

**Webb County, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2007**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 21,774,498	\$ 21,743,013	\$ 43,517,511
Taxes receivable, net	7,348,313	1,267,276	8,615,589
Due from other funds	6,853,766	8,890,468	15,744,234
Receivable from other governments	1,628,094	3,916,290	5,544,384
Other receivables	239,611	830,492	1,070,103
Inventories	188,155	3,519	191,674
Other assets	5,616	4,900	10,516
Total assets	38,038,053	36,655,958	74,694,011
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	5,729,332	3,680,661	9,409,993
Due to other funds	9,238,885	3,449,976	12,688,861
Payable to other governments	239,386	14,512	253,898
Deferred revenue	7,179,926	1,544,780	8,724,706
Other accrued expenditures	1,905,843	767,243	2,673,086
Other payables	1,619,123	723,974	2,343,097
Total liabilities	25,912,495	10,181,146	36,093,641
 Fund balances:			
Reserved for:			
Inventories	188,155	3,519	191,674
Debt service	-	940,529	940,529
Capital projects	-	25,024,859	25,024,859
Other purposes	-	7,090,393	7,090,393
Unreserved, designated for:			
Buildings repairs	211,366	-	211,366
Unreserved, reported in:			
General Fund	11,726,037	-	11,726,037
Debt service	-	218,279	218,279
Capital projects	-	(6,370,556)	(6,370,556)
Special revenues	-	(432,211)	(432,211)
Total fund balances	12,125,558	26,474,812	38,600,370
Total liabilities and fund balances	\$ 38,038,053	\$ 36,655,958	\$ 74,694,011

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, 2007**

Total fund balance, governmental funds	\$	38,600,370
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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		220,056,991
Deduct - accumulated depreciation		(95,177,811)

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		8,165,933
Accounts receivables and fines, net		1,728,349

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.

2,320,430

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		195,439
Add - Deferred Amount for Refunding		618,060
Add - bond issuance cost		1,189,536
Deduct - bonds payable		(71,609,722)
Deduct - accrued interest on bonds payable		(466,145)
Deduct - bond premiums		(674,189)
Deduct - Arbitrage Rebate		(94,484)
Deduct - accrued compensated absences and other long-term liabilities		(2,747,684)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	102,105,073
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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, 2007

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 43,174,335	\$ 7,717,749	\$ 50,892,084
Sales and miscellaneous taxes	13,153,826	480,210	13,634,036
Fees and fines	447,019	2,664,658	3,111,677
Intergovernmental	3,347,475	20,809,364	24,156,839
Charges for services	4,033,121	4,081,372	8,114,493
Investment earnings	1,579,688	1,630,984	3,210,672
Miscellaneous	483,330	3,211,515	3,694,845
Grant matching	-	3,186,252	3,186,252
Total revenues	66,218,794	43,782,104	110,000,898
<b>EXPENDITURES</b>			
Current:			
General government	15,956,247	1,500,922	17,457,169
Public safety	8,672,287	3,544,145	12,216,432
Justice system	19,094,788	2,741,697	21,836,485
Health and human services	3,667,763	13,260,339	16,928,102
Infrastructure and environmental services	144,864	5,817,516	5,962,380
Corrections and rehabilitation	12,744,969	2,325,914	15,070,883
Community and economic development	1,754,329	450,280	2,204,609
Debt Service:			
Principal	-	4,085,374	4,085,374
Interest and other charges	-	3,461,165	3,461,165
Bond issuance costs	-	30,000	30,000
Capital outlay	188,720	17,761,326	17,950,046
Total Expenditures	62,223,967	54,978,678	117,202,645
Excess (deficiency) of revenues over expenditures	3,994,827	(11,196,574)	(7,201,747)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	1,680,000	1,680,000
Transfers in	254,398	6,727,474	6,981,872
Transfers out	(3,660,788)	(3,478,345)	(7,139,133)
Proceeds from sale of equipment	6,620	-	6,620
Total other financing sources and uses	(3,399,770)	4,929,129	1,529,359
Net change in fund balances	595,057	(6,267,445)	(5,672,388)
Fund balances - beginning, Restated	11,530,501	32,742,257	44,272,758
Fund balances - ending	\$ 12,125,558	\$ 26,474,812	\$ 38,600,370

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, 2007**

Net change in fund balances - total governmental funds:	\$ (5,672,388)
 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 \$17,950,046 exceeded depreciation \$4,735,272 in the current period.	13,214,774
 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.	
	(6,620)
 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.	
	(71,469)
 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	(1,680,000)
Repayments	
Principal payments	4,085,374
 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	34,335
Bond issuance costs	30,000
Arbitrage rebate	(69,868)
Changes in inventory	(12,791)
Bad debt expenses	(186,073)
Compensated absences	(330,641)
Issuance cost expense	(151,501)
 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.	
	957,084
 Change in net assets of governmental activities	 <u><u>\$ 10,140,216</u></u>

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