

**Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2005**

	<u>General Fund</u>	<u>Headstart</u>	<u>Juvenile Youth Village</u>
ASSETS			
Cash and investments	\$ 10,642,784	\$ -	\$ 11,128,743
Taxes receivable, net	7,086,896	-	-
Due from other funds	3,286,263	206,332	-
Receivable from other governments	1,556,731	416,656	-
Other receivables	165,789	-	-
Inventories	165,075	-	-
Prepaid items	14,855	3,970	-
Total assets	22,918,393	626,958	11,128,743
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	3,301,240	364,012	-
Due to other funds	341,982	63	-
Payable to other governments	262,037	-	-
Deferred revenue	6,729,338	-	-
Other accrued expenditures	1,397,139	262,883	-
Other payables	784,141	-	-
Total liabilities	12,815,877	626,958	-
 Fund balances:			
Reserved for:			
Inventories	165,075	-	-
Debt service	-	-	-
Capital projects	728,417	-	11,152,310
Other purposes	-	-	-
Unreserved, reported in:			
General Fund	9,209,024	-	-
Debt service	-	-	(23,567)
Capital projects	-	-	-
Special revenues	-	-	-
Total fund balances	10,102,516	-	11,128,743
Total liabilities and fund balances	\$ 22,918,393	\$ 626,958	\$ 11,128,743

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

Webb County, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2005

<u>Nonmajor</u> <u>Governmental Funds</u>	<u>Total Governmental</u> <u>Funds</u>
\$ 12,434,378	\$ 34,205,905
1,454,807	8,541,703
3,448,075	6,940,670
3,870,944	5,844,331
137,499	303,288
-	165,075
-	18,825
<u>21,345,703</u>	<u>56,019,797</u>
1,898,547	5,563,799
2,312,802	2,654,847
31,660	293,697
2,549,542	9,278,880
468,797	2,128,819
<u>1,139,154</u>	<u>1,923,295</u>
<u>8,400,502</u>	<u>21,843,337</u>
-	165,075
303,657	303,657
10,893,841	22,774,568
5,523,669	5,523,669
-	9,209,024
278,833	278,833
(3,309,660)	(3,333,227)
(745,139)	(745,139)
<u>12,945,201</u>	<u>34,176,460</u>
<u>\$ 21,345,703</u>	<u>\$ 56,019,797</u>



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Webb County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2005

Total fund balance, governmental funds	\$	34,176,460
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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		193,223,121
Deduct - accumulated depreciation		(85,760,147)

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		8,092,804
Accounts receivables and fines, net		2,825,961

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.

174,056

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		75,232
Add - Deferred Amount for Refunding		901,814
Add - bond issuance cost		1,175,899
Deduct - bonds payable		(65,912,951)
Deduct - accrued interest on bonds payable		(419,131)
Deduct - bond premiums		(868,649)
Deduct - accrued compensated absences and other long-term liabilities		(2,090,985)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	85,593,484
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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, 2005

	<u>General Fund</u>	<u>Headstart</u>	<u>Juvenile Youth Village</u>
REVENUES			
Property Taxes	\$ 32,182,137	\$ -	\$ -
Sales and miscellaneous taxes	10,975,780	-	-
Fees and fines	292,607	-	-
Intergovernmental	2,118,913	8,358,062	-
Charges for services	2,974,799	-	-
Investment earnings	566,093	-	296,724
Miscellaneous	331,563	-	-
Grant matching	-	2,228,408	-
Total revenues	<u>49,441,891</u>	<u>10,586,470</u>	<u>296,724</u>
EXPENDITURES			
Current:			
General government	12,927,092	-	-
Public safety	6,849,029	-	-
Justice system	15,324,329	-	-
Health and human services	3,815,029	10,120,750	-
Infrastructure and environmental services	142,581	-	-
Corrections and rehabilitation	9,964,062	-	-
Community and economic development	976,688	-	-
Debt Service:			
Principal	-	22,383	-
Interest and other charges	-	4,235	-
Payment to escrow agent	-	439,102	320,291
Capital outlay	-	-	-
Total Expenditures	<u>49,998,810</u>	<u>10,586,470</u>	<u>320,291</u>
Excess (deficiency) of revenues over expenditures	<u>(556,919)</u>	<u>-</u>	<u>(23,567)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	-	-
Premium (discount) on bonds issued	-	-	-
Payments to refunded bond escrow agent	-	-	-
Transfers in	1,402,000	-	-
Transfers out	<u>(749,876)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>652,124</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM			
Proceeds from sale of equipment	<u>45,275</u>	<u>-</u>	<u>-</u>
Net change in fund balances	140,480	-	(23,567)
Fund balances - beginning, Restated	9,962,036	-	11,152,310
Fund balances - ending	<u>\$ 10,102,516</u>	<u>\$ -</u>	<u>\$ 11,128,743</u>

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

Webb County, Texas
 Changes in Fund Balances
 Governmental Funds
 For the Year Ended September 30, 2005

	<u>Nonmajor</u>		<u>Total Governmental</u>
<u>Governmental Funds</u>		\$	<u>Funds</u>
\$	6,498,315	\$	38,680,452
	394,955		11,370,735
	2,296,093		2,588,700
	22,204,501		32,681,476
	3,988,802		6,963,601
	514,352		1,377,169
	944,295		1,275,858
	1,033,073		3,261,481
	<u>37,874,386</u>		<u>98,199,472</u>
	1,494,069		14,421,161
	3,024,708		9,873,737
	3,255,674		18,580,003
	2,596,204		16,531,983
	4,652,815		4,795,396
	2,505,653		12,469,715
	1,000,105		1,976,793
	3,360,530		3,382,913
	3,106,355		3,110,590
	202,066		202,066
	16,551,912		17,311,305
	<u>41,750,091</u>		<u>102,655,662</u>
	<u>(3,875,705)</u>		<u>(4,456,190)</u>
	12,716,562		12,716,562
	776,633		776,633
	(13,240,188)		(13,240,188)
	4,036,940		5,438,940
	(4,201,453)		(4,951,329)
	<u>88,494</u>		<u>740,618</u>
	12,080		57,355
	(3,775,131)		(3,658,217)
	16,720,332		37,834,677
\$	<u>12,945,201</u>	\$	<u>34,176,460</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, 2005

Net change in fund balances - total governmental funds: \$ (3,658,217)

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. 12,807,232
This is the amount by which capital outlays \$17,311,305 exceeded depreciation \$4,504,073 in the current period.

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. (57,355)

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. 3,775,271

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:	
Refunding bonds issued	(12,716,562)
(Premium) discount on bonds issued	(776,633)
Repayments	
To escrow agent	13,240,188
Principal payments	3,382,913

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	30,146
Bond issuance costs	253,006
Changes in inventory	17,784
Bad debt expenses	(4,330,973)
Compensated absences	(31,290)
Issuance cost expense	(116,371)

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. (490,026)

Change in net assets of governmental activities \$ 11,329,113

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