

**Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2009**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 16,673,349	\$ 18,967,166	\$ 35,640,515
Taxes receivable, net	8,638,159	1,452,200	10,090,359
Due from other funds	19,675,411	5,130,351	24,805,762
Receivable from other governments	1,805,807	4,518,409	6,324,216
Other receivables	258,999	35,364	294,363
Inventories	211,656	9,590	221,246
Other assets	16,905	10,740	27,645
Total assets	47,280,286	30,123,820	77,404,106
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	3,803,212	1,974,344	5,777,556
Due to other funds	17,582,259	4,785,299	22,367,558
Payable to other governments	285,749	44,128	329,877
Deferred revenue	8,309,124	2,288,951	10,598,075
Other accrued expenditures	2,563,810	1,024,495	3,588,305
Other payables	1,705,070	898,989	2,604,059
Total liabilities	34,249,224	11,016,206	45,265,430
 Fund balances:			
Reserved for:			
Inventories	211,656	9,590	221,246
Debt service	-	856,505	856,505
Capital projects	-	15,825,796	15,825,796
Special revenues	-	7,176,657	7,176,657
Unreserved, reported in:			
Designated for buildings repairs	20,491	-	20,491
Undesignated - General Fund	12,798,915	-	12,798,915
Undesignated - Debt service	-	129,166	129,166
Undesignated - Capital projects	-	(3,763,539)	(3,763,539)
Undesignated - Special revenues	-	(1,126,561)	(1,126,561)
Total fund balances	13,031,062	19,107,614	32,138,676
Total liabilities and fund balances	\$ 47,280,286	\$ 30,123,820	\$ 77,404,106

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

Webb County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2009

Total fund balance, governmental funds	\$	32,138,676
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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	237,627,984
Deduct - accumulated depreciation	(104,501,978)

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	9,662,661
Accounts receivables and fines, net	1,758,433

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.

4,018,803

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.

Add - bond discounts	144,900
Add - Deferred Amount for Refunding	645,130
Add - bond issuance cost	930,520
Deduct - bonds payable	(68,282,699)
Deduct - accrued interest on bonds payable	(393,798)
Deduct - bond premiums	(362,235)
Deduct - accrued compensated absences	(3,135,914)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	110,250,483
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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, 2009

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 47,787,623	\$ 8,747,529	\$ 56,535,152
Sales and miscellaneous taxes	12,114,876	388,876	12,503,752
Fees and fines	427,586	3,421,180	3,848,766
Intergovernmental	2,157,719	22,126,600	24,284,319
Charges for services	4,932,184	3,980,842	8,913,026
Investment earnings	253,580	189,659	443,239
Miscellaneous	591,907	1,482,497	2,074,404
Grant matching	-	3,319,921	3,319,921
Total revenues	68,265,475	43,657,104	111,922,579
EXPENDITURES			
Current:			
General government	16,661,459	1,446,154	18,107,613
Public safety	9,891,932	4,024,857	13,916,789
Justice system	21,050,886	4,494,036	25,544,922
Health and human services	4,595,331	14,079,230	18,674,561
Infrastructure and environmental services	165,680	6,368,657	6,534,337
Corrections and rehabilitation	13,140,025	2,780,879	15,920,904
Community and economic development	2,147,369	523,016	2,670,385
Debt Service:			
Principal	-	4,903,717	4,903,717
Interest and other charges	-	3,010,416	3,010,416
Capital outlay	8,350	6,736,462	6,744,812
Total Expenditures	67,661,032	48,367,424	116,028,456
Excess (deficiency) of revenues over expenditures	604,443	(4,710,320)	(4,105,877)
OTHER FINANCING SOURCES (USES)			
Transfers in	745,000	820,014	1,565,014
Transfers out	(957,316)	(870,628)	(1,827,944)
Proceeds from sale of equipment	220	-	220
Total other financing sources and uses	(212,096)	(50,614)	(262,710)
Net change in fund balances	392,347	(4,760,934)	(4,368,587)
Fund balances - beginning, Restated	12,638,715	23,868,548	36,507,263
Fund balances - ending	\$ 13,031,062	\$ 19,107,614	\$ 32,138,676

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

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, 2009

Net change in fund balances - total governmental funds: \$ (4,368,587)

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 \$6,744,812 exceeded depreciation \$5,528,452 in the current period. 1,216,360

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or (loss) on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.

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. 2,179,803

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. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which proceeds exceeded repayments.

Debt issued:	
Long term debt issued	
Refunding bonds issued	
Issuance Cost	
Repayments	
To escrow agent	
Principal payments	4,903,719
Amortization of Issuance Cost, Premiums, Discounts and Deferred Amount on Refunding	(194,971)

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	24,095
Arbitrage rebate	19,457
Changes in inventory	29,257
Changes in payables related to accrued receivables	770,286
Bad debt expenses	(1,694,667)
Compensated absences	(422,146)
Capital assets transferred out to the newly created Casa Blanca Golf Course Enterprise Fund	(1,773,865)

Internal service funds are used by management to charge the costs of certain activities, such as employees' health benefits and the workers' compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 238,857

Change in net assets of governmental activities \$ 927,599

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