

BEXAR COUNTY, TEXAS

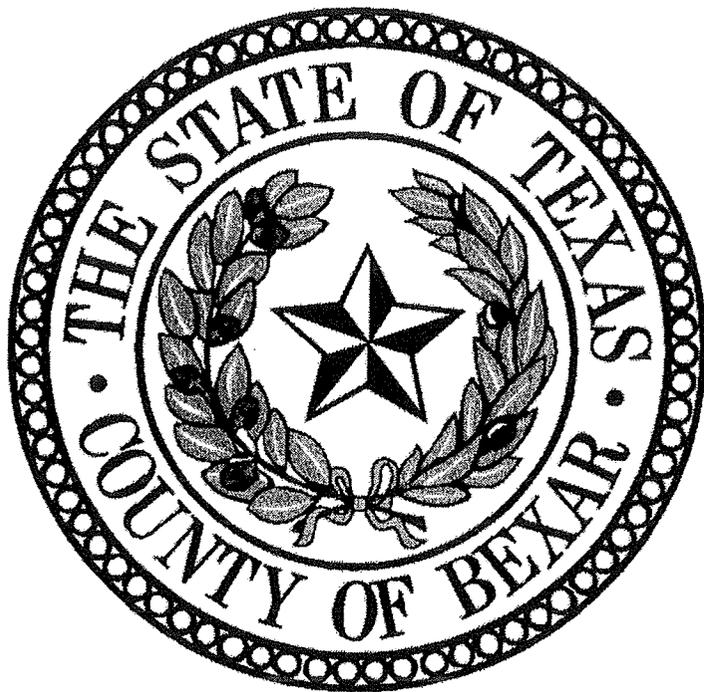
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

Fiscal Year Ended

September 30, 2006

OFFICIAL ISSUING REPORT

TOMMY J. TOMPKINS, C.P.A.
COUNTY AUDITOR



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Bexar County, Texas
Comprehensive Annual Financial Report
September 30, 2006

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TOMMY J. TOMPKINS, C.P.A.
BEXAR COUNTY AUDITOR

March 31, 2007

Honorable District Judges of Bexar County and
Honorable Members of the Bexar County Commissioners' Court

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report ("CAFR") of Bexar County, Texas for the fiscal year ended September 30, 2006. This report consists of management's representations concerning the finances of the County. Therefore, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. This report was prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and is in compliance with State law, V.T.C.A., Local Government Code §114.025 and §115.045.

The County Auditor serves as the Chief Financial Officer for Bexar County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles ("GAAP"). The internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

1. the reliability of financial reporting,
2. the effectiveness and efficiency of operations, and
3. compliance with existing laws and regulations.

The concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived, and
2. the evaluation of costs and benefits requires estimates and judgments by management.

Bexar County currently is reporting financial information as promulgated by the Government Accounting Standards Board Statement Number 34, *Basic Financial Statements—And Management's Discussion and Analysis—For State and Local Governments* (GASB No. 34 as amended). The CAFR was prepared in accordance with these statements and is presented in the following four sections:

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Transmittal Letter – For Year Ending September 30, 2006

- The **Introductory Section**, which includes this transmittal letter, a list of principal officials and the County's organizational chart.
- The **Financial Section**, which includes the independent auditors' report, Management's Discussion and Analysis ("MD&A"), the basic financial statements (including notes), required supplementary information (other than MD&A) and the combining financial statements.
- The **Statistical Section**, includes selected financial and demographic information which is generally presented on a multi-year basis, as well as other information to include supplemental disclosures to comply with the Securities Exchange Commission Rule 15c2-12.
- The **Compliance Section** contains information related to the County's annual single audit, which is required under the provisions of the Single Audit Act of 1984 as amended by the Act of 1996. The Act comes under the oversight of the Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*. Information related to this single audit is included within the Independent Auditor's Report on Internal Control Over Financial Reporting Compliance and Other Matters; Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance; Schedule of Findings and Questioned Costs; Schedule of Expenditures of Federal and State Awards; and, Notes to Schedule of Expenditures of Federal and State Awards.

Pursuant to Governmental Accounting Standards Board Statement No. 14 as amended by GASB Statement No. 39, the reporting entity consists of:

- The primary government, Bexar County;
- Component units which are legally separate organizations for which the County is financially accountable (blended); and
- Component units where the nature and significance of the relationship with the County is such that exclusion from the County's financial statements would be misleading or incomplete (discretely presented).

Three component units, Bexar County Housing Finance Corporation (BCHFC), Bexar County Health Facilities Development Corporation (BCHFDC) and Bexar County Industrial Development Corporation (BCIDC) are blended with the County. The Commissioners' Court of the County sits as the governing board for all three entities. Accordingly, the Commissioners' Court approves reverse mortgage education programs and the issuance of single-family mortgage bonds for the BCHFC; authorizes the issuance of tax-exempt bonds for the BCHFDC as well as the BCIDC. None of the bond issuances constitute a debt or a pledge of faith or credit by the County.

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The University Health System (the Bexar County Health District) is considered a component unit for reporting purposes and is discretely presented in the report. The Commissioners' Court for the County appoints the seven member board of the County's Health District and approves the District's tax rate. For more information on these component units, refer to Note A of the Basic Financial Statements.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a MD&A. This letter of transmittal should be read in conjunction with the MD&A which can be found immediately following the report of the independent auditors in the Financial Section of this report.

BEXAR COUNTY GOVERNMENT PROFILE

Bexar County is located in south central Texas in the interior belt of the Coastal Plain of South Central Texas, and is crossed by the Balcones Escarpment. The area northwest of the escarpment, about one-eighth of the county, lies on the Edwards Plateau in high, hilly country, the source of numerous springs and artesian and underground wells. The San Antonio River and San Pedro Creek originate in such springs. The San Antonio River is the County's principal river, and into it flow a number of smaller streams. One of these smaller streams, Cibolo Creek, forms the boundary between Bexar and Comal counties on the north and Guadalupe on the east.

The first Europeans to explore the region came with an expedition in 1691 led by Domingo Terán de los Ríos and Fray Damián Massanet, who evidently reached the San Antonio River near where the San Juan Capistrano Mission was later founded. Nearby they found a group of native Americans, Payayas, living on the riverbank. The Indians, as Massanet recorded in his diary, called the place Yanaguana; he, however, renamed the site San Antonio de Padua to celebrate the memorial day of St. Anthony (June 13). By 1724 the San Antonio de Valero mission compound, which had originally been located south of San Pedro Springs, was moved to what is referred today as the Alamo Plaza. In 1731, after the removal of the missions from East Texas, the personnel were relocated to San Antonio and three additional missions – Nuestra Señora de la Purísima Concepción de Acuña, San Francisco de la Espada, and San Juan Capistrano – were founded along the San Antonio River. The five missions, together with the presidio and the villa of San Fernando, constituted the most important Spanish concentration in Texas. By the mid-1730s the total population of the area was some 900, including 300 Spanish and 600 Indian converts.¹

In 1772 the government offices of Spanish Texas were moved to Bexar, and some of the East Texas settlers also moved. The mission lands were distributed to the increasing number of Spanish settlers; most of the better land nearest the settled areas was controlled by the town's elite, which was made up of the descendants of the original Canary Islanders and the presidential soldiers. The missions developed as self-supporting communities, each ringed with farmland irrigated by a comprehensive system of acequias, or irrigation ditches. Crops included grain, cotton, flax, beans, sugarcane, and vegetables. Each of the missions also maintained sizable herds of cattle, sheep, and goats on

¹ *The Handbook of Texas*

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Transmittal Letter – For Year Ending September 30, 2006

extensive ranchlands located around Bexar. Governor Manuel M. de Salcedo described Mission Concepción's ranch in 1809 as comprising some thirty-eight square miles and extending east and northeast from the mission to Cibolo Creek.

During the late colonial period, Bexar continued to serve as the capital of the province of Texas as well as the main shipping point for supplies headed for Nacogdoches (to the East) and Santa Fe (to the West). Soon after the first Anglo-American colonists came to Texas in 1821, San Antonio became the western outpost of settlement. In 1824 Texas and Coahuila were united into one state with the capital at Saltillo. The Department of Bexar was created with a political representative appointed to have authority over the Texas portion of the state. During the late 1820s and early 1830s increasing numbers of American settlers began moving to San Antonio, though the city remained predominately Mexican at the beginning of the Texas Revolution. In late October 1835, Texas volunteers laid siege to the city, which was garrisoned by the Mexican army. After fierce hand-to-hand fighting, it was occupied by Texan forces. San Antonio was retaken by government forces commanded by Antonio López de Santa Anna during the battle of the Alamo on March 6, 1836. After the subsequent defeat of Santa Anna's army in the battle of San Jacinto, the city was reoccupied by Texan forces, but the area, claimed by both sides, continued to be fought over for the next six years.

Organized on December 20, 1836, Bexar County was established, with San Antonio as county seat. Bexar County is one of the original counties of the Republic of Texas. The Greater San Antonio Chamber of Commerce estimates the population of Bexar County at 1,609,500² and the population for the greater San Antonio metropolitan area to be 1,854,400 in 2006³. The County covers an area of 1,248 square miles and contains 25 incorporated cities, including San Antonio, with a 2006 estimated population of 1,325,700 reflecting a 15.82% growth since the 2000 census⁴.

Bexar County has recovered from the recession of the early nineties. The unemployment rate has dropped from 6.5% in 2003 to 4.8% in September 2006⁵. The County's diverse economic base ranges from agribusiness, manufacturing and construction to tourism, medicine and the military. For metropolitan areas with one million plus populations, San Antonio is ranked among the lowest in cost of living at 94.2% which was 5.8% below the national average.⁶ The County continues to provide new industries with one of the lowest cost workforces of any major U.S. city. Combined, the biomedical, aerospace and information technology industries generate an economic impact of nearly \$14 billion on the local economy. The key components of the health care industry are three major military medical centers, the South Texas Medical Center (which includes five University of Texas health professional schools, ten major hospitals and 80 health related facilities), the Southwest Foundation for Biomedical Research, and the Southwest Research Institute. Agribusiness is still a leading industry in Bexar County. The agricultural industry is not limited to farmers and ranchers, but includes storage, processing and distribution of farm commodities and products made from them. Government is the third largest industry in the County with the military being the predominate

2 San Antonio Region Economic Trends 1996-2007

3 Ibid

4 Ibid

5 Texas Workforce Commission

6 Cost of Living Index (Infoplease.com)

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Transmittal Letter – For Year Ending September 30, 2006

employer. The four major military installations contributed an economic impact which exceeds \$4.9 billion. The latest research indicates that tourism provides an estimated \$4 billion to the economy from approximately 8 million overnight visitors annually. Not only is San Antonio the number one tourist destination in Texas, it is among the top ten in the world.

The County's proximity to Mexico provides favorable conditions for international business relations in the areas of agriculture, tourism, manufacturing, wholesale and retail markets. Fifty percent of U.S. exports to Mexico and fifty percent of Mexican exports to the U.S. pass through San Antonio. Trade between the United States and Mexico was projected at \$124 billion in 2001 - an increase of \$70 billion since 1995 (129%). The increase in trade is largely attributed to the passage of the North American Free Trade Agreement (NAFTA) in 1993. San Antonio is also the headquarters for the North American Development Bank (NADBank). This bi-national institution created by NAFTA is intended to help finance environmental infrastructure within 60 miles of the US/Mexican border. With a lending capacity of \$2 billion, NADBank finances projects including water, wastewater and solid waste programs. The Mexican consulate was expanded in San Antonio to assist the transition and to facilitate the development of the NAFTA agreement.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The County has continued to enjoy a favorable financial environment during the fiscal year ended September 30, 2006. The population growth in the incorporated, as well as the unincorporated areas, is considered by the Commissioners' Court annually in appropriating funds to support the delivery of services. The County has developed working arrangements with the majority of the incorporated cities within the County to allow the Court to anticipate needs and to establish a cost-effective manner to apply available resources.

The County is responsible for establishing the tax rates for the County (operations and debt service) as well as to service the flood control projects in the County (operations and debt service). In addition, the County includes in its debt service tax rate the debt service requirements for the San Antonio River Authority for projects in Bexar County. The tax rate for both years 2005 and 2006 was \$0.33119 per \$100 of valuation.

Current long-term financial policies of the County are:

- Expenditures by function are controlled to not exceed available resources;
- Use technological solutions to improve operations;
- Provide an equitable justice system that is responsive to the needs of the County;
- Delivery of service to the constituents;
- Encourage flexibility and accountability in all offices and departments;
- Promote diversity in the workforce;
- Maintain full disclosure and open lines of communications with the rating agencies; and
- To develop a highly efficient and effective cash management program to maximize the County's ability to earn an equitable return on its assets, while at the same time maintain asset protection.

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The County's Strategic Management Team (SMT) identified the major components of the long-term issues as strategic plan priorities. Those strategic priorities include (in no specific order) adult detention facilities, Bexar County as an employer, budget accountability and flexibility, Bexar County infrastructure and asset management, County-wide strategic management, demand for County services, financial management, juvenile justice, population management, State and Federal mandates, and technology. Completion of the on-going County-wide Strategic Plan is viewed as a number one priority to address these issues. The County-wide Strategic Plan will help to define the issues and allow the Commissioners' Court the ability to develop a unified approach in addressing them.

MAJOR INITIATIVES FOR THE YEAR

Commercial Expansion – On November 17, 2006, the first Toyota Tundra manufactured at the Toyota Motor Manufacturing plant in San Antonio rolled off the assembly line. In the planning stages since 2002, this plant represents an injection of over \$1.2 billion into the Bexar County economy, with approximately 2000 jobs plus an additional 2,200 jobs provided by on-site suppliers. This alone will have a significant impact on the local economy and will increase the demand for County services. But Toyota was merely the first of many internationally recognized businesses to understand the benefits of locating a major enterprise in the San Antonio-Bexar County area.

In the Fall of 2005, the nation's largest savings and loan institution, Washington Mutual, opened a new regional operations call center in Bexar County. The regional operations center is located on a 75 acre-site located at Stone Oak Parkway and US Highway 281, the former home of the MCI WorldCom call center. The regional operations center will bring a minimum of 5,000 jobs over seven years and is estimated to add \$1.4 billion to the San Antonio economy.

The Professional Golfers Association (PGA) Tournament Players Course and Resort, a 2,847 acre resort located in northern Bexar County, is also under development. When complete it will feature two PGA Tour golf courses, a 1,000-room J.W. Marriott Hotel and several thousand homes with an estimated average market value of \$250,000. It should generate more than 2,000 permanent jobs.

Employment Growth

During the fiscal year the County enjoyed internal corporate employment growth (4,104 positions) from various sectors:

Sino Swearingen Aircraft Corporation (Aircraft Manufacturing)	850 positions
ACS Affiliated Computer Services (Wireless tech support services)	600 positions
2Wire (Internet tech support services)	500 positions
Afni (Back office communications)	475 positions
Afni – Phase II (Tech support for communications)	300 positions
Accenture (Technology and consulting services)	350 positions

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American Funds (Back office financial services)	300 positions
Harris Connect (Internet and data research)	250 positions
LCW Automotive (Limousine conversion)	107 positions
CGI-AMS (IT support desk)	100 positions
Others	272 positions

Source: San Antonio Economic Development Foundation

In addition the Alamo Work Force has reported that the non-farm employment over the past three years in the metropolitan statistical area (MSA) has increased regularly.

<u>Sectors</u>	<u>Employment</u>		<u>Percent</u>
	<u>2003</u>	<u>2006</u>	<u>Inc. (Dec.)</u>
Trade/Transportation/Utilities	132,600	138,633	4.55%
Government	136,400	146,067	7.09%
Health Services	98,800	109,133	10.46%
Professional and Business Services	87,600	101,233	15.56%
Leisure and Hospitality	83,400	94,733	13.59%
Financial Activities	59,600	63,033	5.76%
Manufacturing	45,100	46,700	3.55%
Construction	42,000	48,300	15.00%
Information	23,100	20,000	(13.42)%
Natural Resources	2,200	1,767	(19.68)%
Other Services	28,300	27,967	(1.18)%
Totals	<u>739,100</u>	<u>797,566</u>	<u>7.91%</u>

Source: Alamo Work Force

Financing Strategies - The Capital Lease program will be used to finance and support many of the County's technology and equipment needs through the use of Master Lease Agreements that will provide short-term funds for these acquisitions. This funding mechanism will allow the County to match the term of the liability to the life of the asset being financed up to seven years.

The County has also implemented a Commercial Paper Program. In the past the County has issued reimbursement resolutions for capital projects when market conditions did not warrant an immediate issuance of debt. These reimbursement resolutions allowed Bexar County to "lend" itself funding until such time that the County issued debt and paid itself back for incurred expenses relating to the projects. Although this is and will continue to be a viable option when funding is available, reimbursement resolutions subtract from the liquidity of the County's portfolio and reduce the amount of investment capital at the disposal of the County.

Infrastructure Development – Fiscal Year 2006 represented the third year of implementation of

Bexar County, Texas

Transmittal Letter – For Year Ending September 30, 2006

projects associated with the November 2003 Bond Election. The total amount of general obligation bonds approved by the voters is \$99,246,000. Projects include:

- **Proposition 1** – Includes 6 major projects - building a new adult probation facility (\$16,775,000); improving and expanding the current juvenile facilities for administration and detention (\$23,486,899); the construction of a residential children's shelter (\$878,101); the acquisition of an automated fingerprint identification system (\$3,500,000); the completion of the overhaul of the jail lock project (\$2,700,000); and, the enhancement of the public safety radio system (\$650,000) – for a total of \$47,990,000.
- **Proposition 2** – Includes the upgrade of 12 County roads for a total cost of \$40,581,000.
- **Proposition 3** – Includes improvements to nine County parks (\$2,675,000) and additions to five County community centers (\$3,250,000) – for a total of \$5,925,000.
- **Proposition 4** – Is composed of two projects – a senior citizen multi-purpose facility (\$750,000) and an emergency operations center (\$4,000,000) for a total of \$4,750,000.

Commissioners' Court has approved the use of \$31,000,000 of the bonds for various projects that were approved. \$15,480,000 of the bonds was sold in October 2004.

FINANCIAL INFORMATION

Budgetary Control

Budgets are adopted for the General, Special Revenue and Debt Service Funds on a basis wherein expenditures include encumbrances outstanding at the end of the fiscal year. Although this basis departs from generally accepted accounting principles, it provides meaningful feedback and control to management.

In the General and Special Revenue Funds, in which the revenue is determined by the County, budgetary control is maintained by the County Auditor's Office at the expenditure category (appropriation unit) level by a review of estimated purchase amounts prior to the release of purchase orders to vendors. A purchase order, which would result in an overrun of an appropriation unit, is not released until additional appropriations are made available.

Under State law, the budget cannot be exceeded in any expenditure category. Grants from the Criminal Justice Division (CJD) may overrun a category allowance by 5%, but the total of the grant may not overrun. In Community Development Block Grant Funds (CDBG), the budget cannot be exceeded in any one project. In the Grants-In-Aid Fund, budget totals are changed during the year as funds are increased and/or decreased due to changes in availability of funds from the State or Federal sources.

Debt Administration

Tax rates levied for limited tax bonds, certificates of obligation and tax notes are part of the maximum rate of \$.80 per \$100 valuation that can be set by Texas counties. In FY 2006 the General Fund maintenance and operation tax rate was set at \$0.287407, and the debt service rate was set at \$0.031064. The maintenance and operation tax rate set for flood control was set at \$0.003570 and at \$0.009149 for debt service. The overall rate was set at \$0.331190 per \$100 dollars of taxable appraised value for FY 2006 as well as \$0.331190 for FY 2005. The overall rate did not change

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between FY 2005 and FY 2006. The County has maintained ratings of Aaa from Moody's Investors Service, AAA from Standard and Poor's Corporation, AAA from Fitch IBCA.

An analysis of the changes in outstanding bonds and obligations is shown in Note G to the financial statements.

ACKNOWLEDGEMENTS AND AWARDS

Independent Audit - V.T.C.A., Local Government Code, §115.045 requires an annual audit by independent certified public accountants. For this purpose, the firm of Garza/Gonzalez & Associates was selected by Commissioners' Court. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports on internal controls and compliance with applicable laws and regulations can be found in the Compliance Section of this report.

Acknowledgments

We wish to express our thanks to Commissioners' Court and the District Judges for their interest and support in planning and conducting the financial affairs of the County in a responsible and professional manner. The Court and other elected officials and department heads need to be recognized for their continual support that has been provided as the County continues to refine and implement improved financial changes. The timely completion of this report could not have been achieved without the dedicated efforts of the County Auditor's staff, and the professional services provided by our independent auditors, Garza/Gonzalez and Associates.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bexar County for its comprehensive annual financial report for the fiscal year ended September 30, 2005. This was the nineteenth consecutive year that Bexar County has achieved this prestigious recognition. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

REQUEST FOR INFORMATION

The financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional information should be addressed to the Bexar County Auditor's Office, 212 Stumberg, Suite 100, San Antonio, Texas, 78204, or call (210) 335-2301.

A handwritten signature in black ink, appearing to read "Tommy J. Tompkins", with a long horizontal line extending to the right.

Tommy J. Tompkins, C.P.A.
County Auditor

Bexar County, Texas



PRINCIPAL OFFICIALS

COUNTY JUDGE	NELSON W. WOLFF
COMMISSIONER, PRECINCT 1	SERGIO RODRIGUEZ
COMMISSIONER, PRECINCT 2	PAUL ELIZONDO
COMMISSIONER, PRECINCT 3	LYLE LARSON
COMMISSIONER, PRECINCT 4	TOMMY ADKISSON
COUNTY AUDITOR	TOMMY J. TOMPKINS
ASSESSOR-COLLECTOR OF TAXES	SYLVIA ROMO
COUNTY CLERK	GERRY C. RICKHOFF
DISTRICT ATTORNEY	SUSAN D. REED
DISTRICT CLERK	MARGARET G. MONTEMAYOR
SHERIFF	RALPH LOPEZ

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bexar County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

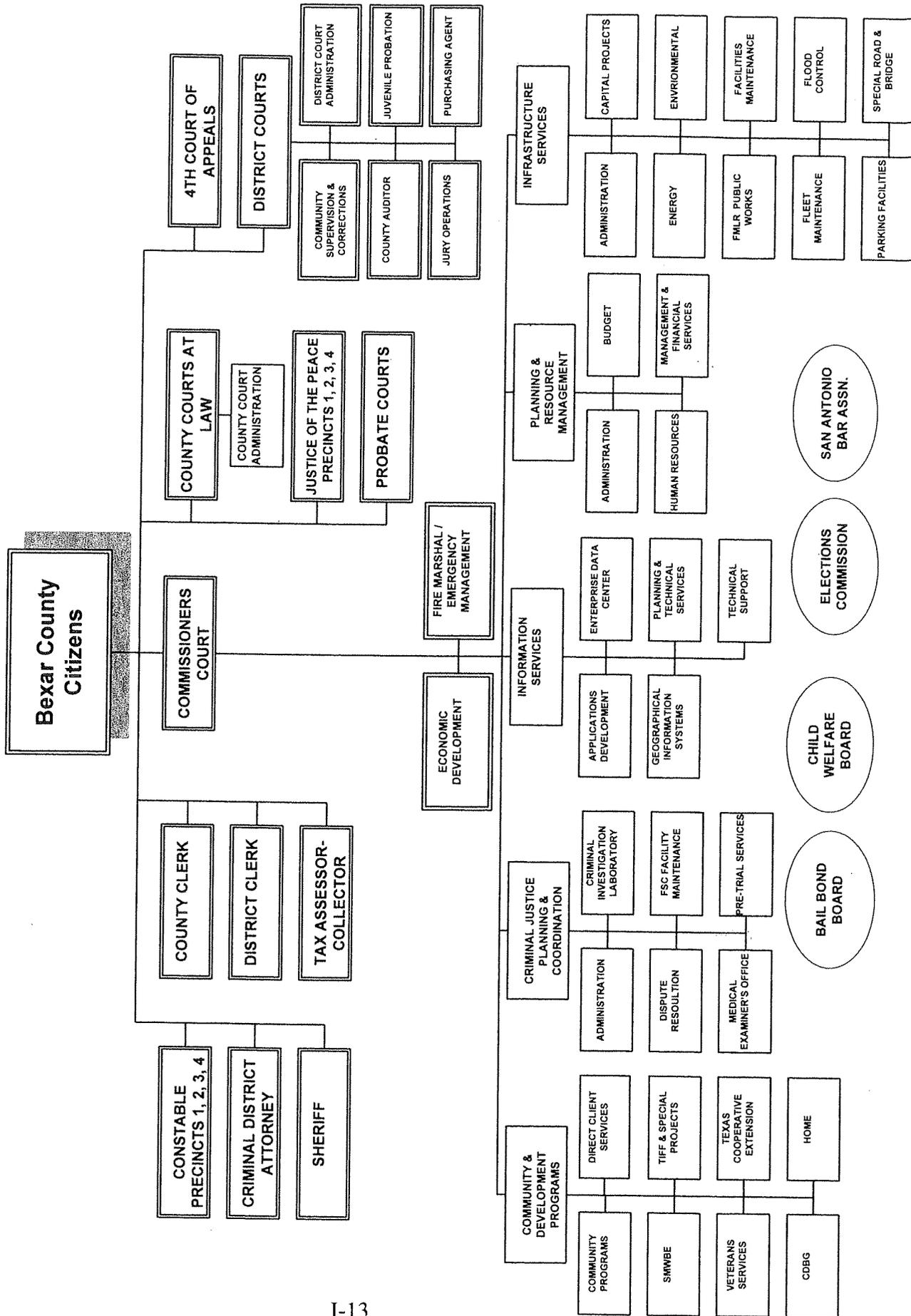


President

Executive Director

BEXAR COUNTY

ORGANIZATIONAL CHART





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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Commissioners
Bexar County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bexar County, Texas (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University Health System (the "System"), the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2007, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and State of Texas Single Audit Circular and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Garza/Gonzalez
Associates

February 28, 2007

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

This section of the Bexar County comprehensive annual financial report presents management's discussion and analysis ("MD&A") of the financial performance of the primary government during the fiscal year ended September 30, 2006. The MD&A should be read in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. The MD&A is a narrative overview and analysis of the financial activities of Bexar County for the fiscal year ended September 30, 2006. The reader is encouraged to consider the information presented here in concurrence with additional information that is furnished in the letter of transmittal in pages I-1 through I-10.

For information specific to the University Health System (the "System"), the discretely presented component unit of the County, please refer to the MD&A included in the separately issued financial statements of the System. A copy of those financial statements may be obtained by contacting the University Health System's Financial Offices, 4502 Medical Drive, San Antonio, Texas 78229.

FINANCIAL HIGHLIGHTS

Government-Wide:

- The total government-wide assets of the County exceeded the liabilities at September 30, 2006 by \$468,991,080, and are reported as total net assets of the primary government. This is comparable to the previous year when assets exceeded liabilities by \$437,893,716. The total net assets is comprised of unrestricted net assets (funds that may be used to meet ongoing obligations to citizens and creditors), restricted net assets (funds to be used for a specified purpose), and amounts invested in capital assets, net of related debt.
- The government-wide total net assets increased \$31,097,364 during the fiscal year ending September 30, 2006. The increase can be attributed to governmental activities (\$24,869,244) and to business-type activities (\$6,228,120). Comparative changes can be examined as follows:
 - Total net assets of the primary government are comprised of:
 - 1) Capital assets net of related debt include land, buildings, improvements, roads, bridges, equipment, furniture and fixtures as well as construction in progress, net of accumulated depreciation:

September 30, 2006	\$337,120,379
September 30, 2005	\$316,021,629
 - 2) Net assets which are restricted by constraints imposed from outside the County such as debt obligations, regulations and/or federal and state laws:

September 30, 2006	\$90,791,789
September 30, 2005	\$81,494,274
 - 3) Unrestricted net assets represent the portion available to meet current requirements and obligations to the County's creditors and citizens:

September 30, 2006	\$41,078,912
September 30, 2005	\$40,377,813

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Fund Financial Statements:

- As of September 30, 2006, the County's governmental funds reported combined fund balances of \$129,492,056. This compares to the prior year combined fund balances of \$114,320,917. Approximately 53.1% of the combined fund balances at September 30, 2006 (\$68,697,380) is available to meet the County's current and future needs (unreserved fund balances and undesignated). The total fund balance for the other governmental funds was \$26,904,086 at September 30, 2006 and \$22,244,132 at September 30, 2005. This entire amount is dedicated to service specific county functions.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$47,877,791 or 19.45% of total general fund expenditures for the year ended September 30, 2006.

Long-Term Debt:

- Bexar County's total long-term debt related to Governmental activities (Bonds, Certificates of Obligation and Notes Payable) decreased \$40.8 million (24.95%) of existing debt at the beginning of the fiscal year.
- Bexar County's total long term debt related to Business-type activities (Venue bonds) decreased \$11.6 million (9.03%) of existing debt at the beginning of the fiscal year.
- The County did issue \$26.5 million of refunding bonds during the fiscal year.
- In November 2003 the voters approved the financing of a long range construction and refurbishing program for the County to be paid for using General Obligation Bonds - \$99,246,000. At September 30, 2006, \$15,480,000 of these bonds was sold in October 2004.
- Currently there is no statutory or imposed debt limitation on the County that may impact planned capital expenditures. At year end the County had not experienced any changes in its credit ratings. The Commissioners' Court has been pro-active in anticipating capital expenditure needs for the current and the near future.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to introduce the reader to the County's basic financial statements. These statements are comprised of three basic components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements. In addition the County includes its Single Audit report in the Compliance Section.

- **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of County finances in a manner similar to a private-sector business. They include a Statement of Net Assets and a Statement of Activities. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or when liabilities are paid.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets will serve the reader as a useful indicator of whether the financial position of the County is improving or deteriorating. There are other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, which should be considered to assess the overall health of the County.

The *statement of activities* presents information showing how 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. Due to a full accrual presentation, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, judicial, public works, health and public welfare, and education and recreation. The business-type activities of the County include arena venue activities associated with the AT&T Center, which is the home court of the San Antonio Spurs and the Stock Show and Rodeo.

Component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Three component units, Bexar County Housing Finance Corporation, Bexar County Health Facilities Development Corporation and Bexar County Industrial Development Corporation, are blended with the County. The University Health System (the System) is reported as a discrete component unit because there is some financial accountability by the System to the County Commissioners' Court. For more detailed information on these component units, refer to Note A of the basic financial statements.

- **Fund Financial Statements**

The fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **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 funds 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. Such information may be useful in evaluating the County's near-term financing requirements.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Capital Projects Funds. The County maintains:

- 1 General Fund
- 1 Debt Service Fund, and
- 1 Capital Project Fund.

Data from the other governmental funds, three blended component units, one grant fund, one asset forfeiture fund, and 21 special revenue funds, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

• **Special Revenue Funds**

The County maintains various special revenue funds, many of which are statutory and are required to annually submit a budget to the Commissioners' Court for review and adoption. Many of these programs receive financial resources from fees specifically designated by the State's legislature to be used for a specified purpose:

County Clerk Records Management	Courthouse Security
County Records Management	Law Library
District Clerk Records Management	Dispute Resolution
Justice of the Peace Technology	Parking Facility
Justice of the Peace Security	Election Administration
Graffiti Eradication	Law Enforcement Education
Domestic Relations	Probate Contributions
Farm to Market and Lateral Road	Fire Code
Tax Collector's Special Inventory Tax	Unclaimed Money
District Attorney Programs	Asset Forfeiture

The County has been awarded several grants by the State and the Federal government. These grants cover periods as short as six months to multiple years. All grant programs have formal budgets which are reviewed annually.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Various law enforcement agencies have been awarded forfeited funds either by the State of Texas or the Federal government. These funds are to be used to support the law enforcement activity of the office. While there is no requirement for the federal funds to be budgeted, State law requires all public funds to be appropriated and presented to Commissioners' Court. Therefore, annually the departments appropriate funds on hand that will be used in the following year.

Additionally, the County maintains three funds that are special revenue funds that are not statutory. These funds are funded with public funds and the Commissioners' Court has specified in the annual budget how these funds are to be used:

Parking Facilities
Technology Improvements

Vehicle Replacement

- **Proprietary Funds**

The County's proprietary funds are maintained in two formats:

- (1) An enterprise fund is 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 an arena venue operation – the AT&T Center.
- (2) 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 its maintenance of County vehicles; administration of the County's self-insurance programs for health, workers compensation, and other liabilities; and the records management facility. 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. The arena venue fund is considered to be a major fund of the County. The County's three internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

- **Fiduciary Funds**

Fiduciary funds (Trust and Agency) 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 only fiduciary funds are agency funds. Agency funds are purely custodial and thus do not involve measurement of results of operations.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

- **Notes to the Basic Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 39-84 of this report.

- **Required Supplementary Information**

Required supplementary information is presented concerning the County's General Fund budgetary compliance. The County adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found on pages 85-96 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, internal service funds and agency funds and are presented immediately following the required supplementary information. Additionally, the County legally adopts budgets for a number of other governmental funds. Budgetary comparison schedules and combining and individual fund statements and schedules can be found on pages 100-146 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The new reporting model focusing on net assets will serve (over time) as a useful indicator of a government's financial position. For the primary government assets exceeded liabilities by \$469 million at the close of the most recent fiscal year as compared to \$437.9 at the close of the last fiscal. This represents a 7.1% increase. A comparative analysis of the changes in the primary government is presented below:

	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Invested in capital assets, net of related debt	\$ 337,120,379	\$ 316,021,629
Assets Restricted for:		
Debt Service	54,538,340	55,304,121
Grants and Special Revenue	24,216,784	14,985,944
Capital Projects	11,898,126	11,204,209
Statutory Imprest	138,539	-
Unrestricted	<u>41,078,912</u>	<u>40,377,813</u>
Net Assets	<u>\$ 468,991,080</u>	<u>\$ 437,893,716</u>

The primary government's investment in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure), less accumulated depreciation, less any related debt used to acquire those assets that is still outstanding, represents 71.9% of the County's net assets at the end of the fiscal year as compared to 72.2% for the previous fiscal period. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. The County's net investment in its capital assets is reported net of related debt,

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

but it should be noted that resources needed to repay this debt must be internally provided from other sources. Liquidation of capital assets is not an alternative to providing funds to service debt and other related liabilities.

19.4% of the current fiscal year net assets represent resources that are subject to external restrictions as to the use of the funds. The County has net assets in various grant programs; however, these net assets are to be used to fund continual budgets related to specific federal and state programs. Excess funding is returned at the end of the grant programs. The special revenue funds that the County maintains were created through the establishment of fees by the State Legislature or through federal funding to serve specific purposes. Accordingly the revenues generated may only be used for functionality as directed by legislation.

Unrestricted net assets are available to the primary government to meet ongoing obligations to citizens and creditors. For the fiscal year ending September 30, 2006, the unrestricted net assets increased \$31.1 million from the level for the prior fiscal year. *The primary reason for this increase government-wide was due to the fact that total assets increased \$10.2 million while total liabilities decreased \$20.9 million during the fiscal period.*

Cash & investments	Increased	\$21.7 million
Receivables	Decreased	5.6 million
Other current assets	Decreased	0.1 million
Non current assets	Increased	1.8 million
Capital assets, net	Decreased	7.6 million
Current long term debt	Decreased	7.8 million
Long term debt	Increased	0.4 million
Other current liabilities	Decreased	13.5 million

The following table provides a comparative overview of Bexar County's Statement of Net Assets:

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Condensed Statement of Net Assets
(Amounts in Thousands)
As of September 30,

	<u>2006 - Primary Government</u>			<u>2005 - Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Cash and investments	\$ 151,273	\$ 7,954	\$ 159,227	\$ 128,400	\$ 9,047	\$ 137,447
Receivables	28,733	2,934	31,667	34,636	2,668	37,304
Other current assets	1,535	7,058	8,593	835	7,818	8,653
Non-current assets	1,440	28,475	29,915	1,179	26,911	28,090
Capital assets, net	<u>421,951</u>	<u>161,557</u>	<u>583,508</u>	<u>422,688</u>	<u>168,432</u>	<u>591,120</u>
Total Assets	<u>604,932</u>	<u>207,978</u>	<u>812,910</u>	<u>587,738</u>	<u>214,876</u>	<u>802,614</u>
Accounts payable	25,790	99	25,889	23,157	15	23,172
Other current liabilities	9,095	867	9,962	13,782	952	14,734
Current portion L/T debt	19,396	5,355	24,751	21,079	5,080	26,159
L/T debt	166,751	114,856	281,607	169,799	128,257	298,056
Other non-current liabilities	<u>1,710</u>	<u>-</u>	<u>1,710</u>	<u>2,620</u>	<u>-</u>	<u>2,620</u>
Total Liabilities	<u>222,742</u>	<u>121,177</u>	<u>343,919</u>	<u>230,437</u>	<u>134,304</u>	<u>364,741</u>
Net Assets						
Invested in capital assets, net of debt	293,986	43,134	337,120	277,877	38,145	316,022
Restricted net assets	55,080	35,712	90,792	48,114	33,380	81,494
Unrestricted net assets	<u>33,125</u>	<u>7,954</u>	<u>41,079</u>	<u>31,310</u>	<u>9,047</u>	<u>40,357</u>
Total Net Assets	<u>\$ 382,191</u>	<u>\$ 86,800</u>	<u>\$ 468,991</u>	<u>\$ 357,301</u>	<u>\$ 80,572</u>	<u>\$437,873</u>

The following table provides an overview of the changes in net assets for the governmental and business type activities:

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Condensed Statement of Activities
(Amounts In Thousands)
For the Year Ended September 30, 2006

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
REVENUES:			
Program Revenues:			
Charges for services	\$ 82,403	\$ 1,300	\$ 83,703
Operating grants and contributions	44,731	-	44,731
Capital grants and contributions	13,854	-	13,854
General Revenues:			
Ad valorem taxes	218,583	-	218,583
Motor vehicle taxes	9,235	6,864	16,099
Other taxes	6,030	11,541	17,571
Investment earnings	11,123	2,359	13,482
Miscellaneous	3,119	-	3,119
Total Revenues	<u>389,078</u>	<u>22,064</u>	<u>411,142</u>
EXPENSES			
General government	82,967	-	82,967
Public safety	144,486	-	144,486
Judicial	66,656	-	66,656
Public works	35,620	-	35,620
Health and public welfare	17,446	-	17,446
Education and recreation	8,695	-	8,695
Interest and other charges	8,203	-	8,203
Unallocated depreciation	115	-	115
Arena Venue	-	15,836	15,836
Total Expenses	<u>364,188</u>	<u>15,836</u>	<u>380,024</u>
Change In Net Assets	24,890	6,228	31,118
Net Assets – Beginning	<u>357,301</u>	<u>80,572</u>	<u>437,873</u>
Net Assets – Ending	<u>\$ 382,191</u>	<u>\$ 86,800</u>	<u>\$ 468,991</u>

Comparative information is provided in the following table which sets out the changes in net assets for the prior fiscal period.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Condensed Statement of Activities
(Amounts In Thousands)
For the Year Ended September 30, 2005

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
REVENUES:			
Program Revenues:			
Charges for services	\$ 77,375	\$ 1,300	\$ 78,675
Operating grants and contributions	45,290	-	45,290
Capital grants and contributions	497	-	497
General Revenues:			
Ad valorem taxes	201,393	-	201,393
Motor vehicle taxes	9,647	5,905	15,552
Other taxes	5,411	10,618	16,029
Investment earnings	4,480	2,079	6,559
Miscellaneous	541	-	541
Total Revenues	<u>344,634</u>	<u>19,902</u>	<u>364,536</u>
EXPENSES			
General government	60,375	-	60,375
Public safety	138,802	-	138,802
Judicial	59,079	-	59,079
Public works	32,689	-	32,689
Health and public welfare	15,593	-	15,593
Education and recreation	8,268	-	8,268
Interest and other charges	8,775	-	8,775
Unallocated depreciation	115	-	115
Arena Venue	-	14,969	14,969
Total Expenses	<u>323,696</u>	<u>14,969</u>	<u>338,665</u>
Excess before special item and transfers:	20,938	4,933	25,871
Transfers	293	(293)	-
Change In Net Assets	<u>21,231</u>	<u>4,640</u>	<u>25,871</u>
Net Assets – Beginning	<u>336,090</u>	<u>75,932</u>	<u>412,022</u>
Net Assets – Ending Before Restatement	357,321	80,572	437,893
Restatement (Note U)	<u>(20)</u>	<u>-</u>	<u>(20)</u>
Net Assets – Ending After Restatement	<u>\$ 357,301</u>	<u>\$ 80,572</u>	<u>\$ 437,873</u>

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

• **Revenue Analysis:**

For the year ended September 30, 2006, total revenues for the primary government were \$411,141,978, compared to \$364,536,204 for the year ending September 30, 2005. Governmental activities provided \$389,077,606 of revenues and the business-type activity provided \$22,064,372 of revenues in 2006 and \$344,634,906 and \$19,902,298 respectively in 2005.

Property taxes represented the largest revenue source for the governmental activities for the two periods. The tax rate for fiscal years 2006 and 2005 was \$0.331190 per hundred (\$100) dollars of valuation.

	<u>Year Ended</u> <u>September 30, 2006</u>	<u>Year Ended</u> <u>September 30, 2005</u>
Ad Valorem Tax Revenue	\$ 218,583,500	\$ 201,392,700
Percentage of Total Revenue	53.17%	55.25%
Appraised Value	\$ 72,115,164,503	\$65,264,750,024
Percent Increase Over Prior Year	10.50%	5.52%
Taxable Value	\$ 65,193,469,806	\$60,375,724,992
Percent Increase Over Prior Year	7.98%	5.38%

Governmental program revenues are principally derived from the program that the revenues service and thereby reduce the cost of the function to the County - for the fiscal year ended September 30, 2006 and 2005 program revenues for the County were \$140,988,202 and \$123,162,121, respectively. Program revenue is made up of charges for service and operating grants and contributions. Comparative overviews of these revenues are:

	<u>Year Ended</u> <u>September 30, 2006</u>	<u>Year Ended</u> <u>September 30, 2005</u>
Charges For Service	\$ 82,403,033	\$ 77,375,159
Percentage of Total Revenues	21.12%	22.43%
Grants and Contributions	\$ 55,585,169	\$ 45,786,962
Percentage of Total Revenues	14.29%	13.27%

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes (discussed above), other tax related revenues, interest earned from investments, and miscellaneous income.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

• **Expense Analysis**

For the year ended September 30, 2006, the function and program costs for the primary government were \$364,187,513 and \$15,836,252 for the business type activity. Comparative figures for the prior fiscal year are \$323,696,501 and \$14,968,664, respectively.

A comparative overview of expenses for the County's governmental activities for the current and the previous year are as follows:

<u>Function</u>	<u>Year Ended</u> <u>September 30, 2006</u>	<u>Year Ended</u> <u>September 30, 2005</u>
Public Safety	\$ 144,485,826 (39.7%)	\$ 138,802,346 (42.9%)
Judicial	66,655,717 (18.3%)	59,079,170 (18.3%)
General Government	82,966,855 (22.8%)	60,375,452 (18.6%)
Public Works	35,620,410 (9.8%)	32,688,621 (10.1%)
Health and Public Welfare	17,445,966 (4.8%)	15,593,396 (4.8%)
Interest and Other Fees	8,202,573 (2.3%)	8,775,159 (2.7%)
Education and Recreation	8,695,455 (2.3%)	8,267,646 (2.6%)
Unallocated Depreciation	<u>114,711 (0.0%)</u>	<u>114,711 (0.0%)</u>
Total Governmental Activities	\$ <u>364,187,513</u> (100.0%)	\$ <u>323,696,501</u> (100.0%)

FINANCIAL ANALYSIS OF FUNDS

Governmental Funds

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project 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.

At September 30, 2006, the County's governmental funds reported combined fund balances of \$129,492,056 and at September 30, 2005 the County reported \$114,320,917, an increase of \$15,171,139 (13.27%). \$11.5 million of the increase was due to the excess of revenues over expenditures, and \$3.7 million was due to the availability of other financing sources. Available revenues for the current fiscal period increased \$39 million over the prior fiscal period, while operating expenditures increased only \$29.7 million. A comparative analysis of the net change in fund balances for the major funds is set out in the following table:

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

Net Change Increase (Decrease) In Fund Balance
Year Ended September 30,

<u>Fund</u>	<u>2006</u>	<u>2005</u>
General Fund	\$ 18,816,734	\$ 7,424,781
Debt Service Fund	(2,908,313)	3,255,793
Capital Project Fund	(5,397,236)	30,844,446
Other Governmental Funds	<u>4,659,954</u>	<u>(98,478)</u>
	<u>\$ 15,171,139</u>	<u>\$ 41,426,542</u>

Approximately 37% of the combined fund balances for the governmental funds constitutes unreserved fund balance as compared to 26% at September 30, 2005. The unreserved balances are available to meet the County's current and future needs. The remainder of fund balance is reserved and/or designated to indicate that it is not available for new spending because it has been committed for encumbrances, debt service, long-term receivable, capital expenditures and special revenue funds.

• **The General Fund**

The General Fund is the chief operating fund for the County. At September 30, 2006, the General Fund reported revenues of \$267.6 million, an increase of \$24.6 million over the previous year. The majority of the increase was due to an \$18 million increase in ad valorem tax revenue. A comparative analysis of 2006 to 2005 reveals the following increases and decreases in revenues:

<u>Revenue Source</u>	<u>Revenue</u> <u>Increase (Decrease)</u>
Ad Valorem Taxes	\$ 17,732,106
Other Taxes	823,990
Intergovernmental	(4,808,977)
Court Costs and Fines	2,611,460
Other Fees	5,194,561
Use of Assets	2,481,206
Other	<u>571,897</u>
	<u>\$ 24,606,243</u>

- Ad valorem tax revenue was anticipated to increase (10.4%) over the prior fiscal period. The tax rate was held constant in fiscal year 2006 as compared to fiscal year 2005, but the appraised values of property increased and the net taxable value increased 8.4%.
- Intergovernmental revenues were less than the year before due to the fact that the County had received Federal funding in the prior year which was not available during the current fiscal year (HAVA and Katrina assistance).
- Court cost and fine revenue increased for the second consecutive year due to implementation of new collection efforts and changes in internal business practices.
- The County's revenue from "other fees" increased \$5 million primarily due to a full year of revenue from fees provided by legislation that went into effect September 1, 2005.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

- The increase in revenue from the use of assets is due to elevated interest income. The increase interest income is due to changes in the County’s investment practices and maximizing the use of short term interest rates and insuring that all funds available for investment are invested on a daily basis.

Actual realized revenues exceeded budgeted revenues by \$8.5 million, a variance of 3.3%.

Expenditures in the General Fund during the fiscal year were \$246.2 million, an increase of \$13.7 million over the previous fiscal year. The majority of the increase was due to personnel expenditures, salary and related benefits (\$9.1 million). A comparative analysis of 2006 to 2005 reveals the following increase and decrease in expenditures:

<u>Function</u>	<u>Expenditure Increase (Decrease)</u>
General Government	\$ 2,286,381
Judicial	4,921,285
Public Safety	4,674,019
Education and Recreation	514,839
Public Works	282,832
Health and Public Welfare	1,068,758
Other	<u>(57,588)</u>
	<u>\$ 13,690,526</u>

Actual expenditures were \$7.7 million less than the appropriated budget for the current fiscal period.

The anticipated fund balance for the County’s General Fund at the end of the current fiscal year was \$32.1 million which represented a \$2.2 million increase over the beginning fund balance for the fiscal year. The actual net increase in fund balance was \$18.8 million as compared to \$7.4 million in the prior year.

The final budget for the General Fund reflected an anticipated excess of revenues over expenditures of \$2.2 million. The actual excess of revenues over expenditures on a budgetary basis was \$18.8 million. Actual revenues exceeded budget by \$8.5 million and actual operating expenditures were \$7.7 million less budget.

- **The Debt Service Fund**

The Debt Service Fund accounts for receipts and disbursements of funds related to the County’s long-term bonded debt obligations and notes payable. The fund balance at the end of 2006 was \$17,695,433 as compared to the fund balance at the end of 2005, \$20,603,746. At the end of FY 2006, the fund balance decreased \$2.9 million (14.1%). The decrease in the fund balance had been anticipated during the budget process.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

During the year ended September 30, 2006, the County retired principal on its Governmental Activities' debt of:

General Obligation Bonds	\$ 30,424,536
Certificates of Obligation	10,324,827
Accreted Interest on Capital	
Appreciation Bonds	7,020,636
Capital Leases	145,304
Notes Payable	<u>73,260</u>
	<u>\$ 47,988,563</u>

In addition the County retired outstanding debt related to the Business-type Activities of:

Tax-Exempt Revenue Bonds	\$ 9,695,000
Taxable Revenue Bonds	<u>1,925,000</u>
	<u>\$ 11,620,000</u>

During the fiscal year ended September 30, 2006 the County was able to decrease its arbitrage requirement related to investment income in the General Debt Service Fund by \$68,000, and by \$1,319,999 in the Debt Service Investments of the Arena Fund.

Additionally, the County refinanced \$26,530,000 of bonds and issued debt of:

Capital Leases	\$ 2,996,106
Commercial Paper	3,000,000
Notes Payable	<u>4,000,000</u>
	<u>\$ 9,996,106</u>

For fiscal year 2007 the County's debt service requirements for the Governmental Activities are \$19,652,265 million - \$11,710,448 principle; \$7,911,817 interest. The requirements for the Business-type Activities are \$12,102,887 - \$5,170,000 principal and \$6,932,887 in interest. In addition the County will be required to retire \$974,858 in capital leases, and the County will be required to retire \$3,000,000 in commercial paper or refinance the outstanding principle. Additional information is available to the reader in Note G (Long Term Debt) in the Notes to the Financial Statements.

- **The Capital Project Fund**

The Capital Project Fund is used to account for receipts and disbursements relating to the acquisition or construction of major capital projects. At the end of FY 2006, the fund balance was \$36,165,783 and at the end of 2005 the fund balance was \$41,563,019. The decrease in fund balance (\$5.4 million) represents the net decrease due to construction activity. During the current fiscal period capital projects received \$30.9 million in direct revenue funding, \$4 million from notes issued, \$3 million from the issuance of commercial paper, and \$3 million from capital leases. To fund the current year expenditures (\$44.2 million) the capital projects programs relied on bonds issued in prior periods. More detailed information concerning capital improvement activity can be evaluated by examining Note A of the Notes to the Financial Statements, and Note E – Capital Assets.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

- **Proprietary Fund – Arena Venue Enterprise Fund**

The County's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail. The Arena Venue Fund is the County's only major proprietary fund at September 30, 2006. This fund provides the accounting structure for the construction, improvements, financing, and leasing of the AT&T arena. The arena opened in October 2002, and is the home for the San Antonio Spurs and the Stock Show and Rodeo. As of September 30, 2006 the Venue Fund's net assets (\$86.8 million) is made up of \$43.1 million invested in capital assets, net of related debt, \$35.7 million of restricted net assets, and \$8 million of unrestricted net assets. The change in net assets was \$6.2 million from the previous fiscal period.

Revenues from hotel occupancy and motor vehicle taxes contributed \$18.4 million in revenues in the current fiscal year, a \$1.9 million increase over the prior period. The net assets were further augmented by \$1.3 million in license fees from the San Antonio Spurs and investment revenue of \$2.4 million. Operating Expenses for the Venue Fund were \$1.5 million and \$7 million in depreciation and amortization. Additionally there was \$7.3 million in interest expense.

- **Internal Service Funds**

The County has Internal Service Funds used to support activities of the General Fund as well as activities of the Special Revenue Funds. For the year ended September 30, 2006, the funds reflected an increase in "total net assets" of \$385,000 as compared to \$1.0 million in the prior fiscal year. The "total net assets" for the fund at the end of the current fiscal period was \$2.5 million as compared to \$2.1 million for the previous fiscal period. Revenues were provided through \$24.9 million in premiums, charges for service, sales and other income. Operating expenses for the current fiscal year were \$25.3 million. The largest expenditure area was claims paid through self insurance funds of \$21.3 million. The fund received a net transfer of \$774,000 during the year from the General Fund to assist in covering unanticipated needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

- **Capital Assets**

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. At September 30, 2006, net capital assets for the Governmental activities of the County were \$421,950,871 and at September 30, 2005 it was \$422,687,873. Retirements for the County were \$24,419,859 and \$2,432,098 respectively. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period for the Governmental activities was \$27,568,773 as compared to \$26,008,763 for the year ended September 30, 2005. At September 30, 2006 the County's Governmental activities had \$53.3 million invested in ongoing construction in progress compared to \$38.1 million at the end of the prior fiscal year. For additional information related to capital asset activity the reader is directed to Note E on page 59.

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

The investment in capital assets in the County’s Business-type activity at September 30, 2006 was unchanged from the investment at September 30, 2005 - \$188,452,905. The depreciation provided for the current fiscal year for the business-type activity was \$6,874,708 which was the same as that provided for the year ended September 30, 2005.

CAPITAL ASSETS

	<u>Original Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental Activities:			
Land	\$ 24,881,764	\$ -	\$ 24,881,764
Buildings	244,994,293	89,147,215	155,847,078
Machinery, equipment	56,358,085	30,741,823	25,616,262
Infrastructure	326,426,826	164,132,195	162,294,631
Construction in progress	<u>53,311,136</u>	<u>-</u>	<u>53,311,136</u>
Totals	<u>705,972,104</u>	<u>284,021,233</u>	<u>421,950,871</u>
Business-Type Activities:			
Buildings	176,278,539	17,359,222	158,919,317
Equipment	<u>12,174,366</u>	<u>9,536,586</u>	<u>2,637,780</u>
Totals	<u>188,452,905</u>	<u>26,895,808</u>	<u>161,557,097</u>
Totals Government-wide	<u>\$ 894,425,009</u>	<u>\$ 310,917,041</u>	<u>\$ 583,507,968</u>

• **Long-Term Debt**

At September 30, 2006, the County had total long-term debt outstanding of \$266,365,448 as compared to \$292,204,811 in the prior year:

Governmental Activities	\$ 149,300,448
Business-type Activities	<u>117,065,000</u>
	<u>\$ 266,365,448</u>

During the current fiscal period the County issued \$26.5 million in refunding bonds and retired \$40.7 million in outstanding bonds and certificates of obligation. There were no new issuances through the business-type activities and \$11.6 million in outstanding Venue bonds were retired. In addition the County issued \$3 million in commercial paper, entered into a four year note with the Texas Department of Transportation for \$4 million, and entered into capital leases with two financial institutions for \$3 million. A comparative analysis of debt requirements for the fiscal years ending September 30, 2007 and 2006 is as follows:

Bexar County, Texas
Management Discussion & Analysis – For Year Ended September 30, 2006

	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2006</u>
Governmental Activities:		
Refunding Bonds	\$ 7,125,448	\$ 22,879,536
General Obligation Bonds	520,000	7,545,000
Certificates of Obligations	4,065,000	10,324,827
Capital Leases	974,858	145,304
Notes payable	<u>-</u>	<u>73,260</u>
Total Requirements	<u>\$ 12,685,306</u>	<u>\$ 40,967,927</u>
Business-type Activities:		
Revenue bonds	<u>\$ 5,170,000</u>	<u>\$ 11,620,000</u>

Refer to Note G on page 62 for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position and is presented in the statistical section of this report.

The County is currently in compliance with all required bond covenants.

ECONOMIC FACTORS

The Commissioners' Court adopted the County's budget for the fiscal year 2006 – 2007 on September 13, 2006. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2007. The total available resources for all funds are anticipated to be \$877.7 million. For the County's General Fund total resources are estimated to be \$337.3 million which includes the appropriation of \$30.7 million of available fund balance.

For the fiscal year ending September 30, 2007, the Commissioners' Court reduced the current tax at \$0.33119 to \$0.326866 per \$100 of appraised value. It is anticipated that tax revenues for the general fund will be 13.7% (\$27,000,000) above what was actually collected for fiscal year 2006. This is due to an increase in the certified market value of property by \$13 billion and adjusted taxable valuation by \$9 billion. For the last couple of years the County has increased its estimated collection rate from 96% to 97%. All other revenue streams for the County should remain fairly constant with those that the County has enjoyed for the prior two years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 212 Stumberg – Suite 100, San Antonio, Texas 78204.



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GOVERNMENT
WIDE
FINANCIAL
STATEMENTS

Bexar County, Texas
STATEMENT OF NET ASSETS
September 30, 2006

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
ASSETS				
<u>Current Assets</u>				
Cash, cash equivalents, and temporary investments	\$ 141,915,512	\$ 7,954,069	\$ 149,869,581	\$ 134,695,000
Investments	9,357,514	-	9,357,514	17,412,000
Receivables				
Delinquent taxes, net of allowance for uncollectable accounts	9,736,325	-	9,736,325	9,736,325
Accounts and other	18,997,214	2,933,465	21,930,679	60,537,000
Inventories	372,167	-	372,167	-
Restricted Assets:				
Cash and cash equivalents	-	6,834,801	6,834,801	-
Accrued interest	438,515	97,000	535,515	-
Prepaid assets	61,778	-	61,778	22,287,000
Deposits	160,000	-	160,000	-
Deferred charges	502,280	126,000	628,280	-
Total Current Assets	<u>181,541,305</u>	<u>17,945,335</u>	<u>199,486,640</u>	<u>244,667,325</u>
<u>Noncurrent Assets</u>				
Investments	-	-	-	38,745,000
Accounts receivable	-	-	-	18,649,000
Restricted assets				
Cash and cash equivalents	-	26,585,128	26,585,128	-
Other assets	-	-	-	198,575,000
Deferred charges	1,440,246	1,889,750	3,329,996	-
Other assets	-	-	-	1,846,000
Capital assets				
Land, equipment and construction in progress	78,192,901	-	78,192,901	22,687,000
Other capital assets, net of depreciation	343,757,970	161,557,097	505,315,067	167,216,000
Total Noncurrent Assets	<u>423,391,117</u>	<u>190,031,975</u>	<u>613,423,092</u>	<u>447,718,000</u>
TOTAL ASSETS	<u>\$ 604,932,422</u>	<u>\$ 207,977,310</u>	<u>\$ 812,909,732</u>	<u>\$ 692,385,325</u>

The accompanying notes are an integral part of this statement.

Bexar County, Texas
STATEMENT OF NET ASSETS
September 30, 2006

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
LIABILITIES				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	\$ 25,789,664	\$ 98,596	25,888,260	\$ 72,908,000
Due to other governmental units	6,156,107	-	6,156,107	-
Unearned tax revenue	-	-	-	164,626,000
Contract retainage	866,882	-	866,882	-
Current portion of long-term liabilities	6,418,600	-	6,418,600	-
Payable from restricted assets:				
Current portion of long-term debt	12,977,523	5,355,590	18,333,113	11,437,000
Accrued interest payable	2,071,653	866,611	2,938,264	-
Total Current Liabilities	<u>54,280,429</u>	<u>6,320,797</u>	<u>60,601,226</u>	<u>248,971,000</u>
<u>Noncurrent Liabilities</u>				
Long-term liabilities	166,751,347	114,856,079	281,607,426	-
Claims payable	1,710,000	-	1,710,000	-
Estimated self-insurance reserves	-	-	-	1,413,000
Total Noncurrent Liabilities	<u>168,461,347</u>	<u>114,856,079</u>	<u>283,317,426</u>	<u>1,413,000</u>
TOTAL LIABILITIES	<u>222,741,776</u>	<u>121,176,876</u>	<u>343,918,652</u>	<u>250,384,000</u>
NET ASSETS				
Invested in capital assets, net of related debt	293,985,943	43,134,436	337,120,379	189,797,000
Restricted for:				
Debt service	18,826,411	35,711,929	54,538,340	-
Grants and special revenues	24,216,784	-	24,216,784	-
Capital projects	11,898,126	-	11,898,126	-
Health care	-	-	-	1,500,000
Legislative imprest	138,539	-	138,539	-
Unrestricted	33,124,843	7,954,069	41,078,912	339,581,000
TOTAL NET ASSETS	<u>\$ 382,190,646</u>	<u>\$ 86,800,434</u>	<u>\$ 468,991,080</u>	<u>\$ 530,878,000</u>

The accompanying notes are an integral part of this statement.

Bexar County, Texas
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended September 30, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 82,966,855	\$ 28,471,474	\$ 1,116,324	\$ -
Public safety	144,485,826	12,959,917	13,018,419	134,454
Judicial	66,655,717	27,196,238	6,581,867	-
Public works	35,620,410	13,604,414	8,257,542	12,758,007
Health and public welfare	17,445,966	-	12,254,545	961,618
Education and recreation	8,695,455	170,990	3,502,393	-
Interest and other fees	8,202,573	-	-	-
Unallocated depreciation	114,711	-	-	-
Total governmental activities	<u>364,187,513</u>	<u>82,403,033</u>	<u>44,731,090</u>	<u>13,854,079</u>
Business-type activities:				
Arena Venue	15,836,252	1,300,000	-	-
Total business-type activities	<u>15,836,252</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 380,023,765</u>	<u>\$ 83,703,033</u>	<u>\$ 44,731,090</u>	<u>\$ 13,854,079</u>
Component Unit:				
University Health System	<u>\$ 596,222,000</u>	<u>\$ 470,079,000</u>		<u>\$ (22,000)</u>

General revenues:

Taxes:
Property taxes
Flood control taxes
Bingo taxes
Motor vehicle taxes
Occupancy taxes
Mixed drink taxes
Unrestricted investment earnings
Miscellaneous
Total general revenues
Change in net assets
Net assets - beginning of year as restated (see Note U)
Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expenses) Revenues and
Changes in Net Assets**

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (53,379,057)	\$ -	\$ (53,379,057)	
(118,373,036)	-	(118,373,036)	
(32,877,612)	-	(32,877,612)	
(1,000,447)	-	(1,000,447)	
(4,229,803)	-	(4,229,803)	
(5,022,072)	-	(5,022,072)	
(8,202,573)	-	(8,202,573)	
(114,711)	-	(114,711)	
<u>(223,199,311)</u>	<u>-</u>	<u>(223,199,311)</u>	
	(14,536,252)	(14,536,252)	
	<u>(14,536,252)</u>	<u>(14,536,252)</u>	
<u>\$ (223,199,311)</u>	<u>\$ (14,536,252)</u>	<u>\$ (237,735,563)</u>	

\$ (126,165,000)

\$ 209,881,420	\$ -	\$ 209,881,420	157,529,000
8,702,080	-	8,702,080	
696,385	-	696,385	
9,235,072	6,864,223	16,099,295	
-	11,541,320	11,541,320	
5,332,937	-	5,332,937	
11,122,825	2,358,829	13,481,654	8,248,000
3,118,685	-	3,118,685	4,809,000
<u>248,089,404</u>	<u>20,764,372</u>	<u>268,853,776</u>	<u>170,586,000</u>
24,890,093	6,228,120	31,118,213	44,421,000
357,300,553	80,572,314	437,872,867	486,457,000
<u>\$ 382,190,646</u>	<u>\$ 86,800,434</u>	<u>\$ 468,991,080</u>	<u>\$ 530,878,000</u>

Bexar County, Texas
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and temporary investments	\$ 52,210,646	\$ 8,524,677	\$ 44,295,702	\$ 28,879,127	\$ 133,910,152
Investments	886,358	8,470,949	-	207	9,357,514
Receivables:					
Taxes, Net	8,369,838	1,262,113	30,281	74,093	9,736,325
Accounts receivable, Net	6,162,571	-	344,418	2,241,611	8,748,600
Due from other funds	4,995,280	-	104,532	274,844	5,374,656
Due from other governmental units	6,803,848	600,000	2,149,826	694,938	10,248,612
Accrued interest	226,717	-	-	211,798	438,515
Deferred charges	363,658	-	-	-	363,658
Deposits	150,000	-	-	-	150,000
TOTAL ASSETS	<u>\$ 80,168,916</u>	<u>\$ 18,857,739</u>	<u>\$ 46,924,759</u>	<u>\$ 32,376,618</u>	<u>\$ 178,328,032</u>
LIABILITIES					
Vouchers payable	\$ 5,176,790	\$ 31,508	\$ 3,025,165	\$ 3,185,359	\$ 11,418,822
Accrued liabilities	6,279,207	-	2,965,713	977,822	10,222,742
Due to other funds	390,379	-	3,878,497	993,408	5,262,284
Due to other governmental units	5,959,666	-	-	196,441	6,156,107
Deferred revenues	13,635,598	1,130,798	69,099	73,644	14,909,139
Contract retainage payable	522	-	820,502	45,858	866,882
TOTAL LIABILITIES	<u>31,442,162</u>	<u>1,162,306</u>	<u>10,758,976</u>	<u>5,472,532</u>	<u>48,835,976</u>
FUND BALANCE					
Fund Balances, Reserved for:					
Encumbrances	441,534	-	16,274,977	4,995,269	21,711,780
Debt Service	-	17,695,433	-	-	17,695,433
Legislative imprest	138,539	-	-	-	138,539
Long-term receivable	268,890	-	525,988	-	794,878
Fund Balances, Unreserved, Designated for:					
Capital Expenditures	-	-	19,364,818	-	19,364,818
Grant Awards	-	-	-	839,228	839,228
Administrative Commitments	-	-	-	250,000	250,000
Fund Balances, Unreserved, reported in:					
General Fund	47,877,791	-	-	-	47,877,791
Special Revenue Funds	-	-	-	20,819,589	20,819,589
TOTAL FUND BALANCES	<u>48,726,754</u>	<u>17,695,433</u>	<u>36,165,783</u>	<u>26,904,086</u>	<u>129,492,056</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 80,168,916</u>	<u>\$ 18,857,739</u>	<u>\$ 46,924,759</u>	<u>\$ 32,376,618</u>	<u>\$ 178,328,032</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances--Governmental Funds	\$ 129,492,056
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	421,950,871
Certain receivables are not available and, therefore, are deferred in governmental funds.	6,121,687
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	8,739,028
Internal service funds are used by the County's management for self insurance, fleet maintenance, and records management. The assets and liabilities of the funds are included with governmental activities in the Statement of Net Assets but are not included at the fund level.	2,527,258
Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bonds	(149,300,448)
Capital leases	(2,850,802)
Commercial paper	(3,000,000)
Notes	(4,000,000)
Deferred charge on refunding (to be amortized as interest expense)	2,481,795
Deferred charge for issuance cost (to be amortized as interest expense)	1,578,869
Issuance premium (to be amortized as interest expense)	(6,869,111)
Issuance discount (to be amortized as interest expense)	70,820
Accreted interest on capital appreciation bonds	(894,758)
Accrued interest	(2,071,653)
Compensated absences	(21,774,966)
Arbitrage rebate	(10,000)
	(186,640,254)
Total Net Assets--Governmental Activities	\$ 382,190,646

The accompanying notes are an integral part of this statement.

Bexar County, Texas
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended September 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad valorem taxes	\$ 188,613,835	\$ 26,941,002	\$ 2,413,088	\$ 6,875	\$ 217,974,800
Other taxes	7,113,858	-	2,377	-	7,116,235
Licenses and permits	970,546	-	-	327,926	1,298,472
Intergovernmental revenue	5,702,551	-	12,396,312	31,226,302	49,325,165
Court costs and fines	21,925,747	-	-	3,098,877	25,024,624
Fees on motor vehicles	5,169,201	-	12,071,967	8,311,565	25,552,733
Other fees	13,307,060	-	-	6,280,363	19,587,423
Detention board bills	667,955	-	-	-	667,955
Commissions from governmental units	3,334,166	-	-	-	3,334,166
Revenues from use of assets	15,196,066	2,859,352	692,095	1,938,713	20,686,226
Sales, refunds and miscellaneous	5,573,009	-	3,293,050	2,337,150	11,203,209
TOTAL REVENUES	267,573,994	29,800,354	30,868,889	53,527,771	381,771,008
EXPENDITURES					
Current					
General government	50,904,335	-	2,120,764	4,107,148	57,132,247
Judicial	59,610,351	-	104,254	5,015,949	64,730,554
Public safety	124,713,571	-	127,794	13,120,927	137,962,292
Education and recreation	5,642,199	-	-	2,883,335	8,525,534
Public works	913,338	-	3,303,080	10,285,622	14,502,040
Health and public welfare	4,229,257	-	-	13,161,551	17,390,808
Capital expenditures	34,242	-	38,549,429	2,094,774	40,678,445
Debt Service:					
Principal	145,304	14,227,624	-	-	14,372,928
Interest	18,925	14,209,331	-	-	14,228,256
Debt service SARA	-	5,500,000	-	-	5,500,000
Refunded bond issuance cost	-	764,881	-	-	764,881
Other debt service fees	-	3,702	-	-	3,702
TOTAL EXPENDITURES	246,211,522	34,705,538	44,205,321	50,669,306	375,791,687
Excess (deficiency) of revenues over expenditures	21,362,472	(4,905,184)	(13,336,432)	2,858,465	5,979,321
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	564,145	2,026,874	132,569	2,286,352	5,009,940
Interfund transfers out	(3,109,883)	-	(2,189,479)	(484,863)	(5,784,225)
Issuance of capital lease	-	-	2,996,106	-	2,996,106
Issuance of commercial paper	-	-	3,000,000	-	3,000,000
Issuance of long term debt	-	-	4,000,000	-	4,000,000
Issuance of refunding bonds	-	26,530,000	-	-	26,530,000
Payment to refunded debt paying agent	-	(28,157,516)	-	-	(28,157,516)
Premium on bond issues	-	1,597,513	-	-	1,597,513
Total Other Financing Sources (Uses)	(2,545,738)	1,996,871	7,939,196	1,801,489	9,191,818
Net change in fund balances	18,816,734	(2,908,313)	(5,397,236)	4,659,954	15,171,139
FUND BALANCE - BEGINNING	29,910,020	20,603,746	41,563,019	22,244,132	114,320,917
FUND BALANCE - ENDING	\$ 48,726,754	\$ 17,695,433	\$ 36,165,783	\$ 26,904,086	\$ 129,492,056

The accompanying notes are an integral part of this statement.

Bexar County, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes to Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ending September 30, 2006

Net Change in Fund Balances--Total Governmental Funds	\$ 15,171,139
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	40,678,445
Depreciation expense for capital assets that is allocated over their estimated useful lives.	(27,568,773)
Capital asset donations	8,209,479
The net effect of sales and contributions of capital assets is to decrease net assets.	(22,056,149)
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt issued:	
Refunding bonds	(26,530,000)
Capital leases	(2,996,106)
Commercial paper	(3,000,000)
Notes	(4,000,000)
Premiums	(1,597,513)
Issuance costs	440,206
	(37,683,413)
Repayments:	
To paying agent for bond principal	14,154,364
Capital leases	145,304
Notes	73,260
To refunding bond escrow agent	28,157,516
	42,530,444
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accretion of capital appreciation bond interest	6,276,320
Accrued arbitrage	68,000
Accrued interest on debt	(187,090)
Amortization of debt premium	668,086
Amortization of deferred charges	(282,993)
Amortization of discounts	(4,166)
Amortization of issuance costs	(116,097)
Compensated absences	(1,306,647)
	5,115,413
Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount in the current year.	
	107,973
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	
	385,535
Change in Net Assets of Governmental Activities	<u>\$ 24,890,093</u>

The accompanying notes are an integral part of this statement.

Bexar County, Texas
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

	Business-Type Activities	Governmental Activities
	Arena Venue	Internal Service Funds
ASSETS		
Current assets:		
Cash, cash equivalents, and temporary investments	\$ 7,954,069	\$ 8,005,360
Receivables:		
Due from other funds	-	769
Due from other governmental units	2,933,465	-
Inventories	-	372,167
Restricted Assets:		
Cash and cash equivalents	6,834,801	-
Deposits	-	10,000
Prepaid insurance	-	61,778
Accrued interest	97,000	-
Deferred charges	126,000	-
Total current assets	17,945,335	8,450,074
Noncurrent Assets:		
Deferred charges	1,889,750	-
Restricted Assets:		
Cash and cash equivalents	26,585,128	-
Capital assets:		
Buildings and improvements	176,278,539	-
Equipment	12,174,366	-
Less: Accumulated depreciation	(26,895,808)	-
Total Noncurrent Assets	190,031,975	-
TOTAL ASSETS	\$ 207,977,310	\$ 8,450,074

Bexar County, Texas
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

	Business-Type Activities	Governmental Activities
	Arena Venue	Internal Service Funds
LIABILITIES		
Current Liabilities:		
Vouchers payable	\$ 958	\$ 79,553
Claims payable	-	3,289,400
Accrued liabilities	97,638	730,722
Due to other funds	-	113,141
Payable from restricted assets:		
Accrued interest payable	866,611	-
Revenue bonds payable	5,355,590	-
Total Current Liabilities	6,320,797	4,212,816
Noncurrent Liabilities:		
Revenue bonds payable	114,678,078	-
Claims payable	-	1,710,000
Arbitrage rebate payable	178,001	-
Total Noncurrent Liabilities	114,856,079	1,710,000
 TOTAL LIABILITIES	 121,176,876	 5,922,816
 NET ASSETS		
Invested in capital assets, net of related debt	43,134,436	-
Restricted for debt service and construction	35,711,929	-
Unrestricted	7,954,069	2,527,258
TOTAL NET ASSETS	\$ 86,800,434	\$ 2,527,258

The accompanying notes are an integral part of this statement.

Bexar County, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
All Proprietary Funds
For the Year Ended September 30, 2006

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Arena Venue	
Operating revenues		
Premiums	\$ -	\$ 23,630,794
Fleet maintenance sales	-	694,087
License fee	1,300,000	-
Other income	-	544,991
Total Operating Revenues	1,300,000	24,869,872
Operating expenses		
Administrative fees	6,500	1,778,107
Claims expense	-	21,258,930
Insurance expense	-	1,100,082
Personnel costs	34,461	839,076
Rent and utilities	-	48,548
Purchased services	1,443,028	203,293
Supplies	7,861	34,477
Repairs and maintenance	-	20,145
Depreciation and amortization	7,000,708	-
Total Operating Expenses	8,492,558	25,282,658
Net operating income (loss)	(7,192,558)	(412,786)
Non-operating revenues (expenses)		
Hotel occupancy tax	11,541,320	-
Motor vehicle tax	6,864,223	-
Investment income	2,358,829	24,036
Interest expense	(7,343,694)	-
Total non-operating revenue	13,420,678	24,036
Income (loss) before transfers	6,228,120	(388,750)
Transfers from other funds	-	1,294,285
Transfers to other funds	-	(520,000)
Change in Net Assets	6,228,120	385,535
Net Assets at beginning of year as restated (see Note U)	80,572,314	2,141,723
Net Assets at end of year	\$ 86,800,434	\$ 2,527,258

The accompanying notes are an integral part of this statement.

Bexar County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Arena Venue	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for premiums	\$ -	\$ 24,161,416
Cash received for fleet maintenance services	-	694,087
Cash received for parking	-	5,772
Cash received for license fee	1,300,000	-
Receipts from other funds	-	96,678
Payments to other funds	-	(420)
Payments to suppliers	(1,373,727)	(2,642,622)
Payments to employees for services	(34,461)	(843,650)
Claims paid	-	(21,761,930)
Net cash provided (used) for operating activities	(108,188)	(290,669)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxes received	18,140,259	-
Transfer to other funds	-	(520,000)
Transfer from other funds	-	1,294,285
Net cash provided by noncapital financing activities	18,140,259	774,285
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on long-term debt	(11,620,000)	-
Interest earned and payable as arbitrage	(1,319,999)	-
Interest payments on long-term debt	(7,614,483)	-
Net cash used for capital and related financing activities	(20,554,482)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	2,358,829	24,036
Net cash provided by investing activities	2,358,829	24,036
Net increase (decrease) in cash and cash equivalents	(163,582)	507,652
Cash and cash equivalents--beginning of year	41,537,580	7,497,708
Cash and cash equivalents--end of year	\$ 41,373,998	\$ 8,005,360

Bexar County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Arena Venue	Internal Service Funds
Reconciliation of operating loss to net cash used for operating activities:		
Operating income (loss)	\$ (7,192,558)	\$ (412,786)
Adjustments to reconcile operating loss to net cash provided used for operating activities:		
Amortization expense	126,000	-
Depreciation expense	6,874,708	-
Change in net assets and liabilities:		
Increase in inventories	-	(132,478)
Increase in due from other funds	-	96,415
Increase in prepaid insurance	-	754
Increase in vouchers and accounts payable	(13,976)	24,096
Increase in accrued liabilities	97,638	638,749
Decrease in due to other funds	-	(1,815)
Decrease in claims payable	-	(503,000)
Decrease in due to other governmental units	-	(604)
Net cash used for operating activities	\$ (108,188)	\$ (290,669)
 Reconciliation of cash and cash equivalents on Statement of Cash Flows to Statement of Net Assets		
Cash and temporary investments	\$ 7,954,069	\$ 8,005,360
Restricted cash and cash equivalents	33,419,929	-
Cash and cash equivalents	\$ 41,373,998	\$ 8,005,360

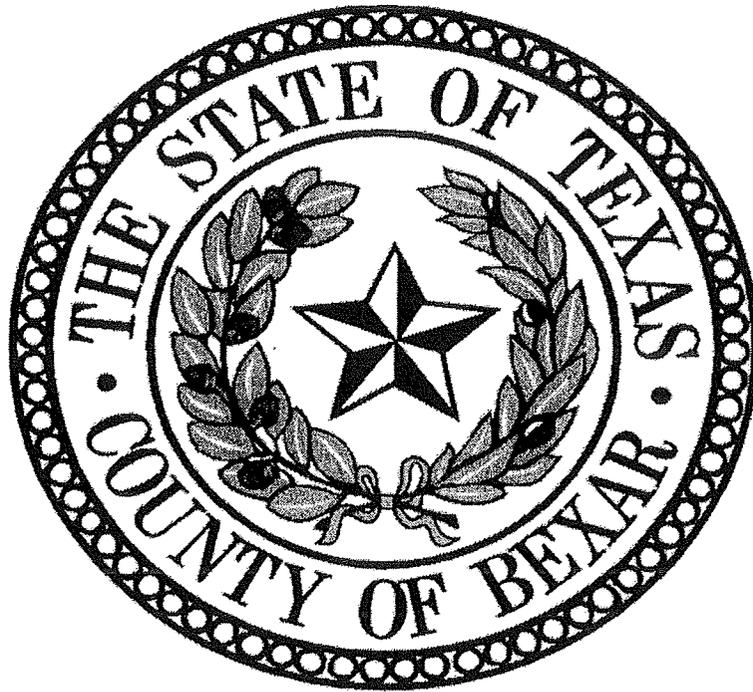
Noncash operating, capital and related financing activities:

- Amortization of bond issuance costs - \$126,000
- Amortization of bond premium costs - \$185,590
- Depreciation expense - \$6,874,708

Bexar County, Texas
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2006

	Total
ASSETS	
Cash and temporary investments	\$ 67,592,044
Accounts receivable	92,333
Due from other governmental units	3,800
TOTAL ASSETS	\$ 67,688,177
 LIABILITIES	
Vouchers payable	\$ 403,689
Accrued liabilities	87,645
Due to participants	34,376,288
Due to other governmental units	32,820,555
TOTAL LIABILITIES	\$ 67,688,177

The accompanying notes are an integral part of this statement.



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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Bexar County (the County) have been prepared in conformance with generally accepted accounting principles (GAAP) as applicable to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of the more significant policies of the County.

1. The Reporting Entity

The County (the primary government in these financial statements) is governed by Commissioners' Court. The Court is comprised of five elected officials consisting of the County Judge, elected County-wide, and four commissioners, elected by precinct.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No.14, *The Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The underlying concept of GASB Statement No. 14 is that elected officials are "accountable" to their constituents for their actions. One of the objectives of this concept is to provide users of governmental financial statements with a basis for assessing the accountability of those elected officials. Accordingly, the definition of the financial reporting entity is based on accountability. GASB Statement No. 39 amends GASB Statement No. 14 to provide guidance to determine if certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of the relationship with the primary government.

The financial reporting entity consists of: (a) the primary government, (b) blended component units, which are legally separate organizations for which the County is financially accountable, and (c) a discretely presented component unit, which the nature and significance of the relationship with the County is such that exclusion from the reporting entity's financial statements would be misleading or incomplete.

Using the criteria of GASB Statements Nos. 14 and 39, potential component units were evaluated for inclusion or exclusion in the reporting entity and further evaluated for financial statement presentation. Due to the closeness of the relationships with the County, some component unit financial statements were blended as though they are part of the County's operations and one was discretely presented.

Blended with the Primary Government The relationship between the following component units and the County meet the criteria, as set forth in GASB Statement No.14, for inclusion as part of the Reporting Entity and is such that the financial statements are blended as governmental fund types with those of the County:

Bexar County Housing Finance Corporation

The Bexar County Housing Finance Corporation (BCHFC) is a Texas public, non-profit corporation created in accordance with the Texas Housing Finance Corporations Act. Pursuant to the Act, the BCHFC is authorized to finance residential housing by issuing its tax exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. The Reporting Entity (Continued)

issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFC is governed by a five member Board of Directors which is comprised of the Bexar County Commissioners' Court.

Bexar County Health Facilities Development Corporation

The Bexar County Health Facilities Development Corporation (BCHFDC) is a Texas public, non-profit corporation created on April 21, 1983 in accordance with the Texas Health Facilities Development Act of 1981. The BCHFDC's purpose is to acquire, construct, provide, improve, finance and refinance health facilities to assist the maintenance of the public health. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFDC is governed by a five member Board of Directors which is comprised of the Bexar County Commissioners' Court.

Bexar County Industrial Development Corporation

The Bexar County Industrial Development Corporation (BCIDC) is a Texas public, non-profit corporation created on July 29, 1981, in accordance with the Texas Development Corporation Act of 1979. The BCIDC's purpose is to issue bonds on behalf of the County, to finance projects as defined in the Act in order to promote and develop industrial and manufacturing enterprises thus encouraging employment and improving the public welfare. The tax-exempt bonds issued by the BCIDC do not constitute a debt or pledge of faith or credit of the BCIDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCIDC is governed by a five-member Board of Directors which is comprised of the Bexar County Commissioners' Court.

Separate, audited financial statements for these corporations are available from the County Auditor's Office, 212 Stumberg, Suite 100, San Antonio, Texas 78204.

Discretely Presented Component Unit The relationship between the following component unit and the County is such that it meets the criteria, as set forth in GASB Statement No. 14, for inclusion as a discretely presented component unit in the reporting entity:

University Health System

The Bexar County Hospital District, d/b/a University Health System, Bexar County, Texas (the System), is a political subdivision of the State of Texas, and is comprised of University Hospital, University Health Center Downtown, University Family Health Center-Southwest, University Family Health Center-Southeast, University Family Health Center-Basse, University Center for Community Health and Correctional Health Care Services. The System receives support from its supporting

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. The Reporting Entity (Continued)

organization, the University Health System Foundation (the Foundation), a non-profit corporation established in 1984 to provide charitable, scientific, and educational activities and to raise funds on behalf of the System. The System serves as the major teaching facility for The University of Texas Health Science Center (UTHSC). The System is exempt from federal income taxes under section 115(a) of the Internal Revenue Code. The System formed Community First Health Plans, Inc. (CFHP), a non-profit corporation which operates as an HMO. CFHP is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. CFHP has agreements with plan sponsors, including the System, to arrange health service benefits for subscribing participants. Under these agreements, CFHP receives monthly capitation payments based on the number of each plan sponsor's participants, regardless of services performed. In addition, CFHP receives supplementary delivery payments under the Medicaid program. The System is presented as an Enterprise Fund Type.

Commissioners' Court appoints members of the System's Board of Managers. The System is partially supported by a County-wide ad valorem tax. The County also approves the System's annual budget. The System's financial information presented in the Government-wide Financial Statements is as of and for the year ended December 31, 2005, which is the latest, audited System financial information available.

It is management's belief that to exclude essential disclosures from the County's financial statements as they pertain to the System would be misleading. The System has been identified as a significant discretely presented component unit as it relates to the primary government. Therefore, relevant disclosures have been included in the County's financial statements. Complete financial statements of the System can be obtained from the component unit's administrative office:

University Health System
4502 Medical Drive
San Antonio, Texas 78229

2. Government-wide Financial Statements

Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are supported by taxes and intergovernmental revenues. They are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Program revenues for governmental activities include those generated from general government, judicial, public safety, education and recreation, public works, and health and public welfare. Taxes and other items not properly included among program revenues are reported instead as general revenues.

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income and interest expense, which are classified as nonoperating revenues and expenses.

The effect of interfund activity has been eliminated for the government-wide financial statements.

3. Fund Level Financial Statements

All governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, is susceptible to accrual and is considered available to the extent of delinquent taxes collected within 60 days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and any unliquidated items are reported at year end as a reservation of fund balance.

Governmental funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, including the enterprise fund and internal service funds are accounted for using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. This means that all assets and liabilities (whether current or non-current) associated with their

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Level Financial Statements (Continued)

activity are included in the funds' statement of net assets. The agency funds are also reported using the accrual basis of accounting. The agency funds are custodial in nature and involve no measurement of results of operations.

The County's accounts are organized based on funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The County reports the following major funds:

GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for the resources used to finance the fundamental operations of the County. It is the basic fund of the County and covers all activities for which a special fund has not been established.

Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of principal and interest on long-term debt of governmental funds.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities and is principally financed by the sale of bonds or certificates of obligation, certain vehicle registration fees, and capital grants.

PROPRIETARY FUNDS

Enterprise Fund

The Arena Venue Fund is used to account for the development, financing, construction, leasing, management, operations and marketing of a multi-purpose arena and its related infrastructure. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are the result of providing services in connection with a proprietary fund's principle ongoing operations. The principle operating expenses for the enterprise fund include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Additionally, the County uses Internal Service Funds to account for County vehicle maintenance, medical benefits, workers' compensation, and property and liability insurance coverage and the expenses of a records management center facility. The principle operating revenue of the County's internal service funds are from user fees assessed to self-insurance participants or service fees charged to other funds. The principle operating expenses for the internal service funds include administrative, claims, insurance, and personnel expenses.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Level Financial Statements (Continued)

The County also uses various special revenue funds to account for the proceeds of specific revenue sources for specified purposes. A complete description of the County's Special Revenue Funds can be found on page 97.

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. A complete description of the County's agency funds can be found on page 143.

The System

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenues and expenses. Operating revenues include those generated from direct patient care and related support services. Non-operating revenues include those generated from property taxes, investment income, and proceeds from the tobacco settlement.

4. Budget

Annual budgets are legally approved and adopted for the general, special revenue, and debt service funds. Annual budgets are adopted for the special revenue and grant funds at the aggregate level by function. Budgets for grants are employed as a management control device in order to comply with granting agencies' provisions. All appropriations expire at the end of the fiscal year except for grant and capital project funds, many of which are funded for periods longer than one year.

Formal budgetary integration is employed for the general fund, special revenue funds, and the debt service fund. Capital project programs within the capital project fund are project oriented rather than by period. Therefore, project-length budgets are adopted based on resource allocation, and appropriations at the year end are carried forward to subsequent periods until the project is completed. Formal budget integration is employed by the County with regards to the Internal Service Funds. All budgets are prepared on the modified accrual basis.

Commissioners' Court historically adopts an annual budget and appropriates a portion of the available unrestricted fund balance to provide resources for those issues that arise during the fiscal year that could not be anticipated at the time the budget was adopted. An expenditure line item is created to serve as a contingency to draw from as needed. At year end the unused portion of the revenue and expenditure line items are closed to budgetary fund balance.

5. Proprietary Fund Accounting

Primary Government

The County has implemented GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Proprietary Fund Accounting (Continued)

Pursuant to this statement, the County has elected to apply only FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB Pronouncements for its business-type activities and enterprise fund included in the government-wide financial statements.

The System

Pursuant to GASB Statement 20, the System has elected not to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board issued after November 30, 1989.

6. Implementation of New Standards

Primary Government

In the current year, the County implemented the following new standards:

GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section – an Amendment of NCGA Statement 1* updates the statistical section requirements to include guidance for all types of state and local governments, improve the understandability, comparability, and usefulness in the statistical section of the CAFR, and assist users in assessing the state or local government's economic condition. The new Statistical Section can be found on pages 151-179.

GASB Statement No. 46 *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement 3*, clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. GASB Statement No. 46 states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. This statement also specifies the accounting and financial reporting requirements if a new enabling legislation replaces existing legislation or if legal enforceability is reevaluated. Finally, GASB Statement No. 46 requires governments to disclose the portion of total net assets that is restricted by enabling legislation. Implementing GASB Statement No. 46 resulted in reserving fund balance in the general fund of \$138,539.

The County will implement the following standards in future years if they are applicable to the County.

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* establishes uniform financial reporting standards for OPEB plans and supersedes the interim guidance included in GASB Statement No. 26, *Financial Reporting of Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*. The County will implement GASB Statement No. 43 in fiscal year 2007.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Implementation of New Standards (Continued)

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The County will implement GASB Statement No. 45 in fiscal year 2008.

The System

The System will implement the following standards in future years as noted:

GASB Statement No. 45 Year ending December 31, 2007

7. Cash, Cash Equivalents and Temporary Investments

Primary Government

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Temporary investments consist of U.S. Treasury notes and funds invested in local government investment pools. Such temporary investments are stated at amortized cost, as permitted under GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

The System

The System considers all highly liquid investments with original maturities of less than 90 days to be cash equivalents. Cash and cash equivalents at year-end include demand deposits, as well as direct and indirect obligations of the U.S. government, bankers' acceptances, and commercial paper. All demand deposits are collateralized with securities held in safekeeping at the Federal Reserve Bank in the name of the System. All cash equivalents are registered in the name of the System.

8. Long-term Investments

Primary Government and the System

Long-term investments are stated at fair value which is based on quoted market prices.

9. Inventories

Primary Government

The County accounts for inventories using the consumption method. The cost of inventories for internal service funds are determined by the average cost method.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Restricted Assets and Liabilities

Primary Government

Certain proceeds of the revenue bonds issued for the County's enterprise fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because they are maintained in separate bank accounts and their use is restricted by applicable bond covenants. The "tax-exempt debt service" and the "taxable debt service" accounts are used to segregate resources for the respective principal and interest amounts currently outstanding. The "tax-exempt reserve" account and the "taxable reserve" accounts are used to set aside resources to subsidize potential deficiencies in the debt service accounts. The "tax-exempt construction" and the "taxable construction" accounts are used to report those proceeds of revenue bonds that are restricted for use in construction. The County's policy is to apply restricted resources first if both restricted and unrestricted resources are available for the same activity.

The System

Designated net assets includes assets set aside by the Board of Managers for future capital improvements, future contingencies (reserve fund), and assets held by trustees under self-insurance trust arrangements.

11. Capital Assets

Primary Government

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, animals, works of art and historical treasures that are used in operations and benefit more than a single fiscal period. Infrastructure assets, such as roads, bridges, and sewer systems, are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets. Capital assets are defined by the County as equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Building improvements and infrastructure projects with an estimated cost to exceed \$100,000 are capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction will not be capitalized in the governmental activities on the government-wide financial statements; however, capitalization of interest is required for business-type activities.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Infrastructure	20 - 35 years

The System

The System records property, plant, and equipment at cost and provides for depreciation of property, plant, and equipment by charging against current operations amounts sufficient to amortize the cost of properties over their estimated useful lives. The System's policy is to capitalize assets greater than \$5,000. Depreciation is computed using the straight-line method. The System uses American Hospital Association guidelines in establishing useful lives, which generally fall within the following ranges:

Land improvements	5-15 years
Building and improvements	10-30 years
Equipment	5-15 years

Expenditures, which materially extend useful lives or increase values or capabilities, are capitalized; whereas, routine maintenance, repair, and replacement costs are charged against current income.

12. Compensated Absences

Primary Government

The County allows employees to accumulate compensatory time, vacation, and sick leave with certain limitations. At September 30, 2006, the accumulated compensated absences amount to \$21,774,966. For governmental funds, accrued compensated absences are recorded as expenditures in the respective funds to the extent it has matured. The majority of these have typically been liquidated from the General Fund in previous years. A liability for these amounts is reported in governmental funds in the event of termination. Accumulated leave is reported in the government-wide Statement of Net Assets as a liability for compensated absences.

The System

At December 31, 2005, the accumulated vacation, sick pay, and other leave benefits amount to \$10,063,000. These amounts will be liquidated in future years. Accumulated leave is reported in the government-wide Statement of Net Assets as a liability for compensated absences.

13. Property Taxes

Primary Government

Property taxes for the County and the Flood Control District are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all taxable real and personal property

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

located in the County. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date; therefore, the County did not record a receivable for accrual of future taxes at year end. Accordingly, no current taxes receivable are reported. On July 1, unpaid taxes are subject to additional penalties for collection expenses. Appraised values are determined by the Bexar County Appraisal District and are equal to 100% of the appraised market value as required by the State Property Tax Code.

Taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Tax revenues are recognized as they become available. Accordingly, an amount equal to taxes not yet available (not collectible within 60 days after year end) has been reported as deferred revenue at the governmental fund level.

The System

As provided under State law, the Commissioners' Court of Bexar County levies a tax for the System on properties within the County. These taxes are collected by the Bexar County Tax Assessor-Collector and are remitted to the System when received.

The System's taxes are levied and become collectible from October 1 to January 31 of the succeeding year. The taxes are based on the assessed values listed as of the prior January 1, which is the date a lien attaches to the taxable property. Current taxes receivable and deferred revenue represent the current year's tax levy, net of assessment fee, collection fee, and an allowance for uncollectible amounts. Property taxes collected in advance of the year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied.

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Primary Government

As of September 30, 2006, the carrying amount of the County's cash and cash equivalents is:

CASH AND TEMPORARY INVESTMENTS

Cash in Bank	\$ 112,437,769
Certificates of Deposit	223,147
TexPool	78,715,471
Logic	59,505,167
Total	<u>\$ 250,881,554</u>

Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in the local government investment pools is the same as the value of the local government investment shares.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Custodial Credit Risk-Deposits: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. It is the County's policy to collateralize deposits at 105% of the deposit amount. As of September 30, 2006, the County has a certificate of deposit in the amount of \$223,147 that is uncollateralized and exceeds the FDIC coverage and is uninsured by \$123,147.

NOTE C – LONG-TERM INVESTMENTS

Primary Government

The County's and System's investment policy provides that funds may be invested in:

- Obligations of the United States, its agencies and instrumentalities.
- Direct Obligations of the State of Texas or its agencies.
- Other obligations insured by the State of Texas or the United States.
- Obligations of other governmental units with at least an "A" rating.
- Bank Certificates of Deposit that are guaranteed.
- Prime domestic bankers' acceptances.
- Commercial paper (under certain conditions).
- Fully collateralized repurchase agreements (under certain conditions).
- SEC registered, no-load money market mutual funds (under certain conditions).
- Bond proceeds may be invested in common trust funds (under certain conditions).

The County's U.S. Treasury investments are carried at fair value and are fully insured by the U.S. Government. These investments are in a participating interest-earning contract affected by market changes and are reported at fair value as required by GASB Statement No. 31.

As of September 30, 2006, the County had the following investments at fair value:

FHLMC	\$ 4,370,014
FNMA	4,987,500
Total	<u>\$ 9,357,514</u>

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

As of September 30, 2006, the County’s investments had the following maturities:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Percentage of Total Fair Value
Federal Home Loan Mortgage Corporation (FHLMC)	\$ 4,370,014	0.4904	2.96%
Federal National Mortgage Association (FNMA)	4,987,500	0.9068	3.38%
Investment Pools	138,220,638	0.1256	93.66%
Total fair value	<u>\$ 147,578,152</u>		<u>100.00%</u>
Portfolio weighted average maturity		0.1628	

The weighted average maturity (WAM) expresses investment time horizons- the time when investments become due and payable weighted to reflect the dollar size of individual investments within an investment type. WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type

Interest Rate Risk: In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investments to 365 days with a maximum investment length for any investment to not more than 2 years. In addition, the timing of maturities is monitored to match anticipated cash flow requirements, thereby avoiding the need to sell securities on the open market prior to maturity at a lowered rate of return.

Credit Risk: In accordance with its investment policies, the County limits its investments to the most conservative forms of investments. Investments in agency securities are limited to investments rated A or equivalent, and investments in investment pools are limited to AAA or AAA-a by a nationally recognized investment rating firm. All investments are obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk. The published rating on US Treasuries and FNMA instruments are AAA. The FHLMC instruments are not rated individually by rating agencies but are from a pool of discount notes with a pooled rating of AAA. Texpool and Logic are both rated AAA.

Concentration of Credit Risk: The County places no limit on the amount the County may invest in any one issuer. The table above shows the percentage of concentration risk for each investment type. More than 5% of the County’s investments are in FHLMC (23.28%) and FNMA (26.57%) for the County’s debt service fund.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System

In 2005, the System adopted GASB Statement No. 40 , *Deposit and Investment Risk Disclosures*, which requires additional disclosures relating to risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk associated with interest-bearing investments. Such disclosures required by GASB Statement No. 40 are reflected below.

(A) Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization (NRSRO). The System and CFHP, its affiliated nonprofit HMO, each have formal investment policies adopted by the Board of Managers and Board of Directors, respectively, that limit investment in securities based on an NRSRO credit rating. The System's investments are also subject to the Public Funds Investment Act (the Act), Texas Administrative Code Section 2256, and CFHP's investments are also subject to regulations enumerated in the Title 28, Chapter 11 of the Texas Administrative Code (TAC) and Chapter 20A of the Texas Insurance Code (TIC).

Investments authorized by the Act and the System's investment policy are limited to obligations of the United States government or its agencies, repurchase agreements collateralized by obligations of the United States government or its agencies; investment pools with at least a AA-m or better rating by one nationally-recognized rating service; commercial paper with a stated maturity of 270 days or less and a credit rating of A-1 or P-1 or its equivalent, by at least two nationally-recognized credit rating agencies; certificates of deposit issued by a state bank, national bank, or a savings and loan association domiciled in Texas, with F.D.I.C. insurance and collateralized by obligations of the U.S. government or its agencies, with market value of 102% of the insured principal amount; bankers acceptances of a bank organized and existing under the laws of the United States, whose short-term obligations are rated not less than A-1 or P-1 or its equivalent, by at least one nationally-recognized rating agency, and with a stated maturity of 270 days or less; and no-load money market mutual funds registered by the SEC with a dollar-weighted average stated maturity of ninety days or less and have an investment objective of a stable net asset value of one dollar.

Investments authorized by the TAC, TIC, and CFHP's investment policy are limited to obligations of the United States government or its agencies; certificates of deposit with a credit rating of Moody's A2 or S&P A; corporate obligations with a credit rating of Moody's A1 or S&P A+; municipal notes and bonds with a credit rating of Moody's Aaa or S&P AAA; auction rate securities with a credit rating of Moody's A2 or S&P A; and asset-backed securities with a credit rating of Moody's Aaa or S&P AAA.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System (Continued)

Per GASB Statement No. 40, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. GASB Statement No. 40 also provides that securities with split ratings, or a different rating assignment between NRSROs, are disclosed using the rating indicative of the greatest degree of risk. The following table presents each applicable investment type grouped by rating as of December 31, 2005

Investment Type	Fair Value (In Thousands)	Rating
U. S. government, Treasury	\$ 82,643	* Exempt from disclosure
U.S. government, Treasury strips	1,228	AAA
Total U.S. government, guaranteed	<u>102,683</u>	
U.S. government, nonguaranteed:		
FHLB Notes	82,643	* AAA
FNMA Notes	30,239	* AAA
FHLMC mortgage-backed securities	4,086	AAA
FNMA mortgage-backed securities	1,531	AAA
GNMA mortgage-backed securities	1,856	AAA
Total U.S. government, nonguaranteed	<u>120,355</u>	
Corporate Obligations:		
Domestic	2,463	AA
Domestic	2,451	A
Total Corporate Obligations	<u>4,914</u>	
Cash and cash equivalents - money market funds	161,475	AAA
Total Cash and investments	<u><u>\$ 389,427</u></u>	

* Securities comprise greater than 5% of the total

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System (Continued)

In accordance with the System's investment policy, the System has no limit on the amount of investments with a single authorized issuer other than a 15% limit on repurchase agreements with a single issuer. As of December 31, 2005, the System was in compliance with this policy. According to GASB Statement No. 40, concentration of credit risk is defined as more than 5% of the market value of the total portfolio invested in securities issued by one issuer. Investments with an explicit guarantee by the U.S. government are exempt from the disclosure requirement.

The System maintained no investments in derivatives at December 31, 2005 and 2004.

(B) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the System will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The System's policy does not contain specific requirements to limit the exposure to custodial credit risk for deposits or investments. As of December 31, 2005, all investments are registered in the System's name.

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System (Continued)

(C) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. Interest rate risk inherent in the portfolio is measured by monitoring the segmented time distribution of the investments in the portfolio. The System's investment policy limits the maturity periods of its investments by type. The table below summarizes the System's segmented time distribution investment maturities in years by investment type as of December 31, 2005.

	Fair Value	Years		
		<1	1 - 5	6 - 10
<i>(In Thousands)</i>				
Money Market	\$ 161,475	\$ 161,475	\$ -	\$ -
Domestic corporate bonds	4,914	-	4,914	
U.S. government, Treasury	101,455	54,633	44,610	2,212
U.S. government, Treasury strips	1,228	-	-	1,228
U.S. government, FHLB and FNMA notes	112,883	31,783	76,226	4,874
U.S. government, mortgage-backed securities	7,472	-	7,381	91
Total	\$ 389,427	\$ 247,891	\$ 133,131	\$ 8,405

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System (Continued)

(D) Reconciliation of Investments by Type to Balance Sheet Presentation

The following table presents each applicable investment grouped by type and balance sheet presentation at December 31, 2005.

Reconciliation of Investment by Type to Balance Sheet

<u>Investment Type</u>	<u>Fair Value</u>	<u>Balance Sheet Line</u>
Investments, at fair value:		
Money Market	\$ 142,149,000	
Cash	(7,454,000)	
Total	<u>134,695,000</u>	Cash and cash equivalents
U.S. government, guaranteed	7,316,000	
U.S. government, nonguaranteed	9,963,000	
U.S. government, nonguaranteed asset-backed	133,000	
Total	<u>17,412,000</u>	Short-term investments
Corporate Obligations	4,914,000	
U.S. government, guaranteed	7,766,000	
U.S. government, nonguaranteed	24,628,000	
U.S. government, nonguaranteed asset-backed	1,437,000	
Total	<u>38,745,000</u>	Other noncurrent investments
Cash	(521,000)	
Money Market	25,252,000	
U.S. government, guaranteed	41,354,000	
U.S. government, nonguaranteed	21,268,000	
U.S. government, nonguaranteed asset-backed	1,582,000	
Total	<u>\$ 88,935,000</u>	Investments designated for capital acquisition

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE C – LONG-TERM INVESTMENTS (Continued)

The System (Continued)

Reconciliation of Investment by Type to Balance Sheet (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Balance Sheet Line</u>
Cash	\$ 1,794,000	
U.S. government, guaranteed	41,915,000	
U.S. government, nonguaranteed	53,581,000	
U.S. government, nonguaranteed asset-backed	4,321,000	
Total	<u>101,611,000</u>	Investments designated for contingency
Cash	255,000	
U.S. government, guaranteed	4,331,000	
U.S. government, nonguaranteed	3,443,000	
Total	<u>8,029,000</u>	Held by trustee funds for professional self-insurance
Total	<u><u>\$ 389,427,000</u></u>	

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE D – TAXES AND OTHER RECEIVABLES

The following is a summary of the gross current and delinquent taxes receivable and the allowance for uncollectible taxes:

	<u>Taxes</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Net Taxes</u>
<u>Primary Government</u>			
Delinquent taxes			
General Fund	\$ 10,721,554	\$ 2,351,716	\$ 8,369,838
Debt Service Fund	1,582,397	320,284	1,262,113
Capital Project Fund	165,281	135,000	30,281
Non-major Governmental Funds	74,093	-	74,093
Total Primary Government	<u>\$ 12,543,325</u>	<u>\$ 2,807,000</u>	<u>\$ 9,736,325</u>
<u>The System</u>			
Current taxes	\$ 94,294,000	\$ 4,032,000	\$ 90,262,000
Delinquent taxes	<u>17,921,000</u>	<u>9,570,000</u>	<u>8,351,000</u>
Total System	<u>\$ 112,215,000</u>	<u>\$ 13,602,000</u>	<u>\$ 98,613,000</u>

Other receivables as of year end for the County's individual major and non-major funds, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Project Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Court fines and fees	\$ 30,275,078	\$ -	\$ -	\$ 30,275,078
Accounts receivable	<u>40,885</u>	<u>344,418</u>	<u>2,241,611</u>	<u>2,626,914</u>
Gross receivables	30,315,963	344,418	2,241,611	32,901,992
Less: allowance	<u>(24,153,392)</u>	<u>-</u>	<u>-</u>	<u>(24,153,392)</u>
Net total receivables	<u>\$ 6,162,571</u>	<u>\$ 344,418</u>	<u>\$ 2,241,611</u>	<u>\$ 8,748,600</u>

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2006 was as follows:

Primary Government

	<u>Balance at</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>September 30,</u> <u>2006</u>
<u>Governmental activities:</u>				
<u>Capital assets, not being depreciated:</u>				
Land (row, bldg, parks)	\$ 25,167,627	\$ 845,902	\$ (1,131,765)	\$ 24,881,764
Equipment in progress	8,244,023	1,461,322	(782,605)	8,922,740
Construction in progress	29,858,640	21,629,102	(7,099,346)	44,388,396
Total capital assets, not being depreciated	<u>63,270,290</u>	<u>23,936,326</u>	<u>(9,013,716)</u>	<u>78,192,900</u>
<u>Capital assets, being depreciated:</u>				
Buildings	243,559,083	1,545,808	(602,966)	244,501,925
Depreciable Land Assets	492,368	-	-	492,368
Machinery and Equipment	52,236,050	5,935,694	(1,813,659)	56,358,085
Infrastructure	323,078,013	25,352,047	(22,003,234)	326,426,826
Total capital assets being depreciated	<u>619,365,514</u>	<u>32,833,549</u>	<u>(24,419,859)</u>	<u>627,779,204</u>
<u>Less accumulated depreciation for:</u>				
Buildings	(82,486,076)	(6,497,434)	133,236	(88,850,274)
Depreciable Land Assets	(273,863)	(23,078)	-	(296,941)
Machinery and Equipment	(25,965,889)	(6,501,626)	1,725,692	(30,741,823)
Infrastructure	(151,222,104)	(14,546,636)	1,636,545	(164,132,195)
Total accumulated depreciation	<u>(259,947,932)</u>	<u>(27,568,774)</u>	<u>3,495,473</u>	<u>(284,021,233)</u>
Total capital assets, being depreciated, net	<u>359,417,582</u>	<u>5,264,775</u>	<u>(20,924,386)</u>	<u>343,757,971</u>
Governmental activities capital assets, net	<u>\$ 422,687,872</u>	<u>\$ 29,201,101</u>	<u>\$(29,938,102)</u>	<u>\$ 421,950,871</u>
<u>Business-type activities:</u>				
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	\$ 176,278,539	\$ -	\$ -	\$ 176,278,539
Equipment	12,174,366	-	-	12,174,366
Total capital assets, being depreciated	<u>188,452,905</u>	<u>-</u>	<u>-</u>	<u>188,452,905</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	(12,919,387)	(4,439,835)	-	(17,359,222)
Equipment	(7,101,713)	(2,434,873)	-	(9,536,586)
Total accumulated depreciation	<u>(20,021,100)</u>	<u>(6,874,708)</u>	<u>-</u>	<u>(26,895,808)</u>
Total capital assets, being depreciated, net	<u>\$ 168,431,805</u>	<u>\$ (6,874,708)</u>	<u>\$ -</u>	<u>\$ 161,557,097</u>

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE E – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the primary government and business-type activities as follows:

Governmental activities:

General Government	\$ 3,658,317
Judicial	1,688,202
Public Safety	5,950,210
Education and Recreation	185,920
Public Works	15,904,657
Health and Public Welfare	66,756
Unallocated	<u>114,711</u>
Total depreciation expense - governmental activities	<u>\$ 27,568,773</u>

Business-type activities:

Arena	\$ 6,874,708
Total depreciation expense - business-type activities	<u>\$ 6,874,708</u>

The System

The System's capital asset activity for the year ended December 31, 2005 (in thousands) was as follows:

	Balance at January 1, 2005	Additions	Deletions	Balance at December 31, 2005
Land and land improvements	\$ 6,623	\$ 799	\$ -	\$ 7,422
Buildings and leasehold	221,912	13,862	(835)	234,939
Equipment	<u>212,737</u>	<u>13,523</u>	<u>(589)</u>	<u>225,671</u>
Total capital assets being depreciated	441,272	28,184	(1,424)	468,032
Less: accumulated depreciation	(270,046)	(24,153)	805	(293,394)
Construction in progress	12,591	11,606	(8,932)	15,265
Total capital assets, net	<u>\$ 183,817</u>	<u>\$ 15,637</u>	<u>\$ (9,551)</u>	<u>\$ 189,903</u>

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE F – RESTRICTED ASSETS AND LIABILITIES

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted. In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various designations are established by actions of the Commissioners' Court and management and can be increased, reduced or eliminated by similar actions.

The System

Restricted assets are comprised of net long-term patient receivables, deferred charges, restricted assets and assets limited as to use. The composition of other assets is set forth in the following table.

Capital improvements	\$ 88,935,000
Professional self-insurance held in trust	8,029,000
Reserve fund	<u>101,611,000</u>
Total assets limited as to use	<u>\$ 198,575,000</u>

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT

Primary Government

Long-term obligations of the County consist of bonds, certificates of obligation, notes, capital lease obligations, and other liabilities which are payable from the General, Debt Service, Enterprise, and Special Revenue Funds.

The changes in the County's governmental and business-type activities long-term liabilities for fiscal year 2006 were as follows:

	Balance Outstanding October 1, 2005	Issued During Year	Retired During Year	Balance Outstanding September 30, 2006	Amount Due within One Year
<u>Governmental Activities:</u>					
<u>Refunding Bonds</u>					
<u>Limited Tax Refunding Bonds, Series 1995</u>					
<u>and Unlimited Tax Refunding Bonds, Series 1995</u>					
Date Issued: November 1, 1995					
Interest Rate: 5.10 - 5.40					
Original Amount: \$20,844,979					
Maturing Date: June 15, 2012					
	\$ 5,114,999	\$ -	\$ 5,114,999	\$ -	\$ -
<u>Limited Tax General Obligation and Refunding</u>					
<u>Bonds, Series 1999:</u>					
Date Issued: March 15, 1999					
Interest Rate: 4.50 - 5.00					
Original Amount: \$31,974,985					
Maturing Date: June 15, 2019					
	28,194,985	-	9,109,537	19,085,448	2,345,448
<u>Limited Tax General Obligation Refunding Bonds,</u>					
<u>Series 2002:</u>					
Date Issued: April 15, 2002					
Interest Rate: 4.50 - 5.25					
Original Amount: \$31,595,000					
Maturing Date: June 15, 2010					
	17,865,000	-	6,435,000	11,430,000	4,000,000
<u>Limited Tax General Obligation Refunding Bonds,</u>					
<u>Series 2004:</u>					
Date Issued: February 15, 2004					
Interest Rate: 2.00 - 5.00					
Original Amount: \$14,090,000					
Maturing Date: June 15, 2015					
	14,090,000	-	2,220,000	11,870,000	755,000
<u>Limited Tax General Obligation Refunding Bonds,</u>					
<u>Series 2004:</u>					
Date Issued: September 15, 2005					
Interest Rate: 4.00 - 5.00					
Original Amount: \$21,355,000					
Maturing Date: June 15, 2020					
	\$ -	\$ 21,355,000	\$ -	\$ 21,355,000	\$ -

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

	Balance Outstanding October 1, 2005	Issued During Year	Retired During Year	Balance Outstanding September 30, 2006	Amount Due within One Year
<u>Limited Tax General Obligation Refunding Bonds,</u>					
<u>Series 2006:</u>					
Date Issued: May 1, 2006					
Interest Rate: 4.00 - 4.25					
Original Amount: \$5,175,000					
Maturing Date: June 15, 2012	\$ -	\$ 5,175,000	\$ -	\$ 5,175,000	\$ 25,000
 General Obligation Bonds					
<u>Limited Tax General Obligation Bonds,</u>					
<u>Series 2000:</u>					
Date Issued: August 1, 2000					
Interest Rate: 5.00 - 5.375					
Original Amount: \$13,000,000					
Maturing Date: June 15, 2020	8,835,000	-	6,595,000	2,240,000	520,000
 <u>Limited Tax Bonds, Series 2004:</u>					
Date Issued: October 15, 2004					
Interest Rate: 3.00 - 5.000					
Original Amount: \$9,400,000					
Maturing Date: June 15, 2017	9,400,000	-	950,000	8,450,000	-
 <u>Unlimited Tax Bonds, Series 2004:</u>					
Date Issued: October 15, 2004					
Interest Rate: 3.00 - 4.600					
Original Amount: \$6,080,000					
Maturing Date: June 15, 2023	6,080,000	-	-	6,080,000	-
Total Bonds	89,579,984	26,530,000	30,424,536	85,685,448	7,645,448
 Certificates of Obligation					
<u>Certificates of Obligation, Series 1985:</u>					
Date Issued: October 1, 1985					
Interest Rate: 9.45 - 9.50					
Original Amount: \$22,997,332					
Maturing Date: June 15, 2006	1,129,827	-	1,129,827	-	-
 <u>Combination Tax and Revenue Certificates of Obligation</u>					
<u>Series 1999</u>					
Date Issued: March 15, 1999					
Interest Rate: 4.00 - 4.75					
Original Amount: \$12,000,000					
Maturing Date: June 15, 2014	\$ 10,700,000	\$ -	\$ 3,995,000	\$ 6,705,000	\$ 1,040,000

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

	Balance Outstanding October 1, 2005	Issued During Year	Retired During Year	Balance Outstanding September 30, 2006	Amount Due within One Year
<u>Combination Tax and Revenue Certificates of Obligation</u>					
<u>Series 2000</u>					
Date Issued: August 1, 2000					
Interest Rate: 4.50 - 5.15					
Original Amount: \$5,000,000					
Maturity Date: May 1, 2007					
	\$ 1,600,000	\$ -	\$ 780,000	\$ 820,000	\$ 820,000
<u>Combination Tax and Revenue Certificates of Obligation</u>					
<u>Series 2002:</u>					
Date Issued: April 15, 2002					
Interest Rate: 4.00 - 5.50					
Original Amount: \$14,215,000					
Maturing Date: June 15, 2016					
	14,215,000	-	2,455,000	11,760,000	1,040,000
<u>Combination Flood Control Tax and Revenue Certificates</u>					
<u>of Obligation, Series 2002:</u>					
Date Issued: April 15, 2002					
Interest Rate: 4.00 - 5.50					
Original Amount: \$2,240,000					
Maturing Date: June 15, 2016					
	4,240,000	-	310,000	3,930,000	320,000
<u>Combination Tax and Revenue Certificates of Obligation,</u>					
<u>Series 2004:</u>					
Date Issued: February 15, 2004					
Interest Rate: 2.00 - 5.00					
Original Amount: \$14,500,000					
Maturing Date: June 15, 2019					
	14,500,000	-	825,000	13,675,000	845,000
<u>Combination Tax and Revenue Certificates of Obligation,</u>					
<u>Series 2004 - A:</u>					
Date Issued: October 15, 2004					
Interest Rate: 5.00 - 5.25					
Original Amount: \$23,960,000					
Maturing Date: June 15, 2023					
	23,960,000	-	830,000	23,130,000	-
<u>Combination Flood Control Tax and Revenue Certificates</u>					
<u>of Obligation, Series 2004:</u>					
Date Issued: October 15, 2004					
Interest Rate: 3.00 - 4.60					
Original Amount: \$3,595,000					
Maturing Date: June 15, 2023					
	3,595,000	-	-	3,595,000	-
Total Certificates of Obligation	73,939,827	-	10,324,827	63,615,000	4,065,000
Total Bonds, Certificates of Obligation	\$ 163,519,811	\$ 26,530,000	\$ 40,749,363	\$ 149,300,448	\$ 11,710,448

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

	Balance Outstanding October 1, 2005	Issued During Year	Retired During Year	Balance Outstanding September 30, 2006	Amount Due within One Year
Other Liabilities					
Arbitrage rebate	\$ 78,000	\$ -	\$ 68,000	\$ 10,000	\$ -
Capital leases	-	2,996,106	145,304	2,850,802	974,858
Commercial paper	-	3,000,000	-	3,000,000	-
Compensated absences	20,468,319	6,423,727	5,117,079	21,774,967	5,443,741
Notes	73,260	4,000,000	73,260	4,000,000	-
Total Other Liabilities	<u>20,619,579</u>	<u>16,419,833</u>	<u>5,403,643</u>	<u>31,635,769</u>	<u>6,418,599</u>
Total Governmental Activities	<u>\$ 184,139,390</u>	<u>\$ 42,949,833</u>	<u>\$ 46,153,006</u>	<u>\$ 180,936,217</u>	<u>\$ 18,129,047</u>

Business-type Activities:

Revenue Bonds

Tax-Exempt Venue Project Revenue Bonds, Series 2000

Date Issued: November 1, 2000

Interest Rate: 4.50 - 5.75

Original Amount: \$123,265,000

Maturing Date: August 15, 2022

\$ 106,305,000	\$ -	\$ 9,695,000	\$ 96,610,000	\$ 4,360,000
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Taxable Venue Project Revenue Bonds, Series 2000

Date Issued: November 1, 2000

Interest Rate: 6.27 - 7.25

Original Amount: \$25,580,000

Maturing Date: August 15, 2022

22,380,000	-	1,925,000	20,455,000	810,000
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Total Revenue Bonds

<u>\$ 128,685,000</u>	<u>-</u>	<u>\$ 11,620,000</u>	<u>\$ 117,065,000</u>	<u>\$ 5,170,000</u>
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Other Liabilities

Arbitrage rebate

\$ 1,498,000	-	\$ 1,319,999	\$ 178,001	-
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Total Business-type Activities

<u>\$ 130,183,000</u>	<u>\$ -</u>	<u>\$ 12,939,999</u>	<u>\$ 117,243,001</u>	<u>\$ 5,170,000</u>
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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

Annual debt service requirements as of September 30, 2006 are as follows:

Fiscal Year	Governmental Activities			Business-type Activities			Total
	Principal	Interest	Total	Principal	Interest	Total	All Debt
2007	\$ 11,710,448	\$ 7,911,817	\$ 19,622,265	\$ 5,170,000	\$ 6,932,887	\$ 12,102,887	\$ 31,725,152
2008	12,820,000	6,485,943	19,305,943	5,450,000	6,657,450	12,107,450	31,413,393
2009	14,465,000	5,921,522	20,386,522	5,745,000	6,362,049	12,107,049	32,493,571
2010	14,295,000	5,281,278	19,576,278	6,065,000	6,041,513	12,106,513	31,682,791
2011	13,590,000	4,633,285	18,223,285	6,210,000	5,694,187	11,904,187	30,127,472
2012-2016	54,620,000	13,800,255	68,420,255	33,585,000	22,645,937	56,230,937	124,651,192
2017-2021	22,155,000	4,275,876	26,430,876	44,095,000	11,590,989	55,685,989	82,116,865
2022-2023	5,645,000	431,328	6,076,328	10,745,000	649,113	11,394,113	17,470,441
	<u>\$ 149,300,448</u>	<u>\$48,741,304</u>	<u>\$198,041,752</u>	<u>\$117,065,000</u>	<u>\$66,574,125</u>	<u>\$183,639,125</u>	<u>\$381,680,877</u>

In the government-wide, governmental activities, bond losses on refunding are deferred and amortized over the life of the new debt or old debt, whichever is shorter; bond premiums, bond discounts, and issuance costs are amortized over the life of the debt. Bonds payable are reported net of the applicable bond premium, bond discount, loss on refunding, and accreted value of capital appreciation bonds. Issuance costs are reported as deferred charges.

In business-type activities, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Bonds	\$ 89,579,984	\$ 26,530,000	\$ 30,424,536	\$ 85,685,448	\$ 7,645,448
Certificates of Obligation	73,939,827	-	10,324,827	63,615,000	4,065,000
	163,519,811	26,530,000	40,749,363	149,300,448	11,710,448
Unamortized premium	6,246,049	1,597,513	974,451	6,869,111	678,555
Unamortized discount	(74,986)	-	(4,166)	(70,820)	(4,166)
Deferred charges	(1,486,561)	(995,234)	-	(2,481,795)	(302,072)
Accreted interest on CAB	7,171,078	744,316	7,020,636	894,758	894,758
Total Bonds Payable	<u>175,375,391</u>	<u>27,876,595</u>	<u>48,740,284</u>	<u>154,511,702</u>	<u>12,977,523</u>
Other Liabilities					
Arbitrage rebate	78,000	-	68,000	10,000	-
Capital leases	-	2,996,106	145,304	2,850,802	974,858
Commercial paper	-	3,000,000	-	3,000,000	-
Compensated absences	20,468,319	6,423,727	5,117,080	21,774,966	5,443,742
Notes	73,260	4,000,000	73,260	4,000,000	-
Total Other Liabilities	<u>20,619,579</u>	<u>16,419,833</u>	<u>5,403,644</u>	<u>31,635,768</u>	<u>6,418,600</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 195,994,970</u>	<u>\$ 44,296,428</u>	<u>\$ 54,143,928</u>	<u>\$ 186,147,470</u>	<u>\$ 19,396,123</u>
Business-Type Activities:					
Tax-Exempt Revenue Bonds	\$ 106,305,000	\$ -	\$ 9,695,000	\$ 96,610,000	\$ 4,360,000
Taxable Revenue Bonds	22,380,000	-	1,925,000	20,455,000	810,000
	128,685,000	-	11,620,000	117,065,000	5,170,000
Unamortized premium	3,166,287	-	186,300	2,979,987	186,300
Unamortized discount	(12,029)	-	710	(11,319)	(710)
Total Revenue Bonds Payable	<u>131,839,258</u>	<u>-</u>	<u>11,807,010</u>	<u>120,033,668</u>	<u>5,355,590</u>
Other Liabilities					
Arbitrage rebate	1,498,000	-	1,319,999	178,001	-
Total Business-Type Activities					
Long-term Liabilities	<u>\$ 133,337,258</u>	<u>\$ -</u>	<u>\$ 13,127,009</u>	<u>\$ 120,211,669</u>	<u>\$ 5,355,590</u>

Capital appreciation bonds (CAB) in the original amount of \$2,345,447 included in the above maturities and described on the next page reflect the total amount of accreted interest to be paid on the bonds maturing in the respective years and does not include interest accruing but not paid in years prior to maturity.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

<u>Bond</u>	<u>Original Amount</u>	<u>Accreted Value at September 30, 2006</u>	<u>Value At Maturity</u>
Limited Tax General Obligation and Refunding Bonds - Series 1999	\$ 2,345,447	\$ 3,240,205	\$ 3,355,000

Fiscal Year 2005-06 Debt Obligation Activity

Governmental Activities:

In October 2005, the County issued \$21,355,000 in Limited Tax General Obligation Refunding Bonds Series 2005 to partially refund \$21,480,000 in debt from the following bond issues:

• Combination Tax & Revenue Certificates of Obligation, Series 1999 -	\$2,995,000
• General Obligation and Refunding Bonds, Series 1999 -	\$7,675,000
• Limited Tax General Obligation Bonds, Series 2000 -	\$6,095,000
• Combination Tax and Revenue Certificates of Obligation, Series 2002 -	\$1,455,000
• Limited Tax General Obligation Refunding Bonds, Series 2004 -	\$1,480,000
• Combination Tax and Revenue Certificates of Obligation, Series 2004-A -	\$ 830,000
• Limited Tax Bonds, Series 2004 -	<u>\$ 950,000</u>
	<u>\$21,480,000</u>

The Bonds are payable from an annual ad valorem tax levied against all taxable property located within the County. The annual interest rate ranges from 4% to 5%. Interest accrues semiannually, and the bonds mature in fiscal year 2020. The reacquisition price exceeded the net carrying amount of the old debt by \$1,163,754. This refunding was undertaken to reduce debt service payments by \$901,237 and resulted in an economic gain of \$682,274.

In May 2006, the County issued \$5,175,000 of Limited Tax General Obligation Refunding Bonds 2006 with the payment of the related principal and interest to be made from an annual ad valorem tax levied against all taxable property within the County. The Bonds were issued to refund \$5,115,000 in Limited Tax Refunding Bonds, Series 1995. The annual interest rate ranges from 4% to 4.25%. Interest accrues semiannually and the bonds mature in fiscal year 2012. The reacquisition price exceeded the net carrying amount of the old debt by \$114,473. This refunding resulted in an economic gain of \$281,508.

Business Type Activities:

During the year, additional principal payments of \$5,560,000 and \$1,165,000 for tax-exempt and taxable revenue bonds, respectively, were applied as provided in the Indenture for the special mandatory redemption of the Tax-Exempt and Taxable Venue Project Revenue Bonds, Series 2000.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

Defeasance of Debt

The County has defeased certain general obligation bonds and certificates of obligation by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

At September 30, 2006, the outstanding principal balance of these defeased bonds was as follows:

General Obligation Bonds:

General Obligation & Refunding Bonds, Series 1999	\$ 7,675,000	
Limited Tax General Obligation Bonds, Series 2000	8,095,000	
Limited Tax General Obligation Refunding Bonds, Series 2004	1,480,000	
Limited Tax Bonds, Series 2004	950,000	
Total General Obligation Bonds		18,200,000

Certificates of Obligation:

Combination Tax & Revenue, Series 1999	2,995,000	
Combination Tax & Revenue, Series 2002	1,455,000	
Combination Tax & Revenue, Series 2004-A	830,000	
Total Certificates of Obligation		5,280,000
Total Defeased Debt		<u>\$ 23,480,000</u>

Arbitrage Rebate

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County's cumulative rebate amount, which is recorded as a liability on the government-wide financial statements, is \$10,000 for governmental activities and \$178,001 for business-type activities.

Changes in arbitrage rebate payable for the year ended September 30, 2006 were as follows:

Governmental Activities:

Balance				
October 1, 2005	Additions	Deletions	Total	Due in One Year
\$ 78,000	\$ -	\$ 68,000	\$ 10,000	\$ -

Business-Type Activities:

Balance				
October 1, 2005	Additions	Deletions	Total	Due in One Year
\$ 1,498,000	\$ -	\$ 1,319,999	\$ 178,001	\$ -

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

Commercial Paper

On September 20, 2005, Commissioners' Court authorized a \$100,000,000 general obligation commercial paper program secured by ad valorem taxes designated as Bexar County, Texas, General Obligation Commercial Paper Notes, Series A (Series A Notes). The purpose of the Series A Notes is to (1) provide funding for contractual obligations for the construction of public works and for the purchase of materials, supplies, equipment, machinery, buildings, lands, and right-of-way for the County's authorized needs and purposes; (2) professional services related to the contractual obligations; (3) and to refinance, refund, and renew the notes themselves and fund issuance costs.

The County entered into an agreement with Dexia Credit Local to provide a line of credit that will act as assurance to the purchaser of the commercial paper that funds will be available to redeem the paper upon demand and that the County can rollover the commercial paper. The credit agreement with Dexia Credit Local expires September 20, 2012. For this line of credit, the County is assessed a fee of .08% (\$80,000) per annum on the total available commitment. Under the dealer agreement between the County and Bear Stearns & Company, Inc., the Series A notes are issued in denominations of a minimum of \$100,000 and integral multiples of \$1,000 thereafter. The dealer agreement does not provide for extension, renewal, or automatic rollover provisions. As compensation for the services of the dealer, the County is obligated to make quarterly payments equaling .039% of the daily outstanding principal of issued Series A Notes during each calendar quarter. The paying agent is Deutsche Bank.

In October 2005, the County issued \$3,000,000 of Commercial Paper, Series A Notes with the payment of the related principal and interest to be made from an annual ad valorem tax levied against all taxable property within the County. The terms of the Series A Notes require the notes to be issued with a maturity of 270 days or less and allow for interest not to exceed 10% per annum.

Debt Service to Maturity (for Commercial Paper)

Expected debt service requirements for commercial paper issuances are shown below. These requirements are based on the outstanding principal and current rate in effect at September 30, 2006.

Governmental Activities:

Fiscal Year	Principal	Interest	Total
2007	\$ -	\$ 115,500	\$ 115,500
2008	-	115,500	115,500
2009	-	115,500	115,500
2010	-	115,500	115,500
2011	-	115,500	115,500
2012	3,000,000	112,336	3,112,336
	<u>\$ 3,000,000</u>	<u>\$ 689,836</u>	<u>\$ 3,689,836</u>

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE G - LONG-TERM DEBT (Continued)

Compensated Absences

Changes in long-term compensated absences for the year ended September 30, 2006 were as follows:

Governmental Activities:

Balance				
<u>October 1, 2005</u>	<u>Additions</u>	<u>Taken/Paid</u>	<u>Total</u>	<u>Due in One Year</u>
\$ 20,468,319	\$ 6,423,727	\$ (5,117,080)	\$ 21,774,966	\$ 5,443,742

Notes

In May 2003, the County and the State of Texas entered into a \$4,000,000 State Infrastructure Bank (SIB) loan agreement to pay for acquiring, constructing, reconstructing, and improving certain roads in Bexar County. The interest rate is 2.40%. The project was completed subsequent to September 30, 2006. Under the terms of the agreement, the final principal amount of the loan will be determined by the Texas Department of Transportation and the County.

Annual debt service requirements as of September 30, 2006 are as follows:

Governmental Activities:

Fiscal Year	Principal	Interest	Total
2007	\$ -	\$ 96,000	\$ 96,000
2008	1,301,839	96,000	1,397,839
2009	1,333,083	64,756	1,397,839
2010	1,365,078	32,762	1,397,840
	<u>\$ 4,000,000</u>	<u>\$ 289,518</u>	<u>\$ 4,289,518</u>

The System

Long-term debt consists of the following as of December 31, 2005:

Note payable for purchase of various laundry equipment, due December 2006 and collateralized by such equipment. Interest accrues at 4.78% and is payable in monthly principal and interest installments of \$ 7,765.	\$ 91,000
Other	<u>15,000</u>
Total long-term debt	106,000
Less current installments of long-term debt	<u>106,000</u>
Long-term debt excluding current installments	<u>\$ -</u>

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE H – INTERFUND BALANCES AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 4,995,280	\$ 390,379
Capital Projects Funds	104,532	3,878,497
Nonmajor Governmental Funds	274,844	993,408
Internal Service Funds	769	113,141
Total	<u>\$ 5,375,425</u>	<u>\$ 5,375,425</u>

Balances between governmental funds and internal service funds are eliminated in the government-wide financial statements.

The following is a summary of the County's transfers for the year ended September 30, 2006:

	<u>TRANSFERS IN:</u>					<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
<u>TRANSFERS OUT</u>						
General	\$ -	\$ 423,286	\$ 132,569	\$ 1,526,028	\$ 1,028,000	\$ 3,109,883
Capital Projects	-	1,453,588	-	735,891	-	2,189,479
Internal Service	520,000	-	-	-	-	520,000
Nonmajor Governmental	44,145	150,000	-	24,433	266,285	484,863
Total Transfers	<u>\$ 564,145</u>	<u>\$ 2,026,874</u>	<u>\$ 132,569</u>	<u>\$ 2,286,352</u>	<u>\$ 1,294,285</u>	<u>\$ 6,304,225</u>

The transfer from the Capital Projects Fund to the Debt Service Fund of \$1,453,588 represents \$481,455 in fees charged on motor vehicle registrations and \$972,133 from flood taxes. The motor vehicle registration fees, which are used to fund costs associated with road improvements, can also be used to retire debt in lieu of an additional ad valorem tax. The flood taxes are used to retire debt issued to finance construction of flood control projects. The remaining transfers are the result of normal transactions between funds. The \$1,028,000 transfer from General Fund to Internal Service Funds included a \$1,000,000 transfer to cover unanticipated shortage in the self insurance health fund. The \$1,526,028 transfer from General Fund to Nonmajor Governmental Funds included a transfer of \$507,533 to the Farm to Market Lateral Road fund to replace funds lost due to reallocation of vehicle sales tax revenue by the State legislature, \$386,023 to the Courthouse Security Fund for salary expenses related to Sheriff's deputies working in the Courthouse, and \$255,416 to the Debt Service Fund to pay for long-term notes payable not supported by debt service tax levies. The remaining transfers are the result of normal transactions between funds.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE I - SELF-INSURANCE

Primary Government

The County is self-insured for the majority of health, workers' compensation, and property liability claims. The self-insurance programs are administered by external administrators whose primary function is to investigate and settle claims. The self-insurance funds are accounted for as an internal service fund.

Under this program, the internal service funds provide specific insurance coverage, which limit losses to \$750,000 for each occurrence of workers' compensation, \$50,000 for property, and \$100,000 for general liability claims, and an annual coverage of \$250,000,000 on property. Excess loss insurance is carried on the health program, which limits losses on claims to \$230,000 per occurrence and an annual aggregate of approximately \$9,600,000. The provision for unpaid self-insurance health losses at year end is included in claims payable in the internal service fund. It is based upon actual prior claim cost experience and average time lags in settling such claims and actual claims paid after year end. There has been no significant reduction in insurance coverage from coverage in the prior year by major category of risk, and there were no settlements in excess of the insurance coverage in the current year or two prior years. All funds of the County participate in the program and make payments to the Self-Insurance Fund based on estimates computed by the County of the amounts needed to pay prior and current year claims. The claims liability of \$4,999,400 reported at September 30, 2006 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for risk Financing and Related Insurance Issues*. This Statement requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability for fiscal years ended September 30, 2005 and 2006 were:

Fiscal Year	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End	Due in One Year
2005	\$ 5,702,253	\$ 20,017,407	\$ 20,336,659	\$ 5,383,001	\$ 2,763,001
2006	\$ 5,383,001	\$ 21,378,329	\$ 21,761,930	\$ 4,999,400	\$ 3,289,400

The System

The System is self-insured for employee health insurance costs. The self-insured plan is administered by CFHP, who determines the cost of claims paid to community health care providers and estimates a reserve for medical claims incurred but not yet reported. The System also recognizes the incremental cost of services provided by the System to plan participants. The System maintains a stop-loss insurance contract to cover 90 percent of certain medical costs in excess of \$175,000 for the period from January 1, 2005 to December 31, 2005, up to a maximum of \$2,000,000 per contract year and \$5,000,000 per member lifetime maximum. As of December 31, 2005, a reserve of \$683,000 is recorded.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE I - SELF-INSURANCE (Continued)

The System funds a revocable self-insurance trust to provide for the payment of medical malpractice and general liabilities. The funding is based on management’s recommendations for settlement of claims to limits of \$100,000 per claim and \$300,000 per occurrence in accordance with the limited liability provisions of the Texas Tort Claims Act. The amounts provided for funding and the estimated liability are based on management’s estimates. The amounts include estimates of the ultimate cost for both reported claims and incurred but not reported claims. During 2003, the System began self-insuring “tail coverage” for certain employed physicians. This coverage has a limited time exposure and also is subject to claims limits. Amounts are provided for funding, and estimated liabilities for incurred but not reported claims are based on management estimates.

The System participates in a self-insurance program that provides for the payment of workers’ compensation claims. The funding for this program is based on third-party recommendations for settlement in accordance with Texas workers’ compensation laws.

NOTE J – CONTRACT BETWEEN BEXAR COUNTY AND THE SAN ANTONIO RIVER AUTHORITY

In 1951, Bexar County voters authorized an ad valorem levy for flood control of fifteen cents per one hundred dollars of valuation of taxable property. A 1955 contract with the San Antonio River Authority (SARA) and subsequent amendments, have provided to SARA a portion of the proceeds with the remaining flood control tax collections being retained by the County. The last amendment to the contract, referred to as *The 1999 Amendatory Contract*, maintains that the County will set a tax rate, which at 90% current collections, will provide revenues sufficient to pay the annual principal and interest of SARA bonds which are payable from the proceeds of the County’s flood control tax. During the fiscal year ended September 30, 2006, the County transferred \$5,500,000 to SARA as part of this agreement.

NOTE K - LEASES

OPERATING LEASES

Primary Government

The County has entered into several cancelable facilities and equipment leases which are accounted for as operating leases. Total operating lease expenditures for the year ended September 30, 2006 by fund type are as follows:

<u>General</u>	<u>Other Governmental Funds</u>	<u>Internal Service</u>	<u>Total</u>
\$ 2,631,239	\$ 568,745	\$ 1,720	\$ 3,201,704

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE K – LEASES (Continued)

The System

Rental expense pursuant to non-cancelable and annually renewed operating leases amounted to \$5,938,000 for the year ended December 31, 2005. Minimum annual lease obligations relating to non-cancelable leasing arrangements are:

2006	\$4,201,000
2007	\$2,534,000
2008	\$1,522,000
2009	\$584,000
2010	\$329,000

CAPITAL LEASES

The County has entered into two capital lease agreements for the purchase of County equipment. Lease payments for the fiscal year ended September 30, 2006 totaled \$164,229. Payments, including interest at 3.675% and 4.072%, are due as follows as of September 30, 2006:

Governmental Activities:

Fiscal Year	
2007	\$ 1,063,860
2008	1,063,860
2009	<u>901,775</u>
Total future lease payments	3,029,495
Less interest	<u>(178,693)</u>
Present value of future lease payments	<u><u>\$ 2,850,802</u></u>

Assets acquired using capital leases are described below:

Asset Type	Beginning Balance	Additions	Disposals	Ending Balance
Vehicles and equipment	\$ -	\$ 2,996,106	\$ -	\$ 2,996,106
Accumulated depreciation	-	<u>(340,791)</u>	-	<u>(340,791)</u>
Book value of leased assets	<u>\$ -</u>	<u>\$ 2,655,315</u>	<u>\$ -</u>	<u>\$ 2,655,315</u>

NOTE L - NET PATIENT SERVICE REVENUE

The System

The System provides services under contract to patients covered under the Medicare and Medicaid programs. The System is reimbursed based on cost or at a predetermined rate based upon diagnosis, plus

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE L - NET PATIENT SERVICE REVENUE (Continued)

certain adjustments. Net revenues from these programs are included in patient service revenues at net amounts reflecting customary charges reduced to estimated reimbursement payments. The amounts due to or from these programs are subject to final review and settlement by the program's fiscal intermediary. Currently, the System's Statements of Reimbursable Cost have been audited by and settled with the fiscal intermediary through 2002 for Medicare and 1999 for Medicaid. At December 31, 2005 the System estimated net amounts due to the programs of \$12,114,000. The System has also entered into payment agreements with certain commercial insurance carriers, employers, and other third-party administrators. The basis for payment to the System under these arrangements includes prospectively determined daily rates and discounts from established charges.

NOTE M - CHARITY CARE

The System

The System provides charity care to residents of Bexar County who qualify on a financial basis for the CareLink Program and to all others who qualify based on the System's charity policy. The System does not pursue collection of amounts in excess of the established guidelines for those patients who meet the charity criteria. Such excess is considered charity and is not reported as revenue.

NOTE M - CHARITY CARE (Continued)

The System's CareLink Program is used to discount gross charges for medical services received in the System's facilities. Under this program, residents of Bexar County have an established maximum family liability rather than a discount of total gross charges. Key factors in establishing a family's maximum liability levels are: number of dependents, income, and the relationship of these factors to the current Poverty Index. The System does not pursue collection of amounts in excess of the maximum family liability. Such excess amounts are considered charity care and are not reported as revenue.

Arrangements are made with residents to pay their reduced medical costs in installments. Any amounts designated as not being due prior to December 31, 2006, are classified as "long-term patient receivables" and are presented net of applicable allowances.

Non-CareLink patients meeting the financial and medical indigency criteria established in the charity policy receive a discount from gross charges for emergency and catastrophic medical services received in the System's facilities. Charges for financial indigency are discounted based on family income compared to the Poverty Index. Charges for medical indigency are discounted when charges exceed a certain income and asset level.

The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The level of charity care provided during the year ended December 31, 2005 was \$255,783,000.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE N – TOBACCO SETTLEMENT

The System

During 2005, the State of Texas and the tobacco industry reached a settlement on health care services provided to smokers. The settlement of \$4,809,000 represents this year's per capita allocation for past tobacco-related illnesses.

NOTE O - DISPROPORTIONATE SHARE REVENUE

The System

During 1991, the Texas legislature issued Senate Bill (SB) 82, levying an assessment against certain hospitals and hospital systems. The funds collected via this assessment are pooled by the State in order to receive federal matching funds under the Medicaid Disproportionate Share Program. The State then allocates the federal monies received to hospitals and hospital systems which serve a large disproportionate volume of Medicaid patients; the purpose being to increase access to health care by Texas' indigent patients. The amount received under this program was \$17,158,000 for the year ended December 31, 2005 and is included in Net Patient Service Revenue.

NOTE P - AFFILIATION AGREEMENT

The System

The System and the UTHSC entered into a twenty-year agreement in 1992, which provides that the System will be available to UTHSC for teaching and research. Under the agreement and other sub agreements, UTHSC supervises and directs professional services to patients of the System. The System recorded expenses of approximately \$11,230,000 in 2005 under the terms of the agreements.

NOTE Q - RETIREMENT PLAN

Primary Government

Plan Description

The County provides retirement, disability, and death benefits for all of its eligible employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system which consists of 575 nontraditional defined benefit pension plans. TCDRS, in the aggregate, issues a Comprehensive Annual Financial Report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted and may be amended by the governing body of the County within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE Q - RETIREMENT PLAN (Continued)

who withdraw their personal deposits in a lump sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employees' deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The County has elected the Annually Determined Contribution Rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 9.43% for the months of the accounting year in 2005, and 9.49% for the months of the accounting year in 2006.

The deposit rate payable by all employee members for the calendar year 2006 is the rate of 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the County's accounting year ended September 30, 2006, the annual pension cost for the TCDRS plan for its employees was \$16,294,613, and the actual contributions were \$16,294,613. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* parameters based on the actuarial valuations as of December 31, 2003 and December 31, 2004, the basis for determining the contribution rates for calendar years 2005 and 2006. The December 31, 2005 actuarial valuation is the most recent valuation.

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE Q - RETIREMENT PLAN (Continued)

Actuarial Valuation Information

	December 31, 2003	December 31, 2004	December 31, 2005
Actuarial valuation date	December 31, 2003	December 31, 2004	December 31, 2005
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period in years	20	20	20
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial assumptions:			
Investment return*	8.0%	8.0%	8.0%
Projected salary increases*	5.5%	5.5%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

*Includes inflation at the stated rate.

Trend Information for the Retirement Plan
for the Employees of Bexar County, Texas

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/04	\$ 15,035,685	100%	\$0
09/30/05	\$ 15,664,921	100%	\$0
09/30/06	\$ 16,294,613	100%	\$0

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE Q - RETIREMENT PLAN (Continued)

Schedule of Funding Progress for the Retirement Plan
for the Employees of Bexar County, Texas

Actuarial Valuation Date ¹	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/03	\$ 378,486,006	\$ 438,774,462	\$ 60,288,456	86.26%	\$ 153,332,302	39.32%
12/31/04	\$ 406,467,238	\$ 467,799,283	\$ 61,332,045	86.89%	\$ 157,693,659	38.89%
12/31/05	\$ 439,658,564	\$ 505,135,375	\$ 65,476,811	87.04%	\$ 167,111,308	39.18%

*The annual covered payroll is based on the employee deposits received by TCDRS for the year ending with the valuation date.

¹ Funding information for 12/31/2004 may differ from prior year compliance data due to plan changes effective 1/1/2006.

The System

The System Pension Plan, "the Pension Plan", is a single-employer defined benefit pension plan covering substantially all its employees. The System provides retirement benefits under an unallocated defined benefit pension plan covering substantially all employees who work at least 20 hours per week or at least 1,000 hours annually. For fiscal year 2005, the System's annual pension cost was \$5,961,000 and contributions were \$5,961,000 resulting in no net pension obligation.

Benefits - Participants in the Pension Plan are eligible for normal retirement benefits after attaining age 65 and completing five years of vesting service or after age 55 and years of service equal to 85 (Rule of 85). Annual normal retirement benefits (accrued benefits) are equal to 1.5% of the average of participants' five highest consecutive years pay times the number of years credited service. A separate stand-alone audited financial statement on the plan is available for review at the System offices.

Contributions Required – The System makes contributions, which are actuarially determined, to pay the Pension Plan's normal cost plus amortization of unfunded liability. The System's normal cost was approximately \$5,002,000 in 2005, which was 3.4% of covered payroll as of January 1, 2005 (the date of the most recent actuarial report). Participants are required to contribute 2% of annual compensation to the Pension Plan.

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE Q - RETIREMENT PLAN (Continued)

Schedule of Funding Progress for the Retirement Plan
for the Employees of the System

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
01/01/05	\$ 79,698,000	\$ 114,611,000	\$ 34,913,000	69.5%	\$ 147,108,000	23.7%
01/01/04	\$ 71,770,000	\$ 102,175,000	\$ 30,405,000	70.2%	\$ 132,365,000	23.0%
01/01/03	\$ 65,455,000	\$ 90,872,000	\$ 25,417,000	72.0%	\$ 120,286,000	21.1%

The actuarial assumptions used for the current fiscal year are as follow:

Investment rate of return	8%
Projected salary increases	5%
Inflation rate	4%

NOTE R - OTHER BENEFITS

The System

The System provides health care benefits at the same rate of contribution as active employees, to all employees who retire from the System on or after attaining age 55 with at least five years of service. Currently, 201 retirees meet those eligibility requirements. Expenses for post retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the System. Expenses approximating \$258,000 were recognized for post employment health care for 2005.

NOTE S - CONDUIT DEBT

Primary Government

The component unit, Bexar County Housing Finance Corporation (BCHFC), is authorized to finance residential housing by issuing its tax exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. At September 30, 2006, the aggregate amount of conduit debt outstanding was \$467,110,503.

The component unit, Bexar County Health Facilities Development Corporation (BCHFDC), is authorized to acquire, construct, provide, improve, finance, and refinance health facilities to assist the maintenance of the public health by issuing its tax-exempt revenue bonds. The bonds are secured by the property financed. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE S - CONDUIT DEBT (Continued)

credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. At September 30, 2006, the aggregate amount of conduit debt outstanding was \$117,124,168.

NOTE T - COMMITMENTS AND CONTINGENCIES

Primary Government

The County is committed under various contracts in connection with the renovation of the detention facilities and certain other County buildings, road and bridge improvements, and parks and recreation improvements. These commitments are \$ 16,274,977 and are reflected in the reserve for encumbrance in the capital projects fund.

The Bexar County Housing Finance Corporation is committed to grant awards made to various agencies to aid in various housing development activities. Amounts committed at September 30, 2006 by the Corporation are \$184,047.

There are various lawsuits outstanding against the County at September 30, 2006 involving claims relating to the jail, civil rights, and various other matters. In the opinion of management, the outcome of the litigation will not have a material adverse effect on the County's financial position or operations.

Bexar County participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Bexar County has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectibility of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

On August 17, 2006, the County and the Deputy Sheriff's Association of Bexar County/International Union of Police Associations executed a collective bargaining agreement effective from August 17, 2006 through September 30, 2009. The total estimated cumulative cost of the agreements over the three-year contract period is \$29.7 million.

The System

The System's Board of Managers has approved various facility improvement and renovation projects. As of December 31, 2005, the System had outstanding cancelable contractual arrangements totaling \$12,611,000 for architectural and construction services.

At December 31, 2005, the System was a defendant in certain pending civil litigation and has notice of certain claims that have been asserted against it. In addition, unasserted possible claims exist for known and unknown incidents. The System covers its exposure for asserted and unasserted claims through a program of self-insurance. The System has accrued its best estimate of these contingent losses. The

Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE T - COMMITMENTS AND CONTINGENCIES (Continued)

reserves for these contingent losses include estimates of the ultimate cost for both reported claims and claims incurred but not reported. The reserve was \$213,000 at December 31, 2005. In addition, the System has established a reserve in the amount of \$1,200,000 to cover potential System exposure for medical malpractice claims arising from a limited number of System employed physicians. The reserve will provide "tail coverage" for a physician's medical malpractice claim occurring prior to October 1, 2003, the period when such physicians were covered under a "claims made" medical malpractice policy.

The System also self-insures workers' compensation claims. The funding for this program is based on third-party recommendations for settlement of claims to limits of \$100,000 per claim and \$500,000 per occurrence, in accordance with Texas workers' compensation laws. The program provides for specific excess of loss reinsurance for the excess of \$300,000 up to a maximum of \$1,000,000 for any one accident or occurrence. The amounts provided for funding the estimated liability are based on claims made and claims incurred but not reported. During the year ended December 31, 2005, the System recognized expense of \$2,702,000 associated with the workers' compensation program.

The System is self-insured for employee health insurance costs. The self-insured plan is administered by Community First Health Plan, who determines the cost of claims paid to community health care providers and estimates a reserve for medical claims incurred but not yet reported. The System also recognizes the incremental cost of services provided by the System to plan participants. The System maintains a stop-loss insurance contract to cover 90 percent of certain medical cost in excess of \$175,000 for the period from January 1, 2005 to December 31, 2005, up to a maximum of \$2,000,000 per contract year and \$5,000,000 per member lifetime maximum. As of December 31, 2005, a reserve of \$683,000 is recorded.

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Bexar County, Texas
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2006

NOTE U – RESTATEMENT OF GOVERNMENTAL ACTIVITIES NET ASSETS

	Governmental Activities Net Assets
Governmental activities net assets, September 30, 2005, as previously reported in Statement of Net Assets	\$ 357,321,402
Funds previously reported as internal service funds	<u>(20,849)</u>
Governmental activities net assets, October 1, 2005, as restated	<u>\$ 357,300,553</u>
Proprietary Funds Net Assets	
Proprietary funds net assets, September 30, 2005 as previously reported in Statement of Net Assets for Proprietary Funds	\$ 2,162,572
Funds previously reported as internal service funds	<u>(20,849)</u>
Proprietary funds net assets, October 1, 2005, as restated	<u>\$ 2,141,723</u>

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Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES				
Ad valorem taxes				
Current	\$ 184,900,000	\$ 184,900,000	\$ 183,976,408	\$ (923,592)
Delinquent	3,114,000	3,114,000	3,050,385	(63,615)
Penalty and interest	2,173,000	2,173,000	2,035,157	(137,843)
Gross	190,187,000	190,187,000	189,061,950	(1,125,050)
Less - refunds	(10,000)	(10,000)	1,885	11,885
- TIFs	(450,000)	(450,000)	(450,000)	-
Net Ad Valorem Taxes	189,727,000	189,727,000	188,613,835	(1,113,165)
Other Taxes	5,630,000	6,595,000	7,113,858	518,858
Licenses and Permits	969,000	969,000	970,546	1,546
Intergovernmental revenues	4,912,000	4,945,630	5,702,551	756,921
Court Costs and Fines	21,346,000	21,346,575	21,925,747	579,172
Fees on Motor Vehicles	5,754,000	4,789,000	5,169,201	380,201
Other Fees	8,962,000	8,962,000	13,307,060	4,345,060
Detention Board Bills	701,000	701,000	667,955	(33,045)
Other Commissions from Governmental Units	3,400,000	3,400,000	3,334,166	(65,834)
Revenue from Use of Assets	13,471,000	13,471,000	15,196,066	1,725,066
Sales, Refunds and Miscellaneous	4,191,000	4,191,000	5,573,009	1,382,009
TOTAL REVENUES	<u>259,063,000</u>	<u>259,097,205</u>	<u>267,573,994</u>	<u>8,476,789</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Commissioner's Court				
Personnel cost	1,475,782	1,508,466	1,490,816	17,650
Remuneration for services	49,271	46,771	19,642	27,129
Operational costs	47,035	48,335	43,388	4,947
Supplies and materials	10,259	11,459	10,763	696
Total Commissioner's Court	<u>1,582,347</u>	<u>1,615,031</u>	<u>1,564,609</u>	<u>50,422</u>
County Clerk				
Personnel costs	4,936,604	5,227,686	5,086,632	141,054
Remuneration for services	17,530	17,530	14,474	3,056
Operational costs	311,217	311,217	251,686	59,531
Supplies and materials	229,316	229,316	143,718	85,598
Total County Clerk	<u>\$ 5,494,667</u>	<u>\$ 5,785,749</u>	<u>\$ 5,496,510</u>	<u>\$ 289,239</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
County Auditor				
Personal services	\$ 2,896,936	\$ 2,896,936	\$ 2,824,771	\$ 72,165
Remuneration for services	32,110	24,110	21,368	2,742
Operational costs Miscellaneous services	375,215	381,399	371,303	10,096
Supplies and materials	48,910	78,340	73,646	4,694
Total County Auditor	<u>3,353,171</u>	<u>3,380,785</u>	<u>3,291,088</u>	<u>89,697</u>
Support Services				
Personnel costs	6,314,083	6,509,242	6,336,852	172,390
Remuneration for services	199,800	207,349	207,349	-
Operational costs	658,061	675,561	625,094	50,467
Supplies and materials	1,615,706	1,605,406	1,565,040	40,366
Capital expenditures	45,914	45,914	-	45,914
Total Support Services	<u>8,833,564</u>	<u>9,043,472</u>	<u>8,734,335</u>	<u>309,137</u>
Tax Assessor-Collector				
Personnel	6,716,738	7,045,446	6,879,169	166,277
Remuneration for services	32,325	32,325	28,003	4,322
Operational costs	1,346,524	1,342,274	1,086,156	256,118
Supplies and materials	152,620	164,485	159,487	4,998
Total Tax Assessor-Collector	<u>8,248,207</u>	<u>8,584,530</u>	<u>8,152,815</u>	<u>431,715</u>
Purchasing				
Personnel	883,287	908,370	841,806	66,564
Remuneration for services	11,108	13,233	12,620	613
Operational costs	22,100	29,100	27,972	1,128
Supplies and materials	38,155	29,030	24,663	4,367
Total Purchasing	<u>954,650</u>	<u>979,733</u>	<u>907,061</u>	<u>72,672</u>
Planning and Resource Management				
Personnel costs	1,321,948	1,609,296	1,576,353	32,943
Remuneration for services	95,267	71,636	51,930	19,706
Operational costs	190,763	378,503	342,902	35,601
Supplies and materials	142,979	143,169	114,890	28,279
Total Planning and Resource Management	<u>1,750,957</u>	<u>2,202,604</u>	<u>2,086,075</u>	<u>116,529</u>
Collections				
Personnel costs	726,127	735,520	694,831	40,689
Remuneration for services	2,500	2,500	2,045	455
Operational costs	15,805	29,005	15,843	13,162
Supplies and materials	4,467	10,660	8,684	1,976
Total Collections	<u>\$ 748,899</u>	<u>\$ 777,685</u>	<u>\$ 721,403</u>	<u>\$ 56,282</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Personnel				
Personnel costs	\$ 612,167	\$ 612,167	\$ 528,280	\$ 83,887
Remuneration for services	13,339	13,339	13,114	225
Operational costs	111,537	115,110	109,833	5,277
Supplies and materials	24,369	29,369	29,221	148
Total Personnel	<u>761,412</u>	<u>769,985</u>	<u>680,448</u>	<u>89,537</u>
Elections				
Personnel costs	1,019,515	1,046,084	952,696	93,388
Remuneration for services	317,993	567,170	566,202	968
Operational costs	488,925	541,334	541,015	319
Supplies and materials	39,881	67,381	36,707	30,674
Total Elections	<u>1,866,314</u>	<u>2,221,969</u>	<u>2,096,620</u>	<u>125,349</u>
Economic Development Special Project				
Personnel costs	485,297	631,158	612,112	19,046
Remuneration for services	28,607	29,829	25,274	4,555
Operational costs	357,457	489,441	399,089	90,352
Supplies and materials	7,400	15,659	14,324	1,335
Total Economic Development Special Project	<u>878,761</u>	<u>1,166,087</u>	<u>1,050,799</u>	<u>115,288</u>
Civil Service				
Personnel costs	316,997	316,997	229,440	87,557
Remuneration for services	3,650	3,650	900	2,750
Operational costs	78,482	80,082	60,373	19,709
Supplies and materials	4,764	4,764	4,419	345
Total Civil Service	<u>403,893</u>	<u>405,493</u>	<u>295,132</u>	<u>110,361</u>
Facilities Maintenance				
Personnel costs	1,144,228	1,287,596	1,198,417	89,179
Remuneration for services	1,000	1,168	1,168	-
Operational costs	990,858	2,278,311	2,275,957	2,354
Supplies and materials	145,245	145,245	143,885	1,360
Capital expenditures	-	35,008	26,908	8,100
Total Facilities Maintenance	<u>2,281,331</u>	<u>3,747,328</u>	<u>3,646,335</u>	<u>100,993</u>
County Wide				
Remuneration for services	30,000	30,000	-	30,000
Operational costs	16,822,589	16,845,853	12,778,696	4,067,157
Total County Wide	<u>16,852,589</u>	<u>16,875,853</u>	<u>12,778,696</u>	<u>4,097,157</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 54,010,762</u>	<u>\$ 57,556,304</u>	<u>\$ 51,501,926</u>	<u>\$ 6,054,378</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
JUDICIAL				
Criminal District Attorney				
Personnel costs	\$ 18,824,487	\$ 19,045,525	\$ 19,045,525	\$ -
Remuneration for services	85,650	87,650	86,795	855
Operational costs	477,671	594,634	595,778	(1,144)
Supplies and materials	195,585	218,698	217,128	1,570
Total Criminal District Attorney	<u>19,583,393</u>	<u>19,946,507</u>	<u>19,945,226</u>	<u>1,281</u>
Trial Expenses				
Remuneration for services	300	300	-	300
Operational costs	889,743	1,064,314	1,064,267	47
Total Trial Expenses	<u>890,043</u>	<u>1,064,614</u>	<u>1,064,267</u>	<u>347</u>
District Clerk				
Personnel costs	5,515,320	5,913,597	5,806,828	106,769
Remuneration for services	10,605	10,605	9,267	1,338
Operational costs	270,047	272,164	273,025	(861)
Supplies and materials	150,165	150,165	140,454	9,711
Total District Clerk	<u>5,946,137</u>	<u>6,346,531</u>	<u>6,229,574</u>	<u>116,957</u>
Jury Operations				
Personnel costs	258,344	272,363	268,660	3,703
Remuneration for services	1,032,212	1,032,212	918,899	113,313
Operational costs	122,420	122,420	110,939	11,481
Supplies and materials	11,786	11,786	12,132	(346)
Total Jury Operations	<u>1,424,762</u>	<u>1,438,781</u>	<u>1,310,630</u>	<u>128,151</u>
County Courts at Law				
Personnel costs	3,752,009	4,139,963	4,136,015	3,948
Remuneration for services	251,919	275,244	272,987	2,257
Operational costs	2,693,583	2,692,583	2,622,083	70,500
Supplies and materials	24,427	28,502	28,017	485
Total County Courts at Law	<u>6,721,938</u>	<u>7,136,292</u>	<u>7,059,102</u>	<u>77,190</u>
Probate Courts				
Personnel costs	1,072,296	1,157,317	1,150,398	6,919
Remuneration for services	3,850	11,949	11,949	-
Operational costs	280,630	294,830	294,829	1
Supplies and materials	3,365	3,365	3,303	62
Total Probate Courts	<u>1,360,141</u>	<u>1,467,461</u>	<u>1,460,479</u>	<u>6,982</u>
Justices of the Peace, Precinct 1				
Personnel costs	456,487	507,206	486,990	20,216
Remuneration for services	3,654	3,654	1,980	1,674
Operational costs	8,495	14,660	12,776	1,884
Supplies and materials	10,660	11,010	10,704	306
Total Justices of the Peace, Precinct 1	<u>\$ 479,296</u>	<u>\$ 536,530</u>	<u>\$ 512,450</u>	<u>\$ 24,080</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Justices of the Peace, Precinct 1, Place 3				
Personnel costs	\$ 529,857	\$ 590,482	\$ 590,481	\$ 1
Remuneration for services	356	606	590	16
Operational costs	103,543	104,024	100,632	3,392
Supplies and materials	22,806	22,075	22,001	74
Total Justices of the Peace, Precinct 1, Place 3	656,562	717,187	713,704	3,483
Justices of the Peace, Precinct 2				
Personnel costs	687,927	742,186	739,131	3,055
Remuneration for services	4,887	4,887	4,655	232
Operational costs	140,110	140,110	125,099	15,011
Supplies and materials	27,365	27,365	27,195	170
Total Justices of the Peace, Precinct 2	860,289	914,548	896,080	18,468
Justice of the Peace, Precinct 3				
Personnel costs	493,384	528,954	528,461	493
Remuneration for services	4,987	4,987	1,932	3,055
Operational costs	110,014	110,044	110,045	(1)
Supplies and materials	30,664	32,304	30,877	1,427
Total Justices of the Peace, Precinct 3	639,049	676,289	671,315	4,974
Justice of the Peace, Precinct 4				
Personnel costs	344,888	392,011	362,829	29,182
Remuneration for services	2,700	2,700	1,264	1,436
Operational costs	90,019	93,035	92,944	91
Supplies and materials	12,345	13,870	12,736	1,134
Total Justices of the Peace, Precinct 4	449,952	501,616	469,773	31,843
District Courts - Criminal				
Personnel costs	3,086,563	3,206,585	3,186,752	19,833
Remuneration for services	189,475	199,475	197,350	2,125
Operational costs	4,909,157	5,663,831	5,663,831	-
Supplies and materials	52,794	52,794	50,866	1,928
Total District Courts - Criminal	8,237,989	9,122,685	9,098,799	23,886
District Courts - Civil				
Personnel costs	2,356,591	2,492,399	2,492,398	1
Remuneration for services	30,126	25,768	24,090	1,678
Operational costs	2,290,006	2,863,216	2,821,397	41,819
Supplies and materials	33,204	45,209	46,794	(1,585)
Total District Courts - Civil	4,709,927	5,426,592	5,384,679	41,913
District Court - Juvenile				
Personnel costs	1,130,758	1,130,758	1,112,802	17,956
Remuneration for services	9,600	9,600	8,162	1,438
Operational costs	855,120	855,820	842,280	13,540
Supplies and materials	14,500	13,800	13,712	88
Total District Court - Juvenile	\$ 2,009,978	\$ 2,009,978	\$ 1,976,956	\$ 33,022

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Pre-Trial Services				
Personnel costs	\$ 2,313,560	\$ 2,429,222	\$ 2,404,632	\$ 24,590
Remuneration for services	1,171	3,171	2,293	878
Operational costs	147,585	147,585	144,773	2,812
Supplies and materials	50,728	54,288	53,583	705
Capital expenditures	4,563	3	-	3
Total Pre-Trial Services	<u>2,517,607</u>	<u>2,634,269</u>	<u>2,605,281</u>	<u>28,988</u>
Bail Bond Board				
Personnel costs	57,033	58,763	58,737	26
Remuneration for services	1,050	1,050	-	1,050
Operational costs	549	524	474	50
Supplies and materials	790	790	-	790
Total Bail Bond Board	<u>59,422</u>	<u>61,127</u>	<u>59,211</u>	<u>1,916</u>
4th Court of Appeals				
Personnel costs	40,915	59,735	59,704	31
Operational costs	11,838	11,838	10,918	920
Supplies and materials	65	65	-	65
Total 4th Court of Appeals	<u>52,818</u>	<u>71,638</u>	<u>70,622</u>	<u>1,016</u>
D.P.S. Warrants				
Personnel costs	81,213	85,786	85,786	-
Operational costs	5,235	5,235	5,235	-
Capital expenditures	3,235	3,235	-	3,235
Total D.P.S. Warrants	<u>89,683</u>	<u>94,256</u>	<u>91,021</u>	<u>3,235</u>
TOTAL JUDICIAL	<u>56,688,986</u>	<u>60,166,901</u>	<u>59,619,169</u>	<u>547,732</u>
PUBLIC SAFETY				
Sheriff				
Personnel costs	32,266,356	32,266,356	32,063,201	203,155
Remuneration for services	85,798	98,704	98,381	323
Operational costs	1,524,611	1,849,211	1,801,498	47,713
Supplies and materials	1,359,125	1,486,505	1,491,734	(5,229)
Capital expenditures	23,120	23,063	-	23,063
Total Sheriff	<u>35,259,010</u>	<u>35,723,839</u>	<u>35,454,814</u>	<u>269,025</u>
Adult Detention Centers				
Personnel costs	42,404,146	42,590,225	42,308,030	282,195
Remuneration for services	19,791	19,791	12,212	7,579
Operational costs	3,796,437	4,211,750	4,214,973	(3,223)
Supplies and materials	1,268,979	1,464,834	1,341,824	123,010
Capital expenditures	6,000	145	-	145
Total Adult Detention Centers	<u>\$ 47,495,353</u>	<u>\$ 48,286,745</u>	<u>\$ 47,877,039</u>	<u>\$ 409,706</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Sheriff Support Services				
Personnel costs	\$ 1,904,614	\$ 2,037,067	\$ 1,918,438	\$ 118,629
Remuneration for services	11,826	11,826	663	11,163
Operational costs	36,872	42,872	33,735	9,137
Supplies and materials	29,779	23,779	17,930	5,849
Total Sheriff Support Services	<u>1,983,091</u>	<u>2,115,544</u>	<u>1,970,766</u>	<u>144,778</u>
Juvenile Services				
Personnel costs	6,106,524	6,408,135	6,408,133	2
Remuneration for services	226,563	253,658	253,876	(218)
Operational costs	2,380,132	2,321,902	2,322,232	(330)
Supplies and materials	107,062	121,512	125,740	(4,228)
Total Juvenile Services	<u>8,820,281</u>	<u>9,105,207</u>	<u>9,109,981</u>	<u>(4,774)</u>
Juvenile Detention				
Personnel costs	11,460,018	11,959,854	11,867,339	92,515
Remuneration for services	450	450	447	3
Operational costs	545,814	558,247	560,730	(2,483)
Supplies and materials	151,143	147,442	147,523	(81)
Total Juvenile Detention	<u>12,157,425</u>	<u>12,665,993</u>	<u>12,576,039</u>	<u>89,954</u>
Child Support Probation				
Personnel costs	449,310	496,915	496,915	-
Remuneration for services	3,200	3,200	3,189	11
Operational costs	50,205	62,196	62,194	2
Supplies and materials	4,180	4,000	3,686	314
Total Child Support Probation	<u>506,895</u>	<u>566,311</u>	<u>565,984</u>	<u>327</u>
Community Supervision & Correction				
Operational costs	862,522	863,822	821,383	42,439
Supplies and materials	36,264	34,964	34,318	646
Total Community Supervision & Correction	<u>898,786</u>	<u>898,786</u>	<u>855,701</u>	<u>43,085</u>
Forensic Science Center				
Personnel costs	2,738,840	2,751,377	2,747,548	3,829
Remuneration for services	40,850	40,850	40,788	62
Operational costs	287,568	287,568	272,782	14,786
Supplies and materials	179,284	193,312	192,293	1,019
Total Forensic Science Center	<u>3,246,542</u>	<u>3,273,107</u>	<u>3,253,411</u>	<u>19,696</u>
Crime Lab				
Personnel costs	1,226,374	1,260,664	1,260,663	1
Remuneration for services	13,370	13,370	7,704	5,666
Operational costs	111,673	96,673	87,966	8,707
Supplies and materials	97,065	112,065	111,289	776
Total Crime Lab	<u>\$ 1,448,482</u>	<u>\$ 1,482,772</u>	<u>\$ 1,467,622</u>	<u>\$ 15,150</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Constable Precinct 1				
Personnel costs	\$ 1,032,620	\$ 1,194,099	\$ 1,194,099	\$ -
Remuneration for services	5,000	5,000	2,226	2,774
Operational costs	74,789	74,789	52,046	22,743
Supplies and materials	58,403	65,760	45,391	20,369
Capital expenditures	8,952	1,595	(1)	1,596
Total Constable Precinct 1	<u>1,179,764</u>	<u>1,341,243</u>	<u>1,293,761</u>	<u>47,482</u>
Constable Precinct 2				
Personnel costs	981,728	1,097,745	1,074,196	23,549
Remuneration for services	6,000	7,949	7,899	50
Operational costs	92,003	90,054	83,738	6,316
Supplies and materials	58,495	64,431	64,096	335
Capital expenditures	5,968	32	-	32
Total Constable Precinct 2	<u>1,144,194</u>	<u>1,260,211</u>	<u>1,229,929</u>	<u>30,282</u>
Constable Precinct 3				
Personnel costs	1,018,303	1,078,166	1,074,249	3,917
Remuneration for services	2,982	2,982	2,772	210
Operational costs	72,919	74,670	67,271	7,399
Supplies and materials	10,063	16,085	16,084	1
Capital expenditures	5,968	246	-	246
Total Constable Precinct 3	<u>1,110,235</u>	<u>1,172,149</u>	<u>1,160,376</u>	<u>11,773</u>
Constable Precinct 4				
Personnel costs	656,269	698,593	692,225	6,368
Remuneration for services	1,694	1,794	1,648	146
Operational costs	70,574	70,574	51,830	18,744
Supplies and materials	18,814	28,650	28,965	(315)
Total Constable Precinct 4	<u>747,351</u>	<u>799,611</u>	<u>774,668</u>	<u>24,943</u>
Adult Detention Center-Facilities Maintenance				
Personnel costs	1,581,514	1,631,286	1,585,318	45,968
Remuneration for services	400	400	345	55
Operational costs	474,776	2,610,236	2,594,550	15,686
Supplies and materials	137,201	172,001	166,618	5,383
Total ADC-Facilities Maintenance	<u>2,193,891</u>	<u>4,413,923</u>	<u>4,346,831</u>	<u>67,092</u>
Juvenile Detention-Facilities Maintenance				
Personnel costs	744,869	795,869	749,892	45,977
Operational costs	301,902	1,063,225	1,056,873	6,352
Supplies and materials	92,351	112,351	108,206	4,145
Total Juvenile Detention-Facilities Maintenance	<u>\$ 1,139,122</u>	<u>\$ 1,971,445</u>	<u>\$ 1,914,971</u>	<u>\$ 56,474</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Fire Marshal/Emergency Management				
Personnel costs	\$ 533,428	\$ 568,252	\$ 568,251	\$ 1
Remuneration for services	4,212	4,212	3,415	797
Operational costs	272,789	272,993	236,630	36,363
Supplies and materials	26,595	77,605	75,708	1,897
Total Fire Marshal/Emergency Management	<u>837,024</u>	<u>923,062</u>	<u>884,004</u>	<u>39,058</u>
TOTAL PUBLIC SAFETY	<u>120,167,446</u>	<u>125,999,948</u>	<u>124,735,897</u>	<u>1,264,051</u>
EDUCATION AND RECREATION				
Agriculture Extension Service				
Personnel costs	445,265	445,265	385,619	59,646
Remuneration for services	12,000	12,000	10,859	1,141
Operational costs	143,978	143,978	136,841	7,137
Supplies and materials	11,400	11,400	8,972	2,428
Total Agriculture Extension Service	<u>612,643</u>	<u>612,643</u>	<u>542,291</u>	<u>70,352</u>
County Parks				
Personnel costs	1,725,613	1,725,613	1,723,805	1,808
Operational costs	194,943	334,140	326,753	7,387
Supplies and materials	174,005	203,001	204,533	(1,532)
Capital expenditures	9,000	7,632	7,335	297
Total County Parks	<u>2,103,561</u>	<u>2,270,386</u>	<u>2,262,426</u>	<u>7,960</u>
TOTAL EDUCATION AND RECREATION	<u>2,716,204</u>	<u>2,883,029</u>	<u>2,804,717</u>	<u>78,312</u>
PUBLIC WORKS				
Public Works				
Personnel costs	1,081,783	890,293	710,855	179,438
Remuneration for services	8,480	4,834	1,119	3,715
Operational costs	70,716	39,497	38,617	880
Supplies and materials	13,236	7,257	5,616	1,641
Total Public Works	<u>1,174,215</u>	<u>941,881</u>	<u>756,207</u>	<u>185,674</u>
Energy Management				
Personnel costs	122,432	127,340	95,324	32,016
Remuneration for services	4,700	4,700	3,504	1,196
Operational costs	4,069,050	53,672	53,443	229
Supplies and materials	6,200	6,200	4,860	1,340
Total Energy Management	<u>4,202,382</u>	<u>191,912</u>	<u>157,131</u>	<u>34,781</u>
TOTAL PUBLIC WORKS	<u>5,376,597</u>	<u>1,133,793</u>	<u>913,338</u>	<u>220,455</u>
HEALTH AND PUBLIC WELFARE				
Environmental Services				
Personnel costs	385,935	385,935	314,323	71,612
Remuneration for services	1,840	1,840	390	1,450
Operational costs	120,850	120,850	61,760	59,090
Supplies and materials	11,165	15,665	15,108	557
Total Environmental Services	<u>\$ 519,790</u>	<u>\$ 524,290</u>	<u>\$ 391,581</u>	<u>\$ 132,709</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
Child Welfare				
Remuneration for services	\$ 2,300	\$ 2,300	\$ 1,011	\$ 1,289
Operational costs	2,045,375	2,039,375	2,049,242	(9,867)
Supplies and materials	146,205	152,205	151,936	269
Total Child Welfare	<u>2,193,880</u>	<u>2,193,880</u>	<u>2,202,189</u>	<u>(8,309)</u>
Housing and Human Service				
Personnel costs	258,598	366,482	362,109	4,373
Remuneration for services	600	4,450	3,930	520
Operational costs	447,225	472,202	455,233	16,969
Supplies and materials	5,900	21,132	20,600	532
Total Housing and Human Service	<u>712,323</u>	<u>864,266</u>	<u>841,872</u>	<u>22,394</u>
Veterans County Service				
Personnel costs	122,570	125,746	122,863	2,883
Remuneration for services	1,120	890	556	334
Operational costs	6,046	6,276	3,062	3,214
Supplies and materials	950	950	943	7
Total Veterans County Service	<u>130,686</u>	<u>133,862</u>	<u>127,424</u>	<u>6,438</u>
Children's Services				
Personnel costs	100,564	114,659	113,974	685
Remuneration for services	500	500	479	21
Operational costs	112,800	1,300	585	715
Supplies and materials	250	250	88	162
Total Children's Services	<u>214,114</u>	<u>116,709</u>	<u>115,126</u>	<u>1,583</u>
Health and Welfare				
Operational costs	150,000	213,013	204,271	8,742
Total Health and Welfare	<u>150,000</u>	<u>213,013</u>	<u>204,271</u>	<u>8,742</u>
TOTAL HEALTH AND PUBLIC WELFARE	<u>3,920,793</u>	<u>4,046,020</u>	<u>3,882,463</u>	<u>163,557</u>
INTERGOVERNMENTAL EXPENDITURES				
Services by Other Agencies				
Operational costs	2,520,000	2,585,000	3,195,546	(610,546)
Total Services by Other Agencies	<u>2,520,000</u>	<u>2,585,000</u>	<u>3,195,546</u>	<u>(610,546)</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>2,520,000</u>	<u>2,585,000</u>	<u>3,195,546</u>	<u>(610,546)</u>
TOTAL EXPENDITURES	<u>245,400,788</u>	<u>254,370,995</u>	<u>246,653,056</u>	<u>7,717,939</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>13,662,212</u>	<u>4,726,210</u>	<u>20,920,938</u>	<u>16,194,728</u>
OTHER FINANCING SOURCES				
Interfund transfers in	4,912,000	564,145	564,145	-
Interfund transfers out	(2,896,235)	(3,103,842)	(3,109,883)	(6,041)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,015,765</u>	<u>\$ (2,539,697)</u>	<u>\$ (2,545,738)</u>	<u>\$ (6,041)</u>

Bexar County, Texas
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ 15,677,977</u>	<u>\$ 2,186,513</u>	18,375,200	<u>\$ 16,188,687</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis				
Encumbrances			441,534	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES, MODIFIED ACCRUAL BASIS			18,816,734	
Fund balance at October 1, 2005			29,910,020	
Fund balance at September 30, 2006			\$ 48,726,754	

Bexar County, Texas
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2006

General Fund Budget

The budget for the General Fund is adopted on a budgetary basis rather than in conformity with generally accepted accounting principles (GAAP). Under the budgetary basis, expenditures include encumbrances outstanding at the end of the fiscal year. The items, which reconcile the budgetary basis to the modified accrual basis (GAAP), include encumbrances outstanding at year-end.

The original expenditure category (appropriation unit) budgets for the General Fund is adopted by the Commissioners' Court and filed with the Bexar County Clerk by September 30. The total budget for the General Fund cannot be increased once the budget is adopted unless the County Auditor certifies a new revenue source not considered during the setting of the original budget. Amendments between expenditure categories are made during the year on approval by the Commissioners' Court. Both the original and final amended budget is included. Management cannot amend the budget without approval by Commissioners' Court.

State law requires that the budget not be exceeded in any expenditure category. For the General Fund, an expenditure category is considered to be an activity (e.g., personnel, remuneration for services, etc.).

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NON-MAJOR GOVERNMENTAL FUNDS are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

COUNTY CLERK RECORDS MANAGEMENT FUND - to account for revenues and expenditures associated with records management in the County Clerk's Office.

COUNTY RECORDS MANAGEMENT FUND - to account for revenues and expenditures associated with records management on a countywide basis.

COURTHOUSE SECURITY FUND - to account for revenues/expenditures for security devices and service for the courthouse and other buildings housing courts.

JP TECHNOLOGY FUND - to account for revenues and expenditures for technological improvements in the Justice of Peace offices.

FIRE CODE FUND - to account for revenues and expenditures related to fire prevention.

DISTRICT CLERK RECORDS MANAGEMENT FUND - to account for revenues and expenditures associated with records management in the District Clerk's Office.

UNCLAIMED MONEY FUND - to account for funds the County holds that rightfully belongs to another party. Funds will either be escheated to the State as unclaimed property or converted to a County asset.

LAW LIBRARY FUND - to account for the operations of the law library. Financing is provided by a fee charged on each civil case, except suits for delinquent taxes, filed in County and District Courts.

DISPUTE RESOLUTION FUND - to account for the operations of the dispute mediation center. Financing is provided by a fee assessed on each civil case, except suits for delinquent taxes, filed in the County and District Courts and supplemented by interfund transfers from the General Fund.

JP SECURITY FUND - to account for revenues/expenditures for security devices and service for buildings housing courts other than the courthouse.

DOMESTIC RELATIONS FUND - to account for the operation of the domestic relations office. A fee assessed in each suit for dissolution of a marriage and each suit affecting the parent-child relationship provides financing.

PROBATE CONTRIBUTION FUND - to account for state revenue provided for Probate Court support and related expenditures.

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NON-MAJOR GOVERNMENTAL FUNDS

LAW ENFORCEMENT OFFICERS SPECIAL EDUCATION FUND - to account for revenues/ expenditures related to continuing education for law enforcement officers

PARKING FACILITIES FUND - to account for operating costs of the County parking garage. Revenue is from the parking fees collected.

GRAFFITI ERADICATION FUND - to account for the revenues/expenditures related to graffiti eradication.

FARM TO MARKET AND LATERAL ROAD FUND - to account for maintenance of County farm and lateral roads. A specific annual property tax levy and a portion of vehicle sales tax provide financing.

GRANTS FUND - to account for expenditures of funds received as grants-in-aid from various sources and from Federal and State agencies for specific programs

VEHICLE REPLACEMENT FUND - to account for vehicle replacement fees charged to user departments. Accumulated fees are used to replace vehicles on a systematic basis.

TECHNOLOGY IMPROVEMENT FUND - to account for costs associated with technology improvements.

ELECTION CONTRACTING SERVICES FUND - to account for receipt and disbursement of funds from/for election contract service agreements.

TAX COLLECTOR'S SPECIAL INVENTORY FUND - to account for the receipt and disbursement of funds administered by the Tax Collector

DISTRICT ATTORNEY PROGRAMS FUND - to account for the receipt and disbursement of discretionary funds maintained by the Criminal District Attorney.

ASSET FORFEITURE FUND - to account for receipt / disbursement of funds relating to forfeitures and disposition of certain property related to felony offenses

BEXAR COUNTY HOUSING FINANCE CORPORATION - to account for revenues/expenditures of Bexar County Housing Finance Corporation.

BEXAR COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION - to account for revenues/expenditures Bexar County Health Facilities Development Corporation.

BEXAR COUNTY INDUSTRIAL DEVELOPMENT CORPORATION - to account for revenues / expenditures of Bexar County Industrial Development Corporation.

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Bexar County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	County Clerk Records Management	County Records Management	Courthouse Security	Justice of Peace Technology
ASSETS				
Cash	\$ 6,170,809	\$ 575,873	\$ 107,480	\$ 511,093
Investments	-	-	-	-
Receivables:				
Delinquent taxes, net of allowance for uncollectable accounts	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Accrued interest	-	-	-	-
TOTAL ASSETS	\$ 6,170,809	\$ 575,873	\$ 107,480	\$ 511,093
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Vouchers payable	\$ 184,929	\$ 16,522	\$ 1	\$ -
Accrued liabilities	352,387	-	18,503	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Contract retainage payable	-	-	-	-
TOTAL LIABILITIES	537,316	16,522	18,504	-
 FUND EQUITY				
Fund balances				
Reserved for encumbrances	-	115,909	-	-
Unreserved but designated for:				
Grant awards	-	-	-	-
Administrative commitments	-	-	-	-
Unreserved	5,633,493	443,442	88,976	511,093
TOTAL FUND EQUITY	5,633,493	559,351	88,976	511,093
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 6,170,809	 \$ 575,873	 \$ 107,480	 \$ 511,093

Fire Code	District Clerk Records Management	Unclaimed Money	Law Library	Dispute Resolution	Justice of Peace Security Fund
\$ 537,985	\$ 64,663	\$ 117,819	\$ 310,754	\$ 42,765	\$ 29,932
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	776	-
223	-	-	-	212	-
-	-	19,105	-	-	-
-	-	-	-	-	-
<u>\$ 538,208</u>	<u>\$ 64,663</u>	<u>\$ 136,924</u>	<u>\$ 310,754</u>	<u>\$ 43,753</u>	<u>\$ 29,932</u>
\$ 15,384	\$ 40,000	\$ -	\$ 1,538	\$ 2,582	\$ -
21,870	-	6	92,136	11,639	-
212	-	-	112	138	-
-	-	130,943	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,466</u>	<u>40,000</u>	<u>130,949</u>	<u>93,786</u>	<u>14,359</u>	<u>-</u>
6,374	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>494,368</u>	<u>24,663</u>	<u>5,975</u>	<u>216,968</u>	<u>29,394</u>	<u>29,932</u>
<u>500,742</u>	<u>24,663</u>	<u>5,975</u>	<u>216,968</u>	<u>29,394</u>	<u>29,932</u>
<u>\$ 538,208</u>	<u>\$ 64,663</u>	<u>\$ 136,924</u>	<u>\$ 310,754</u>	<u>\$ 43,753</u>	<u>\$ 29,932</u>

Bexar County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Domestic Relations</u>	<u>Probate Contribution</u>	<u>LEOSE</u>	<u>Parking Facilities</u>
ASSETS				
Cash	\$ 95,628	\$ 898,129	\$ 73,557	\$ 451,019
Investments	-	-	-	-
Receivables:				
Delinquent taxes, net of allowance for uncollectable accounts	-	-	-	-
Accounts receivable	-	-	14,234	-
Due from other funds	-	-	2,252	-
Due from other governments	-	-	-	-
Accrued interest	-	-	-	-
TOTAL ASSETS	\$ 95,628	\$ 898,129	\$ 90,043	\$ 451,019
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Vouchers payable	\$ 34,217	\$ 487	\$ 4,019	\$ 106,471
Accrued liabilities	504	1,312	17,314	3,252
Due to other funds	110	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Contract retainage payable	-	-	-	-
TOTAL LIABILITIES	34,831	1,799	21,333	109,723
 FUND EQUITY				
Fund balances				
Reserved for encumbrances	-	827	-	-
Unreserved but designated for:				
Grant awards	-	-	-	-
Administrative commitments	-	-	-	-
Unreserved	60,797	895,503	68,710	341,296
TOTAL FUND EQUITY	60,797	896,330	68,710	341,296
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 95,628	 \$ 898,129	 \$ 90,043	 \$ 451,019

<u>Graffiti Eradication</u>	<u>Farm to Market and Lateral Road</u>	<u>Grants</u>	<u>Vehicle Replacement</u>	<u>Technology Improvement</u>
\$ 6,727	\$ 1,855,975	\$ 11,284,448	\$ 372,851	\$ 835,371
-	207	-	-	-
-	74,093	-	-	-
-	-	1,311,245	-	-
-	5,706	29,035	-	-
-	91,776	584,057	-	-
-	-	-	-	-
<u>\$ 6,727</u>	<u>\$ 2,027,757</u>	<u>\$ 13,208,785</u>	<u>\$ 372,851</u>	<u>\$ 835,371</u>
\$ -	\$ 140,331	\$ 2,472,691	\$ -	\$ 87,738
-	159,253	12,665	-	9,506
-	2,894	279,720	506	400,000
-	-	-	-	-
-	73,644	-	-	-
-	-	45,858	-	-
-	376,122	2,810,934	506	497,244
-	74,682	4,684,141	-	46,562
-	-	-	-	-
-	-	-	-	-
<u>6,727</u>	<u>1,576,953</u>	<u>5,713,710</u>	<u>372,345</u>	<u>291,565</u>
<u>6,727</u>	<u>1,651,635</u>	<u>10,397,851</u>	<u>372,345</u>	<u>338,127</u>
<u>\$ 6,727</u>	<u>\$ 2,027,757</u>	<u>\$ 13,208,785</u>	<u>\$ 372,851</u>	<u>\$ 835,371</u>

Bexar County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Election Contracting Services</u>	<u>Tax Account Special Inventory</u>	<u>District Attorney Programs</u>	<u>Asset Forfeitures</u>
ASSETS				
Cash	\$ -	\$ -	\$ 1,491,312	\$ 1,673,536
Investments	-	-	-	-
Receivables:				
Delinquent taxes, net of allowance for uncollectable accounts	-	-	-	-
Accounts receivable	772,411	-	1,605	3,629
Due from other funds	235,737	719	-	960
Due from other governments	-	-	-	-
Accrued interest	-	211,798	-	-
TOTAL ASSETS	<u>\$ 1,008,148</u>	<u>\$ 212,517</u>	<u>\$ 1,492,917</u>	<u>\$ 1,678,125</u>
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Vouchers payable	\$ 14,904	\$ -	\$ 2,049	\$ 55,855
Accrued liabilities	163,501	7,640	14,544	91,790
Due to other funds	287,786	13,022	374	8,533
Due to other governmental units	65,498	-	-	-
Deferred revenue	-	-	-	-
Contract retainage payable	-	-	-	-
TOTAL LIABILITIES	<u>531,689</u>	<u>20,662</u>	<u>16,967</u>	<u>156,178</u>
 FUND EQUITY				
Fund balances				
Reserved for encumbrances	1,399	-	-	65,375
Unreserved but designated for:				
Grant awards	-	-	-	-
Administrative commitments	-	-	-	-
Unreserved	475,060	191,855	1,475,950	1,456,572
TOTAL FUND EQUITY	<u>476,459</u>	<u>191,855</u>	<u>1,475,950</u>	<u>1,521,947</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,008,148</u>	 <u>\$ 212,517</u>	 <u>\$ 1,492,917</u>	 <u>\$ 1,678,125</u>

Blended Units

Bexar County Housing Finance Corporation	Bexar County Health Facilities Development Corporation	Bexar County Industrial Development Corporation	Total
\$ 1,218,408	\$ 118,003	\$ 34,990	\$ 28,879,127
-	-	-	207
-	-	-	74,093
137,711	-	-	2,241,611
-	-	-	274,844
-	-	-	694,938
-	-	-	211,798
<u>\$ 1,356,119</u>	<u>\$ 118,003</u>	<u>\$ 34,990</u>	<u>\$ 32,376,618</u>
\$ 2,820	\$ 2,821	\$ -	\$ 3,185,359
-	-	-	977,822
1	-	-	993,408
-	-	-	196,441
-	-	-	73,644
-	-	-	45,858
<u>2,821</u>	<u>2,821</u>	<u>-</u>	<u>5,472,532</u>
-	-	-	4,995,269
824,047	15,181	-	839,228
150,000	100,000	-	250,000
379,251	1	34,990	20,819,589
<u>1,353,298</u>	<u>115,182</u>	<u>34,990</u>	<u>26,904,086</u>
<u>\$ 1,356,119</u>	<u>\$ 118,003</u>	<u>\$ 34,990</u>	<u>\$ 32,376,618</u>

Bexar County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	County Clerk Records Management	County Records Management	Courthouse Security	Justice of Peace Technology
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Court cost and fines	1,902	431,630	405,135	251,889
Fees on motor vehicles	-	-	-	-
Other fees	3,239,373	-	377,330	-
Revenue from use of assets	229,722	21,029	1,828	17,374
Sales, refunds and miscellaneous	200	-	-	-
TOTAL REVENUES	3,471,197	452,659	784,293	269,263
EXPENDITURES				
General government	1,293,573	175,245	-	-
Judicial	-	-	-	38,016
Public Safety	-	-	1,108,295	-
Education and recreation	-	-	-	-
Public works	-	-	-	-
Health and public welfare	-	-	-	-
Capital expenditures	7,459	-	-	-
TOTAL EXPENDITURES	1,301,032	175,245	1,108,295	38,016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,170,165	277,414	(324,002)	231,247
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	386,023	-
Interfund transfers out	-	(266,285)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(266,285)	386,023	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,170,165	11,129	62,021	231,247
Fund balances at October 1, 2005	3,463,328	548,222	26,955	279,846
Fund balances at September 30, 2006	<u>\$ 5,633,493</u>	<u>\$ 559,351</u>	<u>\$ 88,976</u>	<u>\$ 511,093</u>

<u>Fire Code</u>	<u>District Clerk Records Management</u>	<u>Unclaimed Money</u>	<u>Law Library</u>	<u>Dispute Resolution</u>	<u>Justice of Peace Security Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	555,969	463,583	29,117
-	-	-	-	-	-
547,361	107,705	-	-	-	-
24,491	3,241	5,532	12,183	-	815
-	-	-	119,452	-	-
<u>571,852</u>	<u>110,946</u>	<u>5,532</u>	<u>687,604</u>	<u>463,583</u>	<u>29,932</u>
-	-	-	-	-	-
-	130,000	-	569,475	-	-
274,361	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	551,656	-
221,731	-	-	-	-	-
<u>496,092</u>	<u>130,000</u>	<u>-</u>	<u>569,475</u>	<u>551,656</u>	<u>-</u>
-	-	-	-	-	-
75,760	(19,054)	5,532	118,129	(88,073)	29,932
-	-	-	-	115,480	-
-	-	-	(14,529)	-	-
-	-	-	(14,529)	115,480	-
<u>75,760</u>	<u>(19,054)</u>	<u>5,532</u>	<u>103,600</u>	<u>27,407</u>	<u>29,932</u>
-	-	-	-	-	-
424,982	43,717	443	113,368	1,987	-
<u>\$ 500,742</u>	<u>\$ 24,663</u>	<u>\$ 5,975</u>	<u>\$ 216,968</u>	<u>\$ 29,394</u>	<u>\$ 29,932</u>

Bexar County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Domestic Relations</u>	<u>Probate Contribution</u>	<u>LEOSE</u>	<u>Parking Facilities</u>
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	248,745	118,064	-
Court cost and fines	340,987	-	-	-
Fees on motor vehicles	-	-	-	-
Other fees	-	-	-	-
Revenue from use of assets	4,147	31,242	3,708	590,758
Sales, refunds and miscellaneous	-	-	5,538	1,500
TOTAL REVENUES	<u>345,134</u>	<u>279,987</u>	<u>127,310</u>	<u>592,258</u>
EXPENDITURES				
General government	-	-	-	356,229
Judicial	-	28,043	-	-
Public Safety	-	-	105,087	-
Education and recreation	-	-	-	-
Public works	-	-	-	-
Health and public welfare	337,358	-	-	-
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>337,358</u>	<u>28,043</u>	<u>105,087</u>	<u>356,229</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,776</u>	<u>251,944</u>	<u>22,223</u>	<u>236,029</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	-	-
Interfund transfers out	(24,433)	-	-	(153,070)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(24,433)</u>	<u>-</u>	<u>-</u>	<u>(153,070)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(16,657)</u>	<u>251,944</u>	<u>22,223</u>	<u>82,959</u>
Fund balances at October 1, 2005	<u>77,454</u>	<u>644,386</u>	<u>46,487</u>	<u>258,337</u>
Fund balances at September 30, 2006	<u>\$ 60,797</u>	<u>\$ 896,330</u>	<u>\$ 68,710</u>	<u>\$ 341,296</u>

<u>Graffiti Eradication</u>	<u>Farm to Market and Lateral Road</u>	<u>Grants</u>	<u>Vehicle Replacement</u>	<u>Technology Improvement</u>
\$ -	\$ 6,875	\$ -	\$ -	\$ -
-	-	-	-	-
-	327,926	-	-	-
-	91,776	29,430,922	-	-
1,582	-	64,570	-	-
-	8,311,565	-	-	-
-	1,029,863	-	-	-
251	100,251	327,343	1	4
-	41,411	1,283,634	-	874,784
<u>1,833</u>	<u>9,909,667</u>	<u>31,106,469</u>	<u>1</u>	<u>874,788</u>
-	-	-	-	288,754
-	-	2,347,328	-	109,373
-	-	10,928,807	-	144,996
-	-	2,881,612	-	1,723
-	10,088,456	57,003	-	140,163
-	-	12,258,990	-	13,547
-	90,610	1,470,195	-	61,269
-	<u>10,179,066</u>	<u>29,943,935</u>	-	<u>759,825</u>
<u>1,833</u>	<u>(269,399)</u>	<u>1,162,534</u>	<u>1</u>	<u>114,963</u>
-	507,533	422,425	735,891	119,000
-	-	-	-	(26,546)
-	<u>507,533</u>	<u>422,425</u>	<u>735,891</u>	<u>92,454</u>
<u>1,833</u>	<u>238,134</u>	<u>1,584,959</u>	<u>735,892</u>	<u>207,417</u>
<u>4,894</u>	<u>1,413,501</u>	<u>8,812,892</u>	<u>(363,547)</u>	<u>130,710</u>
<u>\$ 6,727</u>	<u>\$ 1,651,635</u>	<u>\$ 10,397,851</u>	<u>\$ 372,345</u>	<u>\$ 338,127</u>

Bexar County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Election Contracting Services</u>	<u>Tax Account Special Inventory</u>	<u>District Attorney Programs</u>	<u>Asset Forfeitures</u>
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,336,795	-	-	-
Court cost and fines	-	-	228,816	323,697
Fees on motor vehicles	-	-	-	-
Other fees	120,360	-	769,922	-
Revenue from use of assets	10	346,799	56,050	99,374
Sales, refunds and miscellaneous	-	-	1,747	4,984
TOTAL REVENUES	<u>1,457,165</u>	<u>346,799</u>	<u>1,056,535</u>	<u>428,055</u>
EXPENDITURES				
General government	1,463,885	176,042	-	-
Judicial	-	-	838,612	955,102
Public Safety	-	-	-	559,381
Education and recreation	-	-	-	-
Public works	-	-	-	-
Health and public welfare	-	-	-	-
Capital expenditures	21,570	40,523	-	64,903
TOTAL EXPENDITURES	<u>1,485,455</u>	<u>216,565</u>	<u>838,612</u>	<u>1,579,386</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(28,290)</u>	<u>130,234</u>	<u>217,923</u>	<u>(1,151,331)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	-	-
Interfund transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(28,290)</u>	<u>130,234</u>	<u>217,923</u>	<u>(1,151,331)</u>
Fund balances at October 1, 2005	<u>504,749</u>	<u>61,621</u>	<u>1,258,027</u>	<u>2,673,278</u>
Fund balances at September 30, 2006	<u>\$ 476,459</u>	<u>\$ 191,855</u>	<u>\$ 1,475,950</u>	<u>\$ 1,521,947</u>

Blended Units

Bexar County Housing Finance Corporation	Bexar County Health Facilities Development Corporation	Bexar County Industrial Development Corporation	Total
\$ -	\$ -	\$ -	\$ 6,875
-	-	-	-
-	-	-	327,926
-	-	-	31,226,302
-	-	-	3,098,877
-	-	-	8,311,565
88,449	-	-	6,280,363
55,947	5,218	1,395	1,938,713
3,900	-	-	2,337,150
<u>148,296</u>	<u>5,218</u>	<u>1,395</u>	<u>53,527,771</u>
453,837	14,397	1,700	4,223,662
-	-	-	5,015,949
-	-	-	13,120,927
-	-	-	2,883,335
-	-	-	10,285,622
-	-	-	13,161,551
-	-	-	1,978,260
<u>453,837</u>	<u>14,397</u>	<u>1,700</u>	<u>50,669,306</u>
<u>(305,541)</u>	<u>(9,179)</u>	<u>(305)</u>	<u>2,858,465</u>
-	-	-	2,286,352
-	-	-	<u>(484,863)</u>
-	-	-	1,801,489
<u>(305,541)</u>	<u>(9,179)</u>	<u>(305)</u>	<u>4,659,954</u>
<u>1,658,839</u>	<u>124,361</u>	<u>35,295</u>	<u>22,244,132</u>
<u>\$ 1,353,298</u>	<u>\$ 115,182</u>	<u>\$ 34,990</u>	<u>\$ 26,904,086</u>

Bexar County, Texas
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For Fiscal Year Ended September 30, 2006

	Final Budget	Actual Amount	Variance
REVENUES:			
Property tax	\$ 27,226,000	\$ 26,941,002	\$ (284,998)
Revenue from use of assets - interest	1,910,631	2,859,352	948,721
TOTAL REVENUES	29,136,631	29,800,354	663,723
EXPENDITURES:			
Debt service:			
Principal	14,154,364	14,227,624	(73,260)
Interest	14,554,425	14,209,331	345,094
Refunding bond issuance cost	600,000	764,881	(164,881)
Debt service SARA	5,500,000	5,500,000	-
Other debt service fees	-	3,702	(3,702)
TOTAL EXPENDITURES:	34,808,789	34,705,538	103,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,672,158)	(4,905,184)	766,974
OTHER FINANCING SOURCES (USES):			
Transfers in	2,170,554	2,026,874	(143,680)
Proceeds from refunding bonds	26,530,000	26,530,000	-
Payment to refunded debt paying agent	-	(28,157,516)	(28,157,516)
Premium on bond issues	-	1,597,513	1,597,513
TOTAL OTHER FINANCING SOURCES (USES)	28,700,554	1,996,871	(26,703,683)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ 23,028,396	(2,908,313)	\$ (25,936,709)
Fund balance--beginning		20,603,746	
Fund balance--ending		\$ 17,695,433	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ -	\$ 1,902	\$ 1,902
Other fees	5,982,000	3,239,373	(2,742,627)
Revenue from use of assets	63,000	229,722	166,722
Sales, refunds and miscellaneous	-	200	200
TOTAL REVENUES	<u>6,045,000</u>	<u>3,471,197</u>	<u>(2,573,803)</u>
EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel Costs	20,114	5,005	15,109
Remuneration for services	1,500	922	578
Operational costs	1,618,600	1,261,301	357,299
Supplies and materials	364,000	26,345	337,655
TOTAL GENERAL GOVERNMENT	<u>2,004,214</u>	<u>1,293,573</u>	<u>710,641</u>
CAPITAL EXPENDITURES	<u>205,000</u>	<u>7,459</u>	<u>197,541</u>
TOTAL EXPENDITURES	<u>2,209,214</u>	<u>1,301,032</u>	<u>908,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 3,835,786</u>	2,170,165	<u>\$ (1,665,621)</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
EXCESS OF REVENUES OVER EXPENDITURES		2,170,165	
Fund balance--beginning		<u>3,463,328</u>	
Fund balance--ending		<u>\$ 5,633,493</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COUNTY RECORDS MANAGEMENT FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 422,000	\$ 431,630	\$ 9,630
Revenue from use of assets	<u>7,000</u>	<u>21,029</u>	<u>14,029</u>
TOTAL REVENUES	<u>429,000</u>	<u>452,659</u>	<u>23,659</u>
EXPENDITURES:			
GENERAL GOVERNMENT			
Operational costs	<u>331,723</u>	<u>240,260</u>	<u>91,463</u>
TOTAL GENERAL GOVERNMENT	331,723	240,260	91,463
CAPITAL EXPENDITURES	<u>58,277</u>	<u>50,894</u>	<u>7,383</u>
TOTAL EXPENDITURES	<u>390,000</u>	<u>291,154</u>	<u>98,846</u>
EXCESS OF REVENUES OVER EXPENDITURES	39,000	161,505	122,505
OTHER FINANCING SOURCES:			
Interfund transfers out	<u>(266,285)</u>	<u>(266,285)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (227,285)</u>	(104,780)	<u>\$ 122,505</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>115,909</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		11,129	
Fund balance--beginning		<u>548,222</u>	
Fund balance--ending		<u>\$ 559,351</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COURTHOUSE SECURITY FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 355,000	\$ 405,135	\$ 50,135
Other fees	356,000	377,330	21,330
Revenue from use of assets	1,000	1,828	828
TOTAL REVENUES	<u>712,000</u>	<u>784,293</u>	<u>72,293</u>
EXPENDITURES:			
PUBLIC SAFETY			
Personnel costs	1,017,793	1,108,295	(90,502)
TOTAL PUBLIC SAFETY	<u>1,017,793</u>	<u>1,108,295</u>	<u>(90,502)</u>
TOTAL EXPENDITURES	<u>1,017,793</u>	<u>1,108,295</u>	<u>(90,502)</u>
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(305,793)	(324,002)	(18,209)
OTHER FINANCING SOURCES:			
Interfund transfers in	<u>294,889</u>	<u>386,023</u>	<u>91,134</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (10,904)</u>	62,021	<u>\$ 72,925</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		62,021	
Fund balance--beginning		<u>26,955</u>	
Fund balance--ending		<u>\$ 88,976</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
JUSTICE OF PEACE TECHNOLOGY FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 172,000	\$ 251,889	\$ 79,889
Revenue from use of assets	1,500	17,374	15,874
TOTAL REVENUES	<u>173,500</u>	<u>269,263</u>	<u>95,763</u>
EXPENDITURES:			
JUDICIAL			
Operational cost	38,016	38,016	-
TOTAL JUDICIAL	<u>38,016</u>	<u>38,016</u>	<u>-</u>
TOTAL EXPENDITURES	<u>38,016</u>	<u>38,016</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 135,484</u>	231,247	<u>\$ 95,763</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES OVER EXPENDITURES		231,247	
Fund balance--beginning		<u>279,846</u>	
Fund balance--ending		<u>\$ 511,093</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FIRE CONTROL FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Other Fees	\$ 340,000	\$ 547,361	\$ 207,361
Revenue from use of assets	-	24,491	24,491
TOTAL REVENUES	340,000	571,852	231,852
EXPENDITURES:			
PUBLIC SAFETY			
Personnel costs	209,530	187,965	21,565
Remuneration for service	7,314	3,408	3,906
Operational costs	45,847	35,892	9,955
Supplies and materials	56,214	53,470	2,744
TOTAL PUBLIC SAFETY	318,905	280,735	38,170
CAPITAL EXPENDITURES	221,732	221,731	1
TOTAL EXPENDITURES	540,637	502,466	38,171
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (200,637)	69,386	\$ 270,023
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		6,374	
EXCESS OF REVENUES OVER EXPENDITURES		75,760	
Fund balance--beginning		424,982	
Fund balance--ending		\$ 500,742	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES;			
Other Fees	\$ 113,000	\$ 107,705	\$ (5,295)
Revenue from use of assets	500	3,241	2,741
TOTAL REVENUES	<u>113,500</u>	<u>110,946</u>	<u>(2,554)</u>
EXPENDITURES:			
JUDICIAL			
Operational cost	<u>130,000</u>	<u>130,000</u>	<u>-</u>
TOTAL JUDICIAL	<u>130,000</u>	<u>130,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>130,000</u>	<u>130,000</u>	<u>-</u>
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>\$ (16,500)</u>	(19,054)	<u>\$ (2,554)</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES		(19,054)	
Fund balance--beginning		<u>43,717</u>	
Fund balance--ending		<u>\$ 24,663</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
UNCLAIMED MONEY FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Revenue from use of assets	\$ 500	\$ 5,532	\$ 5,032
TOTAL REVENUES	500	5,532	5,032
EXPENDITURES:			
GENERAL GOVERNMENT	-	-	-
TOTAL GENERAL GOVERNMENT	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 500	5,532	\$ 5,032
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
EXCESS OF REVENUES OVER EXPENDITURES		5,532	
Fund balance--beginning		443	
Fund balance--ending		\$ 5,975	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LAW LIBRARY FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 545,000	\$ 555,969	\$ 10,969
Revenue from use of assets	2,000	12,183	10,183
Sales, refunds and miscellaneous	87,000	119,452	32,452
TOTAL REVENUES	<u>634,000</u>	<u>687,604</u>	<u>53,604</u>
EXPENDITURES:			
JUDICIAL			
Personnel costs	194,862	194,862	-
Operational cost	113,752	110,089	3,663
Supplies and materials	264,525	264,524	1
TOTAL JUDICIAL	<u>573,139</u>	<u>569,475</u>	<u>3,664</u>
TOTAL EXPENDITURES	<u>573,139</u>	<u>569,475</u>	<u>3,664</u>
EXCESS OF REVENUES OVER EXPENDITURES	60,861	118,129	57,268
OTHER FINANCING SOURCES			
Interfund transfers out	<u>(14,529)</u>	<u>(14,529)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>\$ 46,332</u>	103,600	<u>\$ 57,268</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		103,600	
Fund balance--beginning		<u>113,368</u>	
Fund balance--ending		<u>\$ 216,968</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DISPUTE RESOLUTION FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 511,000	\$ 463,583	\$ (47,417)
TOTAL REVENUES	511,000	463,583	(47,417)
 EXPENDITURES:			
HEALTH AND PUBLIC WELFARE			
Personnel costs	495,588	498,252	(2,664)
Remuneration for service	25,155	25,161	(6)
Operational cost	21,999	21,687	312
Supplies and materials	6,504	6,556	(52)
TOTAL HEALTH AND PUBLIC WELFARE	549,246	551,656	(2,410)
TOTAL EXPENDITURES	549,246	551,656	(2,410)
 (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES			
	(38,246)	(88,073)	(49,827)
 OTHER FINANCING SOURCES			
Interfund transfers in	1,440	115,480	114,040
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES			
	\$ (36,806)	27,407	\$ 64,213
 Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
 EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES			
		27,407	
Fund balance--beginning		1,987	
Fund balance--ending		\$ 29,394	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
JUSTICE OF PEACE SECURITY FUND
For Year Ended September 30, 2006

	Final Budget	Actual Amount	Variance
REVENUES:			
Court cost and fines	50,000	29,117	(20,883)
Revenue from use of assets	-	815	815
TOTAL REVENUES	50,000	29,932	(20,068)
EXPENDITURES:			
PUBLIC SAFETY	-	-	-
TOTAL PUBLIC SAFETY	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 50,000	29,932	\$ (20,068)
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
EXCESS OF REVENUES OVER EXPENDITURES		29,932	
Fund balance--beginning		-	
Fund balance--ending		\$ 29,932	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DOMESTIC RELATIONS FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ 300,603	\$ 340,987	\$ 40,384
Revenue from use of assets	2,000	4,147	2,147
TOTAL REVENUES	<u>302,603</u>	<u>345,134</u>	<u>42,531</u>
EXPENDITURES:			
HEALTH AND PUBLIC WELFARE			
Personnel costs	99,032	99,032	-
Remuneration for service	2,995	2,994	1
Operational cost	234,414	234,414	-
Supplies and materials	919	918	1
TOTAL HEALTH AND PUBLIC WELFARE	<u>337,360</u>	<u>337,358</u>	<u>2</u>
TOTAL EXPENDITURES	<u>337,360</u>	<u>337,358</u>	<u>2</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,757)	7,776	42,533
OTHER FINANCING SOURCES			
Interfund transfers out	<u>(24,433)</u>	<u>(24,433)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (59,190)</u>	(16,657)	<u>\$ 42,533</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
(DEFICIENCY) OF REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES		(16,657)	
Fund balance--beginning		<u>77,454</u>	
Fund balance--ending		<u>\$ 60,797</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PROBATE CONTRIBUTION FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Intergovernmental revenue	\$ 80,000	\$ 248,745	\$ 168,745
Revenue from use of assets	6,000	31,242	25,242
TOTAL REVENUES	<u>86,000</u>	<u>279,987</u>	<u>193,987</u>
EXPENDITURES:			
JUDICIAL			
Personnel costs	10,000	7,737	2,263
Remuneration for services	27,500	187	27,313
Operational cost	7,600	5,705	1,895
Supplies and materials	18,700	15,241	3,459
TOTAL JUDICIAL	<u>63,800</u>	<u>28,870</u>	<u>34,930</u>
TOTAL EXPENDITURES	<u>63,800</u>	<u>28,870</u>	<u>34,930</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 22,200</u>	251,117	<u>\$ 228,917</u>

Add other reconciling items to adjust from budgetary basis to modified accrual basis

Encumbrances	<u>827</u>
EXCESS OF REVENUES OVER EXPENDITURES	251,944
Fund balance--beginning	<u>644,386</u>
Fund balance--ending	<u>\$ 896,330</u>

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LAW ENFORCEMENT OFFICER SPECIAL EDUCATION (LEOSE) FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Intergovernmental revenue	\$ -	\$ 118,064	\$ 118,064
Revenue from use of assets	-	3,708	3,708
Sales, refunds and miscellaneous	-	5,538	5,538
TOTAL REVENUES	<u>-</u>	<u>127,310</u>	<u>127,310</u>
EXPENDITURES:			
PUBLIC SAFETY			
Remuneration for service	<u>168,772</u>	<u>105,087</u>	<u>63,685</u>
TOTAL PUBLIC SAFETY	168,772	105,087	63,685
 TOTAL EXPENDITURES	 <u>168,772</u>	 <u>105,087</u>	 <u>63,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (168,772)</u>	22,223	<u>\$ 190,995</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES OVER EXPENDITURES		22,223	
Fund balance--beginning		<u>46,487</u>	
Fund balance--ending		<u>\$ 68,710</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PARKING FACILITIES FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES;			
Revenue from use of assets	\$ 527,500	\$ 590,758	\$ 63,258
Sales, refunds and miscellaneous	-	1,500	1,500
TOTAL REVENUES	<u>527,500</u>	<u>592,258</u>	<u>64,758</u>
 EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel Costs	200,949	124,159	76,790
Operational costs	125,170	100,483	24,687
Supplies and materials	16,025	15,073	952
TOTAL GENERAL GOVERNMENT	<u>342,144</u>	<u>239,715</u>	<u>102,429</u>
CAPITAL EXPENDITURES	<u>130,000</u>	<u>116,514</u>	<u>13,486</u>
 TOTAL EXPENDITURES	<u>472,144</u>	<u>356,229</u>	<u>115,915</u>
 EXCESS OF REVENUES OVER EXPENDITURES	55,356	236,029	180,673
 OTHER FINANCING SOURCES			
Interfund transfers out	<u>(153,070)</u>	<u>(153,070)</u>	-
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (97,714)</u>	82,959	<u>\$ 180,673</u>
 Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
 EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		82,959	
 Fund balance--beginning		<u>258,337</u>	
 Fund balance--ending		<u>\$ 341,296</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GRAFFITI ERADICATION FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES;			
Court cost and fines	\$ 400	\$ 1,582	\$ 1,182
Revenue from use of assets	<u>50</u>	<u>251</u>	<u>201</u>
TOTAL REVENUES	<u>450</u>	<u>1,833</u>	<u>1,383</u>
EXPENDITURES:			
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 450</u>	1,833	<u>\$ 1,383</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		1,833	
Fund balance--beginning		<u>4,894</u>	
Fund balance--ending		<u>\$ 6,727</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FARM TO MARKET AND LATERAL ROAD FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Taxes - Property	\$ 6,600	\$ 6,875	\$ 275
License and permits	80,000	327,926	247,926
Intergovernmental revenue	90,000	91,776	1,776
Fees on motor vehicles	8,985,000	8,311,565	(673,435)
Other Fees	722,000	1,029,863	307,863
Revenue from use of assets	25,900	100,251	74,351
Sales, refunds and miscellaneous	1,500	41,411	39,911
TOTAL REVENUES	<u>9,911,000</u>	<u>9,909,667</u>	<u>(1,333)</u>
EXPENDITURES;			
PUBLIC WORKS			
Personnel costs	8,076,188	8,076,186	2
Remuneration for service	33,341	29,524	3,817
Operational costs	1,393,738	1,179,803	213,935
Supplies and materials	1,039,345	877,625	161,720
TOTAL PUBLIC WORKS	<u>10,542,612</u>	<u>10,163,138</u>	<u>379,474</u>
CAPITAL EXPENDITURES	<u>92,730</u>	<u>90,610</u>	<u>2,120</u>
TOTAL EXPENDITURES	<u>10,635,342</u>	<u>10,253,748</u>	<u>381,594</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(724,342)	(344,081)	380,261
OTHER FINANCING SOURCES			
Interfund transfers in	507,533	507,533	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (216,809)</u>	163,452	<u>\$ 380,261</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		74,682	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		238,134	
Fund balance--beginning		1,413,501	
Fund balance--ending		<u>\$ 1,651,635</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GRANTS FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Intergovernmental revenue	\$ 42,919,318	\$ 29,430,922	\$ (13,488,396)
Court cost and fines	94,163	64,570	(29,593)
Revenue from use of assets	477,367	327,343	(150,024)
Sales, refunds and miscellaneous	1,871,932	1,283,634	(588,298)
TOTAL REVENUES	<u>45,362,780</u>	<u>31,106,469</u>	<u>(14,256,311)</u>
EXPENDITURES:			
JUDICIAL			
Personnel costs	1,822,476	1,372,564	449,912
Remuneration for services	96,342	72,558	23,784
Operational cost	1,318,933	993,330	325,603
Supplies and materials	132,972	100,145	32,827
TOTAL JUDICIAL	<u>3,370,723</u>	<u>2,538,597</u>	<u>832,126</u>
PUBLIC SAFETY			
Personnel costs	7,839,462	5,904,144	1,935,318
Remuneration for service	94,979	71,532	23,447
Operational costs	5,243,097	3,948,740	1,294,357
Supplies and materials	1,934,055	1,456,597	477,458
TOTAL PUBLIC SAFETY	<u>15,111,593</u>	<u>11,381,013</u>	<u>3,730,580</u>
EDUCATION AND RECREATION			
Personnel costs	849,754	639,976	209,778
Remuneration for service	4,711	3,548	1,163
Operational cost	4,477,323	3,372,012	1,105,311
Supplies and materials	88,447	66,612	21,835
TOTAL EDUCATION AND RECREATION	<u>5,420,235</u>	<u>4,082,148</u>	<u>1,338,087</u>
PUBLIC WORKS			
Personnel costs	68,304	51,442	16,862
Remuneration for service	92	69	23
Operational costs	7,197	5,420	1,777
Supplies and materials	94	72	22
TOTAL PUBLIC WORKS	<u>\$ 75,687</u>	<u>\$ 57,003</u>	<u>\$ 18,684</u>

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GRANTS FUND
For Year Ended September 30, 2006

HEALTH AND PUBLIC WELFARE

Personnel costs	\$ 2,060,515	\$ 1,551,838	\$ 508,677
Remuneration for service	82,744	62,317	20,427
Operational cost	17,150,456	12,916,545	4,233,911
Supplies and materials	<u>229,775</u>	<u>173,051</u>	<u>56,724</u>
TOTAL HEALTH AND PUBLIC WELFARE	<u>19,523,490</u>	<u>14,703,751</u>	<u>4,819,739</u>

CAPITAL EXPENDITURES	<u>2,477,077</u>	<u>1,865,564</u>	<u>611,513</u>
TOTAL EXPENDITURES	<u>45,978,805</u>	<u>34,628,076</u>	<u>11,350,729</u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(616,025)	(3,521,607)	(2,905,582)
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OTHER FINANCING SOURCES

Interfund transfers in	<u>616,025</u>	<u>422,425</u>	<u>(193,600)</u>
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EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>(3,099,182)</u>	<u>\$ (3,099,182)</u>
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Add other reconciling items to adjust from budgetary
basis to modified accrual basis

Encumbrances	<u>4,684,141</u>
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EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	1,584,959
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Fund balance--beginning	<u>8,812,892</u>
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Fund balance--ending	<u>\$ 10,397,851</u>
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Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
VEHICLE REPLACEMENT FUND
For Year Ended September 30, 2006

	Final Budget	Actual Amount	Variance
REVENUES:			
Revenue from use of assets	\$ -	\$ 1	\$ 1
TOTAL REVENUES	-	1	1
EXPENDITURES:			
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	1	1
OTHER FINANCING SOURCES			
Interfund transfers in	-	735,891	735,891
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	735,892	\$ 735,892
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		735,892	
Fund balance--beginning		(363,547)	
Fund balance--ending		\$ 372,345	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TECHNOLOGY IMPROVEMENT FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Revenue from use of assets	\$ -	\$ 4	\$ 4
Sales, refunds and miscellaneous	<u>500,000</u>	<u>874,784</u>	<u>374,784</u>
TOTAL REVENUES	<u>500,000</u>	<u>874,788</u>	<u>374,788</u>
EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel Costs	111,294	97,349	13,945
Supplies and materials	332,320	204,826	127,494
JUDICIAL			
Supplies and materials	163,081	109,373	53,708
PUBLIC SAFETY			
Supplies and materials	193,013	160,470	32,543
EDUCATION AND RECREATION			
Supplies and materials	7,931	1,723	6,208
PUBLIC WORKS			
Supplies and materials	224,973	157,830	67,143
HEALTH AND PUBLIC WELFARE			
Supplies and materials	14,316	13,547	769
CAPITAL EXPENDITURES	<u>-</u>	<u>61,269</u>	<u>(61,269)</u>
TOTAL EXPENDITURES	<u>1,046,928</u>	<u>806,387</u>	<u>240,541</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(546,928)	68,401	615,329
OTHER FINANCING SOURCES			
Interfund transfers in	119,000	119,000	-
Interfund transfers out	<u>(26,546)</u>	<u>(26,546)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (454,474)</u>	160,855	<u>\$ 615,329</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>46,562</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		207,417	
Fund balance--beginning		<u>130,710</u>	
Fund balance--ending		<u>\$ 338,127</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ELECTIONS CONTRACT SERVICES FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Intergovernmental revenue	\$ 1,348,360	\$ 1,336,795	\$ (11,565)
Other Fees	-	120,360	120,360
Revenue from use of assets	-	10	10
TOTAL REVENUES	<u>1,348,360</u>	<u>1,457,165</u>	<u>108,805</u>
EXPENDITURES:			
Administration cost	328,395	81,789	246,606
Jurisdictional elections cost	1,426,669	1,383,495	43,174
CAPITAL EXPENDITURES	<u>142,777</u>	<u>21,570</u>	<u>121,207</u>
TOTAL EXPENDITURES	<u>1,897,841</u>	<u>1,486,854</u>	<u>410,987</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (549,481)</u>	<u>(29,689)</u>	<u>\$ 519,792</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>1,399</u>	
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES		(28,290)	
Fund balance--beginning		<u>504,749</u>	
Fund balance--ending		<u>\$ 476,459</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL INVENTORY TAX FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Revenue from use of assets	\$ -	\$ 346,799	\$ 346,799
TOTAL REVENUES	-	346,799	346,799
EXPENDITURES:			
GENERAL GOVERNMENT			
Personnel Costs	256,411	167,054	89,357
Remuneration for services	7,500	3,000	4,500
Supplies and materials	6,000	5,988	12
TOTAL GENERAL GOVERNMENT	269,911	176,042	93,869
CAPITAL EXPENDITURES	41,427	40,523	904
TOTAL EXPENDITURES	311,338	216,565	94,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (311,338)	130,234	\$ 441,572
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		-	
EXCESS OF REVENUES OVER EXPENDITURES		130,234	
Fund balance--beginning		61,621	
Fund balance--ending		\$ 191,855	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DISTRICT ATTORNEY PROGRAMS FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ -	\$ 228,816	\$ 228,816
Other Fees	-	769,922	769,922
Revenue from use of assets	-	56,050	56,050
Sales, refunds and miscellaneous	-	1,747	1,747
TOTAL REVENUES	<u>-</u>	<u>1,056,535</u>	<u>1,056,535</u>
EXPENDITURES:			
JUDICIAL			
Personnel costs	1,069,261	793,521	275,740
Remuneration for services	10,839	1,348	9,491
Operational cost	273,122	23,639	249,483
Supplies and materials	200,120	20,104	180,016
TOTAL JUDICIAL	<u>1,553,342</u>	<u>838,612</u>	<u>714,730</u>
TOTAL EXPENDITURES	<u>1,553,342</u>	<u>838,612</u>	<u>714,730</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,553,342)</u>	217,923	<u>\$ 1,771,265</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>-</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		217,923	
Fund balance--beginning		<u>1,258,027</u>	
Fund balance--ending		<u>\$ 1,475,950</u>	

Bexar County, Texas
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ASSET FORFEITURE FUND
For Year Ended September 30, 2006

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance</u>
REVENUES:			
Court cost and fines	\$ -	\$ 323,697	\$ 323,697
Revenue from use of assets	-	99,374	99,374
Sales, refunds and miscellaneous	-	4,984	4,984
TOTAL REVENUES	<u>-</u>	<u>428,055</u>	<u>428,055</u>
EXPENDITURES:			
JUDICIAL			
Personnel costs	770,000	761,313	8,687
Remuneration for services	225,000	27,672	197,328
Operational cost	400,000	68,785	331,215
Supplies and materials	<u>200,000</u>	<u>97,332</u>	<u>102,668</u>
TOTAL JUDICIAL	<u>1,595,000</u>	<u>955,102</u>	<u>639,898</u>
PUBLIC SAFETY			
Personnel costs	19,050	7,740	11,310
Remuneration for service	28,530	17,620	10,910
Operational costs	509,381	300,499	208,882
Supplies and materials	<u>423,447</u>	<u>298,897</u>	<u>124,550</u>
TOTAL PUBLIC SAFETY	<u>980,408</u>	<u>624,756</u>	<u>355,652</u>
CAPITAL EXPENDITURES	<u>260,445</u>	<u>64,903</u>	<u>195,542</u>
TOTAL EXPENDITURES	<u>2,835,853</u>	<u>1,644,761</u>	<u>1,191,092</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,835,853)</u>	<u>(1,216,706)</u>	<u>\$ 1,619,147</u>
Add other reconciling items to adjust from budgetary basis to modified accrual basis			
Encumbrances		<u>65,375</u>	
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES		<u>(1,151,331)</u>	
Fund balance--beginning		<u>2,673,278</u>	
Fund balance--ending		<u>\$ 1,521,947</u>	



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PROPRIETARY FUND TYPE

PROPRIETARY FUNDS are used to account for operations that are intended to be self supporting through user charges.

INTERNAL SERVICE FUNDS - are established to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

FLEET MAINTENANCE FUND - to account for the maintenance of County vehicles.

SELF-INSURANCE FUND - to account for the receipt of insurance premiums collected from employees and various funds to pay expenses related to medical services and operational expenses.

RECORDS MANAGEMENT CENTER FUND – to account for the expenses of records management center facility.

Bexar County, Texas
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
September 30, 2006

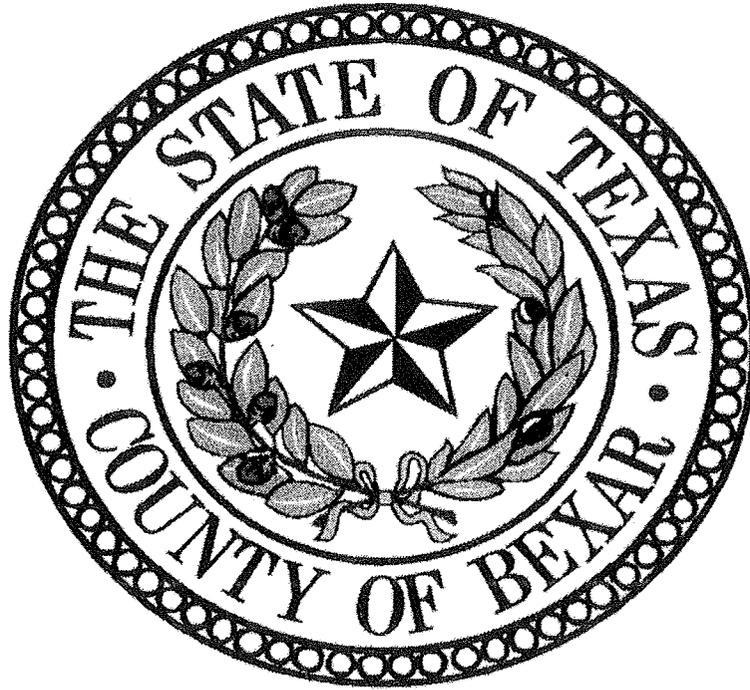
	<u>Fleet Maintenance</u>	<u>Self Insurance</u>	<u>Records Management Center</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash	\$ 53,683	\$ 7,427,847	\$ 523,830	\$ 8,005,360
Receivables, net:				
Due from othe funds	506	263	-	769
Inventories	372,167	-	-	372,167
Deposits	-	10,000	-	10,000
Prepaid insurance	-	61,778	-	61,778
TOTAL ASSETS	<u>\$ 426,356</u>	<u>\$ 7,499,888</u>	<u>\$ 523,830</u>	<u>\$ 8,450,074</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	\$ 69,269	\$ 5,891	\$ 4,393	\$ 79,553
Claims payable	-	3,289,400	-	3,289,400
Accrued liabilities	8,600	717,280	4,842	730,722
Due to other funds	110,000	512	2,629	113,141
Total current liabilities	<u>187,869</u>	<u>4,013,083</u>	<u>11,864</u>	<u>4,212,816</u>
Noncurrent liabilities				
Claims payable	-	1,710,000	-	1,710,000
TOTAL LIABILITIES	<u>187,869</u>	<u>5,723,083</u>	<u>11,864</u>	<u>5,922,816</u>
NET ASSETS				
Unrestricted	238,487	1,776,805	511,966	2,527,258
Total net assets	<u>\$ 238,487</u>	<u>\$ 1,776,805</u>	<u>\$ 511,966</u>	<u>\$ 2,527,258</u>

Bexar County, Texas
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For Fiscal Year Ended September 30, 2006

	Fleet Maintenance	Self-Insurance	Records Management Center	Total
Operating revenues:				
Premiums	\$ -	\$ 23,630,794	\$ -	\$ 23,630,794
Fleet maintenance sales	694,087	-	-	694,087
Other income	1,035	532,280	11,676	544,991
NET OPERATING REVENUES	<u>695,122</u>	<u>24,163,074</u>	<u>11,676</u>	<u>24,869,872</u>
Operating expenses:				
Administrative fee	-	1,777,932	175	1,778,107
Claims expense	-	21,258,930	-	21,258,930
Insurance expenses	-	1,100,082	-	1,100,082
Personnel costs	404,979	305,309	128,788	839,076
Rent and utilities	12,590	-	35,958	48,548
Purchased services	7,155	179,656	16,482	203,293
Supplies	3,142	17,283	14,052	34,477
Repairs and maintenance	1,742	-	18,403	20,145
TOTAL OPERATING EXPENSES	<u>429,608</u>	<u>24,639,192</u>	<u>213,858</u>	<u>25,282,658</u>
Operating income (loss)	<u>265,514</u>	<u>(476,118)</u>	<u>(202,182)</u>	<u>(412,786)</u>
Non-operating revenues (expenses)				
Investment earnings	-	-	24,036	24,036
Total non-operating revenue	<u>-</u>	<u>-</u>	<u>24,036</u>	<u>24,036</u>
Income (loss) before transfers	265,514	(476,118)	(178,146)	(388,750)
Transfers from other funds	-	1,000,000	294,285	1,294,285
Transfers to other funds	<u>(520,000)</u>	<u>-</u>	<u>-</u>	<u>(520,000)</u>
Changes in net assets	(254,486)	523,882	116,139	385,535
Total net assets-beginning (as restated)	<u>492,973</u>	<u>1,252,923</u>	<u>395,827</u>	<u>2,141,723</u>
Total assets--ending	<u>\$ 238,487</u>	<u>\$ 1,776,805</u>	<u>\$ 511,966</u>	<u>\$ 2,527,258</u>

Bexar County, Texas
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended September 30, 2006

	Fleet Maintenance	Self-Insurance	Records Management Center	Total
OPERATING ACTIVITIES:				
Cash received for premiums	\$ -	\$ 24,161,416	\$ -	\$ 24,161,416
Cash received for fleet maintenance services	694,087	-	-	694,087
Cash received for parking	-	-	5,772	5,772
Cash received from other funds	96,678	-	-	96,678
Payments to other funds	(1,807)	-	1,387	(420)
Payments to vendors, suppliers, and contractors	(133,902)	(2,424,985)	(83,735)	(2,642,622)
Payments to employees for services	(403,390)	(304,566)	(135,694)	(843,650)
Claims paid	-	(21,761,930)	-	(21,761,930)
Net cash used by operating activities	<u>251,666</u>	<u>(330,065)</u>	<u>(212,270)</u>	<u>(290,669)</u>
NON-CAPITAL FINANCING ACTIVITIES				
Transfer to other funds	(520,000)	-	-	(520,000)
Transfer from other funds	-	1,000,000	294,285	1,294,285
Net cash provided by noncapital financing activities	<u>(520,000)</u>	<u>1,000,000</u>	<u>294,285</u>	<u>774,285</u>
INVESTING ACTIVITIES				
Investment earnings	-	-	24,036	24,036
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>24,036</u>	<u>24,036</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS				
	(268,334)	669,935	106,051	507,652
CASH AND CASH EQUIVALENTS at October 1, 2005 (as restated)				
	322,017	6,757,912	417,779	7,497,708
CASH AND CASH EQUIVALENTS at September 30, 2006				
	<u>\$ 53,683</u>	<u>\$ 7,427,847</u>	<u>\$ 523,830</u>	<u>\$ 8,005,360</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 265,514	\$ (476,118)	\$ (202,182)	\$ (412,786)
Change in operating assets and liabilities:				
Increase in inventories	(132,478)	-	-	(132,478)
Increase (Decrease) in due from other funds	96,678	(263)	-	96,415
Increase in prepaid insurance	-	754	-	754
Increase (Decrease) in vouchers payable	22,774	5,891	(4,569)	24,096
Decrease in claims payable	-	(503,000)	-	(503,000)
Increase (Decrease) in accrued liabilities	1,589	644,066	(6,906)	638,749
Increase (Decrease) in due to other funds	(1,807)	(1,395)	1,387	(1,815)
Decrease in due to other governmental units	(604)	-	-	(604)
Net cash provided (used) by operating activities	<u>\$ 251,666</u>	<u>\$ (330,065)</u>	<u>\$ (212,270)</u>	<u>\$ (290,669)</u>



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FIDUCIARY FUND TYPE

AGENCY FUNDS are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. They are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

SECONDARY RECIPIENT GRANTS FUND - to account for the receipt and disbursement of grant funds for which the County serves only as a conduit.

OFFICERS' SPECIAL FUND - to account for the receipt and disbursement of funds held by various officers pending disposition.

CLERKS' TRUST FUNDS - to account for funds held in the registry of the court by the County Clerk and District Clerk pending a court order directing payment.

FLEXIBLE SPENDING ACCOUNTS - to account for funds held by the County on behalf of its employees for medical, child care, and parking flexible spending accounts.

ATTORNEY BOND SECURITY FUND – to account for deposits that attorney's place with the county in order to post bond for defendants.

TAX COLLECTOR'S UNALLOCATED RECEIPTS FUND - to account for the receipt of tax collections made by the Tax Collector pending approval of the Tax Collector's report of taxes collected.

TAX COLLECTOR'S ACCOUNTS FUNDS - to account for the receipt of tax collections and the distribution to County funds and other taxing jurisdictions.

COMMUNITY CORRECTIONS FUNDS - to account for the receipt and disbursement of funds administered by the Community Supervision and Corrections Department.

INMATE BANKING FUND - to account for the receipt and disbursement of the personal funds of inmates confined in the County Jail.

Bexar County, Texas
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2006

	<u>Secondary Recipient Grants</u>	<u>Officers' Special</u>	<u>Clerks' Trust</u>	<u>Flexible Spending Accounts</u>	<u>Bail Bond Security</u>
ASSETS					
Cash and temporary investments	\$ -	\$ 2,735,725	\$ 25,183,073	\$ 28,137	\$ 1,186,885
Accounts receivable	75,094	-	-	15,348	-
Due from other governmental units	-	-	3,800	-	-
TOTAL ASSETS	<u>\$ 75,094</u>	<u>\$ 2,735,725</u>	<u>\$ 25,186,873</u>	<u>\$ 43,485</u>	<u>\$ 1,186,885</u>
LIABILITIES					
Vouchers payable	\$ 15,723	\$ 4,730	\$ -	\$ -	\$ -
Accrued liabilities	59,371	-	-	25,009	-
Due to participants	-	852,010	25,186,873	18,476	1,186,885
Due to other governmental units	-	1,878,985	-	-	-
TOTAL LIABILITIES	<u>\$ 75,094</u>	<u>\$ 2,735,725</u>	<u>\$ 25,186,873</u>	<u>\$ 43,485</u>	<u>\$ 1,186,885</u>

<u>Tax Collector's Unallocated Receipts</u>	<u>Tax Collector's Accounts</u>	<u>Community Corrections</u>	<u>Inmate Banking</u>	<u>Total</u>
\$ 16,716	\$ 30,924,854	\$ 7,296,344	\$ 220,310	\$ 67,592,044
-	-	1,891	-	92,333
-	-	-	-	3,800
<u>\$ 16,716</u>	<u>\$ 30,924,854</u>	<u>\$ 7,298,235</u>	<u>\$ 220,310</u>	<u>\$ 67,688,177</u>
\$ -	\$ -	\$ 383,236	\$ -	\$ 403,689
-	-	3,264	-	87,644
-	-	6,911,735	220,310	34,376,289
16,716	30,924,854	-	-	32,820,555
<u>\$ 16,716</u>	<u>\$ 30,924,854</u>	<u>\$ 7,298,235</u>	<u>\$ 220,310</u>	<u>\$ 67,688,177</u>

Bexar County, Texas
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For Year Ended September 30, 2006

	<u>Restated Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2006</u>
ASSETS				
Cash and temporary investments	\$ 69,871,375	\$ 67,592,044	\$ 69,871,375	\$ 67,592,044
Accounts receivable	621,482	92,334	621,482	92,334
Due from other governmental units	476,798	3,800	476,798	3,800
TOTAL ASSETS	<u>\$ 70,969,655</u>	<u>\$ 67,688,177</u>	<u>\$ 70,969,655</u>	<u>\$ 67,688,177</u>
LIABILITIES				
Vouchers payable	\$ 267,090	\$ 403,689	\$ 267,090	\$ 403,689
Accrued liabilities	419,812	87,644	419,811	87,645
Due to participants	43,926,306	34,376,289	43,926,307	34,376,288
Due to other governmental units	26,356,447	32,820,555	26,356,447	32,820,555
TOTAL LIABILITIES	<u>\$ 70,969,655</u>	<u>\$ 67,688,177</u>	<u>\$ 70,969,655</u>	<u>\$ 67,688,177</u>

Bexar County, Texas
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For Year Ended September 30, 2006

	<u>Restated Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2006</u>
<u>Secondary Recipient of Grants</u>				
ASSETS				
Accounts receivable	\$ 333,909	\$ 75,094	\$ 333,909	\$ 75,094
Due from other governmental units	458,007	-	458,007	-
TOTAL ASSETS	<u>\$ 791,916</u>	<u>\$ 75,094</u>	<u>\$ 791,916</u>	<u>\$ 75,094</u>
LIABILITIES				
Vouchers payable	\$ 107,439	\$ 15,723	\$ 107,439	\$ 15,723
Accrued liabilities	86,233	59,371	86,233	59,371
Due to participants	580,344	-	580,344	-
Due to other governmental units	17,900	-	17,900	-
TOTAL LIABILITIES	<u>\$ 791,916</u>	<u>\$ 75,094</u>	<u>\$ 791,916</u>	<u>\$ 75,094</u>
<u>Officers' Special Funds</u>				
ASSETS				
Cash and temporary investments	\$ 7,921,869	\$ 2,735,725	\$ 7,921,869	\$ 2,735,725
Accounts receivable	10,771	-	10,771	-
TOTAL ASSETS	<u>\$ 7,932,640</u>	<u>\$ 2,735,725</u>	<u>\$ 7,932,640</u>	<u>\$ 2,735,725</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 4,730	\$ -	\$ 4,730
Due to participants	6,416,114	852,010	6,416,114	852,010
Due to other governmental units	1,516,526	1,878,985	1,516,526	1,878,985
TOTAL LIABILITIES	<u>\$ 7,932,640</u>	<u>\$ 2,735,725</u>	<u>\$ 7,932,640</u>	<u>\$ 2,735,725</u>
<u>Clerks' Trust Funds</u>				
ASSETS				
Cash and temporary investments	\$ 31,073,915	\$ 25,183,073	\$ 31,073,915	\$ 25,183,073
Accounts receivable	177,451	-	177,451	-
Due from other governmental units	-	3,800	-	3,800
TOTAL ASSETS	<u>\$ 31,251,366</u>	<u>\$ 25,186,873</u>	<u>\$ 31,251,366</u>	<u>\$ 25,186,873</u>
LIABILITIES				
Due to participants	\$ 31,251,366	\$ 25,186,873	\$ 31,251,366	\$ 25,186,873
TOTAL LIABILITIES	<u>\$ 31,251,366</u>	<u>\$ 25,186,873</u>	<u>\$ 31,251,366</u>	<u>\$ 25,186,873</u>

Bexar County, Texas
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For Year Ended September 30, 2006

	<u>Restated Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2006</u>
<u>Flexible Spending Accounts</u>				
ASSETS				
Cash and temporary investments	\$ 45,461	\$ 28,137	\$ 45,461	\$ 28,137
Accounts receivable	20,418	15,348	20,418	15,348
TOTAL ASSETS	<u>\$ 65,879</u>	<u>\$ 43,485</u>	<u>\$ 65,879</u>	<u>\$ 43,485</u>
LIABILITIES				
Accrued liabilities	\$ 45,030	\$ 25,009	\$ 45,029	\$ 25,010
Due to participants	20,849	18,476	20,850	18,475
TOTAL LIABILITIES	<u>\$ 65,879</u>	<u>\$ 43,485</u>	<u>\$ 65,879</u>	<u>\$ 43,485</u>
<u>Bail Bond Security Fund</u>				
ASSETS				
Cash and temporary investments	\$ 1,067,129	\$ 1,186,885	\$ 1,067,129	\$ 1,186,885
TOTAL ASSETS	<u>\$ 1,067,129</u>	<u>\$ 1,186,885</u>	<u>\$ 1,067,129</u>	<u>\$ 1,186,885</u>
LIABILITIES				
Vouchers payable	\$ 11,000	\$ -	\$ 11,000	\$ -
Due to participants	1,056,129	1,186,885	1,056,129	1,186,885
TOTAL LIABILITIES	<u>\$ 1,067,129</u>	<u>\$ 1,186,885</u>	<u>\$ 1,067,129</u>	<u>\$ 1,186,885</u>
<u>Tax Collector's Unallocated Receipts</u>				
ASSETS				
Cash and temporary investments	\$ -	\$ 16,716	\$ -	\$ 16,716
Due from other governmental units	18,791	-	18,791	-
TOTAL ASSETS	<u>\$ 18,791</u>	<u>\$ 16,716</u>	<u>\$ 18,791</u>	<u>\$ 16,716</u>
LIABILITIES				
Due to other governmental units	\$ 18,791	\$ 16,716	\$ 18,791	\$ 16,716
TOTAL LIABILITIES	<u>\$ 18,791</u>	<u>\$ 16,716</u>	<u>\$ 18,791</u>	<u>\$ 16,716</u>

Bexar County, Texas
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For Year Ended September 30, 2006

	<u>Restated Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2006</u>
<u>Tax Collector's Accounts</u>				
ASSETS				
Cash and temporary investments	\$ 24,797,029	\$ 30,924,854	\$ 24,797,029	\$ 30,924,854
TOTAL ASSETS	<u>\$ 24,797,029</u>	<u>\$ 30,924,854</u>	<u>\$ 24,797,029</u>	<u>\$ 30,924,854</u>
LIABILITIES				
Due to other governmental units	\$ 24,797,029	30,924,854	24,797,029	30,924,854
TOTAL LIABILITIES	<u>\$ 24,797,029</u>	<u>\$ 30,924,854</u>	<u>\$ 24,797,029</u>	<u>\$ 30,924,854</u>
<u>Community Corrections</u>				
ASSETS				
Cash and temporary investments	\$ 4,819,862	\$ 7,296,344	\$ 4,819,862	\$ 7,296,344
Accounts receivable	78,933	1,891	78,933	1,891
TOTAL ASSETS	<u>\$ 4,898,795</u>	<u>\$ 7,298,235</u>	<u>\$ 4,898,795</u>	<u>\$ 7,298,235</u>
LIABILITIES				
Vouchers payable	\$ 148,651	\$ 383,236	\$ 148,651	\$ 383,236
Accrued liabilities	288,549	3,264	288,549	3,264
Due to participants	4,455,394	6,911,735	4,455,394	6,911,735
Due to other governmental units	6,201	-	6,201	-
TOTAL LIABILITIES	<u>\$ 4,898,795</u>	<u>\$ 7,298,235</u>	<u>\$ 4,898,795</u>	<u>\$ 7,298,235</u>
<u>Inmate Banking</u>				
ASSETS				
Cash and temporary investments	\$ 146,110	\$ 220,310	\$ 146,110	\$ 220,310
TOTAL ASSETS	<u>\$ 146,110</u>	<u>\$ 220,310</u>	<u>\$ 146,110</u>	<u>\$ 220,310</u>
LIABILITIES				
Due to participants	\$ 146,110	\$ 220,310	\$ 146,110	\$ 220,310
TOTAL LIABILITIES	<u>\$ 146,110</u>	<u>\$ 220,310</u>	<u>\$ 146,110</u>	<u>\$ 220,310</u>



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Bexar County, Texas
Statistical Section Overview
For Fiscal Year Ending September 30, 2006

The statistical section is organized in six sections:

- Financial Trends – Compiles information reported in the Comprehensive Annual Report over the past ten years. Information for Government Wide statements are only available for the fiscal periods 2002-2006. The County implemented the new reporting model in fiscal year 2002. These schedules report how the County's financial position and well-being have changed over time.

Table 1 – Net Assets by Component

Table 2 – Changes in Net (Expenses) Revenues

Table 3 – Changes in Net Assets

Table 4 – Net Changes in Fund Balance, Governmental Funds

Table 5 – Fund Balances, Governmental Funds

- Revenue Capacity Information – Provides information regarding the County's major own-source revenue (property taxes) and the stability/growth of that revenue.

Table 6 – Assessed Value and Estimated Actual Value of Taxable Property

Table 7 – Direct and Overlapping Property Tax Rates

Table 8 – Principal Property Tax Payers

Table 9 – Property Tax Levies and Collections

- Debt Capacity Information – Provides information on the County's outstanding debt, the ability to repay the debt, and the ability to issue additional debt.

Table 10 – Ratio of Outstanding Debt by Type

Table 11 - Ratio of Outstanding General Bonded County Debt

Table 12 – Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures
All Government Fund Types

Table 13 – Direct and Overlapping Governmental Activities Debt

Table 14 – Pledged – Revenue Coverage

- Demographic and Economic Information – Provides information regarding the County's socioeconomic environment; specifically, its taxpayers, employers, and the changes to those groups over the past ten years.

Table 15 – Demographic and Economic Statistics

Table 16 – Principal Employers

Bexar County, Texas
Statistical Section Overview (Continued)
For Fiscal Year Ended September 30, 2006

- Operating Information – Provides information on its employees, operations, and facilities.

Table 17 – Full-time Equivalent County Government Employees by Function/Program

Table 18 – Operating Indicators by Function/Program

Table 19 – Capital Asset Statistics by Function/Program

- Miscellaneous Information – Provides detailed information on the county's functions.

Table 20 – Analysis of Funding Progress and Contribution Rates

Table 21 – Legal Debt Margin Information

Table 22 – Miscellaneous Information

Table 23 – Miscellaneous Information

Over the past ten years Bexar County has experienced an increase in the population of taxpayers. This growth has led to increased development, and accordingly, the tax base has increased. As the population continues to grow, the County has also increased its operating, debt, and capital expenditures to meet the demand of the growing population and provide adequate services.

Due to the increase in the property tax base and increases in property valuations, the county has been able to increase expenditures while decreasing the tax rate.

Table 1

Bexar County, Texas
NET ASSETS BY COMPONENT
Year Ended September 30, 2006
(Unaudited)

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>
Governmental activities					
Invested in capital assets, net of related debt	\$293,985,943	\$277,876,863	\$281,659,366	\$260,954,110	\$248,193,954
Restricted	54,941,321	48,113,799	43,869,147	42,241,944	37,332,363
Unrestricted	<u>33,263,382</u>	<u>31,330,740</u>	<u>10,260,414</u>	<u>18,034,228</u>	<u>37,341,840</u>
Total governmental activities net assets	<u>\$382,190,646</u>	<u>\$357,321,402</u>	<u>\$335,788,927</u>	<u>\$321,230,282</u>	<u>\$322,868,157</u>
Business-type activities					
Invested in Capital assets, net of related debt	\$ 43,134,436	\$ 38,144,766	\$ 35,840,402	\$ 35,876,640	\$ 37,290,508
Restricted	35,711,929	33,380,475	30,867,611	28,573,506	14,466,516
Unrestricted	<u>7,954,069</u>	<u>9,047,073</u>	<u>9,224,448</u>	<u>9,693,937</u>	<u>10,171,040</u>
Total business-type activities net assets	<u>\$ 86,800,434</u>	<u>\$ 80,572,314</u>	<u>\$ 75,932,461</u>	<u>\$ 74,144,083</u>	<u>\$ 61,928,064</u>
Primary government					
Invested in Capital assets, net of related debt	\$337,120,379	\$316,021,629	\$317,499,768	\$296,830,750	\$285,484,462
Restricted	90,653,250	81,494,274	74,736,758	70,815,450	51,798,879
Unrestricted	<u>41,217,451</u>	<u>40,377,813</u>	<u>19,484,862</u>	<u>27,728,165</u>	<u>47,512,880</u>
Total primary government net assets	<u>\$468,991,080</u>	<u>\$437,893,716</u>	<u>\$411,721,388</u>	<u>\$395,374,365</u>	<u>\$384,796,221</u>

Less than ten years of data presented because this is the fifth year of implementation of the new reporting model. The information will be presented on a prospective basis.

Source: Comprehensive Annual Financial Reports

Table 2

Bexar County, Texas
CHANGES IN NET REVENUES AND EXPENSES, LAST FIVE YEARS
Year Ended September 30, 2006
(accrual basis of accounting)
(Unaudited)

	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002
Expenses					
Governmental activities:					
General government	\$ 82,966,855	\$ 60,375,452	\$ 53,248,573	\$ 42,600,034	\$ 39,986,769
Judicial	66,655,717	59,079,170	56,763,280	54,861,306	51,146,889
Public Safety	144,485,826	138,802,346	132,294,841	125,955,756	120,035,128
Education and Recreation	8,695,455	8,267,646	7,140,884	7,209,791	7,410,380
Public Works	35,620,410	32,688,621	54,154,408	32,725,033	33,158,498
Health and Public Welfare	17,445,966	15,593,396	14,659,766	15,413,397	14,188,868
Interest and other fees	8,202,573	8,775,159	12,445,420	10,860,940	8,179,530
Unallocated depreciation	114,711	114,711	114,711	114,711	114,711
Total Governmental activities expenses	<u>364,187,513</u>	<u>323,696,501</u>	<u>330,821,883</u>	<u>289,740,968</u>	<u>274,220,773</u>
Business-types activities:					
Arena Venue	15,836,252	14,968,664	15,407,801	15,370,342	10,297,874
Total business-type activities expenses	<u>15,836,252</u>	<u>14,968,664</u>	<u>15,407,801</u>	<u>15,370,342</u>	<u>10,297,874</u>
Total primary government expenses	<u>380,023,765</u>	<u>338,665,165</u>	<u>346,229,684</u>	<u>305,111,310</u>	<u>284,518,647</u>
Program Revenues					
Governmental activities:					
Charges for Service:					
General government	28,471,474	27,913,332	22,952,988	23,467,132	17,311,218
Judicial	27,196,238	24,305,494	23,362,577	23,102,519	19,111,111
Public Safety	12,959,917	12,783,543	11,348,157	1,320,446	6,907,268
Education and Recreation	170,990	106,849	100,097	136,191	102,088
Public Works	13,604,414	21,913,000	21,071,442	20,181,220	20,074,563
Health and Public Welfare	-	-	700,000	662,290	-
Operating grants and contributions					
General government	1,116,324	6,408,677	122,934	304,792	770,643
Judicial	6,581,867	3,851,600	3,033,886	2,070,003	1,956,412
Public Safety	13,018,419	14,365,151	13,068,123	13,222,893	11,599,916
Education and Recreation	3,502,393	2,960,679	2,655,600	2,048,084	3,649,996
Public Works	8,257,542	3,067,257	27,379,805	18,581,903	7,964,438
Health and Public Welfare	12,254,545	14,636,229	11,243,257	11,738,429	10,361,966
Capital grants and contributions	13,854,079	497,369	2,412,201	2,793,374	1,092,067
Total governmental activities program revenues	<u>140,988,202</u>	<u>132,809,180</u>	<u>139,451,067</u>	<u>119,629,276</u>	<u>100,901,686</u>
Business-types activities:					
Capital grants and contributions	-	-	-	10,316,258	22,567,211
Charges for services	1,300,000	1,300,000	1,300,000		
Total business-type activities program revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>10,316,258</u>	<u>22,567,211</u>
Total primary government program revenues	<u>\$ 142,288,202</u>	<u>\$ 134,109,180</u>	<u>\$ 140,751,067</u>	<u>\$ 129,945,534</u>	<u>\$ 123,468,897</u>
Net (Expense) Revenue					
Governmental Activities	(223,199,311)	(190,887,321)	(191,370,816)	(170,111,692)	(173,319,087)
Business-type Activities	(15,836,252)	(13,668,664)	(14,107,801)	(5,054,084)	12,269,337
Total Primary government net expense	<u>\$(239,035,563)</u>	<u>\$(204,555,985)</u>	<u>\$(205,478,617)</u>	<u>\$(175,165,776)</u>	<u>\$(161,049,750)</u>

Source: Comprehensive Annual Financial Reports (CAFR)

Note: Less than ten years of data has been presented because this is the fifth year of implementation of the new reporting model. The information will be presented on a prospective basis.

Bexar County, Texas
CHANGES IN NET ASSETS, LAST FIVE YEARS
Year Ended September 30, 2006
(accrual basis of accounting)
(Unaudited)

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>
Total Primary government net (expense)	\$(239,035,563)	\$(204,555,985)	\$(205,478,617)	\$(175,165,776)	\$(161,049,750)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property taxes	209,881,420	193,368,931	184,703,624	164,251,059	156,966,570
Flood control taxes	8,702,080	8,023,769	7,778,772	8,848,788	8,308,331
Bingo taxes	696,385	593,779	457,715	401,566	410,905
Motor vehicle sales	9,235,072	-	-	-	-
Occupancy taxes	-	-	-	-	-
Mixed drink taxes	5,332,937	4,817,418	4,479,810	4,121,982	3,884,043
Unrestricted investment earnings	11,122,825	4,479,652	2,164,665	4,211,016	6,097,224
Miscellaneous	3,118,685	541,177	362,683	687,326	765,745
Gain on disposal of assets	-	-	589,019	250,613	72,847
Transfers between governmental and business activities	-	293,781	440,672	360,760	132,336
Total Governmental Activities	248,089,404	212,118,507	200,976,960	183,133,110	176,638,001
Business - type Activities:					
Motor vehicle rental tax	6,864,223	5,904,894	5,426,230	5,373,636	5,535,896
Occupancy taxes	11,541,320	10,618,155	9,108,875	8,819,481	9,022,550
Unrestricted investment earnings	2,358,829	2,079,249	1,801,746	2,137,746	4,762,516
Miscellaneous	-	-	-	1,300,000	-
Transfers between governmental and business activities	-	(293,781)	(440,672)	(360,760)	(132,336)
Total Business-type Activities	20,764,372	18,308,517	15,896,179	17,270,103	19,188,626
Total Primary Government	268,853,776	230,427,024	216,873,139	200,403,213	195,826,627
Change in Net Assets					
Governmental Activities	24,890,093	21,231,186	9,606,144	13,021,418	3,318,914
Business-type Activities	6,228,120	4,639,853	1,788,378	12,216,019	31,457,963
Total Primary Government	\$ 31,118,213	\$ 25,871,039	\$ 11,394,522	\$ 25,237,437	\$ 34,776,877

Source: Comprehensive Annual Financial Reports (CAFR) FY 06

Table 2, Changes in Net (Expenses) Revenues

Note: Less than ten years of data has been presented because this is the fifth year of implementation of the new reporting model. The information will be presented on a prospective basis.

Table 4

Bexar County, Texas
NET CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)
(Unaudited)

	FY 2006	FY 2005	FY 2004	FY 2003
Revenues:				
Ad valorem taxes	\$ 217,974,800	\$ 201,610,941	\$ 191,633,278	\$ 173,148,864
Other taxes	7,116,235	6,708,043	6,394,569	5,471,514
Licenses and Permits	1,298,472	-	-	-
Intergovernmental revenue	49,325,165	43,062,906	49,065,178	31,827,012
Court costs and fines	25,024,624	23,571,139	18,993,058	20,157,380
Fees on motor vehicles	25,552,733	25,988,198	25,273,753	24,698,905
Other fees	19,587,423	14,261,073	11,630,090	11,912,186
Detention board bills	667,955	786,952	846,290	982,365
Commissions on county taxes	-	-	783,173	732,436
Commissions from governmental units	3,334,166	3,495,393	3,316,126	2,926,996
Revenues from use of assets	20,686,227	15,529,417	12,496,516	6,206,112
Sales, refunds and miscellaneous	11,203,209	7,950,237	8,310,365	6,659,576
Total Revenues	381,771,009	342,964,299	328,742,396	284,723,346
Expenditures:				
General government	57,310,981	56,524,066	51,044,056	40,757,225
Judicial	64,730,554	57,645,825	54,927,707	51,167,249
Public safety	137,962,292	133,321,562	124,926,309	120,159,726
Education and recreation	8,525,534	8,074,685	6,963,177	7,025,738
Public works	14,501,740	10,627,009	38,671,036	18,052,222
Health and public welfare	17,390,808	15,578,673	14,579,823	16,504,336
Intergovernmental expenditures	-	-	-	-
Capital expenditures	40,500,011	25,848,495	33,986,741	32,160,378
Debt service				
Principal retirement	14,372,928	16,904,084	25,858,538	15,377,280
Interest and fiscal charges	14,228,256	16,025,865	13,151,447	17,202,529
Refunded bond issuance cost	764,881	-	-	-
Debt Service SARA ¹	5,500,000	-	-	-
Other debt service fees	3,702	-	-	-
Total Expenditures	375,791,687	340,550,264	364,108,834	318,406,683
Excess (deficiency) of revenues over expenditures	5,979,322	2,414,035	(35,366,438)	(33,683,337)
Other Financing Sources (Uses)				
Interfund transfers in	5,009,940	23,181,245	17,086,516	13,156,821
Interfund transfers out	(5,784,226)	(23,079,465)	(20,202,999)	(13,142,077)
Issuance of capital lease	2,996,106	-	-	-
Issuance of commercial paper	3,000,000	-	-	-
Issuance of long term debt	4,000,000	43,035,000	14,500,000	8,718,689
Issuance of refunding bonds	26,530,000	-	14,090,000	-
Payment to refunded debt paying agent	(28,157,516)	-	(15,435,932)	-
Premium on bond issues	1,597,513	2,554,879	2,316,101	-
Discount on bond issues	-	(79,152)	-	-
Payment to other governmental units	-	(6,600,000)	-	-
Total Other Financing Sources (Uses)	9,191,817	39,012,507	12,353,686	8,733,433
Net Change in Fund Balances	\$ 15,171,139	\$ 41,426,542	\$ (23,012,752)	\$ (24,949,904)
Debt service as a percentage of noncapital expenditures	8.5%	10.5%	11.8%	11.4%

Note: ¹ Payment to SARA reclassified from other financing sources to expenditures effective in FY 06 (see Note J).

Table 4 Continued

	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
\$	163,946,266	\$ 159,182,469	\$ 147,006,365	\$ 139,498,177	\$ 134,114,886	\$ 128,511,122
	5,216,673	5,330,813	5,120,114	4,837,712	4,633,821	4,399,668
	-	-	-	-	-	-
	29,558,102	14,875,803	13,738,853	13,299,989	11,166,023	13,056,559
	18,252,234	18,008,601	15,942,750	14,897,752	13,390,380	12,693,336
	24,688,549	23,792,178	23,019,381	21,396,815	19,829,406	19,666,875
	8,274,825	7,610,233	6,967,491	6,877,907	6,307,218	5,579,318
	3,519,428	7,488,439	7,333,791	7,160,019	7,557,701	5,986,360
	704,665	761,067	703,935	651,719	771,181	649,516
	2,545,427	2,848,851	2,690,440	2,437,010	2,214,633	2,058,172
	8,225,592	12,737,360	12,321,874	10,417,210	9,952,887	9,708,785
	5,369,400	6,492,451	4,948,367	4,945,044	7,590,309	3,535,394
	<u>270,301,161</u>	<u>259,128,265</u>	<u>239,793,361</u>	<u>226,419,354</u>	<u>217,528,445</u>	<u>205,845,105</u>
	38,826,519	33,824,836	34,703,231	35,709,359	28,167,949	29,151,147
	47,589,595	45,115,504	40,660,436	38,439,357	35,829,455	33,622,093
	114,920,304	102,539,390	97,800,487	92,695,402	86,045,721	79,732,943
	7,244,103	2,441,498	2,177,927	2,047,843	1,951,594	1,850,390
	19,052,293	12,228,703	21,319,008	14,499,931	17,388,354	11,713,868
	14,756,381	11,982,110	10,338,567	10,298,194	11,043,447	9,089,990
	-	10,795,612	10,584,575	10,534,875	9,941,293	9,597,902
	11,333,344	21,687,063	15,276,780	6,320,576	5,602,173	13,100,581
	12,215,118	11,424,559	13,114,297	19,988,226	18,032,048	16,966,517
	17,966,130	18,880,254	14,975,382	7,342,064	7,994,507	9,001,435
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>283,903,787</u>	<u>270,919,529</u>	<u>260,950,690</u>	<u>237,875,827</u>	<u>221,996,541</u>	<u>213,826,866</u>
	(13,602,626)	(11,791,264)	(21,157,329)	(11,456,473)	(4,468,096)	(7,981,761)
	8,227,955	6,828,718	5,939,380	8,413,679	4,107,585	2,006,154
	(8,247,414)	(6,517,835)	(5,939,380)	(8,413,679)	(4,107,585)	(2,006,154)
	-	-	-	-	-	-
	-	-	-	-	-	-
	18,455,000	-	18,000,000	30,492,433	7,500,000	-
	31,595,000	-	-	22,090,001	-	-
	(33,493,049)	-	-	(21,893,374)	-	-
	2,494,079	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>19,031,571</u>	<u>310,883</u>	<u>18,000,000</u>	<u>30,689,060</u>	<u>7,500,000</u>	<u>-</u>
\$	<u>5,428,945</u>	<u>\$ (11,480,381)</u>	<u>\$ (3,157,329)</u>	<u>\$ 19,232,587</u>	<u>\$ 3,031,904</u>	<u>\$ (7,981,761)</u>
	11.1%	12.2%	11.4%	11.8%	12.0%	12.9%

Table 5

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

(Unaudited)

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>
General Fund					
Reserved for*	\$ 848,963	\$ 545,565	\$ 625,737	\$ 176,559	\$ 361,708
Unreserved	47,877,791	29,364,455	21,859,502	21,782,894	29,095,875
Total general fund	<u>\$ 48,726,754</u>	<u>\$ 29,910,020</u>	<u>\$22,485,239</u>	<u>\$ 21,959,453</u>	<u>\$ 29,457,583</u>
All Other Governmental Funds					
Reserved	\$ 39,491,667	\$ 44,410,154	\$27,769,997	\$ 28,225,027	\$ 36,511,551
Unreserved, designated, for:					
Capital Projects	19,364,818	24,973,040	802,752	21,708,377	32,932,866
Grants	839,228	632,936	1,004,527	1,995,166	1,174,481
Administrative commitments	250,000	250,000	250,000	250,000	250,000
Unreserved, Special Revenue Funds	20,819,589	14,144,767	20,280,573	16,515,316	14,936,762
Total all other governmental funds	<u>\$ 80,765,302</u>	<u>\$ 84,410,897</u>	<u>\$50,107,849</u>	<u>\$ 68,693,886</u>	<u>\$ 85,805,660</u>
	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>
General Fund					
Reserved for*	\$ 325,011	\$ 385,824	\$ 605,795	\$ 310,618	\$ 896,895
Unreserved	38,964,516	27,366,498	29,239,492	28,460,314	26,312,997
Total general fund	<u>\$ 39,289,527</u>	<u>\$ 27,752,322</u>	<u>\$29,845,287</u>	<u>\$ 28,770,932</u>	<u>\$ 27,209,892</u>
All Other Governmental Funds					
Reserved	\$ 5,148,976	\$ 20,155,623	\$21,649,698	\$ 12,484,626	\$ 13,554,285
Unreserved, designated, for:					
Capital Projects	27,046,126	29,223,562	33,791,071	27,032,026	26,024,530
Debt Service ¹	23,386,727	21,319,761	18,014,385	16,233,968	13,117,930
Grants	558,957	641,469	-	-	-
Administrative commitments	150,000	50,000	-	-	-
Unreserved, Special Revenue Funds	12,847,923	7,025,149	6,024,774	5,551,076	7,134,087
Total all other governmental funds	<u>\$ 69,138,709</u>	<u>\$ 78,415,564</u>	<u>\$79,479,928</u>	<u>\$ 61,301,696</u>	<u>\$ 59,830,832</u>

Note: *Includes encumbrances, long-term receivables, and legislative imprest

1 Debt Service was reported as unreserved from fiscal years 1997 - 2001

Source: Comprehensive Annual Financial Reports

Bexar County, Texas
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years
(Unaudited)

Fiscal Year ¹	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax Exempt Property		
1997	\$33,569,016,089	\$5,683,329,823	\$2,853,318,327	\$36,399,027,585	0.361570
1998	35,148,486,075	5,821,552,516	2,991,248,900	37,978,789,691	0.360010
1999	37,159,130,357	5,934,066,746	3,256,334,953	39,836,862,150	0.357558
2000	38,869,909,909	6,562,757,970	3,562,075,127	41,870,592,752	0.357558
2001	44,288,640,826	6,668,808,440	5,549,544,735	45,407,904,531	0.357558
2002	49,153,921,837	6,965,146,780	6,329,872,601	49,789,196,016	0.336856
2003	52,553,014,169	6,904,725,725	6,722,849,313	52,734,890,581	0.333671
2004	56,825,012,759	7,247,363,276	7,025,350,553	57,047,025,482	0.333671
2005	58,584,257,386	7,746,973,555	6,058,106,940	60,273,124,001	0.331190
2006	63,523,927,986	8,210,434,209	6,297,181,547	65,437,180,648	0.331190

Sources: Bexar County Annual Report on Financial Information and Operating Data (For FY 1997-2000)
 Bexar County Tax Assessor-Collector Certified Roll Reports (For FY 2001-2006)

Note: ¹ Tax figures represent the fiscal year not the Ad Valorem Tax Year

Bexar County, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(per \$100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
County Direct Rates					
General	0.344270	0.343470	0.341910	0.339460	0.339460
Flood	0.018650	0.018100	0.018100	0.018100	0.018100
Total direct rate	0.362920	0.361570	0.360010	0.357560	0.357560
City and Town Rates					
City of San Antonio	0.579790	0.579790	0.579790	0.579790	0.579790
Balcones Heights	0.432440	0.469340	0.469340	0.476272	0.469409
Castle Hills	0.503530	0.503500	0.503500	0.503500	0.502601
China Grove	0.018170	0.019380	0.020487	0.021349	0.019561
Converse	0.510000	0.510000	0.510000	0.560000	0.560000
Elmendorf	0.077190	0.077190	0.077190	0.082400	0.082400
Grey Forest	0.170000	0.170000	0.170000	0.170000	0.122191
Hill County Village	0.268710	0.156290	0.100000	0.100000	0.093192
Hollywood Park	0.408500	0.378732	0.397259	0.397259	0.379786
Kirby	0.682100	0.682100	0.699780	0.680716	0.686549
Leon Valley	0.468780	0.468780	0.468780	0.468780	0.468780
Live Oak	0.450340	0.462730	0.456881	0.436881	0.360000
Olmos Park	0.596160	0.596180	0.550000	0.573620	0.569140
Shavano Park	0.219320	0.221892	0.231459	0.271741	0.282523
City of Somerset	0.548870	0.548870	0.548870	0.548870	0.564007
St. Hedwig	0.250000	0.250000	0.350000	0.350000	0.381531
Terrell Hills	0.553000	0.579670	0.579670	0.583400	0.548100
Universal City	0.371680	0.387590	0.387590	0.387590	0.383093
Windcrest	0.238760	0.151510	0.220000	0.220936	0.242975
Helotes	0.353180	0.353180	0.353180	0.350472	0.350472
School Districts Rates					
Alamo Heights ISD	1.510000	1.560000	1.560000	1.580000	1.600000
East Central ISD	1.710000	1.690000	1.570000	1.590000	1.610000
Edgewood ISD	1.630000	1.630000	1.543000	1.558800	1.630660
Harlandale ISD	1.715320	1.715320	1.608000	1.678000	1.756000
Northeast ISD	1.600560	1.635000	1.680000	1.800000	1.751500
Northside ISD	1.513000	1.547500	1.599500	1.674100	1.737500
San Antonio ISD	0.000000	1.775579	1.722000	1.722000	1.722000
South S.A. ISD	1.602060	1.682060	1.623296	1.619007	1.629500
Southside ISD	1.600000	1.640000	1.580000	1.620000	1.620000
Somerset ISD	1.800000	1.790000	1.763400	1.747300	1.691703
Southwest ISD	1.562890	1.562890	1.548500	1.617900	1.616800
Fire District Rates					
Bexar Emergency #6	0.000000	0.000000	0.000000	0.000000	0.000000
Bexar Emergency #5	0.000000	0.000000	0.000000	0.000000	0.000000
Bexar Emergency #7	0.000000	0.000000	0.000000	0.000000	0.000000
Bexar Emergency #3	0.000000	0.000000	0.000000	0.000000	0.000000
Bexar Emergency #2	0.000000	0.000000	0.000000	0.000000	0.000000
Bexar Emergency #1	0.000000	0.000000	0.000000	0.000000	0.100000
Other Special District Rates					
Alamo Community College	0.110000	0.109000	0.111500	0.105960	0.106900
University Health System	0.244692	0.244444	0.243869	0.243869	0.243869
River Authority	0.000000	0.000000	0.000000	0.000000	0.000000
S.A. MUD #1	1.230000	1.050000	0.990000	0.930000	0.930000

Source: Bexar County Tax Assessor - Collector's Office

Table 7 Continued

2002	2003	2004	2005	2006
0.320750	0.317570	0.320950	0.318471	0.318471
0.016100	0.016100	0.012720	0.012720	0.012719
0.336850	0.333670	0.333670	0.331191	0.331190
0.578540	0.578540	0.578540	0.578540	0.578540
0.551862	0.563567	0.527030	0.527030	0.558500
0.505518	0.505518	0.503747	0.503747	0.479634
0.020592	0.022066	0.022066	0.022066	0.229180
0.560000	0.560000	0.597500	0.597500	0.577500
0.082400	0.082400	0.114721	0.114721	0.175000
0.122191	0.115500	0.109522	0.109522	0.109522
0.094950	0.095000	0.095000	0.095000	0.095000
0.497259	0.417926	0.417926	0.417926	0.417926
0.686549	0.676573	0.657821	0.657821	0.664948
0.499600	0.502700	0.517400	0.517400	0.537400
0.340000	0.335000	0.465000	0.465000	0.410000
0.669140	0.662607	0.657822	0.657822	0.598837
0.299895	0.313225	0.326915	0.326915	0.343016
0.563300	0.593160	0.639450	0.639450	0.614013
0.434419	0.443942	0.435756	0.435756	0.479895
0.532758	0.554900	0.544500	0.544500	0.516864
0.385103	0.396085	0.414680	0.414680	0.426487
0.242975	0.282975	0.332654	0.332654	0.412622
0.360000	0.360000	0.355000	0.355000	0.336287
1.630000	1.630000	1.629600	1.629600	1.656600
1.680000	1.680000	1.680000	1.680000	1.680000
1.574000	1.627300	1.734500	1.734500	1.722200
1.756000	1.756000	1.756000	1.756000	1.756000
1.764000	1.744000	1.794000	1.794000	1.794000
1.762500	1.762500	1.762500	1.762500	1.775000
1.722000	1.722000	1.722000	1.722000	1.720000
1.729690	1.717590	1.738300	1.738300	1.840000
1.720000	1.720000	1.720000	1.720000	1.720000
1.687500	1.685000	1.685000	1.685000	1.685000
1.675800	1.665200	1.642200	1.642200	1.618800
0.000000	0.000000	0.100000	0.100000	0.100000
0.000000	0.000000	0.100000	0.100000	0.100000
0.000000	0.000000	0.000000	0.000000	0.100000
0.000000	0.000000	0.060000	0.051000	0.051000
0.000000	0.057000	0.057000	0.057000	0.057000
0.100000	0.100000	0.100000	0.100000	0.100000
0.104600	0.107100	0.107050	0.107050	0.107050
0.243869	0.243869	0.243869	0.243869	0.243869
0.016425	0.016425	0.016425	0.016425	0.016425
0.930000	0.930000	0.930000	0.930000	0.930000

Table 8

Bexar County, Texas
PRINCIPAL PROPERTY TAX PAYERS,
Current and Nine Years Ago
(Unaudited)

	2006	
	Market Value	Percent of Total Taxable Value
H.E. Butt Grocery Company	\$ 735,934,185	1.13 %
AT&T ¹	568,536,435	0.87
Wal Mart Stores, Inc.	340,766,953	0.52
USAA	337,380,807	0.52
Baptist (VHS San Antonio Partners LP)	251,810,826	0.39
Methodist Healthcare SYS SA	220,974,508	0.34
Toyota Motor MFG Texas INC	202,348,710	0.31
New Rivercenter Mall LP	178,976,592	0.27
Time Warner Cable San Antonio LP	178,018,680	0.27
Frost National Bank	174,828,022	0.27
	<u>\$ 3,189,575,718</u>	<u>4.89 %</u>
1997		
	Market Value	Percent of Total Taxable Value
Southwestern Bell Telephone Company	\$ 695,470,549	1.91 %
H.E. Butt Grocery Company	392,340,950	1.08
United Services Grocery Company	317,877,570	0.87
VLSI Technologies, Inc.	211,212,950	0.58
Property Trust of America	130,189,680	0.36
Melvin Simon Properties	123,983,800	0.34
North Star Mall, Inc.	113,883,110	0.31
Marriott Corporation	108,564,810	0.30
Wal-Mart Stores, Inc.	104,852,260	0.29
Methodist Hospital Systems	98,833,130	0.27
	<u>\$ 2,297,208,809</u>	<u>6.31 %</u>

Source: Bexar Appraisal District

¹ Merged with Southwestern Bell Telephone Company (SBC)

Bexar County, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

County Tax Rate - General and Debt

Fiscal Year	Collected Within the Fiscal Year of the Levy			Outstanding taxes from prior Years ¹	Subsequent Collections ²	Total Collections to Date	
	Taxes Levied for Fiscal Year	Amount	Percentage of Levy			Amount	% of Current Levy
1997	\$ 125,310,923	\$ 123,645,952	98.7%	\$ 10,879,080	\$ 2,438,072	\$ 126,084,024	100.6%
1998	130,445,754	129,387,910	99.2	10,700,718	2,275,667	131,663,577	100.9
1999	136,206,227	133,947,468	98.3	10,468,236	2,399,507	136,346,975	100.1
2000	142,133,069	139,401,003	98.1	10,174,483	2,382,963	141,783,966	99.8
2001	154,141,669	150,869,686	97.9	10,873,624	2,281,739	153,151,425	99.4
2002	159,710,233	156,028,658	97.7	11,264,054	2,806,519	158,835,177	99.5
2003	167,460,791	163,685,935	97.7	11,498,246	2,983,654	166,669,589	99.5
2004	183,093,868	179,297,078	97.9	12,058,064	3,128,150	182,425,228	99.6
2005	191,363,862	187,860,871	98.2	11,616,455	3,748,054	191,608,925	100.1
2006	207,626,030	203,851,097	98.2	11,880,379	3,681,814	207,532,911	100.0

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

County Tax Rate - Flood

Fiscal Year	Collected Within the Fiscal Year of the Levy			Outstanding taxes from prior Years ¹	Subsequent Collections ²	Total Collections to Date	
	Taxes Levied for Fiscal Year	Amount	Percentage of Levy			Amount	% of Current Levy
1997	\$ 7,156,997	\$ 7,053,893	98.6%	\$ 505,757	\$ 123,453	\$ 7,177,346	100.3%
1998	7,250,797	7,182,448	99.1	525,643	120,756	7,303,204	100.7
1999	7,584,395	7,470,674	98.5	535,749	132,446	7,603,120	100.2
2000	7,996,684	7,840,542	98.0	524,250	129,915	7,970,457	99.7
2001	8,681,551	8,494,424	97.9	583,511	126,801	8,621,225	99.3
2002	8,445,166	8,247,838	97.6	603,968	154,194	8,402,032	99.4
2003	8,948,786	8,741,687	97.7	622,131	162,149	8,903,836	99.5
2004	7,643,817	7,480,196	97.9	607,588	170,008	7,650,205	100.1
2005	8,044,845	7,888,282	98.1	586,621	178,769	8,067,051	100.1
2006	8,704,388	8,538,987	98.1	588,853	163,093	8,704,388	100.0

Source: Bexar County Tax Assessor - Collector Reports

Note: ¹ Outstanding taxes from prior years consists of delinquent taxes from tax year 2005 - 1984 for county, and tax year 2005 - 1986 for flood.

² Subsequent collections consist of prior tax year collections during the fiscal year.

Table 10

Bexar County, Texas
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Business Type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ²
	Refunding Bonds	General Obligation Bonds	Certificates of Obligation	Other Obligations	Revenue Bonds			
1997	\$85,374,872	\$42,575,000	\$ 26,902,332	\$ 1,955,364	\$ -	\$ 156,807,568	5.51%	\$ 114.37
1998	73,224,870	40,400,000	31,552,332	1,098,316	-	146,275,518	4.84%	104.38
1999	81,040,744	35,024,111	32,922,332	8,708,090	-	157,695,277	4.87%	110.08
2000	73,286,537	46,399,111	34,392,332	8,500,000	-	162,577,980	4.71%	111.16
2001	68,441,978	44,229,111	30,482,332	8,000,000	148,845,000	299,998,421	7.86%	201.53
2002	66,296,860	39,444,111	43,662,332	7,000,000	148,845,000	305,248,303	7.81%	201.78
2003	59,955,852	37,104,111	39,440,515	5,500,000	144,295,000	286,295,478	7.23%	186.32
2004	64,328,259	19,891,704	50,150,052	3,092,140	137,650,000	275,112,155	6.64%	176.30
2005	65,264,984	24,315,000	73,939,827	73,260	128,685,000	292,278,071	N/A	184.43
2006	68,915,448	16,770,000	63,615,000	9,850,802	117,065,000	276,216,250	N/A	171.62

Sources: ¹ Personal Income - Bureau of Economic Analysis (1996-2004)

Figures for 2005 and 2006 were not available for personal income.

² Debt per capita uses the estimated population figures from 1997 - 2006

Bexar County, Texas
RATIO OF OUTSTANDING GENERAL BONDED COUNTY DEBT
Last Ten Fiscal Years
(Unaudited)

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	Refunding Bonds	General Obligation Bonds	Certificates of Obligation			
1997	\$ 85,374,872	\$ 42,575,000	\$ 26,902,332	\$ 154,852,204	0.43%	\$ 113
1998	73,224,870	40,400,000	31,552,332	145,177,202	0.38%	104
1999	81,040,744	35,024,111	32,922,332	148,987,187	0.37%	104
2000	73,286,537	46,399,111	34,392,332	154,077,980	0.37%	105
2001	68,441,978	44,229,111	30,482,332	143,153,421	0.32%	96
2002	66,296,860	39,444,111	43,662,332	149,403,303	0.30%	99
2003	59,955,852	37,104,111	39,440,515	136,500,478	0.26%	89
2004	64,328,259	19,891,704	50,150,052	134,370,015	0.24%	86
2005	65,264,984	24,315,000	73,939,827	163,519,811	0.27%	103
2006	68,915,448	16,770,000	63,615,000	149,300,448	0.23%	93

Source: Comprehensive Annual Financial Reports

Bexar County, Texas
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENT FUND TYPES
Last Ten Years
(Unaudited)

Fiscal Year	Total Debt Service	Total Expenditures	Ratio of Debt Service to total Expenditures
1997	\$ 25,750,270	\$ 213,826,866	12.04%
1998	25,808,873	221,996,541	11.63
1999	26,908,932	237,672,152	11.32
2000	27,871,996	260,950,690	10.68
2001	30,304,813	270,919,529	11.19
2002	30,181,248	283,903,787	10.63
2003	32,579,809	318,498,320	10.23
2004	38,922,975	364,108,834	10.69
2005	32,929,949	340,550,264	9.67
2006 ¹	29,205,538	370,291,687	7.89

Source: Comprehensive Annual Financial Reports

¹ Does not include the \$5.5 million transfer to SARA for flood control debt payment. See note J.

Table 13

**Bexar County, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2006
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to Bexar County	Estimated Share of Overlapping Debt
County-Wide Jurisdiction:			
Bexar County	\$149,300,448	100%	\$149,300,448
Total County-Wide Direct Debt			<u>149,300,448</u>
Cities:			
Converse	5,670,000	100%	5,670,000
City of Fair Oaks Ranch	3,525,000	44.84%	1,580,610
City of Balcones Heights	1,775,000	100%	1,775,000
Grey Forest	615,000	100%	615,000
Helotes	1,300,000	100%	1,300,000
City of Hill Country Village	1,615,000	100%	1,615,000
Hollywood Park	75,000	100%	75,000
Kirby	1,195,000	100%	1,195,000
Leon Valley	3,705,000	100%	3,705,000
Live Oak	20,935,000	100%	20,935,000
Lytle	1,400,000	6.25%	87,500
Olmos Park	5,675,000	100%	5,675,000
St. Hedwig	1,230,000	100%	1,230,000
San Antonio	850,300,000	100%	850,300,000
Schertz	35,400,000	100%	35,400,000
Selma	5,910,000	59.32%	3,505,812
Shavano Park	4,155,000	100%	4,155,000
Terrell Hills	4,580,000	100%	4,580,000
Universal City	6,420,000	100%	6,420,000
Windcrest	3,985,000	100%	3,985,000
Somerset	170,000	100%	170,000
Sub-total Cities			<u>953,973,922</u>
School Districts:			
Alamo Heights ISD	73,788,966	100%	73,788,966
East Central ISD	51,029,995	100%	51,029,995
Edgewood ISD	114,237,481	100%	114,237,481
Harlandale ISD	217,919,444	100%	217,919,444
Judson ISD	196,866,413	100%	196,866,413
Northeast ISD	869,153,654	100%	869,153,654
San Antonio ISD	505,689,560	100%	505,689,560
South San Antonio ISD	114,842,138	100%	114,842,138
Southside ISD	71,380,000	100%	71,380,000
Southwest ISD	96,415,000	100%	96,415,000
Boerne ISD	115,289,153	30.85%	35,566,704
Comal ISD	275,609,891	9.41%	25,934,891
Medina Valley ISD	19,175,000	26.54%	5,089,045
Northside ISD	995,839,987	99.75%	993,350,387
Schertz-Cibolo -Universal City ISD	210,215,813	29.17%	61,319,953
Somerset ISD	27,829,990	68.43%	19,044,062
Floresville ISD	20,619,990	0.35%	72,170
Sub-total School Districts			<u>3,451,699,863</u>
Special Districts:			
Alamo Community College District	165,053,778	100%	165,053,778
San Antonio MUD #1	1,435,000	100%	1,435,000
San Antonio RA	52,180,000	100%	52,180,000
Sub-total Special Districts			<u>218,668,778</u>
Total Overlapping	<u>5,154,206,253</u>		<u>4,624,342,563</u>
Total Direct and Overlapping Debt	<u>\$5,303,506,701</u>		<u>\$4,773,643,011</u>

Source: Municipal Advisory Council of Texas, as of December 31, 2006.

Bexar County, Texas
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

<u>Venue Project Revenue Bonds</u>						
Fiscal Year	Total Revenues ^A	Less: Operating Expenses ^B	Net Available Revenue	Annual Minimum Requirement ^C	Ratio Available to Annual Requirement	Additional Mandatory Special Redemption ^D
1997	\$ -	\$ -	\$ -	\$ -	-	\$ -
1998	-	-	-	-	-	-
1999	-	-	-	-	-	-
2000	11,403,521	3,950,199	7,453,322	-	-	-
2001	20,674,964	4,948,550	15,726,414	5,685,344	2.77	-
2002	19,320,962	2,910,005	16,410,957	8,709,464	1.88	-
2003	17,630,863	835,541	16,795,322	12,919,464	1.30	340,000
2004	17,636,851	616,143	17,020,708	12,901,087	1.32	2,210,000
2005	19,902,298	410,643	19,491,655	12,766,999	1.53	4,295,000
2006	22,064,372	1,491,850	20,572,522	12,509,483	1.64	6,725,000

Note: ^A Includes operating and non-operating revenues.

^B Includes operating expenses minus depreciation plus transfers out.

^C Figures are minimum principal and interest added together from the Arena Fund

^D Amount is equal to total principal paid less the minimum required payment

Source: Comprehensive Annual Financial Report

Bexar County, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ³	Unemployment Rate ⁴	School Enrollment ⁵	University Enrollment ⁶
1997	1,371,100	30,231,497	22,557	3.3%	-	-
1998	1,401,400	32,354,110	23,791	3.0%	-	75,107
1999	1,432,500	34,521,637	25,039	3.1%	-	77,452
2000	1,392,931	38,189,928	27,321	3.4%	263,038	77,717
2001	1,488,600	39,085,591	27,613	4.1%	275,732	81,364
2002	1,512,800	39,571,644	27,450	5.0%	269,646	87,361
2003	1,536,600	41,451,742	28,273	4.8%	280,393	92,619
2004	1,560,500	44,018,496	29,496	4.5%	285,329	95,213
2005	1,584,800	N/A	N/A	4.4%	293,720	98,473
2006	1,609,500	N/A	N/A	4.5%	N/A	99,845

Sources: ¹ Estimated population figures - Greater San Antonio Chamber of Commerce (San Antonio Region Economic Trends 1996-2007). Source for Year 2000 Population was 2000 Census.

² Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2004 reflect county population estimates available as of April 2006.

³ Personal Income and Per Capita Personal Income Figures - Bureau of Economic Analysis (1996 - 2004). Figures for 2005 and 2006 were not available for personal income and per capita personal income.

⁴ Unemployment rates - Texas Workforce Commission Website.

⁵ School Enrollment for schools located in Bexar County - Texas Education Agency. Enrollment figures are for grades Pre-K through 12th grade. University enrollment figures are not included. Enrollment figures for 1997 - 1999 and 2006 were not available.

⁶ Figures represent Fall enrollment for the calendar year.

Table 16

Bexar County, Texas
PRINCIPAL EMPLOYERS
Current Year and Three Years Ago
(Unaudited)

2006

Twenty Largest Employers	Category	Total	% of County Employment
Lackland AFB/37th Training Wing ¹	Government	49,123	6.86%
H.E.B. Grocery Company	Retail	16,006	2.24%
USAA	Finance/ Insurance	14,258	1.99%
Northside Independent School District	Services	11,335	1.58%
Randolph Air Force Base	Government	10,733	1.50%
City of San Antonio	Government	10,349	1.45%
Fort Sam Houston	Government	8,314	1.16%
San Antonio Independent School District	Services	7,775	1.09%
Northeast Independent School District	Services	7,557	1.06%
Methodist Healthcare System	Medical	6,520	0.91%
AT & T	Telecommunications	5,611	0.78%
Baptist Health System	Medical	5,276	0.74%
UT Health Science Center at San Antonio	Medical	5,262	0.74%
University of Texas at San Antonio	Services	5,255	0.73%
Bexar County	Government	4,459	0.62%
University Health System	Medical	4,335	0.61%
Valero	Gas & Oil/Retail	4,159	0.58%
CPS Energy ²	Utilities	3,884	0.54%
World Savings Bank	Finance/Services	3,196	0.45%
U.S. Postal Service	Government	2,804	0.39%
		186,211	26.02%
Total County Employment for 2006³			715,679

2003

Twenty Largest Employers	Category	Total	% of County Employment
Valero Energy Corporation	Utilities	23,000	3.03%
Lackland AFB/37th Training Wing	Government	22,567	2.97%
Fort Sam Houston	Government	18,844	2.48%
H.E.B. Grocery Company	Retail	17,805	2.34%
USAA	Finance/Insurance	17,069	2.25%
Zachry Group	Construction	15,153	2.00%
SBC Communications	Services	12,589	1.66%
Randolph Air Force Base	Government	11,987	1.58%
City of San Antonio	Government	10,119	1.33%
Northside Independent School District	Services	8,870	1.17%
San Antonio Independent School District	Services	8,000	1.05%
Northeast Independent School District	Services	6,473	0.85%
SBC Southwestern Bell	Communications	6,000	0.79%
Baptist Health System	Medical	5,300	0.70%
UT Health Science Center at San Antonio	Medical	5,102	0.67%
Methodist Healthcare System	Medical	4,670	0.62%
Bexar County Hospital District	Medical	4,617	0.61%
Administaff Inc.	Services	4,300	0.57%
Bexar County	Government	4,201	0.55%
City Public Services	Utilities	3,922	0.52%
		210,588	27.73%
Total County Employment for 2003³			759,298

Source: San Antonio Business Journal Book of Lists 2007, Greater San Antonio Chamber of Commerce and confirmation from individual corporate human resource offices.

¹ Includes Military personnel and their dependents, and civilian personnel

² Formerly called City Public Service

³ Total County Employment figure for 2006-Texas Workforce Commission website

Note: Twenty largest employers in Bexar County were first implemented in 2003 comprehensive Annual Financial Statements. Employment figures for 2003 represent nationwide totals, 2006 figures represent Bexar County only.

Bexar County, Texas
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	Full-time Equivalent Employees as of September 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government/Administrative	632	644	674	682	688	687	685	692	739	753
Judicial	705	715	760	774	804	831	828	843	844	863
Public safety ¹	1,955	2,003	2,034	2,047	2,270	2,333	2,325			
Officers								1,779	1,894	1,966
Civilians								552	490	501
Education and recreation	65	68	67	69	69	69	69	66	67	67
Public works	240	243	247	248	248	250	249	254	265	269
Health and public welfare	70	77	80	86	64	45	45	50	54	40
Total	3,667	3,750	3,862	3,906	4,143	4,215	4,201	4,236	4,353	4,459

Source: Bexar County payroll

Note: ¹ Public Safety employment totals from FY 1997-2003 represent total officers and civilians.
Fiscal Year 2004-present will breakdown the number of officers and civilians under public safety.

BEXAR COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>		<u>FY 2006</u> ³	<u>FY 2005</u>	<u>FY 2004</u>
<u>PUBLIC SAFETY</u>				
Sheriff-Adult Detention	Average Daily Inmate Population			
	Male	3,591	3,458	3,319
	Female	516	532	438
	Number of Prisoners Booked	71,017	68,600	67,058
	Number of Prisoners Released	70,305	68,366	67,028
	Number of Uniformed Officers	895	919	918
Sheriff-Law Enforcement	Number of Patrol Deputies ¹	N/A	N/A	N/A
Patrol	Number of Law Enforcement Officers ²	495	470	443
<u>JUDICIAL</u>				
<u>District Courts</u>				
Criminal	Cases Filed During the Year ⁴	9,649	10,269	9,901
Civil	Cases Filed During the Year ⁴	34,663	34,422	34,887
Juvenile	Cases Filed During the Year ⁴	3,285	3,464	3,029
<u>County Courts-At Law</u>				
Criminal	Cases Filed During the Year ⁴	43,403	39,069	36,137
Civil	Cases Filed During the Year ⁴	11,107	10,413	9,113
Probate	Cases Filed During the Year ⁴	4,432	4,448	4,618
Mental Health	Cases Filed During the Year ⁴	3,364	3,292	2,848
Justice of the Peace Courts	Cases Filed During the Year ⁴	159,183	131,727	109,966
<u>HEALTH & PUBLIC WELFARE</u>				
Number of grants administered/monitored				
	Federal	100	100	82
	State	35	34	33
	Private	10	13	13
Child Welfare Board	Children in DFPS legal responsibility ⁵	5,197	4,810	3,825
	Children in Substitute care ⁵	5,063	4,725	3,747
	Children in Foster Care ⁵	3,879	3,742	3,117
<u>PUBLIC WORKS</u>				
	Number of Work Orders for Road Maintenance	8,215	7,937	7,197
	Number of Work Orders for Traffic Maintenance	4,262	4,021	3,798
	Number of Capital Projects in Design	14	26	32
	Number of Capital Projects in Construction	26	23	15
	Number of Capital Projects Completed	15	10	3
<u>GENERAL GOVERNMENT</u>				
Commissioners Court	Number of official public meetings			
	Regular Sessions	23	24	27
	Special Sessions (Work Sessions)	19	19	24

Source: Bexar County Annual Budget

Note: ¹ Includes only officers from the patrol division

² Total now includes law enforcement officers from all divisions except Adult Detention

³ Fiscal year 2006 totals are estimates

⁴ Totals are from the Texas Office of Court Administration

Table 18 Continued

<u>FY 2003</u>	<u>FY 2002</u>	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>
3,311	3,492	3,202	N/A	N/A	N/A	N/A
428	490	408	N/A	N/A	N/A	N/A
64,715	64,670	62,262	61,308	64,059	66,156	63,338
64,805	64,734	61,742	61,483	63,900	66,102	63,435
918	918	918	907	906	923	925
167	146	141	141	141	132	142
N/A						
11,075	8,449	6,941	10,868	13,134	7,348	6,378
37,609	30,760	32,510	30,271	58,605	31,538	28,768
4,664	3,232	3,200	3,612	6,933	3,869	3,539
34,691	31,965	2,385	56,026	28,589	30,346	29,114
8,463	6,768	5,867	6,744	6,844	6,644	7,011
4,524	4,480	4,292	4,197	3,605	3,325	3,701
2,751	2,695	2,445	2,256	2,456	2,367	2,753
86,166	94,007	85,281	84,756	76,350	64,682	51,589
80	68	65	81	69	71	61
36	28	33	55	37	43	40
12	6	9	9	3	3	0
3,092	2,869	2,954	2,540	2,083	1,955	1,931
3,007	2,798	2,843	2,544	2,121	1,913	1,768
2,466	2,272	2,323	2,171	1,715	1,590	1,488
6,628	N/A	N/A	N/A	N/A	N/A	N/A
3,542	N/A	N/A	N/A	N/A	N/A	N/A
23	N/A	N/A	N/A	N/A	N/A	N/A
10	N/A	N/A	N/A	N/A	N/A	N/A
3	N/A	N/A	N/A	N/A	N/A	N/A
37	25	N/A	N/A	N/A	N/A	N/A
19	17	N/A	N/A	N/A	N/A	N/A

5 Texas Department of Family and Protective Services (DFPS) works with the Bexar County Child Welfare Board to facilitate implementation and administration of the Children's Protective Services Program. Children in foster care are placed in foster homes or institutions; Children in substitute care are placed in treatment facilities, hospitals, adoptive homes, or independent living arrangements. Children in the legal responsibility of DFPS are those whom the courts have awarded legal responsibility by temporary or permanent managing conservatorship or other court ordered legal basis. Children may reside in an out of home placement or were returned to their home of origin.

Bexar County, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>		<u>FY 2006²</u>	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>
<u>PUBLIC SAFETY</u>					
Sheriff-Adult Detention	Number of inmate beds	4,294	4,294	4,294	4,294
Sheriff-Law Enforcement	Number of patrol vehicles	112	105	101	105
<u>JUDICIAL</u>					
<u>District Courts</u>					
Criminal	Number of Courtrooms	9	9	9	9
Civil	Number of Courtrooms	13	13	13	13
Juvenile	Number of Courtrooms	2	2	2	2
<u>County Courts-At-Law</u>					
Criminal	Number of Courtrooms	9	9	9	9
Civil	Number of Courtrooms	3	3	3	3
Probate	Number of Courtrooms	2	2	2	2
Justice of the Peace Courts	Number of Courtrooms	5	5	5	5
<u>EDUCATION & RECREATION</u>					
County Parks	Number of acres maintained	602	548	548	548
	Number of county parks	9	9	9	9
	Number of civic centers	3	3	3	3
<u>PUBLIC WORKS</u>					
	Road Miles Maintained	956	948	945	932
	Road Resurfaced (miles)	110	132	101	109
<u>GENERAL GOVERNMENT</u>					
	Number of Light Vehicles ¹	481	326	299	286

Source: Bexar County Annual Budget

Note: ¹ Light vehicles have a carrying capacity of one ton and under.
this includes cars used by every department except the Sheriff Department.

² Fiscal year 2006 totals are estimates

Table 19 Continued

<u>FY 2002</u>	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>
3,670	3,670	3,670	3,670	3,670	3,670
93	81	101	88	N/A	N/A
9	9	9	9	9	N/A
13	13	13	13	13	N/A
2	2	2	2	2	N/A
9	9	9	9	9	N/A
3	3	3	3	3	N/A
2	2	2	2	2	N/A
5	5	5	5	5	N/A
388	388	357	357	357	N/A
9	9	9	9	9	N/A
3	3	3	3	3	N/A
N/A	N/A	N/A	N/A	N/A	N/A
94	N/A	N/A	N/A	N/A	N/A
295	288	297	237	N/A	N/A

Bexar County, Texas
Texas County and District Retirement System
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability	(a/b) Funded Ratio (1/2)	(b-a) Unfunded Actuarial Accrued Liability	c Annual Covered Payroll ²	(b-a)/c UAAL as a Percentage of Covered Payroll	Total TCDRS Required Contribution Rate ³
1997 ¹	\$ 205,638,308	\$ 252,123,477	81.56%	\$ 46,485,169	\$105,070,621	44.24%	8.12%
1998	226,590,540	273,010,251	83.00%	46,419,711	109,329,943	42.46%	8.20%
1999	252,601,106	299,630,234	84.30%	47,029,128	117,996,322	39.86%	9.44%
2000	280,545,447	330,316,309	84.93%	49,770,862	126,388,903	39.38%	9.24%
2001	312,734,351	366,714,450	85.28%	53,980,099	137,256,502	39.32%	9.09%
2002	340,478,485	405,515,333	83.96%	65,036,848	147,110,138	44.20%	9.08%
2003	378,486,006	438,774,462	86.26%	60,288,456	153,332,302	39.32%	9.28%
2004	406,467,238	467,799,283	86.89%	61,332,045	157,693,659	38.89%	9.81%
2005	439,658,564	505,135,375	87.04%	65,476,811	167,111,308	39.18%	9.43%
2006 ⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: ¹ Revised economic and demographic assumptions due to an experience review were first reflected in this valuation.

² The annual covered payroll is based on the employee contribution received by TCDRS for the year ending with the valuation date.

³ Figure from previous Comprehensive Annual Financial Statements
(Fiscal years 1997-1999 Note O, Fiscal Year 2000 Note P, Fiscal Year 2001-present Note Q)

⁴ Fiscal Year 2006 figures will not be available from TCDRS until April or May 2007

Bexar County, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2006			
Assessed Value of All Taxable Property		\$ 65,437,180,648	
Assessed Value of Real Property		\$ 57,226,746,439	
Roads Debt Limit (25% of Assessed Value of Real Property) ^A			14,306,686,610
Amount of Debt Applicable to Constitutional Debt Limit:			
Total Bonded Debt Applicable		6,080,000	
Less: Debt Service Available Funds		\$ 241,165	\$ 5,838,835
Legal Debt Margin, Bonds Issued under Article 3, Section 52 of the Texas Constitution			<u>\$ 14,300,847,775</u>

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>
Debt Limit	\$ 14,275,883,883	\$ 13,085,678,783	\$ 12,449,915,552	\$ 11,457,541,214	\$ 10,706,012,309
Total Net Debt Applicable to Limit	5,838,835	5,838,835	5,369,793	2,355,550	3,315,988
Legal Debt Margin	<u>\$ 14,270,045,048</u>	<u>\$ 13,079,839,948</u>	<u>\$ 12,444,545,759</u>	<u>\$ 11,455,185,664</u>	<u>\$ 10,702,696,321</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	4.09%	4.46%	4.31%	2.06%	3.10%
	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>
Debt Limit	\$ 9,684,774,023	\$ 8,901,359,650	\$ 8,475,698,851	\$ 8,039,309,294	\$ 7,678,924,440
Total Net Debt Applicable to Limit	3,812,170	4,464,051	8,862,415	12,922,379	16,439,464
Legal Debt Margin	<u>\$ 9,680,961,853</u>	<u>\$ 8,896,895,599</u>	<u>\$ 8,466,836,436</u>	<u>\$ 8,026,386,915</u>	<u>\$ 7,662,484,976</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	3.94%	5.02%	10.46%	16.07%	21.41%

^A Bonds Issued Under Article 3, Section 52 of the Texas Constitution

The County is authorized under Article 3, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

Bonds Issued Under Article 8, Section 9 and Article 11, Section 2 of the Texas Constitution

In addition to unlimited tax bonds the County may issue bonds payable from the proceeds of a limited ad valorem tax provided for in Article 8, Section 9 of the State Constitution. Such constitutional provision provides that a county is limited to an ad valorem tax rate of \$0.80 per \$100 of assessed valuation for General Fund purposes.

Certain of the County's bonds payable from such limited tax may be issued under the provisions of Article 722, Vernon's Texas Civil Statutes. The principal amount of all bonds which may be issued under the provisions of such Statute is limited in the aggregate to 5% of all taxable property. The debt limit under Article 722 is approximately \$3,271,859,032 compared to applicable bonds outstanding at September 30, 2006 of \$149,300,448.

Bexar County, Texas
MISCELLANEOUS INFORMATION
(Unaudited)

Employment Statistics (MSA) ¹

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Employed	715,679	693,664	808,007
Total Unemployed	28,408	32,021	37,736
Total Labor Force	<u>744,087</u>	<u>725,685</u>	<u>845,743</u>
Percent of Unemployment	3.8%	4.4%	4.5%

Non-agricultural employment by categories as listed (MSA)

	<u>2006</u>	<u>Percent</u>	<u>2005</u>	<u>Percent</u>	<u>2004</u>	<u>Percent</u>
Manufacturing	48,300	5.96	45,800	6.00	44,100	5.97
Mining ²	51,300	6.33	45,600	6.00	2,300	0.31
Construction	N/A		N/A		41,200	5.57
Transportation, Communication, and Utilities	N/A		N/A		N/A	
Transportation, Trade, and Utilities	145,400	17.95	143,500	18.00	134,400	18.18
Information	20,400	2.52	21,200	3.00	23,800	3.22
Retail and Wholesale Trade	N/A		N/A		N/A	
Finance, Insurance and Real Estate	64,500	7.96	63,000	8.00	60,900	8.24
Service and Miscellaneous	332,500	41.05	315,200	40.00	294,700	39.87
Government	147,600	18.22	146,600	19.00	137,800	18.64

Source: ¹ Texas Workforce Commission

² As of 2005 MSA combines the industry of Natural Resources, Mining, and Construction

Bexar County, Texas
MISCELLANEOUS INFORMATION
(Unaudited)

Growth Indices:

CPS Energy ¹		
Calendar Year Ended	Electric Customers	Gas Customers
1997	586884	327444
1998	545605	301491
1999	550000	302000
2000	563100	303900
2001	578300	305800
2002	592195	206668
2003	604108	310310
2004	602313	306845
2005	638344	310699
2006	639001	310860

San Antonio Water System ²		
Calendar Year Ended	Water Connections	Wastewater Connections
1997	273276	N/A
1998	279209	N/A
1999	282209	N/A
2000	288803	N/A
2001	300296	N/A
2002	293299	N/A
2003	302880	N/A
2004	310433	N/A
2005	317214	N/A
2006	331476	361993

Registered Voters:³

As of December 31,							
FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999
848,506	871,251	850,088	854,010	830,540	852,329	822,826	811,257

Source: ¹ Formally called City Public Service

² Greater San Antonio Chamber of Commerce (San Antonio Region Economic Trends 1995-2005)
 As of 2006 San Antonio Water System now provides figures for water and wastewater connections separately.

³ Bexar County Elections Department



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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable County Judge and Commissioners
Bexar County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bexar County, Texas (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 28, 2007. We did not audit the financial statements of the University Health System (the "System"), the discretely presented component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we have reported to management of the County in a separate letter dated February 28, 2007.

This report is intended solely for the information and use of the County Judge and Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Barza / Gonzalez
Associates

February 28, 2007

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Honorable County Judge and Commissioners
Bexar County, Texas

Compliance

We have audited the compliance of Bexar County Texas (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and *The State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended September 30, 2006. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, and The Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular and which are described in the accompanying schedule of findings and questioned costs as items 2006-01, 2006-02, and 2006-03

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County Judge and Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Garza / Gonzalez
& Associates

February 28, 2007

Bexar County, Texas
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 September 30, 2006

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<u>FEDERAL FUNDS</u>					
<u>Department of Agriculture</u>					
Passed Through					
	Texas Department of Human Services				
001-1051-2140	Food Stamp Program	10.551		\$ 16,078	-
001-1051-2170	National School Lunch Program	10.555	TX-015-2048	382,168	-
	Total Department of Agriculture			398,246	-
<u>Department of Commerce</u>					
339-1051-2175	Federal Economic Development Assistance Program	11.300		2,984,186	-
	Total Department of Commerce			2,984,186	-
<u>Department of Health & Human Services</u>					
113-R05-4875	Ryan White, Title 1, 2005-2006	93.914	5-H89-HA-00041-11	1,175,735	903,579
113-R06-4875	Ryan White, Title 1, 2006-2007	93.914	5-H89-HA-00041-11	1,743,299	1,654,783
	Total Ryan White, Title 1			2,919,034	2,558,362
113-HHS-6561	Safe and Bright Futures for Children	93.990	SBFHP041018-01-0	5,293	-
113-HHS-6562	Safe and Bright Futures for Children	93.990	SBFHP041018-02-0	100,477	-
	Total Safe and Bright Futures for Children			105,770	-
113-HHS-6563	Family Drug Court	93.243	1-H79-TI-17494-01	234,053	-
Passed Through					
<u>Texas Department of Health</u>					
113-TA5-4801	Ryan White, Title 2, Administration, 2005-2006	93.917		169,103	-
113-TR5-4885	Ryan White, Title 2, Program, 2005-2006	93.917		972,806	956,470
	Total Ryan White, Title 2			1,141,909	956,470
113-TH5-4891	HOPWA, 2005-2006	14.241	0000303715	309,456	309,436
<u>Texas Department of Housing and Community Affairs</u>					
Comprehensive Energy Assistance Program					
113-HCA-6461	CEAP- Case Administration	93.568	587006	16,404	
113-HCA-6471	CEAP- Case Administration	93.568	587006	82,787	
113-HCA-6462	CEAP- Case Management	93.568	587006	21,784	
113-HCA-6472	CEAP- Case Management	93.568	587006	96,628	
113-HCA-6465	CEAP- Co-Payment	93.568	587006	80,657	
113-HCA-6475	CEAP- Co-Payment	93.568	587006	335,683	
113-HCA-6463	CEAP- Direct Service Support	93.568	587006	10,489	
113-HCA-6473	CEAP- Direct Service Support	93.568	587006	70,176	
113-HCA-6466	CEAP- Elderly and Disabled Assistance	93.568	587006	11,232	
113-HCA-6476	CEAP- Elderly and Disabled Assistance	93.568	587006	908,938	
113-HCA-6474	CEAP- Energy Crisis	93.568	587006	1,046,255	
113-HCA-6467	CEAP- Heating and Cooling Systems	93.568	587006	313,660	
113-HCA-6477	CEAP- Heating and Cooling Systems	93.568	587006	234,925	
113-HCA-6478	CEAP- Training and Travel	93.568	587006	1,450	-
	Total Comprehensive Energy Assistance Program			3,231,068	-
<u>Texas Attorney General</u>					
Child Support Enforcement Program					
001-1051-3090	Title IV-D	93.563		2,195,737	-
001-1051-2089	Title IV-D	93.563		462,713	-
	Total Title IV-D			2,658,450	-
001-1051-2092	Title IV-E District Attorney	93.658		278,247	-
<u>Texas Department of Protective and Regulatory Services</u>					
001-1051-2090	Title IV-E	93.658		105,621	-
<u>Texas Juvenile Probation Commission</u>					
800	Title IV-E, Administration	93.658	TJPC-E	2,633,231	-
800	Title IV-E, Foster Care Program	93.658	TJPC-E	414,403	-
	Total Title IV-E			3,431,502	-
	Total Department of Health and Human Services			\$ 14,031,242	3,824,268

Bexar County, Texas
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 September 30, 2006

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<u>Department of Homeland Security</u>					
Passed Through					
Texas Engineering Extension Service					
113-DHS-4464	Citizen Corp Council Coordinator	97.004	2005 HSGP-48029	\$ 46,920	-
113-DHS-6440	Citizen Corp Council Coordinator	97.004	2005 HSGP-48029	27,703	-
113-DHS-4461	State Homeland Security Program	97.004	2004 SHSP-48029	49,668	-
113-DHS-4463	State Law Enforcement Terrorism Prevention Program	97.004	2004 LETPP-48029	56,650	-
Total State Domestic Preparedness Equipment Support Program				180,941	-
113-DHS-4462	Urban Areas Security Initiative	97.008	2004 UASI-48029	1,703,343	-
113-DHS-4465	Urban Areas Security Initiative	97.008	2005 UASI-48029	2,142	-
Total Urban Areas Security Initiative				1,705,485	-
Total Department of Homeland Security				1,886,426	-
<u>Department of Housing & Urban Development</u>					
120-C94-6072	Community Development Block Grant 1994	14.218	B-94-UC-48-0500	4,039	4,039
120-C95-6072	Community Development Block Grant 1995	14.218	B-95-UC-48-0500	71,867	71,867
120-C96-6072	Community Development Block Grant 1996	14.218	B-96-UC-48-0500	91,006	91,006
120-C97-6072	Community Development Block Grant 1997	14.218	B-97-UC-48-0500	220,211	220,211
120-C98-6072	Community Development Block Grant 1998	14.218	B-98-UC-48-0500	1	1
120-C99-6072	Community Development Block Grant 1999	14.218	B-99-UC-48-0500	36,059	36,059
120-C00-6072	Community Development Block Grant 2000	14.218	B-00-UC-48-0500	31,919	31,919
120-C01-6072	Community Development Block Grant 2001	14.218	B-01-UC-48-0500	143,649	143,649
120-C02-6072	Community Development Block Grant 2002	14.218	B-02-UC-48-0500	85,262	85,262
120-C03-6072	Community Development Block Grant 2003	14.218	B-03-UC-48-0500	131,214	130,934
120-C04-6072	Community Development Block Grant 2004	14.218	B-04-UC-48-0500	549,919	544,337
120-C05-6072	Community Development Block Grant 2005	14.218	B-05-UC-48-0500	1,441,614	929,091
Total Community Development Block Grant				2,806,760	2,288,375
117-H97-6072	HOME Investment Partnership Agreement 1997	14.239	M00-UC-48-0500	1	-
117-H99-6072	HOME Investment Partnership Agreement 1999	14.239	M00-UC-48-0500	100,000	100,000
117-H00-6072	HOME Investment Partnership Agreement 2000	14.239	M00-UC-48-0500	23,576	23,550
117-H01-6072	HOME Investment Partnership Agreement 2001	14.239	M01-UC-48-0500	105,568	105,567
117-H02-6072	HOME Investment Partnership Agreement 2002	14.239	M02-UC-48-0500	302,455	301,241
117-H03-6072	HOME Investment Partnership Agreement 2003	14.239	M03-UC-48-0500	57,066	57,066
117-H04-6072	HOME Investment Partnership Agreement 2004	14.239	M04-UC-48-0500	196,718	116,069
117-H05-6072	HOME Investment Partnership Agreement 2005	14.239	M05-UC-48-0500	38,550	19,228
Total HOME Investment Partnership Agreement				823,934	722,721
Total Department of Housing & Urban Development				3,630,694	3,011,096
<u>Department of Justice</u>					
113-DOJ-4219	DNA Capacity Enhancement Program 1	16.560	2004-DN-BX-K191	29,153	-
113-DOJ-4221	DNA Capacity Enhancement Program 2	16.560	2005-DA-BX-K032	109,572	-
113-DOJ-4218	Forensic Casework DNA Backlog Reduction Program	16.560	2004-DN-BX-K058	6,188	-
Total DNA Programs				144,913	-
113-DOJ-4203	Local Law Enforcement Block Grant 2003	16.592	2003-LB-BX-2655	33,739	-
113-DOJ-4204	Local Law Enforcement Block Grant 2004	16.592	2004-LB-BX-0871	113,233	-
Total Local Law Enforcement Block Grant				146,972	-
001-1051-2104	Southwest Border Prosecution Initiative	16.000		(6,657)	-
113-DOJ-4222	Safe Havens: Supervised Visitation and Exchange Program	16.527	2005-CW-AX-0016	129,138	-
113-DOJ-4220	Family Justice Center	16.590	2004-WE-AX-K026	487,130	-
001-1051-2105	State Criminal Alien Assistance Program	16.606		300,000	-
113-DOJ-4205	Justice Assistance Grant - 2005	16.738	2005-DJ-BX-0602	819,330	-
113-OTM-6587	DEA - Sheriff	N/A	N/A	16,505	-
113-OTM-6586	FBI - Sheriff	N/A	N/A	11,555	-
113-OTM-6585	OCDETF (DOJ) - Sheriff	N/A	N/A	22	-
113-OTM-6589	Secret Service - Sheriff	N/A	N/A	\$ 7,990	-

Bexar County, Texas
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 September 30, 2006

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<u>Passed Through</u>					
<u>Texas Governor's Office</u>					
113-CJD-4041	Community Advocate Program	16.575	VA-05-V30-15683-06	\$ 64,300	-
113-CJD-4050	Community Advocate Program	16.575	VA-06-V30-15683-07	19,760	-
Total Community Advocate Program				<u>84,060</u>	-
113-CJD-4054	Adult Drug Court	16.585	DC-07-A10-16923-04	5,088	-
113-CJD-4045	Drug Court	16.585	DC-06-A10-16923-03	85,707	-
113-CJD-4049	Family Drug Treatment Court	16.585	DC-06-A10-17367-02	36,988	-
113-CJD-4036	Felony Drug Court	16.585	DC-05-A10-17368-01	7,306	-
113-CJD-4048	Felony Drug Court	16.585	DC-05-A10-17368-02	108,542	-
113-CJD-4055	Felony Drug Court	16.585	DC-07-A10-17368-03	3,888	-
113-CJD-4042	Juvenile Drug Court	16.585	JB-03-A10-16922-03	118,835	-
113-CJD-4053	Juvenile Drug Court	16.585	JB-05-J20-16922-04	2,122	-
Total Drug Court				<u>368,476</u>	-
113-CJD-4043	Family Preservation Services	16.523	JB-04-J20-13310-07	63,957	-
113-CJD-4052	Family Preservation Services	16.523	JB-05-J20-13310-08	10,690	-
Total Family Preservation Services				<u>74,647</u>	-
113-CJD-4047	Intervention and Prevention for Offenders at Risk of Abusing Drugs	16.540	JA-05-J20-17994-01	70,000	-
113-CJD-4046	Purchase of Juvenile Justice Alternatives	16.540	JA-05-J20-14865-07	91,760	-
Total Juvenile Justice Alternatives				<u>161,760</u>	-
113-CJD-4051	Family Justice Center Coordinated Intake Project	16.588	VA-06-V30-18212-01	78	-
<u>Texas Attorney General</u>					
113-OAG-4100	Project Safe Neighborhood (Crime Lab)	16.609	05-00064	51,571	-
113-OAG-4096	Project Safe Neighborhood (District Attorney)	16.609	04-05525	79,776	-
113-OAG-4095	Project Safe Neighborhood (Juvenile) - 1	16.609	04-05534.A1	9,697	-
113-OAG-4099	Project Safe Neighborhood (Juvenile) - 2	16.609	04-05534.A1	7,032	-
113-OAG-6544	Project Safe Neighborhood (Juvenile) - 3	16.609	04-05534.A1	63,708	-
113-OAG-6550	Project Safe Neighborhood (Juvenile) - 4	16.609	04-05534.A1	2,800	-
Total Project Safe Neighborhood				<u>214,584</u>	-
113-OAG-6545	Access and Visitation Program - Title IV-D	93.597	05-C0148	72,328	-
<u>City of Dallas</u>					
113-DOJ-4224	Internet Crimes Against Children	16.542	2005-MC-CX-K031	14,742	-
Total Department of Justice				<u>3,047,573</u>	-
<u>Department of Transportation</u>					
<u>Passed Through</u>					
113-DOT-4270	Texas Department of Transportation STEP-Impaired Driving Mobilization	20.604	05-02-04-B1-CG	25,925	-
113-DOT-4264	Metropolitan Planning Organization Unified Planning Work Program	20.205	TX-08-0285-1/0291-1	57,003	-
Total Department of Transportation				<u>82,928</u>	-
<u>Federal Emergency Management Agency</u>					
<u>Passed Through</u>					
001-1051-2050	Texas Department of Public Safety Emergency Management Assistance	83.543		41,973	-
Total Federal Emergency Management Agency				<u>41,973</u>	-
<u>Federal Election Commission</u>					
<u>Passed Through</u>					
400-1051-2175	Texas Secretary of State Help America Vote Act	93.618		167,870	-
Total Federal Election Commission				<u>167,870</u>	-
<u>Social Security Administration</u>					
001-1051-2091	SSA Incentive	96.001		116,400	-
Total Social Security Administration				<u>116,400</u>	-
Total Federal Funds				<u>\$ 26,387,538</u>	<u>6,835,364</u>

Bexar County, Texas
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 September 30, 2006

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<u>STATE FUNDS</u>					
<u>Texas Governor's Office</u>					
113-CJD-4044	Elder Fraud	N/A	SF-06-V30-17196-02	\$ 74,763	-
	Total Texas Governor's Office			74,763	-
<u>Texas Comptroller of Public Accounts</u>					
113-CPA-4257	Tobacco Compliance, Sheriff	N/A		2,771	-
113-CPA-4258	Tobacco Compliance, Sheriff	N/A		35,323	-
113-CPA-4259	Tobacco Compliance, Sheriff	N/A		50	-
	Total Tobacco Compliance			38,144	-
001-1051-2253	Prosecutor Longevity Pay	N/A		236,860	-
001-1051-2032	State Chapter 19 Vote	N/A		178,532	-
001-1051-2254	Capital Appeal Reimbursement	N/A		96,747	-
001-1051-2297	DA Witness Reimbursement	N/A		108,839	-
001-1051-2298	Jury Supplemental	N/A		419,832	-
001-1051-2299	DA Supplemental	N/A		33,630	-
001-1051-2120	County Courts	N/A		617,748	-
017-1051-2122	Probate Courts	N/A		248,745	-
	Total Texas Comptroller of Public Accounts			1,979,077	-
<u>Texas Attorney General</u>					
113-OAG-6543	Victim Coordinator Liaison, District Attorney	N/A	06-01203	35,411	-
113-OAG-6549	Victim Coordinator Liaison, District Attorney	N/A	07-00113	2,516	-
113-OAG-6542	Victim Coordinator Liaison, Sheriff	N/A	06-01212	32,481	-
113-OAG-6548	Victim Coordinator Liaison, Sheriff	N/A	07-00122	1,933	-
	Total Victim Coordinator Liaison			72,341	-
113-OAG-6546	Texas VINE Grant	N/A	06-04693	61,176	-
	Total Texas Attorney General			133,517	-
<u>Texas Department of Health</u>					
113-TS5-4895	State Services, 2005-2006	N/A	HIV / SRVS	445,820	433,786
	Total Texas Department of Health			445,820	433,786
<u>Texas Department of Transportation</u>					
Passed Through					
City of San Antonio					
113-SAT-4295	Regional Auto Crimes Team	N/A	SA-T04-10063-06	113,318	-
113-SAT-4296	Regional Auto Crimes Team	N/A	SA-T04-10063-07	7,696	-
	Total Texas Department of Transportation			121,014	-
<u>Texas Task Force on Indigent Defense</u>					
113-IND-4282	Appellate Public Defender's Office	N/A	212-05-D01	138,871	-
113-IND-4283	Appellate Public Defender's Office	N/A	212-56-D01	190,856	-
001-1051-2252	Indigent Defense	N/A		780,874	-
	Total Texas Task Force on Indigent Defense			1,110,601	-
Total State Funds				3,864,792	433,786
Total Federal and State Funds				\$ 30,252,330	7,269,150

BEXAR COUNTY, TEXAS
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS

Year Ended September 30, 2006

1. GENERAL

The accompanying schedule presents the activity of all federal and state award programs of Bexar County, Texas (the "County"), except for the federal and state award programs for the University Health System, the discretely presented component unit of the County, which have been excluded. The County's reporting entity is defined in Note A.1. to the County's basic financial statements.

2. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. All federal and state grant funds were accounted for in the General Fund, Capital Projects Fund or various special revenue funds, which comprise the "Other Governmental Funds" column in the governmental funds financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Statements of revenues and expenditures and changes in fund balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used in the governmental funds financial statements. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e. both measurable and available) and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

BEXAR COUNTY, TEXAS
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS

Year Ended September 30, 2006

3. CONTINGENT LIABILITIES RELATED TO COMPLIANCE

The County participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required, and the collectibility of any related receivable at September 30, 2006 may be impaired.

BEXAR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

SECTION I -- SUMMARY OF AUDITORS' RESULTS

<i>Financial Statements</i>			
Type of auditors' report issued: Unqualified			
Internal Control over financial reporting: Material weakness (es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported	
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

<i>Federal and State Awards</i>			
Internal control over major programs: Material weakness (es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported	
Type of auditors' report issued on compliance for major Programs	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section. 510(a)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

<i>Identification of Major Programs</i>		
CFDA Number(s)	Name of Federal or State Program	
Federal		
97.008	Urban Area Security Initiative	
14.239	HOME Investment Partnership Agreement	
93.568	Comprehensive Energy Assistance Program	
93.917	Ryan White, Title II	
11.300	Economic Development Assistance Grant	
16.738	Justice Assistance Grant	

BEXAR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

SECTION I -- SUMMARY OF AUDITORS' RESULTS (Continued)

	State		
	N/A	State Indigent Defense	
	Dollar Threshold used to distinguish between Type A and Type B programs:		
	Federal -- \$ 791,626		
	State -- \$ 300,000		
	Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SECTION II --- FINANCIAL STATEMENT FINDINGS

There are no financial statement findings for the year ended September 30, 2006.

BEXAR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Reference Number	Finding	Questioned Cost
Urban Area Security Initiative – CFDA 97.008 Comprehensive Energy Assistance Program – CFDA 93.568 HOME – CFDA 14.239		
2006 – 01	<p>Suspension and Debarment</p> <p>Federal regulations state that non-federal entities are prohibited from contracting with or making subawards to parties that are suspended or debarred or whose principals are suspended or debarred from participating in federal awards. Verification if an entity is suspended or debarred may be accomplished by checking the <i>Excluded Parties List System (EPLS)</i> maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.</p> <p><u>Urban Area Security Initiative</u> – Four transactions were tested for compliance with the suspension and debarment requirement. The required verification was not available for any of the vendors; however, our review of the <i>Excluded Parties List System (EPLS) website</i> indicated that none of the vendors that were tested were actually suspended or debarred.</p> <p><u>Comprehensive Energy Assistance Program</u> – One transaction was tested for compliance the suspension and debarment requirement. The supporting documentation for that vendor was not available; however, our review of the <i>Excluded Parties List System (EPLS) website</i> indicated that the vendor was not suspended or debarred.</p> <p><u>HOME</u> – Management of the HOME program were aware of this requirement and indicated that vendors and subrecipients are compared to the <i>Excluded Parties List System</i> to ensure they are not suspended or debarred from participating in federal awards; however, documentation of this review is not maintained.</p> <p>We recommend that the County develop procedures to ensure that all vendors receiving in excess of \$25,000 in federal awards and all subawards are not suspended or debarred from participating in federal awards in order to comply with federal requirements.</p> <p>Management’s Comments</p> <p>The County will obtain certifications from the vendors or check the EPLS maintained by the General Services Administration.</p>	None

BEXAR COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

Reference Number	Finding	Questioned Cost
Justice Assistance Grant – CFDA 16.738		
2006 – 02	<p>Allowable Costs</p> <p>OMB Circular A-87 requires that when employees work solely on a federal program their salaries and wages will be supported by periodic certifications that the employee worked solely on that federal program. Where employees work on multiple activities a distribution of their salaries will be supported by personal activity reports (time and effort records). Testing indicated that all of the seven payroll transactions tested did not have the required certifications.</p> <p>We recommend that the County obtain semi-annual certifications for those employees charged 100% to a federal program stating that they worked solely on that federal program to comply with federal requirements.</p> <p>Management’s Response</p> <p>The departments participating in this grant will obtain the required semi-annual certification.</p>	None
HOME – CFDA 14.239		
2006-03	<p>Special Tests and Provision – Housing Quality Standards</p> <p>HOME requirements state that during the period of affordability for HOME assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards no less than: (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. Inspections were not performed for any apartment units in the current year.</p> <p>We recommend that the County perform the required inspections and develop a tracking system to ensure those inspections are performed to comply with federal requirements.</p> <p>Management’s Response</p> <p>The HOME program director will ensure that the required inspections are performed.</p>	None

BEXAR COUNTY, TEXAS
 SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

Reference Number	Finding	Questioned Cost
HIV Emergency Relief – CFDA No. 93.914		
2005 – 01	<p>Special Reporting</p> <p>The Title I-HIV Emergency Relief Program (Ryan White) requires that the County submit a Care Act Data Report (CADR) annually. Information for this report is obtained from the County’s subrecipients (the direct service providers). This report was submitted to the grantor in the current year; however, supporting documentation was not available for our review to determine if the report was accurate.</p> <p>We recommend that the County obtain information included on the CADR for the County’s subrecipients, review the information for accuracy and maintain that documentation.</p> <p>This finding has been satisfactorily resolved.</p>	
HIV Emergency Relief – CFDA No. 93.914		
2005 – 02	<p>Allowable Costs</p> <p>OMB Circular A-87 requires that when employees work solely on a federal program their salaries and wages will be supported by periodic certifications that the employee worked solely on that federal program. Where employees work on multiple activities a distribution of their salaries will be supported by personal activity reports (time and effort records). Testing of the Title I-HIV Emergency Relief Program (Ryan White), indicated that employees funded 100% by this program have not completed semi-annual certifications indicating that they worked solely on that program.</p> <p>We recommend that the County obtain semi-annual certifications for those employees charged 100% to a federal program stating that they worked solely on that federal program.</p> <p>This Finding has been satisfactorily resolved.</p>	

BEXAR COUNTY, TEXAS
 SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

Community Development Block Grant (CDBG) – CFDA No. 14.218	
2005 – 03	<p style="text-align: center;">Subrecipient Monitoring</p> <p>The County’s CDBG program sub-grants monies to various subrecipients to achieve the objectives of the CDBG program. The County is required to monitor the activities of those subrecipients to ensure they are in compliance with the program requirements. In accordance with OMB Circular A-133 a pass-through entity is responsible for ensuring required audits are performed and require the subrecipients to take prompt corrective action on any findings. While the County does perform many monitoring procedures such as reviewing invoices and payroll records, performing sites visits, etc. they did not obtain any audits from the program’s subrecipients therefore we could not review those reports to ensure they obtained an audit in accordance with OMB Circular A-133 or took action on potential audit findings.</p> <p>We recommend that the County require that all subrecipients submit audit reports so that the County may review to ensure that the audit is in accordance with OMB Circular A-133, (if required) and take appropriate action on any reported audit findings as required by OMB Circular A-133.</p> <p>This finding has been satisfactorily resolved.</p>
Title IV-E – CFDA No. 93.658 (Passed through Texas Attorney General)	
2005 - 04	<p style="text-align: center;">Allowable Costs</p> <p>OMB Circular A-87 requires that when employees work solely on a federal program their salaries and wages will be supported by periodic certifications that the employee worked solely on that federal program. Where employees work on multiple activities a distribution of their salaries will be supported by personal activity reports (time and effort records). In testing of the Title IV-E, County Legal Services grant, it was noted that employees working 100% on this program did not prepare the required semi-annual certifications indicating that they worked solely on that program.</p> <p>We recommend that the County obtain semi-annual certifications for those employees charged 100% to a federal program stating that they worked solely on that federal program.</p> <p>This finding has been satisfactorily resolved.</p>