

**Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2010**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 14,709,100	\$ 15,854,134	\$ 30,563,234
Taxes receivable, net	8,662,052	1,446,531	10,108,583
Due from other funds	16,877,863	8,992,616	25,870,479
Receivable from other governments	1,638,276	4,475,666	6,113,942
Other receivables	360,922	88,796	449,718
Inventories	192,223	15,261	207,484
Other assets	24,088	17,023	41,111
Total assets	42,464,524	30,890,027	73,354,551
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	3,467,362	2,727,533	6,194,895
Due to other funds	13,098,668	9,557,237	22,655,905
Payable to other governments	329,851	3,260	333,111
Deferred revenue	8,141,574	1,673,723	9,815,297
Other accrued expenditures	2,759,908	1,276,605	4,036,513
Other payables	1,829,088	397,447	2,226,535
Total liabilities	29,626,451	15,635,805	45,262,256
 Fund balances:			
Reserved for:			
Inventories	192,223	15,261	207,484
Debt service	-	985,670	985,670
Capital projects	-	12,062,252	12,062,252
Special revenues	-	5,898,986	5,898,986
Unreserved, reported in:			
Designated for buildings repairs	15,226	-	15,226
Undesignated - General Fund	12,630,624	-	12,630,624
Undesignated - Debt service	-	882,375	882,375
Undesignated - Capital projects	-	(5,112,271)	(5,112,271)
Undesignated - Special revenues	-	521,949	521,949
Total fund balances	12,838,073	15,254,222	28,092,295
Total liabilities and fund balances	\$ 42,464,524	\$ 30,890,027	\$ 73,354,551

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, 2010

Total fund balance, governmental funds \$ 28,092,295

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	247,829,063
Deduct - accumulated depreciation	(110,335,401)

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	9,491,549
Accounts receivables and fines, net	1,331,110

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.

2,708,594

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	135,184
Add - Deferred Amount for Refunding	508,937
Add - bond issuance cost	805,023
Deduct - bonds payable	(63,621,557)
Deduct - accrued interest on bonds payable	(366,825)
Deduct - bond premiums	(254,863)
Deduct - accrued compensated absences	(3,215,908)

Net Assets of Governmental Activities in the Statement of Net Assets	\$ 113,107,201
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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, 2010

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 47,844,277	\$ 8,735,442	\$ 56,579,719
Sales and miscellaneous taxes	11,962,256	414,277	12,376,533
Fees and fines	282,319	5,686,221	5,968,540
Intergovernmental	1,780,914	29,085,541	30,866,455
Charges for services	4,115,644	3,740,487	7,856,131
Investment earnings	148,864	43,864	192,728
Miscellaneous	321,030	1,289,051	1,610,081
Grant matching	-	3,685,210	3,685,210
Total revenues	<u>66,455,304</u>	<u>52,680,093</u>	<u>119,135,397</u>
EXPENDITURES			
Current:			
General government	16,015,323	983,288	16,998,611
Public safety	10,031,363	4,605,832	14,637,195
Justice system	21,746,520	4,210,057	25,956,577
Health and human services	3,803,275	17,262,736	21,066,011
Infrastructure and environmental services	159,968	6,659,305	6,819,273
Corrections and rehabilitation	13,546,357	2,968,639	16,514,996
Community and economic development	2,109,056	2,061,745	4,170,801
Debt Service:			
Principal	-	4,990,210	4,990,210
Interest and other charges	-	2,824,413	2,824,413
Capital outlay	86,247	9,812,104	9,898,351
Total Expenditures	<u>67,498,109</u>	<u>56,378,329</u>	<u>123,876,438</u>
Excess (deficiency) of revenues over expenditures	<u>(1,042,805)</u>	<u>(3,698,236)</u>	<u>(4,741,041)</u>
OTHER FINANCING SOURCES (USES)			
Capital leases issued	-	329,067	329,067
Transfers in	1,470,248	4,817,298	6,287,546
Transfers out	(601,000)	(5,161,496)	(5,762,496)
Proceeds from sale of equipment	-	5,420	5,420
Total other financing sources and uses	<u>869,248</u>	<u>(9,711)</u>	<u>859,537</u>
Net change in fund balances	(173,557)	(3,707,947)	(3,881,504)
Fund balances - beginning, Restated	13,011,630	18,962,169	31,973,799
Fund balances - ending	<u>\$ 12,838,073</u>	<u>\$ 15,254,222</u>	<u>\$ 28,092,295</u>

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, 2010

Net change in fund balances - total governmental funds: \$ (3,881,504)

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 \$10,361,295 exceeded depreciation \$5,993,641 in the current period. 4,367,654

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. 1,737,741

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 this amounts are deferred and amortized in the statement of activities. This is the amount by which proceeds exceeded repayments.

Debt issued:	
Capital leases issued	(329,067)
Repayments	
Principal payments	4,990,210
Amortization of Issuance Cost, Premiums, Discounts and Deferred Amount on Refunding	(164,042)

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	26,973
Changes in inventory	(13,762)
Bad debt expenses	(2,551,008)
Compensated absences	(79,995)

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. (1,310,211)

Change in net assets of governmental activities \$ 2,792,989

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