

**Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2006**

	<u>General Fund</u>	<u>Headstart</u>	<u>Juvenile Youth Village</u>
ASSETS			
Cash and investments	\$ 13,248,657	\$ -	\$ 10,501,266
Taxes receivable, net	7,007,430	-	-
Due from other funds	12,746,335	355	-
Receivable from other governments	2,081,830	346,969	-
Other receivables	165,095	-	-
Inventories	200,271	-	-
Prepaid items	6,387	3,870	-
Total assets	35,456,005	351,194	10,501,266
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	4,132,019	56,054	117,140
Due to other funds	9,938,737	32,176	-
Payable to other governments	207,533	-	-
Deferred revenue	6,626,984	-	-
Other accrued expenditures	1,552,805	262,964	-
Other payables	1,066,066	-	6,165
Total liabilities	23,524,144	351,194	123,305
 Fund balances:			
Reserved for:			
Inventories	200,271	-	-
Debt service	-	-	-
Capital projects	-	-	11,128,744
Other purposes	-	-	-
Unreserved, reported in:			
General Fund	11,403,485	-	-
Debt service	-	-	-
Capital projects	328,105	-	(750,783)
Special revenues	-	-	-
Total fund balances	11,931,861	-	10,377,961
Total liabilities and fund balances	\$ 35,456,005	\$ 351,194	\$ 10,501,266

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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 20,948,584	\$ 44,698,507
1,349,134	8,356,564
4,460,068	17,206,758
3,874,249	6,303,048
74,528	239,623
4,195	204,466
5,348	15,605
<u>30,716,106</u>	<u>77,024,571</u>

2,298,002	6,603,215
3,243,667	13,214,580
27,327	234,860
1,763,569	8,390,553
440,161	2,255,930
908,209	1,980,440
<u>8,680,935</u>	<u>32,679,578</u>

4,195	204,466
582,490	582,490
7,584,182	18,712,926
4,780,594	4,780,594
-	11,403,485
358,038	358,038
7,062,717	6,640,039
1,662,955	1,662,955
<u>22,035,171</u>	<u>44,344,993</u>
<u>\$ 30,716,106</u>	<u>\$ 77,024,571</u>



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Webb County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2006

Total fund balance, governmental funds	\$	44,344,993
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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		202,281,939
Deduct - accumulated depreciation		(90,376,231)

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		7,901,059
Accounts receivables and fines, net		2,368,603

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.

1,117,932

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		209,480
Add - Deferred Amount for Refunding		749,608
Add - bond issuance cost		1,309,486
Deduct - bonds payable		(74,015,071)
Deduct - accrued interest on bonds payable		(500,480)
Deduct - bond premiums		(809,050)
Deduct - Arbitrage Rebate		(24,616)
Deduct - accrued compensated absences and other long-term liabilities		(2,417,042)

Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$</u>	<u>92,140,610</u>
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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, 2006

	<u>General Fund</u>	<u>Headstart</u>	<u>Juvenile Youth Village</u>
REVENUES			
Property Taxes	\$ 35,711,291	\$ -	
Sales and miscellaneous taxes	12,462,934	-	-
Fees and fines	406,381	-	-
Intergovernmental	3,283,652	7,710,742	-
Charges for services	3,821,420	-	-
Investment earnings	1,071,918	-	490,318
Miscellaneous	313,717	-	-
Grant matching	-	1,944,171	-
Total revenues	57,071,313	9,654,913	490,318
EXPENDITURES			
Current:			
General government	14,203,452	-	-
Public safety	7,649,328	-	-
Justice system	17,088,105	-	-
Health and human services	3,635,683	9,628,295	-
Infrastructure and environmental services	136,242	-	-
Corrections and rehabilitation	10,912,500	-	-
Community and economic development	1,210,185	-	-
Debt Service:			
Principal	-	23,563	-
Interest and other charges	-	3,055	-
Bond issuance costs	-	-	-
Capital outlay	53,740	-	1,241,101
Total Expenditures	54,889,235	9,654,913	1,241,101
Excess (deficiency) of revenues over expenditures	2,182,078	-	(750,783)
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	-	-
Capital leases issued	37,790	-	-
Premium (Discounts) on bonds issued	-	-	-
Transfers in	425,000	-	-
Transfers out	(842,194)	-	-
Proceeds from sale of equipment	4,105	-	-
Total other financing sources and uses	(375,299)	-	-
Net change in fund balances	1,806,779	-	(750,783)
Fund balances - beginning, Restated	10,125,082	-	11,128,744
Fund balances - ending	\$ 11,931,861	\$ -	\$ 10,377,961

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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,890,788	\$ 42,602,079
500,761	12,963,695
4,309,762	4,716,143
17,347,904	28,342,298
4,018,214	7,839,634
697,152	2,259,388
1,014,406	1,328,123
1,115,355	3,059,526
<u>35,894,342</u>	<u>103,110,886</u>
2,011,751	16,215,203
2,950,281	10,599,609
2,970,567	20,058,672
3,362,263	16,626,241
5,539,446	5,675,688
2,377,276	13,289,776
1,200,669	2,410,854
3,593,674	3,617,237
3,035,562	3,038,617
263,111	263,111
11,585,307	12,880,148
<u>38,889,907</u>	<u>104,675,156</u>
<u>(2,995,565)</u>	<u>(1,564,270)</u>
11,684,974	11,684,974
-	37,790
(61,863)	(61,863)
1,609,902	2,034,902
(1,159,122)	(2,001,316)
5,384	9,489
<u>12,079,275</u>	<u>11,703,976</u>
9,083,710	10,139,706
12,951,461	34,205,287
<u>\$ 22,035,171</u>	<u>\$ 44,344,993</u>



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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, 2006

Net change in fund balances - total governmental funds: \$ 10,139,706

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 \$13,238,268 exceeded depreciation \$4,682,175 in the current period.	8,556,094
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 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.	1,419,611
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. This is the amount by which proceeds exceeded repayments.	
Debt issued:	
Long term debt issued	(11,684,974)
(Premium) discount on bonds issued	
Capital leases issued	(37,790)
Repayments	
Principal payments	3,617,237
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	(77,941)
Bond issuance costs	324,975
Arbitrage rebate	(24,616)
Changes in inventory	39,391
Bad debt expenses	(1,858,440)
Compensated absences	(326,058)
Issuance cost expense	(129,526)
	(20,222)
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.	733,603
Change in net assets of governmental activities	<u><u>\$ 10,671,050</u></u>

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