>Internal Service</b>
	<b>Water Utility</b>	<b>Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,889,490	\$ 6,229,671
Accounts Receivable, net	217,572	-
Deferred charges	347,421	-
Due from other funds	149,511	426,595
Inventories	18,241	-
Total current assets	2,622,235	6,656,266
Non-current assets:		
Capital Assets:		
Land and improvements	216,295	-
Infrastructure in progress	744,647	-
Infrastructure	11,025,749	-
Utility System	747,627	-
Buildings	574,357	-
Equipment and furniture	866,217	84,068
Less Accumulated depreciation	(2,050,170)	(84,068)
Total non-current assets	12,124,722	-
Total assets	14,746,957	6,656,266

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

**Webb County, Texas  
Statement of Net Assets  
Proprietary Funds  
September 30, 2008**

	<b>Enterprise Fund</b>	<b>Internal Service</b>
	<b>Water Utility</b>	<b>Funds</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	528,481	664,328
Salaries payable	35,751	-
Accrued interest payable	55,901	-
Due to other funds	2,057,650	843,141
Other accrued expenses	123,056	150,502
Compensated absences	18,944	22,812
Claims and judgments	-	1,001,490
Bonds, notes and loans payable	331,586	-
Total current liabilities	3,151,369	2,682,273
Non-current liabilities:		
Compensated absences	39,258	-
Claims and judgments	-	280,084
Bonds, notes and loans payable	6,585,555	-
Total non-current liabilities	6,624,813	280,084
Total liabilities	9,776,182	2,962,357
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	5,139,928	-
Restricted for debt service	465,055	-
Unrestricted	(634,207)	3,693,910
Total net assets	\$ 4,970,776	\$ 3,693,910
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	88,610	
Net assets of business-type activities	\$ 5,059,386	

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, 2008

	<b>Enterprise Fund</b>	<b>Internal Service</b>
	<b>Water Utility</b>	<b>Funds</b>
<b>REVENUES</b>		
Charges for services	\$ 1,498,471	\$ 10,923,756
Total operating revenues	1,498,471	10,923,756
<b>OPERATING EXPENSES</b>		
Personnel services	883,194	-
Contractual services	11,110	59,158
Utilities	323,008	-
Repairs and maintenance	128,119	-
Other supplies and expenses	276,443	1,739
Insurance claims and expenses	-	9,225,250
Depreciation	316,442	-
Amortization	28,738	-
Total Operating Expenses	1,967,054	9,286,147
Operating income (loss)	(468,583)	1,637,609
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest and investment revenue	54,618	186,257
Interest expense	(348,637)	-
Total non-operating revenue (expenses)	(294,019)	186,257
Income (loss) before contributions and transfers	(762,602)	1,823,866
Capital contributions	283,722	-
Transfers in	208,022	419,571
Transfers out	(22,000)	(939,636)
Special item - gain (loss) on sale of equipment	7,440	-
Change in net assets	(285,418)	1,303,801
Total net assets - beginning, restated	5,256,194	2,390,109
Total net assets - ending	\$ 4,970,776	\$ 3,693,910
 Change in net assets, per above		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	18,939	
Change in net assets of business-type activities (page 48)	\$ (266,479)	

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, Texas  
Statement of Cash Flows  
Proprietary Funds  
For Year Ended September 30, 2008

	<b>Business Type Activities Enterprise Fund Water Utility</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 1,515,047	
Premiums from participants		10,923,756
Payments to employees	(862,643)	
Payments to vendors, suppliers, and insurance administrators	(374,257)	(9,523,797)
Internal Transactions	(440,301)	
Net cash provided by operating activities	(162,154)	1,399,959
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>		
Transfers In	208,022	419,571
Transfers Out	(22,000)	(939,636)
Net cash provided by non capital financing activities	186,022	(520,065)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Infrastructure		
Infrastructure in Progress	(26,782)	
Land and Land Improvements	(743,339)	
Short Term Bonds Payable	66,759	
Interest Paid on Debt	(331,483)	
Long Term Bonds Payable	316,413	
Issuance Cost for Bonds	(48,000)	
Proceeds from sales of capital assets	7,440	
Net cash provided by capital financing activities	(758,992)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings	54,618	186,257
Net cash provided by investing activities	54,618	186,257
Net Increase/(Decrease) in Cash and Cash Equivalents	(680,506)	1,066,151
Cash and pooled investments, beginning of year	2,569,996	5,163,520
<b>Cash and pooled investments, end of year</b>	<b>\$ 1,889,490</b>	<b>6,229,671</b>
<b>Reconciliation of operating income to net cash provided (used) by operations:</b>		
Operating income	\$ (468,583)	1,637,609
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	316,442	
Amortization expense	28,738	
(Increase) Decrease in Accounts Receivable	16,576	
(Increase) Decrease in Due from Other Funds	(34,191)	(167,129)
(Increase) Decrease in Inventories	(6,086)	
Increase (Decrease) in Accounts Payable	354,022	(6,394)
Increase (Decrease) in Other Payables	16,487	240
Increase (Decrease) in Accrued Liabilities		169,288
Increase (Decrease) in Accrued Wages Payable	8,293	
Increase (Decrease) in Due to Other Funds	(406,110)	338,211
Increase (Decrease) in Funds Held In Trust		(461,469)
Increase (Decrease) in Short-Term Risk Liability		(146,029)
Increase (Decrease) in Long Term Risk Liability		35,632
Increase (Decrease) in Short Term Accrued Compensated Absences	(14,939)	
Increase (Decrease) in Long Term Accrued Compensated Absences	27,197	
Total adjustments	306,429	(237,650)
<b>Net cash provided by operating activities</b>	<b>\$ (162,154)</b>	<b>1,399,959</b>

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