



Basic Financial Statements

Basic Financial Statements



STATEMENT OF NET ASSETS June 30, 2007 (In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	First 5 Commission Fund
ASSETS				
Current assets:				
Pooled cash and investments	\$ 1,442,244	81,028	1,523,272	21,517
Cash with fiscal agents	6,054		6,054	
Investments with fiscal agents	34,816		34,816	174,755
Receivables, net	406,247	3,218	409,465	9,875
Property taxes receivables, net	158,753		158,753	
Internal balances	(2,940)	2,940		
Inventories	9,921		9,921	
Deposits with others	97		97	
Deferred charges	1,425		1,425	
Prepaid items	6,189		6,189	2
Restricted assets:				
Cash with fiscal agents	373		373	
Investments with fiscal agents	356,258		356,258	
Total current assets	2,419,437	87,186	2,506,623	206,149
Noncurrent assets:				
Restricted assets:				
Investments with fiscal agents	430,843		430,843	
Investments with fiscal agents	18,780		18,780	
Deferred charges	19,750		19,750	
Capital assets:				
Land and construction in progress	473,770	53,826	527,596	
Other capital assets, net of depreciation	2,281,736	61,274	2,343,010	
Total noncurrent assets	3,224,879	115,100	3,339,979	
Total assets	5,644,316	202,286	5,846,602	206,149
LIABILITIES				
Current liabilities:				
Accounts payable	157,734	1,825	159,559	18,402
Accrued payroll	25,815	109	25,924	
Amount due for tax and revenue anticipation notes	220,000		220,000	
Accrued interest	30,929		30,929	
Unearned revenue	75,051	131	75,182	
Current portion of long-term obligations	124,727	343	125,070	53
Total current liabilities	634,256	2,408	636,664	18,455
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	2,260,461	2,550	2,263,011	30
Total noncurrent liabilities	2,260,461	2,550	2,263,011	30
Total liabilities	2,894,717	4,958	2,899,675	18,485
NET ASSETS				
Invested in capital assets, net of related debt	2,409,050	112,549	2,521,599	
Restricted for:				
Loans receivable	47,422		47,422	
Landfill closure costs	1,446		1,446	
Defray administrative costs, other general reserves	13,517		13,517	
Emergency medical services, various construction costs	11,530		11,530	
Mental health	66,887		66,887	
Social programs	4,119		4,119	
Domestic violence and child abuse prevention	5,823		5,823	
Sheriff vehicle maintenance and replacement	645		645	
Fingerprinting equipment purchase and operation	5,986		5,986	
Delinquency and juvenile crime prevention	2,624		2,624	
Donations	2,024		2,024	
Housing repairs and improvements	295		295	
Unrestricted	178,231	84,779	263,010	187,664
Total net assets	\$ 2,749,599	197,328	2,946,927	187,664

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



Basic Financial Statements

STATEMENT OF ACTIVITIES
For the year ended June 30, 2007
(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit First 5 Commission Fund
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business- type Activities		
Governmental Activities:								
General government	\$ 249,993	98,365	28,041	7,559	(116,028)		(116,028)	
Public protection	1,079,320	201,332	224,600		(653,388)		(653,388)	
Public ways and facilities	133,148	56,219	36,684		(40,245)		(40,245)	
Health and sanitation	580,384	80,601	471,333		(28,450)		(28,450)	
Public assistance	1,043,454	8,472	1,059,450		24,468		24,468	
Education	33,223	1,380	1,003		(30,840)		(30,840)	
Recreation and cultural	28,469	7,045	238		(21,186)		(21,186)	
Interest expense	146,997				(146,997)		(146,997)	
Total governmental activities	3,294,988	453,414	1,821,349	7,559	(1,012,666)		(1,012,666)	
Business-type Activities:								
Airport	8,209	9,367	8,257	421		9,836	9,836	
Wastewater Management	4,422	4,662		28		268	268	
Sanitation Districts	15,620	17,995		15		2,390	2,390	
Total business-type activities	28,251	32,024	8,257	464		12,494	12,494	
Total primary government	3,323,239	485,438	1,829,606	8,023	(1,012,666)	12,494	(1,000,172)	
Component Unit:								
First 5 Commission	\$ 51,804		40,805					(10,999)

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

Basic Financial Statements



STATEMENT OF ACTIVITIES
For the year ended June 30, 2007
(In Thousands)
(Continued)

	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission Fund
Changes in net assets:				
Net (expense) revenue	\$ (1,012,666)	12,494	(1,000,172)	(10,999)
General revenues:				
Taxes:				
Property taxes	559,726		559,726	
Other taxes	26,760		26,760	
Intergovernmental restricted:				
Sales and use taxes for roads	57,439		57,439	
Sales and use taxes for public protection	234,797		234,797	
Intergovernmental unrestricted:				
Property taxes in lieu of vehicle license fees	277,930		277,930	
Sales and use taxes	26,534		26,534	
Total general tax revenues	1,183,186		1,183,186	
Interest	88,974	4,189	93,163	9,817
Other	95,343	2,909	98,252	
Total general revenues	1,367,503	7,098	1,374,601	9,817
Transfers	601	(601)		
Total general revenues and transfers	1,368,104	6,497	1,374,601	9,817
Change in net assets	355,438	18,991	374,429	(1,182)
Net assets at beginning of year (Component Unit restated)	2,394,161	178,337	2,572,498	188,846
Net assets at end of year	\$ 2,749,599	197,328	2,946,927	187,664

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



Basic Financial Statements

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007
(In Thousands)

	General Fund	Tobacco Securization Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash and investments	\$ 936,658	17,499	334,298	1,288,455
Cash with fiscal agents	33		6,021	6,054
Investments with fiscal agents	2		53,594	53,596
Receivables, net	265,425	5,799	131,372	402,596
Property taxes receivables, net	157,936		817	158,753
Due from other funds	97,033		10,111	107,144
Advances to other funds	884		64	948
Inventories	7,048		1,874	8,922
Deposits with others			97	97
Prepaid items	5,509		680	6,189
Restricted assets:				
Cash with fiscal agents	185		188	373
Investments with fiscal agents	221,026	408,857	157,218	787,101
Total assets	1,691,739	432,155	696,334	2,820,228
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	88,038		29,911	117,949
Accrued payroll	23,885		1,353	25,238
Amount due for tax and revenue anticipation notes	220,000			220,000
Due to other funds	27,889	1,292	94,063	123,244
Advances from other funds			4,390	4,390
Deferred revenues	107,702		19,357	127,059
Unearned revenue	69,143		5,180	74,323
Total liabilities	536,657	1,292	154,254	692,203
Fund balances				
Reserved fund balance:				
Reserved for encumbrances	212,090		41,281	253,371
Reserved for loans, advances and prepaids	12,523		42,036	54,559
Reserved for landfill closure costs	1,446			1,446
Reserved for inventories	7,048		1,874	8,922
Reserved for debt service			112,544	112,544
Reserved for other purposes	177,137		76,289	253,426
Unreserved:				
Designated for subsequent years' expenditures	182,499			182,499
Designated for landfill postclosure and landfill closure costs	910			910
Undesignated	561,429	430,863		992,292
Unreserved, reported in nonmajor:				
Special Revenue Funds				
Designated for subsequent years' expenditures			626	626
Designated for landfill postclosure and landfill closure costs			69,694	69,694
Undesignated			123,813	123,813
Capital Projects Funds				
Undesignated			73,923	73,923
Total fund balances	1,155,082	430,863	542,080	2,128,025
Total liabilities and fund balances	\$ 1,691,739	432,155	696,334	2,820,228

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



RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS June 30, 2007 (In Thousands)	
Total fund balances - governmental funds	\$ 2,128,025
Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and, therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation.	2,666,775
Accrued interest on long-term debt	(30,929)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds and recognized as revenue in the statement of activities.	127,059
Long-term liabilities, including bonds, notes, and loans payable, are not due and payable in the current period and, therefore, are not reported in the balance sheet	(2,246,288)
Internal Service Funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, and communications services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	104,957
Net assets of governmental activities	\$ 2,749,599

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



Basic Financial Statements

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2007
(In Thousands)

	General Fund	Tobacco Securization Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 842,396		304,541	1,146,937
Licenses, permits and franchise fees	33,752		10,055	43,807
Fines, forfeitures and penalties	55,248		3,107	58,355
Revenue from use of money and property	51,894	15,125	26,227	93,246
Aid from other governmental agencies:				
State	851,309		76,541	927,850
Federal	704,440		116,411	820,851
Other	92,769		7,554	100,323
Charges for current services	269,282		55,767	325,049
Other revenue	33,227		43,453	76,680
Total revenues	2,934,317	15,125	643,656	3,593,098
Expenditures:				
Current:				
General government	224,261		9,210	233,471
Public protection	1,059,826		6,158	1,065,984
Public ways and facilities	1,369		72,950	74,319
Health and sanitation	539,954		37,435	577,389
Public assistance	928,234		115,059	1,043,293
Education	1,157		31,804	32,961
Recreation and cultural	24,509		2,265	26,774
Capital outlay	17,190		120,827	138,017
Debt service:				
Principal			73,816	73,816
Interest and fiscal charges	10,843		105,252	116,095
Bond issuance costs			885	885
Total expenditures	2,807,343		575,661	3,383,004
Excess (deficiency) of revenues over (under) expenditures	126,974	15,125	67,995	210,094
Other financing sources (uses)				
Sale of capital assets	130		1,471	1,601
Issuance of bonds and loans:				
Face value of bonds issued			42,390	42,390
Face value of loans issued			462	462
Premium on issuance of bonds			606	606
Transfers in	283,535		228,851	512,386
Transfers out	(152,854)	(24,200)	(337,626)	(514,680)
Total other financing sources (uses)	130,811	(24,200)	(63,846)	42,765
Net change in fund balances	257,785	(9,075)	4,149	252,859
Fund balances at beginning of year	898,885	439,938	537,822	1,876,645
Increase (decrease) in Reserve for inventories	(1,588)		109	(1,479)
Fund balances at end of year	\$ 1,155,082	430,863	542,080	2,128,025

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



**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007
(In Thousands)**

Net change in fund balances - total governmental funds	\$ 252,859
Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued.	7,436
Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred revenue) but are recognized as revenue in the statement of activities	20,194
Adjustment to reserve for inventories	(1,479)
Change in accounting estimate for closure and postclosure costs - (public protection function) - San Marcos Landfill	831
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.	50,152
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	6,131
The issuance of long-term debt (e.g. bonds, notes, and loans) 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.	33,512
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(36,643)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (or expense) of internal service funds is reported within governmental activities.	22,445
Change in net assets - governmental activities	\$ 355,438

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



Basic Financial Statements

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007
(In thousands)**

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
ASSETS		
Current assets:		
Pooled cash and investments	\$ 81,028	153,789
Receivables, net	3,218	3,651
Due from other funds	1,646	22,944
Advances to other funds		97
Inventories		999
Total current assets	85,892	181,480
Noncurrent assets:		
Advances to other funds	3,363	177
Capital assets:		
Land	11,243	
Construction and contracts in progress	42,583	
Buildings and improvements	47,503	
Equipment	1,341	170,269
Road network	235	
Sewer network	65,626	
Accumulated depreciation	(53,431)	(81,538)
Total noncurrent assets	118,463	88,908
Total assets	204,355	270,388
LIABILITIES		
Current liabilities:		
Accounts payable	1,825	39,785
Accrued payroll	109	577
Due to other funds	2,637	5,853
Unearned revenue	131	728
Bonds and loans payable	206	482
Compensated absences	137	886
Claims and judgments		37,245
Total current liabilities	5,045	85,556
Noncurrent liabilities:		
Advances from other funds	195	
Bonds and loans payable	2,345	3,847
Compensated absences	205	1,328
Claims and judgments		73,937
Total noncurrent liabilities	2,745	79,112
Total liabilities	7,790	164,668
NET ASSETS		
Invested in capital assets, net of related debt	112,549	88,731
Unrestricted	84,016	16,989
Total net assets	\$ 196,565	105,720

Reconciliation between net assets - enterprise funds and net assets of business-type activities as reported in the government-wide statement of net assets

Total net assets	\$ 196,565	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	763	
Net assets of business type activities	\$ 197,328	

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

Basic Financial Statements



**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007
(In Thousands)**

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
OPERATING REVENUES		
Charges for current services	\$ 31,700	273,510
Miscellaneous	84	5,977
Total operating revenues	31,784	279,487
OPERATING EXPENSES		
Salaries	6,116	30,713
Repairs and maintenance	3,174	39,868
Equipment rental	487	1,693
Sewage processing	10,412	
Contracted services	3,401	115,713
Depreciation	2,472	23,201
Utilities	130	18,236
Cost of material	1	1,622
Claims and judgments		9,253
Fuel		9,534
Other operating expenses	2,067	18,737
Total operating expenses	28,260	268,570
Operating income (loss)	3,524	10,917
NONOPERATING REVENUES (EXPENSES)		
Grants	8,257	800
Interest and dividends	4,513	8,518
Interest expense	(165)	(281)
Gain (loss) on disposal of assets	2,825	(248)
Total nonoperating revenues (expenses)	15,430	8,789
Income (loss) before contributions and transfers	18,954	19,706
Capital contributions	464	18
Transfers in	326	5,385
Transfers out	(927)	(2,490)
Change in net assets	18,817	22,619
Net assets (deficits) at beginning of year	177,748	83,101
Net assets (deficits) at end of year	\$ 196,565	105,720

Reconciliation between changes in net assets - enterprise funds and changes in net assets of business-type activities as reported in the government-wide statement of activities

Change in Net Assets	\$ 18,817	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	174	
Change in net assets of business-type activities	\$ 18,991	

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



Basic Financial Statements

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007
(In Thousands)**

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 26,764	18,329
Cash received from other funds	4,255	262,639
Cash payments to suppliers	(17,334)	(189,976)
Cash payments to employees	(6,175)	(30,798)
Cash payments to other funds	(3,370)	(60,224)
Cash paid for judgments and claims		(20,403)
Other miscellaneous revenue	322	2,045
Net cash provided (used) by operating activities	4,462	(18,388)
Cash flows from noncapital financing activities:		
Operating grants	8,264	800
Transfers from other funds	326	5,445
Transfers to other funds	(927)	(2,490)
Advances to other funds		114
Net cash provided (used) by non-capital financing activities	7,663	3,869
Cash flows from capital financing activities:		
Capital contributions		18
Acquisition of capital assets	(15,663)	(11,411)
Proceeds from sale of assets	2,825	816
Retirement of capital leases, bonds and loans	(194)	(369)
Interest paid on long-term debt	(165)	(281)
Net cash provided (used) by capital and related financing activities	(13,197)	(11,227)
Cash flows from investing activities:		
Interest	3,814	5,142
Net increase (decrease) in cash and cash equivalents	2,742	(20,604)
Cash and cash equivalents - beginning of year	78,286	174,393
Cash and cash equivalents - end of year	81,028	153,789
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	3,524	10,917
Adjustments for non-cash activities:		
Other miscellaneous revenue	322	2,045
Inc (dec) in compensated absences	(47)	(75)
Inc (dec) in accrued payroll	(9)	28
Inc (dec) in due to other funds	1,432	(54,055)
Inc (dec) in accounts payable	(2,460)	10,508
Inc (dec) in claims and judgments		(11,150)
Inc (dec) in deferred credits and other liabilities	(82)	598
Dec (inc) in accounts and notes receivable	(44)	2,142
Dec (inc) in due from other funds	(646)	(2,274)
Dec (inc) in Inventories		(359)
Dec (inc) in other current assets		86
Depreciation	2,472	23,201
Net cash provided by (used in) operating activities	4,462	(18,388)
Non-cash investing and capital financing activities:		
Capital Acquisitions included in accounts payable	1,269	1,287
Contributions of Capital Assets:		
From governmental	464	
Total non-cash investing & capital financing activities	\$ 1,733	1,287

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

Basic Financial Statements



STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2007
(In Thousands)

	Specific Investments - Investment Trust	Pool Investments - Investment Trust	Agency Funds
ASSETS			
Pooled cash and investments	\$	2,584,995	451,993
Cash with fiscal agents	5		3,685
Investments with fiscal agents	343,892		
Receivables:			
Accounts receivable		15,138	142
Interest receivable	152	36,831	47,152
Other receivables			
Total assets	344,049	2,636,964	502,972
LIABILITIES			
Accounts payable		15,456	45,212
Warrants outstanding			208,644
Accrued payroll			133
Due to other governments			248,983
Total liabilities		15,456	502,972
NET ASSETS			
Held in trust for other purposes	\$ 344,049	2,621,508	

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



STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2007
(In Thousands)

	Specific Investments - Investment Trust	Pool Investments - Investment Trust
ADDITIONS		
Contributions:		
Contributions on investments	\$ 37,052	17,052,422
Total contributions	37,052	17,052,422
Investment earnings:		
Net increase (decrease) in fair value of Investments	274	8,885
Interest income	20,962	125,624
Total investment earnings	21,236	134,509
Total additions	58,288	17,186,931
DEDUCTIONS		
Distribution from investments	571,059	17,007,670
Total deductions	571,059	17,007,670
Change in net assets	(512,771)	179,261
Net assets at beginning of year (Specific Investments - Investment Trust restated)	856,820	2,442,247
Net assets at end of year	\$ 344,049	2,621,508

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

