

**Webb County, Texas**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For Year Ended September 30, 2007**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 43,156,914	43,156,914	43,174,335	17,421
Sales and Miscellaneous Taxes	12,785,000	12,785,000	13,153,826	368,826
Fines and Forfeits	817,400	817,400	447,019	(370,381)
Intergovernmental	4,167,300	4,167,300	3,347,475	(819,825)
Charges for Services	3,751,900	3,751,900	4,033,121	281,221
Investments Earnings	1,102,400	1,102,400	1,579,688	477,288
Miscellaneous	401,400	401,400	483,330	81,930
Total Revenues	<u>\$ 66,182,314</u>	<u>66,182,314</u>	<u>66,218,794</u>	<u>36,480</u>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 16,648,660	15,956,378	15,956,247	131
Public Safety	8,755,861	8,672,349	8,672,287	62
Justice System	20,254,507	19,094,988	19,094,788	200
Health And Human Services	4,777,831	4,514,689	3,667,763	846,926
Infrastructure And Environmental Services	171,228	144,870	144,864	6
Corrections and Rehabilitation	13,455,168	12,744,994	12,744,969	25
Community and Economic Development	2,093,234	1,754,396	1,754,329	67
Capital Outlay		188,721	188,720	1
Total Expenditures	<u>\$ 66,156,489</u>	<u>63,071,385</u>	<u>62,223,967</u>	<u>847,418</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	25,825	3,110,929	3,994,827	883,898
Other Financing Sources (Uses):				
Transfers In	\$ 590,000	590,000	254,398	(335,602)
Transfers Out	(575,684)	(3,660,788)	(3,660,788)	
Sale of Capital Assets	8,000	8,000	6,620	(1,380)
Total Other Financing Sources (Uses)	<u>\$ 22,316</u>	<u>(3,062,788)</u>	<u>(3,399,770)</u>	<u>(336,982)</u>
Net Change in Fund Balances	<u>\$ 48,141</u>	<u>48,141</u>	595,057	<u>546,916</u>
Fund Balances - Beginning, Restated			<u>11,530,501</u>	
Fund Balances - Ending			<u>\$ 12,125,558</u>	

**Webb County, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2007**

**BUDGETARY INFORMATION** - Operating budgets for the governmental fund types are legally adopted each year for the General Fund, Special Revenues Funds, and the Debt Service Fund on the same modified accrual basis used to reflect actual revenues and expenditures.

Operating budgets are also legally adopted each year for the proprietary funds on the same accrual basis used to reflect actual revenues and expenses.

The adopted budget normally covers all funds existing at the time the annual budget is adopted. However federal grants, state grants and assistance programs included in the Special Revenue Funds and Capital Projects Funds major and non-major funds are adopted by grant period and project-length financial plans rather than by fiscal year.

The County follows these procedures set by The Texas Local Government Code, (Code) Chapter 111 "County Budget" in establishing the budgetary data reflected in the financial statements:

The County Judge serves as the Budget Officer for the Commissioners' Court (Court), the governmental body, of the County. Each department submits a budget request to the County Judge. The County Judge, with the assistance of the County Auditor, prepares a budget to cover all the proposed expenditures for the succeeding fiscal year. The budget establishes an appropriation for the estimated expenditures to be included in the proposed budget. The County Judge estimates departmental revenues with the assistance of department heads and elected officials. The County Judge also estimates the property taxes to be levied and collected to cover the annual budget. In practical application, very seldom is the proposed budget balanced from the undesignated fund balance. Once the proposed budget is completed and balanced, it is filed with the County Clerk by July 31<sup>st</sup> for public inspection by any taxpayer. The Court holds public hearing regarding all proposed budgets. The Court may increase or decrease the budgeted revenues and expenditures for the various funds and departments. After final approval of the budget, the Court may spend county funds only in strict compliance with the budget. The Court may levy taxes only in accordance with the budget. The Court is authorized to transfer budgeted amounts between departments or categories during the year; however, public notice must be given when adopting any revisions to the budget. The County Auditor is responsible for monitoring the expenditures of the various funds and departments to prevent expenditures from exceeding line item appropriations.

The County Auditor reports to the Court on a monthly basis to inform on the condition of various department funds and line items accounts of special financial interest. Management has no authority to make changes to the budget without the Court's approval. Budgetary controls exist at the expenditures line item and control at the department level. Operating budgeted amounts reflected in the financial statements represent the final budget as amended by the Commissioners' Court. "Personnel General Orders" are adopted by the Court by department and by fund for personnel positions.

An "Operational General Order" is also adopted by the Court for approving immediate and non-immediate payments for financial processing procedures for each fiscal year. The Commissioners' Court is very actively involved in the administration of the operating budgets for the County, and no line item amendments shall be made, except those from state and federal funding sources, without the Court's prior approval.

The Code stipulates that Court may authorize an emergency expenditure as an amendment to the budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention."

Function/Program	Budgeted Amounts		Budget Amendments during the fiscal year
	Original	Final	
General Fund			
General government	\$ 16,648,660	15,956,378	(692,282)
Public safety	8,755,861	8,672,349	(83,512)
Justice system	20,254,507	19,094,988	(1,159,519)
Health and human services	4,777,831	4,514,689	(263,142)
Infrastructure and environmental services	171,228	144,870	(26,358)
Corrections and rehabilitation	13,455,168	12,744,994	(710,174)
Community and economic development	2,093,234	1,754,396	(338,838)
Capital Outlay		188,721	188,721
Total Expenditures	<u>\$ 66,156,489</u>	<u>63,071,385</u>	<u>(3,085,104)</u>

The general fund's \$ 66,732,173 original expenditure budget includes transfers out (other financing uses) for \$575,684. The original transfers out budget consisted of \$120,000 for the Water Utility Fund, \$60,000 for the Webb County Records Management and Preservation Fund and \$395,684 for the General Fund debt service requirements for capital leases, Certificates of Participations, Series 1997 and LoanSTAR loan.

Transfers out were increased at end year by \$ 3,085,104 funded from personnel with related fringe benefits and operational line item savings from each of the above expenditure functions. The majority was planned as a onetime expenditure by the Court for \$3,020,000 for the creation of a 2007 and 2008 building maintenance and construction fund. The approved projects consisted of \$ 500,000 for the County Courthouse mold remediation, \$ 600,000 for the Juvenile Youth Village construction, \$450,000 for the construction of the Texas Parks & Wildlife Building, \$ 350,000 for the Tax Assessor designed workspace renovation in the Justice Administration Building, \$50,000 for the EL Cenizo Water Tank Removal and \$ 1,050,000 for capital outlay.

The remaining \$ 65,104 increase to transfer out consisted of \$ 37,260 for the Webb County Water Utility Fund for a TNRCC settlement funded by general government (general operations), \$ 18,601 for the Hotel / Motel Fund for Community Promotions funded also from general government function(third parties funding), \$ 7,243 for the Road and Bridge Fund to fund the County Attorney's Code Enforcement Officer within the justice system function(County Attorney payroll saving) and \$ 2,000 for the Emergency Food and Shelter Indigent Services Fund funded by community and economic development function(Buenos Aires Community Center).

Capital Outlay was amended during the fiscal year to \$ 181,721. The majority consist of \$ 125,000 funded by general government departments for additional cost incurred by the construction company settled by the General Fund for a related project with the Webb County Water Utility Fund. The Correctional and rehabilitation funded \$ 42,973 for an 800,000 BTU gas boiler for the jail. General government and the justice system funded two copiers for \$ 20,141. A department within the infrastructure and environmental services funded \$ 607 for the partial cost to purchase a storage barn. The remaining cost to purchase the storage barn was funded from bond proceeds.

The following line item transfers were approved by the Court between functions:

Individual departments within the general government, public safety, justice system, health and welfare, corrections and rehabilitation and community and economic development operating functions required line item transfers. Although the above functions had savings as mentioned above some departments had increases to their original budget.

The general government function required \$ 299,178 line item transfers. The line items expenditures consisted of \$ 125,000 for capital outlay, \$ 116,739 for buildings repairs for the June 2003 wind storm and \$ 39,579 for claims paid for the Risk Management, \$4,006 for utilities in general operations and \$ 13,854 for Commissioners Court members departments for payroll cost.

The public safety function required \$ 109,317 line item transfers. The line items expenditures consisted of \$ 102,301 for the newly created County Examiner & Morgue for payroll and operations and \$ 7,016 for the constable for payroll.

The justice system function required \$ 119,351 line item transfers. The line items expenditures consisted of \$ 25,562 for the 406<sup>th</sup> Judicial District Judge and \$62,086 for County Court of Law # 2 for indigent defendants, \$ 16,674 Justice of Peace Precinct 1 Place 1, \$15,029 Justice of Peace Precinct 2 Place 1 for personal cost respectively.

The Health and Welfare function required \$ 6,351 line item transfers. The line items expenditures consisted of \$ 5,151 for the City Health and \$ 1,200 for the Animal Damage Control contracts.

The corrections and rehabilitation function required \$ 152,748 line items expenditures transfers for inmates' expenditures.

The community and economic development function also required \$ 14,783 line items expenditures transfers for a community center utilities bills exceeding the original budget.

The County Commissioners' Court in addition approved \$ 249,560 transfer from the Worker's Compensation Reserve Fund to the Webb County Employees' Health Benefit internal service fund to cover the fund's deficit.

The County Commissioners' Court also approved \$ 361,945 transfer from the Worker's Compensation Reserve Fund to fund the Webb County Employees' Retiree Insurance Fund. The County implemented Governmental Accounting Standard Board Statement 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension that required an additional \$ 211,945 transfer in from the original budget.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budgeted amounts (that have been adjusted for legally authorized revisions of the annual budgets during the year). The County payroll clearing fund requires no budget. The election contract services fund also requires no budget according to the State's Election Code. The election contract services fund reports a budget to the extent of the contractual service revenues and the available fund balance.

Governmental Funds	Estimated Revenues		Appropriations	
	Original Adopted Budget	Final Revised Budget	Original Adopted Budget	Final Revised Budget
Major Funds				
General Fund	\$ 66,780,314	66,780,314	66,732,173	66,732,173
Other Nonmajor Governmental Funds	30,723,314	60,257,802	43,888,209	86,867,130
Total	\$ <u>97,503,628</u>	<u>127,038,116</u>	<u>110,620,382</u>	<u>153,599,303</u>

Encumbrances outstanding at year-end do not represent Generally Accepted Accounting Principles (GAAP) expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrance) issued for goods and services not received at year-end.

The actual results of operations are presented in accordance with GAAP, and the County's accounting policies do not recognize encumbrances as expenditures until the period in which the goods and services are actually received and a liability is incurred. All encumbrances lapse at the end of year. At year-end all outstanding encumbrances are presented as purchase order commitments.

Grant awards representing state and/or federal funding sources included in the special revenues and capital projects funds are project-period or entity differences. Grant awards are initially approved by the Commissioners' Court for the grants' special terms and conditions for contractual performance. All subsequent budget amendments are approved by the various granting agencies governing bodies during the fiscal year and by the Court. In addition to the agencies' governing bodies and the Court, the Board of District Judges approves amendments for the Community Justice Assistance Division grants for the Adult Probation and Texas Juvenile Probation Commission grants for the Juvenile Probation special revenue funds.