

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Webb County, Texas, we offer readers of the County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2008. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Transmittal Letter (beginning on page ix) and the County's financial statements (beginning on page 19).

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

- The assets of the County exceeded its liabilities at the close of the fiscal year 2008 by \$112,818,282 (*total net assets*). Of this amount, \$23,688,873 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$5,311,487 (4.9%) from the previous year. The most significant change that led to this increase was charges for services with an increase of \$2,690,017 (20.9%) from the prior year; the increase is primarily attributable to the Public Safety function State and Federal forfeitures in the amount of \$2.4 million and \$902,773, respectively.
- The governmental net assets increased by \$5,577,966 (5.5%) and the business-type net assets decreased by \$266,479 (5.0%) from the previous year. The business-type net assets decrease is primarily attributable a new function transfer from governmental activities for the Colorado Acres water dispenser plant which reported revenues of \$21,778, expenses of \$203,763, and a net loss without depreciation of \$181,985.

Highlights for Fund Financial Statements

- As of the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$36,728,545, a decrease of \$1,985,465 from the prior year. The revenues with the most significant changes were a decrease of \$1.3 million in investment earnings and an increase in revenues from fees and fines of \$2.8 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$12,311,164, or 19% of total general fund expenditures, approximately \$64.7 million.

Long-Term Debt Highlight

- In September 2008, Webb County issued \$5,575,000 in certificates of obligations, series 2008A. These notes were issued for the purpose of purchasing a building and land with \$2 million, capital outlay purchases for the Juvenile Youth Village and

various County departments with \$2.8 million, improvements to the Quad City, Justice of the Peace, and Constables offices with \$600,000, a study to determine best option to use the TEX-MEX land and building with \$100,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis is intended to serve as an introduction to Webb County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a matter similar to the private business sector.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the *financial position* of the County is improving or deteriorating. During 2008, the net assets of the County increased by \$5.3 million.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*, thus being consistent with *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies.

The Statement of Net Assets and the Statement of Activities, present information about the two types of County activities:

- **Governmental activities** - All of the County's basic services that are principally supported by property taxes, charges for services, and intergovernmental revenues are considered to be governmental activities. The governmental activities of Webb County include general government, public safety, justice system, health and human services, infrastructure and environmental services, correction and rehabilitation, and community and economic development.
- **Business-type activities** - Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. This includes the Webb County Water Utility Fund.

The government-wide financial statements can be found on pages 19 – 21 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting the requirements for the use of certain taxes, grants, and other money. The County's three categories of funds – *governmental, proprietary and fiduciary* use different accounting approaches.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. That information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 151 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be major fund. Information for the other 150 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *schedules* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22 - 25 of this report.

Proprietary Funds - The County maintains two different types of proprietary funds, enterprise and internal service funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its Water Utility operations. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for support services provided to other departments, which includes the employees' health benefits and worker compensation funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements elsewhere* in this report.

The basic proprietary fund financial statements can be found on pages 26 - 29 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 - 81 of this report.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes a schedule concerning the County's progress in funding its obligation to provide pension benefits to county employees, and budgetary comparison schedules for the general fund. Required supplementary information can be found on pages 82 - 86 of this report.

Other Information: The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 87 - 474 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The government-wide financial analysis focuses on the net assets and changes in net assets of the County's governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$112,818,282 at September 30, 2008.

Webb County's Net Assets
(in Thousands)

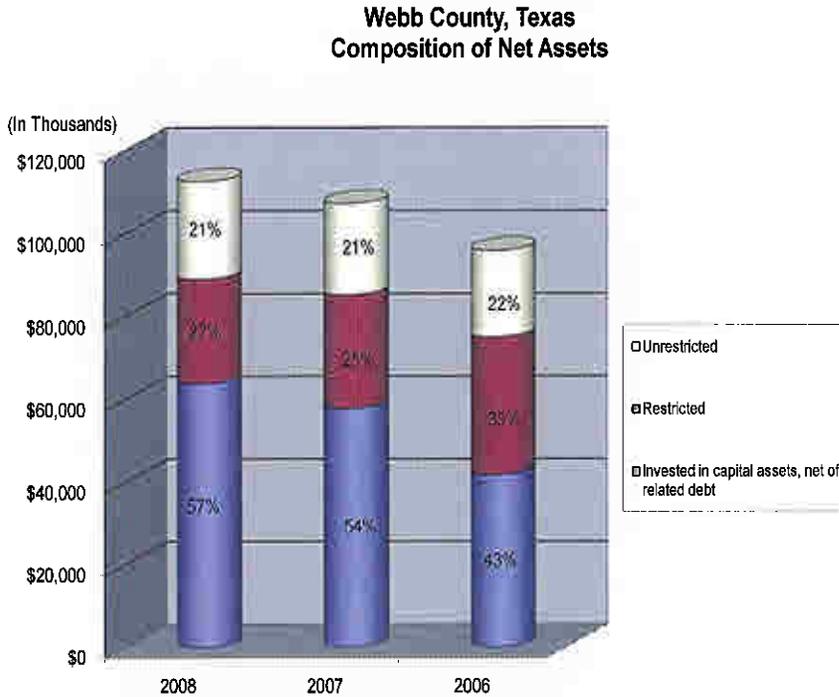
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 69,633	\$ 71,180	\$ 653	\$ 866	\$ 70,286	\$ 72,046
Capital Assets	132,946	124,879	12,125	11,387	145,071	136,267
Total assets	<u>202,578</u>	<u>196,059</u>	<u>12,778</u>	<u>12,253</u>	<u>215,356</u>	<u>208,312</u>
Long-term liabilities outstanding	78,092	76,194	7,031	6,619	85,123	82,812
Other liabilities	16,728	17,761	687	308	17,415	18,069
Total liabilities	<u>94,820</u>	<u>93,954</u>	<u>7,719</u>	<u>6,927</u>	<u>102,538</u>	<u>100,881</u>
Net assets:						
Invested in capital assets, net of related debt	58,808	53,269	5,140	4,786	63,948	58,055
Restricted	24,716	26,825	465	440	25,181	27,266
Unrestricted	<u>24,234</u>	<u>22,010</u>	<u>(546)</u>	<u>100</u>	<u>23,689</u>	<u>22,110</u>
Total net assets	<u>\$ 107,759</u>	<u>\$ 102,105</u>	<u>\$ 5,059</u>	<u>\$ 5,326</u>	<u>\$ 112,818</u>	<u>\$ 107,431</u>

By far, the largest portion of the County's net assets, \$63,948,196 (56.7%) reflects investment in buildings, vehicles, equipment, infrastructure and construction and infrastructure in progress, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$25,181,213 (22.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$23,688,873 (21%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Webb County as a whole is able to report positive balances in all three categories (invested in capital assets - net of related debt, restricted and unrestricted) of net assets.

The following chart represents the composition of net assets for Webb County as a whole for the past three years.



The following table demonstrates the County's net assets increased by \$5,311,487 from the prior year.

Webb County, Texas
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
REVENUES						
Program revenues:						
Charges for services	\$ 14,042	\$ 11,451	\$ 1,498	\$ 1,399	\$ 15,541	\$ 12,851
Operating grants and contributions	25,835	24,633			25,835	24,633
Capital grants and contributions	2,037	2,606		546	2,037	3,152
General revenues:						
Property taxes	51,934	51,157			51,934	51,157
Other taxes	13,668	13,624			13,668	13,624
Other	4,596	7,256	62	47	4,658	7,303
Total Revenues	\$ 112,113	\$ 110,728	\$ 1,561	\$ 1,992	\$ 113,673	\$ 112,720
EXPENSES						
Program activities						
Primary government:						
Governmental activities:						
General Government	\$ 18,797	\$ 18,549			\$ 18,797	\$ 18,549
Public Safety	15,466	12,788			15,466	12,788
Justice System	24,064	23,113			24,064	23,113
Health and Human Services	17,247	17,248			17,247	17,248
Infrastructure and Environmental Services	7,977	7,490			7,977	7,490
Correction and Rehabilitation	15,683	15,350			15,683	15,350
Community and Economic Development	3,293	2,226			3,293	2,226
Interest on Long-term Debt	3,318	3,540			3,318	3,540
Business-type Activities						
Webb County Water Utility			\$ 2,297	\$ 1,956	2,297	1,956
Total Expenses	\$ 105,845	\$ 100,305	\$ 2,297	\$ 1,956	\$ 108,141	\$ 102,261
Increase (decrease) in net assets before transfers	\$ 6,268	\$ 10,422	\$ (736)	\$ 36	\$ 5,532	\$ 10,459
Special Items:						
Loss on Acquisition of Assets	(220)				(220)	
Transfers	(470)	(282)	470	282		
Increase in net assets	\$ 5,578	\$ 10,140	\$ (266)	\$ 319	\$ 5,311	\$ 10,459
Net assets - beginning of year (restated)	102,181	91,965	5,326	5,007	107,507	96,972
Net assets - end of year	\$ 107,759	\$ 102,105	\$ 5,059	\$ 5,326	\$ 112,818	\$ 107,431

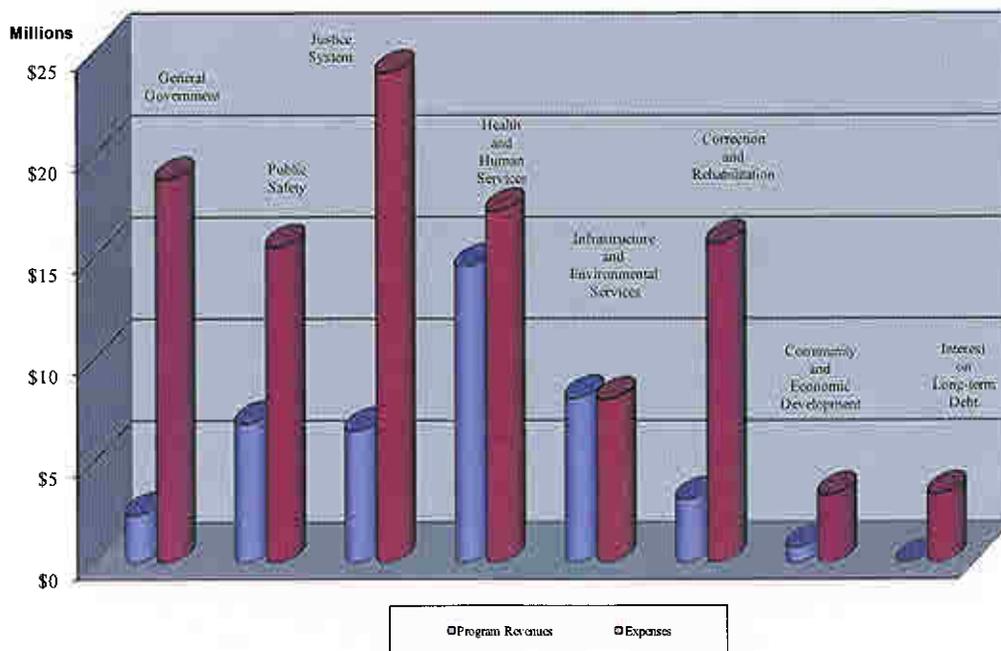
During the current fiscal year, the County's total revenues increased by \$953,040 (0.8%) and total expenses increased by approximately \$5.9 million (5.8%). Total revenues for this year were more than total expenses resulting in an increase in *total net assets* of \$5,531,636. Most of the growth reflects an increase in revenues from charges for services as compared to the previous year in the amount of \$2.7 million which is attributable to the state and federal forfeitures from the District Attorney's and Sheriff's Office. Also, Webb County acquired the Court Residential Treatment Center at loss of \$220,149 as the fair market value of the Tax Notes, Series 2007A, were higher than the fair market value of the building, land, and issuance cost (see note on special items).

Governmental Activities

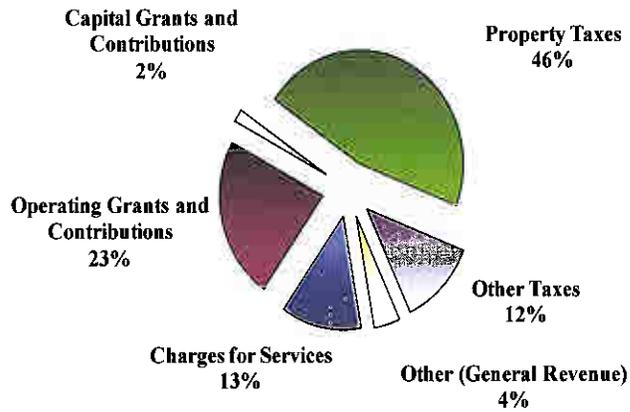
Governmental activities increased the County’s net assets by \$5,577,966, resulting in 105% of the total growth in net assets. Key elements of this increase are as follows:

- Revenues from charges for services increased by \$2,590,939 (22.6%). The most significant increases are for public safety function for State and Federal forfeitures collected from the District Attorney’s and Sheriff’s Office.
- Property taxes collected increased by \$777,181 (1.5%) from the previous fiscal year. The increase in revenues is the result of higher assessed taxable property values and residential growth.
- Operating Grants and Contributions increased by \$1,202,280 (4.9%) from the previous fiscal year. The Community and Economic Development was the function with the most significant changes with an increase of \$423,809 (137.9%) compared from prior year; this change represents receipts from various federal, state, and local agencies
- Expenses of governmental activities increased by \$5.9 million which is a 5.8% increase from the prior year; which is primarily attributable to the increasing cost of Public Safety with \$2.7 million increase and the expenses incurred for the Community and Economic Development function with an increase of \$1.1 million.
- Adjustments to beginning net assets had a total effect of \$75,857 increase; the notes to the financial statements provide further details on the restatement to beginning fund balance and beginning governmental activities net assets.

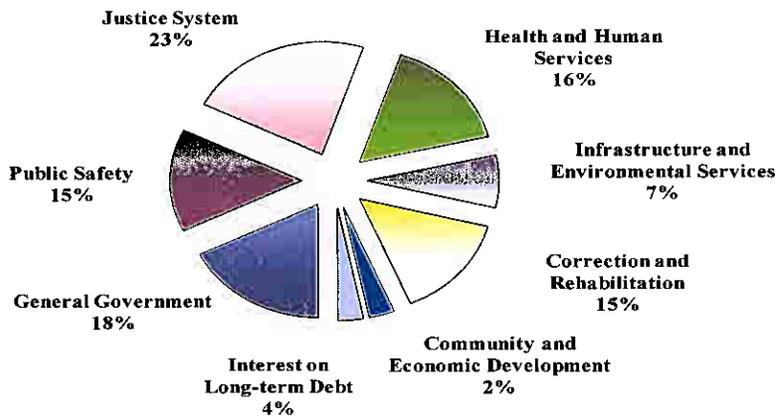
Program Revenue and Expense- Governmental Activities



Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities

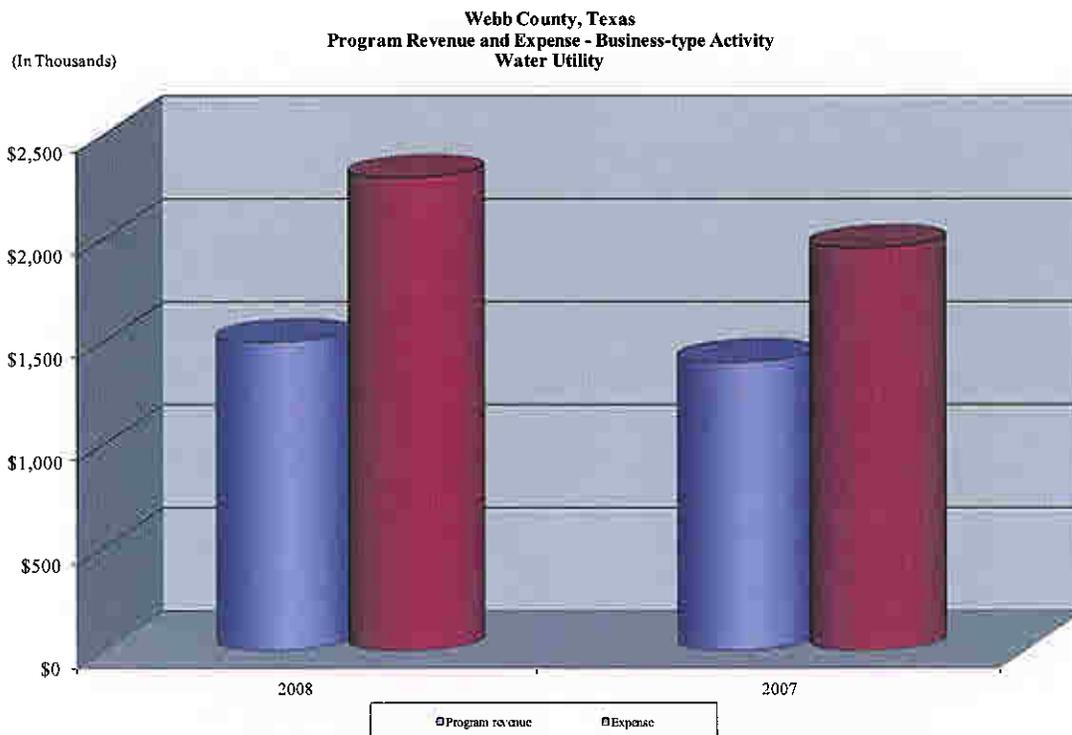


Business-type Activities

Business-type activities decreased the County’s net assets by \$266,479 and had an ending net asset balance of \$5,059,386. Key elements of the current year ending net asset balance are as follows:

- Transfers in from the general fund were made to fund a partial portion of the debt service requirements (\$120,000) and assist with normal operations (\$88,022). In addition, a transfer out of \$22,000 was made to the Certificate of Obligation, Series 2006 for the interest income to be retained by governmental funds.
- Charges for services increased by \$154,453 (11.5%), as compared to the increasing cost of operating expenses of \$344,418 (21.2%) from the prior year resulting in a current year operating loss of \$468,583. Most of the operating expenses can be attributable to personnel services and depreciation expense.
- Capital contributions with a book value of \$283,722 were transferred from the governmental-activities and consist of a water dispenser, a pump, and a backhoe with a historical cost of \$500,000, \$8,722, and \$40,798, respectively.

The following charts represent the fiscal year trends for the business-type activity.



FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As noted earlier, Webb County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36,728,545, a decrease of \$1,985,465 from the prior year.

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year, unreserved balance of the General Fund was \$12,311,164, while the total fund balance was \$12,610,747. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 19.0 % of total General Fund expenditures.

The Fund Balance of the Webb County's General Fund increased by \$796,340 from the previous fiscal year. Key differences between last year's General Fund activities and this year's include:

- An increase in property values increased property tax revenues by \$703,357 as compared to last year. However, taxpayers did not pay the assessed property taxes, having a negative budget variance of \$1,290,674.
- Sales and miscellaneous taxes increased by \$40,705 from the previous year. This represents an increase of only 0.34% or \$43,166 for sales tax; a decrease of \$7,166 (2.1%) for mixed drink tax and an increase of \$4,705 for bingo tax. The overall variance of sales and miscellaneous taxes was a negative \$505,469 budget variance which can be attributed to the downturn of the economy in the United States and Mexico.
- Charges for services decreased by \$263,025 (6.52%) from the previous year. The most significant decreases were for County Clerk and Tax Assessor Collector by \$173,843 and \$85,427, respectively.
- Fines and forfeits decreased by \$26,476 from the previous year, primarily because bond forfeiture collections by County Clerk decreased by \$49,688. District Clerk bond forfeiture collections increased by \$28,458 from previous year despite having a negative budget variance of \$184,566.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Total *net assets* of the Water Utility Fund at year end totaled \$4,970,776. Of this amount, 103.4% is invested in capital assets net of related debt. Factors relating to the Water Utility fund have already been addressed in the discussion of the Webb County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

At year end, general fund expenditures were less than budget estimates by \$4,354,767. General fund revenues were also less than budgeted estimates by \$3,837,357 resulting in a positive variance of \$517,410. The most significant variance was in the health and human services expenditures with a \$1,598,185 positive variance; this variance was due to the indigent health care department services provided by the County for hospital services, prescription drugs, and other services. In contrast, property tax revenues were less than budgeted estimates by \$1.3 million and general sales taxes were less by \$524,354. The current ad valorem property taxes shortfall of \$1.5 million and sales tax can be attributed to the downturn in the economy and devaluation of the Mexican peso.

In addition, the Webb County Commissioner's Court approved transfers between functions which had no effect in the total appropriated budget. Budget transfers were made to increase other financing uses to transfer out \$297,930; of which \$175,000 were for the purpose of improvements to the Justice Center, \$88,022 for the Water Utilities department operations, and \$34,908 for the building maintenance construction fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business type activities as of September 30, 2008, amounted to \$145,070,626 (net of accumulated depreciation). The total increase in the County's net investment in capital asset for the current fiscal year was 6.46%. The investments in capital assets include land, infrastructure, infrastructure-in-progress, buildings, equipment, furniture and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Infrastructure in progress costs for the Rio Grande Intake Pump Station and Reservoir Improvement in the amount of \$405,265. Also, infrastructure in progress costs for the dam repair at Lake Casa Blanca and Cuatro Vientos Road for \$160,750 and \$127,267, respectively. In addition, road upgrades in the amount of \$270,417 and rail road and international bridges in the amount of \$152,698.

- Various ongoing construction projects with a total cost of \$7,770,030. The most significant increases were for the Juvenile Youth Village with a cost of approximately \$5.4 million; Girls Scout Center, \$719,472; and remodeling costs of the Justice Center's 5th floor for \$530,180. Webb County is also constructing a regional county medical examiner facility, this year cost amount to \$652,184. In addition, Webb County will have agreements with other counties to provide autopsy/medical services from our Chief Medical Examiner
- The Court Residential Treatment Center was an acquisition of land and building for a cost of \$289,674 and \$611,326, respectively.
- A modular building for the Head Start program for a cost of \$182,961. Also, various improvements to the Sheriff's substation building for a cost of \$140,621.
- Addition of new law enforcement vehicles at a cost of \$287,782 and additional heavy machinery for road and bridge at a cost of \$285,998.

Webb County's Capital Assets
(net of depreciation)
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Capital assets, not being depreciated:						
Land and improvements	\$ 8,078	\$ 7,512	\$ 216	\$ 216	\$ 8,294	\$ 7,729
Infrastructure in progress	10,595	12,799	745	1	11,340	12,800
Construction in progress	15,878	8,643			15,878	8,643
Total capital assets, not being depreciated	<u>34,551</u>	<u>28,954</u>	<u>961</u>	<u>218</u>	<u>35,512</u>	<u>29,172</u>
Capital assets, being depreciated, net:						
Infrastructure	40,305	36,649	10,471	10,721	50,777	47,370
Buildings	51,218	52,106	434	449	51,652	52,555
Furniture, fixtures and equipment	6,872	7,170	258		7,130	7,170
Total capital assets, being depreciated, net	<u>98,395</u>	<u>95,925</u>	<u>11,164</u>	<u>11,170</u>	<u>109,558</u>	<u>107,095</u>
Total	<u>\$ 132,946</u>	<u>\$ 124,879</u>	<u>\$ 12,125</u>	<u>\$ 11,387</u>	<u>\$ 145,071</u>	<u>\$ 136,267</u>

Additional information on the County's capital assets can be found in note IV C on pages 50 - 51 of this report.

Debt Administration

At the end of the current fiscal year, the County had total bond debt outstanding of \$78,737,430. The governmental bond debt is payable from the levy of a direct ad valorem tax on all taxable property located within the County and the business-type debt is payable from Webb County Water Utility self-supporting fees.

The County's debt total increased by \$2,206,084 (2.9%) from the previous fiscal year.

New borrowing during the year was \$14,090,000 in Limited Tax Refunding Bonds, series 2007 and series 2008 and \$1,125,000 Tax Notes, Series 2007A. In addition, the County issued \$5,575,000 in certificates of obligations, series 2008A. These notes were issued for the purpose of purchasing a building and land with \$2 million, capital outlay purchases for the Juvenile Youth Village and various County departments with \$2.8 million, improvements to the Quad City, Justice of the Peace, and Constables offices with \$600,000, a study to determine best option to use the TEX-MEX land and building with \$100,000.

The County issued Certificates of Obligations, Series 2008, for its business-type activities in the amount of \$648,000. These notes were issued for the purpose of matching a grant given by the Texas Water Development Board in the amount of \$4,164,696. The project was for the construction of a new regional water and wastewater project to serve the citizens of the communities of El Cenizo and Rio Bravo.

Webb County's Outstanding Debt
General Obligation
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Certificates of obligation	\$ 31,620	\$ 32,607	\$ 1,623	\$ 1,123	\$ 33,243	\$ 33,730
General obligation refunding bonds		7,290				7,290
Limited tax refunding bonds	32,135	20,067	1,975	1,966	34,110	22,033
Limited tax improvement bonds	7,155	9,230			7,155	9,230
Other lending requirements	2,744	2,276	3,320	3,430	6,064	5,706
Total	\$ 73,655	\$ 71,470	\$ 6,917	\$ 6,519	\$ 80,572	\$ 77,989

The presently outstanding ad valorem tax supported debt of Webb County has an underlying rating of "A2" by Moody's, "A+" by Standard & Poor's, and "A+" by Fitch. By virtue of an insurance policy, the Limited Tax Refunding Bonds, Series 2008, have received a rating of "Aaa" by Moody's and "AAA" by Standard & Poor's and Fitch.

Texas Statutes limit the amount of general obligation debt a government entity may issue up to 25% of its total assessed value of real property. The current debt limitation for the County of Webb is \$3,407,166,297 which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note IV G on pages 54 - 62 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were known as of the printing of this report:

- The calendar year 2008 unemployment rate for the County of Webb was at 5.1%, which is an increase from a rate of 4.6% a year ago. Webb County's unemployment rate was still higher than Texas rate of 5.0% and lower than national average rate of 5.76%.
- Webb County employer's retirement contribution rate increased from 8.35% to 8.61% effective January 1, 2009.
- The real property assessed value for calendar year 2008 increased by \$1,316,689,204 (11%) from the previous calendar year.
- Webb County has been working together with the City of Laredo for the future planning, financing, construction and operation of a proposed Fifth International and Railroad Bridges connecting Mexico and the United States. This would be the 2nd railroad bridge built for Webb County in almost 100 years.
- The Webb County Juvenile Youth Village construction project is expected to start operations in March 2009.
- The 2009 taxable values for the oil and gas revenues are projected a 34% decrease.
- Currently Webb County plans to freeze new hires and reduce departments' operations by 10% due to expected shortfalls in revenue for the 2009 fiscal year.
- The Mexican peso has dropped value to historic lows as the global economy deepens; consequently the local retail industry is suffering from the lower purchasing power of Mexican customers.

All of these factors were considered in preparing the Webb County's budget for the 2009 fiscal year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Webb County Auditor's Office, 1110 Washington Street, Suite 201, Laredo, Texas 78040 or call (956) 523-4016. This report can also be found on the County's website at www.webbcountytexas.gov.