

# City of Laredo, Texas



Comprehensive Annual Financial Report  
For The Year Ended September 30, 2010

**CITY OF LAREDO, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2010**

**PREPARED BY:**  
  
**CITY OF LAREDO**  
**FINANCIAL SERVICES DEPARTMENT**  
**ACCOUNTING DIVISION**

## **INTRODUCTION SECTION**

**CITY OF LAREDO, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Fiscal Year Ended  
September 30, 2010**

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February 8, 2011

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Laredo.

We are pleased to submit the Comprehensive Annual Financial Report of the City of Laredo, Texas for the fiscal year ending September 30, 2010. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Laredo. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Laredo 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 City of Laredo's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Laredo's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Laredo's financial statements have been audited by Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Laredo for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial

statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Laredo's financial statements for the fiscal year ended September 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Laredo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Laredo's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City presently maintains four border crossings, three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is the tenth most populated City in the State of Texas according with a population of 226,124 in 2009 according to the U.S. Census.

The City of Laredo is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Laredo has operated under the council-manager form of government. The policy-making and legislative authority are vested to the City Council consisting of the Mayor and eight Council members. The governing council is responsible, among other things for passing ordinances, adopting budgets, appointing committees, and the hiring of the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for



overseeing the day-to-day operations of the government, and for appointing the directors of the various departments. The council is elected on a non-partisan basis. Council members may serve up to two (2) four (4) year terms. The mayor is elected to serve a four-year term with a limit of two (2) terms. All council members are elected by district. The mayor is elected at large.

The City of Laredo provides a full range of municipal services including police and fire protection, parks, recreational and cultural activities, libraries, recycling services, a civic center, public health and social services, municipal housing, public improvements, public bus transportation, water and wastewater services, sanitation services, four international bridges, an international airport, planning and zoning, and general administrative services. As such, these activities are reflected in the financial statements along with the capital project funds, debt service fund, internal service funds, and fiduciary funds. These financial statements were prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Government Accounting Standards Boards (GASB).

The annual budget serves as the foundation for the City of Laredo's financial planning and control. The City Manager presents a proposed balanced budget to the City Council for review through council workshops. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30<sup>th</sup>, the close of the City of Laredo's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department Directors may make transfers of appropriations within a department through an insufficient appropriation notice that is reviewed by the Budget, Finance and City Manager's Office depending on the dollar value. Transfers of appropriations between funds require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds.

For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the special revenue fund and the capital projects fund).

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Laredo operates.

**Local economy:** Though the nation's economy is struggling with sales, mortgages, and unemployment, the City of Laredo has been very fortunate to not have received the full impact. Laredo is strategically positioned with a large transportation and warehousing industry where we meet the basic needs of consumers. Trade between the United States and México is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland Port on the U.S. – México border. With our 4 international bridges, Laredo crosses over \$173 billion imports and exports annually. It is the 6<sup>th</sup> largest U.S. Customs District in the country. The Laredo International Airport is the 8<sup>th</sup> largest cargo hub to South America. It services over 287 million pounds of cargo on an annual basis.

The City of Laredo undertook an aggressive marketing approach in bringing additional commerce to our City. We hosted our first Business Round Table Conference where we invited business owners, politicians, and government officials from the Central America as well as the United States and México. Part of the conference was to provide attendees with an opportunity to view the trade and commerce infrastructure of Port Laredo's overland capabilities. U.S. companies such as Costco, HEB, and Wal-Mart met with Central American business owners and developed business opportunities where Laredo will be a route through the Ports of Lazaro Cardenas and Manzanillo to logistically import products into the United States.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of Wal-Mart's #1 sales store in the nation. Grocery store chains such as H.E.B. continue to invest in Laredo by adding additional stores. Hobby Lobby, additional electronic stores such as Best Buy and sporting goods stores such as Academy continue to be top nationwide retail sellers in Laredo. Our current mall holds over 150 stores which amongst them are many restaurants such as Luby's, Olive Garden, Red Lobster, Tony Romas, etc. It also has stores such as Dillard's, Belk's, Macy's, JC Penny, Sears, BeBe, Guess, Hollister, American Eagle, Chucky Cheese, and many more.

In addition to these stores, we have added a new flavor to Laredo. Over 40 blocks of Mexican import vendors have set up shop in a strip of Laredo called "San Bernardo Avenue". This street is dedicated to promoting Laredo as the shopping attraction for everything unique to México and its products with artistry and crafts. This has become a very popular destination for tourists and locals.

A visit must be taken to the Laredo Energy Arena; a City owned facility that is operated by SMG is the home of the 2-time Central Hockey League Champions, the "Laredo Bucks". This beautiful facility hosts many family oriented events which include indoor football, exhibition basketball games, rodeos, motor cross racing, wrestling, and major concert performers.

## **MAJOR INITIATIVES**

### **For the Year 2009-2010**

The City staff, following the directives of the City Council and the City Manager, have addressed and completed a large number of projects during the year. The projects are reviewed and adopted annually through a five year Capital Improvement Plan. These projects reflect the City's commitment to building a better Laredo and provide its citizen with a better quality of life, economic prosperity and safety.

- The completion of a reconstruction of General Aviation Apron Phase 5 was funded by FFA in the amount of \$3 million. This reconstruction was to increase the capacity to service over 30 aircraft cargo the size of a Boeing 757 which will enhance trade for the City.
- Water Rights acquisition in late September (FY 2010) and early October 2010 (FY 2011) totaled \$15 million; \$7.5 million was covered by a grant and the remaining \$7.5 million was a loan from the Water Development Board at zero interest.
- The City Utilities Department was hard at work replacing various number of water and sewer lines totaling \$13 million.
- Ninety percent completion of a 3 MGD water tower that will server over 10,000 residents in Central Laredo. This tank will alleviate the pressure on antiquated water lines. The project cost of this is \$3.9 million.
- During the fiscal year, Laredo's International Airport was awarded an additional \$6 million in Noise Compatibility Program Funds. Staff acquired 24 properties through fee simple purchases, 39 aviation easements, and initiated the soundproofing of 28 properties with funds totaling \$3.6 million.
- In response to a major flood event in July 2010, the City provided emergency assistance to 121 families who were uninsured and displaced from their homes. CDBG funds totaling \$140,147 were used to purchase essential items including 276 beds, 77 stoves, 83 refrigerators, and 67 water heaters that enabled families to become re-established. The City requested funding from FEMA and is expected to receive approximately \$1.7 million towards rehabilitation of various City facilities where the flood caused much damage.
- Construction was completed for a park in South Laredo; Slaughter Park, a 37 acres facility, includes a 3 soccer fields, 4 baseball fields, two concession buildings, walking trail, sports lighting, parking and irrigation system. The project cost of \$10.1 million was funded from various bond proceeds.

- Rehabilitation of 617 City blocks with a project cost of \$5 million; various drainage projects were completed with a cost of \$975 thousand.
- The City purchased 12 heavy duty buses for the Transit system with a cost of \$4.3 million.

### **Future Major Initiatives**

Projects that have been initiated or will be undertaken during the next fiscal year include:

- Construction of the Jefferson Water Treatment Plant is underway where the \$35.1 million project will have new back-up generators, a new electrical system, and will be able to pump 45 million gallons per day. The project will be funded by the Texas Water Development Board.
- A commercial booth expansion project at the World Trade Bridge commenced in 2010 with a project cost of \$4.62 million. The project includes the addition of 7 new lanes and primary inspection booths, 2 additional secondary lanes, and other site enhancements of which all will aid to improve the flow of commercial trucks for our Port. This project is expected to be completed in February 2011.
- The Max A. Mandel Municipal Golf Course is the first municipal golf course in Laredo. The course is to be situated along the Rio Grande River. Water Rights, 240 acres of land, and \$1 million were donated by the Mandel Family toward this project. The total construction cost of the golf course is estimated at \$6.6 million. The course was designed by Robert Trent Jones, one of the top leading design firms in the world. The project is expected to be completed in the fall of 2012.
- A baseball stadium at a cost of \$18 million will be constructed off Loop 20, between the Laredo International Airport and the Laredo Energy Arena. The baseball park will hold 6,000 spectators where among some amenities will include picnic areas, luxury suites and a full service bar. The projected is expected to be completed by May 2012.
- The construction of a 3<sup>rd</sup> library for the citizens of Laredo will be completed October 2011. The cost of this project is \$4.6 million. The library is located in South Laredo with approximately 22,000 square feet to include an expanded collection for circulation, a Teen Café, children's area, reference and computer labs, Wi-Fi and individual study rooms.

- The City awarded a \$1.7 million contract for the World Trade/Colombia Solidarity Bridges for refrigerated inspection facilities. The City of Laredo is proposing two refrigerated inspection facilities (World Trade and Colombia Solidarity Bridges) at the current Customs and Border Protection (CBP) import lots. Each refrigerated facility will be approximately 6,000 square feet. Included in the project will also be a new drainage system, power and lighting to accommodate the proposed refrigerated units. Estimated completion date is June 2011.
- The City awarded an \$846 thousand contract for a Hazardous Material Containment System Retrofit Project which will be built in Bridge #4 - the World Trade International Bridge. This project will construct a hazardous material containment system integral into the World Trade International Bridge span, which will capture and contain any hazardous material that maybe spilled on the international bridge. Estimated completion date is September 5, 2011.
- The City began construction of the Fire Department Administration Building. The building will house over 55 administrative personnel along with fire inspectors and the EMS training division. The project cost of this building is \$7 million. The Project is expected to be completed January 2012.
- Various recreational and park projects were funded during the current year with the sale of a Certificate of Obligation Bonds. The projects include the following:
  - Construction continues for a recreational facility in East Laredo; Hayes Recreation Center, a 35,000 square feet facility, with estimated cost of \$13 million will include a lobby/reception area, elevated indoor tack, game room, computer lab, rock wall, kitchen/juice bar, basketball gym/indoor soccer field, cardiovascular area, dance/aerobics room and a multipurpose room. The project is expected to be completed in May 2011.
  - A Northwest Recreation Center, a 20.52 acre tract located in West Laredo will include a 44,000 sq ft. multi-purpose room, exercise and weight room, library branch, indoor play structure, a senior citizen center, computer labs, aerobic and dance studio, and may outdoor amenities. The estimated project cost is \$6.6 million. Funding for this project will be funded through bond proceeds. The projected is expected to be completed December 2011.

**Cash management policies and practices:** Cash temporarily idle during the year was invested mostly in Certificates of Deposit and Local Government Investment Pools. This is due to U.S. Treasury and its agencies offering very low interest rates. The maturities of the investments range from daily to 12 months with an average day to maturity of 109 days. The average yield on investments was .45% percent for the year. The firm of Estrada-Hinojosa Investment Advisors continues to provide the City with recommendations as to investment strategies due to difficult economic times.

**Risk management:** In January 1990, the City established a partial self-insurance plan to provide medical coverage for its employees. On October 1, 1996, the City converted its Worker's Compensation Plan to a self-funded plan. Claims in excess of the self-insured retention amounts are covered through third party limited-coverage insurance policies. The City has accruals for claims that have been incurred but not yet disbursed. The Health and Benefits Fund reflected a deficit of \$3,044,072 as of September 30, 2010. The amount reflects an unusual increase in health claims that exceeded projections by \$2.5 million in 2009 and \$500 thousand in 2010. A major change to insurance benefits has been administered and the City should begin to see positive results and stabilize its fund balance within a 3 year term. The deficit is expected to be made up during the future fiscal years. The total net assets for Risk Management were \$2,707,575 a slight increase of \$17,837 from the previous year.

**Pension and other postemployment benefits:** The City of Laredo sponsors a non-traditional, joint contributory, hybrid defined single-employer (TMRs) defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City of Laredo must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Laredo fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the City of Laredo's conservative funding policy, the City of Laredo has partially funded 54.6 percent as of December 31, 2009. The remaining un-funded amount is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary.

The City of Laredo also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 143 retired employees receiving these benefits. An actuarial was conducted in fiscal year 2009 for fiscal year ending 2008. The City's unfunded liability is \$95,683,806. The City of Laredo is continuing to look for methods on implementing the funding for this liability.

Additional information on the City of Laredo's pension arrangements and post-employment benefits can be found in Note # 9 and 10 in the notes to the financial statements.

## **Awards and Acknowledgements**

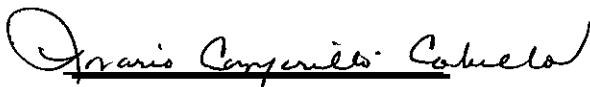
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laredo for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the twenty second consecutive year that the government has received this prestigious award. 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.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its nineteenth consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Laredo's finances.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Rosario Camarillo-Cabello". The signature is fluid and cursive, with a large initial 'R'.

Rosario Camarillo-Cabello,  
Financial Services Director

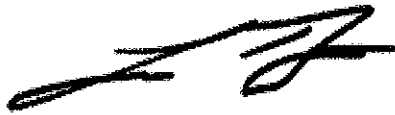
# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Laredo  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

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.



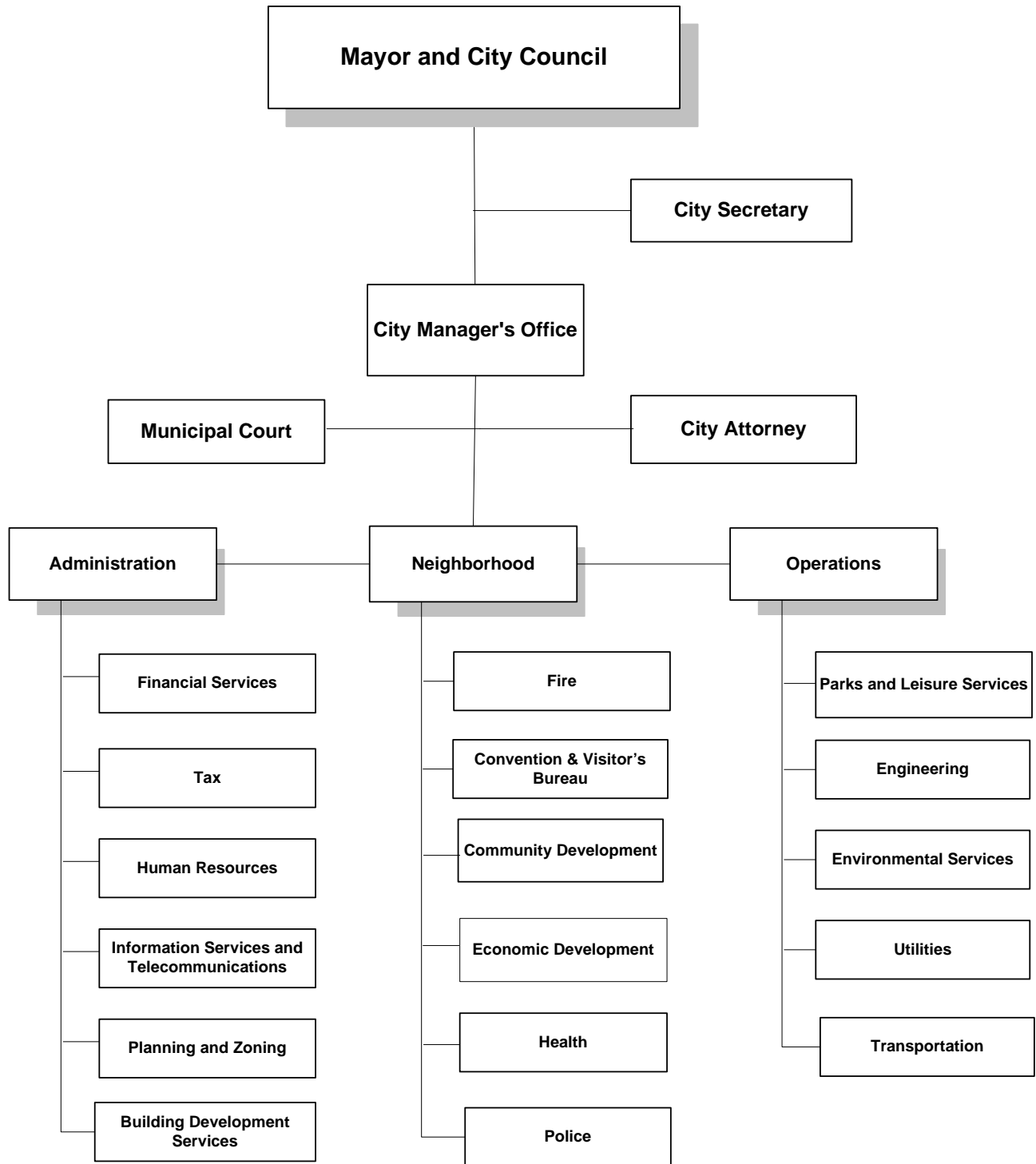
President



Executive Director



# CITY OF LAREDO, TEXAS



**CITY OF LAREDO, TEXAS  
ADMINISTRATIVE OFFICIALS**

**CITY COUNCIL**

**Raul G. Salinas, Mayor**

COUNCIL MEMBER	DISTRICT	COUNCIL MEMBER	DISTRICT
Mike Garza	I	Johnny Rendon Mayor Pro-Tempore	V
Hector J. Garcia	II	Gene Belmares	VI
Dr. Michael Landeck	III	Jose A. Valdez	VII
Juan Narvaez	IV	Cindy Liendo-Espinoza	VIII

**CITY STAFF**

Carlos R. Villarreal, City Manager

Cynthia Collazo, Deputy City Manager

Horacio De Leon, Assistant City Manager

Jesus M. Olivares, Assistant City Manager

Raul Casso, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

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## **FINANCIAL SECTION**

Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Laredo, 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 the City of Laredo, Texas, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Laredo, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of September 30, 2010, 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 8, 2011, on our consideration of the City of Laredo, Texas' 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Laredo, Texas' basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, 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 purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements of the City of Laredo, Texas. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

*Canales, Hargis & Baum, PLLC*

Laredo, Texas  
February 8, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Laredo's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This section of the City of Laredo's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of this fiscal year by \$735.6 million (net assets). Of this amount, \$73.0 million (unrestricted net assets) may be used to meet the Government's ongoing obligations to citizens and creditors.
- The City's governmental net assets increased by \$42.4 million and the business-type activities net assets increased by \$7.5 million resulting in a \$49.9 million increase in total net assets for the current fiscal year.
- As of the close of the current fiscal year, the City's Governmental funds reported combined ending fund balances of \$169.4 million; a decrease of \$14.6 million from prior year attributed mainly to completion of capital projects funded by bond proceeds received in prior years. At the City's discretion, \$85.7 million of these fund balances are unreserved, \$9.8 million are designated for debt service, and the remaining amounts of \$73.9 million are reserve funds. These amounts are reported prior to GASB 34 conversion.
- At the end of the current fiscal year, fund balance for the general fund was \$34.9 million, or 24.22 percent of the total general fund expenditures.
- The City's long term debt decrease by \$721 thousand from prior year's balance of \$549.7 million. During the current fiscal year, the City issued \$13.285 million in certificate of obligation bonds and \$7.5 million in revenue bonds. The net pension obligation liability increase by \$12.6 million, compensated absences decreased by \$6 million and principal payments made during the year totaled \$30.58 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplemental information, and an option section that presents combining statements for non-major Governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are Government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City Government, reporting the City's operations in more detail than the Governmental-wide statements.
- The Governmental funds statements tell how General Government services like public safety were financed in the short term as well as what remains for future spending.

- Proprietary fund statements offer short-and long-term financial information about the activities the Government operates like a business, such as the Bridge, Transit and Water and Sewer funds.
- Fiduciary fund statements provide information about the financial relationships as an example, the retirement plan for the City's employees in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources above belong.

		<b>Fund Statements</b>		
	Government –Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>SCOPE</b>	<b>Entire City Government (except fiduciary funds) and the City's component units</b>	<b>The activities of the City that are not proprietary, such as police, fire, and parks</b>	<b>Activities the City operates similar to private businesses: Bridge, Water, Sewer</b>	<b>Instances in which the City is the trustee or agent for someone else's resources i.e.: the retirement plan for City employees</b>
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of Revenues and Expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of Revenues, expenses, and changes in net assets</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting basis and measurement focus</b>	<b>Accrual accounting and economic resources focus</b>	<b>Modified accrual accounting and current financial resources focus</b>	<b>Accrual accounting and economic resources focus</b>	<b>Accrual accounting and economic resources focus</b>
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term the City's funds do not currently contain capital assets, although they can.
<b>Type of inflow/outflow information</b>	<b>All revenues and expenses during the year, regardless of when cash is received or paid.</b>	<b>Revenues for which cash is received during or soon after the year; expenditures when goods and services have been received and payment is due during the year or soon thereafter</b>	<b>All revenues and expenses during the year; regardless of when cash is received or paid</b>	<b>All revenues and expenses during the year, regardless when cash is received or paid</b>

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition these required elements, we have included a section with combining statements that provide details about our non-major Governmental Funds and Internal Service



Funds, each of which are added together and presented in single columns in the basic financial statements.

**Figure A-1**

**Required Components of the  
City of Laredo's Basic Financial Report**

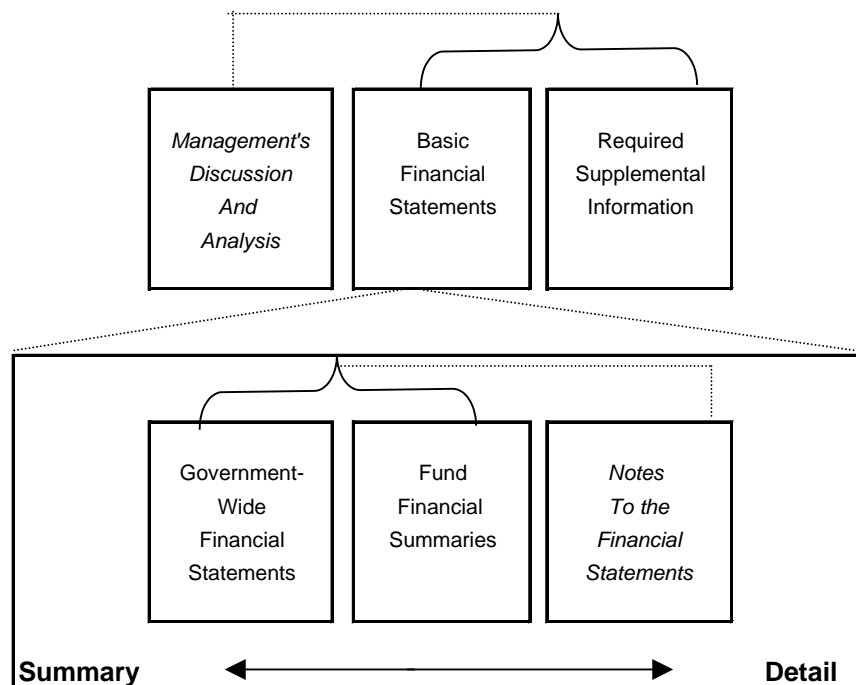


Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

### Government-wide Statements

The *Government-wide statements* are designed to provide readers with a broad overview of the City of Laredo's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Overtime, increases and decreases in net assets may serve as a useful indicator of the City's financial health or position.

- Increases or decreases in the City's net assets are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City consideration to non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The Government-wide financial statements of the City are divided into three activities:

- Government activities- Most of the City’s basic services are included here, such as the police, fire, parks, public works, health, library departments, and general administration. Sales taxes and property taxes, charges for services, and the state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover its cost of certain services it provides. The City’s Municipal Court operations and a portion of the Bridge revenues are included here.
- Blended Component units – The City includes six other entities in its report. These entities are: Laredo Municipal Housing Corp., Laredo Municipal Transit System, Laredo Convention and Visitors’ Bureau, Laredo Firefighters’ Retirement System, Laredo Water Corporation and the Laredo Energy Arena. Although legally separate, these “component units” are important because the City is financially accountable for them.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the City’s most significant funds – not the City as a whole. Funds are grouping or related accounts that the City uses to keep track of the specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council has established other funds to account for particular purposes or projects and or to show that it is properly using certain revenue sources.

The City has three kinds of funds:

- *Governmental funds* – Most of the City’s basic services are included in Governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, we provide additional information at the bottom of the Governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide statements, provide both long- and short-term financial information.
- *Fiduciary funds* – The City is the trustee, or fiduciary, for its employee’s pension plans. It is also responsible for other assets that – because of a trust arrangement can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City’s Government-wide financial statements because the City cannot use these assets to finance operations.

**Notes to the financial statements.** The Notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Assets.** The City's *combined* net assets totaled \$735.57 million as of September 30, 2010. Analyzing the net assets and net expenses of the governmental and business-type activities separately, the business type activities net assets are \$304.98 million and the government type activities are \$430.59 million. This analysis focuses on the net assets (Table A-1) and changes in general revenues (Table A-2) and significant expenses of the City's governmental and business-type activities.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1**  
**City of Laredo's Net Assets**  
**September 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 225,848,059	\$ 239,010,491	\$ 184,775,286	\$ 195,839,046	\$ 410,623,345	\$ 434,849,537
Capital assets	513,872,337	456,337,197	428,607,886	404,121,472	942,480,223	860,458,669
Unamortized Bond Costs	4,436,239	4,591,039	3,333,943	3,421,122	7,770,182	8,012,161
Total assets	744,156,635	699,938,727	616,717,115	603,381,640	1,360,873,750	1,303,320,367
Current liabilities	36,707,797	33,273,699	39,570,677	34,627,658	76,278,474	67,901,357
Non-current liabilities	276,858,075	278,461,629	272,167,887	271,285,723	549,025,962	549,747,352
Total liabilities	313,565,872	311,735,328	311,738,564	305,913,381	625,304,436	617,648,709
Net Assets:						
Invested in capital assets, net of related debt	371,030,290	327,113,377	251,995,464	241,824,056	623,025,754	568,937,433
Restricted	23,051,240	21,283,295	16,695,175	17,621,503	39,746,415	38,904,798
Unrestricted	36,509,233	39,806,727	36,287,912	38,022,700	72,797,145	77,829,427
Total net assets	\$ 430,590,763	\$ 388,203,399	\$ 304,978,551	\$ 297,468,259	\$ 735,569,314	\$ 685,671,658

A portion of the City's net assets (\$39,746,415 or 5.40%) represents resources that are subject to external restrictions on how they may be used. The City of Laredo has sufficient funds to meet requirements for cash outlays in the next fiscal year and has the financial capacity to meet its long-term obligations in the years to come. The City's policy has been to make reasonable and continuous efforts to fund all long-term liabilities.

## Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2010. Governmental activities increased the City's net assets by \$42.4 million, while Business-Type activities increased by \$7.5 million, overall the City's Net Assets increased by \$49.9 million. Total revenues realized for the City increased by \$14.1 million over the previous year. (See Table A-2). The largest revenue category was charges for services, which are composed for the most part of Administrative Fees from all departments, bridge tolls and utility charges.

Total operating cost of all programs decreased by \$22.3 million from prior year to \$360.2 million. The most significant governmental expense for the City was in providing public safety, which incurred \$96.7 million, a reduction of \$4.6 million over prior year. These expenses were offset by revenues collected by a variety of sources such as property taxes and fines and forfeitures. The most significant portion of the police activity is the cost of personnel, which is approximately \$43.8 million and the fire department with \$33.9 million (both areas including benefits).

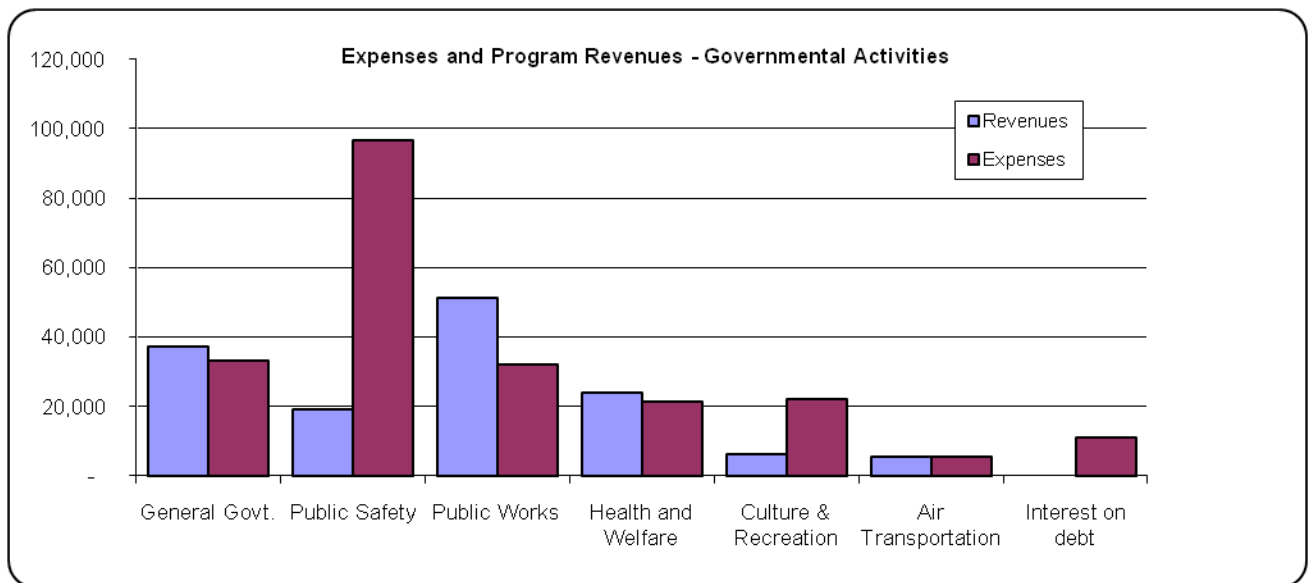
**Table A-2**

### City of Laredo's Changes in Net Assets September 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 73,280,328	\$ 66,721,646	\$ 120,119,380	\$ 116,133,790	\$ 193,399,708	\$ 182,855,436
Operating grants and contributions	21,833,031	18,369,080	5,439,854	4,433,244	27,272,885	22,802,324
Capital grants and contributions	48,006,390	30,660,626	26,282,072	41,035,105	74,288,462	71,695,731
General revenues:						
Sales tax	29,790,610	29,801,861	5,512,908	5,760,681	35,303,518	35,562,542
Property taxes	69,155,582	68,693,562	-	-	69,155,582	68,693,562
Other taxes	10,078,239	9,755,834	-	-	10,078,239	9,755,834
Grants and contributions not restricted	-	-	-	-	-	-
Other	740,113	3,996,616	(245,475)	512,769	494,638	4,509,385
Total revenue	<u>\$ 252,884,293</u>	<u>\$ 227,999,225</u>	<u>\$ 157,108,739</u>	<u>\$ 167,875,589</u>	<u>\$ 409,993,032</u>	<u>\$ 395,874,814</u>

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Expenses:						
General Government	\$ 33,057,032	\$ 52,488,587	\$ -	\$ -	\$ 33,057,032	\$ 52,488,587
Public Safety	96,731,529	101,317,492	-	-	96,731,529	101,317,492
Public Works	31,945,598	33,983,968	-	-	31,945,598	33,983,968
Health & Welfare	21,408,808	19,374,716	-	-	21,408,808	19,374,716
Culture & Recreation	21,989,636	19,137,914	-	-	21,989,636	19,137,914
Air Transportation	5,592,799	6,014,102	-	-	5,592,799	6,014,102
Interest & Other long - term debt	11,170,771	29,610,058	-	-	11,170,771	29,610,058
Transit System	-	-	15,264,944	14,428,909	15,264,944	14,428,909
Bridge System	-	-	40,917,048	39,335,750	40,917,048	39,335,750
Solid Waste	-	-	14,516,888	18,828,910	14,516,888	18,828,910
Water System	-	-	40,110,255	28,536,428	40,110,255	28,536,428
Sewer System	-	-	25,526,830	18,235,772	25,526,830	18,235,772
Municipal Housing	-	-	2,013,781	1,305,632	2,013,781	1,305,632
Total expenses	221,896,173	261,926,837	138,349,746	120,671,401	360,245,919	382,598,238
Inc (dec) in net assets before transfers	30,988,120	(33,927,612)	18,758,993	47,204,188	49,747,113	13,276,576
Transfers	4,683,701	8,108,009	(4,683,701)	(8,108,009)	-	-
Incr (Dec) in net assets	35,671,821	(25,819,603)	14,075,292	39,096,179	49,747,113	13,276,576
Net assets, beginning	388,203,399	317,527,347	297,468,259	354,867,735	685,671,658	672,395,082
Prior Period Adj.	6,715,543	96,495,655	(6,565,000)	(96,495,655)	150,543	-
Net assets, ending	\$ 430,590,763	\$ 388,203,399	\$ 304,978,551	\$ 297,468,259	\$ 735,569,314	\$ 685,671,658

**Graph 1**

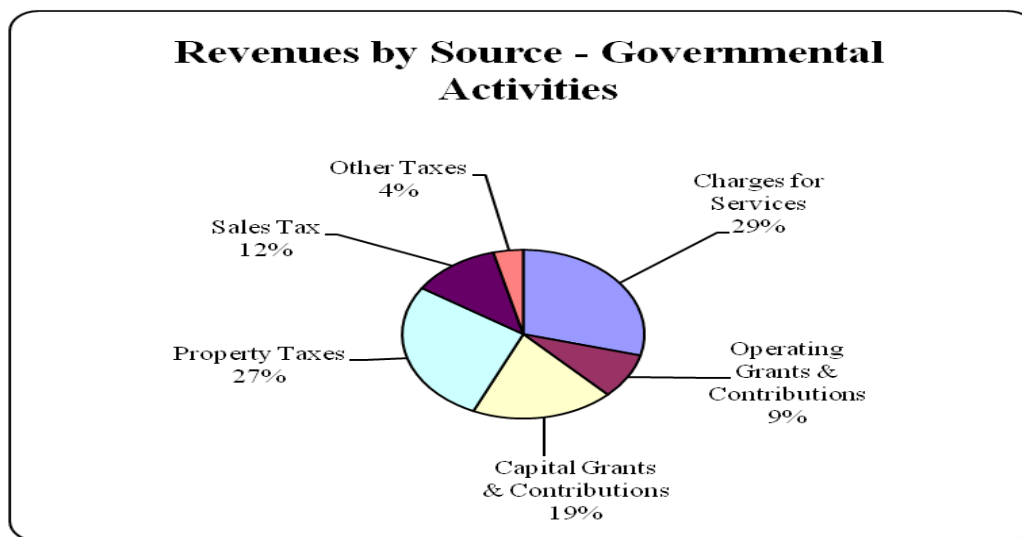


Graph 1 represents the cost of each of the City's 7 largest programs as well as each of the programs revenue. Net cost (total cost less fees generated by the activities and intergovernmental

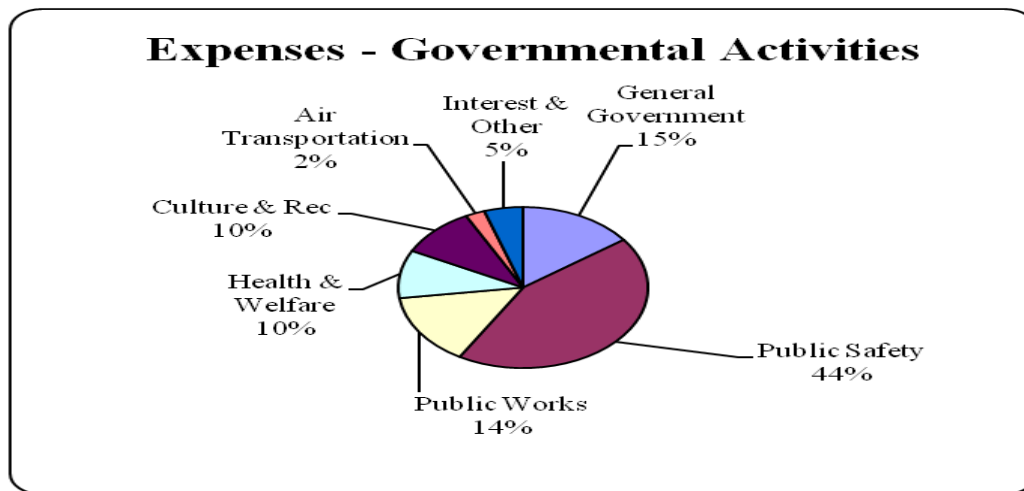
aid) is also reflected for each program. The net cost is the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all *Governmental* activities this year was \$221.9 million.
- The amount that our citizens paid for these activities through City taxes and revenues such as interest earnings, franchise fees, and unrestricted grants was \$109.8 million.
- 44% of all Governmental Activities expenses were from Public Safety, 14% were from Public Works, 10% were from Health & Welfare, 10% were from Cultural & Recreational, 15% were for general governmental activities and 7% were from the Other categories. (See Graph 3).
- General Government (support services) comprised approximately 15% of total expenses in Fiscal Year 2010; a decrease of \$19.4 million from prior year. The major decrease was due to recognition of net pension obligation of OPEB in fiscal year 2009 of \$32 million. Current year OPEB increase by \$12.6 million. There were no other significant increases in any one area.
- Expense for Public Safety represents 44% of total expenditures or an increase of 5% from prior year. This increase was due to increased contractual obligations with the Fire and Police Unions.
- Public Works expenses increased by 1% as compared to the previous year. The net increase is due to the heavy construction in the quality of life areas of street and sidewalk reconstruction as well as parks and recreation facilities.
- Cultural & Recreational increased by 3% due to the operations of the Laredo Energy Arena (LEA) formally known as LEC. The City's facility is managed and operated by SMG. This venue offers additional entertainment options to the citizens of Laredo.
- Other areas in Health & Welfare, Air Transportation and Other expenses decreased by 3%.
- Business Type Activities transferred to Governmental Activities \$4.7 million a decrease of \$3.4 million from the previous year.
- 29% of all Governmental Activities revenue came from charges for services, 27% from property taxes and 12% from sales taxes (see Graph 2).

**Graph 2**



**Graph 3**



### **Business-type Activities**

Revenues of the City's business-type activities were \$157.1 million for the fiscal year ending September 30, 2010, a decrease of \$10.8 million from prior year. The decrease was mainly due to a decrease in capital grants and contributions in the amount of \$14.8 million. Charges for Services reflect an overall increase of \$4 million. Other major revenue categories remained at the same level as in the prior year.

Expenses for the City's business-type activities were \$138.3 million for the year, a difference of \$17.7 million from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- \$11.6 million increase in Water System for non-operating expenses such as interest (\$4.9 million), water availability and other non operating expenses (\$6.5 million).
- \$4.3 million decrease in Solid Waste System; operational expenses decrease \$4.9 million (\$3.8 in related to closure and post closure costs and \$1.1 for the creek cleaning division) and increase of \$670 thousands in non-operating expenses.
- \$7.3 million increase in the Sewer System; operational expense increase \$3.3 million and an increase of \$4.3 million in non-operating for the Sewer System.
- \$1.6 million increase in Bridge System; operational expenses decrease by \$1.7 million and a decrease of \$179 thousands in non-operating expenses.
- Other business-type activities increased by \$1.5 million in operating expenses for the Transit System and Municipal Housing Fund and others.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City of Laredo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Laredo is to provide information on near term inflows (current resources) outflows, and balances of available resources. Such information is useful in assessing the City of Laredo's financial requirements. In particular, unreserved fund balances may serve as a useful measure of the Government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of \$169.4 million of which \$41.5 million is for General Fund and Debt Service Fund and \$127.9 million is for Other Governmental Funds that account for Special Revenue Funds, Capital Projects and a Permanent Fund. Of the \$169.4 million combined fund balance, \$32.8 million is unreserved for General Fund, \$25.8 million for capital projects and \$27.2 million for Special Revenue Funds; \$83.6 million is restricted for an endowment fund, reserve for encumbrances, capital acquisition and reserve for debt service.

The General Fund is the chief operating fund of the City of Laredo. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$32.8 million of the total fund balance was \$34.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenses. Unreserved fund balance represents 22.75 percent of the total general fund operating expenses, while total fund balance represents 24.22 percent of the same amount.

During the current fiscal year, the City's General Fund balance increased by \$4.3 million as compared to prior year. In spite of the current national economic crisis, the City was able to manage its resources and implement a plan in order to save funds without interrupting or affecting services provided to the citizen of the Laredo. Some of the key factors are as follows:

- As compared to prior year, property tax revenue increase by \$1.3 million in property taxes. A growth in assessed valuations as well as the City's high collection rate of has assisted the City in increasing tax revenues without having to increase the property tax rate.
- Sales Tax revenues decreased by \$758 thousands as compared to the prior year. The decrease is a reflection of the current economic conditions.
- Charges for Services increase by \$2 million as compared to prior years.
- General Fund expenses increased by \$4.6 million from prior year. Where most of the departments remained stable, minimal growth occurred in Public Safety by \$3.1million and capital outlay by \$845 thousand. The major increase was in the personnel expenses in the amount \$3.0 million for Fire and Police Department. General Government and Health & Welfare increased by \$173 thousand. Public Works and Cultural & Recreational recorded an increase of \$572 thousand. Other Financing Uses reflected an increase of \$869 thousand in transfers out and bond costs.

The Debt Service fund has a total fund balance of \$6.5 million, all of which is reserved for the payment of debt. The Debt Service Fund registered a decrease in fund balance during the current year in the amount of \$107 thousand.

***Proprietary funds.*** The City of Laredo's proprietary funds provide the same type of information found in the Government-wide financial statements, but in more detail.

Total net assets of the Business – Type Activities at the end of the year totaled \$305 million. The total net assets increased by \$7.5 million as compared to prior year. The largest area of change is in the Waterworks System and Bridge System with a combined increase of \$12.5 million. The Other Funds category decreased by \$5 million due to a prior period adjustment in the amount of \$5.6 million to recognize the long term liability associated with bonds issued in prior years. Please see notes to the financial statement for additional information. An increase of \$14.1 million is the result of operations of the proprietary funds for the fiscal year. The increase can be further broken down into an operating income of \$9.6 million and other non-operating revenues,



net of expenses, of \$4.4 million. There was an increase for the total net assets for the Waterworks and Bridge Systems by \$11 million and \$1.5 million respectively. The business-type activity funds experienced a decrease in revenues in the amount of \$10.8 million. Charges for Services revenue increased \$5 million over the due to a higher number of customers for the Water, Sewer and Bridge Systems. While the Capital Grants and Contribution decreased by \$15.8 million due to completion of projects financed with grants and contribution from developers. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

Overall, the City has not only maintained at least a 15% fund balance as required by City Charter, but has also has been able to increase the rate to 24.22% of operating expenditures in FY 2010. Steadily and in spite of current economic conditions, the City has been able to sustain and strengthen its economic condition. An example of an indicator that led us to this position is that property tax collections have increased 2.37% over last year. Even though sales tax collection decreased by 3.13% and charges for services have increased 6.41% from prior year the City has been able to increase its fund balance. With appropriate planning and cautious financial spending, the City's General Fund balance increased to \$34,946,332 or 24.22% of operating expenditures as of September 30, 2010.

#### *Original Budget vs. Final Amended Budget:*

##### Revenues and Other Financing Sources:

- During the year, the General Fund budget was amended by increasing additional appropriations of \$3.6 million. These amendments consisted of grants including \$1.3 million for Homeland Security and bond proceeds in the amount of \$2.07 million for the acquisition of land. Other amendments included \$275 thousand appropriated for Penalty and Interest revenues.

##### Expenses and Other Financing Uses:

- The budget was amended to reflect additional appropriations of \$4.5 million for various grants in the amount of \$1.3 million, capital outlay in the amount of \$2.07 million and \$1.13 million to cover the cost of administrative expenses.

#### *Amended Budget as compared to Actual Expenses:*

##### Revenues:

- The actual revenues reflect an overall unfavorable variance of \$17 million as compared to the amended budget. This variance had various attributes:
  - Sales tax revenues did not increase as projected and had a shortfall of \$1.5 million.
  - Licenses and Permits revenues did not materialized as projected resulting in a \$303 thousand revenue shortfall.
  - Charges for Services revenues exceeded the projected amount by \$1.2 million during the budget cycle.
  - Contribution and Donations exceeded the projected revenues by \$17.2 million. This is as a result of the recognition of the value of donated storm drainage improvements by developers to the City.

#### Expenses and Other Financing Sources (Uses):

- An overall unfavorable variance of \$400 thousand was realized in other financing sources and uses. This is the result of unrealized sources of \$380 thousands and other uses exceeding budget by \$20 thousand.
  - General Government realized savings in the amount of \$1.4 million among the departments with savings include Municipal Court, City Attorney, Building, Planning and Financial Services Department among others.
  - Public Works had savings of \$727 thousand in the divisions of Drafting & Surveying, Street Maintenance and Street Construction.
  - Cultural & Recreational had savings of \$201 thousand in the Library, Parks Administration & Cemetery.
  - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remain at the same level as in prior years.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City of Laredo investment in capital assets for its Governmental and Business-Type activities as of September 30, 2010 is \$942 million (net of accumulated depreciation). The total increase in the City's investment in capital assets for the current fiscal year was \$125.8 million net increase over prior year. Additions, to capital assets such as land, infrastructure, equipment, construction in progress and buildings for the year totaled \$81.6 million for governmental activities and \$44.2 million for business type activities. Deletions of such items were immaterial for the year. (Table A-3) Additional information about the City's Capital Assets is presented in Note 8 to the financial statements.

**Table A-3**  
**City of Laredo – Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 70,500,680	\$ 66,333,535	\$ 31,180,460	\$ 30,857,130	\$ 101,681,140	\$ 97,190,665
Buildings	148,755,547	137,977,860	96,084,537	86,817,021	244,840,084	224,794,881
Machinery & Equipment	89,151,249	75,693,226	71,703,748	69,517,572	160,854,997	145,210,798
Water Rights	-	-	29,847,150	28,816,551	29,847,150	28,816,551
Improve'ts other than Bldg	483,021,096	417,475,750	353,237,984	341,031,893	836,259,080	758,507,643
Construction in Progress	5,266,211	17,598,562	66,962,317	47,796,609	72,228,528	65,395,171
Total	<u>\$ 796,694,783</u>	<u>\$ 715,078,933</u>	<u>\$ 649,016,196</u>	<u>\$ 604,836,776</u>	<u>\$ 1,445,710,979</u>	<u>\$ 1,319,915,709</u>

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

#### Governmental

- Various land acquisitions totaling \$4.2 million. Land related to the Noise Abatement Project totaling \$2.9 million and \$1.3 million for the park land and easements.
- Building increase by \$10.8 million mainly due to a new recreation center.
- Infrastructure Improvements in the amount of \$65.5 million for various projects including Airport runways and cargo at a cost of \$10.6 million, Street Improvements of \$34.2 million, drainage improvements of \$10.5 million, parks improvements of \$6.7 million.

- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$13.5 million for all departments within the City.
- Construction in Progress decrease \$12.3 due to completion of various projects.

#### Proprietary

- Water Rights acquisition in the amount of \$1 million.
- Buildings valued at \$9.3 million were added to the capital assets for proprietary funds.
- Improvement other than building and construction in progress increased by \$31.4 million which includes Water and Sewer plant improvements, collection and distribution systems.

The Governmental activities consists of improvements to and / or construction of the City's streets, parks and recreational facilities, police substations, fire protection facility, and airport improvements. Contractual Obligation bonds and grant awards are the primary financing mechanism for these capital improvements.

The Business Type activities consist of improvements to and/or construction of water and wastewater systems and international bridge improvements. These projects are primarily funded by the transfer of enterprise revenues and the issuance of debt i.e.: Revenue Bonds.

#### Long-term Debt

At year-end, the City had \$287 million in outstanding bonds and other long term debt; a decrease of \$2.8 million over last year (See Table A-4) for the Governmental Activities. The Business Type Activities recorded an increase of \$56 thousand. More detailed information about the City's long-term liabilities is presented in Note 11, 12 & 20 to the financial statements.

<b>Bond Ratings</b>	
The City most recent general obligation bond ratings are the following:	
Standard & Poor's	AA-
Moody's	Aa2
Fitch	AA

New debt resulted mainly from various issues totaling \$14.4 million Certificate of Obligation Bond Series 2010 and \$7.5 million Water and Sewer Systems Revenue Bond Series 2010. The issuance of long term debt was to finance various projects including constructing City buildings, land acquisition, equipment and vehicles for various City Departments and water rights acquisition.

**Table A-4**  
**City of Laredo's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 24,945,491	\$ 27,989,344	\$ 26,894,509	\$ 32,100,655	\$ 51,840,000	\$ 60,089,999
Certificates of obligation	167,815,685	172,020,000	123,299,316	115,815,000	291,115,001	287,835,000
Revenue bonds	31,290,000	32,720,000	107,656,000	108,065,223	138,946,000	140,785,223
Capital lease obligations	938,307	1,664,246	-	-	938,307	1,664,246
Compensated Absences	16,530,088	22,428,114	1,009,275	1,998,128	17,539,363	24,426,242
Notes payable	765,000	850,000	20,494,474	21,317,923	21,259,474	22,167,923
Net Pension Ob. - OPEB	44,707,668	32,085,140	-	-	44,707,668	32,085,140
<b>Total</b>	<b>\$ 286,992,239</b>	<b>\$ 289,756,844</b>	<b>\$ 279,353,574</b>	<b>\$ 279,296,929</b>	<b>\$ 566,345,813</b>	<b>\$ 569,053,773</b>

## **Economic Factors and Next Year's Budgets and Rates**

The City Council considered many factors when setting the fiscal year 2011 budget. General Fund revenues for FY 10-11 are proposed to be \$137,609,605; an increase of \$3,903,290 or 2.92% over the prior year's original budget. Expenditures are proposed to be \$139,672,560; an increase of \$5,910,202 or 4.42% over prior year budgeted expenditures. The City's unemployment rate decrease by 1% to 7.5% as of September 30, 2010 compared to prior year's 8.5%. This average places it slightly above the State average of 8.2%. Building permit revenues, sales tax revenues and bridge toll revenues are areas which we use to measure the local economy. These areas are showing slight growth and are good indicators of the local state of the economy.

The total 2010-2011 consolidated budget revenue appropriation is \$437,810,753 million. This represents a decrease in revenues of \$47.1 million or 9.72 percent over the 2009-2010 original budget. The property tax rate for 2011 is .6370 per \$100 valuation; the rate has remained the same for the last eight consecutive years. Assessed valuations for FY 2011 were \$10.6 billion which represents a 0.39% growth over prior year with an estimated levy of \$67.2 million. Of the .6370 tax rate, 80.4 percent or .512349 cents are utilized for General Fund activities, the remaining 19.6 percent or .124651 cents are used for Debt Service. The General Fund's portion of property tax revenue for FY 2011 is projected to be \$52.1 million. Sales tax revenues for the General Fund for FY 2011 are budgeted to be \$23.6 million, a decrease of \$1.4 million or 5.55 percent as compared prior year's budgeted amounts.

A cost of living increase of 2% is included for all personnel, excluding the Fire and Police Departments. The merit program has been suspended for FY 2012. The budget does include a \$1.4 million or 4% salary increase for the Police Departments as per contractual obligations. Fire Department contract is under negotiation and no funding had been including in this budget. There were a total of 2,587 full time equivalent positions with an estimated budget of \$108.8 million.

The City of Laredo will continue to work on various projects such as the revitalization of our downtown, protection of our green spaces, rehabilitation of our water and sewer lines, rehabilitation of the waterworks plant that will add capacity to treat water, the creation of new park spaces, and a beautification project among other projects. These significant investments will help assure future fiscal stability for the City and its citizens.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Director, 1110 Houston Street, City of Laredo, Texas, 78040.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2010**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 156,078	\$ 37,408	\$ 193,486
Investments (Note 5)	183,486,311	54,129,202	237,615,513
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,508,688	99,263	1,607,951
Property Taxes, Penalty and Interest	8,973,684	-	8,973,684
Hotel-Motel Tax, Penalty and Interest	281,049	-	281,049
Accounts	9,079,947	9,161,291	18,241,238
Notes	14,822,097	31,661	14,853,758
Paving Assessments	9,044	-	9,044
Internal Balances (Note 13)	(3,777,299)	3,777,299	-
Due From Other Governments	10,506,570	612,180	11,118,750
Inventory, at cost	459,415	1,425,695	1,885,110
Prepaid Items	342,475	-	342,475
Total Current Assets	225,848,059	69,273,999	295,122,058
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	107,807,344	107,807,344
Accrued Interest	-	33,380	33,380
Notes	-	905	905
Due From Other Governments	-	7,659,658	7,659,658
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	70,500,680	61,027,610	131,528,290
Construction in Progress	5,266,211	66,962,317	72,228,528
Depreciable Assets:			
Buildings	148,755,547	96,084,537	244,840,084
Machinery and Equipment	89,151,249	71,703,748	160,854,997
Infrastructure	483,021,096	353,237,984	836,259,080
Accumulated Depreciation	(282,822,446)	(220,408,310)	(503,230,756)
Unamortized Bond Issuance Costs	4,436,239	3,333,943	7,770,182
Total Non Current Assets	518,308,576	547,443,116	1,065,751,692
<b>TOTAL ASSETS</b>	<b>\$ 744,156,635</b>	<b>\$ 616,717,115</b>	<b>\$ 1,360,873,750</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2010**

(Continued)

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 6,223,313	\$ 3,349,184	\$ 9,572,497
Claims and Judgments Payable (Note 18)	3,869,598	-	3,869,598
Retainage Payable	1,552,468	1,831,782	3,384,250
Accrued Wages and Employee Benefits	4,320,892	1,138,701	5,459,593
Accrued Interest Payable	1,212,907	1,049,353	2,262,260
Compensated Absences (Note 12)	2,028,448	664,565	2,693,013
Contracts Payable	3,394,143	6,484,044	9,878,187
Customer and Tenant Deposits	144,985	4,511,828	4,656,813
Due To Other Governments	518,327	-	518,327
Due to Developers	509,186	-	509,186
Unearned Revenue	2,799,366	3,368,953	6,168,319
General Obligation Bonds (Note 11 & 12)	3,293,362	5,371,625	8,664,987
Certificates of Obligation (Note 11 & 12)	4,810,793	4,179,207	8,990,000
Revenue Bond Payable (Note 11 & 12)	1,575,000	6,764,000	8,339,000
Notes Payable (Note 11 & 12)	85,000	857,435	942,435
Capital Lease Obligation (Note 11)	370,009	-	370,009
Total Current Liabilities	<u>36,707,797</u>	<u>39,570,677</u>	<u>76,278,474</u>
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	21,652,129	21,522,884	43,175,013
Certificates of Obligation (Note 11 & 12)	163,004,892	119,120,109	282,125,001
Revenue Bonds Payable (Note 11 & 12)	29,715,000	100,892,000	130,607,000
Notes Payable (Note 11 & 12)	680,000	19,637,039	20,317,039
Capital Lease Obligations (Note 11)	568,298	-	568,298
Compensated Absences (Note 11 & 12)	16,530,088	1,009,275	17,539,363
Net Pension Obligations - OPEB (Note 11)	44,707,668	-	44,707,668
Landfill Closure & Postclosure Costs (Note 12)	-	9,986,580	9,986,580
Total Noncurrent Liabilities	<u>276,858,075</u>	<u>272,167,887</u>	<u>549,025,962</u>
<b>TOTAL LIABILITIES</b>	<b><u>313,565,872</u></b>	<b><u>311,738,564</u></b>	<b><u>625,304,436</u></b>
<b>NET ASSETS</b>			
Investments in Capital Assets, net of related debt	371,030,290	251,995,464	623,025,754
Restricted for:			
Debt Service	9,769,077	11,496,819	21,265,896
Capital Projects	13,210,528	-	13,210,528
Improvements	-	5,198,356	5,198,356
Canseco Endowment Fund			
Nonexpendable	71,635	-	71,635
Unrestricted	36,509,233	36,287,912	72,797,145
<b>TOTAL NET ASSETS</b>	<b>\$ <u>430,590,763</u></b>	<b>\$ <u>304,978,551</u></b>	<b>\$ <u>735,569,314</u></b>

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

**CITY OF LAREDO, TEXAS  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General Government	\$ 33,057,032	36,183,314	915,829	4,042,111	-	4,042,111
Public Safety	96,731,529	12,060,974	6,871,387	(77,464,521)	-	(77,464,521)
Public Works	31,945,598	4,528,772	2,359,916	19,246,521	-	19,246,521
Health and Welfare	21,408,808	9,832,614	11,350,239	2,495,972	-	2,495,972
Culture and Recreation	21,989,636	5,157,950	228,721	(15,956,580)	-	(15,956,580)
Air Transportation	5,592,799	5,516,704	106,939	30,844	-	30,844
Interest and Other on Long-Term Debt	11,170,771	-	-	(11,170,771)	-	(11,170,771)
<b>Total Governmental Activities</b>	<b>221,896,173</b>	<b>73,280,328</b>	<b>21,833,031</b>	<b>(78,776,424)</b>	<b>-</b>	<b>(78,776,424)</b>
<b>Business-Type Activities:</b>						
Transit System	15,264,944	3,998,270	4,451,163	-	(6,287,845)	(6,287,845)
Bridge System	40,917,048	45,913,716	-	-	6,157,107	6,157,107
Waterworks System	40,110,255	29,859,060	21,427	-	11,804,164	11,804,164
Sewer System	25,526,830	22,884,626	209,794	-	6,765	6,765
Solid Waste Management System	14,516,888	16,014,354	14,206	-	1,632,532	1,632,532
Municipal Housing	2,013,781	1,449,354	743,264	-	178,837	178,837
<b>Total Business-Type Activities</b>	<b>138,349,746</b>	<b>120,119,380</b>	<b>5,439,854</b>	<b>-</b>	<b>13,491,560</b>	<b>13,491,560</b>
<b>Total Primary Government</b>	<b>\$ 360,245,919</b>	<b>193,399,708</b>	<b>27,272,885</b>	<b>(78,776,424)</b>	<b>13,491,560</b>	<b>(65,284,864)</b>
General Revenues:						
Property Taxes				69,155,582	-	69,155,582
Sales Tax				29,790,610	5,512,908	35,303,518
Franchise Tax				6,681,712	-	6,681,712
Hotel Motel Tax				3,087,561	-	3,087,561
Alcoholic Beverage Tax				308,966	-	308,966
Unrestricted investment earnings				703,433	288,222	991,655
Gain on sale of capital assets				36,680	(533,697)	(497,017)
Transfers (Note 14)				4,683,701	(4,683,701)	-
<b>Total general revenues and transfers</b>				<b>114,448,245</b>	<b>583,732</b>	<b>115,031,977</b>
Change in net assets				35,671,821	14,075,292	49,747,113
Net assets-beginning				388,203,399	297,468,259	685,671,658
Prior Period Adjustment (Note 20)				6,715,543	(6,565,000)	150,543
<b>Net assets-ending</b>				<b>\$ 430,590,763</b>	<b>304,978,551</b>	<b>735,569,314</b>

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



**CITY OF LAREDO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2010**

	<b>GENERAL</b>	<b>DEBT SERVICE</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ 20,218	-	135,460	155,678
Investments	35,270,016	6,520,162	135,022,999	176,813,177
Receivable, net of allowances:				
Accrued Interest	65,375	10,811	1,419,389	1,495,575
Taxes, Penalty and Interest (Note 6)	7,628,281	1,245,411	24,916	8,898,608
Accounts (Note 6)	3,681,583	-	2,643,911	6,325,494
Notes (Note 6)	-	-	14,822,097	14,822,097
Paving Assessments (Note 6)	-	9,044	-	9,044
Due from Other Funds	4,413,855	-	459,397	4,873,252
Due from Other Governments	1,256,773	-	9,249,797	10,506,570
Inventory, at cost	14,843	-	51,563	66,406
<b>TOTAL ASSETS</b>	<b>52,350,944</b>	<b>7,785,428</b>	<b>163,829,529</b>	<b>223,965,901</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	2,243,721	1,895	2,667,311	4,912,927
Retainage Payable	675	-	1,551,793	1,552,468
Accrued Wages and Employee Benefits	3,452,429	-	720,835	4,173,264
Contracts Payable	17,852	-	3,376,291	3,394,143
Customer and Tenant Deposits	2,075	-	142,910	144,985
Due to Other Funds	11	-	7,197,629	7,197,640
Due to Other Governments	390,001	-	128,326	518,327
Due to Developers	-	-	509,186	509,186
Deferred Revenue	11,297,848	1,254,455	19,617,266	32,169,569
<b>TOTAL LIABILITIES</b>	<b>17,404,612</b>	<b>1,256,350</b>	<b>35,911,547</b>	<b>54,572,509</b>
<b>FUND BALANCES</b>				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	1,377,104	-	71,417,177	72,794,281
Reserved for Capital Acquisition	745,551	-	279,883	1,025,434
Reserved for Children's Programming	-	-	22,080	22,080
Reserved for Endowment Corpus	-	-	50,000	50,000
Reserved for Debt Service	-	6,529,078	3,239,999	9,769,077
Unreserved Reported in:				
General Fund	32,823,677	-	-	32,823,677
Capital Projects	-	-	25,754,862	25,754,862
Special Revenue Fund	-	-	27,153,981	27,153,981
<b>TOTAL FUND BALANCES</b>	<b>34,946,332</b>	<b>6,529,078</b>	<b>127,917,982</b>	<b>169,393,392</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 52,350,944</b>	<b>7,785,428</b>	<b>163,829,529</b>	

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 in the funds.	512,999,247
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,368,327
Internal service funds are used by management to charge the costs of fleet management, risk management, and health benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	1,819,936
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (Note 2)	(255,990,139)
<b>Net assets of governmental activities</b>	<b>\$ 430,590,763</b>

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

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2010**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Taxes:				
Property	\$ 55,876,330	12,994,161	-	68,870,491
Sales	23,471,292	-	5,867,823	29,339,115
Franchise Fees	6,668,731	-	-	6,668,731
Bingo Tax	68,235	-	-	68,235
Alcoholic Beverage	304,894	-	-	304,894
Hotel Motel	-	-	3,077,683	3,077,683
Licenses and Permits	5,833,700	-	662,834	6,496,534
Intergovernmental Revenues	1,581,037	-	51,128,198	52,709,235
Charges for Services	32,533,435	-	9,420,703	41,954,138
Fines	3,230,565	-	503,536	3,734,101
Fees and Collections	855,435	-	2,737,053	3,592,488
Rents	-	-	6,482,548	6,482,548
Interest and Other	921,017	113,946	898,358	1,933,321
Miscellaneous	535,547	285,504	7,620,614	8,441,665
Contributions & Donations	17,394,912	-	876,706	18,271,618
Reimbursements	-	-	1,322,816	1,322,816
<b>TOTAL REVENUES</b>	<b>149,275,130</b>	<b>13,393,611</b>	<b>90,598,872</b>	<b>253,267,613</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	17,864,806	7,733	815,731	18,688,270
Public Safety	89,730,311	-	7,891,142	97,621,453
Public Works	6,838,476	-	6,845,137	13,683,613
Health and Welfare	870,349	-	19,577,064	20,447,413
Cultural and Recreational	10,472,228	-	11,006,002	21,478,230
Air Transportation Services	-	-	4,439,025	4,439,025
Capital Outlay	18,458,452	-	64,309,464	82,767,916
Debt Service:				
Principal Retirement	73,955	11,228,852	1,642,362	12,945,169
Interest and Fiscal Expenditures	986	10,710,240	-	10,711,226
<b>TOTAL EXPENDITURES</b>	<b>144,309,563</b>	<b>21,946,825</b>	<b>116,525,927</b>	<b>282,782,315</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,965,567	(8,553,214)	(25,927,055)	(29,514,702)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,608,800	8,475,522	18,521,128	29,605,450
Issuance of Debt	2,070,000	-	6,645,629	8,715,629
Bond Costs	(70,000)	(20,000)	(145,629)	(235,629)
Transfers Out	(5,326,814)	-	(19,194,935)	(24,521,749)
Capital Leases	-	-	1,330,425	1,330,425
Sale of Assets	6,356	-	27,105	33,461
Payment to Refunded Bond Escrow Agent	-	(9,230)	-	(9,230)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(711,658)</b>	<b>8,446,292</b>	<b>7,183,723</b>	<b>14,918,357</b>
Net Change in Fund Balances	4,253,909	(106,922)	(18,743,332)	(14,596,345)
Fund Balances-Beginning	30,692,423	6,636,000	146,661,314	183,989,737
<b>FUND BALANCES-ENDING</b>	<b>\$ 34,946,332</b>	<b>6,529,078</b>	<b>127,917,982</b>	<b>169,393,392</b>

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

**CITY OF LAREDO, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2010**

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in fund balances-total governmental funds</b>	<b>\$ (14,596,345)</b>
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. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2)	57,332,853
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(442,718)
The issuance of long-term debt (e.g., bonds, leases) 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. (Note 2)	2,839,161
Accrued interest expense recorded for entity-wide statements.	68
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.	(8,822,750)
Internal service funds are used by management to charge the costs of fleet management, risk management, and health and benefits to individual funds.	
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(638,448)</u>
<b>Change in net assets of governmental activities</b>	<b>\$ <u>35,671,821</u></b>

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

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**CITY OF LAREDO, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
<b>REVENUES:</b>						
Taxes						
Property Taxes	\$ 53,345,474	53,345,474	53,545,077	-	53,545,077	199,603
Penalty and Interest	1,851,264	2,126,264	2,331,253	-	2,331,253	204,989
Alcoholic Beverage	325,000	325,000	304,894	-	304,894	(20,106)
Bingo Tax	70,700	70,700	68,235	-	68,235	(2,465)
Sales and Use	24,975,386	24,975,386	23,471,292	-	23,471,292	(1,504,094)
Franchise Fees	6,618,978	6,618,978	6,668,731	-	6,668,731	49,753
Licenses and Permits	6,136,439	6,136,439	5,833,700	-	5,833,700	(302,739)
Intergovernmental Revenues	522,912	1,832,598	1,581,037	-	1,581,037	(251,561)
Charges for Services	31,324,350	31,324,350	32,533,435	-	32,533,435	1,209,085
Fines	2,774,404	2,774,404	3,230,565	-	3,230,565	456,161
Fees and Collections	600,650	646,806	855,435	-	855,435	208,629
Interest and Other	1,512,323	1,512,323	921,017	-	921,017	(591,306)
Miscellaneous	398,692	400,745	535,547	-	535,547	134,802
Contributions and Donations	255,000	187,456	17,394,912	-	17,394,912	17,207,456
<b>TOTAL REVENUES</b>	<b>130,711,572</b>	<b>132,276,923</b>	<b>149,275,130</b>	<b>-</b>	<b>149,275,130</b>	<b>16,998,207</b>
<b>EXPENDITURES:</b>						
General Government						
Mayor and City Council	759,385	761,569	708,841	13,703	722,544	39,025
City Manager	1,092,174	1,122,598	1,125,373	592	1,125,965	(3,367)
Internal Audit	238,450	235,607	233,238	-	233,238	2,369
Public Information Office	176,437	171,437	92,653	3,315	95,968	75,469
City Hall Maintenance	494,333	494,333	422,735	39,682	462,417	31,916
Municipal Court	1,485,189	1,479,689	1,261,029	21,570	1,282,599	197,090
Building Inspections	1,532,691	1,533,100	1,336,984	7,838	1,344,822	188,278
Development Review Engineering	487,603	487,603	480,528	-	480,528	7,075
Code Enforcement	333,437	333,437	322,422	-	322,422	11,015
Public Right of Way	189,568	189,568	191,955	159	192,114	(2,546)
Geographic Information Systems	206,840	206,431	188,422	198	188,620	17,811
City Attorney	1,042,102	1,042,102	852,175	3,777	855,952	186,150
City Secretary	448,008	449,258	431,124	630	431,754	17,504
Elections	9,162	52,072	43,968	-	43,968	8,104
Tax Office	1,047,498	1,047,498	1,020,329	3,446	1,023,775	23,723
Accounting	1,213,350	1,208,742	1,141,132	2,871	1,144,003	64,739
Purchasing	476,202	476,202	434,509	973	435,482	40,720
Payroll	211,564	211,564	210,632	-	210,632	932
Accounts Payable	335,757	340,365	328,849	2,368	331,217	9,148
Budget	385,125	385,125	332,635	20,328	352,963	32,162
Personnel and Civil Service	560,207	559,707	511,715	29	511,744	47,963
Training	329,624	330,124	302,310	84	302,394	27,730
Planning	914,339	914,339	745,691	1,526	747,217	167,122
Section 112	455,121	455,121	217,435	166,792	384,227	70,894
311 Program	318,486	318,486	273,223	25,279	298,502	19,984
Communications & Admin. Support	390,774	460,755	381,981	6,123	388,104	72,651
Center for Non-Profit	113,928	113,928	94,101	-	94,101	19,827
Real Estate	233,803	233,803	176,848	1,600	178,448	55,355
Economic Development	75,000	75,000	-	75,000	75,000	-
Public Safety						
Police	4,043,416	4,052,518	4,043,102	6,215	4,049,317	3,201
Records/Property	1,337,278	1,209,493	1,204,586	2,062	1,206,648	2,845
Autotheft Grant Match	263,666	767,931	759,537	-	759,537	8,394
Detective	5,985,860	5,755,918	5,667,197	67,824	5,735,021	20,897
LISD SRO Program	1,068,509	1,071,809	1,008,952	-	1,008,952	62,857
Narcotics/Pipeline/K-9	3,147,836	3,344,195	3,155,095	6,946	3,162,041	182,154
911 Communications	2,562,570	2,605,492	2,400,918	-	2,400,918	204,574
Criminal Int. Acquisition	352,120	353,791	348,061	4,306	352,367	1,424
Patrols	31,437,434	31,079,615	30,549,466	385,079	30,934,545	145,070
Fire	24,450,481	23,708,672	24,061,412	40,487	24,101,899	(393,227)
Fire - EMS Division	6,977,879	7,826,782	8,228,195	3,352	8,231,547	(404,765)
Fire - EMS Trauma (Webb Co.)	-	5,604	5,603	-	5,603	1
Fire Civilians	534,109	561,854	612,140	-	612,140	(50,286)
Fire - Prevention & Arson	1,556,175	1,541,483	1,555,452	191	1,555,643	(14,160)
Fire Airport	974,650	925,801	948,037	6,111	954,148	(28,347)
Fire - Training (In House)	497,010	502,259	527,632	7,015	534,647	(32,388)
Fire - Training	429,284	358,187	366,319	175	366,494	(8,307)
Fire Emergency Management	19,881	15,103	14,328	756	15,084	19
Homeland Security Grant	-	16,652	16,652	-	16,652	-
Traffic	2,361,450	2,347,830	2,228,121	8,204	2,236,325	111,505
Street Lighting	\$ 1,747,263	1,747,263	2,029,506	7,168	2,036,674	(289,411)

(Continued)

**CITY OF LAREDO, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
Public Works						
Administration	\$ 770,068	769,768	712,265	10,862	723,127	46,641
Engineering	560,290	560,290	542,714	261	542,975	17,315
Street Maintenance	1,245,060	1,240,150	957,648	793	958,441	281,709
Drafting & Surveying	1,007,646	1,007,646	915,952	-	915,952	91,694
Street Construction	1,088,597	1,088,897	819,581	992	820,573	268,324
Construction & Inspections	414,141	414,141	516,938	5	516,943	(102,802)
Street Cleaning	1,301,692	1,306,602	1,196,344	1,859	1,198,203	108,399
Building Rehabilitation	791,800	791,800	677,033	544	677,577	114,223
Warehouse	105,069	105,069	50,422	2,133	52,555	52,514
Special Construction Projects	298,587	298,587	449,579	-	449,579	(150,992)
Health and Welfare						
Third-Party Funding	744,376	778,376	736,183	7,597	743,780	34,596
Non CDBG Code Enforcement	149,763	149,763	134,166	6,495	140,661	9,102
Cultural and Recreational						
Parks	515,566	515,566	432,176	6,095	438,271	77,295
Maintenance	4,160,760	4,239,760	4,314,522	57,928	4,372,450	(132,690)
Recreation	720,600	764,600	828,331	13,424	841,755	(77,155)
Recreation Centers	1,786,311	1,786,311	1,726,255	20,798	1,747,053	39,258
Cemetery	363,217	351,917	296,303	6,569	302,872	49,045
Library	3,270,406	3,270,406	2,874,641	150,832	3,025,473	244,933
Other	4,638,040	4,549,167	4,001,969	37,245	4,039,214	509,953
Capital Outlay	-	3,323,736	18,458,452	89,552	18,548,004	(15,224,268)
Debt Service:						
Principal Retirement	93,907	93,908	73,955	-	73,955	19,953
Interest and Fiscal Expenditures	8,325	8,325	986	-	986	7,339
<b>TOTAL EXPENDITURES</b>	<b>129,337,249</b>	<b>132,902,600</b>	<b>144,309,563</b>	<b>1,357,758</b>	<b>145,667,321</b>	<b>(12,764,721)</b>
Excess (Deficiency) of Revenues Over Expenditures	1,374,323	(625,677)	4,965,567	(1,357,758)	3,607,809	4,233,486
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
Hotel Motel Fund	22,743	22,743	8,800	-	8,800	(13,943)
Recreation Fund	100,000	100,000	100,000	-	100,000	-
Capital Improvements Fund	2,500,000	2,500,000	2,500,000	-	2,500,000	-
Police Trust Fund	350,000	350,000	-	-	-	(350,000)
Transfers Out:						
Auto Theft Task Force	(266,192)	(266,192)	(235,507)	-	(235,507)	30,685
Health Fund	(3,213,615)	(3,213,615)	(3,480,497)	-	(3,480,497)	(266,882)
Special Police Program	(587,699)	(587,699)	(385,871)	-	(385,871)	201,828
Public Access Fund	(307,310)	(307,310)	(282,573)	-	(282,573)	24,737
Special Fire Grants	(882,813)	(882,813)	(893,279)	-	(893,279)	(10,466)
Friends of the Library Fund	(49,076)	(49,076)	(49,076)	-	(49,076)	-
911 Regional Fund	-	-	(11)	-	(11)	(11)
Bond Proceeds	-	2,070,000	2,070,000	-	2,070,000	-
Bond Costs	-	(70,000)	(70,000)	-	(70,000)	-
Sale of Assets	22,000	22,000	6,356	-	6,356	(15,644)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,311,962)</b>	<b>(311,962)</b>	<b>(711,658)</b>	<b>-</b>	<b>(711,658)</b>	<b>(399,696)</b>
Net Change in Fund Balance	(937,639)	(937,639)	4,253,909	(1,357,758)	2,896,151	3,833,790
Fund Balances at Beginning of Year	27,428,767	30,692,423	30,692,423	(19,346)	30,673,077	(19,346)
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 26,491,128</b>	<b>29,754,784</b>	<b>34,946,332</b>	<b>(1,377,104)</b>	<b>33,569,228</b>	<b>3,814,444</b>

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

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2010**

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS						
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents: (Note 4)						
Cash	21,400	2,150	300	13,558	37,408	400
Investments (Note 5)	7,517,005	23,796,604	14,304,169	8,511,424	54,129,202	6,673,134
Receivable:						
Accrued Interest	8,224	46,760	28,108	16,171	99,263	13,113
Accounts (Note 6)	1,283,593	3,265,164	3,082,685	1,529,849	9,161,291	305,238
Notes (Note 6)	-	12,433	19,228	-	31,661	-
Prepaid Items	-	-	-	-	-	342,475
Due From Other Governments	14,983	65,439	209,794	321,964	612,180	-
Due From Other Funds	-	311,562	59,435	248,228	619,225	-
Inventory, at Cost	-	788,458	81,271	555,966	1,425,695	393,009
Total Current Assets	8,845,205	28,288,570	17,784,990	11,197,160	66,115,925	7,727,369
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	8,071,721	57,782,457	29,755,398	12,197,768	107,807,344	-
Accrued Interest Receivable	-	11,505	21,747	128	33,380	-
Notes Receivable (Note 6)	-	905	-	-	905	-
Due From Other Funds	-	-	-	4,747,457	4,747,457	-
Due From Other Governments	-	7,552,069	107,589	-	7,659,658	-
Total Restricted Assets (Note 7)	8,071,721	65,346,936	29,884,734	16,945,353	120,248,744	-
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	14,400,143	7,512,781	7,649,439	42,141,385	71,703,748	1,400,261
Buildings	33,610,017	22,206,391	21,224,034	19,044,095	96,084,537	656,136
Improvements	73,190,248	153,166,635	114,484,049	12,397,052	353,237,984	11,391
Land and Improvements	11,285,265	34,482,381	4,531,525	10,425,110	60,704,281	-
Land Easements	-	121,934	201,395	-	323,329	-
Construction in Progress	5,448,294	36,186,936	24,817,915	509,172	66,962,317	-
Less Accumulated Depreciation	(40,839,786)	(86,006,220)	(55,378,617)	(38,183,687)	(220,408,310)	(1,194,698)
Total Capital Assets (net of accumulated depreciation)	97,074,181	167,670,838	117,529,740	46,333,127	428,607,886	873,090
Other Assets:						
Unamortized Bond Issuance Costs	1,468,871	1,205,499	595,248	64,325	3,333,943	-
Total Noncurrent Assets	106,614,773	234,223,273	148,009,722	63,342,805	552,190,573	873,090
<b>TOTAL ASSETS</b>	<b>115,459,978</b>	<b>262,511,843</b>	<b>165,794,712</b>	<b>74,539,965</b>	<b>618,306,498</b>	<b>8,600,459</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2010**

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS
LIABILITIES					INTERNAL SERVICE FUNDS
Current Liabilities:					
Accounts Payable	\$ 151,756	901,469	429,739	1,866,220	3,349,184
Retainage Payable	-	1,163,110	666,340	2,332	1,831,782
Contracts Payable	11,651	4,179,324	2,282,744	10,325	6,484,044
Due To Other Funds (Note 13)	-	2,227,077	59,435	107,749	2,394,261
Accrued Interest	-	624,379	298,268	126,706	1,049,353
Accrued Wages & Employee Benefits	230,735	291,681	118,094	498,191	1,138,701
Claims and Judgments Payable	-	-	-	-	-
Compensated Absences	153,435	178,548	66,968	265,614	664,565
Customer Deposits	44,435	4,381,629	-	85,764	4,511,828
Unearned Revenue	1,553,642	1,745,560	19,228	50,523	3,368,953
General Obligation Bonds (Note 12)	-	2,968,803	1,981,846	420,976	5,371,625
Certificates of Obligation (Note 12)	-	1,155,605	1,646,654	1,376,948	4,179,207
Revenue Bonds Payable (Note 12)	4,230,000	1,424,000	1,110,000	-	6,764,000
Notes Payable (Note 12)	857,435	-	-	-	857,435
Total Current Liabilities	7,233,089	21,241,185	8,679,316	4,811,348	41,964,938
Noncurrent Liabilities:					
General Obligation Bonds (Note 12)	-	11,392,191	8,826,358	1,304,335	21,522,884
Certificates of Obligation (Note 12)	-	66,758,217	32,224,695	20,137,197	119,120,109
Revenue Bonds Payable (Note 12)	54,985,000	29,055,000	16,852,000	-	100,892,000
Notes Payable (Note 12)	19,637,039	-	-	-	19,637,039
Compensated Absences	353,698	233,383	67,398	354,796	1,009,275
Closure and Postclosure Cost (Note 12)	-	-	-	9,986,580	9,986,580
Total Noncurrent Liabilities	74,975,737	107,438,791	57,970,451	31,782,908	272,167,887
<b>TOTAL LIABILITIES</b>	<b>82,208,826</b>	<b>128,679,976</b>	<b>66,649,767</b>	<b>36,594,256</b>	<b>314,132,825</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	24,365,483	112,699,478	84,643,585	30,286,918	251,995,464
Restricted for Debt Service	4,947,440	3,866,710	2,682,669	-	11,496,819
Restricted for Improvements	-	5,198,356	-	-	5,198,356
Unrestricted (Deficit)	3,938,229	12,067,323	11,818,691	7,658,791	35,483,034
<b>TOTAL NET ASSETS</b>	<b>\$ 33,251,152</b>	<b>133,831,867</b>	<b>99,144,945</b>	<b>37,945,709</b>	<b>304,173,673</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					804,878
<b>Net assets of business-type activities</b>					<b>\$ 304,978,551</b>

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



**CITY OF LAREDO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES:</b>						
Charges for Services	-	25,495,166	22,612,937	19,263,630	67,371,733	33,785,985
Rental of Facilities	2,700,169	-	-	1,702,651	4,402,820	-
Toll Receipts	42,820,134	-	-	-	42,820,134	-
Miscellaneous	377,044	3,535,088	110,909	353,848	4,376,889	1,715,310
<b>TOTAL OPERATING REVENUES</b>	<b>45,897,347</b>	<b>29,030,254</b>	<b>22,723,846</b>	<b>21,320,129</b>	<b>118,971,576</b>	<b>35,501,295</b>
<b>OPERATING EXPENSES:</b>						
Costs of Services	-	-	-	-	-	28,424,399
Personnel Services	6,950,196	7,665,769	3,177,288	14,831,721	32,624,974	4,123,686
Materials and Supplies	494,239	2,638,722	1,146,997	3,666,686	8,146,644	379,139
Contractual Services	25,277,542	6,585,388	7,676,143	7,184,790	46,723,863	2,747,904
Other	52,093	127,972	90,630	429,398	700,093	10,469
Total Operating Expenses Before Depreciation	32,774,070	17,217,851	12,091,058	26,112,595	88,195,574	35,685,607
Depreciation Expense (Note 8)	3,928,417	6,882,312	5,919,993	4,447,163	21,177,885	152,484
<b>TOTAL OPERATING EXPENSES</b>	<b>36,702,487</b>	<b>24,100,163</b>	<b>18,011,051</b>	<b>30,559,758</b>	<b>109,373,459</b>	<b>35,838,091</b>
Operating Income (Loss)	9,194,860	4,930,091	4,712,795	(9,239,629)	9,598,117	(336,796)
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	14,983	21,427	209,794	5,208,633	5,454,837	-
Sales Tax	-	-	-	5,512,908	5,512,908	-
Interest Earnings	200,310	1,178,193	293,618	166,808	1,838,929	31,149
Net Increase (Decrease) In Fair Value Of Investment	-	-	-	-	-	-
Discount Earnings	-	-	6,191	15,066	21,257	195
Premiums	-	-	-	-	-	-
Miscellaneous	12	46,754	153,536	122,668	322,970	-
Gain (Loss) On Sale of Assets	1,009	-	-	(534,706)	(533,697)	3,219
Interest Expense	(3,923,865)	(6,019,456)	(2,958,338)	(1,121,514)	(14,023,173)	-
Gain (Loss) on Advance Funding	(65,916)	(19,861)	-	-	(85,777)	-
Water Availability	-	(974,340)	-	-	(974,340)	-
Other Non-Operating Expenses	-	(8,897,408)	(4,496,655)	-	(13,394,063)	-
Fiscal Agent Fees	(1,700)	(1,690)	(3,032)	(824)	(7,246)	-
Bond Issuance Cost Amortized	(137,365)	(72,876)	(45,396)	(5,825)	(261,462)	-
Construction	(69,591)	-	-	(59,391)	(128,982)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(3,982,123)</b>	<b>(14,739,257)</b>	<b>(6,840,282)</b>	<b>9,303,823</b>	<b>(16,257,839)</b>	<b>34,563</b>
Income Before Contributions and Transfers	5,212,737	(9,809,166)	(2,127,487)	64,194	(6,659,722)	(302,233)
Capital Contributions-Intergovernmental	997,193	18,220,608	-	526,293	19,744,094	-
Capital Contributions-Waterrights	-	709,853	-	-	709,853	-
Capital Contributions-Other	-	1,568,166	1,290,008	-	2,856,164	-
Capital Contributions-Developers	-	1,261,009	940,213	-	2,201,222	-
Transfers In	-	-	-	459	459	202,303
Transfers Out	(4,684,160)	-	-	-	(4,684,160)	(602,303)
Change in Net Assets	1,525,770	11,948,460	102,734	590,946	14,167,910	(702,233)
Total Net Assets-Beginning	31,725,382	122,843,987	99,042,211	42,959,183	3,000,590	
Prior Period Adjustment (Note 20)	-	(960,590)	-	(5,604,420)	-	-
<b>Total Net Assets-Ending</b>	<b>33,251,152</b>	<b>133,831,867</b>	<b>99,144,945</b>	<b>37,945,709</b>	<b>2,298,357</b>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. (92,618)

**Change in net assets of business-type activities** \$ 14,075,292

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

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**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2010

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users	\$ 44,526,037	29,400,276	21,863,168	20,357,524	116,147,005
Receipts from interfund services provided	-	446,247	281,330	561,534	1,289,111
Payments to suppliers	(2,622,889)	(5,513,442)	(2,131,330)	(7,805,854)	(18,073,515)
Payments to employees	(7,149,788)	(7,630,933)	(3,169,350)	(14,901,766)	(32,851,837)
Payments for interfund services used	(23,462,864)	(2,145,831)	(4,691,519)	(3,815,610)	(34,115,824)
<b>Net cash provided (used) by operating activities</b>	<b>11,290,496</b>	<b>14,556,317</b>	<b>12,152,299</b>	<b>(5,604,172)</b>	<b>32,394,940</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfer to other funds	(4,684,160)	-	-	(2,148,503)	(6,832,663)
Transfer from other funds	-	-	-	2,565,775	850,337
Subsidy from federal and state grants	-	-	-	5,194,427	5,194,427
Sales Tax	-	-	-	5,512,908	5,512,908
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>(4,684,160)</b>	<b>-</b>	<b>-</b>	<b>11,124,607</b>	<b>248,034</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from capital debt	-	8,441,941	939,000	3,294,113	12,675,054
Capital contributions	997,193	709,853	11,000	122,668	1,840,714
Subsidy from federal and state grants	-	10,624,527	-	1,827,226	12,451,753
Purchases of capital assets	-	(1,629,092)	(573,977)	(30,650)	(2,233,719)
Acquisition and construction of capital assets	(829,881)	(31,129,706)	(17,647,024)	(3,608,373)	(53,214,984)
Principal paid on capital debt	(4,863,665)	(6,505,300)	(4,944,669)	(1,367,310)	(17,680,944)
Interest paid on capital debt	(3,925,349)	(5,488,799)	(2,735,485)	(994,808)	(13,144,441)
Proceeds from sales of capital assets	-	6,132	-	-	6,132
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(8,621,702)</b>	<b>(24,970,444)</b>	<b>(24,951,155)</b>	<b>(757,134)</b>	<b>(59,300,435)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sales and maturities of investments	1,772,131	9,771,997	12,358,227	(4,984,058)	18,918,297
Interest and dividends received	243,235	651,526	444,928	231,741	1,571,430
Issuance of Notes Receivable	-	(9,396)	(4,239)	-	(13,695)
<b>Net cash provided (used) by investing activities</b>	<b>2,015,366</b>	<b>10,414,127</b>	<b>12,798,856</b>	<b>(4,752,317)</b>	<b>20,476,032</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21,400</b>	<b>2,150</b>	<b>300</b>	<b>10,984</b>	<b>400</b>
<b>Cash and cash equivalents, October 1</b>	<b>21,400</b>	<b>2,150</b>	<b>300</b>	<b>13,558</b>	<b>37,408</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 21,400</b>	<b>2,150</b>	<b>300</b>	<b>13,558</b>	<b>400</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2010

(Continued)

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>						
Operating income	\$ 9,194,860	4,930,091	4,712,795		9,598,117	(336,798)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				(9,239,629)		
Depreciation expense	3,928,417	6,882,312	5,919,993	4,447,163	21,177,885	152,484
(Increase) decrease in landfill closure and post closure cost	-	-	-	254,709	254,709	-
(Increase) decrease in accounts receivable	(1,278,142)	(143,967)	(667,219)	(525,606)	(2,614,934)	(113,161)
(Increase) decrease in allowance for uncollectible accounts	662	116,512	83,573	76,856	277,603	(110)
(Increase) decrease in inventories	-	120,458	(8,612)	(50,022)	61,824	4,068
(Increase) decrease in prepaid items	-	-	-	-	-	8,842
Increase (decrease) in customer deposits	(120,785)	184,471	-	2,592	66,278	-
Increase (decrease) in accounts payable	(261,879)	1,772,351	2,099,533	(545,277)	3,064,728	248,733
Increase (decrease) in unearned revenues	26,955	659,253	4,298	45,087	735,593	-
Increase (decrease) in compensated absences payable	(217,141)	(12,826)	(8,675)	(85,646)	(324,288)	(28,833)
Increase (decrease) in accrued wages and employee benefits	17,549	47,662	16,613	15,601	97,425	29,023
Increase (decrease) in claims & judgements payables	-	-	-	-	-	209,966
Total adjustments	2,095,636	9,626,226	7,439,504	3,635,457	22,796,823	511,012
<b>Net cash provided (used) by operating activities</b>	<b>\$ 11,290,496</b>	<b>14,556,317</b>	<b>12,152,299</b>	<b>(5,604,172)</b>	<b>32,394,940</b>	<b>174,214</b>
<b>Noncash investing, capital, and financing activities:</b>						
Gain on refunding issue	-	-	-	-	-	-
Bond issuance cost amortized	137,365	11,065	25,201	64,325	237,956	-
Contributions of capital assets from developers & others	-	2,827,165	2,219,221	-	5,046,386	-
Current Landfill Closure and Postclosure cost	-	-	-	1,915,515	1,915,515	-
Loss on sale of equipment	-	-	-	248,988	248,988	-
Disposition of Assets	-	-	-	285,715	285,715	-
Loss on advance refunding	65,916	19,861	-	-	85,777	-
Increase (Decrease) in fair value of investments	-	-	-	47,815	47,815	-
Increase (Decrease) in Accrued Interest Payable	-	532,520	226,013	-	758,533	-
Due to other Funds	-	1,915,515	-	-	1,915,515	-

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

**CITY OF LAREDO, TEXAS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2010**

	<b>LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND</b>	<b>AGENCY FUNDS</b>
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 4)	\$ 173,568	-
Accrued Interest Receivable	23,086	3,120
Investments, at Fair Market Value (Note 5)	-	1,587,703
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	6,651,266	-
Foreign Money Market Funds	22,003,874	-
Domestic Corporate Bonds	12,251,877	-
Domestic Stocks	37,224,218	-
Foreign Stocks	2,440,601	-
Accounts Receivable (Note 6)	-	2,615
<b>TOTAL ASSETS</b>	<b>80,768,490</b>	<b>1,593,438</b>
<b>LIABILITIES</b>		
Accounts Payable	40,512	1,575,662
Accrued Wages and Employee Benefits	1,810	17,776
<b>TOTAL LIABILITIES</b>	<b>42,322</b>	<b>1,593,438</b>
<b>NET ASSETS</b>		
Held In Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ <b>80,726,168</b>	-

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

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND</b>
<b>ADDITIONS:</b>	
Contributions:	
Employer contributions	\$ 4,616,573
Plan members	3,661,872
Other contributions	15,338
	<hr/>
Total Contributions	8,293,783
	<hr/>
Investment Earnings:	
Interest earnings and dividends	895,276
Net increase (decrease) in the fair value of investments	6,006,934
Gains (Loss) on sale of investment	876,841
	<hr/>
Total investment earnings	7,779,051
Less: investment expense	(298,827)
	<hr/>
Net Investment Earnings	7,480,224
	<hr/>
<b>TOTAL ADDITIONS</b>	<b>15,774,007</b>
	<hr/>
<b>DEDUCTIONS:</b>	
Benefits	4,895,080
Administrative Expenses	226,193
	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>5,121,273</b>
	<hr/>
Change in Net Assets	10,652,734
Net Assets - Beginning	70,073,434
	<hr/>
<b>NET ASSETS - ENDING</b>	<b>\$ 80,726,168</b>
	<hr/> <hr/>

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

CITY OF LAREDO, TEXAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
September 30, 2010

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**CITY OF LAREDO, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

The accounting methods and procedures adopted by the City of Laredo, Texas conform to general accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Basic Financial Statements.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Laredo, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides a full range of municipal services as authorized by its charter. The services include public safety (police and fire), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition, the City owns and operates certain major activities including an airport, a transit system, water and sewer utility system, a landfill, and a bridge system.

The City has defined its reporting entity in accordance with GASB 14, "The Financial Reporting Entity". The component units discussed below are included in the City's reporting entity because at least one of the following criteria are satisfied: the elected officials of the City are financially accountable for the entity, or the nature and significance of the relationship between the entity and the City are such that to exclude the entity from the reporting entity would render the financial statements misleading or incomplete. In conformity with generally accepted accounting principles, the financial statements of the component units have been included in the financial reporting entity as blended components.

The City Council is the governing board for *Laredo Municipal Housing Corporation*, *Laredo Convention and Visitors' Bureau*, and *the Laredo Transit Management, Inc.* These entities are bound by the City's legal requirements and the City Council approves the budget, major contracts, surplus dispositions, and any fees or charges. Additionally, the City is legally responsible for debt and public service rendered within the City's boundaries.

*Laredo Municipal Housing Corporation* The Laredo Municipal Housing Corporation (LMHC) was established in 1976 to acquire 74 duplexes from the Federal Government in an effort to alleviate the existing housing shortage and provide affordable rental housing to the citizens of Laredo. These units are known as the Jose A. Flores Apartments. In 1986 the LMHC had 64 additional rental units constructed, known as the Tomas Flores Apartments. The 210 rental properties (82 two-bedroom, 98 three-bedroom and 30 four-bedroom) must be maintained in a safe and habitable condition. In addition to the rental units, one duplex unit is being used as the Laredo Municipal Housing Corporation office. The Corporation provides the necessary materials and labor required for the repairs of each rental unit. Beautification efforts are also rendered with consistent grass and tree trimming and exterior painting of the duplexes. Staff also provides a physical inspection of rental units and implements a preventive maintenance program to curtail deterioration of the units. The Laredo Municipal Housing Corporation operations are reported as an enterprise fund.



In 1999, LMHC finalized the construction of 50 3-bedroom houses, which were known as the Lease-Purchase Program. This program allowed qualified families to purchase the home, after three years of leasing it from LMHC at or near cost. As of 2003, this program came to an end with all tenants assuming mortgages.

During Fiscal Year 2009-2010 the LMHC applied for and received a \$743,263 grant from the AEP Texas Central's Low Income Weatherization Program in order to weatherize the 74 duplex units at the Jose Flores Duplexes. Weatherization included the installation of new 14.0 seer central air and heating units, insulation, solar screens, refrigerators, and energy efficient light bulbs. With these added capital improvements, tenants have benefited tremendously by reducing their energy consumption, thus producing a monetary savings.

Laredo Transit Management, Inc. Under the authority of Revised Texas Civil Statutes, Article 118(z) on September 8, 1987, created Laredo Municipal Transit System, The Laredo Municipal Transit System and "Mass Transit Board". The Laredo Transit Management, Inc. reports to the Mass Transit Board. L.M.T.S. is commonly referred to as El Metro.

The primary function and purpose of Laredo Transit Management, Inc. is to operate, maintain, design, and construct a safe, reliable, cost effective and efficient public transportation system that will meet the changing needs of our community, while complying with applicable state and federal mandates, including the Texas Clean Air Act and the Americans with Disabilities Act.

Laredo Transit Management, Inc. provides both a fixed-route and a demand response para-transit program (El Lift). Currently, the fixed-route system is comprised of 22 routes. The fixed route system has a total of 35 buses during a regular workday and 34 buses on a Saturday. The Laredo Transit Management, Inc. bus fleet is currently comprised of 49 buses and 2 trolleys. Thirty-six buses operate using compressed natural gas. The El Lift program operates a total of 18 para-transit vans. Fourteen are utilized for a regular workday. Laredo Transit Management, Inc. is reported as an enterprise fund.

Laredo Convention and Visitors' Bureau The Laredo Convention and Visitors' Bureau was established in April 1993 to engage in visitor promotion and to solicit and service conventions and other related group businesses generating overnight stays in the City, thereby enhancing and developing the economy of the city. Laredo Convention and Visitors' Bureau operations are reported as special revenue funds.

Laredo Firefighters' Retirement System The Laredo Firefighters' Retirement System was created under the authority of Article 6243e - Texas Local Firefighters' Retirement Act enacted by the Legislature of the State of Texas. The act established the membership, benefits, credits and administration of certain retirement systems for volunteer or paid firefighters. The Laredo Firefighters' Retirement System administers the retirement system for the City of Laredo Firefighters employees and is included in the financial statements of the City as a component unit.

Complete financial statements of the component units can be obtained from the City of Laredo, Financial Services Department offices:

City of Laredo  
Financial Services Department  
P. O. Box 579  
Laredo, TX 78042-0579

## **B. Basis of Accounting**

The accounting and reporting policies of the City as reflected in the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The following represent the more significant accounting policies and practices of the City.

### **Government Wide and Fund Financial Statements**

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business activities. Business-type activities rely to an extent on fees and charges for support. The primary government is reported separately for certain legally separate component units for which the primary government is financially accountable.

Program Revenues and Direct Expenses - The Statement of Activities demonstrates the direct expenses of a given function or segments offset by program revenues. A direct expense is specifically associated with a service, program, or department and is clearly identifiable to a particular function. In the Statement of Activities, certain indirect expenses are reported in the program expenses. Program revenue derives directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given City function or segment. Program revenues also include grants and contributions that are limited to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenue are reported as general revenue.

### **Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City maintains the following fund types:

### **Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

**General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted or designated for specific functions and activities.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

**Capital Projects Funds** - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

### **Proprietary Funds**

Proprietary funds are used to account for the City's ongoing operations that are financed and operated in a manner similar to private business enterprises - where the determination of net income, financial position, and cash flows are necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The City has adopted the following policy regarding proprietary activities under GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

**Enterprise Funds** – Enterprise Funds are used to account for operations that (1) are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City will apply all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements and apply all FASB Statements and Interpretations, issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one City department or agency to other City departments or agencies or to other governmental units on a cost-reimbursement basis.

## **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds.

**Trust Funds** - These funds are accounted for in the same manner as proprietary funds with the measurement focus on determination of net income and capital maintenance. The City is custodian to funds contributed into the fund; funds are used toward annuity payments. The City has three trust funds: Firefighters Retirement System, Police Retirees Dependents, and City Annuity.

**Agency Fund** - The Agency Fund is used to account for funds where the City's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held and do not involve measurement of results of operations. Currently, the City has one Agency fund: Payroll Clearing.

## **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Economic resources measurement focus reports all inflows, outflows, and balances affecting or reflecting an entity's net assets. Accrual basis accounting is the method that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied while the organization recognizes grant revenue as soon as all eligibility requirements obligatory have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. "Measurable" means that 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 City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term obligations, compensated absences, and claims and judgments which are recognized when due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available when they are received.

The City reports the following as major governmental funds:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

The City reports the following as major proprietary funds:

Bridge System Fund is used to account for toll proceeds from four international bridges and the related operations, maintenance, and debt service.

Water Works System Fund is used to account for the operations, maintenance, and debt service from three water treatment plants and seventeen booster stations and the related revenue received from 62,195 customers.

Sewer System Fund is used to account for the operations, maintenance, and debt service of the City's five sewage treatment plants and its related revenue received from 58,726 customers.

Additionally, government-wide reports for proprietary funds include the following fund type:

Internal Service Funds are used to provide fleet services to other funds, provide services associated with the City's partially self-funded health benefits program, provide services associated with the risk management for all city property including workman's compensation, and provide telecommunication services to all funds on a cost-reimbursement basis.

As a general rule, the effect of inter fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer functions and various other functions of government.

Private sector standards of accounting and financial reporting issued after November 30, 1989, are followed in both business-type activities and enterprise funds fund financial statements to the degree that those standards do not conflict with or disagree with the guidance of the Governmental Accounting Standards Board. Governments have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected to follow subsequent private-sector guidance.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated funds are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **C. Budgets and Budgetary Accounting**

The City adheres to the following procedures in establishing the operating budgets reflected in the basic financial statements:

(1) Sixty (60) days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning October 1st. This budget is required to include expenditures by office, department, and agency and the means of financing them. Proposed short and long range capital expenditures and bonded debt requirements must also be included.

(2) Public hearings are conducted at which all interested parties may comment concerning the proposed budget.

(3) Council adopts the budget on or before the last day of the month of the fiscal year currently ending through passage of an appropriation ordinance and tax levy ordinance. If the City Council fails to adopt the budget at that time, the budget of the previous year is deemed to be adopted.

(4) Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Fund, Proprietary Funds, and certain Trust Funds. Annual budgets for HUD Section 108 and Expendable Trust Fund are not legally adopted. A comparison of budget to actual is presented in the Basic Financial Statements for the General Fund.

(5) The City Charter identifies various allowable amendments to the budget after adoption. Supplemental Appropriations are allowed if the City Manager certifies that there are, available for appropriation, revenues in excess of those estimated in the budget and Council by ordinance and after a formal inquiry has established a need for the supplemental appropriation. Emergency Appropriations are allowed to meet a public emergency affecting life, health, property, or the public peace of the City through an emergency ordinance if there are available un-appropriated revenues. Decreases in the amount of appropriations are allowed if revenues available are insufficient to meet the amount appropriated.

Transfer of Appropriations is allowed. Several supplementary appropriations were necessary during the year primarily to adjust the total budget for grants received from various federal and state agencies.

(6) The City Council approval is required in order to transfer un-appropriated balances from one department, office, or agency to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from an expenditure account to another within a department, office, or agency of the City. The reported budgetary data has been revised for amendments authorized during the year.

(7) Each appropriation, except those for capital expenditures, shall lapse at the close of the fiscal year to the extent it has not been expended or encumbered. Certain differences exist between the basis of accounting for budgetary purposes and that used for reporting in accordance with generally accepted accounting principles.

#### **D. Encumbrances**

Encumbrances represent commitments related to unperformed (executed) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the governmental funds.

Encumbrances outstanding at year-end are reported as reservations of fund balances since the commitments will be honored during the subsequent year and, accordingly, do not constitute expenditures or liabilities.

For budgetary purposes, appropriations lapse at year-end except for that portion related to encumbered amounts. For financial purposes, the original budget also includes actual appropriation amounts automatically carried over from prior years to cover prior-year encumbrances.

#### **E. Equity in Investment Pool**

Cash balances of all City funds (except for the Laredo Firefighters' Retirement System) are pooled and invested. The Equity in Investment Pool consists of cash in bank accounts, which are pooled and allocated to all funds. Investments purchased with pooled cash consisting of Investment Pools, U.S. Government obligations, U.S. Agency obligations, and Mortgage Backed Securities are recorded at fair value in accordance with GASB Statement 31 - Accounting and Financial Reporting for Certain Investments and for External Investment Pools and are classified as "Investments" in the accompanying combined balance sheet. Interest earned on investments purchased with pooled cash is allocated monthly to each participating fund based upon the fund's average month equity balance. Funds that incur a negative balance in equity in pooled investments are reclassified as Due to Other Funds in the financial statements and are not allocated any interest earnings or charged interest expense.

#### **F. Investments**

The City can legally invest in certificates of deposit, repurchase agreements, obligations of the U.S. Government and its Agencies or instrumentality and State obligations all of which are recorded at fair value in accordance with GASB Statement 31 - Accounting and Financial Reporting for Certain Investment and for External Investment Pools.

#### **G. Inventories**

Inventories are valued at cost, which approximates market, using the first-in first-out method, and the average cost method as appropriate. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

#### **H. Restricted Assets**

The International Toll Bridge System, Water System, and Sewer System revenue bond indentures require that, during the period the bonds are outstanding, the City must maintain certain separate accounts and funds to account for the proceeds from the issuance of the revenue bonds and the debt service deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture to pay the debt service payments on such bonds.

## **I. Property, Plant, Equipment, and Infrastructure**

Property, plant, and equipment owned by the City are stated at historical cost. Maintenance and repairs are charged to operations as incurred, and improvements of \$5,000 or more, which extend the useful life of a capital asset, are capitalized. Currently, the City's policy has a threshold of \$5,000 for equipment and \$25,000 for infrastructure. The straight-line method is used to calculate the depreciation for all capital assets over the estimated useful life:

Utility Funds:	
Plant	50 years
Transmission and distribution system	25-50 years
Other machinery and equipment	1 - 25 years
All Other Funds:	
Buildings and improvements	45 years
Machinery and equipment	3 - 10 years
Vehicles	6 years
Streets	25 years
Bridges	25 years
Airport runways	25 years
Boat ramps	25 years
Storm Drainage	25 years
Landfill	25 years

The City's Infrastructure acquired prior to June 30, 1980, is included. When property, plant, and equipment are retired from service or otherwise disposed of, a gain or loss on disposal of assets is recognized.

## **J. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations forced on their use either through enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or regulations of other governments.

## **K. Long-Term Obligations**

The City has issued combination tax and special revenue (water, sewer, paving assessments, hotel-motel, airport revenues, mass transit, parking system, and public property finance contractual obligations) certificates of obligation, which it intends to repay from a combination of revenues and property taxes. The City identifies the debt service requirements for all general obligation bonds and all combination tax and special revenue certificates of obligation and reduces the property tax levy by surplus revenues (if any) from the above-mentioned sources. GASB Statement 34 eliminates the presentation of the General Long Term Debt Account Group, but provides that these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets. General obligation and all combination tax and special revenue



certificate of obligation debt is recorded exclusively in the General Long Term Debt, and it is counted towards the legal debt limit of the City.

Any proceeds from issuance of general obligation and combination certificates of obligation, which are used for construction of governmental capital assets are recorded as bond proceeds in the governmental funds.

Any proceeds from issuance of combination of tax and special revenue certificates of obligation bonds which are to be used for construction of enterprise fund capital assets are recorded as bond proceeds in the General Fund and as contributions to the enterprise funds. In the enterprise fund the proceeds are recorded as "Contributions".

Revenue bonds, which have been issued to fund capital projects of an Enterprise Fund and Special Revenue Fund, are to be repaid from net revenues of the Enterprise Funds and Sales Venue Sales Tax for the Special Revenue Fund. Such debt is recorded in the Enterprise Funds.

#### **L. Compensated Absences**

City employees are granted vacation and sick leave hours at varying rates based on the number of years employed. Employees are paid accumulated vacation hours up to a maximum of 480 hours upon termination or retirement. Sick leave hours are paid up to a maximum of 720 hours upon retirement.

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with available financial resources are accounted as a general long-term debt for internal purposes only. Accumulated vacation leave of enterprise funds are recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits except as noted above.

#### **M. Federal and State Grants and Entitlements**

Grants and entitlements may be accounted for within any of the three fund types. The purpose and requirements of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants and entitlements received for purposes normally financed through a particular fund type may be accounted for in that fund type provided that applicable legal restrictions can be appropriately satisfied.

Capital grants restricted for capital acquisitions or construction projects are accounted for in the applicable Capital Project Funds. Revenues received for operating or for capital expenditure purposes of Enterprise Funds are recognized in the applicable Enterprise Fund.

In prior years, capital contributions, including capital grants received for capital purchases, were recorded as a direct addition to the contributed capital equity account for Proprietary Funds. Beginning in fiscal year 2001, GASB 33 requires contributions of capital grants to be recorded as revenue in the Statement of Revenue, Expense, and Changes for Fund Net Assets for Proprietary Funds.

## **N. Interfund Transactions**

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved.

Non-recurring or non-routine transfers of equity between funds are reported as additions to or deductions from the fund balance of governmental funds. All other legally authorized transfers are treated as transfers in the basic financial statements and are included in the results of operations of both governmental and proprietary funds.

## **O. Unamortized Bond Issuance Costs**

Expenses related to the sale of revenue bonds are amortized over the life of the issue.

## **P. Statement of Cash Flows**

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, equity in the investment pool, and cash with fiscal agent. Governmental entities under GASB 9, as amended by GASB 34, paragraph 105, must use the direct method for Cash Flow presentation.

## **Q. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities include bonds payable, which are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$255,990,139 difference are as follows:

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Bonds, notes payable, and capital leases	\$	225,754,483
Accrued interest		1,212,907
Deferred revenue		(29,370,203)
Compensated absences		18,558,536
Elimination of Interfund activity		(4,873,252)
Net Pension Obligations		44,707,668
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	\$	<u>255,990,139</u>

**B. Explanation of certain differences between governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statements of activities**

An element of the reconciliation states that “the issuance of long-term debt 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.” The details of this minus \$2,839,161 difference are as follows:

Debt issued:		
Bond & Capital lease proceeds	\$	(10,046,054)
Repayments:		
General obligation bond		11,328,853
Capital lease		<u>1,556,362</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$	<u>2,839,161</u>

An element of the reconciliation states that for governmental funds, capital outlay should be reported as expenditures. In the statement of activities, “the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The amount of capital outlays exceeding depreciation in this fiscal year were \$57,322,853. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$	82,767,916
Assets that were disposed during the current fiscal year		(281,356)
Current year depreciation		<u>(25,153,707)</u>
Amount by which capital outlays exceed depreciation	\$	<u>57,332,853</u>

**NOTE 3 - FUND DEFICITS**

The following is a list of the undesignated deficit fund balances in the Special Revenue Funds: Block Grants \$1,410,835; Home Investment \$62,801; Emergency Shelter \$28,069; Special Police

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Program \$89,523; Health \$227,518; 911 Emergency Communications \$287,449; Laredo Energy Arena \$59,013; Community Development ARRA \$2,032,577 and Capital Projects Funds: Airport Construction \$6,123,362; Parks Capital Grants \$462,872; Capital Grants \$11,682,450. The deficit fund balances are equal to or less than the Reserve for Encumbrances balance that does not constitute expenditures or liabilities. The Reserve for Encumbrances constitutes purchase orders, contracts and other commitments entered into during fiscal year ended September 30, 2010. The deficits will be recovered through grant cost reimbursements and other revenues.

The Laredo Energy Arena's fund deficit of \$59,013 was due to event promotions and advances for the following fiscal year paid during fiscal year 2010. The deficit will be covered by revenues received next fiscal year from events.

#### **NOTE 4 - CASH AND CASH EQUIVALENTS**

The monetary assets of the City are held in various forms and accounts. These assets are described and presented in the basic financial statements in three groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash in bank accounts, petty cash and change funds. Another group is disclosed as Equity in Investment Pool and consists of cash in bank accounts. The third group of monetary assets is presented in the basic financial statements as "Investments". Cash balances of all City funds (except for the Laredo Firefighters Retirement System) are pooled and invested. All securities are reported at fair value in order to comply with GASB Statement 31 - *Accounting and Financial Reporting for External Investment Pools*. Investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The net increase in the fair value of the securities was \$6,006,934 for the Laredo Firefighters Retirement System.

As of September 30, 2010, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$	87,093
Cash in Other Bank Accounts		45,738
Cash with Fiscal Agent		234,223
	\$	<u>367,054</u>

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in compliance with Texas Government Code Chapter 2257 - "Collateral for Public Funds". All deposits were covered by federal depository insurance up to \$100,000 and collateralized with eligible securities in amounts of at least 102% of the book value of deposits. As of September 30, 2010, the book value of all the City's deposits was \$367,054. Deposits were properly secured at all times during the fiscal year. All collateral securities were held by a third party in the City's name and were not exposed to custodial credit risk.

#### **NOTE 5 - INVESTMENTS**

The City, as per the "Public Funds Investment Act" of the State of Texas, is authorized to invest in obligations of the United States or its agencies and instrumentalities; direct obligations of the State

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of Texas or its agencies and instrumentalities; other obligations which are unconditionally guaranteed by the State of Texas or United States; obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm; Certificates of Deposits of state and national banks domiciled in Texas, guaranteed or insured by the Federal Depository Insurance or its successor; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies; Banker's Acceptances that has a stated maturity of 270 days or less from the date of issuance; Commercial Paper that has a stated maturity of 270 days or less from date of issuance and rated not less than A-1 or P-1 or an equivalent rating; a no-load money market mutual fund that is registered with and regulated by the Securities and Exchange Commission, has a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share; Investment Pools as long as the governing body of the City approved them by rule, order ordinance or resolution. The investments of the Pension Trust Fund, the Laredo Firefighters' Retirement System, are governed by the Texas Local Fire Fighters' Retirement Act, which established the System. The act authorizes additional investment types which include corporate bonds, common stock and mutual funds.

The investment and maturities at September 30, 2010, were as follows:

	Fair Value	Non Maturity Rated	Investment Maturity in Years	
			Less Than 1	1-3
Mutual Funds	\$ 28,655,140	28,655,140	-	-
Equities	39,664,819	39,664,819	-	-
Managed Pools	359,262,436	359,262,436	-	-
Total Investments	<u>\$ 427,582,395</u>	<u>427,582,395</u>	<u>-</u>	<u>-</u>

**Interest Rate Risk.** Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy limits the maximum maturities exceeding two years to 25% of the total portfolio. The other 75% must, to the extent possible, be match with projected cash flow requirements. As of September 30, 2010, all investments had average maturity dates of less than one year.

**Credit Risk.** Credit risk is the risk that the government will not be able to recover the value of its securities. As per the City's investment policy, all security dealers must be registered and certified with the Texas State Securities Board, National Association of Security Dealers, and Securities and Exchange Commission. It is the policy of the City to require full collateralization of all City funds on deposits with a depository bank. The City's policy states that all purchased securities shall be held in safekeeping by either the City, the City's account in a third-party financial institution, or the City's safekeeping account at its designated depository bank.

As of September 30, 2010, the City invested in Bank Certificates of Deposit and Managed Pools. The credit ratings for our Managed Pool accounts are as follows: TexPool "AAAm", and TexasDaily "AAAm".

The Laredo Firefighters' Retirement System, as per their investment policy, is allowed to invest in other types of investments such as mutual funds and common stock.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As per the City's investment policy, no more than 50% of the City's total investment portfolio will be invested in a single security type, with the exception of U.S. Treasury securities. Of the City's total investments, 100% were invested in Local Government Investment Pools and Bank Certificates of Deposit. Of the Firefighters' Retirement System investments, 51% was invested in mutual funds and 49% in equities.

**Custodial Credit Risk.** For an investment security, custodial credit risk is the risk that in the event of a failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2010, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System has also designated a third party selected by the system as the safekeeping institution for its securities.

#### **NOTE 6 - RECEIVABLES**

The City's property tax is levied each October 1st on the assessed value listed on the tax roll as of the prior January 1st for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1st of the year of levy and shall be paid by the following January 31st. All real and personal property in the City on January 1st each year will be subject to lien from that date for taxes due thereon. The adjusted assessed value for the tax roll as of January 1, 2010, upon which the 2010 levy was based, was \$10,596,773,150.

The appraisal of property within the City is the responsibility of the Webb County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its market value. The value of property within the Appraisal District must be reviewed every three years; however, the City may, at its own expense, require more frequent reviews of appraised value. The Webb County Appraisal District has chosen to review the value of property every year. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate exceeds the rate for the previous year by more than 8% qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services; including the payment of principal and interest on general obligation long-term debt. Under the 1981 City Charter, the City's power of taxation is restricted to State statutes. The City Council has considered \$1.50 as the maximum tax per \$100 assessed valuation.

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The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2010 was \$.637000 per \$100 of assessed valuation (\$.512772 for general government and \$.124228 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$91,450,152 in additional taxes per year from the present assessed valuation of \$10,596,773,150 before the limit is reached. Because of limitations imposed by state law, cases in which accumulated taxes exceed property value, other problems in tax collection and because of the possible uncollectibility of certain other accounts receivable, allowances have been provided for uncollectible accounts resulting in only the net collectible amounts being reflected in the balance sheet.

The allowances for uncollectible accounts for taxes and other receivables as of September 30, 2010 are reflected in the following table:

	General	Other Governmental Types	Proprietary	Fiduciary	Total
Receivables:					
Property Taxes	\$ 8,043,826	1,253,839	-	-	9,297,665
Hotel/Motel Taxes	-	37,442	-	-	37,442
Accounts	19,241,810	6,252,344	11,472,376	2,615	36,969,145
Notes	-	16,050,462	688,628	-	16,739,090
Paving Assessments	-	236,286	-	-	236,286
Gross Receivables	27,285,636	23,830,373	12,161,004	2,615	63,279,628
Less Allowance For Uncollectible	(15,975,772)	(5,084,994)	(2,661,909)	-	(23,722,675)
Net Receivables	\$ 11,309,864	18,745,379	9,499,095	2,615	39,556,953

#### NOTE 7 - RESTRICTED ASSETS FOR ENTERPRISE FUND TYPES

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The "revenue bond retirement reserve" is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "revenue bond contingency" is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "construction account" is used to report those proceeds of bond issuance that are restricted for use in construction. The "water rights" account is used to report revenue received through water availability charges.

The following table summarizes restricted assets by purpose as of September 30, 2010:

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		Other Enterprise Fund	Bridge System	Waterworks System	Sewer System	Total
Revenue Bond Retirement Reserve	\$	-	4,447,440	2,370,132	1,531,444	8,349,016
Revenue Bond Contingency		-	500,000	1,496,578	1,151,225	3,147,803
Construction Account		16,945,353	3,124,281	6,084,905	27,202,065	53,356,604
Water Rights		-	-	55,395,321	-	55,395,321
Total Restricted Assets	\$	<u>16,945,353</u>	<u>8,071,721</u>	<u>65,346,936</u>	<u>29,884,734</u>	<u>120,248,744</u>

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2010 was as follows:

**A – Governmental Activities:**

	Balance as of September 30, 2009	Additions	Deletions and Transfers	Balance as of September 30, 2010
Capital Assets, Not Being Depreciated:				
Land	\$ 66,333,535	5,091,528	(924,383)	70,500,680
Construction in Progress	17,598,562	12,126,443	(24,458,794)	5,266,211
Total Capital Assets, Not Being Depreciated	<u>83,932,097</u>	<u>17,217,971</u>	<u>(25,383,177)</u>	<u>75,766,891</u>
Capital Assets Being Depreciated				
Buildings	137,977,860	707,589	10,070,098	148,755,547
Improvements Other Than Buildings	417,626,293	50,346,875	15,047,928	483,021,096
Machinery and Equipment	75,693,226	13,724,683	(266,660)	89,151,249
Total Assets Being Depreciated	<u>631,297,379</u>	<u>64,779,147</u>	<u>24,851,366</u>	<u>720,927,892</u>
Less Accumulated Depreciation For:				
Buildings	(31,315,681)	(3,175,339)	-	(34,491,020)
Improvements Other Than Buildings	(176,827,186)	(14,163,892)	-	(190,991,078)
Machinery and Equipment	(50,598,869)	(7,961,590)	1,220,111	(57,340,348)
Total Accumulated Depreciation	<u>(258,741,736)</u>	<u>(25,300,821)</u>	<u>1,220,111</u>	<u>(282,822,446)</u>
Total Capital Assets, Being Depreciated, Net	<u>372,555,643</u>	<u>39,478,326</u>	<u>26,071,477</u>	<u>438,105,446</u>
Governmental Activities Capital Assets, Net	<u>\$ 456,487,740</u>	<u>56,696,297</u>	<u>688,300</u>	<u>513,872,337</u>



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**B - Business Type Activities:**

	Balance as of September 30, 2009	Additions	Deletions and Transfers	Balance as of September 30, 2010
Capital Assets, Not Being Depreciated:				
Land	\$ 30,857,131	323,329	-	31,180,460
Construction in Progress	47,796,608	35,052,213	(15,886,504)	66,962,317
Waterrights	28,816,551	1,030,599	-	29,847,150
Total Capital Assets, Not Being Depreciated	107,470,290	36,406,141	(15,886,504)	127,989,927
Capital Assets Being Depreciated:				
Buildings	86,817,021	200,248	9,067,267	96,084,536
Improvements Other Than Buildings	341,031,893	5,386,854	6,819,237	353,237,984
Machinery and Equipment	69,517,572	4,205,761	(2,019,585)	71,703,748
Total Assets Being Depreciated	497,366,486	9,792,863	13,866,919	521,026,268
Less Accumulated Depreciation For:				
Buildings	(22,180,328)	(2,014,116)	-	(24,194,444)
Improvements Other Than Buildings	(133,424,379)	(12,615,336)	-	(146,039,715)
Machinery and Equipment	(45,110,597)	(6,548,433)	1,484,879	(50,174,151)
Total Accumulated Depreciation	(200,715,304)	(21,177,885)	1,484,879	(220,408,310)
Total Capital Assets, Being Depreciated, Net	296,651,182	(11,385,022)	15,351,798	300,617,958
Business Type Activities Capital Assets, Net	\$ 404,121,472	25,021,119	(534,706)	428,607,885

Depreciation expense was charged to functions/program of the primary government as follows:

Government Activities:	
General Government	\$ 1,590,816
Public Health	982,278
Culture and Recreational	613,433
Public Works	18,353,538
Public Safety	2,423,091
Air Transportation	1,190,551
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	147,115
Total depreciation expense-governmental activities	\$ 25,300,822
Business-Type Activities:	
Solid Waste Management	2,296,023
Municipal Transit System	2,044,373
Bridge System	3,928,417
Waterworks System	6,882,312
Sewer System	5,919,993
Other Enterprise Funds	106,767
Total depreciation expense-business-type activities	\$ 21,177,885

## NOTE 9 - RETIREMENT PLANS

The City provides benefits for all of its full-time employees (except for firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 827 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for services rendered before the plan began using a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percentage (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Deposit Rate:	7%
Matching Ratio (City to Employee)	2 to 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City.  
The Service Retirement Eligibilities for the city are: 5 yrs/age 60, 20 yrs/any age.

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2009 valuation is effective for rates beginning January 2011).

**SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS**

Actuarial Valuation Date		12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09
Actuarial Value of Assets	\$	83,134,944	93,220,964	104,886,750	118,216,115	131,250,617	147,642,107	166,772,840
Actuarial Accrued Liability		143,268,763	159,858,885	176,834,192	196,473,335	255,908,643	275,809,704	305,212,249
Percentage Funded		58.03%	58.31%	59.31%	60.17%	51.29%	53.5%	54.6%
Unfunded Actuarial								
Accrued Liability (UAAL)		60,133,819	66,637,921	71,947,442	78,257,220	124,658,026	128,167,597	138,439,409
Annual Covered Payroll		57,825,500	59,429,800	66,500,972	70,411,134	76,207,380	83,778,815	86,683,788
UAAL as a percentage of								
covered Payroll		103.99%	112.13%	108.19%	111.14%	163.58%	153.0%	159.7%
Annual Pension Cost:								
Annual Required								
Contribution (ARC)		7,853,449	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262
Less Contributions Made								
at the end of the period		7,853,449	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262
Net Pension Obligation	\$	-	-	-	-	-	-	-

**Actuarial Assumptions**

Actuarial Cost Method -	Projected Unit Credit
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	28 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	7.5%
Projected Salary Increases	Varies by Age and Service
Includes Inflation At	3.0%
Cost-of-Living Adjustments-	2.1% (3.0% CPI)

The City of Laredo is one of 827 municipalities having the benefit plan administered by TMRS. Each of the 827 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2010 valuations are contained in the 2010 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

**Laredo Firefighters' Retirement System Required Supplemental Information**  
**Disclosures in Accordance with GASB Statement No. 25 & 27**  
**Actuarial Update as of March 31, 2010**

The Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The Board of Trustees of the Laredo Firefighters Retirement System is the administrator of a single-employer defined benefit pension plan. The Laredo Firefighters Retirement System is considered part of the City of Laredo financial reporting entity and is included in the City's financial reports as a pension trust fund.

The Laredo Firefighters Retirement System covers the firefighters in the Laredo Fire Department. The table below summarizes the membership of the System reflected in the actuarial valuation as of March 31, 2008, which is performed every two years.

	03/31/10
a. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	109
b. Current Employees:	
i. Vested	74
ii. Non-vested	268
c. Total	<u>451</u>

The Laredo Firefighters Retirement System provides service retirement, death, disability, and withdrawal benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. The Plan effective August 1, 2007 (in effect on the March 31, 2010 valuation date) provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit for firefighters hired prior to January 1, 1988 is equal to 3.03% of Final Average Monthly Salary for each year of service. The monthly benefit for firefighters hired on or after January 1, 1988 is equal to 2.88% of Final Average Monthly Salary for each year of service.

There is no provision for automatic post retirement benefit increases. The System has the authority to provide, and has periodically in the past provided for, ad hoc post retirement benefit increases. The Texas Local Fire Fighters' Retirement Act (TLFFRA) authorizes the benefit provisions of this plan. TLFFRA provides the authority and procedure to amend benefit provisions.

### **Contributions Required and Contributions Made**

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city. While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the System must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contributions rate is used to amortize the plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using an open, level percentage of payroll method.

The costs of administering the plan are financed from the trust. For the Plan effective August 1, 2007, (Plan effective March 31, 2010), the funding policy of the Laredo Firefighters Retirement System requires contributions equal to 14% of pay by the firefighters. Effective April 1, 2005, required contributions by the City of Laredo were 17.65% of pay for each firefighter hired before January 1, 1988 and 16.20% of pay for each firefighter hired on or after January 1, 1988. Effective October 1, 2008, required contributions by the City of Laredo were 17.28% of pay for each firefighter hired after January 1, 1988 and 16.56% of pay for each firefighter hired on or after January 1, 1988.

### **Annual Pension Cost**

For the fiscal year ending September 30, 2010, the City of Laredo's annual pension cost of \$4,616,573 for the Laredo Firefighters Retirement System was equal to the City's required and actual contributions during the year. While the required contributions were not actuarially determined but were a fixed percentage, the plan benefits which was most recently amended effective as of August 1, 2007 has been approved by the Board's actuary as having an adequate financing arrangement. The fixed city contributions are 17.65% effective October 1, 2008, 16.02% effective April 1, 2005, and 17.02% effective April 1, 2004 for firefighters hired before January 1, 1988. For firefighters hired on or after January 1, 1988, the fixed percentage is 17.28% effective October 1, 2008, 16.2% effective April 1, 2005, and 15.57%, effective April 1, 2004. The required contributions were reflected in the March 31, 2010 actuarial valuation, which satisfied the parameters of the Governmental Accounting Standards Board (GASB) Statement No. 27.

The entry age actuarial cost method was used, with the normal cost calculated as a level percentage of payroll. The actuarial value is equal to the expected actuarial value of assets adjusted by 40% of the difference between the actual market value and the expected actuarial value. The actuarial value is not more than 110% or less than 90% of the actual market value of assets. The actuarial assumptions included an investment return assumption of 8.0% per year (net of expenses), projected salary increases averaging 4.25% per year as a general salary increase and a range from 0% to 7% per year as a promotion and longevity increase based on 30-year career, and no postretirement cost-of-living adjustments. An inflation assumption of 3.75% per year is included in the investment return and salary increase assumptions. The unfunded actuarial accrued liability (UAAL) is amortized with the excess of the total contribution rate over the normal cost rate. The number of years needed to amortize the UAAL is determined using an open, level percentage of payroll method; assuming that the payroll will increase 4.25% per year, and was 24 years as of March 31, 2010 actuarial valuation based on the plan provisions effective August 1, 2007.

### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2000	\$ 1,584,805	100%	-
9/30/2001	1,714,980	100%	-
9/30/2002	2,000,411	100%	-
9/30/2003	2,420,048	100%	-
9/30/2004	2,787,027	100%	-
9/30/2005	3,235,074	100%	-
9/30/2006	3,576,070	100%	-
9/30/2007	3,779,090	100%	-
9/30/2008	4,136,418	100%	-
9/30/2009	4,392,773	100%	-
9/30/2010	\$ 4,616,573	100%	-

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age 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)
07/31/94	\$ 18,694,506	27,137,437	8,442,931	68.89%	6,932,366	122%
09/30/95	19,843,996	27,545,436	7,701,440	72.04%	6,832,917	113%
07/31/96	21,565,365	30,936,694	9,371,329	69.71%	8,063,403	116%
09/30/97	23,768,183	32,196,210	8,428,027	73.82%	8,080,170	104%
06/30/98	27,925,724	38,685,191	10,759,467	72.19%	10,191,336	106%
03/31/00	32,040,945	48,944,733	16,903,788	65.50%	12,481,680	135%
03/31/02	35,064,847	66,941,016	31,876,169	52.40%	16,652,165	191%
03/31/04	43,720,097	82,210,204	38,490,107	53.18%	18,726,396	206%
03/31/06	57,228,050	95,649,924	38,421,874	59.80%	21,831,766	176%
03/31/08	73,106,502	113,301,606	40,195,104	64.50%	22,931,569	175%
03/31/10	\$ 84,625,644	133,976,600	49,350,956	63.20%	25,715,241	192%

### Schedule of Employer Contributions

Plan Year Ended	a Percentage of Payroll	Contribution	Contribution Contributed
9/30/1997	14.02% & 12.57%	1,132,840	100%
9/30/1998	14.02% & 12.57%	1,273,426	100%
9/30/1999	14.02% & 12.57%	1,417,590	100%
9/30/2000	14.02% & 12.57%	1,584,805	100%
9/30/2001	14.02% & 12.57%	1,714,980	100%
9/30/2002	15.02% & 13.57%	2,000,411	100%
9/30/2003	16.02% & 14.57%	2,420,048	100%
9/30/2004	17.02% & 15.57%	2,787,027	100%
9/30/2005	17.65% & 16.20%	3,235,074	100%
9/30/2006	17.65% & 16.20%	3,576,070	100%
9/30/2007	17.65% & 16.20%	3,779,090	100%
9/30/2008	17.65% & 16.20%	\$4,136,418	100%
9/30/2009	17.65% & 16.20%	\$4,392,773	100%
9/30/2010	17.65%	\$4,616,573	100%

A copy of the financial and pension plan report may be obtained by writing to: Laredo Firefighters Retirement System, 5219 Tesoro Plaza, Laredo, TX 78041.

### NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

#### Plan Description:

Police and City Employees who have twenty years of service or have attained age sixty with five years of service and Firefighters who have attained age forty-five with twenty years of service or have attained age sixty with five years of service with the City of Laredo are eligible for a service or early retirement, or qualified for a disability retirement under the Texas Municipal Retirement System, or the Fireman's Relief and Retirement Fund, may continue coverage in the City of Laredo Medical Plan as a retiree, at the time service terminate with the City of Laredo. An eligible employee may elect coverage for his or her dependants. The widow/widower of a retiree who has coverage as a retiree under the City of Laredo Medical Plan may continue coverage as a retiree.

Currently, 143 retirees meet those eligibility requirements. The City reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependants. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City.

Prior to age 65, retirees participate in the City's Medical Plan. At age 65, retirees are offered a Medicare Supplemental Plan (Hartford Life), but the full cost is borne by the retirees. However retirees can continue to participant in the City's prescription drug program after age 65. There is a \$750-\$1,000 deductible per person with an additional maximum out of pocket cost of \$2,000. The prescription co-pay is \$10 for generic and \$35 for brand name prescriptions and \$55 for preferred brand.

The Police and Firefighters are provided with a \$2,000 life insurance policy at retirement.

**Funding Policy:**

During the year, expenditures of approximately \$784,054 were recognized for postretirement health benefits of which \$133,810 was received from the firemen's contribution.

Annual contribution rates for retirees not currently eligible for Medicare:

	Retiree Only	Retiree & Spouse
Police & Fire	\$0	\$2,677
City Employees	\$2,610	\$6,439

Annual contribution rates for retirees who are eligible for Medicare coverage (these contributions are for prescription drug only-other medical benefits not available through the City's Medical Plan):

	Retiree Only	Retiree & Spouse
Police & Fire	\$419	\$1,152
City Employees	\$419	\$1,152

The City is required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters. The following table shows the annual OPEB cost and net OPEB Obligation for the prior 4 years assuming the plan is not pre-funded (4% discount) Financial Statement Disclosures Current Plan (with four year trend)\*:

	Fiscal Year Ending September 30			
	2007	2008	2009	2010
<b><i>Determination of Annual Required Contribution</i></b>				
Normal Cost at year end	\$ 6,078,256	\$ 6,078,256	\$ 7,640,484	\$ 7,640,484
amortization of UAAL & Loss	5,095,242	5,095,242	5,742,270	7,593,736
Annual Required Contribution (ARC)	11,173,498	11,173,498	13,382,754	15,234,220
<b><i>Determination of Net OPEB Obligation</i></b>				
Annual Required Contribution	\$ 11,173,498	\$ 11,173,498	\$ 13,382,754	\$ 15,234,220
Interest on prior year Net OPEB Obligation	n/a	422,048	830,235	1,283,406
Adjustment to AC	n/a	(586,709)	(1,175,100)	(1,851,466)
Annual OPEB Cost	11,173,498	11,008,837	13,037,889	14,666,160
Contributions made	(622,297)	(804,172)	(1,708,615)	(2,043,632)
Estimated Increase in Net OPEB Obligation	10,551,201	10,204,665	11,329,274	12,622,528
Net OPEB Obligation- beginning of year	\$ -	\$ 10,551,201	\$ 20,755,866	\$ 32,085,140
Estimated Net OPEB Obligation- end of year	\$ 10,551,201	\$ 20,755,866	\$ 32,085,140	\$ 44,707,668

**Funded Status and Funding Progress:**

The funded status of the plan beginning as of October 1, 2008, was as follows:

Schedule of Funding Progress\*:



CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
09-30-2008	N/A	N/A	N/A	N/A	N/A	N/A
09-30-2009	0	\$95,683,806	95,698,806	0.0%	96,747,240	98.9%
09-30-2010	N/A	N/A	N/A	N/A	N/A	N/A

*\*Last actuarial valuation provided figures for September 30, 2009, current year data is not available.*

*(1) Actuarial liability determined under the projected unit credit cost method.*

*(2) Actuarial accrued liability less actuarial value of assets.*

**Unfunded Actuarial Accrued Liability:** The Unfunded Actuarial Accrued (UAAL) is the actuarial liability offset by any assets set aside in a trust to provide retiree health benefits. This is equal to the value of the retiree health benefits accrued to date that has not been funded. The UAAL must be amortized over a period not exceeding 30 years and included in the ARC (Annual Required Contribution) amount each year. The amortization of UAAL is calculated below as a level dollar of 28 years on a closed basis.

October 1, 2008-September 30, 2009

Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	\$95,683,806
Assets	-
Unfunded Actuarial Accrued Liability	\$95,683,806
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	\$95,683,806
Amortization Period	28 years
Amortization Amount-October 1, 2008	\$5,521,413
Interest to end of year	\$220,857
Amortization Amount- September 30, 2010	\$5,742,270

**\*\*Beginning on October 1, 2008, the latest actuarial, valuation reflected on unfunded actuarial liability of \$95,683,806. Since a full actuarial valuation has not been completed since the valuation prepared for the fiscal year ending on September 30, 2009, there is no change to the amounts previously reported.**

**Actuarial Methods and Assumptions:**

The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in pension costs. These gains and losses result from the difference between the actual experience under the plan and the experience by the actuarial assumptions.

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years in the future.

In the actuarial valuation beginning October 1, 2008, the Unit Credit Actuarial Cost Method was used. This method includes the following components:

1. The normal cost is the actuarial present value of benefits allocated to the valuation year.
2. The actuarial liability is the actuarial present value of benefits accrued as of the valuation date.
3. Valuation assets are equal to the market value of assets of the valuation date, if any.
4. Health Cost Trend: 6.70% in the first year (during 2008-2009 fiscal year), 6.80% in the second year (during 2009-2010 fiscal year), and graded down to 4.50% per year after fiscal year 2092. The basis of the health cost trend is derived from the healthcare inflation rate schedule. Retiree premium rates are assumed to increase with the Health Cost Trend.
5. The City of Laredo does not have a separate, irrevocable trust fund to the annual OPEB cost; therefore a discount rate of 4.0% has been established on the long term expectations of returns on operating funds.
6. Under a collective bargaining contract the City of Laredo Police employees are due a 4% salary raise each fiscal year until fiscal year 2011. City employees projected salary increases depend on budget availability and City Council approval through the city budget process.

#### NOTE 11 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in the City's general long-term obligations for the year ended September 30, 2010:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	\$ 24,695,969	167,209,207	31,145,000	20,375,393	1,294,236	765,000	32,085,140
Additions	-	8,715,629	-	3,793,717	1,330,425	-	12,622,528
Retirements	(3,043,840)	(12,919,944)	(1,430,000)	(7,639,022)	(2,056,363)	(85,000)	-
Ending Balances	21,652,129	163,004,892	29,715,000	16,530,088	568,298	680,000	44,707,668
Current Liabilities:							
Due Within One Year	3,293,362	4,810,793	1,575,000	2,028,448	370,009	85,000	-
Total Liabilities	\$ 24,945,491	167,815,685	31,290,000	18,558,536	938,307	765,000	44,707,668

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2010 are comprised of the following issues:

#### A - General Obligation Serial Bonds

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

\$24,455,000 General Obligation Refunding Bonds, Series 2005 issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum. \$ 14,873,687

\$17,865,000 General Obligation Refunding Bonds, Series 2006 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2013 with interest varying from 4.00% to 5.00% per annum. 1,630,833

\$27,150,000 General Obligation Refunding Bonds, Series 2009 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum. 8,440,971

Total General Obligation Bonds 24,945,491

Due Within One Year \$ 3,293,362

**B – Certificates of Obligation**

\$2,060,000 2000 Combination Tax and Airport Revenue Refunding Bonds issued for the purpose of refunding the Airport Indenture Obligation for release of land from indenture, and ordaining other matters relating thereto. Principal is due in varying amounts through 2020 with interest from 5.10% to 7.00% per annum. \$ 1,340,000

\$9,365,000 2000 Combination Tax and Revenue Certificates of Obligation issued for the purpose of constructing a new Municipal Court, constructing and improving the City's streets, the acquisition, design, and construction of the Inner City Park, and issuance expenses. Principal is due in varying amounts through 2021 with interest varying from 5.25% to 5.375% per annum. 1,895,000

\$9,925,000 2002 Combination Tax and Revenue Certificates of Obligation issued for the purpose of acquiring downtown properties, a property known as Slaughter Farm, acquisition of land in northeast Laredo and land for the Fire Training and Law Enforcement Facility. Principal is due in varying amounts through 2022 with interest varying from 3.25% to 5.00% per annum. 710,000

\$3,510,000 Combination Tax and Revenue Certificates of Obligation, Series 2003, for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing drainage improvements, including pilot channel, constructing and equipping a fire station, for the payment of legal, fiscal, architectural and engineering fees in connection with this. Principal is due in varying amounts through 2023 with interest from 3.40% to 4.50% per annum. 2,675,000

\$13,535,000 Combination Tax and Revenue Certificates of Obligation, Series 2004, for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 with interest from 3% to 5% per annum. \$ 1,125,000

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

<p>\$15,625,000 Combination Tax and Revenue Certificates of Obligation, Series 2005, for the purpose of purchasing vehicles, and equipment for the Fire Department, purchasing vehicles for the Planning, Building and Public Works Department, acquiring and constructing a City communication system, making improvements to the City Health Clinic, acquiring land and equipment for and making improvements to municipal parks, acquiring land and preliminary design for various drainage projects, and for the payment of legal, fiscal, and engineering fees in connection with such projects; and paying the costs related to the issuance of the certificates. Principal is due in varying amounts through 2025 with interest from 3% to 5% per annum.</p>	\$ 12,900,000
<p>\$17,320,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, for paying all or a portion of the City's Contractual Obligations for the purpose of constructing and equipping Police and Fire department improvements for substations, a training center and headquarters building, constructing, improving, repairing, and extending City streets, and providing for road improvements for Texas Department of Transportation projects together with drainage improvements and traffic and signal equipment and improvements, constructing and equipping improvements to City's Health complex, branch Library, and municipal parks, and for the payment of legal, fiscal, and engineering fees in connection with such projects. Principal is due in varying amounts through 2026 with interest from 4% to 4.5% per annum.</p>	15,075,000
<p>\$3,680,000 Public Property Finance Contractual Obligations, Series 2006, issued for the purpose of purchasing police vehicles, equipment and enhancements for the police dispatch/radio facility, as well as vehicles and safety equipment for the fire department, and vehicles, heavy equipment, and office enhancements for Public Works and other City departments. Principal is due in varying amounts through 2012 with interest at 3.586% per annum.</p>	1,550,000
<p>\$72,480,000 Combination Tax and Revenue Contractual Obligations, Series 2007, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.</p>	62,745,000
<p>\$30,065,000 Combination Tax and Revenue Contractual Obligations, Series 2008A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2028 with interest from 3.5% to 5% per annum.</p>	29,800,000
<p>\$11,270,000 Combination Tax and Revenue Contractual Obligations, Series 2009A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2021 with interest from 2% to 5% per annum.</p>	\$ 10,825,000

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\$5,095,000 Public Property Finance Contractual Obligations, Series 2009, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance fees. Principal is due in varying amounts through 2014 with interest from 2% to 3% per annum. \$ 4,995,000

\$13,465,000 Combination Tax and Revenue Contractual Obligations, Series 2009B (Build America Bonds), for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts from 2022 through 2029 with interest of 6.366% per annum. 13,465,000

\$5,080,000 Public Property Finance Contractual Obligations, Series 2010, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2018 with interest of 3.875% per annum. 510,685

\$4,095,000 Combination Tax and Airport Revenue Contractual Obligations, Series 2010, for the purpose of constructing, improving, and maintaining the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2029 with interest of 4.750% per annum. 4,095,000

\$2,070,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010, for the purpose of refunding the Municipal Airport land indenture. Principal is due in varying amounts through 2029 with interest of 4.750% per annum. 2,070,000

\$2,040,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010B, for the purpose of constructing and equipping a Federal inspection station at the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the project. Principal is due in varying amounts through 2029 with interest of 5.200% per annum. 2,040,000

Total Certificates of Obligation \$ 167,815,685

Due Within One Year \$ 4,810,793

The applicable bond ordinances for the aforementioned debt contain limitations and restrictions on annual debt service requirements and maintenance of and flow of monies through various restricted accounts as well as minimum amounts to be maintained in various sinking funds.

The City is in compliance with all significant limitations and restrictions.

### C - Sales Tax Revenue Bonds

The City's Sales Tax Revenue Bonds are special obligations of the City and are collateralized by revenue from a ¼ of 1% sales and use tax collected within the City's boundaries. Sales Tax Revenue Bonds as of September 30, 2010 consist of the following:

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\$33,550,000 2005 Sports Venue Sales Tax Revenue Improvement and Refunding Bonds issued for the purpose of acquiring and constructing additional parking for the multipurpose entertainment arena and refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2001 in order to achieve a debt service savings and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2024 with interest from 3.00% to 5.00% per annum. \$ 31,290,000

Total Sales Tax Revenue Bonds 31,290,000

Due Within One Year \$ 1,575,000

**D - Capital Lease Obligations**

The City has entered into several lease-purchase agreements for various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

\$404,334 Kansas State Bank for the purchase of twenty five law enforcement vehicles for the Police Department. Payments are due in annual installments of \$112,758.28 through June 2011. Interest is at 4.52% per annum. \$ 107,882

\$1,330,425 Ford Motor Credit Company for the purchase of fifty law enforcement vehicles for the Police Department. Payments are due in annual installments of \$307,800.43 through June 2013. Interest is at 5.50% per annum. \$ 830,425

Total Present Value of Future Minimum Lease Payments 938,307

Plus Amount Representing Interest 97,853

Total Minimum Lease Payments \$ 1,036,160

The assets acquired through capital leases are as follows:

Governmental Activities		
Asset:		
Automotive Equipment	\$	3,536,589
Machinery & Equipment		<u>2,143,500</u>
Less: Accumulated Depreciation		<u>(4,790,447)</u>
Total	\$	<u>889,642</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, are as follows:

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Year Ending Sep. 30	Governmental Activities
2011	\$ 420,559
2012	307,800
2013	<u>307,801</u>
Total minimum lease payments	1,036,160
Less: amount representing interest	<u>(97,853)</u>
Present value of minimum lease payments	\$ <u>938,307</u>

Capital leases will be paid within the next three years, therefore only data for those years is shown.

**E - Notes Payable**

Section 108 Loan \$1,700,000 Chase Manhattan Bank through HUD 108 Program for the restoration of the Hamilton Hotel into a 165 low and moderate income residential units. Principal is due annually with a variable interest rate between 6.2013% and 6.4050%.

\$ 765,000

Due Within One Year

\$ 85,000

**F – Prior-year Defeasance of Debt**

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements. As of September 30, 2010, \$28.250 million in bonds outstanding are considered defeased.

**G – OPEB**

Updated on September 30, 2010, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$44,707,668, with the unfunded actuarial liability at \$95,683,806.

**NOTE 12 - PROPRIETARY FUNDS LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the City's Proprietary Funds for the year ended September 30, 2010:

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		Revenue Bonds	Certificates of Obligation	General Oblig. Bond	Note Payable
<b>Long Term Liabilities:</b>					
Beginning Balances	\$	100,360,223	122,094,507	26,894,509	20,494,474
Additions		7,210,000	1,204,809	-	-
Amortization of Deferred Charges		85,777	-	-	-
Due Within One Year		(6,764,000)	(4,179,207)	(5,371,625)	(857,435)
Ending Balances		100,892,000	119,120,109	21,522,884	19,637,039
<b>Current Liabilities:</b>					
Due Within One Year		6,764,000	4,179,207	5,371,625	857,435
Total Liabilities	\$	107,656,000	123,299,316	26,894,509	20,494,474

		Landfill Costs	Compensated Absences
<b>Long Term Liabilities:</b>			
Beginning Balances	\$	9,731,871	1,134,871
Additions		254,709	208,623
Retirements		-	(334,219)
Ending Balances		9,986,580	1,009,275
<b>Current Liabilities:</b>			
Due Within One Year		-	664,565
Total Liabilities	\$	9,986,580	1,673,840

## A – Bonds

\$12,105,000 2002 International Toll Bridge System Revenue Bond issued for the purpose to acquire, purchase, construct, improve, enlarge and equip the international bridge with principal due in varying amounts through year 2022, including interest at 4.0% to 5.0% per annum.	\$	7,840,000
\$741,000 2002 Waterworks System Revenue Bond issued for the purpose of making improvements and extension of the Waterworks System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9 % per annum.		558,000
\$710,000 2002 Sewer System Revenue Bond issued for the purpose of making improvements and extension of the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.		535,000
\$5,935,000 2004 International Toll Bridge System Revenue Bond issued for the purpose of acquiring, purchase, construct, improve, enlarge and equip an International Toll Bridge with principal due in varying amounts through year 2024, including interest at 2.3% to 6.0% per annum.		4,540,000
\$7,480,000 2004 Waterworks and Sewer Systems Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2024, including interest at 3.0% to 5.0% per annum.	\$	5,590,000



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\$24,565,000 2005B International Toll Bridge System Revenue Refunding Bond issued for the purpose of refunding other Bridge Revenue Bond issues with principal due in varying amounts through year 2019, including interest at 4.0% to 5.0% per annum.	\$ 21,095,000
\$6,420,000 2005 Waterworks & Sewer Systems Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2025, including interest at 3.0% to 4.4% per annum.	5,020,000
\$8,950,000 2006 Waterworks & Sewer Systems Revenue Bond Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2026, including interest at 4.0% to 4.5% per annum.	11,275,000
\$17,670,000 2007 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2027, including interest at 4.0% to 4.75% per annum.	15,275,000
\$3,070,000 2008 International Toll Bridge System Revenue Bond issued for the purpose of improving and constructing expansion of inspection station booths for Bridge No. IV with principal due in varying amounts through year 2028, including interest at 4.71% per annum.	2,770,000
\$915,000 2008 Waterworks and Sewer System Revenue Bond for the purpose of constructing, improving, and extending the waterworks and sewer systems with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.	824,000
\$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at 0.001 per annum.	6,830,000
Subtotal	\$ 100,892,000
Deferred Charges for Various Revenue Refunding Bonds	-
Total Revenue Bonds	<u>100,892,000</u>
Due Within One Year	\$ <u><u>6,764,000</u></u>

The applicable bond ordinances for the aforementioned debt contain limitations and restrictions on annual debt service requirements and maintenance of and flow of monies through various restricted accounts as well as minimum amounts to be maintained in various sinking funds. The City is in compliance with all significant limitations and restrictions.

## B – Certificates of Obligations

\$1,820,000 2000 Combination Tax and Sewer System Revenue Certificates of Obligation issued for the purpose of paying all or a portion of the City's contractual obligations for the purposes of improving and extending the City's Sewer system, and the payment of legal and fiscal fees in connection with this project. Principal is due in varying amounts through 2020 with interest from 5.10% to 7.00% per annum.	\$ 95,000
\$2,485,000 2000 Combination Tax and Waterworks System Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's contractual obligations for the purpose of improving and extending the City's Waterworks System, and for the payment of legal and fiscal fees in connection with this project, and other matters relating thereto in connection with this project. Principal is due in varying amounts through 2020 with interest from 5.00% to 7.00% per annum.	130,000
\$9,925,000 2002 Combination Tax and Revenue Certificates of Obligation issued for the purpose of acquiring downtown properities, a property known as Slaughter Farm, acquisition of land in northeast Laredo and land for the Fire Training and Law Enforcement Facility. Principal is due in varying amounts through 2022 with interest varying from 3.25% to 5.00% per annum.	5,770,000
\$3,620,000 2003 Combination Tax and Sewer System Revenue Certificates of Obligation, for the purpose of paying all or a portion of the City's contractual obligations for constructing, improving, and extending the City's Sewer system, and for the payment of legal, fiscal, and engineering fees in connection with this project. Principal is due in varying amounts through 2023, with interest varying from 3.40% to 4.50% per annum.	2,545,000
\$13,535,000 2004 Combination Tax and Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's contractual obligations for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 wtih interest from 3% to 5% per annum.	4,570,000
\$72,480,000 2007 Combination Tax and Revenue Contractual Obligations, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.	6,340,000
\$3,555,000 2008 Public Property Finance Contractual Obligations, for the purpose of purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.399% per annum.	\$ 2,820,000

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

\$46,235,000 2008B Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation, for the purpose of constructing, improving, and extending the City's Waterworks and Sewer systems, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2033 with interest from 3.50% to 5.00% per annum.	\$ 43,340,000
\$13,475,000 2009C Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks and Sewer System with principal due in varying amounts through year 2021, including interest at 2.00% to 5.00% per annum.	11,495,000
\$37,945,000 2009D Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks System and Sewer System with principal due in varying amount through year 2039, including interest at 6.566% per annum.	37,945,000
\$5,060,000 2010 Public Property Finance Contractual Obligations, for the purpose of personal property with principal due in varying amounts through 2018 with interest at 3.875% per annum.	\$ <u>4,070,109</u>
Total Certificates of Obligation	<u>119,120,109</u>
Due Within One Year	\$ <u><u>4,179,207</u></u>

**C - General Obligation Bonds**

\$24,455,000 2005 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt services savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum.	\$ 8,572,256
\$17,865,000 2006 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2013 with interest varying from 4.00% to 5.00% per annum.	2,591,342
\$27,150,000 2009 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum.	\$ <u>10,359,286</u>
Total Certificates of Obligation Bonds	<u>21,522,884</u>
Due Within One Year	\$ <u><u>5,371,625</u></u>

## D - Notes Payable

Texas Department of Transportation - State Infrastructure Bank loan for \$27,000,000 for the design and construction of bridge facilities and a portion of the costs of constructing the highway improvements. The City of Laredo received \$19,500,000 of the loan proceeds in fiscal year 1998 and \$9,806,858 in fiscal year 1999. Interest rate on the note is 4.10% simple interest per annum. Interest is deferred for seven years and added to the principal outstanding balance. The note has a final maturity date of October 1, 2027.

\$ 19,637,039

Due Within One Year

\$ 857,435

## E - Compensated Absences

The long-term portion of compensated absences for all City employees for Proprietary funds is comprised of the following:

Fund	Amount
Transit System	\$ 79,531
Bridge System	353,698
Municipal Housing	11,237
Waterworks System	233,383
Sewer System	67,398
Solid Waste Fund	264,028
Total	\$ <u>1,009,275</u>
Due Within One Year	\$ <u><u>664,565</u></u>

## F - Refunding and Early Extinguishment

### General Obligation Refunding Bonds, Series 2009

There were no refunding bonds issued in the 2010 fiscal year.

## G - Prior-year defeasance of debt.

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements.

As of September 30, 2010, no bonds outstanding are considered defeased.

## **H - Landfill Closure and Post Closure Costs**

During fiscal year 1994, the City adopted the provisions of GASB Statement No.18 "Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs." The landfill closure and post closure costs and the liability for landfill closure and post closure costs in Solid Waste Fund as of September 30, 2010 is \$15,062,067 of which \$9,986,580 has been recognized and recorded as a liability based on the Municipal Solid Waste Landfill use.

Federal and State laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, a liability is being recognized based on future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the capacity of the landfill used to date.

The liability for landfill closure and post closure care costs of \$9,986,580 as of September 30, 2010 represents the cumulative amount for 123.9 acres of the landfill filled with solid waste for closure and 200 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2010 is 66.30%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 8 years. Based on the remaining life, the landfill will be filled to capacity by the year 2018. The estimated total current cost of the landfill closure and post closure care (\$15,062,067) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2010. However, the actual costs of closure and post closure care may be higher due to inflation, changes in technology, or changes in solid waste management laws and regulations.

The landfill is divided into four phases and is further divided into cells of 3 to 7 acres. The new regulations require that liner systems be installed in all cells opened after July 1, 1994. All cells regardless of their age will be required to receive final cover in conformity with the specifications of the current laws.

Federal and State laws and regulations require the City of Laredo to make annual financial assurances regarding the financing of closure and post closure care. The City is in compliance with this requirement. It is anticipated that future inflation costs will be financed in part from earnings on investments and by a federal mandate fee of \$4.25 charged monthly to all garbage users. Commercial accounts, formerly exempt from the fee, are now charged the federal mandate fee. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements (for example, changes in technology or more rigorous environmental regulations) may need to be covered by charges to future landfill users, taxpayers, or both.

## **NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES**

The purposes of interfund balances are to provide cash flows for grants and to cover funds with negative cash. Interfund receivables and payables as of September 30, 2010 are as follows:

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	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Activity</b>		
<b>Contractual Obligations</b>		
Transit System	\$ -	\$ 248,228
<b>2007 Certificate of Obligation</b>		
Solid Waste Fund	-	2,724,193
Due to Business Type Activities for Internal Service Funds Allocation		804,878
<b>Total Governmental Activity</b>	<u>\$ -</u>	<u>\$ 3,777,299</u>
<b>Business Type Activity</b>		
<b>Transit System</b>		
Contractual Obligations	\$ 248,228	\$ -
<b>Solid Waste Fund</b>		
2007 Certificate of Obligations	2,724,193	-
Due from Governmental Activities for Internal Service Funds Allocation	804,878	
<b>TOTAL BUSINESS TYPE ACTIVITY</b>	<u>\$ 3,777,299</u>	<u>\$ -</u>

**NOTE 14 - INTERFUND TRANSFERS**

The purpose of interfund transfers is to transfer funds based on City ordinance for operational purposes or grant purposes. Transfers between funds during the year were as follows:

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NOTES TO BASIC FINANCIAL STATEMENTS

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<b>GOVERNMENT TYPE:</b>			
<b>CONTRACTUAL OBLIGATIONS</b>			
Transit	\$ -	459	(459)
 <b>CAPITAL IMPROVEMENTS</b>			
Bridge	3,911,026	-	3,911,026
 <b>DEBT SERVICE</b>			
Bridge	773,134	-	773,134
<b>TOTAL - GOVERNMENT TYPE</b>	<u>4,684,160</u>	<u>459</u>	<u>4,683,701</u>
 <b>BUSINESS TYPE:</b>			
<b>TRANSIT</b>			
Contractual Obligations	459	-	459
 <b>BRIDGE</b>			
Capital Improvements	-	3,911,026	3,911,026
Debt Service	-	773,134	773,134
<b>TOTAL BUSINESS TYPE</b>	<u>\$ 459</u>	<u>4,684,160</u>	<u>(4,683,701)</u>

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NOTES TO FINANCIAL STATEMENTS  
NOTE 15 - Debt Service Requirements

The following is a summary of the City's debt service requirements for all funds as of September 30, 2010

Business-Type and Governmental Activities												
Year	Revenue Bonds			Notes Payable			Certificates of Obligation			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2011	8,339,000	6,193,425	14,532,425	1,312,444	907,202	2,219,646	8,990,000	14,024,383	23,014,383	8,665,000	2,193,650	10,858,650
2012	8,343,000	5,846,893	14,189,893	1,254,134	851,836	2,105,970	11,695,000	13,643,422	25,338,422	8,120,001	1,814,975	9,934,976
2013	8,726,000	5,500,675	14,226,675	1,305,940	799,300	2,105,240	12,015,000	13,206,255	25,221,255	8,829,999	1,490,000	10,319,999
2014	9,112,000	5,110,512	14,222,512	1,052,282	744,017	1,796,299	13,060,000	12,721,960	25,781,960	7,779,999	1,178,289	8,958,288
2015	9,527,000	4,703,814	14,230,814	1,091,941	702,829	1,794,770	12,484,999	12,168,415	24,653,414	3,944,999	904,212	4,849,211
2016	9,982,000	4,259,763	14,241,763	1,133,226	658,674	1,791,900	13,034,999	11,611,421	24,646,420	3,950,000	719,450	4,669,450
2017	10,454,000	3,791,415	14,245,415	1,176,203	614,436	1,790,639	13,625,000	11,023,705	24,648,705	4,215,001	521,950	4,736,951
2018	10,960,000	3,297,824	14,257,824	1,220,942	567,223	1,788,165	14,275,000	10,386,051	24,661,051	3,220,000	311,200	3,531,200
2019	8,576,000	2,774,661	11,350,661	1,267,516	517,997	1,785,513	14,335,002	9,733,348	24,068,350	1,310,001	150,200	1,460,201
2020	8,324,000	2,370,436	10,694,436	1,230,999	466,709	1,697,708	15,005,000	9,075,603	24,080,603	1,064,999	84,699	1,149,698
2021	8,720,000	1,973,692	10,693,692	1,281,470	416,238	1,697,708	15,145,000	8,377,538	23,522,538	740,001	31,451	771,452
2022	9,139,000	1,558,235	10,697,235	1,334,010	363,698	1,697,708	15,860,001	7,628,780	23,488,781	-	-	-
2023	8,662,000	1,119,308	9,781,308	1,388,704	309,004	1,697,708	15,845,000	6,836,016	22,681,016	-	-	-
2024	9,066,000	704,233	9,770,233	1,445,641	252,067	1,697,708	16,045,000	6,014,469	22,059,469	-	-	-
2025	5,070,000	365,100	5,435,100	1,504,913	192,796	1,697,709	16,240,000	5,167,810	21,407,810	-	-	-
2026	2,913,000	149,882	3,062,882	1,566,614	131,094	1,697,708	15,825,000	4,301,678	20,126,678	-	-	-
2027	1,977,000	52,726	2,029,726	1,630,803	66,863	1,697,666	15,240,000	3,489,948	18,729,948	-	-	-
2028	676,000	7,284	683,284	-	-	-	9,280,000	2,842,997	12,122,997	-	-	-
2029	380,000	-	380,000	-	-	-	7,040,000	2,392,722	9,432,722	-	-	-
2030	-	-	-	-	-	-	4,675,000	2,056,177	6,731,177	-	-	-
2031	-	-	-	-	-	-	4,895,000	1,784,706	6,679,706	-	-	-
2032	-	-	-	-	-	-	5,135,000	1,500,327	6,635,327	-	-	-
2033	-	-	-	-	-	-	5,380,000	1,202,334	6,582,334	-	-	-
2034	-	-	-	-	-	-	2,390,000	971,440	3,361,440	-	-	-
2035	-	-	-	-	-	-	2,495,000	811,065	3,306,065	-	-	-
2036	-	-	-	-	-	-	2,600,000	643,796	3,243,796	-	-	-
2037	-	-	-	-	-	-	2,715,000	469,304	3,184,304	-	-	-
2038	-	-	-	-	-	-	2,835,000	287,098	3,122,098	-	-	-
2039	-	-	-	-	-	-	2,955,000	97,012	3,052,012	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
Total	138,946,000	49,779,878	188,725,878	22,197,782	8,561,983	30,759,765	291,115,001	174,469,780	465,584,781	51,840,000	9,400,076	61,240,076
										504,098,783	242,211,717	746,310,500



## NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2010, the City had contractual commitments of \$99,185,288 for various construction and improvement projects. The commitments are summarized as follows:

Project Description	Commitment	Financing Sources
Community Development	\$ 1,375,447	Grant Proceeds
Health	459,474	Grant Proceeds
Environmental Services	1,129,641	Bond Proceeds
Capital Improvements	58,665	Fund Revenues
Airport Construction	10,858,298	Grant Proceeds
Parks Capital Grant	500,000	Grant Proceeds
Capital Grants	10,033,175	Grant Proceeds
2005 C.O. Issue	15,000	Bond Proceeds
2006 C.O. Issue	1,229,449	Bond Proceeds
2007 C.O. Issue	10,353,181	Bond Proceeds
2008 C.O. Issue	9,808,698	Bond Proceeds
2009 C.O. Issue	11,572,250	Bond Proceeds
Bridge	1,066,352	Bond Proceeds
Waterworks System	33,531,792	Fund Revenues/ Bond / Grant Proceeds
Wastewater	7,193,866	Fund Revenues/ Bond Proceeds
Total Commitments	<u>\$ 99,185,288</u>	

## NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2010, expenditures in Internal Service Funds and Non major Governmental Funds, and Enterprise Funds – Health and Benefits System, Laredo Convention and Visitors Bureau, and Bridge System exceeded appropriations by \$461,441, \$15,221, and \$173,959, respectively.

## NOTE 18 - RISK MANAGEMENT

### A. HEALTH AND BENEFITS FUND

In January 1990, the City established a partial self-insured plan for medical coverage for its employees and an internal service fund called Risk Management. On October 1, 1995, the fund name was changed to Health and Benefits Fund. Under this plan, the City will pay for medical claims up to the amount of \$100,000 per employee, with a maximum lifetime benefit of \$1,000,000 per employee. There is a maximum medical aggregate liability of \$17,627,545 and projected net claims of \$15,668,929. Claims exceeding \$100,000 per employee are paid by the City and

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

reimbursed by the City's stop/loss insurance carrier. The City has accrued for claims that have been incurred but not reported.

The incurred claims liability of \$2,319,428 reported in the Fund as of September 30, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim liability can be reasonably estimated. Claim liabilities are calculated considering the recent claim settlements trends including frequency and amount of payouts and are due within one year of the date of the statement of net assets. Changes in the Fund's claims liability amount in fiscal year 2008, 2009, and 2010 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance of Fiscal Year end <sup>1</sup>
2007-2008	\$1,643,111	13,245,747	12,946,833	1,942,025
2008-2009	1,942,025	15,411,118	15,089,689	2,263,454
2009-2010	\$2,263,454	15,518,829	15,462,854	2,319,429

There were no changes or reductions in insurance coverage from coverage in prior years. Settled claims did not exceed commercial excess coverage in any of the past three years.

<sup>1</sup>Claim Liabilities are due within one year of the date of the statement of net assets.

## B. RISK MANAGEMENT FUND

On October 1, 1996, the City established a self-insured retention program for the worker's compensation liability within the Risk Management Fund which also accounts for the following policies: (a) General Liability (b) Law Enforcement Liability (c) Errors and Omission (d) Auto Liability (e) Auto Physical Damage - ACV. The self-insured retention program for worker's compensation was implemented with \$300,000 retention per occurrence and a \$2,700,000 aggregate for FY 07-08 and \$2,350,000 aggregated for FY08-09 and \$2,350,000 aggregated for FY09-10. A deductible reimbursement program was also established for claims with \$5,000 retention per occurrence through Texas Municipal League Intergovernmental Risk Pool (TMLIRP), with the exception of errors and omission, which has a \$25,000 deductible. As of September 30, 2010, a liability was recorded based on fiscal year 2010 outstanding claims, which is due within one year of the date of the statement of net assets. Changes in this claims liability amount in fiscal years 2008, 2009 and 2010 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance of Fiscal Year end <sup>2</sup>
2007-2008	\$1,486,503	2,002,607	2,004,809	1,484,301
2008-2009	1,484,301	1,922,330	2,010,452	1,396,179
2009-2010	\$1,396,179	2,101,857	1,947,866	1,550,170

There have been no significant changes in insurance coverage in any of the past three years. Settled claims did not exceed commercial excess coverage in any of the past three years.

<sup>2</sup>Claim Liabilities are due within one year of the date of the statement of assets.

## **NOTE 19 – CONTINGENCIES**

The City participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2010, significant amounts of grant expenditures have not been audited by the grantor agencies; however, the City believes it has substantially complied with applicable laws and regulations and that the results of subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is a Defendant in a number of lawsuits arising principally from claims against the City for alleged actions by City employees including alleged acts of negligence and discrimination. Total damages claimed are not substantial; it has been the City's experience that such actions are resolved for amounts substantially less than the claimed amounts with no material effect on the financial condition of the City.

## **NOTE 20 – PRIOR PERIOD ADJUSTMENTS**

Due to a change in accounting principle, the City of Laredo is reporting a prior period adjustment that affects the Governmental Activities and Business-Type Activities in the amount of \$6,565,000 each. A portion of the City of Laredo long term debt is directly related and expected to be paid from proprietary funds. The long term liability was recorded as a governmental activity at the time of issuance. The prior period adjustment will reflect the liability in Business – Type Activities and a reduction in the net assets. The long term liability of the Governmental Activities was reduced and the net assets were increased. The prior period adjustment is reported in the Statement of Activities of the City of Laredo. The change has been made retroactive to reflect the long term liability under the correct activity. The prior period adjustment is reported in the following business type activities: Waterworks System Fund \$960,580 and Solid Waste Fund \$5,604,420.

A capital expense incurred in the 2009 fiscal year was not included in General Fixed Assets. Expense was a professional service associated with a capital project that is considered in the City's Fixed Asset Policy as allowable expense for capitalization. Total of the prior year capital cost needing to be included in fixed assets was \$150,543.27.

## **NOTE 21 – DONOR-RESTRICTED ENDOWMENTS**

The Canseco Foundation Children's Endowment Trust Fund was established on January of 1998, when the City accepted the endowment for the Canseco Foundation in the amount of \$50,000. The

program would have the City seek all opportunities to augment children's programming resources provided through the Laredo Public Library. Funding of children's programming from the fund each year will be based on interest accrued on the endowment. Interest distributions will be from the Canseco Foundation Children's Endowment Fund. For September 30, 2010, the amount of unspent interest to date was \$22,080. This amount is reported in the government-wide financial statements under Net Assets-Restricted for other purposes.

Texas State Law:

- (a) Except as provided by Subsection (e), the governing board may appropriate for expenditure, for the uses and purposes for which the fund is established, the net appreciation, realized and unrealized, in the fair market value of the assets of an endowment fund over the historic dollar value of the fund to the extent prudent under the standard provided by Section 163.007.
- (b) A determination of the historic dollar value made in good faith by the governing board is conclusive.
- (c) Subsection (a) does not limit the authority of the governing board to expend funds as permitted under other law, the terms of the applicable gift instrument, or the charter or articles of incorporation of the institution.
- (d) Subsection (a) does not apply if the applicable gift instrument indicates the donor's intention that the net appreciation not be extended. A restriction on the expenditure of net appreciation may not be implied from a designation of a gift as an endowment or from a direction or authorization in the applicable gift instrument to use only "income" This rule of construction applies to gift instruments executed or in effect before, on, or after the effective date of this chapter.

## **NOTE 22- BUDGET BASIS REPORTING**

The budgetary process is based upon accounting for certain transactions on a budget basis other than generally accepted accounting principles (GAAP Basis). The results of operations as presented in the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances are reported in accordance with the budgetary process (budget basis) to provide a meaningful comparison with the budget.

The major difference between the budget basis "actual" and GAAP basis are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP) and non-budgeted increases in compensated absences, claims payable, workmen's compensation insurance, and allowance for doubtful accounts are recorded as expenditures when payments are made (budget) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert from the GAAP basis to the budget basis are as follows:

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

	<u>General Fund</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	\$ 4,253,909
Adjustments:	
Timing Differences-Encumbrances	(1,377,104)
Basic Differences:	
Non Budgeted-Compensated Absences	-
Non Budgeted-Allowance for Doubtful Accounts	<u>19,346</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	2,896,151
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>30,673,077</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	\$ <u><u>33,569,228</u></u>

## **DEBT SERVICE**

**CITY OF LAREDO, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Taxes:				
Current	\$ 12,520,318	12,520,318	12,565,266	44,948
Delinquent - Prior	390,392	390,392	428,895	38,503
Total Taxes	12,910,710	12,910,710	12,994,161	83,451
Investment Income:				
Interest Earnings	191,200	191,200	113,946	(77,254)
Total Investment Income	191,200	191,200	113,946	(77,254)
Special Assessments:				
Paving Assessments	21,192	21,192	17,142	(4,050)
Total Special Assessments	21,192	21,192	17,142	(4,050)
Miscellaneous:				
Reimbursements	-	-	16	16
Interest Rebates	-	-	268,346	268,346
Total Miscellaneous	-	-	268,362	268,362
<b>TOTAL REVENUES</b>	<b>13,123,102</b>	<b>13,123,102</b>	<b>13,393,611</b>	<b>270,509</b>
<b>EXPENDITURES:</b>				
Principal Retirement:				
General Obligations Debt	8,250,649	8,250,649	3,043,852	5,206,797
Revenue Bonds Debt	1,430,000	1,430,000	1,430,000	-
Contractual Obligations Debt	11,320,916	11,320,916	6,355,000	4,965,916
Lease-Purchase Contracts Debt	400,000	400,000	400,000	-
Total Principal Retirement	21,401,565	21,401,565	11,228,852	10,172,713
Interest:				
General Obligations Debt	2,473,083	2,473,083	1,233,821	1,239,262
Revenue Bonds Debt	1,616,288	1,616,288	1,616,288	-
Contractual Obligations Debt	10,907,502	10,907,502	7,860,131	3,047,371
Total Interest	14,996,873	14,996,873	10,710,240	4,286,633
Other:				
Other	327,163	327,163	7,733	319,430
Total Other	327,163	327,163	7,733	319,430
<b>TOTAL EXPENDITURES</b>	<b>36,725,601</b>	<b>36,725,601</b>	<b>21,946,825</b>	<b>14,778,776</b>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (23,602,499)	(23,602,499)	(8,553,214)	15,049,285 (Continued)

CITY OF LAREDO, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
Year Ended September 30, 2010

(Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Airport	\$ 542,210	542,210	542,210	-
Environmental Services	1,901,070	1,901,070	1,901,070	-
Parking Meters	292,018	292,018	292,018	-
Sports and Community Venue	3,046,288	3,046,288	3,046,288	-
Airport Construction	-	-	1,520,561	1,520,561
1998 C.O. Issue	-	-	98	98
2003 C.O. Issue	-	-	143	143
Transit System	1,269,166	1,269,166	-	(1,269,166)
Bridge System	773,134	773,134	773,134	-
Solid Waste System	1,712,576	1,712,576	-	(1,712,576)
Water System	8,243,434	8,376,651	-	(8,376,651)
Sewer System	5,201,288	5,068,071	-	(5,068,071)
Information Technology	400,000	400,000	400,000	-
Fiscal Agent Fees	(28,000)	(28,000)	(9,230)	(18,770)
Bond Costs	-	-	(20,000)	20,000
TOTAL OTHER FINANCING SOURCES (USES):	23,353,184	23,353,184	8,446,292	(14,904,432)
Net Change in Fund Balances	(249,315)	(249,315)	(106,922)	142,393
Fund Balances-Beginning	6,078,102	6,636,000	6,636,000	-
Fund Balances-Ending	\$ 5,828,787	6,386,685	6,529,078	142,393



## **NONMAJOR GOVERNMENTAL FUNDS**

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Special Revenue Funds include:

**CDBG SPECIAL REVENUE FUND** - to account for the U.S. Department of Housing and Urban Development grant and the related -disbursements for street improvements, drainage improvements, water and sewer improvements, public service, open space, code enforcement, low income housing rehabilitation and for administration.

**COMMUNITY DEVELOPMENT HOUSING REHABILITATION** - to account for the U.S. Department of Housing and Urban Development grant for low income housing rehabilitation loans and the related disbursements.

**HOME INVESTMENT FUND** - to account for the U. S. Department of Housing and Urban Development grant and the related disbursements for new affordable housing units.

**COMMUNITY DEVELOPMENT EMERGENCY SHELTER FUND** - to account for the U.S. Department of Housing and Urban Development grant and the disbursement of such proceeds for city shelters for the homeless.

**FINANCIAL TASK FORCE** - to account for the Office of National Drug Control and Prevention grant for the investigation of illegal financial activities related to drug trafficking in the City.

**AUTO THEFT TASK FORCE** - to account for the Texas Department of Transportation grant for the combined effort between the City of Laredo and Webb County to detect, investigate and apprehend individuals involved in auto theft.

**SPECIAL POLICE PROGRAM** - to account for federal and state law enforcement grants. Major funding sources include intergovernmental revenues from Texas Department of Transportation, U.S. Department of Justice and U.S. Department of Treasury.

**ENVIRONMENTAL SERVICES** - to account for federal and state grants and the disbursements required by the storm water regulations.

**HEALTH FUND** - to account for the rendering of public health services to City and County residents by administering grants and contracts awarded by federal and state agencies and contributions by private foundations.

**911 EMERGENCY COMMUNICATIONS FUND** – to account for Commission on State Emergency Communications grant funds to administer and operate emergency service communications programs for Jim Hogg, Starr, Webb and Zapata Counties.

**INTERNATIONAL AIRPORT** - to account for the operation and maintenance of the City of Laredo Airport, financed through restricted revenues from airport tenants.

**HAZARDOUS MATERIALS** - to account for the issuance of license and permits, in order to mitigate hazardous materials incidents through prevention and control.

**PARKING METERS** - to account for the collection of parking meter revenues and to enforce City ordinances on prohibited parking areas and where parking meters are installed.

**KEEP LAREDO BEAUTIFUL, INC. FUND** – to account for the beautification of the City of Laredo. The corporation is organized to promote public interest in the general improvement of the environment of the City of Laredo.

**RECREATION FUND** - to account for the recreational activities provided to the general public through various sports leagues, such as softball and basketball, and other activities such as swimming lessons and aerobics.

**VETERANS FIELD** - to account for revenue received from the baseball stadium and the disbursement of such revenue restricted for the operating and maintenance costs.

**CIVIC CENTER** - to account for rental receipts from the auditorium, ballroom, and meeting rooms, and the disbursements for its operation and maintenance.

**HOTEL-MOTEL OCCUPANCY TAX** - to account for tax proceeds received from hotels and motels and the disbursement of such to promote community agencies and projects as authorized by State statute and allocated by City Council.

**PUBLIC ACCESS CHANNEL** - to account for the operations of City owned studio facilities for access channels and to provide training in television production, programming and transmitting, and the related revenue associated with such services.

**MERCADO MANAGEMENT FUND** - to account for rent revenues derived from the City's downtown marketplace, "Mercado", and the disbursement of these funds for the operation and maintenance of this specialty retail center.

**LAREDO CONVENTION & VISITOR'S BUREAU** - to account for the promotion of the City of Laredo. Its primary function is to engage in visitor promotion by soliciting and servicing conventions and other related group businesses generating tourism.

**HUD SECTION 108** – to account for the loan issued to Hamilton Housing Partners for \$1.7 million.

**SPORTS AND COMMUNITY VENUE** - to account for the sales tax proceeds of ¼ of one percent designated for payments of debt service in connection with the financing of a sports venue complex.

**NOISE ABATEMENT LEASE PROGRAM** – to account for all the units purchased through the Noise Abatement Program that are being leased out as public housing and the related operating and maintenance disbursements.

**FRIENDS OF THE LIBRARY** – to account for funds received from the Friends of the Library organization for acquisition of capital outlay for the benefit of the City of Laredo Public Library.

**SUBDIVISION TRUST FUND** – to account for funds received from developers and the disbursement of such funds on subdivision streets and off-site improvements.

**POLICE TRUST FUND** – to account for the proceeds from seized revenues from narcotic operations to be used to acquire any necessary public safety equipment or improvements that will serve to further improve the law enforcement operations.

**SPECIAL FIRE GRANTS** – to account for various projects and improvements that increase the public safety for the citizens of Laredo. Major funding sources include State Homeland Security and Environmental Protection Agency.

**LAREDO ENERGY ARENA** - to account for the center's operation. Its function is to provide a diverse mixture of world-class entertainment.

**COMMUNITY DEVELOPMENT AMERICAN RECOVERY AND REINVESTMENT ACT FUND** - to account for the U.S. Department of Housing and Urban Development grant and the disbursement of such proceeds to increase the energy efficiency of dwellings owned or occupied by low-income families, to provide assistance for homeless prevention activities, to demolish, acquire, rehabilitate, and resell foreclosed properties, and provide the necessary funds for the Ejido Extension project.

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects Funds include:

**WEBB COUNTY COLONIAS PROJECT** - to account for grants received from the Texas Water Development Board, the North American Development Bank, and Webb County, to provide water and sewer improvements to the communities outside the City Limits.

**AIRPORT CONSTRUCTION FUND** - to account for the Federal Aviation Administration, the Texas Department of Transportation, and U.S. Department of Transportation grants for the engineering design and construction of runway and taxiway improvements and promote air service.

**CONTRACTUAL OBLIGATIONS** - to account for contractual obligation bond and lease-purchase agreement proceeds for the purchase of equipment.

**CERTIFICATE OF OBLIGATION 1998 ISSUE** - to account for \$16,160,000 in bond proceeds for the purpose of paying for the construction of drainage improvements, construction of street improvements and repairs, construction of a new public works building, repairing of public buildings, acquisition of municipal vehicles and equipment, a landfill collection system, and for the acquisition of land for a municipal landfill.

**CERTIFICATE OF OBLIGATION 2000 ISSUE** - to account for \$9,365,000 in bond proceeds for the construction of a new Municipal Court, street construction and maintenance projects, and the acquisition, design and construction of the Inner City Park.

**CAPITAL IMPROVEMENTS** - to account for capital improvement projects approved by City Council. Its major funding sources are revenues received from the Bridge System, General Fund, and interest earnings.

**CERTIFICATE OF OBLIGATION 2002 ISSUE** – to account for \$9,925,000 in bond proceeds for the purpose of acquiring downtown property for future municipal offices, parks, landfill, and the fire and law enforcement training center.

**CERTIFICATE OF OBLIGATION 2003 ISSUE**– to account for \$3,510,000 in bond proceeds for the construction of pilot channels, drainage improvements, and the construction of a fire station.

**CERTIFICATE OF OBLIGATION 2005 ISSUE** – to account for \$15,625,000 in bond proceeds for purpose of paying all or a portion of the City's contractual obligations for the purpose of purchasing trucks, vehicles, and equipment for various departments, a communication system, improvements to the health clinic, acquisition of land and improvements for municipal parks, acquisition of land and improvements to drainage projects.

**CERTIFICATE OF OBLIGATION 2006 ISSUE** – to account for \$17,320,000 in bond proceeds for purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

**CERTIFICATE OF OBLIGATION 2007 ISSUE** – to account for \$72,480,000 in bond proceeds for purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, park Improvements.

**CERTIFICATE OF OBLIGATION 2008 ISSUE** – to account for \$32,000,000 in bond proceeds for purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

**CERTIFICATE OF OBLIGATION 2009 ISSUE** – to account for \$25,563,005 in bond proceeds for purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

**PARKS CAPITAL GRANTS** - to account for various projects and improvements that enhance the quality of life for the citizens of the City of Laredo. Major funding sources include intergovernmental revenues from Webb County, the Texas Department of Transportation, and the Texas Parks and Wildlife Service, as well as other revenue sources who dedicate funding for future recreational improvements.

**CAPITAL GRANTS** - to account for the installation and activation of Intelligent Transportation Systems and for the renovation of the historic Plaza Theater's marquee and blade sign. Major funding sources include intergovernmental revenues from Texas Department of Transportation and U.S. Department of Housing and Urban Development.

## **PERMANENT FUND**

**CANSECO ENDOWMENT FUND** – to account for funds received from the Canseco Endowment Foundation for the benefit of the City of Laredo Public Library.

**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 2010**

**SPECIAL REVENUE**

	<b>BLOCK GRANTS</b>	<b>HOUSING REHAB</b>	<b>HOME INVESTMENT</b>	<b>EMERGENCY SHELTER</b>	<b>FINANCIAL TASK FORCE</b>	<b>AUTO THEFT TASK FORCE</b>
<b>ASSETS</b>						
Cash and Cash Equivalents:						
Cash	\$ 100	-	-	-	5,000	-
Cash with Fiscal Agent	-	-	-	-	-	-
Investments	-	20,896	12,843	-	931,166	243,420
Receivables, net of allowances:						
Accrued Interest	-	41	25	-	1,830	478
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-	-
Accounts	117	-	-	-	26	-
Notes	-	1,837,516	12,134,581	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	70,308	-	58,327	11,941	366,350	103,226
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>70,525</b>	<b>1,858,453</b>	<b>12,205,776</b>	<b>11,941</b>	<b>1,304,372</b>	<b>347,124</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	12,269	2,394	12,075	11,941	6,739	11,038
Retainage Payable	13,133	-	-	-	-	-
Accrued Wages and Employee Benefits	36,924	-	3,317	-	15,322	17,183
Contracts Payable	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-
Due To Other Funds	8,014	-	-	-	-	-
Due To Other Governments	-	-	-	-	119,061	6,974
Due To Developers	-	-	-	-	-	-
Deferred Revenue	30	1,837,516	12,134,581	-	-	-
<b>TOTAL LIABILITIES</b>	<b>70,370</b>	<b>1,839,910</b>	<b>12,149,973</b>	<b>11,941</b>	<b>141,122</b>	<b>35,195</b>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	1,410,990	-	118,604	28,069	24,676	1,536
Reserved for Capital Acquisition	-	-	-	-	-	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	18,543	-	-	-	-
Undesignated (Deficit)	(1,410,835)	-	(62,801)	(28,069)	1,138,574	310,393
<b>TOTAL FUND BALANCES</b>	<b>155</b>	<b>18,543</b>	<b>55,803</b>	<b>-</b>	<b>1,163,250</b>	<b>311,929</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 70,525</b>	<b>1,858,453</b>	<b>12,205,776</b>	<b>11,941</b>	<b>1,304,372</b>	<b>347,124</b>

(Continued)

## SPECIAL REVENUE

SPECIAL POLICE PROGRAM	ENVIRONMENTAL SERVICES	HEALTH FUND	911 EMERGENCY COMM. FUND	INT'L. AIRPORT	HAZARDOUS MATERIALS	PARKING METERS	KEEP LAREDO BEAUTIFUL
-	350	2,350	100	200	-	750	-
-	-	-	-	-	-	-	-
-	4,090,003	185,782	97,256	646,237	32,824	1,412,384	23,576
-	8,037	365	191	1,270	64	2,775	46
-	-	-	-	-	-	-	-
-	260,219	4,408	-	352,510	-	1,364,752	-
-	-	-	-	-	-	-	-
-	-	-	11	-	-	-	-
335,317	3,926	1,798,478	269,329	14,711	-	26,621	-
-	-	3,319	-	-	-	-	-
<b>335,317</b>	<b>4,362,535</b>	<b>1,994,702</b>	<b>366,887</b>	<b>1,014,928</b>	<b>32,888</b>	<b>2,807,282</b>	<b>23,622</b>
146,692	95,919	494,445	28,421	86,289	550	57,167	11,593
-	144,125	-	-	-	-	-	-
47,940	60,285	290,422	9,198	57,886	5,392	33,900	2,282
-	311,041	-	-	3,150	-	-	-
-	-	-	-	41,361	-	-	-
126,328	-	-	-	-	-	-	-
-	-	26	-	35	-	-	-
-	-	-	-	-	-	-	-
-	210,159	588,415	329,268	72,676	-	1,363,521	-
<b>320,960</b>	<b>821,529</b>	<b>1,373,308</b>	<b>366,887</b>	<b>261,397</b>	<b>5,942</b>	<b>1,454,588</b>	<b>13,875</b>
103,880	2,357,032	848,912	287,449	53,454	4	13,497	9,747
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(89,523)	1,183,974	(227,518)	(287,449)	700,077	26,942	1,339,197	-
<b>14,357</b>	<b>3,541,006</b>	<b>621,394</b>	<b>-</b>	<b>753,531</b>	<b>26,946</b>	<b>1,352,694</b>	<b>9,747</b>
<b>335,317</b>	<b>4,362,535</b>	<b>1,994,702</b>	<b>366,887</b>	<b>1,014,928</b>	<b>32,888</b>	<b>2,807,282</b>	<b>23,622</b>

(Continued)



CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010

(Continued)

	SPECIAL REVENUE					
	RECREATION FUND	VETERANS FIELD	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
<b>ASSETS</b>						
Cash and Cash Equivalents:						
Cash	\$ -	-	500	-	-	-
Cash with Fiscal Agent	-	-	-	-	-	-
Investments	201,151	13,315	117,666	769,000	398,060	260,304
Receivables, net of allowances:						
Accrued Interest	395	26	231	1,511	782	511
Hotel-Motel Tax, Penalty and Interest	-	-	-	24,916	-	-
Accounts	-	43,010	1,050	-	67,091	1,985
Notes	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>201,546</b>	<b>56,351</b>	<b>119,447</b>	<b>795,427</b>	<b>465,933</b>	<b>262,800</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	10,290	5,105	37,927	44,016	65,926	19,550
Retainage Payable	-	-	-	-	-	-
Accrued Wages and Employee Benefits	-	-	13,196	-	10,687	3,654
Contracts Payable	-	-	-	-	-	-
Customer Deposits	-	-	23,225	-	-	-
Due To Other Funds	-	-	-	-	-	-
Due To Other Governments	-	-	-	-	-	-
Due To Developers	-	-	-	-	-	-
Deferred Revenue	-	-	-	24,916	-	-
<b>TOTAL LIABILITIES</b>	<b>10,290</b>	<b>5,105</b>	<b>74,348</b>	<b>68,932</b>	<b>76,613</b>	<b>23,204</b>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	6,391	3,651	45,099	19	109,437	14,388
Reserved for Capital Acquisition	-	-	-	-	279,883	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	-	-	-	-	-
Undesignated (Deficit)	184,865	47,595	-	726,476	-	225,208
<b>TOTAL FUND BALANCES</b>	<b>191,256</b>	<b>51,246</b>	<b>45,099</b>	<b>726,495</b>	<b>389,320</b>	<b>239,596</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 201,546</b>	<b>56,351</b>	<b>119,447</b>	<b>795,427</b>	<b>465,933</b>	<b>262,800</b>

(Continued)

(Continued)

## SPECIAL REVENUE

LAREDO CONVENT. & VISITORS	H.U.D. SEC. 108	SPORTS & COMMUNITY VENUE	NOISE ABATE. LEASE PROGRAM	FRIENDS OF THE LIBRARY	SUBDIVISION TRUST FUND	POLICE TRUST FUND	SPECIAL FIRE GRANTS
850	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
123,198	-	24,195,410	700,536	139,951	521,252	6,770,376	-
242	1,259,485	38,002	1,376	275	1,024	13,304	-
-	-	-	-	-	-	-	-
485	-	-	47,703	2,130	-	2,550	85
-	850,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	114,792
-	-	-	-	-	-	-	-
<b>124,775</b>	<b>2,109,485</b>	<b>24,233,412</b>	<b>749,615</b>	<b>142,356</b>	<b>522,276</b>	<b>6,786,230</b>	<b>114,877</b>
41,191	-	44,734	135,980	9,545	13,090	327,160	2,499
-	-	-	-	-	-	-	-
14,776	-	-	7,734	-	-	-	40,265
-	-	-	-	-	-	-	-
-	-	-	78,324	-	-	-	-
-	-	456,086	-	-	-	-	51,041
100	-	-	-	2,130	-	-	-
-	-	-	-	-	509,186	-	-
-	2,109,485	-	11,471	-	-	-	-
<b>56,067</b>	<b>2,109,485</b>	<b>500,820</b>	<b>233,509</b>	<b>11,675</b>	<b>522,276</b>	<b>327,160</b>	<b>93,805</b>
68,708	-	36,858	23,060	1,022	-	2,108,660	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,239,999	-	-	-	-	-
-	-	1,454,152	493,046	-	-	-	-
-	-	19,001,583	-	129,659	-	4,350,410	21,072
<b>68,708</b>	<b>-</b>	<b>23,732,592</b>	<b>516,106</b>	<b>130,681</b>	<b>-</b>	<b>6,459,070</b>	<b>21,072</b>
<b>124,775</b>	<b>2,109,485</b>	<b>24,233,412</b>	<b>749,615</b>	<b>142,356</b>	<b>522,276</b>	<b>6,786,230</b>	<b>114,877</b>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

(Continued)

	SPECIAL REVENUE		CAPITAL PROJECTS			
	LAREDO ENERGY ARENA	COMMUNITY DEV. ARRA	WEBB COUNTY COLONIAS PROJECT	AIRPORT CONSTRUCTION FUND	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 98 ISSUE
<b>ASSETS</b>						
Cash and Cash Equivalents:						
Cash	\$ 29,000	-	-	-	-	-
Cash with Fiscal Agent	96,260	-	-	-	-	-
Investments	-	-	547,295	6,689,637	1,972,613	-
Receivables, net of allowances:						
Accrued Interest	-	-	1,075	1,339	-	-
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-	-
Accounts	134,364	-	-	1,785	-	-
Notes	-	-	-	-	-	-
Due From Other Funds	456,086	-	-	-	-	-
Due From Other Governments	-	739,745	7,571	747,163	-	-
Inventory	48,244	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>763,954</b>	<b>739,745</b>	<b>555,941</b>	<b>7,439,924</b>	<b>1,972,613</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	405,931	63,123	44	5,948	41,360	-
Retainage Payable	-	-	-	158,542	-	-
Accrued Wages and Employee Benefits	-	6,813	-	6,607	-	-
Contracts Payable	-	-	9,455	574,101	-	-
Customer Deposits	-	-	-	-	-	-
Due To Other Funds	-	669,809	-	-	248,228	-
Due To Other Governments	-	-	-	-	-	-
Due To Developers	-	-	-	-	-	-
Deferred Revenue	417,036	-	-	74,566	-	-
<b>TOTAL LIABILITIES</b>	<b>822,967</b>	<b>739,745</b>	<b>9,499</b>	<b>819,764</b>	<b>289,588</b>	<b>-</b>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	-	2,032,577	-	12,743,522	38,865	-
Reserved for Capital Acquisition	-	-	-	-	-	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	-	546,442	-	1,644,160	-
Undesignated (Deficit)	(59,013)	(2,032,577)	-	(6,123,362)	-	-
<b>TOTAL FUND BALANCES</b>	<b>(59,013)</b>	<b>-</b>	<b>546,442</b>	<b>6,620,160</b>	<b>1,683,025</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 763,954</b>	<b>739,745</b>	<b>555,941</b>	<b>7,439,924</b>	<b>1,972,613</b>	<b>-</b>

(Continued)

(Continued)

## CAPITAL PROJECTS

CERTIFICATE OF OBLIGATION 00 ISSUE	CAPITAL IMPROVEMENT	CERTIFICATE OF OBLIGATION 02 ISSUE	CERTIFICATE OF OBLIGATION 03 ISSUE	CERTIFICATE OF OBLIGATION 05 ISSUE	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
61,982	12,161,067	812,454	-	468,132	3,275,800	26,194,115	18,301,666
-	23,896	-	-	-	-	29,785	30,567
-	-	-	-	-	-	-	-
-	359,626	-	-	-	15	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,300	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>61,982</b>	<b>12,544,589</b>	<b>812,454</b>	<b>-</b>	<b>468,132</b>	<b>3,279,115</b>	<b>26,223,900</b>	<b>18,332,233</b>
2,008	103,413	28	-	17	94,448	56,565	77,534
1,277	9,608	-	-	-	92,802	176,130	355,979
3,494	8,812	-	-	-	59	13,180	3,301
-	98,210	-	-	685	1,600	187,374	419,590
-	-	-	-	-	-	-	-
-	3,300	-	-	-	4,009	3,200,543	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	443,626	-	-	-	-	-	-
<b>6,779</b>	<b>666,969</b>	<b>28</b>	<b>-</b>	<b>702</b>	<b>192,918</b>	<b>3,633,792</b>	<b>856,404</b>
38,630	384,875	-	-	256,171	1,943,661	11,192,882	10,661,397
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,573	11,492,745	812,426	-	211,259	1,142,536	11,397,226	6,814,432
-	-	-	-	-	-	-	-
<b>55,203</b>	<b>11,877,620</b>	<b>812,426</b>	<b>-</b>	<b>467,430</b>	<b>3,086,197</b>	<b>22,590,108</b>	<b>17,475,829</b>
<b>61,982</b>	<b>12,544,589</b>	<b>812,454</b>	<b>-</b>	<b>468,132</b>	<b>3,279,115</b>	<b>26,223,900</b>	<b>18,332,233</b>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

(Continued)

	CAPITAL PROJECTS			PERMANENT FUND	
	CERTIFICATE OF OBLIGATION 09 ISSUE	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	39,200
Cash with Fiscal Agent	-	-	-	-	96,260
Investments	22,406,794	152,893	-	71,945	135,022,999
Receivables, net of allowances:					
Accrued Interest	-	300	-	141	1,419,389
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	24,916
Accounts	-	-	-	-	2,643,911
Notes	-	-	-	-	14,822,097
Due From Other Funds	-	-	-	-	459,397
Due From Other Governments	-	11,316	4,570,676	-	9,249,797
Inventory	-	-	-	-	51,563
<b>TOTAL ASSETS</b>	<b>22,406,794</b>	<b>164,509</b>	<b>4,570,676</b>	<b>72,086</b>	<b>163,829,529</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	82,062	12	267	6	2,667,311
Retainage Payable	21,198	11,316	567,683	-	1,551,793
Accrued Wages and Employee Benefits	8,206	-	-	-	720,835
Contracts Payable	180,878	-	1,590,207	-	3,376,291
Customer Deposits	-	-	-	-	142,910
Due To Other Funds	17,752	-	2,412,519	-	7,197,629
Due To Other Governments	-	-	-	-	128,326
Due To Developers	-	-	-	-	509,186
Deferred Revenue	-	-	-	-	19,617,266
<b>TOTAL LIABILITIES</b>	<b>310,096</b>	<b>11,328</b>	<b>4,570,676</b>	<b>6</b>	<b>35,911,547</b>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	12,150,951	616,053	11,682,450	-	71,417,177
Reserved for Capital Acquisition	-	-	-	-	279,883
Reserved for Children's Programming	-	-	-	22,080	22,080
Reserved for Endowment Corpus	-	-	-	50,000	50,000
Reserved for Debt Service	-	-	-	-	3,239,999
Unreserved:					
Designated for Improvements	9,945,747	-	-	-	45,989,287
Undesignated (Deficit)	-	(462,872)	(11,682,450)	-	6,919,556
<b>TOTAL FUND BALANCES</b>	<b>22,096,698</b>	<b>153,181</b>	<b>-</b>	<b>72,080</b>	<b>127,917,982</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,406,794</b>	<b>164,509</b>	<b>4,570,676</b>	<b>72,086</b>	<b>163,829,529</b>

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**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 2010**

	<b>SPECIAL REVENUE</b>						
	<b>BLOCK GRANTS</b>	<b>HOUSING REHAB</b>	<b>HOME INVESTMENT</b>	<b>EMERGENCY SHELTER</b>	<b>FINANCIAL TASK FORCE</b>	<b>AUTO THEFT TASK FORCE</b>	<b>SPECIAL POLICE PROGRAM</b>
<b>REVENUES:</b>							
Taxes	\$ -	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental:							
Federal	2,858,968	-	1,145,036	199,890	732,431	-	1,315,278
State	-	-	-	-	-	445,698	152,303
Other	-	-	-	-	-	38,106	-
Charges for Services	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-
Fees and Collections	-	-	-	-	-	-	-
Investment Income:							
Interest Earnings	-	-	14	-	4,769	981	-
Net increase (decrease) in the fair value of Investments	-	-	-	-	-	-	-
Rents and Royalties	-	-	-	-	-	-	-
Discount Earnings	-	-	-	-	-	-	-
Miscellaneous:							
Local Contributions	-	-	-	-	-	-	-
Reimbursements	126,278	74,095	56,618	-	-	-	19,981
Other	-	-	-	-	457,331	-	-
<b>TOTAL REVENUES</b>	<b>2,985,246</b>	<b>74,095</b>	<b>1,201,668</b>	<b>199,890</b>	<b>1,194,531</b>	<b>484,785</b>	<b>1,487,562</b>
<b>EXPENDITURES:</b>							
Public Safety	435,094	-	-	-	806,469	699,206	1,681,764
Public Works	-	-	-	-	-	-	-
Health and Welfare	639,900	64,614	1,193,762	199,890	-	-	-
Cultural and Recreational	134,390	-	-	-	-	-	-
General Government	782,672	33,059	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-	-
<b>Total Operating Expenditures</b>	<b>1,992,056</b>	<b>97,673</b>	<b>1,193,762</b>	<b>199,890</b>	<b>806,469</b>	<b>699,206</b>	<b>1,681,764</b>
Debt Service	-	-	-	-	-	-	-
Capital Outlay	993,191	-	-	-	-	6,625	311,835
<b>TOTAL EXPENDITURES</b>	<b>2,985,247</b>	<b>97,673</b>	<b>1,193,762</b>	<b>199,890</b>	<b>806,469</b>	<b>705,831</b>	<b>1,993,599</b>
Excess (Deficiency) of Revenues Over Expenditures	(1)	(23,578)	7,906	-	388,062	(221,046)	(506,037)
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	-	-	-	-	-	235,507	385,871
Proceeds - Long Term Debt	-	-	-	-	-	-	-
Bond Costs	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,507</b>	<b>385,871</b>
Net Change in Fund Balance	(1)	(23,578)	7,906	-	388,062	14,461	(120,166)
Fund Balances at Beginning of Year	156	42,121	47,897	-	775,188	297,468	134,523
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 155</b>	<b>18,543</b>	<b>55,803</b>	<b>-</b>	<b>1,163,250</b>	<b>311,929</b>	<b>14,357</b>

(Continued)

(Continued)

SPECIAL REVENUE						
ENVIRO. SERVICES	HEALTH FUND	911 REGIONAL COMM. FUND	INT'L AIRPORT	HAZARDOUS MATERIALS	PARKING METERS	KEEP LAREDO BEAUTIFUL, INC. FUND
-	-	-	-	-	-	-
-	366,611	-	-	288,800	7,423	-
245,757	299,839	-	-	-	26,621	-
45,970	7,884,676	1,175,790	106,939	-	-	-
10,750	878,421	-	-	-	-	-
6,052,609	-	-	-	-	-	-
-	-	-	-	-	503,536	-
-	713,847	-	60,138	-	1,391,049	-
20,234	-	91	2,354	396	8,503	7
-	-	-	-	-	-	-
-	1,291	-	5,002,207	-	-	-
5,035	-	-	-	-	576	-
-	10,568	-	-	-	-	23,874
2,042	371,600	-	454,359	31	1,753	-
10	99,166	-	-	-	-	-
6,382,407	10,626,019	1,175,881	5,625,997	289,227	1,939,461	23,881
-	-	1,115,184	-	187,976	1,331,877	-
-	-	-	-	-	-	109,366
3,499,051	13,234,805	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,439,025	-	-	-
3,499,051	13,234,805	1,115,184	4,439,025	187,976	1,331,877	109,366
-	-	-	-	-	-	-
4,288,933	659,486	61,987	81,556	-	32,187	-
7,787,984	13,894,291	1,177,171	4,520,581	187,976	1,364,064	109,366
(1,405,577)	(3,268,272)	(1,290)	1,105,416	101,251	575,397	(85,485)
4,067,606	3,480,497	11	403,071	-	-	91,969
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,993,039)	-	-	(592,203)	(141,110)	(292,018)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,074,567	3,480,497	11	(189,132)	(141,110)	(292,018)	91,969
668,990	212,225	(1,279)	916,284	(39,859)	283,379	6,484
2,872,016	409,169	1,279	(162,753)	66,805	1,069,315	3,263
3,541,006	621,394	-	753,531	26,946	1,352,694	9,747

(Continued)



**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 2010**

(Continued)

	SPECIAL REVENUE					
	RECREATION FUND	VETERANS FIELD	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
<b>REVENUES:</b>						
Taxes	\$ -	-	-	3,077,683	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Other	-	-	-	-	-	-
Charges for Services	-	-	-	-	28,397	-
Fines	-	-	-	-	-	-
Fees and Collections	176,797	-	-	-	266,279	-
Investment Income:						
Interest Earnings	1,576	17	113	4,637	1,960	1,500
Net increase (decrease) in the fair value of Investments	-	-	-	-	-	-
Rents and Royalties	-	52,524	231,522	-	-	118,117
Discount Earnings	-	-	259	-	12	16
Miscellaneous:						
Local Contributions	-	-	-	-	-	-
Reimbursements	180	22,029	6,461	2,675	-	-
Other	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>178,553</b>	<b>74,570</b>	<b>238,355</b>	<b>3,084,995</b>	<b>296,648</b>	<b>119,633</b>
<b>EXPENDITURES:</b>						
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Cultural and Recreational	69,802	44,103	725,228	547,456	406,951	78,434
General Government	-	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-
<b>Total Operating Expenditures</b>	<b>69,802</b>	<b>44,103</b>	<b>725,228</b>	<b>547,456</b>	<b>406,951</b>	<b>78,434</b>
Debt Service	-	-	-	-	-	-
Capital Outlay	88,277	-	7,639	-	167,052	-
<b>TOTAL EXPENDITURES</b>	<b>158,079</b>	<b>44,103</b>	<b>732,867</b>	<b>547,456</b>	<b>574,003</b>	<b>78,434</b>
Excess (Deficiency) of Revenues Over Expenditures	20,474	30,467	(494,512)	2,537,539	(277,355)	41,199
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	-	29,966	524,230	-	376,764	-
Proceeds - Long Term Debt	-	-	-	-	-	-
Bond Costs	-	-	-	-	-	-
Transfers Out	(129,966)	-	-	(2,312,380)	-	-
Capital Leases	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(129,966)</b>	<b>29,966</b>	<b>524,230</b>	<b>(2,312,380)</b>	<b>376,764</b>	<b>-</b>
Net Change in Fund Balance	(109,492)	60,433	29,718	225,159	99,409	41,199
Fund Balances at Beginning of Year	300,748	(9,187)	15,381	501,336	289,911	198,397
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 191,256</b>	<b>51,246</b>	<b>45,099</b>	<b>726,495</b>	<b>389,320</b>	<b>239,596</b>

(Continued)

(Continued)

SPECIAL REVENUE						
LAREDO CONVENT. & VISITORS	SPORTS & COMMUNITY VENUE	NOISE ABATE. LEASE PROGRAM	FRIENDS OF THE LIBRARY	SUBDIVISION TRUST FUND	POLICE TRUST FUND	SPECIAL FIRE GRANTS
-	5,867,823	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	43,619	-	-	581,256
-	-	-	45,522	-	-	871,165
-	-	-	-	-	-	-
-	-	-	2,331	-	-	-
-	-	-	-	-	-	-
97,096	-	31,847	-	-	-	-
115	175,582	4,536	1,064	-	32,063	122
-	-	-	-	-	-	-
-	-	1,076,887	-	-	-	-
1	-	104	1	-	-	-
-	150,000	-	-	-	-	-
84,317	-	8,417	-	-	91,409	571
-	-	-	235	-	4,673,036	-
181,529	6,193,405	1,121,791	92,772	-	4,796,508	1,453,114
-	-	-	-	-	166,658	1,466,914
-	-	-	-	-	-	-
-	-	745,042	-	-	-	-
1,884,245	504,966	-	147,142	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,884,245	504,966	745,042	147,142	-	166,658	1,466,914
-	-	-	-	-	1,642,362	-
-	36,507	14,919	-	-	1,565,940	958,417
1,884,245	541,473	759,961	147,142	-	3,374,960	2,425,331
(1,702,716)	5,651,932	361,830	(54,370)	-	1,421,548	(972,217)
1,685,159	-	-	49,076	-	-	893,279
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,472,996)	(403,071)	-	-	-	-
-	-	-	-	-	1,330,425	-
-	-	-	-	-	-	-
1,685,159	(4,472,996)	(403,071)	49,076	-	1,330,425	893,279
(17,557)	1,178,936	(41,241)	(5,294)	-	2,751,973	(78,938)
86,265	22,553,656	557,347	135,975	-	3,707,097	100,010
68,708	23,732,592	516,106	130,681	-	6,459,070	21,072

(Continued)

**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 2010**

(Continued)

	CAPITAL PROJECTS					
	LAREDO ENERGY ARENA	COMMUNITY DEV. ARRA	WEBB COUNTY COLONIAS PROJECT	AIRPORT CONSTRUCTION FUND	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 98 ISSUE
<b>REVENUES:</b>						
Taxes	\$ -	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	2,721,927	-	15,456,530	-	-
State	-	-	2,856,163	49,466	-	-
Other	-	-	-	-	-	-
Charges for Services	3,337,366	-	-	-	-	-
Fines	-	-	-	-	-	-
Fees and Collections	-	-	-	-	-	-
Investment Income:						
Interest Earnings	-	-	673	15,425	8,732	114
Net increase (decrease) in the fair value of Investments	-	-	-	-	-	-
Rents and Royalties	-	-	-	-	-	-
Discount Earnings	-	-	-	-	-	-
Miscellaneous:						
Local Contributions	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Other	-	-	-	24,000	6,569	-
<b>TOTAL REVENUES</b>	<b>3,337,366</b>	<b>2,721,927</b>	<b>2,856,836</b>	<b>15,545,421</b>	<b>15,301</b>	<b>114</b>
<b>EXPENDITURES:</b>						
Public Safety	-	-	-	-	-	-
Public Works	-	-	2,856,164	2,141,150	451,083	4
Health and Welfare	-	-	-	-	-	-
Cultural and Recreational	4,716,384	1,746,901	-	-	-	-
General Government	-	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-
Total Operating Expenditures	<b>4,716,384</b>	<b>1,746,901</b>	<b>2,856,164</b>	<b>2,141,150</b>	<b>451,083</b>	<b>4</b>
Debt Service	-	-	-	-	-	-
Capital Outlay	-	975,026	-	13,661,809	3,676,095	8,623
<b>TOTAL EXPENDITURES</b>	<b>4,716,384</b>	<b>2,721,927</b>	<b>2,856,164</b>	<b>15,802,959</b>	<b>4,127,178</b>	<b>8,627</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,379,018)	-	672	(257,538)	(4,111,877)	(8,513)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	1,426,708	-	-	49,993	-	-
Proceeds - Long Term Debt	-	-	-	6,135,000	510,629	-
Bond Costs	-	-	-	(135,000)	(10,629)	-
Transfers Out	-	-	-	(1,520,561)	(459)	(98)
Capital Leases	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,426,708</b>	<b>-</b>	<b>-</b>	<b>4,529,432</b>	<b>499,541</b>	<b>(98)</b>
Net Change in Fund Balance	47,690	-	672	4,271,894	(3,612,336)	(8,611)
Fund Balances at Beginning of Year	(106,703)	-	545,770	2,348,266	5,295,361	8,611
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (59,013)</b>	<b>-</b>	<b>546,442</b>	<b>6,620,160</b>	<b>1,683,025</b>	<b>-</b>

(Continued)

(Continued)

CAPITAL PROJECTS							
CERTIFICATE OF OBLIGATION 00 ISSUE	CAPITAL IMPROVEMENT	CERTIFICATE OF OBLIGATION 02 ISSUE	CERTIFICATE OF OBLIGATION 03 ISSUE	CERTIFICATE OF OBLIGATION 05 ISSUE	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	222,219	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
242	100,859	3,460	146	2,463	19,429	211,848	215,760
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	193,502	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,589,751	-	-	-	3,000	756,025	9,025
242	2,106,331	3,460	146	2,463	22,429	967,873	224,785
-	-	-	-	-	-	-	-
11	1,205,013	151	5	112	864	32,720	45,874
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11	1,205,013	151	5	112	864	32,720	45,874
-	-	-	-	-	-	-	-
83,014	1,589,980	-	73,190	585,583	3,150,758	6,895,419	9,205,620
83,025	2,794,993	151	73,195	585,695	3,151,622	6,928,139	9,251,494
(82,783)	(688,662)	3,309	(73,049)	(583,232)	(3,129,193)	(5,960,266)	(9,026,709)
-	3,914,326	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(2,787,340)	-	(143)	-	(3,992)	(4,523,416)	(22,143)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	27,105	-
-	1,126,986	-	(143)	-	(3,992)	(4,496,311)	(22,143)
(82,783)	438,324	3,309	(73,192)	(583,232)	(3,133,185)	(10,456,577)	(9,048,852)
137,986	11,439,296	809,117	73,192	1,050,662	6,219,382	33,046,685	26,524,681
55,203	11,877,620	812,426	-	467,430	3,086,197	22,590,108	17,475,829

(Continued)

**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 2010**

(Continued)

	CAPITAL PROJECTS			PERMANENT FUND	
	CERTIFICATE OF OBLIGATION 09 ISSUE	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>	\$				
Taxes	-	-	-	-	8,945,506
Licenses and Permits	-	-	-	-	662,834
Intergovernmental:					
Federal	-	-	-	-	25,627,152
State	-	308	10,717,550	-	24,573,769
Other	-	-	-	-	927,277
Charges for Services	-	-	-	-	9,420,703
Fines	-	-	-	-	503,536
Fees and Collections	-	-	-	-	2,737,053
Investment Income:					
Interest Earnings	51,271	853	-	445	892,354
Net increase (decrease) in the fair value of Investments	-	-	-	-	-
Rents and Royalties	-	-	-	-	6,482,548
Discount Earnings	-	-	-	-	6,004
Miscellaneous:					
Local Contributions	-	498,762	-	-	876,706
Reimbursements	-	-	-	-	1,322,816
Other	2,466	-	-	-	7,620,614
<b>TOTAL REVENUES</b>	<b>53,737</b>	<b>499,923</b>	<b>10,717,550</b>	<b>445</b>	<b>90,598,872</b>
<b>EXPENDITURES:</b>					
Public Safety	-	-	-	-	7,891,142
Public Works	2,620	-	-	-	6,845,137
Health and Welfare	-	-	-	-	19,577,064
Cultural and Recreational	-	-	-	-	11,006,002
General Government	-	-	-	-	815,731
Air Transportation Services	-	-	-	-	4,439,025
Total Operating Expenditures	2,620	-	-	-	50,574,101
Debt Service	-	-	-	-	1,642,362
Capital Outlay	3,006,081	521,213	11,602,502	-	64,309,464
<b>TOTAL EXPENDITURES</b>	<b>3,008,701</b>	<b>521,213</b>	<b>11,602,502</b>	<b>-</b>	<b>116,525,927</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,954,964)	(21,290)	(884,952)	445	(25,927,055)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	22,143	884,952	-	18,521,128
Proceeds - Long Term Debt	-	-	-	-	6,645,629
Bond Costs	-	-	-	-	(145,629)
Transfers Out	-	-	-	-	(19,194,935)
Capital Leases	-	-	-	-	1,330,425
Sale of Assets	-	-	-	-	27,105
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>22,143</b>	<b>884,952</b>	<b>-</b>	<b>7,183,723</b>
Net Change in Fund Balance	(2,954,964)	853	-	445	(18,743,332)
Fund Balances at Beginning of Year	25,051,662	152,328	-	71,635	146,661,314
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 22,096,698</b>	<b>153,181</b>	<b>-</b>	<b>72,080</b>	<b>127,917,982</b>

**CITY OF LAREDO, TEXAS  
CDBG SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
CDBG Grants	\$ 33,814,760	2,858,968	36,673,728	40,902,017
Miscellaneous:				
Reimbursements	731,477	126,278	857,755	843,782
<b>TOTAL REVENUES</b>	<b>34,546,237</b>	<b>2,985,246</b>	<b>37,531,483</b>	<b>41,745,799</b>
<b>EXPENDITURES:</b>				
Public Safety	3,045,407	435,094	3,480,501	3,579,229
Public Works	3,321,000	-	3,321,000	3,521,108
Health and Welfare	4,719,503	639,900	5,359,403	5,591,957
Cultural and Recreational	2,985,304	134,390	3,119,694	4,998,720
General Government	7,115,948	782,672	7,898,620	7,981,073
Capital Outlay	13,492,632	993,191	14,485,823	16,218,174
<b>TOTAL EXPENDITURES</b>	<b>34,679,794</b>	<b>2,985,247</b>	<b>37,665,041</b>	<b>41,890,261</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(133,557)</b>	<b>(1)</b>	<b>(133,558)</b>	<b>(144,462)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In:				
General Fund	133,713	-	133,713	144,462
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>133,713</b>	<b>-</b>	<b>133,713</b>	<b>144,462</b>
<b>Net Change in Fund Balances</b>	<b>\$ 156</b>	<b>(1)</b>	<b>155</b>	<b>-</b>
Fund Balances-Beginning		156		
<b>Fund Balances-Ending</b>		<b>\$ 155</b>		

CITY OF LAREDO, TEXAS  
HOUSING REHABILITATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Miscellaneous:						
Reimbursements	\$ 70,000	70,000	74,095	-	74,095	4,095
<b>TOTAL REVENUES</b>	<b>70,000</b>	<b>70,000</b>	<b>74,095</b>	<b>-</b>	<b>74,095</b>	<b>4,095</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	38,908	38,908	33,059	-	33,059	5,849
Contractual Services	67,978	67,978	64,614	-	64,614	3,364
Total Administration	106,886	106,886	97,673	-	97,673	9,213
<b>TOTAL EXPENDITURES</b>	<b>106,886</b>	<b>106,886</b>	<b>97,673</b>	<b>-</b>	<b>97,673</b>	<b>9,213</b>
Excess (Deficiency) of Revenues Over Expenditures	(36,886)	(36,886)	(23,578)	-	(23,578)	13,308
Fund Balances at Beginning of Year	36,886	42,121	42,121	-	42,121	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>5,235</b>	<b>18,543</b>	<b>-</b>	<b>18,543</b>	<b>13,308</b>

**CITY OF LAREDO, TEXAS  
HOME INVESTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
HOME Grants	\$ 9,331,325	1,145,036	10,476,361	11,054,367
Investment Income:				
Interest Earnings	2,493	14	2,507	2,493
Net increase (decrease) in the fair value of Investments	-	-	-	126
Miscellaneous:				
Reimbursements	492,172	56,618	548,790	504,387
<b>TOTAL REVENUES</b>	<b>9,825,990</b>	<b>1,201,668</b>	<b>11,027,658</b>	<b>11,561,373</b>
<b>EXPENDITURES:</b>				
Personnel Services	757,963	111,305	869,268	869,269
Materials and Supplies	7,896	4,581	12,477	12,479
Contractual Services	9,012,234	1,077,876	10,090,110	10,679,625
<b>TOTAL EXPENDITURES</b>	<b>9,778,093</b>	<b>1,193,762</b>	<b>10,971,855</b>	<b>11,561,373</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 47,897</b>	<b>7,906</b>	<b>55,803</b>	<b>-</b>
Fund Balances - Beginning		47,897		
<b>Fund Balances - Ending</b>		<b>\$ 55,803</b>		



**CITY OF LAREDO, TEXAS  
EMERGENCY SHELTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>567,943</u>	<u>199,890</u>	<u>767,833</u>	<u>796,900</u>
<b>TOTAL REVENUES</b>	<b><u>567,943</u></b>	<b><u>199,890</u></b>	<b><u>767,833</u></b>	<b><u>796,900</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	3,469	1,461	4,930	5,465
Contractual Services	564,058	198,429	762,487	791,019
Capital Outlay	<u>416</u>	<u>-</u>	<u>416</u>	<u>416</u>
<b>TOTAL EXPENDITURES</b>	<b><u>567,943</u></b>	<b><u>199,890</u></b>	<b><u>767,833</u></b>	<b><u>796,900</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ <u>-</u></b>	<b>-</b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>-</u>		
<b>Fund Balances-Ending</b>		<b>\$ <u>-</u></b>		

CITY OF LAREDO, TEXAS  
FINANCIAL TASK FORCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 968,489	1,729,138	732,431	-	732,431	(996,707)
Investment Income:						
Interest Earnings	4,000	4,000	4,769	-	4,769	769
Miscellaneous:						
Forfeitures	70,000	70,000	457,331	-	457,331	387,331
<b>TOTAL REVENUES</b>	<b>1,042,489</b>	<b>1,803,138</b>	<b>1,194,531</b>	<b>-</b>	<b>1,194,531</b>	<b>(608,607)</b>
<b>EXPENDITURES:</b>						
Personnel Services	512,431	1,389,228	693,234	-	693,234	695,994
Material and Supplies	42,156	114,521	19,276	1,086	20,362	94,159
Contractual Services	90,080	282,728	93,959	23,591	117,550	165,178
Other	397,822	16,438	-	-	-	16,438
Total Operating Expenditures	1,042,489	1,802,915	806,469	24,677	831,146	971,769
Capital Outlay	-	223	-	-	-	223
<b>TOTAL EXPENDITURES</b>	<b>1,042,489</b>	<b>1,803,138</b>	<b>806,469</b>	<b>24,677</b>	<b>831,146</b>	<b>971,992</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	388,062	(24,677)	363,385	363,385
Fund Balances at Beginning of Year	439,492	775,188	775,188	-	775,188	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 439,492</b>	<b>775,188</b>	<b>1,163,250</b>	<b>(24,677)</b>	<b>1,138,573</b>	<b>363,385</b>

CITY OF LAREDO, TEXAS  
 AUTO THEFT TASK FORCE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Intergovernmental:						
State	\$ 346,000	855,256	445,698	-	445,698	(409,558)
Other	54,000	77,523	38,106	-	38,106	(39,417)
Investment Income:						
Interest Earnings	3,500	3,500	981	-	981	(2,519)
<b>TOTAL REVENUES</b>	<b>403,500</b>	<b>936,279</b>	<b>484,785</b>	<b>-</b>	<b>484,785</b>	<b>(451,494)</b>
<b>EXPENDITURES:</b>						
Personnel Services	498,591	1,133,204	579,456	-	579,456	553,748
Materials and Supplies	7,000	31,491	20,945	1,536	22,481	9,010
Contractual Services	101,000	240,605	98,805	-	98,805	141,800
Other	82,814	-	-	-	-	-
Total Operating Expenditures	689,405	1,405,300	699,206	1,536	700,742	704,558
Capital Outlay	-	7,400	6,625	-	6,625	775
<b>TOTAL EXPENDITURES</b>	<b>689,405</b>	<b>1,412,700</b>	<b>705,831</b>	<b>1,536</b>	<b>707,367</b>	<b>705,333</b>
Excess (Deficiency) of Revenues Over Expenditures	(285,905)	(476,421)	(221,046)	(1,536)	(222,582)	253,839
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	266,192	235,507	235,507	-	235,507	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>266,192</b>	<b>235,507</b>	<b>235,507</b>	<b>-</b>	<b>235,507</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(19,713)	(240,914)	14,461	(1,536)	12,925	253,839
Fund Balances at Beginning of Year	19,713	297,468	297,468	-	297,468	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>56,554</b>	<b>311,929</b>	<b>(1,536)</b>	<b>310,393</b>	<b>253,839</b>

**CITY OF LAREDO, TEXAS  
SPECIAL POLICE PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Actual Budget Basis</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 362,052	2,816,332	1,315,278	-	1,315,278	(1,501,054)
State	715,000	723,200	152,303	-	152,303	(570,897)
Other	80,000	41,566	-	-	-	(41,566)
Miscellaneous:						
Reimbursements	-	-	19,981	-	19,981	19,981
<b>TOTAL REVENUES</b>	<b>1,157,052</b>	<b>3,581,098</b>	<b>1,487,562</b>	<b>-</b>	<b>1,487,562</b>	<b>(2,093,536)</b>
<b>EXPENDITURES:</b>						
Police Grants:						
Click It or Ticket	25,732	25,732	12,782	-	12,782	12,950
Tobacco	-	8,200	-	-	-	8,200
DWI	64,331	64,331	-	-	-	64,331
Alcohol Tobacco Firearms	36,669	36,669	23,373	-	23,373	13,296
Comprehensive Comm. Vehicle STEP	64,331	64,331	52,244	-	52,244	12,087
Comprehensive Vehicle STEP	128,661	128,661	128,725	-	128,725	(64)
Labor Day Step Grant	25,863	25,863	-	-	-	25,863
Customs Narcotics	117,082	116,832	67,251	-	67,251	49,581
Bulletproof Vest Partnership	75,000	92,263	64,870	-	64,870	27,393
Justice Assistance Grant	-	778,331	613,440	52,144	665,584	112,747
Laredo Recovery Act	-	454,840	173,520	-	173,520	281,320
Fugitive Apprehension	96,497	135,547	82,226	-	82,226	53,321
Ldo. Joint Terrorism TF	20,037	20,037	20,658	-	20,658	(621)
Weed and Seed Program	102,929	56,729	-	-	-	56,729
Cops in School - SRO	375,892	375,892	385,282	-	385,282	(9,390)
OCDETF	40,074	29,886	16,367	195	16,562	13,324
FBI-Safe Streets	-	43,237	41,026	-	41,026	2,211
Stonegarden Grant	-	700,000	-	-	-	700,000
Gang Initiative	225,000	225,000	-	-	-	225,000
GDEM	321,653	321,653	-	-	-	321,653
Other	40,447	67,444	-	-	-	67,444
Total Operating Expenditures	1,760,198	3,771,478	1,681,764	52,339	1,734,103	2,037,375
Capital Outlay	-	434,896	311,835	51,541	363,376	71,520
<b>TOTAL EXPENDITURES</b>	<b>1,760,198</b>	<b>4,206,374</b>	<b>1,993,599</b>	<b>103,880</b>	<b>2,097,479</b>	<b>2,108,895</b>
Excess (Deficiency) of Revenues Over Expenditures	(603,146)	(625,276)	(506,037)	(103,880)	(609,917)	15,359
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	587,699	587,699	385,871	-	385,871	(201,828)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>587,699</b>	<b>587,699</b>	<b>385,871</b>	<b>-</b>	<b>385,871</b>	<b>(201,828)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(15,447)	(37,577)	(120,166)	(103,880)	(224,046)	(186,469)
Fund Balances at Beginning of Year	15,447	134,523	134,523	-	134,523	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>96,946</b>	<b>14,357</b>	<b>(103,880)</b>	<b>(89,523)</b>	<b>(186,469)</b>

**CITY OF LAREDO, TEXAS  
ENVIRONMENTAL SERVICES  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Storm Water Fees	\$ 6,074,400	6,074,400	6,052,609	-	6,052,609	(21,791)
Intergovernmental:						
Department of Energy	-	2,083,600	231,862	-	231,862	(1,851,738)
Federal Emergency Management Agency	-	-	3,926	-	3,926	3,926
Environmental Protective Agency	-	10,125	9,969	-	9,969	(156)
Economic Development Agency	-	1,000,000	-	-	-	(1,000,000)
TWDB- Flood Protection Plan	-	18,206	1,970	-	1,970	(16,236)
State Energy Conservation Office	-	175,000	-	-	-	(175,000)
STDC-Regional Solid Waste Mgmt	40,000	40,000	-	-	-	(40,000)
Texas Department of Transportation	44,000	44,000	44,000	-	44,000	-
Universities and Colleges	10,000	10,000	10,750	-	10,750	750
Investment Income:						
Interest Earnings	67,600	67,600	20,234	-	20,234	(47,366)
Discount Earnings	1,500	1,500	5,035	-	5,035	3,535
Miscellaneous:						
Reimbursements	-	60,790	2,042	-	2,042	(58,748)
Other	-	-	10	-	10	10
<b>TOTAL REVENUES</b>	<b>6,237,500</b>	<b>9,585,221</b>	<b>6,382,407</b>	<b>-</b>	<b>6,382,407</b>	<b>(3,202,814)</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	236,418	236,418	238,894	-	238,894	(2,476)
Materials and Supplies	1,000	1,000	-	-	-	1,000
Contractual Services	18,208	18,208	18,575	-	18,575	(367)
Other	868,037	-	24,751	(24,751)	-	-
<b>Total Administration</b>	<b>1,123,663</b>	<b>255,626</b>	<b>282,220</b>	<b>(24,751)</b>	<b>257,469</b>	<b>(1,843)</b>
Creek Cleaning:						
Personnel Services	886,747	675,547	670,544	-	670,544	5,003
Materials and Supplies	158,233	158,233	136,889	1,587	138,476	19,757
Contractual Services	264,938	476,138	437,952	46,600	484,552	(8,414)
<b>Total Creek Cleaning</b>	<b>1,309,918</b>	<b>1,309,918</b>	<b>1,245,385</b>	<b>48,187</b>	<b>1,293,572</b>	<b>16,346</b>
Stormwater:						
Personnel	660,374	660,374	575,246	-	575,246	85,128
Materials and Supplies	90,544	100,144	60,866	4,200	65,066	35,078
Contractual Services	1,567,578	1,716,806	1,066,578	317,648	1,384,226	332,580
Other	100,000	49,000	16,530	-	16,530	32,470
<b>Total Stormwater</b>	<b>2,418,496</b>	<b>2,526,324</b>	<b>1,719,220</b>	<b>321,848</b>	<b>2,041,068</b>	<b>485,256</b>
CD Code Enforcement:						
Personnel Services	43,707	43,707	42,478	-	42,478	1,229
Materials and Supplies	2,019	2,019	639	-	639	1,380
Contractual Services	1,986	1,986	496	-	496	1,490
<b>Total CD Code Enforcement</b>	<b>47,712</b>	<b>47,712</b>	<b>43,613</b>	<b>-</b>	<b>43,613</b>	<b>4,099</b>
Border 2012 Video Grant						
Contractual Services	-	12,695	12,500	-	12,500	195
<b>Total Border 2012 Video Grant</b>	<b>\$ -</b>	<b>12,695</b>	<b>12,500</b>	<b>-</b>	<b>12,500</b>	<b>195</b>

(Continued)

**CITY OF LAREDO, TEXAS  
ENVIRONMENTAL SERVICES  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

(Continued)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Actual Budget Basis</b>	<b>Variance Positive (Negative)</b>
<b>EXPENDITURES (Continued)</b>						
Brownfields:						
Contractual Services	\$ -	2,095	2,095	-	2,095	-
Total Brownfields	-	2,095	2,095	-	2,095	-
STDC - Regional Management:						
Materials and Supplies	20,000	20,000	-	-	-	20,000
Contractual Services	20,000	20,000	-	-	-	20,000
Total STDC - Regional Management	40,000	40,000	-	-	-	40,000
TWDB- Flood Protection:						
Contractual Services	-	5,000	4,925	-	4,925	75
Total TWDB - Flood Protection	-	5,000	4,925	-	4,925	75
Department of Energy:						
Personnel	-	50,000	-	-	-	50,000
Materials and Supplies	-	546,720	29,093	5,000	34,093	512,627
Total Department of Energy	-	596,720	29,093	5,000	34,093	562,627
Storm Water Improvements:						
Contractual Services	-	160,000	160,000	-	160,000	-
Reserve Appropriation	-	308,037	-	-	-	308,037
Total Storm Water Improvements	-	468,037	160,000	-	160,000	308,037
Total Operating Expenditures	4,939,789	5,264,127	3,499,051	350,284	3,849,335	1,414,792
Capital Outlay	97,000	20,795,745	4,288,933	1,981,997	6,270,930	14,524,815
<b>TOTAL EXPENDITURES</b>	<b>5,036,789</b>	<b>26,059,872</b>	<b>7,787,984</b>	<b>2,332,281</b>	<b>10,120,265</b>	<b>15,939,607</b>
Excess (Deficiency) of Revenues Over Expenditures	1,200,711	(16,474,651)	(1,405,577)	(2,332,281)	(3,737,858)	12,736,793
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
Hazardous Materials	118,209	118,209	141,110	-	141,110	22,901
2007 C.O. Issue	-	17,441,075	3,926,496	-	3,926,496	(13,514,579)
Transfers Out:						
Debt Service	(1,901,070)	(1,901,070)	(1,901,070)	-	(1,901,070)	-
Keep Laredo Beautiful	(100,000)	(100,000)	(91,969)	-	(91,969)	8,031
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,882,861)</b>	<b>15,558,214</b>	<b>2,074,567</b>	<b>-</b>	<b>2,074,567</b>	<b>(13,483,647)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(682,150)	(916,437)	668,990	(2,332,281)	(1,663,291)	(746,854)
Fund Balances at Beginning of Year	2,237,931	2,872,016	2,872,016	(24,751)	2,847,265	(24,751)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,555,781</b>	<b>1,955,579</b>	<b>3,541,006</b>	<b>(2,357,032)</b>	<b>1,183,974</b>	<b>(771,605)</b>

**CITY OF LAREDO, TEXAS  
HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Actual Budget Basis</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES:</b>						
Intergovernmental:						
Federal Grants	\$ 107,487	308,498	299,839	-	299,839	(8,659)
State Grants	7,449,068	14,313,208	7,884,676	-	7,884,676	(6,428,532)
Other	1,030,397	2,009,942	878,421	-	878,421	(1,131,521)
Licenses and Permits	305,690	337,490	366,611	-	366,611	29,121
Fees and Collections	1,240,026	1,313,162	713,847	-	713,847	(599,315)
Rents and Royalties	1,865	1,865	1,291	-	1,291	(574)
Miscellaneous:						
Contributions	235,000	309,873	10,568	-	10,568	(299,305)
Reimbursements	5,079	703,945	371,600	-	371,600	(332,345)
Other	543,288	195,304	99,166	-	99,166	(96,138)
<b>TOTAL REVENUES</b>	<b>10,917,900</b>	<b>19,493,287</b>	<b>10,626,019</b>	<b>-</b>	<b>10,626,019</b>	<b>(8,867,268)</b>
<b>EXPENDITURES:</b>						
Administrative Divisions:						
Administration	1,245,553	1,240,020	1,305,224	(112,143)	1,193,081	46,939
Health Education	159,008	158,361	139,188	2,451	141,639	16,722
Vital Statistics	270,595	271,587	213,446	-	213,446	58,141
E.M.S. Billing	427,693	422,793	369,937	21,478	391,415	31,378
STD Clinic	111,153	111,153	58,563	400	58,963	52,190
Maternity	132,152	130,652	100,505	11,345	111,850	18,802
Immunization	219,435	219,435	210,195	715	210,910	8,525
Tuberculosis	181,529	181,144	153,076	4,991	158,067	23,077
Adult Health	62,347	62,732	60,782	928	61,710	1,022
Laboratory	490,419	490,696	381,991	16,392	398,383	92,313
Personal Health Services	136,798	136,798	98,281	23,709	121,990	14,808
Budget and Grant Management	318,932	317,582	272,642	-	272,642	44,940
Health Protective Services	741,624	740,074	720,940	1,229	722,169	17,905
Animal Control	841,660	891,811	817,622	1,274	818,896	72,915
Total Administrative Divisions	<b>5,338,898</b>	<b>5,374,838</b>	<b>4,902,392</b>	<b>(27,231)</b>	<b>4,875,161</b>	<b>499,677</b>
State Grants:						
T.N.R.C.C. - Continuous Air Monitoring Station	70,000	134,982	56,655	-	56,655	78,327
H.I.V. - Prevention	340,119	483,452	355,605	6,677	362,282	121,170
Immunization Action Plan	299,815	601,003	292,006	-	292,006	308,997
Environmental Protection Agency	107,487	120,398	111,838	236	112,074	8,324
T.B. Federal - Tuberculosis	168,940	216,680	166,419	4,217	170,636	46,044
H.I.V. - Consortia (Ryan White)	419,450	658,525	451,019	72,530	523,549	134,976
H.I.V. - Housing Project (H.O.P.W.A.)	79,249	121,000	68,612	22,796	91,408	29,592
Associateship for Community Health and Resource Development - Title V	11,593	137,448	-	-	-	137,448
Associateship for Community Health and Resource Development - Family Planning	56,671	75,517	38,843	9,900	48,743	26,774
Associateship for Community Health and Resource Development - Prenatal	\$ 230,428	318,869	42,190	-	42,190	276,679

(Continued)

**CITY OF LAREDO, TEXAS  
HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

(Continued)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Actual Budget Basis</b>	<b>Variance Positive (Negative)</b>
State Grants (Continued)						
Primary Care	\$ 164,465	322,749	131,209	22,396	153,605	169,144
HIV Social Services	137,677	266,044	133,815	-	133,815	132,229
Bureau of Regional/Local Health Operations	483,070	1,060,887	497,491	1,251	498,742	562,145
Associateship for Community Health and Resource Development - Dental	33,264	33,264	-	-	-	33,264
Tuberculosis Elimination	151,149	423,994	209,079	-	209,079	214,915
Women Infant and Children (W.I.C.)	4,133,295	4,675,043	3,701,427	15,259	3,716,686	958,357
W.I.C. Counties Expansion	419,233	496,088	391,473	475	391,948	104,140
Bio-Terrorism Preparedness	287,690	633,358	244,383	9,972	254,355	379,003
Early Warning Preparedness	150,000	309,416	136,901	1,973	138,874	170,542
Border Health - Surveillance	-	54,494	2,906	-	2,906	51,588
CPS - Emergency Response	-	791,035	584,183	60,200	644,383	146,652
CHS - Title XX	-	1,605	-	-	-	1,605
CVD & Stroke Prevention	-	60,000	21,051	12,366	33,417	26,583
CPRIT - Cancer Screening	-	2,490,416	5,107	-	5,107	2,485,309
Women and Children Health Program	216,664	385,909	217,343	3,831	221,174	164,735
Special Projects	235,000	309,873	-	-	-	309,873
Hepatitis B Program	19,389	19,389	14,989	-	14,989	4,400
SCAN - HIV Testing	45,000	49,246	43,684	-	43,684	5,562
Ventanilla de Salud Program	28,180	47,559	34,047	2,276	36,323	11,236
Tex-Mex Binational Program	-	40,000	15,724	11,769	27,493	12,507
Border Environmental Commission	-	7,971	7,386	-	7,386	585
UTHSCSA - Bienestar	250,000	266,812	241,500	-	241,500	25,312
UTHSCSA - STX Family Aids Network	25,617	67,014	25,842	-	25,842	41,172
UTHSCSA - Dental Clinic	300,000	592,352	89,686	19,488	109,174	483,178
<b>Total State Grant Expenses</b>	<b>8,863,445</b>	<b>16,272,392</b>	<b>8,332,413</b>	<b>277,612</b>	<b>8,610,025</b>	<b>7,662,367</b>
Total Operating Expenses	14,202,343	21,647,230	13,234,805	250,381	13,485,186	8,162,044
Capital Outlay	30,037	1,179,787	659,486	469,474	1,128,960	50,827
<b>TOTAL EXPENDITURES</b>	<b>14,232,380</b>	<b>22,827,017</b>	<b>13,894,291</b>	<b>719,855</b>	<b>14,614,146</b>	<b>8,212,871</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,314,480)	(3,333,730)	(3,268,272)	(719,855)	(3,988,127)	(654,397)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	3,213,615	3,213,615	3,480,497	-	3,480,497	266,882
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,213,615</b>	<b>3,213,615</b>	<b>3,480,497</b>	<b>-</b>	<b>3,480,497</b>	<b>266,882</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(100,865)	(120,115)	212,225	(719,855)	(507,630)	(387,515)
Fund Balances at Beginning of Year	-	409,169	409,169	(129,057)	280,112	(129,057)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (100,865)</b>	<b>289,054</b>	<b>621,394</b>	<b>(848,912)</b>	<b>(227,518)</b>	<b>(516,572)</b>



CITY OF LAREDO, TEXAS  
911 REGIONAL COMMUNICATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Intergovernmental:						
State Emergency Commission	\$ 1,294,373	4,725,263	1,175,790	-	1,175,790	(3,549,473)
Investment Income:						
Interest Earnings	1,100	8,090	91	-	91	(7,999)
<b>TOTAL REVENUES</b>	<b>1,295,473</b>	<b>4,733,353</b>	<b>1,175,881</b>	<b>-</b>	<b>1,175,881</b>	<b>(3,557,472)</b>
<b>EXPENDITURES:</b>						
Personnel Services	299,917	592,936	244,577	-	244,577	348,359
Materials and Supplies	13,284	1,134,171	232,975	-	232,975	901,196
Contractual Services	982,272	2,937,459	637,632	287,449	925,081	2,012,378
Other	-	6,800	-	-	-	6,800
Total Operating Expenditures	1,295,473	4,671,366	1,115,184	287,449	1,402,633	3,268,733
Capital Outlay	-	61,987	61,987	-	61,987	-
<b>TOTAL EXPENDITURES</b>	<b>1,295,473</b>	<b>4,733,353</b>	<b>1,177,171</b>	<b>287,449</b>	<b>1,464,620</b>	<b>3,268,733</b>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(1,290)	(287,449)	(288,739)	(288,739)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	-	-	11	-	11	(11)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>(11)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(1,279)	(287,449)	(288,728)	(288,728)
Fund Balances at Beginning of Year	-	1,279	1,279	-	1,279	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>1,279</b>	<b>-</b>	<b>(287,449)</b>	<b>(287,449)</b>	<b>(288,728)</b>

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**CITY OF LAREDO, TEXAS  
INTERNATIONAL AIRPORT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 97,455	-	-	-	-	-
State	1,600	99,055	106,939	-	106,939	7,884
Fees and Collections	4,000	4,000	60,138	-	60,138	56,138
Investment Income:						
Interest Earnings	-	-	2,354	-	2,354	2,354
Rents and Royalties	4,774,102	4,774,102	5,002,207	-	5,002,207	228,105
Miscellaneous:						
Reimbursements	446,703	446,703	454,359	-	454,359	7,656
<b>TOTAL REVENUES</b>	<b>5,323,860</b>	<b>5,323,860</b>	<b>5,625,997</b>	<b>-</b>	<b>5,625,997</b>	<b>302,137</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	557,604	481,604	390,891	-	390,891	90,713
Materials and Supplies	25,943	26,243	27,910	976	28,886	(2,643)
Contractual Services	1,769,280	1,922,435	1,805,554	5,215	1,810,769	111,666
Other	270,000	-	306,378	(306,338)	40	(40)
Total Administration	2,622,827	2,430,282	2,530,733	(300,147)	2,230,586	199,696
Building Maintenance:						
Personnel Services	469,968	469,968	388,817	-	388,817	81,151
Materials and Supplies	85,273	89,273	73,984	1,756	75,740	13,533
Contractual Services	264,913	271,913	175,390	38,958	214,348	57,565
Total Building Maintenance	820,154	831,154	638,191	40,714	678,905	152,249
Ground Maintenance:						
Personnel Services	314,852	314,852	242,020	-	242,020	72,832
Materials and Supplies	47,024	41,834	29,534	153	29,687	12,147
Contractual Services	77,083	77,923	68,470	-	68,470	9,453
Total Ground Maintenance	\$ 438,959	434,609	340,024	153	340,177	94,432

(Continued)

CITY OF LAREDO, TEXAS  
INTERNATIONAL AIRPORT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>EXPENDITURES (Continued)</b>						
Airport Police:						
Personnel Services	\$ 785,139	785,179	713,370	-	713,370	71,809
Materials and Supplies	23,305	23,861	13,163	175	13,338	10,523
Contractual Services	191,304	195,304	184,393	3,965	188,358	6,946
Total Airport Police	999,748	1,004,344	910,926	4,140	915,066	89,278
Foreign Trade Zone:						
Personnel Services	12,067	12,067	12,758	-	12,758	(691)
Materials and Supplies	1,836	1,836	1,968	-	1,968	(132)
Contractual Services	4,428	4,428	4,425	-	4,425	3
Total Foreign Trade Zone	18,331	18,331	19,151	-	19,151	(820)
Total Operating Expenditures	4,900,019	4,718,720	4,439,025	(255,140)	4,183,885	534,835
Capital Outlay	69,000	89,895	81,556	2,256	83,812	6,083
<b>TOTAL EXPENDITURES</b>	<b>4,969,019</b>	<b>4,808,615</b>	<b>4,520,581</b>	<b>(252,884)</b>	<b>4,267,697</b>	<b>540,918</b>
Excess (Deficiency) of Revenues Over Expenditures	354,841	515,245	1,105,416	252,884	1,358,300	843,055
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Noise Abatement Fund	403,071	403,071	403,071	-	403,071	-
Transfers Out:						
Airport Construction Fund	(50,000)	(50,000)	(49,993)	-	(49,993)	7
Debt Service	(542,210)	(542,210)	(542,210)	-	(542,210)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(189,139)</b>	<b>(189,139)</b>	<b>(189,132)</b>	<b>-</b>	<b>(189,132)</b>	<b>7</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	165,702	326,106	916,284	252,884	1,169,168	843,062
Fund Balances at Beginning of Year	30,936	(162,753)	(162,753)	(163,763)	(326,516)	(163,763)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 196,638</b>	<b>163,353</b>	<b>753,531</b>	<b>89,121</b>	<b>842,652</b>	<b>679,299</b>

CITY OF LAREDO, TEXAS  
HAZARDOUS MATERIALS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Licenses and Permits	\$ 285,000	285,000	288,800	-	288,800	3,800
Investment Income:						
Interest Earnings	1,900	1,900	396	-	396	(1,504)
Miscellaneous:						
Reimbursements	-	-	31	-	31	31
<b>TOTAL REVENUES</b>	<b>286,900</b>	<b>286,900</b>	<b>289,227</b>	<b>-</b>	<b>289,227</b>	<b>2,327</b>
<b>EXPENDITURES:</b>						
Personnel Services	165,616	165,616	156,233	-	156,233	9,383
Materials and Supplies	11,680	11,680	7,097	4	7,101	4,579
Contractual Services	46,247	46,247	24,146	-	24,146	22,101
Other	-	-	500	(500)	-	-
<b>TOTAL EXPENDITURES</b>	<b>223,543</b>	<b>223,543</b>	<b>187,976</b>	<b>(496)</b>	<b>187,480</b>	<b>36,063</b>
Excess (Deficiency) of Revenues Over Expenditures	63,357	63,357	101,251	496	101,747	38,390
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
Environmental Services	(118,209)	(118,209)	(141,110)	-	(141,110)	(22,901)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(118,209)</b>	<b>(118,209)</b>	<b>(141,110)</b>	<b>-</b>	<b>(141,110)</b>	<b>(22,901)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(54,852)	(54,852)	(39,859)	496	(39,363)	15,489
Fund Balances at Beginning of Year	54,852	66,805	66,805	(500)	66,305	(500)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>11,953</b>	<b>26,946</b>	<b>(4)</b>	<b>26,942</b>	<b>14,989</b>

CITY OF LAREDO, TEXAS  
PARKING METERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Intergovernmental:						
Federal Emergency Management Agency	\$ -	-	26,621	-	26,621	26,621
Licenses and Permits	10,100	10,100	7,423	-	7,423	(2,677)
Fines	620,200	620,200	503,536	-	503,536	(116,664)
Fees and Collections	1,299,000	1,299,000	1,391,049	-	1,391,049	92,049
Investment Income:						
Interest Earnings	21,800	21,800	8,503	-	8,503	(13,297)
Discount Earnings	-	-	576	-	576	576
Miscellaneous:						
Reimbursements	-	-	1,753	-	1,753	1,753
<b>TOTAL REVENUES</b>	<b>1,951,100</b>	<b>1,951,100</b>	<b>1,939,461</b>	<b>-</b>	<b>1,939,461</b>	<b>(11,639)</b>
<b>EXPENDITURES:</b>						
Personnel Services	1,161,472	1,112,657	1,002,039	-	1,002,039	110,618
Materials and Supplies	82,139	106,898	94,181	1,136	95,317	11,581
Contractual Services	272,167	280,993	236,138	10,301	246,439	34,554
Other	-	-	(481)	(8)	(489)	489
Total Operating Expenditures	1,515,778	1,500,548	1,331,877	11,429	1,343,306	157,242
Capital Outlay	20,060	35,290	32,187	2,060	34,247	1,043
<b>TOTAL EXPENDITURES</b>	<b>1,535,838</b>	<b>1,535,838</b>	<b>1,364,064</b>	<b>13,489</b>	<b>1,377,553</b>	<b>158,285</b>
Excess (Deficiency) of Revenues Over Expenditures	415,262	415,262	575,397	(13,489)	561,908	146,646
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
Debt Service Fund	(292,018)	(292,018)	(292,018)	-	(292,018)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(292,018)</b>	<b>(292,018)</b>	<b>(292,018)</b>	<b>-</b>	<b>(292,018)</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	123,244	123,244	283,379	(13,489)	269,890	146,646
Fund Balances at Beginning of Year	1,110,211	1,069,315	1,069,315	(8)	1,069,307	(8)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,233,455</b>	<b>1,192,559</b>	<b>1,352,694</b>	<b>(13,497)</b>	<b>1,339,197</b>	<b>146,638</b>

CITY OF LAREDO, TEXAS  
 KEEP LAREDO BEAUTIFUL, INC. FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 Year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ -	-	7	-	7	7
Miscellaneous:						
Contributions	5,000	23,033	23,874	-	23,874	841
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>23,033</b>	<b>23,881</b>	<b>-</b>	<b>23,881</b>	<b>848</b>
Personnel Services	65,837	65,837	65,910	-	65,910	(73)
Materials and Supplies	21,652	37,685	25,278	9,622	34,900	2,785
Contractual Services	16,476	18,476	18,178	125	18,303	173
Other	2,667	2,667	-	-	-	2,667
<b>TOTAL EXPENDITURES</b>	<b>106,632</b>	<b>124,665</b>	<b>109,366</b>	<b>9,747</b>	<b>119,113</b>	<b>5,552</b>
Excess (Deficiency) of Revenues Over Expenditures	(101,632)	(101,632)	(85,485)	(9,747)	(95,232)	6,400
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Environmental Services	100,000	100,000	91,969	-	91,969	(8,031)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>100,000</b>	<b>100,000</b>	<b>91,969</b>	<b>-</b>	<b>91,969</b>	<b>(8,031)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,632)	(1,632)	6,484	(9,747)	(3,263)	(1,631)
Fund Balances at Beginning of Year	-	3,263	3,263	-	3,263	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (1,632)</b>	<b>1,631</b>	<b>9,747</b>	<b>(9,747)</b>	<b>-</b>	<b>(1,631)</b>

CITY OF LAREDO, TEXAS  
RECREATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 4,500	4,500	1,576	-	1,576	(2,924)
Fees and Collections	129,864	129,864	176,797	-	176,797	46,933
Miscellaneous:						
Reimbursements	-	-	180	-	180	180
<b>TOTAL REVENUES</b>	<b>134,364</b>	<b>134,364</b>	<b>178,553</b>	<b>-</b>	<b>178,553</b>	<b>44,189</b>
<b>EXPENDITURES:</b>						
Materials and Supplies	33,942	32,240	24,396	6,391	30,787	1,453
Contractual Services	51,312	53,014	45,381	-	45,381	7,633
Other	-	-	25	-	25	(25)
Total Operating Expenditures	85,254	85,254	69,802	6,391	76,193	9,061
Capital Outlay	88,277	88,277	88,277	-	88,277	-
<b>TOTAL EXPENDITURES</b>	<b>173,531</b>	<b>173,531</b>	<b>158,079</b>	<b>6,391</b>	<b>164,470</b>	<b>9,061</b>
Excess (Deficiency) of Revenues Over Expenditures	(39,167)	(39,167)	20,474	(6,391)	14,083	53,250
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
General Fund	(100,000)	(100,000)	(100,000)	-	(100,000)	-
Veteran's Fund	(29,966)	(29,966)	(29,966)	-	(29,966)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(129,966)</b>	<b>(129,966)</b>	<b>(129,966)</b>	<b>-</b>	<b>(129,966)</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(169,133)	(169,133)	(109,492)	(6,391)	(115,883)	53,250
Fund Balances at Beginning of Year	120,273	300,748	300,748	-	300,748	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ (48,860)</b>	<b>131,615</b>	<b>191,256</b>	<b>(6,391)</b>	<b>184,865</b>	<b>53,250</b>



CITY OF LAREDO, TEXAS  
VETERANS FIELD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ -	-	17	-	17	17
Rents and Royalties	30,000	48,000	52,524	-	52,524	4,524
Miscellaneous:						
Reimbursements	5,000	5,000	22,029	-	22,029	17,029
<b>TOTAL REVENUES</b>	<b>35,000</b>	<b>53,000</b>	<b>74,570</b>	<b>-</b>	<b>74,570</b>	<b>21,570</b>
<b>EXPENDITURES:</b>						
Personnel Services	10,275	10,275	-	-	-	10,275
Materials and Supplies	13,811	7,311	1,059	-	1,059	6,252
Contractual Services	46,591	53,091	43,044	3,651	46,695	6,396
Other	-	18,000	-	-	-	18,000
Total Operating Expenditures	70,677	88,677	44,103	3,651	47,754	40,923
<b>TOTAL EXPENDITURES</b>	<b>70,677</b>	<b>88,677</b>	<b>44,103</b>	<b>3,651</b>	<b>47,754</b>	<b>40,923</b>
Excess (Deficiency) of Revenues Over Expenditures	(35,677)	(35,677)	30,467	(3,651)	26,816	62,493
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Recreation Fund	29,966	29,966	29,966	-	29,966	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>29,966</b>	<b>29,966</b>	<b>29,966</b>	<b>-</b>	<b>29,966</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(5,711)	(5,711)	60,433	(3,651)	56,782	62,493
Fund Balances at Beginning of Year	-	(9,187)	(9,187)	-	(9,187)	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ (5,711)</b>	<b>(14,898)</b>	<b>51,246</b>	<b>(3,651)</b>	<b>47,595</b>	<b>62,493</b>

CITY OF LAREDO, TEXAS  
CIVIC CENTER  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 300	300	113	-	113	(187)
Discount Earnings	-	-	259	-	259	259
Rents and Royalties	338,000	338,000	231,522	-	231,522	(106,478)
Miscellaneous:						
Reimbursements	-	-	6,461	-	6,461	6,461
<b>TOTAL REVENUES</b>	<b>338,300</b>	<b>338,300</b>	<b>238,355</b>	<b>-</b>	<b>238,355</b>	<b>(99,945)</b>
<b>EXPENDITURES:</b>						
Personnel Services	437,486	437,983	413,815	-	413,815	24,168
Materials and Supplies	115,504	95,879	73,839	5,837	79,676	16,203
Contractual Services	281,298	289,703	234,149	39,262	273,411	16,292
Other	-	2,723	3,425	(1,150)	2,275	448
Total Operating Expenditures	834,288	826,288	725,228	43,949	769,177	57,111
Capital Outlay	-	8,000	7,639	-	7,639	361
<b>TOTAL EXPENDITURES</b>	<b>834,288</b>	<b>834,288</b>	<b>732,867</b>	<b>43,949</b>	<b>776,816</b>	<b>57,472</b>
Excess (Deficiency) of Revenues Over Expenditures	(495,988)	(495,988)	(494,512)	(43,949)	(538,461)	(42,473)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Hotel - Motel Occupancy Tax	480,607	480,607	524,230	-	524,230	43,623
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>480,607</b>	<b>480,607</b>	<b>524,230</b>	<b>-</b>	<b>524,230</b>	<b>43,623</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(15,381)	(15,381)	29,718	(43,949)	(14,231)	1,150
Fund Balances at Beginning of Year	-	15,381	15,381	(1,150)	14,231	(1,150)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (15,381)</b>	<b>-</b>	<b>45,099</b>	<b>(45,099)</b>	<b>-</b>	<b>-</b>

**CITY OF LAREDO, TEXAS**  
**HOTEL-MOTEL OCCUPANCY TAX**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**  
**Year ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 2,543,982	2,543,982	3,057,039	-	3,057,039	513,057
Penalty and Interest	11,454	11,454	20,644	-	20,644	9,190
Investment Income:						
Interest Earnings	23,400	23,400	4,637	-	4,637	(18,763)
Miscellaneous:						
Reimbursements	-	-	2,675	-	2,675	2,675
<b>TOTAL REVENUES</b>	<b><u>2,578,836</u></b>	<b><u>2,578,836</u></b>	<b><u>3,084,995</u></b>	<b><u>-</u></b>	<b><u>3,084,995</u></b>	<b><u>506,159</u></b>
<b>EXPENDITURES:</b>						
Contractual Services:						
Tourism and Promotion	221,827	239,427	235,646	19	235,665	3,762
Historical and Arts	300,102	312,602	311,583	-	311,583	1,019
Other	39,933	9,833	227	-	227	9,606
<b>TOTAL EXPENDITURES</b>	<b><u>561,862</u></b>	<b><u>561,862</u></b>	<b><u>547,456</u></b>	<b><u>19</u></b>	<b><u>547,475</u></b>	<b><u>14,387</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,016,974</u>	<u>2,016,974</u>	<u>2,537,539</u>	<u>(19)</u>	<u>2,537,520</u>	<u>520,546</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers Out:						
Civic Center	(480,607)	(480,607)	(524,230)	-	(524,230)	(43,623)
General Fund	(22,743)	(22,743)	(8,800)	-	(8,800)	13,943
Convention and Visitors Bureau	(1,779,462)	(1,779,462)	(1,685,159)	-	(1,685,159)	94,303
Public Access Channel	(102,437)	(102,437)	(94,191)	-	(94,191)	8,246
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(2,385,249)</u></b>	<b><u>(2,385,249)</u></b>	<b><u>(2,312,380)</u></b>	<b><u>-</u></b>	<b><u>(2,312,380)</u></b>	<b><u>72,869</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(368,275)</u>	<u>(368,275)</u>	<u>225,159</u>	<u>(19)</u>	<u>225,140</u>	<u>593,415</u>
Fund Balances at Beginning of Year	<u>363,495</u>	<u>501,336</u>	<u>501,336</u>	<u>-</u>	<u>501,336</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ <u>(4,780)</u></b>	<b><u>133,061</u></b>	<b><u>726,495</u></b>	<b><u>(19)</u></b>	<b><u>726,476</u></b>	<b><u>593,415</u></b>

CITY OF LAREDO, TEXAS  
PUBLIC ACCESS CHANNEL  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Production and Transmission	\$ 25,119	25,119	28,397	-	28,397	3,278
Peg Funds	266,000	266,000	266,279	-	266,279	279
Investment Income:						
Interest Earnings	5,500	5,500	1,960	-	1,960	(3,540)
Discount Earnings	-	-	12	-	12	12
Miscellaneous:						
Reimbursements	55	55	-	-	-	(55)
<b>TOTAL REVENUES</b>	<b>296,674</b>	<b>296,674</b>	<b>296,648</b>	<b>-</b>	<b>296,648</b>	<b>(26)</b>
<b>EXPENDITURES:</b>						
Administration						
Personnel Services	336,819	337,225	319,128	-	319,128	18,097
Materials and Supplies	32,175	31,979	28,470	800	29,270	2,709
Contractual Services	73,741	73,531	59,353	1,694	61,047	12,484
Total Operating Expenditures	442,735	442,735	406,951	2,494	409,445	33,290
Capital Outlay	306,439	306,439	167,052	106,943	273,995	32,444
<b>TOTAL EXPENDITURES</b>	<b>749,174</b>	<b>749,174</b>	<b>574,003</b>	<b>109,437</b>	<b>683,440</b>	<b>65,734</b>
Excess (Deficiency) of Revenues Over Expenditures	(452,500)	(452,500)	(277,355)	(109,437)	(386,792)	65,708
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
General Fund	307,310	307,310	282,573	-	282,573	(24,737)
Hotel-Motel Occupancy Tax	102,437	102,437	94,191	-	94,191	(8,246)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>409,747</b>	<b>409,747</b>	<b>376,764</b>	<b>-</b>	<b>376,764</b>	<b>(32,983)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(42,753)	(42,753)	99,409	(109,437)	(10,028)	32,725
Fund Balances at Beginning of Year	231,034	289,911	289,911	-	289,911	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 188,281</b>	<b>247,158</b>	<b>389,320</b>	<b>(109,437)</b>	<b>279,883</b>	<b>32,725</b>

CITY OF LAREDO, TEXAS  
MERCADO MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 2,600	2,600	1,500	-	1,500	(1,100)
Rents and Royalties	118,045	118,045	118,117	-	118,117	72
Discount Earnings	-	-	16	-	16	16
<b>TOTAL REVENUES</b>	<b>120,645</b>	<b>120,645</b>	<b>119,633</b>	<b>-</b>	<b>119,633</b>	<b>(1,012)</b>
<b>EXPENDITURES:</b>						
Personnel Services	6,421	20,836	14,893	-	14,893	5,943
Materials and Supplies	21,432	24,932	22,642	294	22,936	1,996
Contractual Services	91,850	73,935	40,899	14,094	54,993	18,942
Total Operating Expenditures	119,703	119,703	78,434	14,388	92,822	26,881
<b>TOTAL EXPENDITURES</b>	<b>119,703</b>	<b>119,703</b>	<b>78,434</b>	<b>14,388</b>	<b>92,822</b>	<b>26,881</b>
Excess (Deficiency) of Revenues Over Expenditures	942	942	41,199	(14,388)	26,811	25,869
Fund Balances at Beginning of Year	138,769	198,397	198,397	-	198,397	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 139,711</b>	<b>199,339</b>	<b>239,596</b>	<b>(14,388)</b>	<b>225,208</b>	<b>25,869</b>

CITY OF LAREDO, TEXAS  
LAREDO CONVENTION AND VISITORS BUREAU  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Fees and Collections	\$ 65,623	65,623	97,096	-	97,096	31,473
Investment Income:						
Interest Earnings	-	-	115	-	115	115
Discount Earnings	-	-	1	-	1	1
Miscellaneous:						
Reimbursements	2,100	4,350	84,317	-	84,317	79,967
<b>TOTAL REVENUES</b>	<b>67,723</b>	<b>69,973</b>	<b>181,529</b>	<b>-</b>	<b>181,529</b>	<b>111,556</b>
<b>EXPENDITURES:</b>						
Personnel Services	475,847	475,847	437,728	-	437,728	38,119
Materials and Supplies	107,137	121,456	110,728	2,458	113,186	8,270
Contractual Services	1,350,465	1,338,396	1,333,756	66,250	1,400,006	(61,610)
Other	-	-	2,033	(2,033)	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,933,449</b>	<b>1,935,699</b>	<b>1,884,245</b>	<b>66,675</b>	<b>1,950,920</b>	<b>(15,221)</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,865,726)	(1,865,726)	(1,702,716)	(66,675)	(1,769,391)	96,335
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Hotel-Motel Occupancy Tax	1,779,462	1,779,462	1,685,159	-	1,685,159	(94,303)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,779,462</b>	<b>1,779,462</b>	<b>1,685,159</b>	<b>-</b>	<b>1,685,159</b>	<b>(94,303)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(86,264)	(86,264)	(17,557)	(66,675)	(84,232)	2,032
Fund Balances at Beginning of Year	-	86,264	86,265	(2,033)	84,232	(2,032)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (86,264)</b>	<b>-</b>	<b>68,708</b>	<b>(68,708)</b>	<b>-</b>	<b>-</b>

CITY OF LAREDO, TEXAS  
SPORTS AND COMMUNITY VENUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Taxes:						
General Sales & Use Tax	\$ 6,294,046	6,294,046	5,867,823	-	5,867,823	(426,223)
Investment Income:						
Interest Earnings	413,600	413,600	175,582	-	175,582	(238,018)
Miscellaneous:						
Contributions	-	-	150,000	-	150,000	150,000
<b>TOTAL REVENUES</b>	<b>6,707,646</b>	<b>6,707,646</b>	<b>6,193,405</b>	<b>-</b>	<b>6,193,405</b>	<b>(514,241)</b>
<b>EXPENDITURES:</b>						
Materials and Supplies	-	74,514	73,934	-	73,934	580
Contractual Services	83,709	457,642	431,032	6,858	437,890	19,752
Other	600,000	84,553	-	-	-	84,553
Total Operating Expenditures	683,709	616,709	504,966	6,858	511,824	104,885
Capital Outlay	-	67,000	36,507	30,000	66,507	493
<b>TOTAL EXPENDITURES</b>	<b>683,709</b>	<b>683,709</b>	<b>541,473</b>	<b>36,858</b>	<b>578,331</b>	<b>105,378</b>
Excess (Deficiency) of Revenues Over Expenditures	6,023,937	6,023,937	5,651,932	(36,858)	5,615,074	(408,863)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Sports & Community Operations	3,201,948	3,201,948	-	-	-	(3,201,948)
Transfers Out:						
Sports & Community Debt Service	(3,972,570)	(3,201,948)	-	-	-	3,201,948
Laredo Entertainment Center Oerations	-	(1,485,719)	(1,426,708)	-	(1,426,708)	59,011
Debt Service	(3,046,288)	(3,046,288)	(3,046,288)	-	(3,046,288)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,816,910)</b>	<b>(4,532,007)</b>	<b>(4,472,996)</b>	<b>-</b>	<b>(4,472,996)</b>	<b>59,011</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	2,207,027	1,491,930	1,178,936	(36,858)	1,142,078	(349,852)
Fund Balances at Beginning of Year	23,082,594	22,553,656	22,553,656	-	22,553,656	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 25,289,621</b>	<b>24,045,586</b>	<b>23,732,592</b>	<b>(36,858)</b>	<b>23,695,734</b>	<b>(349,852)</b>

CITY OF LAREDO, TEXAS  
NOISE ABATEMENT LEASE PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 53,800	53,800	4,536	-	4,536	(49,264)
Fees and Collections	22,000	22,000	31,847	-	31,847	9,847
Rents and Royalties	1,016,000	1,016,000	1,076,887	-	1,076,887	60,887
Discount Earnings	-	-	104	-	104	104
Miscellaneous:						
Reimbursements	2,871	2,871	8,417	-	8,417	5,546
<b>TOTAL REVENUES</b>	<b>1,094,671</b>	<b>1,094,671</b>	<b>1,121,791</b>	<b>-</b>	<b>1,121,791</b>	<b>27,120</b>
<b>EXPENDITURES:</b>						
Personnel Services	229,325	229,325	181,435	-	181,435	47,890
Materials and Supplies	90,026	107,226	91,157	5,042	96,199	11,027
Contractual Services	550,432	593,864	438,172	18,018	456,190	137,674
Other	97,498	36,866	34,278	(34,278)	-	36,866
Total Operating Expenditures	967,281	967,281	745,042	(11,218)	733,824	233,457
Capital Outlay	16,000	16,000	14,919	-	14,919	1,081
<b>TOTAL EXPENDITURES</b>	<b>983,281</b>	<b>983,281</b>	<b>759,961</b>	<b>(11,218)</b>	<b>748,743</b>	<b>234,538</b>
Excess (Deficiency) of Revenues Over Expenditures	111,390	111,390	361,830	11,218	373,048	261,658
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers Out:						
Airport Fund	(403,071)	(403,071)	(403,071)	-	(403,071)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(403,071)</b>	<b>(403,071)</b>	<b>(403,071)</b>	<b>-</b>	<b>(403,071)</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(291,681)	(291,681)	(41,241)	11,218	(30,023)	261,658
Fund Balances at Beginning of Year	403,071	557,347	557,347	(34,278)	523,069	(34,278)
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 111,390</b>	<b>265,666</b>	<b>516,106</b>	<b>(23,060)</b>	<b>493,046</b>	<b>227,380</b>



**CITY OF LAREDO, TEXAS  
FRIENDS OF THE LIBRARY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
Intergovernmental:						
Federal Operating Grant	\$ 451,608	451,608	43,619	-	43,619	(407,989)
State Operating Grants	32,000	45,522	45,522	-	45,522	-
Charges for Services	1,600	1,600	2,331	-	2,331	731
Investment Income:						
Interest Earnings	1,700	1,700	1,064	-	1,064	(636)
Discount Earnings	-	-	1	-	1	1
Miscellaneous:						
Other	15,000	15,000	235	-	235	(14,765)
<b>TOTAL REVENUES</b>	<b>501,908</b>	<b>515,430</b>	<b>92,772</b>	<b>-</b>	<b>92,772</b>	<b>(422,658)</b>
Library:						
Materials and Supplies	15,300	11,190	-	-	-	11,190
Contractual Services	3,000	7,110	4,164	174	4,338	2,772
Total Library	18,300	18,300	4,164	174	4,338	13,962
FOTL-Loan Star Library Grant:						
Materials and Supplies	32,000	42,022	42,022	-	42,022	-
Materials and Supplies	-	3,500	3,499	-	3,499	1
Total FOTL-Loan Star Library Grant	32,000	45,522	45,521	-	45,521	1
FCC-Universal Service Program:						
Contractual Services	-	487,003	97,457	848	98,305	388,698
Other	517,949	30,946	-	-	-	30,946
Total FCC-Universal Service Program	517,949	517,949	97,457	848	98,305	419,644
<b>TOTAL EXPENDITURES</b>	<b>568,249</b>	<b>581,771</b>	<b>147,142</b>	<b>1,022</b>	<b>148,164</b>	<b>433,607</b>
Excess (Deficiency) of Revenues Over Expenditures	(66,341)	(66,341)	(54,370)	(1,022)	(55,392)	10,949
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	49,076	49,076	49,076	-	49,076	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>49,076</b>	<b>49,076</b>	<b>49,076</b>	<b>-</b>	<b>49,076</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(17,265)	(17,265)	(5,294)	(1,022)	(6,316)	10,949
Fund Balances at Beginning of Year	32,265	135,975	135,975	-	135,975	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 15,000</b>	<b>118,710</b>	<b>130,681</b>	<b>(1,022)</b>	<b>129,659</b>	<b>10,949</b>

CITY OF LAREDO, TEXAS  
POLICE TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 6,000	6,000	32,063	-	32,063	26,063
Miscellaneous:						
Forfeitures	800,000	1,983,092	4,673,036	-	4,673,036	2,689,944
Reimbursements	-	-	91,409	-	91,409	91,409
<b>EXPENDITURES:</b>						
Materials and Supplies	1,646	507,400	157,220	202,367	359,587	147,813
Contractual Services	-	120,750	9,438	4,512	13,950	106,800
Total Operating Expenditures	1,646	628,150	166,658	206,879	373,537	254,613
Debt Service	1,190,015	1,690,015	1,642,362	-	1,642,362	47,653
Capital Outlay	-	4,358,449	1,565,940	1,901,781	3,467,721	890,728
<b>TOTAL EXPENDITURES</b>	<b>1,191,661</b>	<b>6,676,614</b>	<b>3,374,960</b>	<b>2,108,660</b>	<b>5,483,620</b>	<b>1,192,994</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Bond / Capital Lease Proceeds	-	1,330,425	1,330,425	-	1,330,425	-
Transfers Out:						
General Fund	(350,000)	(350,000)	-	-	-	350,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(350,000)</b>	<b>980,425</b>	<b>1,330,425</b>	<b>-</b>	<b>1,330,425</b>	<b>350,000</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(735,661)	(3,707,097)	2,751,973	(2,108,660)	643,313	4,350,410
Fund Balances at Beginning of Year	1,609,198	3,707,097	3,707,097	-	3,707,097	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 873,537</b>	<b>-</b>	<b>6,459,070</b>	<b>(2,108,660)</b>	<b>4,350,410</b>	<b>4,350,410</b>

CITY OF LAREDO, TEXAS  
SPECIAL FIRE GRANTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 1,419,065	1,819,065	581,256	-	581,256	(1,237,809)
State	-	871,635	871,165	-	871,165	(470)
Investment Income:						
Interest Earnings	-	-	122	-	122	122
Miscellaneous:						
Reimbursements	-	-	571	-	571	571
<b>TOTAL REVENUES</b>	<b>1,419,065</b>	<b>2,690,700</b>	<b>1,453,114</b>	<b>-</b>	<b>1,453,114</b>	<b>(1,237,586)</b>
<b>EXPENDITURES:</b>						
DHS/Fire Prevention & Safety	35,000	35,000	-	-	-	35,000
Assistance to FF Grant (AFG)	-	323,600	289,739	-	289,739	33,861
State Homeland Security	-	21,635	21,165	-	21,165	470
SAFER Grant	1,116,878	1,116,878	1,156,010	-	1,156,010	(39,132)
Total Operating Expenditures	1,151,878	1,497,113	1,466,914	-	1,466,914	30,199
Capital Outlay	1,150,000	2,176,400	958,417	-	958,417	1,217,983
<b>TOTAL EXPENDITURES</b>	<b>2,301,878</b>	<b>3,673,513</b>	<b>2,425,331</b>	<b>-</b>	<b>2,425,331</b>	<b>1,248,182</b>
Excess (Deficiency) of Revenues Over Expenditures	(882,813)	(982,813)	(972,217)	-	(972,217)	10,596
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	882,813	882,813	893,279	-	893,279	10,466
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>882,813</b>	<b>882,813</b>	<b>893,279</b>	<b>-</b>	<b>893,279</b>	<b>10,466</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	(100,000)	(78,938)	-	(78,938)	21,062
Fund Balances at Beginning of Year	-	100,010	100,010	-	100,010	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>10</b>	<b>21,072</b>	<b>-</b>	<b>21,072</b>	<b>21,062</b>

CITY OF LAREDO, TEXAS  
LAREDO ENERGY ARENA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for Services	\$ 1,912,902	3,540,080	3,337,366	-	3,337,366	(202,714)
<b>TOTAL REVENUES</b>	<b>1,912,902</b>	<b>3,540,080</b>	<b>3,337,366</b>	<b>-</b>	<b>3,337,366</b>	<b>(202,714)</b>
<b>EXPENDITURES:</b>						
Materials and Supplies	313,759	313,759	-	-	-	313,759
Contractual Services	2,369,765	4,712,040	4,716,384	-	4,716,384	(4,344)
<b>TOTAL EXPENDITURES</b>	<b>2,683,524</b>	<b>5,025,799</b>	<b>4,716,384</b>	<b>-</b>	<b>4,716,384</b>	<b>309,415</b>
Excess (Deficiency) of Revenues Over Expenditures	(770,622)	(1,485,719)	(1,379,018)	-	(1,379,018)	106,701
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Sports & Community Venue Fund	770,622	1,485,719	1,426,708	-	1,426,708	(59,011)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>770,622</b>	<b>1,485,719</b>	<b>1,426,708</b>	<b>-</b>	<b>1,426,708</b>	<b>(59,011)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	47,690	-	47,690	47,690
Fund Balances at Beginning of Year	-	(106,703)	(106,703)	-	(106,703)	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>(106,703)</b>	<b>(59,013)</b>	<b>-</b>	<b>(59,013)</b>	<b>47,690</b>

**CITY OF LAREDO, TEXAS  
COMMUNITY DEVELOPMENT ARRA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Weatherization Assistance	\$ 3,305	273,968	277,273	3,271,636
Neighborhood Assistance	-	765,830	765,830	2,127,102
CDBG Assistance	-	975,026	975,026	975,026
HPRP	1,119	707,103	708,222	1,490,976
<b>TOTAL REVENUES</b>	<u>4,424</u>	<u>2,721,927</u>	<u>2,726,351</u>	<u>7,864,740</u>
<b>EXPENDITURES:</b>				
Personnel Services	-	168,072	168,072	623,876
Materials and Supplies	-	42,931	42,931	88,450
Contractual Services	4,424	1,535,898	1,540,322	6,177,388
Capital Outlay	-	975,026	975,026	975,026
<b>TOTAL EXPENDITURES</b>	<u>4,424</u>	<u>2,721,927</u>	<u>2,726,351</u>	<u>7,864,740</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
<b>Fund Balances-Ending</b>		<u>\$ -</u>		

**CITY OF LAREDO, TEXAS  
WEBB COUNTY COLONIAS PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 24,980,601	2,856,163	27,836,764	31,984,851
Webb County	539,750	-	539,750	539,750
Fees and Collections	330,851	-	330,851	330,851
Investment Income:				
Interest Earnings	89,204	673	89,877	103,934
Miscellaneous:				
Contributions	62,535	-	62,535	915,000
<b>TOTAL REVENUES</b>	<b>26,002,941</b>	<b>2,856,836</b>	<b>28,859,777</b>	<b>33,874,386</b>
<b>EXPENDITURES:</b>				
Other	28,645,119	2,856,164	31,501,283	36,314,211
<b>TOTAL EXPENDITURES</b>	<b>28,645,119</b>	<b>2,856,164</b>	<b>31,501,283</b>	<b>36,314,211</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,642,178)</b>	<b>672</b>	<b>(2,641,506)</b>	<b>(2,439,825)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Waterworks System	1,831,908	-	1,831,908	1,299,350
Sewer System	1,356,040	-	1,356,040	1,140,475
	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>3,187,948</b>	<b>-</b>	<b>3,187,948</b>	<b>2,439,825</b>
<b>Net Change in Fund Balances</b>	<b>\$ 545,770</b>	<b>672</b>	<b>546,442</b>	<b>-</b>
Fund Balances-Beginning		545,770		
<b>Fund Balances-Ending</b>		<b>\$ 546,442</b>		

**CITY OF LAREDO, TEXAS**  
**AIRPORT CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
FAA Grants	\$ 38,446,161	15,456,530	53,902,691	72,099,634
Texas Department of Transportation	49,590	49,466	99,056	100,000
Investment Income:				
Interest Earnings	153,049	15,425	168,474	157,427
Miscellaneous:				
Other	264,313	24,000	288,313	264,313
<b>TOTAL REVENUES</b>	<b>38,913,113</b>	<b>15,545,421</b>	<b>54,458,534</b>	<b>72,621,374</b>
<b>EXPENDITURES:</b>				
Personnel	139,666	166,156	305,822	439,167
Materials and Supplies	142,002	102,214	244,216	252,867
Contractual Services	5,752,463	1,118,873	6,871,336	9,492,446
Other	1	753,907	753,908	1,276,972
Capital Outlay	33,833,698	13,661,809	47,495,507	68,992,458
<b>TOTAL EXPENDITURES</b>	<b>39,867,830</b>	<b>15,802,959</b>	<b>55,670,789</b>	<b>80,453,910</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(954,717)</b>	<b>(257,538)</b>	<b>(1,212,255)</b>	<b>(7,832,536)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Bond Issues	-	6,135,000	6,135,000	6,135,000
Transfers In:				
International Airport	1,675,997	49,993	1,725,990	1,726,112
Noise Abatement Lease Program	2,250,000	-	2,250,000	2,250,000
Bond Cost	-	(135,000)	(135,000)	(135,000)
Transfers Out:				
International Airport	(623,014)	-	(623,014)	(623,014)
Debt Service	-	(1,520,561)	(1,520,561)	(1,520,562)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>3,302,983</b>	<b>4,529,432</b>	<b>7,832,415</b>	<b>7,832,536</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,348,266</b>	<b>4,271,894</b>	<b>6,620,160</b>	<b>-</b>
Fund Balances-Beginning		2,348,266		
<b>Fund Balances-Ending</b>		<b>\$ 6,620,160</b>		

**CITY OF LAREDO, TEXAS  
CONTRACTUAL OBLIGATIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 261,599	8,732	270,331	288,374
Miscellaneous:				
Other	66,066	6,569	72,635	66,066
<b>TOTAL REVENUES</b>	<b>327,665</b>	<b>15,301</b>	<b>342,966</b>	<b>354,440</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	608,005	450,658	1,058,663	1,082,765
Contractual Services	1,715	425	2,140	2,472
Other	-	-	-	111,509
Capital Outlay	5,720,851	3,676,095	9,396,946	11,028,329
<b>TOTAL EXPENDITURES</b>	<b>6,330,571</b>	<b>4,127,178</b>	<b>10,457,749</b>	<b>12,225,075</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(6,002,906)</b>	<b>(4,111,877)</b>	<b>(10,114,783)</b>	<b>(11,870,635)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	15,125,000	510,629	15,635,629	15,635,629
Bond Premium	32,636	-	32,636	32,635
Bond Costs	(314,815)	(10,629)	(325,444)	(325,444)
Transfer In:				
General Fund	640,000	-	640,000	640,000
Transfers Out:				
General Fund	(640,000)	-	(640,000)	(640,000)
Transit System	(3,572,369)	(459)	(3,572,828)	(3,500,000)
Debt Service Fund	(2,185)	-	(2,185)	(2,185)
Sale of Assets	30,000	-	30,000	30,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>11,298,267</b>	<b>499,541</b>	<b>11,797,808</b>	<b>11,870,635</b>
<b>Net Change in Fund Balances</b>	<b>\$ 5,295,361</b>	<b>(3,612,336)</b>	<b>1,683,025</b>	<b>-</b>
Fund Balances-Beginning		5,295,361		
<b>Fund Balances-Ending</b>		<b>\$ 1,683,025</b>		



**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 1998 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
School Districts	\$ 155,825	-	155,825	155,825
Investment Income:				
Interest Earnings	2,346,847	114	2,346,961	2,354,322
Net increase (decrease) in the fair value of Investments	-	-	-	531
Miscellaneous:				
Local Contributions	645,451	-	645,451	645,451
Other	48,709	-	48,709	43,151
<b>TOTAL REVENUES</b>	<b>3,196,832</b>	<b>114</b>	<b>3,196,946</b>	<b>3,199,280</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	49,073	-	49,073	49,073
Contractual Services	238,308	4	238,312	238,408
Other	96,748	-	96,748	99,081
Capital Outlay	16,391,745	8,623	16,400,368	16,400,371
<b>TOTAL EXPENDITURES</b>	<b>16,775,874</b>	<b>8,627</b>	<b>16,784,501</b>	<b>16,786,933</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(13,579,042)</b>	<b>(8,513)</b>	<b>(13,587,555)</b>	<b>(13,587,653)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	16,160,000	-	16,160,000	16,160,000
Transfers In:				
General Fund	259,000	-	259,000	259,000
EDA-EPA Infrastructure	19,127	-	19,127	19,127
Transfers Out:				
Debt Service Fund	-	(98)	(98)	-
Capital Improvements Fund	(600,474)	-	(600,474)	(600,474)
DPW Infrastructure	(2,500,000)	-	(2,500,000)	(2,500,000)
Sale of Assets	250,000	-	250,000	250,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>13,587,653</b>	<b>(98)</b>	<b>13,587,555</b>	<b>13,587,653</b>
<b>Net Change in Fund Balances</b>	<b>\$ 8,611</b>	<b>(8,611)</b>	<b>-</b>	<b>-</b>
Fund Balances-Beginning		8,611		
<b>Fund Balances-Ending</b>		<b>\$ -</b>		

**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2000 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 652,036	242	652,278	660,621
Miscellaneous:				
Local Contributions	2,000,000	-	2,000,000	2,000,000
Reimbursements	12,918	-	12,918	12,918
<b>TOTAL REVENUES</b>	<b>2,664,954</b>	<b>242</b>	<b>2,665,196</b>	<b>2,673,539</b>
<b>EXPENDITURES:</b>				
Contractual Services	6,348	11	6,359	6,356
Other	-	-	-	8,585
Debt Service	68,890	-	68,890	68,890
Capital Outlay	12,150,077	83,014	12,233,091	12,288,055
<b>TOTAL EXPENDITURES</b>	<b>12,225,315</b>	<b>83,025</b>	<b>12,308,340</b>	<b>12,371,886</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(9,560,361)</b>	<b>(82,783)</b>	<b>(9,643,144)</b>	<b>(9,698,347)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	9,365,000	-	9,365,000	9,365,000
Transfers In:				
General Fund	2,298,347	-	2,298,347	2,298,347
Capital Improvements Fund	200,000	-	200,000	200,000
Transfer Out:				
General Fund	(2,165,000)	-	(2,165,000)	(2,165,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>9,698,347</b>	<b>-</b>	<b>9,698,347</b>	<b>9,698,347</b>
<b>Net Change in Fund Balances</b>	<b>\$ 137,986</b>	<b>(82,783)</b>	<b>55,203</b>	<b>-</b>
Fund Balances-Beginning		137,986		
<b>Fund Balances-Ending</b>		<b>\$ 55,203</b>		

**CITY OF LAREDO, TEXAS  
CAPITAL IMPROVEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 535,590	-	535,590	535,590
State	1,881,544	222,219	2,103,763	8,103,605
Other	556,981	-	556,981	678,730
Investment Income:				
Interest Earnings	5,006,150	100,859	5,107,009	5,161,379
Discount Earnings	567	-	567	567
Miscellaneous:				
Local Contributions	2,459,961	193,502	2,653,463	2,473,284
Other	728,719	1,589,751	2,318,470	716,456
<b>TOTAL REVENUES</b>	<b>11,169,512</b>	<b>2,106,331</b>	<b>13,275,843</b>	<b>17,669,611</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	313,273	943,794	1,257,067	1,244,675
Contractual Services	4,184,883	261,219	4,446,102	4,549,938
Other	179,278	-	179,278	1,769,044
Capital Outlay	16,730,728	1,589,980	18,320,708	30,308,032
<b>TOTAL EXPENDITURES</b>	<b>21,408,162</b>	<b>2,794,993</b>	<b>24,203,155</b>	<b>37,871,689</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,238,650)</b>	<b>(688,662)</b>	<b>(10,927,312)</b>	<b>(20,202,078)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
General Fund	3,358,455	-	3,358,455	3,358,455
Mineral Leases	115,080	-	115,080	115,080
Civic Center	3,000,000	-	3,000,000	3,000,000
Hotel-Motel Occupancy Tax	368,000	-	368,000	368,000
Contractual Obligations	58,300	-	58,300	58,300
EDA-DPW Infrastructure	21,905	-	21,905	21,905
1998 C.O. Issue	600,474	-	600,474	600,474
2006 C.O. Issue	83,840	-	83,840	326,572
2007 C.O. Issue	23,685	3,300	26,985	15,590
2008 C.O. Issue	-	-	-	444,425
Transit System	100,000	-	100,000	100,000
Bridge System	14,483,296	3,911,026	18,394,322	15,542,197
Municipal Housing Corporation	2,992,000	-	2,992,000	2,992,000
Information Technology	\$ 400,000	-	400,000	400,000

(Continued)

**CITY OF LAREDO, TEXAS  
CAPITAL IMPROVEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ (1,280,000)	(2,500,000)	(3,780,000)	(3,780,000)
Infrastructure Maintenance	(1,822,270)	-	(1,822,270)	(1,822,270)
Civic Center	(54,101)	-	(54,101)	(54,101)
Fire Training Facility	(20,000)	-	(20,000)	(20,000)
2000 C.O. Issue	(200,000)	-	(200,000)	(200,000)
Capital Grants Fund	(146,175)	(287,340)	(433,515)	(860,006)
2006 C.O. Issue	(11,168)	-	(11,168)	(11,168)
Bridge System	(400,000)	-	(400,000)	(400,000)
Sale of Assets	6,625	-	6,625	6,625
<b>TOTAL OTHER FINANCING SOURCES:</b>	<u><b>21,677,946</b></u>	<u><b>1,126,986</b></u>	<u><b>22,804,932</b></u>	<u><b>20,202,078</b></u>
<b>Net Change in Fund Balances</b>	<b>\$ <u>11,439,296</u></b>	<b>438,324</b>	<b><u>11,877,620</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>11,439,296</u>		
<b>Fund Balances-Ending</b>		<b>\$ <u>11,877,620</u></b>		

**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2002 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 282,084	3,460	285,544	301,625
Miscellaneous:				
Reimbursements	19,433	-	19,433	19,433
<b>TOTAL REVENUES</b>	<b>301,517</b>	<b>3,460</b>	<b>304,977</b>	<b>321,058</b>
<b>EXPENDITURES:</b>				
Contractual Services	2,857	151	3,008	2,980
Debt Service	225,000	-	225,000	225,000
Other	-	-	-	1,258,405
Capital Outlay	4,567,114	-	4,567,114	5,228,463
<b>TOTAL EXPENDITURES</b>	<b>4,794,971</b>	<b>151</b>	<b>4,795,122</b>	<b>6,714,848</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,493,454)</b>	<b>3,309</b>	<b>(4,490,145)</b>	<b>(6,393,790)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	9,925,000	-	9,925,000	9,925,000
Transfers Out:				
Fire Training Facility	(982,636)	-	(982,636)	(982,636)
Solid Waste Fund	(3,639,793)	-	(3,639,793)	(3,639,793)
Sale of Assets	-	-	-	1,091,219
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>5,302,571</b>	<b>-</b>	<b>5,302,571</b>	<b>6,393,790</b>
<b>Net Change in Fund Balances</b>	<b>\$ 809,117</b>	<b>3,309</b>	<b>812,426</b>	<b>-</b>
Fund Balances-Beginning		809,117		
<b>Fund Balances-Ending</b>		<b>\$ 812,426</b>		

**CITY OF LAREDO, TEXAS  
 CERTIFICATE OF OBLIGATION 2003 ISSUE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES-BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 181,327	146	181,473	183,931
Miscellaneous:				
Local Contributions	31,023	-	31,023	31,023
Reimbursements	16,146	-	16,146	16,146
	<u>-</u>			
<b>TOTAL REVENUES</b>	<b><u>228,496</u></b>	<b><u>146</u></b>	<b><u>228,642</u></b>	<b><u>231,100</u></b>
<b>EXPENDITURES:</b>				
Contractual Services	859	5	864	865
Other	-	-	-	2,598
Debt Service	70,000	-	70,000	70,000
Capital Outlay	3,652,445	73,190	3,725,635	3,725,637
	<u>-</u>			
<b>TOTAL EXPENDITURES</b>	<b><u>3,723,304</u></b>	<b><u>73,195</u></b>	<b><u>3,796,499</u></b>	<b><u>3,799,100</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(3,494,808)</u></b>	<b><u>(73,049)</u></b>	<b><u>(3,567,857)</u></b>	<b><u>(3,568,000)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	3,510,000	-	3,510,000	3,510,000
Transfer In:				
Fire Training Facility	58,000	-	58,000	58,000
Transfer Out:				
Debt Service Fund	<u>-</u>	<u>(143)</u>	<u>(143)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>3,568,000</u></b>	<b><u>(143)</u></b>	<b><u>3,567,857</u></b>	<b><u>3,568,000</u></b>
<b>Net Change in Fund Balances</b>	<b>\$ <u>73,192</u></b>	<b><u>(73,192)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>73,192</u>		
<b>Fund Balances-Ending</b>		<b>\$ <u>-</u></b>		

**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2005 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 1,474,148	2,463	1,476,611	1,464,258
Other	472,429	-	472,429	190,000
<b>TOTAL REVENUES</b>	<b>1,946,577</b>	<b>2,463</b>	<b>1,949,040</b>	<b>1,654,258</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	156,485	-	156,485	156,486
Contractual Services	1,611	112	1,723	1,968
Other	256,525	-	256,525	259,880
Capital Outlay	13,459,168	585,583	14,044,751	14,213,798
<b>TOTAL EXPENDITURES</b>	<b>13,873,789</b>	<b>585,695</b>	<b>14,459,484</b>	<b>14,632,132</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(11,927,212)</b>	<b>(583,232)</b>	<b>(12,510,444)</b>	<b>(12,977,874)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	15,625,000	-	15,625,000	15,625,000
Transfer In:				
Risk Management	352,874	-	352,874	352,874
Transfer Out:				
Communication System Fund	(3,000,000)	-	(3,000,000)	(3,000,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>12,977,874</b>	<b>-</b>	<b>12,977,874</b>	<b>12,977,874</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,050,662</b>	<b>(583,232)</b>	<b>467,430</b>	<b>-</b>
Fund Balances-Beginning		1,050,662		
<b>Fund Balances-Ending</b>		<b>\$ 467,430</b>		

**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2006 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Webb County	\$ -	-	-	175,000
UTHSC - Dental Clinic	758,869	-	758,869	758,869
Investment Income:				
Interest Earnings	1,908,305	19,429	1,927,734	2,142,574
Discount Earnings	105	-	105	-
Other	55,167	3,000	58,167	47,169
<b>TOTAL REVENUES</b>	<b><u>2,722,446</u></b>	<b><u>22,429</u></b>	<b><u>2,744,875</u></b>	<b><u>3,123,612</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	37,552	-	37,552	37,552
Contractual Services	7,456	864	8,320	9,068
Other	1,086,759	-	1,086,759	1,477,199
Capital Outlay	12,568,625	3,150,758	15,719,383	18,415,237
<b>TOTAL EXPENDITURES</b>	<b><u>13,700,392</u></b>	<b><u>3,151,622</u></b>	<b><u>16,852,014</u></b>	<b><u>19,939,056</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(10,977,946)</u></b>	<b><u>(3,129,193)</u></b>	<b><u>(14,107,139)</u></b>	<b><u>(16,815,444)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	17,320,000	-	17,320,000	17,320,000
Transfer In:				
Capital Improvements Fund	11,168	-	11,168	-
Transfer Out:				
Capital Grants Fund	(50,000)	(3,992)	(53,992)	(326,572)
Capital Improvements Fund	(83,840)	-	(83,840)	(177,984)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>17,197,328</u></b>	<b><u>(3,992)</u></b>	<b><u>17,193,336</u></b>	<b><u>16,815,444</u></b>
<b>Net Change in Fund Balances</b>	<b>\$ <u>6,219,382</u></b>	<b><u>(3,133,185)</u></b>	<b><u>3,086,197</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>6,219,382</u>		
<b>Fund Balances-Ending</b>		<b>\$ <u>3,086,197</u></b>		



**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2007 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
School Districts	\$ 27,200	-	27,200	27,200
Investment Income:				
Interest Earnings	6,244,792	211,848	6,456,640	7,670,944
Miscellaneous:				
Contributions and Donations	-	-	-	1,200,000
Other	30,085	756,025	786,110	30,085
<b>TOTAL REVENUES</b>	<b>6,302,077</b>	<b>967,873</b>	<b>7,269,950</b>	<b>8,928,229</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	595,647	22,557	618,204	659,543
Contractual Services	64,678	10,163	74,841	47,242
Other	966,178	-	966,178	1,451,956
Capital Outlay	27,859,737	6,895,419	34,755,156	51,617,733
<b>TOTAL EXPENDITURES</b>	<b>29,486,240</b>	<b>6,928,139</b>	<b>36,414,379</b>	<b>53,776,474</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(23,184,163)</b>	<b>(5,960,266)</b>	<b>(29,144,429)</b>	<b>(44,848,245)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Transfers Out:				
Environmental Services Fund	(8,667,395)	(3,926,496)	(12,593,891)	(17,441,075)
Capital Grants Fund	(97,486)	(593,620)	(691,106)	(2,481,497)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(23,685)	(3,300)	(26,985)	(248,597)
Sale of Assets	-	27,105	27,105	-
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>56,230,848</b>	<b>(4,496,311)</b>	<b>51,734,537</b>	<b>44,848,245</b>
<b>Net Change in Fund Balances</b>	<b>\$ 33,046,685</b>	<b>(10,456,577)</b>	<b>22,590,108</b>	<b>-</b>
Fund Balances-Beginning		33,046,685		
<b>Fund Balances-Ending</b>		<b>\$ 22,590,108</b>		

**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2008 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 999,211	215,760	1,214,971	1,544,385
Other	11,516	9,025	20,541	-
<b>TOTAL REVENUES</b>	<b>1,010,727</b>	<b>224,785</b>	<b>1,235,512</b>	<b>1,544,385</b>
<b>EXPENDITURES:</b>				
Contractual Services	12,302	45,874	58,176	226,159
Other	520,293	-	520,293	1,226,104
Capital Outlay	4,394,884	9,205,620	13,600,504	29,639,415
<b>TOTAL EXPENDITURES</b>	<b>4,927,479</b>	<b>9,251,494</b>	<b>14,178,973</b>	<b>31,091,678</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,916,752)</b>	<b>(9,026,709)</b>	<b>(12,943,461)</b>	<b>(29,547,293)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	30,065,000	-	30,065,000	30,065,000
Bond Premium	455,293	-	455,293	455,293
Transfers Out:				
Parks Capital Grant	(78,860)	(22,143)	(101,003)	(323,000)
Capital Grants Fund	-	-	-	(650,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>30,441,433</b>	<b>(22,143)</b>	<b>30,419,290</b>	<b>29,547,293</b>
<b>Net Change in Fund Balances</b>	<b>\$ 26,524,681</b>	<b>(9,048,852)</b>	<b>17,475,829</b>	<b>-</b>
Fund Balances-Beginning		26,524,681		
<b>Fund Balances-Ending</b>		<b>\$ 17,475,829</b>		

**CITY OF LAREDO, TEXAS  
 CERTIFICATE OF OBLIGATION 2009 ISSUE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES-BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 84,529	51,271	135,800	82,758
Other	-	2,466	2,466	-
<b>TOTAL REVENUES</b>	<b>84,529</b>	<b>53,737</b>	<b>138,266</b>	<b>82,758</b>
<b>EXPENDITURES:</b>				
Contractual Services	44	2,620	2,664	2,350
Other	-	-	-	37,436
Debt Service	480,247	-	480,247	480,247
Capital Outlay	32,823	3,006,081	3,038,904	25,042,972
<b>TOTAL EXPENDITURES</b>	<b>513,114</b>	<b>3,008,701</b>	<b>3,521,815</b>	<b>25,563,005</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(428,585)</b>	<b>(2,954,964)</b>	<b>(3,383,549)</b>	<b>(25,480,247)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	24,735,000	-	24,735,000	24,735,000
Bond Premium	745,247	-	745,247	745,247
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>25,480,247</b>	<b>-</b>	<b>25,480,247</b>	<b>25,480,247</b>
<b>Net Change in Fund Balances</b>	<b>\$ 25,051,662</b>	<b>(2,954,964)</b>	<b>22,096,698</b>	<b>-</b>
Fund Balances-Beginning		25,051,662		
<b>Fund Balances-Ending</b>		<b>\$ 22,096,698</b>		

**CITY OF LAREDO, TEXAS  
PARKS CAPITAL GRANTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 226,613	308	226,921	4,794,273
Webb County	360,654	-	360,654	375,000
Investment Income:				
Interest Earnings	11,728	853	12,581	14,019
Net increase (decrease) in the fair value of Investments	-	-	-	103
Miscellaneous:				
Contributions and Donations	-	498,762	498,762	4,267,987
<b>TOTAL REVENUES</b>	<b>598,995</b>	<b>499,923</b>	<b>1,098,918</b>	<b>9,451,382</b>
<b>EXPENDITURES:</b>				
Contractual Services	28,101	-	28,101	30,614
Other	-	-	-	1,714,676
Capital Outlay	645,967	521,213	1,167,180	8,177,446
<b>TOTAL EXPENDITURES</b>	<b>674,068</b>	<b>521,213</b>	<b>1,195,281</b>	<b>9,922,736</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(75,073)</b>	<b>(21,290)</b>	<b>(96,363)</b>	<b>(471,354)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
2007 C.O. Bond	78,860	22,143	101,003	322,813
General Fund	148,541	-	148,541	148,541
	-			
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>227,401</b>	<b>22,143</b>	<b>249,544</b>	<b>471,354</b>
<b>Net Change in Fund Balances</b>	<b>\$ 152,328</b>	<b>853</b>	<b>153,181</b>	<b>-</b>
Fund Balances-Beginning		152,328		
<b>Fund Balances-Ending</b>		<b>\$ 153,181</b>		

**CITY OF LAREDO, TEXAS  
CAPITAL GRANTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 198,400	-	198,400	722,939
State	1,757,850	10,717,550	12,475,400	35,807,779
<b>TOTAL REVENUES</b>	<b>1,956,250</b>	<b>10,717,550</b>	<b>12,673,800</b>	<b>36,530,718</b>
<b>EXPENDITURES:</b>				
Other	-	-	-	650,000
Capital Outlay	2,249,910	11,602,502	13,852,412	40,001,325
<b>TOTAL EXPENDITURES</b>	<b>2,249,910</b>	<b>11,602,502</b>	<b>13,852,412</b>	<b>40,651,325</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(293,660)</b>	<b>(884,952)</b>	<b>(1,178,612)</b>	<b>(4,120,607)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Capital Improvements Fund	146,175	287,340	433,515	811,126
2006 C.O. Bond	50,000	3,992	53,992	177,984
2007 C.O. Bond	97,485	593,620	691,105	2,481,497
2008 C.O. Bond	-	-	-	650,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>293,660</b>	<b>884,952</b>	<b>1,178,612</b>	<b>4,120,607</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances-Beginning		-		
<b>Fund Balances-Ending</b>		<b>\$ -</b>		

CITY OF LAREDO, TEXAS  
CANSECO ENDOWMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Interest Earnings	\$ 1,300	1,300	445	-	445	(855)
<b>TOTAL REVENUES</b>	<b>1,300</b>	<b>1,300</b>	<b>445</b>	<b>-</b>	<b>445</b>	<b>(855)</b>
<b>EXPENDITURES:</b>						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	2,000	2,500	-	-	-	2,500
<b>TOTAL EXPENDITURES</b>	<b>2,500</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,200)	(1,700)	445	-	445	2,145
Fund Balances at Beginning of Year	19,306	71,635	71,635	-	71,635	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 18,106</b>	<b>69,935</b>	<b>72,080</b>	<b>-</b>	<b>72,080</b>	<b>2,145</b>

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## **INTERNAL SERVICE FUNDS**



## **INTERNAL SERVICE FUNDS**

Internal Service funds account for the financing of goods or services provided by one City department or agency to other City departments or agencies, or to other governmental entities, on a cost- reimbursement basis.

Internal Funds include:

**RISK MANAGEMENT FUND** - to account for the transactions related to the partial self insurance plan for medical coverage for City employees.

**HEALTH AND BENEFITS FUND** - to account for all expenses associated with the City's partially self funded health benefits program.

**FLEET MANAGEMENT** - to account for the providing of fuel and repair services to all city owned vehicles and machinery, on a cost reimbursement basis.

**INFORMATION TECHNOLOGY** - to account for the providing of telecommunications services, iSeries technical support, and network technical support.

**CITY OF LAREDO, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**September 30, 2010**

	<u>RISK MANAGEMENT</u>	<u>HEALTH &amp; BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECH.</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents:					
Cash	\$ -	-	400	-	400
Equity in Investment Pool	-	-	-	-	-
Investments	4,398,742	-	1,588,006	686,386	6,673,134
Accounts Receivable	224	280,246	23,513	1,255	305,238
Accrued Interest Receivable	8,644	-	3,120	1,349	13,113
Inventory	-	-	393,009	-	393,009
Prepaid items	276,000	66,475	-	-	342,475
	<u>4,683,610</u>	<u>346,721</u>	<u>2,008,048</u>	<u>688,990</u>	<u>7,727,369</u>
Total Current Assets					
	4,683,610	346,721	2,008,048	688,990	7,727,369
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	654,948	-	656,136
Improvements	-	-	11,391	-	11,391
Transportation Vehicles and Equipment	62,843	17,217	863,652	456,549	1,400,261
Less Accumulated Depreciation	(54,889)	(17,217)	(916,694)	(205,898)	(1,194,698)
	<u>9,142</u>	<u>-</u>	<u>613,297</u>	<u>250,651</u>	<u>873,090</u>
Total Capital Assets (Net of Accumulated Depreciation)					
	9,142	-	613,297	250,651	873,090
<b>TOTAL ASSETS</b>	<b>4,692,752</b>	<b>346,721</b>	<b>2,621,345</b>	<b>939,641</b>	<b>8,600,459</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	367,411	414,201	466,975	61,799	1,310,386
Claims and Judgments Payable	1,550,170	2,319,428	-	-	3,869,598
Due to Other Funds	-	648,033	-	-	648,033
Accrued Wages and Employee Benefits	24,011	9,131	73,801	40,685	147,628
Compensated Absences	16,130	-	51,360	35,615	103,105
	<u>1,957,722</u>	<u>3,390,793</u>	<u>592,136</u>	<u>138,099</u>	<u>6,078,750</u>
Total Current Liabilities					
	1,957,722	3,390,793	592,136	138,099	6,078,750
Noncurrent Liabilities:					
Compensated Absences	27,455	-	107,564	88,333	223,352
	<u>27,455</u>	<u>-</u>	<u>107,564</u>	<u>88,333</u>	<u>223,352</u>
Total Noncurrent Liabilities					
	27,455	-	107,564	88,333	223,352
<b>TOTAL LIABILITIES</b>	<b>1,985,177</b>	<b>3,390,793</b>	<b>699,700</b>	<b>226,432</b>	<b>6,302,102</b>
<b>NET ASSETS</b>					
Invested in Capital Assets	9,142	-	613,297	250,651	873,090
Unrestricted	2,698,433	(3,044,072)	1,308,348	462,558	1,425,267
	<u>2,707,575</u>	<u>(3,044,072)</u>	<u>1,921,645</u>	<u>713,209</u>	<u>2,298,357</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 2,707,575</b>	<b>(3,044,072)</b>	<b>1,921,645</b>	<b>713,209</b>	<b>2,298,357</b>

**CITY OF LAREDO, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

	<b>RISK MANAGEMENT</b>	<b>HEALTH &amp; BENEFITS</b>	<b>FLEET MANAGEMENT</b>	<b>INFORMATION TECHNOLOGY</b>	<b>TOTAL</b>
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 5,190,850	17,275,165	8,402,212	2,917,758	33,785,985
Reimbursements	225,547	1,390,427	99,330	6	1,715,310
<b>TOTAL OPERATING REVENUES</b>	<b>5,416,397</b>	<b>18,665,592</b>	<b>8,501,542</b>	<b>2,917,764</b>	<b>35,501,295</b>
<b>OPERATING EXPENSES:</b>					
Cost of Services	4,203,310	17,858,847	5,780,714	581,528	28,424,399
Personnel Services	779,596	210,842	1,998,292	1,134,966	4,123,696
Materials and Supplies	136,078	3,225	85,655	154,181	379,139
Contractual Services	486,125	1,386,881	551,046	323,852	2,747,904
Other	10,270	118	-	81	10,469
Depreciation	5,394	321	64,557	82,212	152,484
<b>TOTAL OPERATING EXPENSES</b>	<b>5,620,773</b>	<b>19,460,234</b>	<b>8,480,264</b>	<b>2,276,820</b>	<b>35,838,091</b>
Operating Income (Loss)	(204,376)	(794,642)	21,278	640,944	(336,796)
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Investment Income:					
Interest Earnings	19,879	-	8,310	2,960	31,149
Discount Earnings	31	-	38	126	195
Gain/(Loss) on Sale of Assets	-	-	3,219	-	3,219
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>19,910</b>	<b>-</b>	<b>11,567</b>	<b>3,086</b>	<b>34,563</b>
Income Before Contributions and Transfers	(184,466)	(794,642)	32,845	644,030	(302,233)
<b>OPERATING TRANSFERS IN/(OUT):</b>					
Transfers In	202,303	-	-	-	202,303
Transfers Out	-	(202,303)	-	(400,000)	(602,303)
Change in Net Assets	17,837	(996,945)	32,845	244,030	(702,233)
Total Net Assets - Beginning	2,689,738	(2,047,127)	1,888,800	469,179	3,000,590
<b>TOTAL NET ASSETS- ENDING</b>	<b>\$ 2,707,575</b>	<b>(3,044,072)</b>	<b>1,921,645</b>	<b>713,209</b>	<b>2,298,357</b>

**CITY OF LAREDO, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year ended September 30, 2010**

	<b>RISK MANAGEMENT</b>	<b>HEALTH &amp; BENEFITS</b>	<b>FLEET MANAGEMENT</b>	<b>INFORMATION TECHNOLOGY</b>	<b>TOTAL</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users	\$ 226,188	1,298,374	78,725	(1,249)	1,602,038
Receipts from interfund services provided	5,190,850	17,275,165	8,402,212	2,917,758	33,785,985
Payment to suppliers	(4,443,194)	(19,016,832)	(5,786,410)	(923,793)	(30,170,229)
Payment to employees	(782,882)	(210,551)	(1,998,579)	(1,131,494)	(4,123,506)
Payment for interfund services used	(221,967)	(74,197)	(513,553)	(110,357)	(920,074)
<b>Net cash provided (used) by operating activities</b>	<b>(31,005)</b>	<b>(728,041)</b>	<b>182,395</b>	<b>750,865</b>	<b>174,214</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfer from Other Funds	202,303	648,034	-	-	850,337
Transfer to Other Funds	-	(202,303)	-	(400,000)	(602,303)
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>202,303</b>	<b>445,731</b>	<b>-</b>	<b>(400,000)</b>	<b>248,034</b>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	-	-	(64,808)	(139,420)	(204,228)
Proceeds from sales of capital assets	-	-	3,219	-	3,219
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(61,589)</b>	<b>(139,420)</b>	<b>(201,009)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sales and maturity of investments	(203,465)	280,911	(133,282)	(215,528)	(271,364)
Interest and dividends received	32,167	1,399	12,476	4,083	50,125
<b>Net cash provided (used) by investing activities</b>	<b>(171,298)</b>	<b>282,310</b>	<b>(120,806)</b>	<b>(211,445)</b>	<b>(221,239)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents - October 1</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>400</b>
<b>Cash and cash equivalents - September 30</b>	<b>\$ -</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>400</b>
<b>Reconciliation of Operating income to net cash provided (used) by operating activities:</b>					
Operating income	\$ (204,377)	(794,643)	21,278	640,944	(336,798)
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	5,394	321	64,557	82,212	152,484
(Increase) decrease in accounts receivable	641	(92,052)	(20,495)	(1,255)	(113,161)
Increase (decrease) in allowable for uncollectible accounts	-	-	(110)	-	(110)
(Increase) decrease in inventories	-	-	4,068	-	4,068
(Increase) decrease in prepaid items	10,000	(1,158)	-	-	8,842
Increase (decrease) in accounts payable	6,632	103,225	113,384	25,492	248,733
Increase (decrease) in compensated absences payable	(5,029)	(346)	(17,992)	(5,466)	(28,833)
Increase (decrease) in accrued wages and employee benefits	1,743	637	17,705	8,938	29,023
Increase (decrease) in claims and judgements payable	153,991	55,975	-	-	209,966
<b>Total adjustments</b>	<b>173,372</b>	<b>66,602</b>	<b>161,117</b>	<b>109,921</b>	<b>511,012</b>
<b>Net cash provided by operating activities</b>	<b>\$ (31,005)</b>	<b>(728,041)</b>	<b>182,395</b>	<b>750,865</b>	<b>174,214</b>

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CITY OF LAREDO, TEXAS  
RISK MANAGEMENT  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2010

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Budget				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 5,905,549	5,905,549	5,190,850	-	5,190,850	(714,699)
Reimbursements	-	-	225,547	-	225,547	225,547
<b>TOTAL OPERATING REVENUES</b>	<b>5,905,549</b>	<b>5,905,549</b>	<b>5,416,397</b>	<b>-</b>	<b>5,416,397</b>	<b>(489,152)</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	5,262,768	5,218,350	4,203,310	-	4,203,310	1,015,040
Personnel Services	792,007	798,054	779,596	5,028	784,624	13,430
Materials and Supplies	144,940	191,286	136,078	-	136,078	55,208
Contractual Services	640,275	620,995	486,125	-	486,125	134,870
Other	200,000	210,270	10,270	-	10,270	200,000
Depreciation	-	-	5,394	(5,394)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>7,039,990</b>	<b>7,038,955</b>	<b>5,620,773</b>	<b>(366)</b>	<b>5,620,407</b>	<b>1,418,548</b>
Operating Income (Loss)	(1,134,441)	(1,133,406)	(204,376)	366	(204,010)	929,396
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	54,000	54,000	19,879	-	19,879	(34,121)
Discount Earnings	-	-	31	-	31	31
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>54,000</b>	<b>54,000</b>	<b>19,910</b>	<b>-</b>	<b>19,910</b>	<b>(34,090)</b>
Income (Loss) Before Contributions and Transfers	(1,080,441)	(1,079,406)	(184,466)	366	(184,100)	895,306
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfers In:						
Health and Benefits Fund	202,303	202,303	202,303	-	202,303	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>202,303</b>	<b>202,303</b>	<b>202,303</b>	<b>-</b>	<b>202,303</b>	<b>-</b>
Change in Net Assets	(878,138)	(877,103)	17,837	366	18,203	895,306
Total Net Assets - Beginning	2,689,738	2,689,738	2,689,738	-	2,689,738	-
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ 1,811,600</b>	<b>1,812,635</b>	<b>2,707,575</b>	<b>366</b>	<b>2,707,941</b>	<b>895,306</b>

**CITY OF LAREDO, TEXAS  
RISK MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 226,188
Receipts from interfund services provided	5,190,850
Payment to suppliers	(4,443,194)
Payment to employees	(782,882)
Payment for interfund services used	<u>(221,967)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(31,005)</u></b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer from other funds	202,303
Transfer to other funds	<u>-</u>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>202,303</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(203,465)
Interest and dividends received	<u>32,167</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>(171,298)</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents - October 1</b>	<b><u>-</u></b>

<b>Cash and cash equivalents - September 30</b>	<b>\$ <u>-</u></b>
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**Reconciliation of Operating income to net cash provided (used) by operating activities:**

Operating income	\$ <u>(204,377)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	5,394
(Increase) decrease in accounts receivable	641
(Increase) decrease in prepaid items	10,000
Increase (decrease) in accounts payable	6,632
Increase (decrease) in compensated absences payable	(5,029)
Increase (decrease) in accrued wages and employee benefits	1,743
Increase (decrease) in claims and judgments payable	<u>153,991</u>
Total adjustments	<u>173,372</u>
<b>Net cash provided by operating activities</b>	<b>\$ <u>(31,005)</u></b>

CITY OF LAREDO, TEXAS  
HEALTH AND BENEFITS  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2010

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 17,489,253	17,489,253	17,275,165	-	17,275,165	(214,088)
Reimbursements	820,000	820,000	1,390,427	-	1,390,427	570,427
<b>TOTAL OPERATING REVENUES</b>	<b>18,309,253</b>	<b>18,309,253</b>	<b>18,665,592</b>	<b>-</b>	<b>18,665,592</b>	<b>356,339</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	17,362,362	17,362,243	17,858,847	-	17,858,847	(496,604)
Personnel Services	222,780	222,780	210,842	346	211,188	11,592
Materials and Supplies	7,685	7,685	3,225	-	3,225	4,460
Contractual Services	1,405,991	1,405,991	1,386,881	-	1,386,881	19,110
Other	-	119	118	-	118	1
Capital Outlay	-	-	-	-	-	-
Depreciation	-	-	321	(321)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>18,998,818</b>	<b>18,998,818</b>	<b>19,460,234</b>	<b>25</b>	<b>19,460,259</b>	<b>(461,441)</b>
Operating Income (Loss)	(689,565)	(689,565)	(794,642)	(25)	(794,667)	(105,102)
Income Before Contributions and Transfers	(689,565)	(689,565)	(794,642)	(25)	(794,667)	(105,102)
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfer Out:						
Risk Management Fund	(202,303)	(202,303)	(202,303)	-	(202,303)	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(202,303)</b>	<b>(202,303)</b>	<b>(202,303)</b>	<b>-</b>	<b>(202,303)</b>	<b>-</b>
Change in Net Assets	(891,868)	(891,868)	(996,945)	(25)	(996,970)	(105,102)
Total Net Assets - Beginning	(2,047,127)	(2,047,127)	(2,047,127)	-	(2,047,127)	-
<b>TOTAL NET ASSETS-ENDING</b>	<b>\$ (2,938,995)</b>	<b>(2,938,995)</b>	<b>(3,044,072)</b>	<b>(25)</b>	<b>(3,044,097)</b>	<b>(105,102)</b>



**CITY OF LAREDO, TEXAS  
HEALTH AND BENEFITS  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 1,298,374
Receipts from interfund services provided	17,275,165
Payment to suppliers	(19,016,832)
Payment to employees	(210,551)
Payment for interfund services used	<u>(74,197)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(728,041)</u></b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer from other funds	648,034
Transfer to other funds	<u>(202,303)</u>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>445,731</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	280,911
Interest and dividends received	<u>1,399</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>282,310</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents - October 1</b>	<b><u>-</u></b>
<b>Cash and cash equivalents - September 30</b>	<b><u><u>\$ -</u></u></b>

**Reconciliation of Operating income to net cash provided (used) by operating activities:**

Operating income	\$ <u>(794,643)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	321
(Increase) decrease in accounts receivable	(92,052)
(Increase) decrease in prepaid items	(1,158)
Increase (decrease) in accounts payable	103,225
Increase (decrease) in compensated absences payable	(346)
Increase (decrease) in accrued wages and employee benefits	637
Increase (decrease) in claims and judgements payable	<u>55,975</u>
Total adjustments	<u>66,602</u>
<b>Net cash provided by operating activities</b>	<b><u><u>\$ (728,041)</u></u></b>

CITY OF LAREDO, TEXAS  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2010

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 9,691,275	9,691,275	8,402,212	-	8,402,212	(1,289,063)
Reimbursements	-	-	99,330	(110)	99,220	99,220
<b>TOTAL OPERATING REVENUES</b>	<b>9,691,275</b>	<b>9,691,275</b>	<b>8,501,542</b>	<b>(110)</b>	<b>8,501,432</b>	<b>(1,189,843)</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	7,033,532	7,252,824	5,780,714	-	5,780,714	1,472,110
Personnel Services	2,130,791	2,130,791	1,998,292	17,992	2,016,284	114,507
Materials and Supplies	101,133	113,333	85,655	-	85,655	27,678
Contractual Services	590,193	567,691	551,046	-	551,046	16,645
Other	225,000	-	-	-	-	-
Capital Outlay	177,191	193,201	-	64,808	64,808	128,393
Depreciation	-	-	64,557	(64,557)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>10,257,840</b>	<b>10,257,840</b>	<b>8,480,264</b>	<b>18,243</b>	<b>8,498,507</b>	<b>1,759,333</b>
Operating Income (Loss)	(566,565)	(566,565)	21,278	(18,353)	2,925	569,490
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	20,000	20,000	8,310	-	8,310	(11,690)
Discount Earnings	-	-	38	-	38	38
Gain/(Loss) on Sale of Assets	-	-	3,219	-	3,219	3,219
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>20,000</b>	<b>20,000</b>	<b>11,567</b>	<b>-</b>	<b>11,567</b>	<b>(8,433)</b>
Change in Net Assets	(546,565)	(546,565)	32,845	(18,353)	14,492	561,057
Total Net Assets - Beginning	1,888,800	1,888,800	1,888,800	-	1,888,800	-
<b>TOTAL NET ASSETS- ENDING</b>	<b>\$ 1,342,235</b>	<b>1,342,235</b>	<b>1,921,645</b>	<b>(18,353)</b>	<b>1,903,292</b>	<b>561,057</b>

**CITY OF LAREDO, TEXAS  
FLEET MANAGEMENT FUND  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 78,725
Receipts from interfund services provided	8,402,212
Payment to suppliers	(5,786,410)
Payment to employees	(1,998,579)
Payment for interfund services used	<u>(513,553)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>182,395</u></b>

**CASH FLOW FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

Purchase of capital assets	(64,808)
Proceeds from sales of capital assets	<u>3,219</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(61,589)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(133,282)
Interest and dividends received	<u>12,476</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>(120,806)</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents - October 1</b>	<b><u>400</u></b>

<b>Cash and cash equivalents - September 30</b>	<b>\$ <u><u>400</u></u></b>
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**Reconciliation of Operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ <u>21,278</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	64,557
(Increase) decrease in accounts receivable	(20,495)
Increase (decrease) in allowable for uncollectible accounts	(110)
(Increase) decrease in inventories	4,068
Increase (decrease) in accounts payable	113,384
Increase (decrease) in compensated absences payable	(17,992)
Increase (decrease) in accrued wages and employee benefits	<u>17,705</u>
<b>Total adjustments</b>	<b><u>161,117</u></b>

<b>Net cash provided by operating activities</b>	<b>\$ <u><u>182,395</u></u></b>
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CITY OF LAREDO, TEXAS  
INFORMATION TECHNOLOGY  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2010

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Budget				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 2,916,923	2,916,923	2,917,758	-	2,917,758	835
Reimbursements	-	-	6	-	6	6
<b>TOTAL OPERATING REVENUES</b>	<b>2,916,923</b>	<b>2,916,923</b>	<b>2,917,764</b>	<b>-</b>	<b>2,917,764</b>	<b>841</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	645,148	628,857	581,528	-	581,528	47,329
Personnel Services	1,169,367	1,168,286	1,134,966	5,466	1,140,432	27,854
Materials and Supplies	143,607	187,104	154,181	-	154,181	32,923
Contractual Services	468,809	425,029	323,852	-	323,852	101,177
Other	163,254	84,162	81	-	81	84,081
Capital Outlay	81,500	178,247	-	139,420	139,420	38,827
Depreciation	-	-	82,212	(82,212)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>2,671,685</b>	<b>2,671,685</b>	<b>2,276,820</b>	<b>62,674</b>	<b>2,339,494</b>	<b>332,191</b>
Operating Income (Loss)	245,238	245,238	640,944	(62,674)	578,270	333,032
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	7,496	7,496	2,960	-	2,960	(4,536)
Discount Earnings	-	-	126	-	126	126
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>7,496</b>	<b>7,496</b>	<b>3,086</b>	<b>-</b>	<b>3,086</b>	<b>(4,410)</b>
Income (Loss) Before Contributions and Transfers	252,734	252,734	644,030	(62,674)	581,356	328,622
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfers Out:						
Debt Service	(400,000)	(400,000)	(400,000)	-	(400,000)	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>-</b>	<b>(400,000)</b>	<b>-</b>
Change in Net Assets	(147,266)	(147,266)	244,030	(62,674)	181,356	328,622
Total Net Assets - Beginning	469,179	469,179	469,179	-	469,179	-
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ 321,913</b>	<b>321,913</b>	<b>713,209</b>	<b>(62,674)</b>	<b>650,535</b>	<b>328,622</b>

**CITY OF LAREDO, TEXAS**  
**INFORMATION TECHNOLOGY FUND**  
**STATEMENT OF CASH FLOWS**  
**Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ (1,249)
Receipts from interfund services provided	2,917,758
Payment to suppliers	(923,793)
Payment to employees	(1,131,494)
Payment for interfund services used	<u>(110,357)</u>

<b>Net cash provided (used) by operating activities</b>	<b><u>750,865</u></b>
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**CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds	<u>(400,000)</u>
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<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>(400,000)</u></b>
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**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchase of capital assets	<u>(139,420)</u>
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<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(139,420)</u></b>
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(215,528)
Interest and dividends received	<u>4,083</u>

<b>Net cash provided (used) by investing activities</b>	<b><u>(211,445)</u></b>
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<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
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<b>Cash and cash equivalents - October 1</b>	<b><u>-</u></b>
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<b>Cash and cash equivalents - September 30</b>	<b><u>\$ -</u></b>
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**Reconciliation of Operating income to net cash provided (used) by operating activities:**

Operating income	\$ <u>640,944</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	82,212
(Increase) decrease in accounts receivable	(1,255)
Increase (decrease) in accounts payable	25,492
Increase (decrease) in compensated absences payable	(5,466)
Increase (decrease) in accrued wages and employee benefits	<u>8,938</u>

<b>Total adjustments</b>	<b><u>109,921</u></b>
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<b>Net cash provided by operating activities</b>	<b><u>\$ 750,865</u></b>
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## **CAPITAL ASSETS**

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source (1)**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 70,500,680	66,333,535
Buildings	148,099,410	137,321,724
Improvements Other Than Buildings	483,009,704	417,626,293
Vehicles	56,717,490	46,960,468
Machinery & Equipment	31,033,499	27,491,445
Construction in Progress	<u>5,266,212</u>	<u>17,598,562</u>
<b>Total Governmental Funds Capital Assets</b>	<b><u>794,626,995</u></b>	<b><u>713,332,027</u></b>

**Investments in Governmental Funds Capital Assets by Source:**

General Fund	290,665,754	272,369,845
Special Revenue Funds	185,872,318	175,582,738
Capital Projects Funds	<u>318,088,923</u>	<u>265,379,444</u>
<b>Total Investments in Governmental Funds \$</b>	<b><u>794,626,995</u></b>	<b><u>713,332,027</u></b>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity (1)**  
**For The Year Ended September 30, 2010**

<b>FUNCTION AND ACTIVITY</b>	<b>TOTAL</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>IMPROVEMENTS O/T BLDGS</b>	<b>TRANSPORTATION</b>	<b>MACHINERY &amp; EQUIPMENT</b>
General Government:						
Mayor and City Council	\$ 9,908	-	-	-	9,908	-
City Manager	5,003	-	-	-	-	5,003
Municipal Court	316,334	39,981	31,900	-	-	244,453
Building	202,552	-	-	-	180,552	22,000
City Attorney	125	-	-	125	-	-
City Secretary	58,134	-	-	-	14,643	43,491
Tax Office	105,264	-	-	-	-	105,264
City Planning	92,442	-	-	-	15,125	77,317
Finance	254,479	18,575	-	-	-	235,904
Real Estate	2,496,997	2,496,997	-	-	-	-
City Hall Maintenance	3,292,772	3,095,274	112,093	-	-	85,405
Engineering	304,063	-	-	-	194,797	109,266
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	22,408,047	6,044,659	2,931,599	11,455,896	1,845,754	130,139
Telecommunications	338,162	-	-	27,808	15,740	294,614
General Government	30,506,713	11,695,486	3,075,592	11,483,829	2,290,487	1,961,319
Public Safety:						
Police	8,065,197	-	6,133,672	-	1,241,469	690,056
Police Trust Fund	12,886,890	-	806,661	-	9,388,523	2,691,706
Auto Theft Task Force	190,661	-	-	-	89,669	100,992
Narcotics	691,234	-	-	-	483,454	207,780
Financial Task Force	202,858	-	-	-	27,782	175,076
Special Police	2,017,430	-	-	-	7,134	2,010,296
Laredo Border Violence	248,777	-	-	-	221,847	26,930
Homeland Security Grant	1,953,445	-	-	-	348,472	1,604,973
Fire	7,839,458	767,503	1,268,158	-	4,978,338	825,459
Hazardous Materials	62,690	-	9,085	-	53,605	-
Parking Meters	3,936,217	1,247,536	60,342	2,230,959	185,781	211,599
911 Administration	565,925	-	-	-	-	565,925
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,192,736	-	47,015	-	850,000	295,721
Traffic Safety	7,837,267	-	38,724	7,461,924	201,173	135,446
Public Safety	54,622,404	2,015,039	8,363,657	9,692,883	18,110,837	16,439,988
Public Works:						
Capital Improvements Projects	67,077,188	797,563	3,084,052	61,050,781	1,106,812	1,037,980
1998 C.O. Issue	1,859,890	108,232	864,429	626,445	260,784	-
Infrastructure Maint.	164,542	-	-	105,993	43,569	14,980
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,835,790	455,769	1,184,184	-	28,287	167,550
2000 CO Issue	7,946,912	933,003	3,278,920	3,734,989	-	-
LEC Construction Project	33,348,399	258,500	33,089,899	-	-	-
2002 CO Issue	4,548,595	4,548,595	-	-	-	-
2003 CO Issue	3,725,268	31,022	1,584,737	2,109,509	-	-
2005 CO Issue	13,943,334	1,493,130	996,981	9,918,882	1,393,310	141,031
2006 CO Issue	14,545,716	-	5,129,103	8,971,953	444,660	-
2007 CO Issue	33,684,799	288,690	5,238,723	19,074,110	8,267,519	815,757
2008 CO Issue	12,669,809	500,233	6,440,013	3,011,785	2,709,095	8,683
2009 CO Issue	2,913,236	-	175,000	1,770,204	968,032	-
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	67,277,138	7,180,293	1,049,636	55,208,581	1,533,518	2,305,110
Ryan Street Railroad Bridge	668,019	-	-	668,019	-	-
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524	-	-
Contractual Obligations	14,150,811	-	776,528	-	11,069,747	2,304,536
Parks Capital Grants	1,167,179	498,762	-	668,417	-	-
Capital Grants	13,852,412	-	198,400	13,654,012	-	-
Public Works	242,021,265	3,930,255	3,769,001	230,046,708	4,186,056	89,245
Public Works	\$ 568,221,227	38,629,301	78,303,437	411,778,912	32,624,705	6,884,872

(Continued)

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity (1)**  
**For The Year Ended September 30, 2010**

<b>FUNCTION AND ACTIVITY</b>	<b>TOTAL</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>IMPROVEMENTS O/T BLDGS</b>	<b>TRANSPORTATION</b>	<b>MACHINERY &amp; EQUIPMENT</b>
Health & Welfare:						
Health	\$ 7,131,860	421,278	3,941,517	171,500	252,159	2,345,406
Noise Abtm. Lease	95,864	-	-	-	95,864	-
Emergency Shelter Grant	416	-	-	-	-	416
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	19,866,883	2,730,735	141,710	15,240,255	1,386,029	368,154
Health & Welfare	28,070,049	3,152,013	4,083,227	16,386,781	1,734,052	2,713,976
Cultural & Recreational:						
Parks & Recreation	7,787,173	4,078,992	2,548,793	9,850	920,854	228,684
Library	6,918,390	-	6,268,902	33,000	69,770	546,718
New Public Library	56,167	-	22,346	-	-	33,821
Cemetery	92,839	-	7,900	-	57,689	27,250
Friends of the Library	801,866	-	-	-	-	801,866
Civic Center	1,644,832	-	1,407,123	6,118	66,810	164,781
Public Access Channel	2,509,147	-	1,406,518	-	31,259	1,071,370
Mercado	1,166,850	-	1,162,235	-	4,615	-
Convention & Visitor's Bureau	41,687	-	17,300	-	24,387	-
Sports & Community Venue	4,680,413	4,604,852	75,561	-	-	-
Recreation Fund	139,467	-	-	-	139,467	-
Veterans Field	446,958	-	340,396	-	68,117	38,445
Cultural & Recreational	26,285,789	8,683,844	13,257,074	48,968	1,382,968	2,912,935
Air Transportation Services:						
Airport	81,654,601	6,324,997	41,016,423	33,618,331	574,441	120,409
Air Transportation Services	81,654,601	6,324,997	41,016,423	33,618,331	574,441	120,409
<b>Total Assets in service</b>	<b>789,360,783</b>	<b>70,500,680</b>	<b>148,099,410</b>	<b>483,009,704</b>	<b>56,717,490</b>	<b>31,033,499</b>
Construction in Progress	5,266,212					
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 794,626,995</b>					

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity (1)**  
**For The Year Ended September 30, 2010**

<b>FUNCTION AND ACTIVITY</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>ADDITIONS</b>	<b>DISPOSALS/ TRANSFERS</b>	<b>BALANCE AT END OF YEAR</b>
General Government:				
Mayor and City Council	\$ 9,908	-	-	9,908
City Manager	5,003	-	-	5,003
Municipal Court	317,450	5,500	(6,616)	316,334
Building Inspections	213,246	-	(10,694)	202,552
City Attorney	125	-	-	125
City Secretary	58,134	-	-	58,134
Tax Office	105,264	-	-	105,264
City Planning	92,442	-	-	92,442
Finance	254,479	-	-	254,479
Real Estate	1,554,554	942,443	-	2,496,997
City Hall Maintenance	3,292,772	-	-	3,292,772
Engineering	304,063	-	-	304,063
Information Technology	579,787	-	(5,788)	573,999
Communications and Support	48,432	-	-	48,432
Community Development	21,426,944	993,191	(12,088)	22,408,047
Telecommunications	310,354	27,808	-	338,162
General Government	28,572,957	1,968,942	(35,186)	30,506,713
Public Safety:				
Police	8,122,564	16,840	(74,207)	8,065,197
Police Trust Fund	11,995,660	1,565,939	(674,709)	12,886,890
Auto Theft Task Force	184,036	6,625	-	190,661
Narcotics	691,234	-	-	691,234
Financial Task Force	202,858	-	-	202,858
Special Police	1,725,575	311,835	(19,980)	2,017,430
Laredo Border Violence	267,877	-	(19,100)	248,777
Homeland Security Grant	918,245	1,035,200	-	1,953,445
Fire	8,096,324	-	(256,866)	7,839,458
Hazardous Materials	62,690	-	-	62,690
Parking Meters	3,904,029	32,188	-	3,936,217
911 Administration	503,938	61,987	-	565,925
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	234,319	958,417	-	1,192,736
Traffic Safety	7,855,321	13,181	(31,235)	7,837,267
Public Safety	51,696,289	4,002,212	(1,076,097)	54,622,404
Public Works:				
Capital Improvements Project	66,985,374	1,308,305	(1,216,491)	67,077,188
1998 CO Issue	1,706,680	8,623	144,587	1,859,890
Infrastructure Maint.	164,542	-	-	164,542
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	-	1,835,790
2000 CO Issue	7,847,341	83,014	16,557	7,946,912
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	4,548,595	-	-	4,548,595
2003 CO Issue	3,617,084	73,190	34,994	3,725,268
2005 CO Issue	8,605,327	479,015	4,858,992	13,943,334
2006 CO Issue	10,504,931	2,258,371	1,782,414	14,545,716
2007 CO Issue	25,985,155	5,628,659	2,070,985	33,684,799
2008 CO Issue	3,659,567	3,405,745	5,604,497	12,669,809
2009 CO Issue	-	2,913,236	-	2,913,236
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	52,889,945	13,633,284	753,909	67,277,138
Ryan Street Railroad Bridge	668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	10,494,936	3,676,096	(20,221)	14,150,811
Parks Capital Grants	645,967	521,212	-	1,167,179
Capital Grants	2,249,910	11,602,502	-	13,852,412
Public Works	225,703,799	16,406,963	(89,497)	242,021,265
Public Works	\$ 492,282,286	61,998,215	13,940,726	568,221,227

(Continued)

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity (1)**  
**For The Year Ended September 30, 2010**

(Continued)

<b>FUNCTION AND ACTIVITY</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>ADDITIONS</b>	<b>DISPOSALS/ TRANSFERS</b>	<b>BALANCE AT END OF YEAR</b>
Health & Welfare:				
Health	\$ 6,514,704	659,485	(42,329)	7,131,860
Noise Abatement Lease	87,582	14,919	(6,637)	95,864
Emergency Shelter Grant	416	-	-	416
A.R.R.A.- C.D.	-	975,026	-	975,026
Environmental Services	9,314,620	631,124	9,921,139	19,866,883
Health & Welfare	15,917,322	2,280,554	9,872,173	28,070,049
Cultural & Recreational:				
Parks & Recreation	7,474,812	-	312,361	7,787,173
Library	6,918,390	-	-	6,918,390
New Public Library	56,167	-	-	56,167
Cemetery	82,321	10,518	-	92,839
Friends of the Library	801,866	-	-	801,866
Civic Center	1,637,193	7,639	-	1,644,832
Public Access Channel	2,342,096	167,051	-	2,509,147
Mercado	1,166,850	-	-	1,166,850
Convention & Visitors Bureau	41,687	-	-	41,687
Sports & Community Venue	4,643,905	36,508	-	4,680,413
Recreation Fund	51,190	88,277	-	139,467
Veterans Field	446,958	-	-	446,958
Cultural & Recreational	25,663,435	309,993	312,361	26,285,789
Air Transportation Services:				
Airport	81,601,176	81,556	(28,131)	81,654,601
Air Transportation Services	81,601,176	81,556	(28,131)	81,654,601
Total Assets In Service	695,733,465	70,641,472	22,985,846	789,360,783
Construction in Progress	17,598,562	12,126,444	(24,458,794)	5,266,212
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 713,332,027</b>	<b>82,767,916</b>	<b>(1,472,948)</b>	<b>794,626,995</b>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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## **ENTERPRISE FUNDS**

## ENTERPRISE FUNDS

Enterprise funds account for the acquisition, operation and maintenance of the City's facilities and services which are entirely or predominantly supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, and maintenance.

Enterprise Funds include:

**MUNICIPAL TRANSIT SYSTEM** - to account for the proceeds from the City's Transit System and a grant from the U.S. Department of Transportation, Urban Mass Transportation used for operating and maintaining the Transit System, which provides 22 bus routes.

**BRIDGE SYSTEM** - to account for toll proceeds from four international bridges and the related operations, maintenance and debt service.

**MUNICIPAL HOUSING CORPORATION** - to account for proceeds derived from 210 dwelling units of which 11.43% is received from Housing Urban Development Section 8 for rental assistance for low income housing and the related operational and maintenance disbursements.

**WATERWORKS SYSTEM** - to account for the operations, maintenance and debt service from three water treatment plants and seventeen booster stations and the related revenue received from 62,195 customers.

**SEWER SYSTEM** - to account for the operations, maintenance and debt service of the City's five sewage treatment plants and its related revenue received from 58,726 customers.

**SOLID WASTE FUND** – to account for the landfill and recycling center operations and revenues collected from landfill fees and Federal and State mandated fees, and for the construction of the municipal landfill.

**CITY OF LAREDO, TEXAS**  
**NONMAJOR ENTERPRISE FUNDS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2010**

	<b>MUNICIPAL TRANSIT SYSTEM</b>	<b>MUNICIPAL HOUSING CORPORATION</b>	<b>SOLID WASTE MANAGEMENT</b>	<b>TOTALS</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Cash	\$ 11,608	200	1,750	13,558
Investments	3,192,734	1,593,629	3,725,061	8,511,424
Receivables, net of allowances:				
Accrued Interest	5,719	3,132	7,320	16,171
Accounts	13,422	51,831	1,464,596	1,529,849
Due From Other Funds	248,228	-	-	248,228
Due From Other Governments	307,758	-	14,206	321,964
Inventory, at cost	553,948	-	2,018	555,966
Total Current Assets	<u>4,333,417</u>	<u>1,648,792</u>	<u>5,214,951</u>	<u>11,197,160</u>
Noncurrent Assets:				
Restricted Assets:				
Investments	295,379	-	11,902,389	12,197,768
Accrued Interest Receivable	-	-	128	128
Due From Other Funds	-	-	4,747,457	4,747,457
Total Restricted Assets	<u>295,379</u>	<u>-</u>	<u>16,649,974</u>	<u>16,945,353</u>
Capital Assets:				
Transportation Vehicles and Equipment	21,395,755	132,438	20,613,192	42,141,385
Buildings	14,350,868	3,623,431	1,069,796	19,044,095
Improvements	8,708,166	131,362	3,557,524	12,397,052
Land and Improvements	9,521,557	278,885	624,668	10,425,110
Construction in Progress	509,172	-	-	509,172
Less Accumulated Depreciation	(19,365,207)	(3,341,596)	(15,476,884)	(38,183,687)
Total Capital Assets (net of accumulated depreciation)	<u>35,120,311</u>	<u>824,520</u>	<u>10,388,296</u>	<u>46,333,127</u>
Other Assets:				
Unamortized Bond Issuance Costs	-	-	64,325	64,325
Total Noncurrent Assets	<u>35,415,690</u>	<u>824,520</u>	<u>27,102,595</u>	<u>63,342,805</u>
<b>TOTAL ASSETS</b>	<b>\$ 39,749,107</b>	<b>2,473,312</b>	<b>32,317,546</b>	<b>74,539,965</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 551,033	30,484	1,284,703	1,866,220
Retainage Payable	2,332	-	-	2,332
Contracts Payable	800	-	9,525	10,325
Due to Other Funds	-	-	107,749	107,749
Accrued Interest Payable	47,815	-	78,891	126,706
Accrued Wages and Employee Benefits	306,580	15,888	175,723	498,191
Compensated Absences	127,144	11,493	126,977	265,614
Customer Deposits	7,485	78,279	-	85,764
Deferred Revenue	22	47,486	3,015	50,523
General Obligation Bonds	392,436	-	28,540	420,976
Certificates of Obligation	510,000	-	866,948	1,376,948
Total Current Liabilities	<u>1,945,647</u>	<u>183,630</u>	<u>2,682,071</u>	<u>4,811,348</u>
Noncurrent Liabilities:				
General Obligation Bonds	847,066	-	457,269	1,304,335
Certificates of Obligation	7,390,000	-	12,747,197	20,137,197
Closure and Post Closure	-	-	9,986,580	9,986,580
Compensated Absences	79,531	11,237	264,028	354,796
Total Noncurrent Liabilities	<u>8,316,597</u>	<u>11,237</u>	<u>23,455,074</u>	<u>31,782,908</u>
<b>TOTAL LIABILITIES</b>	<b>10,262,244</b>	<b>194,867</b>	<b>26,137,145</b>	<b>36,594,256</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	26,510,661	824,520	2,951,737	30,286,918
Unrestricted	2,976,202	1,453,925	3,228,664	7,658,791
<b>TOTAL NET ASSETS</b>	<b>\$ 29,486,863</b>	<b>2,278,445</b>	<b>6,180,401</b>	<b>37,945,709</b>



**CITY OF LAREDO, TEXAS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS**  
**Year ended September 30, 2010**

	<b>MUNICIPAL TRANSIT SYSTEM</b>	<b>MUNICIPAL HOUSING CORPORATION</b>	<b>SOLID WASTE MANAGEMENT</b>	<b>TOTALS</b>
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 3,199,205	103,527	15,960,898	19,263,630
Rental of Facilities	461,502	1,241,149	-	1,702,651
Miscellaneous	214,639	104,554	34,655	353,848
<b>TOTAL OPERATING REVENUES</b>	<b>3,875,346</b>	<b>1,449,230</b>	<b>15,995,553</b>	<b>21,320,129</b>
<b>OPERATING EXPENSES:</b>				
Personnel Services	9,053,744	504,793	5,273,184	14,831,721
Materials and Supplies	2,059,077	101,598	1,506,011	3,666,686
Contractual Services	1,539,289	1,244,292	4,401,209	7,184,790
Other	55,532	54,868	318,998	429,398
Total Operating Expenses Before Depreciation	12,707,642	1,905,551	11,499,402	26,112,595
Depreciation Expense	2,044,373	106,767	2,296,023	4,447,163
<b>TOTAL OPERATING EXPENSES</b>	<b>14,752,015</b>	<b>2,012,318</b>	<b>13,795,425</b>	<b>30,559,758</b>
Operating Income (Loss)	(10,876,669)	(563,088)	2,200,128	(9,239,629)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment Income:				
Interest Earnings	15,840	9,285	19,450	44,575
Interest Earnings - Restricted	1,373	-	120,860	122,233
Discount Earnings	160	-	14,906	15,066
Miscellaneous	122,668	-	-	122,668
Sales Tax	5,512,908	-	-	5,512,908
Gain (Loss) on Sale of Assets	(285,718)	-	(248,988)	(534,706)
Interest Expense	(451,905)	-	(669,609)	(1,121,514)
Federal Operating Grant	3,742,278	743,264	14,206	4,499,748
Fiscal Agent Fees	(500)	-	(324)	(824)
Bond Issuance Cost Amortized	-	-	(5,825)	(5,825)
State Dept. of Highways	708,885	-	-	708,885
Construction	(59,391)	-	-	(59,391)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>9,306,598</b>	<b>752,549</b>	<b>(755,324)</b>	<b>9,303,823</b>
Income (Loss) Before Contributions and Transfers	(1,570,071)	189,461	1,444,804	64,194
Capital Contributions-Grants	526,293	-	-	526,293
Transfers In:				
Contractual Obligations Fund	459	-	-	459
Change in Net Assets	(1,043,319)	189,461	1,444,804	590,946
Total Net Assets-Beginning	30,530,182	2,088,984	10,340,017	42,959,183
Prior Period Adjustment	-	-	(5,604,420)	(5,604,420)
<b>Total Net Assets-Ending</b>	<b>\$ 29,486,863</b>	<b>2,278,445</b>	<b>6,180,401</b>	<b>37,945,709</b>

CITY OF LAREDO, TEXAS  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year ended September 30, 2010

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 3,863,482	1,472,716	15,021,326	20,357,524
Receipts from interfund services provided	-	-	561,534	561,534
Payments to suppliers	(4,770,030)	(1,013,904)	(2,021,920)	(7,805,854)
Payments to employees	(9,024,449)	(505,420)	(5,371,897)	(14,901,766)
Payments for interfund services used	(114,006)	(373,422)	(3,328,182)	(3,815,610)
<b>Net cash provided (used) by operating activities</b>	<b>(10,045,003)</b>	<b>(420,030)</b>	<b>4,860,861</b>	<b>(5,604,172)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer to other funds	-	-	(2,148,503)	(2,148,503)
Subsidy from federal and state grants	4,451,163	743,264	-	5,194,427
Sales Tax	5,512,908	-	-	5,512,908
Transfer from other funds	-	-	2,565,775	2,565,775
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>9,964,071</b>	<b>743,264</b>	<b>417,272</b>	<b>11,124,607</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from Capital Debt	-	-	3,294,113	3,294,113
Capital Contributions	122,668	-	-	122,668
Subsidy from federal and state grants	1,743,885	-	83,341	1,827,226
Purchases of capital assets	-	-	(30,650)	(30,650)
Acquisition and construction of capital assets	(927,031)	-	(2,681,342)	(3,608,373)
Principal paid on capital debt	(865,073)	-	(502,237)	(1,367,310)
Interest paid on capital debt	(404,090)	-	(590,718)	(994,808)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(329,641)</b>	<b>-</b>	<b>(427,493)</b>	<b>(757,134)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	394,804	(335,654)	(5,043,208)	(4,984,058)
Interest and dividends received	26,753	12,420	192,568	231,741
<b>Net cash provided (used) by investing activities</b>	<b>421,557</b>	<b>(323,234)</b>	<b>(4,850,640)</b>	<b>(4,752,317)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,984</b>	<b>-</b>	<b>-</b>	<b>10,984</b>
<b>Cash and cash equivalents, October 1</b>	<b>624</b>	<b>200</b>	<b>1,750</b>	<b>2,574</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 11,608</b>	<b>200</b>	<b>1,750</b>	<b>13,558</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ (10,876,669)	(563,088)	2,200,128	(9,239,629)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,044,373	106,767	2,296,023	4,447,163
(Increase) decrease in landfill closure and post closure costs	-	-	254,709	254,709
(Increase) decrease in accounts receivable	(12,622)	(35,185)	(477,799)	(525,606)
Increase in allowance for uncollectible accounts	180	12,957	63,719	76,856
(Increase) decrease in inventories	(50,529)	-	507	(50,022)
Increase in customer deposits	556	2,036	-	2,592
Increase (decrease) in accounts payable	(1,179,609)	13,432	620,900	(545,277)
Increase (decrease) in deferred revenues	22	43,678	1,387	45,087
Increase (decrease) in compensated absences payable	9,790	(182)	(95,254)	(85,646)
Increase (decrease) in accrued wages and employee benefits	19,505	(445)	(3,459)	15,601
<b>Total adjustments</b>	<b>831,666</b>	<b>143,058</b>	<b>2,660,733</b>	<b>3,635,457</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (10,045,003)</b>	<b>(420,030)</b>	<b>4,860,861</b>	<b>(5,604,172)</b>
<b>Noncash investing, capital, and financing activities:</b>				
Loss on sale of equipment	285,715	-	248,988	534,703
Current closure and post closure costs	-	-	1,915,515	1,915,515
Increase (Decrease) in fair value of investments	47,815	-	-	47,815
Bond issuance cost amortized	-	-	64,325	-

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**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010**

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 4,848,955	4,777,783	3,199,205	-	3,199,205	(1,578,578)
Miscellaneous	44,975	116,147	214,639	-	214,639	98,492
Rental of Facilities	549,903	549,903	461,502	-	461,502	(88,401)
TOTAL OPERATING REVENUES	5,443,833	5,443,833	3,875,346	-	3,875,346	(1,568,487)
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	5,584,932	5,719,897	5,488,835	(13,923)	5,474,912	244,985
Materials and Supplies	1,243,592	1,099,278	814,960	-	814,960	284,318
Contractual Services	299,914	294,489	266,960	-	266,960	27,529
Other	43,200	44,415	42,240	-	42,240	2,175
Total Opt-Fixed Route	7,171,638	7,158,079	6,612,995	(13,923)	6,599,072	559,007
Opt-Para Transit:						
Personnel Services	1,114,944	1,151,940	1,115,529	(2,522)	1,113,007	38,933
Materials and Supplies	160,185	105,806	127,795	-	127,795	(21,989)
Contractual Services	136,990	133,444	111,085	-	111,085	22,359
Other	6,300	7,174	5,516	-	5,516	1,658
Total Opt-Para Transit	1,418,419	1,398,364	1,359,925	(2,522)	1,357,403	40,961
Maint-Fixed Route:						
Personnel Services	1,428,083	1,485,383	1,398,007	3,570	1,401,577	83,806
Materials and Supplies	937,784	890,343	989,357	-	989,357	(99,014)
Contractual Services	162,230	156,150	132,839	-	132,839	23,311
Total Maint-Fixed Route	2,528,097	2,531,876	2,520,203	3,570	2,523,773	8,103
Maint-Para Transit:						
Personnel Services	195,449	211,136	209,607	521	210,128	1,008
Materials and Supplies	78,488	74,687	44,292	-	44,292	30,395
Contractual Services	42,249	44,990	22,389	-	22,389	22,601
Total Maint-Para Transit	316,186	330,813	276,288	521	276,809	54,004
Training and Safety:						
Personnel Services	65,036	65,356	62,841	(1,989)	60,852	4,504
Materials and Supplies	4,992	4,166	4,129	-	4,129	37
Contractual Services	2,495	614	646	-	646	(32)
Total Training and Safety	72,523	70,136	67,616	(1,989)	65,627	4,509
Building/Grounds:						
Personnel Services	245,584	236,952	141,699	1,220	142,919	94,033
Materials and Supplies	71,797	45,848	36,303	-	36,303	9,545
Contractual Services	279,482	476,917	317,850	-	317,850	159,067
Total Building/Grounds	\$ 596,863	759,717	495,852	1,220	497,072	262,645

(Continued)

(Continued)

**CITY OF LAREDO, TEXAS**  
**MUNICIPAL TRANSIT SYSTEM**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

(Continued)

	<b>Budgeted Amount</b>				<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Budget Basis</b>	<b>Positive (Negative)</b>
Bus Stop/Shelters:						
Personnel Services	\$ 100,160	103,223	102,793	-	102,793	430
Materials and Supplies	-	-	-	-	-	-
Contractual Services	6,000	6,000	5,518	-	5,518	482
Total Bus Stop/Shelters	106,160	109,223	108,311	-	108,311	912
General Administration:						
Personnel Services	153,324	108,324	38,150	10,777	48,927	59,397
Materials and Supplies	46,650	33,056	6,067	-	6,067	26,989
Contractual Services	629,465	553,966	472,951	-	472,951	81,015
Other	2,410	4,959	7,754	(180)	7,574	(2,615)
Total General Administration	831,849	700,305	524,922	10,597	535,519	164,786
Planning:						
Personnel Services	54,557	54,827	52,300	(738)	51,562	3,265
Materials and Supplies	8,500	-	-	-	-	-
Contractual Services	4,830	3,463	3,262	-	3,262	201
Total Planning	67,887	58,290	55,562	(738)	54,824	3,466
Marketing:						
Personnel Services	78,064	78,526	74,581	119	74,700	3,826
Materials and Supplies	15,192	7,428	5,809	-	5,809	1,619
Contractual Services	34,880	34,880	20,369	-	20,369	14,511
Total Marketing	128,136	120,834	100,759	119	100,878	19,956
Customer Service:						
Personnel Services	73,930	77,448	68,899	4,963	73,862	3,586
Materials and Supplies	5,650	2,500	1,894	-	1,894	606
Contractual Services	4,844	4,657	4,752	-	4,752	(95)
Total Customer Service	84,424	84,605	75,545	4,963	80,508	4,097
Transit Center Building:						
Personnel Services	229,698	232,298	235,761	(2,016)	233,745	(1,447)
Materials and Supplies	32,973	32,471	26,576	-	26,576	5,895
Contractual Services	179,983	187,143	154,400	-	154,400	32,743
Total General Administration	442,654	451,912	416,737	(2,016)	414,721	37,191
Transit Center Facility:						
Personnel Services	63,523	64,388	64,742	(1,531)	63,211	1,177
Materials and Supplies	4,540	2,886	1,895	-	1,895	991
Contractual Services	78,084	69,615	26,268	-	26,268	43,347
Other	-	-	22	-	22	(22)
Total Transit Center Facility	146,147	136,889	92,927	(1,531)	91,396	45,493
Total Operating Expenses Before Depreciation	13,911,043	13,911,043	12,707,642	(1,729)	12,705,913	1,205,130
Depreciation	-	-	2,044,373	(2,044,373)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>13,911,043</b>	<b>13,911,043</b>	<b>14,752,015</b>	<b>(2,046,102)</b>	<b>12,705,913</b>	<b>1,205,130</b>
Operating Income (Loss)	\$ (8,467,210)	(8,467,210)	(10,876,669)	2,046,102	(8,830,567)	(363,357)

(Continued)

**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010**

(Continued)

	<b>Budgeted Amount</b>				<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Budget Basis</b>	<b>Positive (Negative)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	\$ 55,100	55,100	15,840	-	15,840	(39,260)
Interest Earnings-Restricted	24,300	24,300	1,373	-	1,373	(22,927)
Discount Earnings	-	-	160	-	160	160
Miscellaneous	-	-	122,668	-	122,668	122,668
Sales Tax	5,834,645	5,834,645	5,512,908	-	5,512,908	(321,737)
Loss on Sale of Equipment	-	-	(285,718)	285,718	-	-
Interest Expense	-	(404,093)	(451,905)	47,815	(404,090)	3
Principal Paid Revenue Bonds	-	(865,073)	-	(865,073)	(865,073)	-
FTA Operating Grant	4,139,637	5,450,955	3,742,278	-	3,742,278	(1,708,677)
Fiscal Agent Fees	-	-	(500)	-	(500)	(500)
State Dept. of Highways	667,509	708,885	708,885	-	708,885	-
Construction	(349,475)	(12,747,778)	(59,391)	(867,640)	(927,031)	11,820,747
Other Non-Operating Expenses	(1,300,847)	(1,742,693)	-	-	-	1,742,693
<b>TOTAL NONOPERATING REVENUES AND (EXPENSES)</b>	<b>9,070,869</b>	<b>(3,685,752)</b>	<b>9,306,598</b>	<b>(1,399,180)</b>	<b>7,907,418</b>	<b>11,593,170</b>
Income (Loss) Before Contributions and Transfers	603,659	(12,152,962)	(1,570,071)	646,922	(923,149)	11,229,813
Capital Contributions:						
Federal Capital Grant	-	9,627,554	362,296	-	362,296	(9,265,258)
State Capital Grant	-	711,444	163,997	-	163,997	(547,447)
Transfer In:						
Transit Sales Tax	5,095,319	4,605,137	-	5,234,226	5,234,226	629,089
Contractual Obligations Fund	-	175,400	459	-	459	(174,941)
Transfers Out:						
Debt Service	(1,269,166)	-	-	-	-	-
Transit Operations	(5,095,319)	(3,742,625)	-	(4,371,714)	(4,371,714)	(629,089)
Capital and Planning	-	(862,512)	-	(862,512)	(862,512)	-
Change in Net Assets	(665,507)	(1,638,564)	(1,043,319)	646,922	(396,397)	1,242,167
Total Net Assets-Beginning	30,530,182	30,530,182	30,530,182	-	30,530,182	-
<b>Total Net Assets-Ending</b>	<b>\$ 29,864,675</b>	<b>28,891,618</b>	<b>29,486,863</b>	<b>646,922</b>	<b>30,133,785</b>	<b>1,242,167</b>

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**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 3,863,482
Payments to suppliers	(4,770,030)
Payments to employees	(9,024,449)
Payments for interfund services used	(114,006)
<b>Net cash provided (used) by operating activities</b>	<b>(10,045,003)</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Subsidy from federal and state grants	4,451,163
Sales Tax	5,512,908
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>9,964,071</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital Contributions	122,668
Subsidy from federal and state grants	1,743,885
Acquisition and construction of capital assets	(927,031)
Principal paid on capital debt	(865,073)
Interest paid on capital debt	(404,090)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(329,641)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	394,804
Interest and dividends received	26,753
<b>Net cash provided (used) by investing activities</b>	<b>421,557</b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,984</b>
<b>Cash and cash equivalents, October 1</b>	<b>624</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 11,608</b>

(Continued)



**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ (10,876,669)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,044,373
(Increase) decrease in accounts receivable	(12,622)
Increase in allowance for uncollectible accounts	180
(Increase) decrease in inventories	(50,529)
Increase in customer deposits	556
Increase (decrease) in accounts payable	(1,179,609)
Increase (decrease) in deferred revenues	22
Increase (decrease) in compensated absences payable	9,790
Increase (decrease) in accrued wages and employee benefits	19,505

<b>Total adjustments</b>	<b>831,666</b>
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<b>Net cash provided (used) by operating activities</b>	<b>(10,045,003)</b>
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**Noncash investing, capital and financing  
activities:**

Disposition of assets	285,715
Increase (Decrease) in fair value of investments	47,815

**CITY OF LAREDO, TEXAS**  
**BRIDGE SYSTEM**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

	<b>Budgeted Amount</b>				<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Budget Basis</b>	<b>Positive (Negative)</b>
<b>OPERATING REVENUES:</b>						
Rental of Facilities	\$ 2,678,667	2,678,667	2,700,169	-	2,700,169	21,502
Toll Receipts	40,510,627	40,510,627	42,820,134	-	42,820,134	2,309,507
Miscellaneous	1,869	1,869	377,044	-	377,044	375,175
<b>TOTAL OPERATING REVENUES</b>	<b>43,191,163</b>	<b>43,191,163</b>	<b>45,897,347</b>	<b>-</b>	<b>45,897,347</b>	<b>2,706,184</b>
<b>OPERATING EXPENSES:</b>						
Laredo Bridge Operations:						
Personnel Services	2,077,556	2,077,556	1,900,578	-	1,900,578	176,978
Materials and Supplies	322,131	293,131	199,163	-	199,163	93,968
Contractual Services	22,817,715	22,935,965	24,071,465	-	24,071,465	(1,135,500)
Other	23,256	23,256	52,093	(661)	51,432	(28,176)
Capital Outlay	1,868	10,868	-	2,190	2,190	8,678
Total Laredo Bridge Operations	25,242,526	25,340,776	26,223,299	1,529	26,224,828	(884,052)
Bridge II Operations:						
Personnel Services	2,121,933	2,121,933	2,079,981	-	2,079,981	41,952
Materials and Supplies	98,906	110,906	88,386	-	88,386	22,520
Contractual Services	619,154	456,444	382,746	-	382,746	73,698
Total Bridge II Operations	2,839,993	2,689,283	2,551,113	-	2,551,113	138,170
Colombia Bridge Operations:						
Personnel Services	1,227,603	1,227,603	1,106,320	-	1,106,320	121,283
Materials and Supplies	42,135	48,135	36,487	-	36,487	11,648
Contractual Services	256,444	231,194	207,178	-	207,178	24,016
Capital Outlay	39,250	39,250	-	39,250	39,250	-
Total Colombia Bridge Operations	1,565,432	1,546,182	1,349,985	39,250	1,389,235	156,947
Central America Convention:						
Contractual Services	-	100,000	73,883	-	73,883	26,117
Total Central America Convention	-	100,000	73,883	-	73,883	26,117
Fourth Bridge Operations:						
Personnel Services	2,117,884	2,093,384	1,863,317	-	1,863,317	230,067
Materials and Supplies	148,719	212,719	170,203	-	170,203	42,516
Contractual Services	519,526	551,736	512,268	-	512,268	39,468
Total Fourth Bridge Operations	2,786,129	2,857,839	2,545,788	-	2,545,788	312,051
Fifth Bridge:						
Contractual Services	106,810	106,810	30,002	-	30,002	76,808
Total Fifth Bridge	106,810	106,810	30,002	-	30,002	76,808
Total Operating Expenses Before Depreciation	32,540,890	32,640,890	32,774,070	40,779	32,814,849	(173,959)
Depreciation	-	-	3,928,417	(3,928,417)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>32,540,890</b>	<b>32,640,890</b>	<b>36,702,487</b>	<b>(3,887,638)</b>	<b>32,814,849</b>	<b>(173,959)</b>
Operating Income (Loss)	\$ 10,650,273	10,550,273	9,194,860	3,887,638	13,082,498	2,532,225

(Continued)

**CITY OF LAREDO, TEXAS**  
**BRIDGE SYSTEM**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental	\$ -	-	14,983	-	14,983	14,983
Investment Income:						
Interest Earnings	96,110	96,110	37,064	-	37,064	(59,046)
Interest Earnings - Restricted	63,890	63,890	163,246	-	163,246	99,356
Miscellaneous	-	-	12	-	12	12
Gain/(Loss) On Sale of Assets	-	-	1,009	-	1,009	1,009
Interest Expense	(3,923,641)	(3,923,641)	(3,923,865)	216	(3,923,649)	(8)
Principal Paid Revenue Bonds	(4,863,673)	(4,863,673)	-	(4,863,665)	(4,863,665)	8
Fiscal Agent Fees	-	-	(1,700)	-	(1,700)	(1,700)
Bond Issuance Cost Amortized	-	-	(137,365)	137,365	-	-
Loss on Advance Refunding	-	-	(65,916)	65,916	-	-
Construction	(336,346)	(7,961,921)	(69,591)	(719,859)	(789,450)	7,172,471
TOTAL NONOPERATING REVENUES (EXPENSES)	(8,963,660)	(16,589,235)	(3,982,123)	(5,380,027)	(9,362,150)	7,227,085
Income (Loss) Before Contributions and Transfers	1,686,613	(6,038,962)	5,212,737	(1,492,389)	3,720,348	9,759,310
Contributions	-	-	997,193	-	997,193	997,193
Transfers In:						
Bridge Operating Fund	6,684,967	6,684,967	-	6,629,350	6,629,350	(55,617)
Transfers Out:						
Capital Improvements Fund	(1,510,857)	(1,410,857)	(3,911,026)	-	(3,911,026)	(2,500,169)
Debt Service	(773,134)	(773,134)	(773,134)	-	(773,134)	-
Bridge Debt Service	(6,684,967)	(6,684,967)	-	(6,629,350)	(6,629,350)	55,617
Change in Net Assets	(597,378)	(8,222,953)	1,525,770	(1,492,389)	(963,812)	7,259,141
Total Net Assets-Beginning	31,725,382	31,725,382	31,725,382	-	31,725,382	-
Total Net Assets-Ending	\$ 31,128,004	23,502,429	33,251,152	(1,492,389)	30,761,570	7,259,141

**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 44,526,037
Payments to suppliers	(2,622,889)
Payments to employees	(7,149,788)
Payments for interfund services used	(23,462,864)
	<hr/>
<b>Net cash provided by operating activities</b>	<b>11,290,496</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds	(4,684,160)
	<hr/>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>(4,684,160)</b>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

Capital contributions	997,193
Acquisition and construction of capital assets	(829,881)
Principal paid on capital debt	(4,863,665)
Interest paid on capital debt	(3,925,349)
	<hr/>
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(8,621,702)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	1,772,131
Interest and dividends received	243,235
	<hr/>
<b>Net cash provided (used) by investing activities</b>	<b>2,015,366</b>

**Net increase (decrease) in cash and cash equivalents**

**Cash and cash equivalents, October 1**

**Cash and cash equivalents, September 30**

(Continued)

**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ 9,194,860
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,928,417
(Increase) decrease in accounts receivable	(1,278,142)
Increase (decrease) in allowance for uncollectible accounts	662
Increase in customer deposits	(120,785)
Increase (decrease) in accounts payable	(261,879)
Increase (decrease) in deferred revenues	26,955
Increase (decrease) in compensated absences payable	(217,141)
Increase (decrease) in accrued wages and employee benefits	17,549
<b>Total adjustments</b>	<b>2,095,636</b>

<b>Net cash provided by operating activities</b>	<b>\$ 11,290,496</b>
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**Noncash investing, capital, and financing  
activities:**

Bond issuance cost amortized	137,365
Loss on Advance Refunding	65,916

**CITY OF LAREDO, TEXAS**  
**MUNICIPAL HOUSING CORPORATION**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

	<b>Budgeted Amount</b>				<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Budget Basis</b>	<b>Positive (Negative)</b>
<b>OPERATING REVENUES:</b>						
Rental of Facilities	\$ 1,251,823	1,229,623	1,241,149	-	1,241,149	11,526
Charges for Services	132,000	132,000	103,527	-	103,527	(28,473)
Miscellaneous	24,346	24,346	104,554	-	104,554	80,208
<b>TOTAL OPERATING REVENUES</b>	<b>1,408,169</b>	<b>1,385,969</b>	<b>1,449,230</b>	<b>-</b>	<b>1,449,230</b>	<b>63,261</b>
<b>OPERATING EXPENSES:</b>						
Airport Housing:						
Personnel Services	458,559	458,559	411,693	1,015	412,708	45,851
Materials and Supplies	112,693	99,618	75,921	-	75,921	23,697
Contractual Services	479,990	487,454	342,502	-	342,502	144,952
Other	39,178	31,013	42,268	(12,957)	29,311	1,702
Total Airport Housing	1,090,420	1,076,644	872,384	(11,942)	860,442	216,202
West Laredo Housing:						
Personnel Services	97,121	98,346	93,100	(833)	92,267	6,079
Materials and Supplies	44,276	42,711	25,677	-	25,677	17,034
Contractual Services	167,516	181,632	158,526	-	158,526	23,106
Other	12,600	12,600	12,600	-	12,600	-
Total West Laredo Housing	321,513	335,289	289,903	(833)	289,070	46,219
Weatherization Grant						
Contractual Services	698,000	698,000	743,264	-	743,264	(45,264)
Total Weatherization Grant	698,000	698,000	743,264	-	743,264	(45,264)
United Way Emergency Assistance						
Materials and Supplies	-	10,000	-	-	-	10,000
Contractual Services	-	34,000	-	-	-	34,000
Total United Way Emerg. Assist.	-	44,000	-	-	-	44,000
Total Operating Expenses Before Depreciation	2,109,933	2,153,933	1,905,551	(12,775)	1,892,776	261,157
Depreciation Expense	-	-	106,767	(106,767)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>2,109,933</b>	<b>2,153,933</b>	<b>2,012,318</b>	<b>(119,542)</b>	<b>1,892,776</b>	<b>261,157</b>
Operating Income (Loss)	(701,764)	(767,964)	(563,088)	119,542	(443,546)	324,418
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	22,200	22,200	9,285	-	9,285	(12,915)
Operating Grant	698,000	742,000	743,264	-	743,264	1,264
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>720,200</b>	<b>764,200</b>	<b>752,549</b>	<b>-</b>	<b>752,549</b>	<b>(11,651)</b>
Income (Loss) Before Contributions and Transfers	18,436	(3,764)	189,461	119,542	309,003	312,767
Change in Net Assets	18,436	(3,764)	189,461	119,542	309,003	312,767
Total Net Assets-Beginning	2,088,984	2,088,984	2,088,984	-	2,088,984	-
<b>Total Net Assets-Ending</b>	<b>\$ 2,107,420</b>	<b>2,085,220</b>	<b>2,278,445</b>	<b>119,542</b>	<b>2,397,987</b>	<b>312,767</b>

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**CITY OF LAREDO, TEXAS  
MUNICIPAL HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 1,472,716
Payments to suppliers	(1,013,904)
Payments to employees	(505,420)
Payments for interfund services used	(373,422)
	<hr/>
<b>Net cash provided by operating activities</b>	<b>(420,030)</b>
	<hr/>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Subsidiary from federal and state grant	743,264
	<hr/>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>743,264</b>
	<hr/>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	(335,654)
Interest and dividends received	12,420
	<hr/>
<b>Net cash provided (used) by investing activities</b>	<b>(323,234)</b>
	<hr/>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents, October 1</b>	<b>200</b>
	<hr/>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 200</b>
	<hr/>

(Continued)



**CITY OF LAREDO, TEXAS  
MUNICIPAL HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ (563,088)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	106,767
(Increase) decrease in accounts receivable	(35,185)
Increase in allowance for uncollectible accounts	12,957
Increase (decrease) in customer deposits	2,036
Increase (decrease) in accounts payable	13,432
Increase (decrease) in deferred revenues	43,678
Increase (decrease) in compensated absences payable	(182)
Increase (decrease) in accrued wages and employee benefits	(445)
<b>Total adjustments</b>	<b>143,058</b>
<b>Net cash provided by operating activities</b>	<b>\$ (420,030)</b>

**CITY OF LAREDO, TEXAS**  
**WATERWORKS SYSTEM**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 28,529,618	28,529,618	25,495,166	-	25,495,166	(3,034,452)
Miscellaneous	3,504,055	3,504,055	3,535,088	-	3,535,088	31,033
<b>TOTAL OPERATING REVENUES</b>	<b>32,033,673</b>	<b>32,033,673</b>	<b>29,030,254</b>	<b>-</b>	<b>29,030,254</b>	<b>(3,003,419)</b>
<b>OPERATING EXPENSES:</b>						
General and Administrative:						
Personnel Services	984,948	988,416	929,745	4,175	933,920	54,496
Materials and Supplies	87,084	85,884	40,434	-	40,434	45,450
Contractual Services	1,865,166	1,858,748	1,695,854	-	1,695,854	162,894
Other	69,571	69,921	127,617	(117,272)	10,345	59,576
Total General and Administrative	3,006,769	3,002,969	2,793,650	(113,097)	2,680,553	322,416
Utility Engineering:						
Personnel Services	665,075	744,415	734,861	(1,212)	733,649	10,766
Materials and Supplies	40,693	43,975	32,674	-	32,674	11,301
Contractual Services	59,588	63,681	59,088	-	59,088	4,593
Other	-	356	355	-	355	1
Total Utility Engineering	765,356	852,427	826,978	(1,212)	825,766	26,661
Utility Billing:						
Personnel Services	1,839,656	1,839,656	1,760,110	5,433	1,765,543	74,113
Materials and Supplies	925,564	786,116	576,417	-	576,417	209,699
Contractual Services	661,092	705,756	593,122	-	593,122	112,634
Capital Outlay	-	3,582	-	1,065	1,065	2,517
Total Utility Billing	3,426,312	3,335,110	2,929,649	6,498	2,936,147	398,963
Asset Management:						
Personnel Services	249,579	246,229	245,897	(886)	245,011	1,218
Materials and Supplies	3,700	2,589	2,520	-	2,520	69
Contractual Services	13,213	13,624	11,691	-	11,691	1,933
Total Asset Management	266,492	262,442	260,108	(886)	259,222	3,220
Water Treatment:						
Personnel Services	1,632,969	1,712,464	1,664,720	(5,112)	1,659,608	52,856
Materials and Supplies	1,630,842	1,632,942	1,286,094	-	1,286,094	346,848
Contractual Services	4,651,254	4,403,982	3,463,624	-	3,463,624	940,358
Total Water Treatment	7,915,065	7,749,388	6,414,438	(5,112)	6,409,326	1,340,062
Transmission and Distribution:						
Personnel Services	1,786,431	2,021,058	1,984,736	12,191	1,996,927	24,131
Materials and Supplies	956,352	1,057,073	881,667	-	881,667	175,406
Contractual Services	1,201,231	1,047,341	734,418	-	734,418	312,923
Total Transmission and Distribution	\$ 3,944,014	4,125,472	3,600,821	12,191	3,613,012	512,460

(Continued)

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010**

(Continued)

	<b>Budgeted Amount</b>				<b>Actual Budget Basis</b>	<b>Variance Positive Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>		
Water Pollution Control:						
Personnel Services	\$ 392,617	392,617	345,700	(496)	345,204	47,413
Materials and Supplies	47,563	45,763	18,916	-	18,916	26,847
Contractual Services	75,889	73,889	27,591	-	27,591	46,298
Total Water Pollution Control	516,069	512,269	392,207	(496)	391,711	120,558
Total Operating Expenses Before Depreciation	19,840,077	19,840,077	17,217,851	(102,114)	17,115,737	2,724,340
Depreciation Expense	-	-	6,882,312	(6,882,312)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>19,840,077</b>	<b>19,840,077</b>	<b>24,100,163</b>	<b>(6,984,426)</b>	<b>17,115,737</b>	<b>2,724,340</b>
Operating Income (Loss)	12,193,596	12,193,596	4,930,091	6,984,426	11,914,517	(279,079)
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	360,000	360,000	121,919	-	121,919	(238,081)
Interest Earnings Restricted	486,740	486,740	276,306	-	276,306	(210,434)
Interest Rebate	-	-	779,968	-	779,968	779,968
Miscellaneous	-	-	46,754	-	46,754	46,754
Bond Issues	-	7,745,914	-	7,745,914	7,745,914	-
Intergovernmental Revenue	-	-	21,427	-	21,427	21,427
Interest Expense	(1,107,339)	(1,107,339)	(6,019,456)	532,344	(5,487,112)	(4,379,773)
Principal Paid Revenue Bond / Capital Leases	(2,229,000)	(2,229,000)	-	(6,505,300)	(6,505,300)	(4,276,300)
Fiscal Agent Fees	(4,000)	(4,000)	(1,690)	-	(1,690)	2,310
Bond Issuance Cost Amortized	-	-	(72,876)	(11,065)	(83,941)	(83,941)
Loss on Advance Funding	-	-	(19,861)	19,861	-	-
Water Availability	(6,671,252)	(5,721,496)	(974,340)	(1,030,599)	(2,004,939)	3,716,557
Other Non-Operating Expenses	(2,350,105)	(161,092,162)	(8,897,408)	(21,855,386)	(30,752,794)	130,339,368
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(11,514,956)</b>	<b>(161,561,343)</b>	<b>(14,739,257)</b>	<b>(21,104,231)</b>	<b>(35,843,488)</b>	<b>125,717,855</b>
Income (Loss) Before Contributions and Transfers	678,640	(149,367,747)	(9,809,166)	(14,119,805)	(23,928,971)	125,438,776
Capital Contributions:						
Intergovernmental Revenue	-	55,996,000	18,220,608	-	18,220,608	(37,775,392)
Contributions - Waterrights	1,476,800	1,476,800	709,853	-	709,853	(766,947)
Contributions - Developers	-	-	1,261,009	(1,261,009)	-	-
Contributions - Other	-	-	1,566,156	(1,566,156)	-	-
Transfer In:						
Waterworks System	3,936,853	12,313,504	-	11,318,133	11,318,133	(995,371)
Transfers Out:						
Debt Service Fund	(8,376,651)	-	-	-	-	-
Water Construction Fund	(1,350,000)	(1,350,000)	-	(578,632)	(578,632)	771,368
Water Debt Service	(2,586,853)	(11,913,260)	-	(10,739,501)	(10,739,501)	1,173,759
Change in Net Assets	(6,221,211)	(92,844,703)	11,948,460	(16,946,970)	(4,998,510)	87,846,193
Total Net Assets-Beginning	122,843,987	122,843,987	122,843,987	-	122,843,987	-
Prior Period Adjustment	-	-	(960,580)	-	(960,580)	(960,580)
<b>Total Net Assets-Ending</b>	<b>\$ 116,622,776</b>	<b>29,999,284</b>	<b>133,831,867</b>	<b>(16,946,970)</b>	<b>116,884,897</b>	<b>86,885,613</b>

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 29,400,276
Receipts from interfund services provided	446,247
Payments to suppliers	(5,513,442)
Payments to employees	(7,630,933)
Payments for interfund services used	(2,145,831)
	<hr/>
<b>Net cash provided by operating activities</b>	<b>14,556,317</b>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

Proceeds from capital debt	8,441,941
Capital contributions	709,853
Subsidy from federal and state grants	10,624,527
Purchases of capital assets	(1,629,092)
Acquisition and construction of capital assets	(31,129,706)
Principal paid on capital debt	(6,505,300)
Interest paid on capital debt	(5,488,799)
Proceeds from sales of capital assets	6,132
	<hr/>
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(24,970,444)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	9,771,997
Interest and dividends received	651,526
Issuance of Notes Receivable	(9,396)
	<hr/>
<b>Net cash provided (used) by investing activities</b>	<b>10,414,127</b>

**Net increase (decrease) in cash and cash equivalents**

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<b>Cash and cash equivalents, October 1</b>	<b>2,150</b>
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<b>Cash and cash equivalents, September 30</b>	<b>\$ 2,150</b>
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(Continued)

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ 4,930,091
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	6,882,312
(Increase) decrease in accounts receivable	(143,967)
Increase (decrease) in allowance for uncollectible accounts	116,512
(Increase) decrease in inventories	120,458
Increase (decrease) in customer deposits	184,471
Increase (decrease) in accounts payable	1,772,351
Increase (decrease) in deferred revenues	659,253
Increase (decrease) in compensated absences payable	(12,826)
Increase (decrease) in accrued wages and employee benefits	47,662

<b>Total adjustments</b>	<b>9,626,226</b>
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<b>Net cash provided by operating activities</b>	<b>\$ 14,556,317</b>
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**Noncash investing, capital, and financing  
activities:**

Bond issuance cost amortized	11,065
Contributions of capital assets from developers	1,261,009
Contributions of capital assets from other	1,566,156
Due to other funds	1,915,515
Increase (Decrease) in Accrued Interest Payable	532,520
Loss on Advance Refunds	19,861

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010**

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 22,316,345	22,316,345	22,612,937	-	22,612,937	296,592
Miscellaneous	301,710	301,710	110,909	-	110,909	(190,801)
TOTAL OPERATING REVENUES	22,618,055	22,618,055	22,723,846	-	22,723,846	105,791
OPERATING EXPENSES:						
Administrative:						
Contractual Services	3,962,141	3,962,141	3,952,414	-	3,952,414	9,727
Other	-	-	86,251	(83,573)	2,678	(2,678)
Total Administrative	3,962,141	3,962,141	4,038,665	(83,573)	3,955,092	7,049
Wastewater Treatment:						
Personnel Services	1,782,390	1,811,133	1,779,151	4,004	1,783,155	27,978
Materials and Supplies	837,472	806,098	577,153	-	577,153	228,945
Contractual Services	3,727,566	3,730,197	2,962,940	-	2,962,940	767,257
Total Wastewater Treatment	6,347,428	6,347,428	5,319,244	4,004	5,323,248	1,024,180
Wastewater Collection:						
Personnel Services	1,293,439	1,444,193	1,398,137	4,672	1,402,809	41,384
Materials and Supplies	583,725	679,848	569,844	-	569,844	110,004
Contractual Services	1,359,455	1,112,578	760,789	-	760,789	351,789
Other	-	-	4,379	-	4,379	(4,379)
Total Wastewater Collection	3,236,619	3,236,619	2,733,149	4,672	2,737,821	498,798
Total Operating Expenses Before Depreciation	13,546,188	13,546,188	12,091,058	(74,897)	12,016,161	1,530,027
Depreciation Expense	-	-	5,919,993	(5,919,993)	-	-
TOTAL OPERATING EXPENSES	13,546,188	13,546,188	18,011,051	(5,994,890)	12,016,161	1,530,027
Operating Income (Loss)	\$ 9,071,867	9,071,867	4,712,795	5,994,890	10,707,685	1,635,818
(Continued)						

(Continued)

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010**

(Continued)

	<b>Budgeted Amount</b>				<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Budget Basis</b>	<b>Positive (Negative)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	\$ 156,900	156,900	84,664	-	84,664	(72,236)
Interest Earnings Restricted	195,500	195,500	208,954	-	208,954	13,454
Discount Earnings	-	-	6,191	-	6,191	6,191
Bond Issues	-	959,195	-	959,195	959,195	-
Miscellaneous	-	-	153,536	-	153,536	153,536
Intergovernmental Revenue	-	-	209,794	-	209,794	209,794
Interest Expense	(837,212)	(837,212)	(2,958,338)	225,884	(2,732,454)	(1,895,242)
Principal Paid Revenue Bond /						
Capital Leases	(1,436,000)	(1,436,000)	-	(4,944,669)	(4,944,669)	(3,508,669)
Fiscal Agent Fees	(4,000)	(4,000)	(3,032)	-	(3,032)	968
Bond Issuance Cost Amortized	-	-	(45,396)	25,201	(20,195)	(20,195)
Other Non Operating Expenses	(1,095,110)	(68,882,466)	(4,496,655)	(13,877,882)	(18,374,537)	50,507,929
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(3,019,922)</b>	<b>(69,848,083)</b>	<b>(6,840,282)</b>	<b>(17,612,271)</b>	<b>(24,452,553)</b>	<b>45,395,530</b>
Income (Loss) Before Contributions and Transfers	6,051,945	(60,776,216)	(2,127,487)	(11,617,381)	(13,744,868)	47,031,348
Capital Contributions:						
Contributions - Others	-	-	1,290,008	(1,290,008)	-	-
Contributions - Developers	-	-	940,213	(929,213)	11,000	11,000
Transfers In:						
Sewer Operating Fund	3,044,062	3,044,062	-	7,756,464	7,756,464	4,712,402
Transfers Outs:						
Debt Service Fund	(5,068,071)	-	-	-	-	-
Sewer Debt Service	(2,044,062)	(7,112,133)	-	(7,575,155)	(7,575,155)	(463,022)
Sewer Construction Fund	(1,000,000)	(1,000,000)	-	(181,309)	(181,309)	818,691
Change in Net Assets	983,874	(65,844,287)	102,734	(13,836,602)	(13,733,868)	52,110,419
Total Net Assets-Beginning	99,042,211	99,042,211	99,042,211	-	99,042,211	-
<b>Total Net Assets-Ending</b>	<b>\$ 100,026,085</b>	<b>33,197,924</b>	<b>99,144,945</b>	<b>(13,836,602)</b>	<b>85,308,343</b>	<b>52,110,419</b>

**CITY OF LAREDO, TEXAS**  
**SEWER SYSTEM**  
**STATEMENT OF CASH FLOWS**  
**Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 21,863,168
Receipts from interfund services provided	281,330
Payments to suppliers	(2,131,330)
Payments to employees	(3,169,350)
Payments for interfund services used	(4,691,519)

<b>Net cash provided by operating activities</b>	<b>12,152,299</b>
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**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

Proceeds from capital debt	939,000
Capital contribution	11,000
Purchases of capital assets	(573,977)
Acquisition and construction of capital assets	(17,647,024)
Principal paid on capital debt	(4,944,669)
Interest paid on capital debt	(2,735,485)

<b>Net cash provided (used) by capital and related financing activities</b>	<b>(24,951,155)</b>
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	12,358,227
Interest and dividends received	444,928
Issuance of Notes Receivable	(4,299)

<b>Net cash provided (used) by investing activities</b>	<b>12,798,856</b>
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**Net increase (decrease) in cash and cash equivalents**

<b>Cash and cash equivalents, October 1</b>	<b>300</b>
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<b>Cash and cash equivalents, September 30</b>	<b>\$ 300</b>
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(Continued)



**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ 4,712,795
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	5,919,993
(Increase) decrease in accounts receivable	(667,219)
Increase (decrease) in allowance for uncollectible accounts	83,573
(Increase) decrease in inventories	(8,612)
Increase (decrease) in accounts payable	2,099,533
Increase (decrease) in deferred revenues	4,298
Increase (decrease) in compensated absences payable	(8,675)
Increase (decrease) in accrued wages and employee benefits	16,613
<b>Total adjustments</b>	<b>7,439,504</b>

<b>Net cash provided by operating activities</b>	<b>\$ 12,152,299</b>
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**Noncash investing, capital, and financing  
activities:**

Contributions of capital assets from developers & others	2,219,221
Bond issuance cost amortized	25,201
Increase (Decrease) in Accrued Interest Payable	226,013

**CITY OF LAREDO, TEXAS**  
**SOLID WASTE MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2010**

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 16,073,768	16,073,768	15,960,898	-	15,960,898	(112,870)
Miscellaneous	49,669	49,669	34,655	-	34,655	(15,014)
<b>TOTAL OPERATING REVENUES</b>	<b>16,123,437</b>	<b>16,123,437</b>	<b>15,995,553</b>	<b>-</b>	<b>15,995,553</b>	<b>(127,884)</b>
<b>OPERATING EXPENSES:</b>						
Administration:						
Personnel Services	308,063	308,063	249,008	2,272	251,280	56,783
Materials and Supplies	24,424	24,424	7,572	-	7,572	16,852
Contractual Services	74,109	74,109	59,366	-	59,366	14,743
Other	-	23,751	-	-	-	23,751
<b>Total Administration</b>	<b>406,596</b>	<b>430,347</b>	<b>315,946</b>	<b>2,272</b>	<b>318,218</b>	<b>112,129</b>
Recycling:						
Personnel Services	835,365	835,365	762,079	8,938	771,017	64,348
Materials and Supplies	298,624	298,624	240,966	-	240,966	57,658
Contractual Services	830,706	885,706	859,402	-	859,402	26,304
	-	-	-	-	-	-
<b>Total Recycling</b>	<b>1,964,695</b>	<b>2,019,695</b>	<b>1,862,447</b>	<b>8,938</b>	<b>1,871,385</b>	<b>148,310</b>
Sanitation						
Personnel Services	3,671,512	3,671,512	3,541,130	82,200	3,623,330	48,182
Materials and Supplies	1,123,169	1,100,279	806,676	-	806,676	293,603
Contractual Services	1,620,884	1,552,048	1,303,474	-	1,303,474	248,574
Other	730,723	730,723	45,341	(45,341)	-	730,723
Capital Outlay	-	36,726	-	17,700	17,700	19,026
<b>Total Sanitation</b>	<b>7,146,288</b>	<b>7,091,288</b>	<b>5,696,621</b>	<b>54,559</b>	<b>5,751,180</b>	<b>1,340,108</b>
Landfill:						
Personnel Services	802,350	802,350	720,967	1,844	722,811	79,539
Materials and Supplies	1,001,792	978,041	450,797	-	450,797	527,244
Contractual Services	3,534,247	3,534,247	2,178,967	-	2,178,967	1,355,280
Other	311,000	311,000	273,657	(273,751)	(94)	311,094
Capital Outlay	21,450	21,450	-	12,950	12,950	8,500
<b>Total Landfill</b>	<b>5,670,839</b>	<b>5,647,088</b>	<b>3,624,388</b>	<b>(258,957)</b>	<b>3,365,431</b>	<b>2,281,657</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>15,188,418</b>	<b>15,188,418</b>	<b>11,499,402</b>	<b>(193,188)</b>	<b>11,306,214</b>	<b>3,882,204</b>
Depreciation Expense	-	-	2,296,023	(2,296,023)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>15,188,418</b>	<b>15,188,418</b>	<b>13,795,425</b>	<b>(2,489,211)</b>	<b>11,306,214</b>	<b>3,882,204</b>
Operating Income (Loss)	\$ 935,019	935,019	2,200,128	2,489,211	4,689,339	3,754,320

(Continued)

CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2010

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 60,000	60,000	19,450	-	19,450	(40,550)
Interest Earnings-Restricted	235,456	235,456	120,860	245	121,105	(114,351)
Discount Earnings	2,564	2,564	14,906	-	14,906	12,342
Gain (Loss) From Sale of Assets	6,000	6,000	(248,988)	248,988	-	(6,000)
Bond Issues	-	3,364,262	-	3,364,262	3,364,262	-
Interest Expense	-	(668,015)	(669,609)	78,891	(590,718)	77,297
Principal Paid Revenue Bond	-	(1,044,561)	-	(502,237)	(502,237)	542,324
Federal Operating Grant	-	-	14,206	-	14,206	14,206
Fiscal Agent Fees	-	-	(324)	-	(324)	(324)
Bond Issuance Cost Amortized	-	-	(5,825)	(64,325)	(70,150)	(70,150)
Other Non-Operating Expenses	-	(10,824,848)	-	(2,681,342)	(2,681,342)	8,143,506
TOTAL NONOPERATING REVENUES (EXPENSES)	304,020	(8,869,142)	(755,324)	444,482	(310,842)	8,558,300
Income (Loss) Before Contributions and Transfers	1,239,039	(7,934,123)	1,444,804	2,933,693	4,378,497	12,312,620
Transfers In:						
2007 C.O. Bond	-	7,460,586	-	-	-	(7,460,586)
Transfers Out:						
Debt Service Fund	(1,712,576)	-	-	-	-	-
Change in Net Assets	(473,537)	(473,537)	1,444,804	2,933,693	4,378,497	4,852,034
Total Net Assets-Beginning	10,340,017	10,340,017	10,340,017	-	10,340,017	-
Prior Period Adjustment	-	-	(5,604,420)	-	(5,604,420)	(5,604,420)
Total Net Assets-Ending	\$ 9,866,480	9,866,480	6,180,401	2,933,693	9,114,094	(752,386)

**CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 15,021,326
Receipts from interfund services provided	561,534
Payments to suppliers	(2,021,920)
Payments to employees	(5,371,897)
Payments for interfund services used	(3,328,182)
<b>Net cash provided by operating activities</b>	<b>4,860,861</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds	(2,148,503)
Transfer from other funds	2,565,775
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>417,272</b>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

Proceeds from Capital Debt	3,294,113
Subsidy from federal and state grants	83,341
Purchases of capital assets	(30,650)
Principal paid on capital debt	(502,237)
Interest paid on capital debt	(590,718)
Acquisition and construction of capital assets	(2,681,342)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(427,493)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	(5,043,208)
Interest and dividends received	192,568
<b>Net cash provided (used) by investing activities</b>	<b>(4,850,640)</b>

**Net increase (decrease) in cash and cash equivalents**  
**Cash and cash equivalents, October 1**

-  
1,750

**Cash and cash equivalents, September 30**

**\$ 1,750**  
                      
(Continued)

**CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010**

(Continued)

**Reconciliation of operating income to  
net cash provided (used) by operating  
activities:**

Operating income	\$ 2,200,128
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,296,023
(Increase) decrease in landfill closure and post closure costs	254,709
(Increase) decrease in accounts receivable	(477,799)
Increase (decrease) in allowance for uncollectible accounts	63,719
(Increase) decrease in inventories	507
Increase (decrease) in accounts payable	620,900
Increase (decrease) in deferred revenues	1,387
Increase (decrease) in compensated absences payable	(95,254)
Increase (decrease) in accrued wages and employee benefits	(3,459)

<b>Total adjustments</b>	<b>2,660,733</b>
--------------------------	------------------

<b>Net cash provided by operating activities</b>	<b>\$ 4,860,861</b>
--	---------------------

**Noncash investing, capital, and financing  
activities:**

Current closure and post closure costs	1,915,515
Loss on sale of equipment	248,988
Bond issuance cost amortized	64,325

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## **FIDUCIARY FUNDS**

## FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for other agencies or individuals, private organizations or governmental units, and/or other funds. Fiduciary funds include pension trust funds and agency funds.

Pension Trust Funds include:

**POLICE RETIREES DEPENDENT** – to account for contributions made by city police officers and the City for expenses associated with health benefits premiums for retired police officers' dependents.

**CITY ANNUITY** – to account for contributions made by the city departments to pay for City retirees' health insurance and death benefits.

Agency Funds include:

**PAYROLL CLEARING** - to account for cash transfers received from other City funds and the disbursement of net wages and payroll related fringe benefits and payables.



**CITY OF LAREDO, TEXAS  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2010**

	<b>POLICE RETIREE DEPENDENTS FUND</b>	<b>PAYROLL CLEARING FUND</b>	<b>TOTAL FIDUCIARY FUNDS</b>
	<hr/>	<hr/>	<hr/>
<b>ASSETS</b>			
Accrued Interest Receivable	\$ 288	3,120	3,408
Investments, at Fair Market Value	146,477	1,587,703	1,734,180
Accounts Receivable	<hr/> -	<hr/> 2,615	<hr/> 2,615
<b>TOTAL ASSETS</b>	<hr/> <b>146,765</b>	<hr/> <b>1,593,438</b>	<hr/> <b>1,740,203</b>
<b>LIABILITIES</b>			
Accounts Payable	12	1,575,662	1,575,674
Accrued Wages and Employee Benefits	-	17,776	17,776
Deferred Revenues	<hr/> 146,753	<hr/> -	<hr/> 146,753
<b>TOTAL LIABILITIES</b>	<hr/> <b>146,765</b>	<hr/> <b>1,593,438</b>	<hr/> <b>1,740,203</b>
<b>NET ASSETS</b>			
Held In Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ <hr/> -	<hr/> -	<hr/> -

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>POLICE RETIREES DEPENDENTS FUND</b>	<b>CITY ANNUITY FUND</b>	<b>TOTAL FIDUCIARY FUNDS</b>
<b>ADDITIONS:</b>			
Contributions:			
Employer contributions	\$ 228,576	621,961	850,537
Plan members	28,668	133,810	162,478
Other contributions	-	28,283	28,283
	<u>257,244</u>	<u>784,054</u>	<u>1,041,298</u>
Total Contributions			
	<u>257,244</u>	<u>784,054</u>	<u>1,041,298</u>
Investment Earnings:			
Interest earnings and dividends	875	-	875
	<u>875</u>	<u>-</u>	<u>875</u>
Total investment earnings			
	<u>875</u>	<u>-</u>	<u>875</u>
<b>TOTAL ADDITIONS</b>	<b><u>258,119</u></b>	<b><u>784,054</u></b>	<b><u>1,042,173</u></b>
<b>DEDUCTIONS:</b>			
Benefits	-	727,321	727,321
Administrative expenses	258,119	56,733	314,852
	<u>258,119</u>	<u>56,733</u>	<u>314,852</u>
<b>TOTAL DEDUCTIONS</b>	<b><u>258,119</u></b>	<b><u>784,054</u></b>	<b><u>1,042,173</u></b>
Change in Net Assets	-	-	-
Net Assets - Beginning	-	-	-
<b>NET ASSETS - ENDING</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**CITY OF LAREDO, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**Year Ended September 30, 2010**

**PAYROLL CLEARING FUND**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash and Cash Equivalents				
Cash	\$ -	86,623,259	86,623,259	-
Accrued Interest Receivable	7,314	3,120	7,314	3,120
Investments, at Fair Market Value	1,468,190	1,589,165	1,469,652	1,587,703
Accounts Receivable	2,609	6	-	2,615
<b>TOTAL ASSETS</b>	<b><u>1,478,113</u></b>	<b><u>88,215,550</u></b>	<b><u>88,100,225</u></b>	<b><u>1,593,438</u></b>
<b>LIABILITIES</b>				
Accounts Payable	445,841	70,170,389	69,040,568	1,575,662
Accrued Wages and Benefits	1,032,272	41,699,909	42,714,405	17,776
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,478,113</u></b>	<b><u>111,870,298</u></b>	<b><u>111,754,973</u></b>	<b><u>1,593,438</u></b>

**POLICE RETIREES DEPENDENTS FUND**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Accrued Interest Receivable	\$ 504	288	504	288
Investments, at Fair Market Value	101,244	146,477	101,244	146,477
<b>TOTAL ASSETS</b>	<b><u>101,748</u></b>	<b><u>146,765</u></b>	<b><u>101,748</u></b>	<b><u>146,765</u></b>
<b>LIABILITIES</b>				
Accounts Payable	43	44	75	12
Deferred Revenue	101,705	146,753	101,705	146,753
<b>TOTAL LIABILITIES</b>	<b><u>\$ 101,748</u></b>	<b><u>146,797</u></b>	<b><u>101,780</u></b>	<b><u>146,765</u></b>

(Continued)

CITY OF LAREDO, TEXAS  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
Year Ended September 30, 2010

(Continued)

**CITY ANNUITY FUND**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash	\$ -	791,139	791,139	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>791,139</u>	<u>791,139</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	-	4,000	4,000	-
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>

**TOTALS-ALL FIDUCIARY FUNDS**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ -	87,414,398	87,414,398	-
Accrued Interest Receivable	7,818	3,408	7,818	3,408
Accounts Receivable	2,609	6	-	2,615
Investments, at Fair Market Value	1,569,434	1,735,642	1,570,896	1,734,180
<b>TOTAL ASSETS</b>	<u>1,579,861</u>	<u>89,153,454</u>	<u>88,993,112</u>	<u>1,740,203</u>
<b>LIABILITIES</b>				
Accounts Payable	445,884	70,174,433	69,044,643	1,575,674
Accrued Wages and Benefits	1,032,272	41,699,909	42,714,405	17,776
Deferred Revenue	101,705	146,753	101,705	146,753
<b>TOTAL LIABILITIES</b>	<u>\$ 1,579,861</u>	<u>112,021,095</u>	<u>111,860,753</u>	<u>1,740,203</u>

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## **STATISTICAL SECTION**

# CITY OF LAREDO, TEXAS

## STATISTICAL SECTION

### SEPTEMBER 30, 2010

This part of the City of Laredo's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Laredo's overall financial health.

<u>Table</u>	<u>Name of Table</u>	<u>Page</u>
<b>Financial Trends</b>		
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>		
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<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>		
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**NET ASSETS BY COMPONENT  
LAST TEN FISCAL PERIODS (1)  
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 1

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities									
Invested in capital assets, net of related debt	\$ 102,334,257	\$ 188,872,775	\$ 187,385,351	\$ 198,694,918	\$ 215,439,510	\$ 241,151,427	\$ 226,128,108	\$ 327,113,377	\$ 371,030,290
Restricted	25,676,105	29,412,088	20,473,785	34,889,245	42,590,216	13,422,271	18,974,742	21,193,295	23,051,240
Unrestricted	39,205,713	44,505,877	37,683,170	42,979,049	44,842,955	81,277,357	72,424,497	71,981,867	36,509,233
Total governmental activities net assets	\$ 167,216,075	\$ 262,790,740	\$ 245,542,306	\$ 276,563,212	\$ 302,872,681	\$ 335,851,055	\$ 317,527,347	\$ 420,288,539	\$ 430,590,763
Business-type activities									
Invested in capital assets, net of related debt	\$ 213,370,881	\$ 214,214,786	\$ 225,414,099	\$ 234,602,168	\$ 228,622,897	\$ 182,101,727	\$ 289,915,339	\$ 241,824,056	\$ 251,995,464
Restricted	9,070,370	7,954,794	8,618,508	11,147,151	10,970,742	11,615,850	24,336,104	17,621,503	16,695,175
Unrestricted	37,610,331	40,368,093	44,261,791	33,987,911	53,992,988	112,203,891	40,616,292	38,022,700	36,287,912
Total business-type activities net assets	\$ 260,051,582	\$ 262,537,673	\$ 278,294,398	\$ 279,737,230	\$ 293,586,627	\$ 305,921,468	\$ 354,867,735	\$ 297,468,259	\$ 304,978,551
Primary government									
Invested in capital assets, net of related debt	\$ 315,705,138	\$ 403,087,561	\$ 412,799,450	\$ 433,297,086	\$ 444,062,407	\$ 423,253,154	\$ 516,043,447	\$ 568,937,433	\$ 623,025,754
Restricted	34,746,475	37,366,882	29,092,293	46,036,396	53,560,958	25,038,121	43,310,846	38,814,798	39,746,415
Unrestricted	76,816,044	84,873,970	81,944,961	76,966,960	98,635,943	193,481,248	113,040,789	110,004,567	72,797,145
Total primary government net assets	\$ 427,267,657	\$ 525,328,413	\$ 523,836,704	\$ 556,300,442	\$ 596,459,308	\$ 641,772,523	\$ 672,395,082	\$ 717,756,798	\$ 735,569,314

**NOTES:**

(1) City of Laredo first applied GASB Statement No. 34 in fiscal year 2002; therefore, government-wide financial information for years prior to fiscal year 2002 is not available.

**SOURCE:**

City of Laredo, Texas



**CHANGES IN NET ASSETS  
LAST TEN FISCAL PERIODS (1)  
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 15,557,179	\$ 16,693,444	\$ 32,457,409	\$ 16,356,901	\$ 17,637,852	\$ 18,314,193	\$ 19,219,026	\$ 20,403,447	\$ 33,057,032	
Public Safety	59,387,980	61,576,788	73,213,859	76,682,946	81,993,355	86,550,055	95,322,249	101,317,492	96,731,529	
Public Works	36,409,755	7,018,369	18,914,550	27,601,104	22,544,287	22,524,297	26,609,686	33,983,968	31,945,598	
Health and Welfare	14,783,388	15,095,426	16,146,114	16,076,928	15,734,517	17,053,474	18,974,496	19,374,716	21,408,908	
Culture and Recreation	12,244,217	12,631,869	14,283,487	19,304,006	14,770,220	14,838,677	16,311,284	19,137,914	21,989,636	
Air Transportation	5,135,446	4,399,578	7,476,744	6,827,442	6,487,313	7,157,616	5,709,233	6,014,102	5,592,799	
Interest on Long Term Debt	10,116,381	10,021,002	9,583,425	12,003,612	9,337,731	9,809,368	60,052,703	29,610,058	11,170,771	
Total Governmental Activities Expenses	152,634,346	127,436,476	172,075,588	174,852,939	168,505,275	176,247,680	242,198,677	229,841,697	221,896,173	
Business-Type Activities										
Bridge System	30,677,776	32,848,606	33,328,290	34,643,592	38,315,376	38,421,137	42,734,185	39,335,750	40,917,048	
Solid Waste Management System	9,402,560	11,215,440	12,620,242	14,685,053	13,559,190	15,000,574	-	18,828,910	14,516,888	
Water System	15,645,483	14,878,004	15,729,159	16,888,416	20,607,390	22,213,666	28,212,391	28,536,428	40,110,255	
Sewer System	10,158,939	11,285,160	10,840,161	10,903,372	12,733,207	14,251,997	16,765,662	18,235,772	25,526,830	
Other Business-Type Activities	12,699,704	13,157,048	14,304,763	15,428,595	15,077,621	15,744,459	33,051,340	15,734,541	17,278,725	
Total Business-Type Activities Expenses	78,584,462	83,384,258	86,822,615	92,549,028	100,292,784	105,631,833	120,763,578	120,671,401	138,349,746	
Total Primary Government Expenses	\$ 231,218,808	\$ 210,820,734	\$ 258,898,203	\$ 267,401,967	\$ 268,798,059	\$ 281,879,513	\$ 362,962,255	\$ 350,513,098	\$ 360,245,919	
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 26,402,564	\$ 27,747,717	\$ 29,034,241	\$ 30,349,336	\$ 34,295,011	\$ 32,910,354	\$ 37,689,581	\$ 33,923,642	\$ 36,183,314	
Public Safety	5,625,697	5,121,972	7,207,564	5,786,216	6,638,370	8,172,180	5,778,145	10,016,804	12,060,974	
Public Works	1,677,516	3,030,954	1,011,853	1,429,722	2,535,760	5,465,043	5,397,891	3,675,472	4,528,772	
Health and Welfare	5,875,532	5,977,562	5,029,827	9,739,625	8,564,712	9,392,593	12,351,506	10,452,002	9,832,614	
Culture and Recreation	965,379	1,341,474	1,445,751	1,245,478	1,784,371	1,775,372	1,570,822	4,029,673	5,157,950	
Air Transportation	3,530,883	4,261,466	3,741,185	3,851,003	4,066,353	4,838,526	4,828,695	4,624,053	5,516,704	
Operating Grants and Contributions	9,960,418	13,576,179	13,072,709	14,751,179	11,946,958	12,987,606	13,930,222	18,369,080	21,833,031	
Capital Grants and Contributions	7,013,550	29,903,003	13,094,915	14,271,496	16,859,762	18,236,216	15,342,851	30,660,626	48,006,390	
Total Governmental Activities Program Revenues	61,051,539	90,960,327	73,638,045	81,424,055	86,891,297	93,777,890	96,889,713	115,751,352	143,119,749	
Business-Type Activities:										
Charges for Services										
Bridge System	34,408,912	34,836,756	35,574,197	39,308,141	42,757,164	41,642,985	48,757,093	43,736,439	45,913,716	
Solid Waste Management System	13,009,371	13,894,945	14,531,305	15,000,859	15,802,217	16,645,845	-	15,570,572	16,014,354	
Water System	16,773,484	15,429,092	15,902,648	18,736,507	25,215,914	28,217,432	28,832,337	30,032,089	29,859,060	
Sewer System	13,158,360	12,969,437	13,296,851	14,409,247	15,606,262	15,157,406	15,820,522	21,401,432	22,884,626	
Other Business-Type Activities	4,461,353	4,031,725	4,414,719	4,768,926	5,382,835	5,760,012	22,222,109	5,393,288	5,447,624	
Operating Grants and Contributions	12,153,814	13,296,318	12,514,706	7,244,365	4,732,614	4,519,591	4,433,244	5,439,854	5,447,624	
Capital Grants and Contributions	1,710,991	1,344,286	13,011,433	7,463,200	13,062,195	9,447,512	57,024,886	41,035,105	26,282,072	
Total Business-Type Activities Program Revenues	95,676,285	95,802,559	109,245,859	106,931,245	122,391,022	121,603,806	177,176,538	161,602,139	151,841,306	
Total Primary Government Program Revenues	\$ 156,727,824	\$ 186,762,886	\$ 182,883,904	\$ 188,355,300	\$ 209,082,319	\$ 215,381,696	\$ 274,066,251	\$ 277,353,491	\$ 294,961,015	

**CHANGES IN NET ASSETS  
LAST TEN FISCAL PERIODS (1)  
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (91,582,807) \$	\$ (36,476,149) \$	\$ (98,437,543) \$	\$ (93,428,884) \$	\$ (81,813,978) \$	\$ (82,469,790) \$	\$ (145,308,964) \$	\$ (114,090,345) \$	\$ (78,776,424) \$	
Business-Type Activities	17,091,823	12,418,301	22,423,244	14,382,217	22,098,238	15,971,973	56,412,960	40,930,738	13,491,560	
Total Primary Government Net Expense	<u>\$ (74,490,984) \$</u>	<u>\$ (24,057,848) \$</u>	<u>\$ (76,014,299) \$</u>	<u>\$ (79,046,667) \$</u>	<u>\$ (59,715,740) \$</u>	<u>\$ (66,497,817) \$</u>	<u>\$ (88,896,004) \$</u>	<u>\$ (73,159,607) \$</u>	<u>\$ (65,284,864) \$</u>	
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property Taxes	\$ 30,707,246 \$	\$ 36,551,380 \$	\$ 41,518,421 \$	\$ 45,019,642 \$	\$ 49,472,071 \$	\$ 55,844,667 \$	\$ 62,332,204 \$	\$ 68,693,562 \$	\$ 69,155,582 \$	
Sales Tax	21,384,306	22,807,995	24,553,316	26,628,764	30,151,183	31,476,528	32,648,289	29,801,861	29,790,810	
Franchise Taxes	6,562,834	5,580,351	5,726,701	6,197,623	6,595,084	6,528,053	6,835,933	6,714,232	6,681,712	
Hotel/Motel Tax	2,643,862	2,965,282	2,849,026	2,718,679	3,054,454	3,392,027	3,331,021	2,718,253	3,087,561	
Alcoholic Beverage Taxes	216,212	233,288	266,345	279,198	318,415	341,440	334,273	323,349	308,966	
Grants and Contributions Not Restricted to Specific Programs	4,546,517	4,602,769	5,027,736	4,497,007	5,235,856	4,095,598	4,845,731	-	-	
Investment Earnings	1,874,481	1,147,142	800,882	5,489,823	3,324,727	3,866,276	3,478,262	1,980,307	703,433	
Gain on Sale of Capital Assets	63,430	3,340,946	4,444,005	755,759	54,052	344,958	409,102	122,890	36,680	
Bond Premium	-	-	-	-	-	-	1,227,777	1,893,419	-	
Transfers	7,272,667	14,694,355	11,253,312	17,978,754	15,406,004	9,651,953	13,622,444	8,108,009	4,683,701	
Total Governmental Activities	<u>75,271,555</u>	<u>91,923,508</u>	<u>96,439,744</u>	<u>109,565,249</u>	<u>113,611,846</u>	<u>115,541,500</u>	<u>129,065,036</u>	<u>120,355,882</u>	<u>114,448,245</u>	
Business-Type Activities:										
Sales Tax	4,092,648	4,331,368	4,690,014	5,026,869	5,658,730	5,881,063	6,122,978	5,760,681	5,512,908	
Investment Earnings	-	-	-	-	53,537	-	-	-	288,222	
Gain/(Loss) on Sale of Capital Assets	256,064	430,777	(103,221)	12,500	143,756	133,758	393,328	512,769	(533,697)	
Transfers	(7,272,667)	(14,694,355)	(11,253,312)	(17,978,754)	(15,406,004)	(9,651,953)	(13,622,444)	(8,108,009)	(4,683,701)	
Total Business-Type Activities	<u>(2,923,955)</u>	<u>(9,932,210)</u>	<u>(6,666,519)</u>	<u>(12,939,385)</u>	<u>(9,549,981)</u>	<u>(3,637,132)</u>	<u>(7,106,138)</u>	<u>(1,834,559)</u>	<u>583,732</u>	
Total Primary Government	<u>\$ (72,347,600) \$</u>	<u>\$ (81,991,298) \$</u>	<u>\$ (89,773,225) \$</u>	<u>\$ (96,625,864) \$</u>	<u>\$ (104,061,865) \$</u>	<u>\$ (111,904,368) \$</u>	<u>\$ (121,958,898) \$</u>	<u>\$ (118,521,323) \$</u>	<u>\$ (115,031,977) \$</u>	
<b>Change in Net Assets</b>										
Governmental Activities	\$ (16,311,252) \$	\$ 55,447,359 \$	\$ (1,997,799) \$	\$ 16,136,365 \$	\$ 31,797,868 \$	\$ 33,071,710 \$	\$ (16,243,928) \$	\$ 6,265,537 \$	\$ 35,671,821 \$	
Business-Type Activities	14,167,868	2,486,091	15,756,725	1,442,832	12,548,257	12,334,841	49,306,822	39,096,179	14,075,292	
Total Primary Government	<u>\$ (2,143,384) \$</u>	<u>\$ 57,933,450 \$</u>	<u>\$ 13,758,926 \$</u>	<u>\$ 17,579,197 \$</u>	<u>\$ 44,346,125 \$</u>	<u>\$ 45,406,551 \$</u>	<u>\$ 33,062,894 \$</u>	<u>\$ 45,361,716 \$</u>	<u>\$ 49,747,113 \$</u>	

**NOTES:**

(1) City of Laredo first applied GASB Statement No. 34 in fiscal year 2002; therefore, government-wide financial information for years prior to fiscal year 2002 is not available.

**SOURCE:**

City of Laredo, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>REVENUES:</b>										
Taxes:										
Property	30,147,195	\$ 35,876,444	\$ 40,705,401	\$ 45,239,189	\$ 49,303,836	\$ 55,681,122	\$ 61,553,183	\$ 67,284,934	\$ 68,870,491	
Sales	21,447,813	22,547,235	24,374,768	26,433,198	29,894,463	31,384,048	32,518,723	30,308,403	29,339,115	
Franchise Fees	6,542,640	5,539,242	5,700,834	6,173,180	6,569,349	6,508,014	6,793,268	6,788,837	6,668,731	
Bingo Tax	48,056	48,056	48,852	51,516	63,010	65,524	68,268	68,274	68,235	
Alcoholic Beverage	215,022	231,114	260,277	272,500	307,250	341,130	337,545	325,611	304,894	
Hotel Motel	2,672,236	2,692,876	3,298,899	2,950,077	3,024,082	3,330,740	3,327,146	2,775,027	3,077,683	
Licenses and Permits	5,423,246	5,436,837	5,843,628	6,084,439	6,603,719	6,736,908	6,739,355	6,370,472	6,496,534	
Intergovernmental	21,532,884	31,340,394	28,932,417	33,289,585	33,894,211	33,877,881	35,693,757	39,882,049	52,709,235	
Charges for Services	23,802,222	24,703,403	26,623,867	27,650,715	31,002,211	31,310,068	37,045,771	37,636,101	41,954,138	
Fines	2,083,427	2,303,065	2,726,372	2,930,319	2,907,019	3,147,555	3,646,728	3,392,829	3,734,101	
Fees and Collections	1,754,100	2,246,309	2,270,772	2,481,061	3,004,802	3,386,329	3,492,841	3,837,470	3,592,488	
Rents	4,401,311	5,116,014	4,922,493	5,068,865	5,679,488	6,314,430	6,545,628	5,714,968	6,482,548	
Interest and Other	2,920,369	1,324,605	876,024	6,103,181	4,528,522	8,370,527	7,238,944	4,843,786	1,933,321	
Miscellaneous	3,136,435	3,756,090	3,554,741	1,493,862	2,315,099	2,264,974	4,643,499	4,923,062	8,441,665	
Contributions & Donations	23,666	728,198	3,356,387	871,866	924,530	1,008,606	988,331	95,240	18,271,618	
Reimbursements	1,041,506	2,339,578	1,349,408	1,627,354	1,398,698	1,585,062	1,729,311	1,913,607	1,322,816	
<b>TOTAL REVENUES</b>	127,192,128	146,231,462	153,846,140	168,733,867	181,912,289	195,310,918	207,652,298	216,160,690	253,267,613	
<b>EXPENDITURES:</b>										
General Government	14,804,480	15,751,235	15,541,101	16,021,417	17,112,707	17,413,287	17,894,512	18,892,213	18,688,270	
Public Safety	56,942,094	63,906,967	69,598,098	74,215,275	78,048,861	83,246,215	91,511,415	93,373,168	97,621,453	
Public Works	11,284,056	11,408,863	9,530,599	9,487,014	10,129,429	12,274,330	11,967,902	18,923,375	13,683,613	
Health and Welfare	14,195,664	15,303,051	15,683,517	15,802,606	15,377,413	16,703,368	18,507,725	18,734,227	20,477,413	
Cultural and Recreational	11,728,523	13,154,156	13,764,181	14,844,259	15,415,751	15,921,447	15,658,222	18,337,167	21,478,230	
Air Transportation Services	3,824,408	3,519,733	4,789,284	4,488,864	4,488,864	5,160,618	4,108,813	4,317,786	4,439,025	
Capital Outlay	48,746,914	27,793,519	22,788,736	24,833,816	35,722,670	34,033,486	44,092,402	56,947,674	82,767,916	
Contributions	-	3,620,000	11,914,519	-	-	-	-	-	-	
Debt Service:										
Principal Retirement	11,925,613	13,475,623	14,374,770	15,677,894	16,693,119	16,986,948	17,398,209	18,626,220	12,945,169	
Interest and Fiscal Expenditures	10,108,045	9,773,987	9,393,084	9,119,608	8,639,131	9,250,941	12,691,697	15,621,180	10,711,226	
<b>TOTAL EXPENDITURES</b>	183,459,807	177,707,134	188,026,176	184,891,173	201,627,935	210,990,640	233,831,897	263,773,010	282,782,315	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,267,679)	(31,475,672)	(34,180,036)	(16,157,306)	(19,715,646)	(15,679,722)	(26,179,599)	(47,612,320)	(29,514,702)	
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers In	33,120,347	46,184,832	25,299,958	36,174,419	35,881,412	26,222,228	37,533,557	40,622,386	29,605,450	
Issuance of Debt	-	15,928,240	-	75,154,978	35,186,000	76,160,000	79,855,000	56,980,000	8,715,629	
Bond Costs	-	-	-	-	-	-	(766,853)	(27,799,429)	(235,629)	
Bond Premium	-	-	-	-	-	-	1,227,777	1,860,783	-	
Payment to refunded bond escrow agent	-	(4,629,841)	-	(62,639,409)	(18,796,378)	-	-	-	(9,230)	
Transfers Out	(25,329,302)	(31,468,194)	(14,023,498)	(21,272,956)	(20,408,531)	(16,463,011)	(23,493,174)	(31,697,149)	(24,521,749)	
Contributions	-	-	-	-	-	(46,471,173)	9,340,787	-	-	
Capital Leases	12,897,850	-	14,307,219	-	1,600,000	4,349,665	(102,232)	(102,232)	1,330,425	
Sale of Assets	204,349	3,542,655	4,546,896	754,683	52,673	334,354	194,959	121,669	33,461	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	20,893,244	29,556,692	30,130,575	28,171,715	33,517,176	90,603,236	47,677,861	49,326,815	14,918,357	
<b>Net Change in Fund Balances</b>	(35,374,435)	(1,918,980)	(4,049,461)	12,014,409	13,801,530	74,923,514	21,798,262	1,714,495	(14,596,345)	
Debt Service as a Percentage of non-capital expenditures	16.36%	15.51%	14.38%	15.50%	15.27%	14.83%	15.86%	16.56%	11.83%	

NOTES:

(1) City of Laredo first applied GASB Statement No. 34 in fiscal year 2002; therefore, government-wide financial information for years prior to fiscal year 2002 is not available.

SOURCE:

City of Laredo, Texas

**FUND BALANCE, GOVERNMENTAL FUNDS  
LAST SEVEN YEARS (1)  
(Modified Accrual Basis of Accounting)**

CITY OF LAREDO, TEXAS

TABLE 4

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL FUND								
Reserved	\$ 868,913	\$ 1,216,553	\$ 1,461,135	\$ 1,663,551	\$ 1,376,988	\$ 1,297,655	\$ 1,516,661	\$ 2,122,655
Unreserved	9,151,113	9,110,554	12,860,386	19,425,653	21,769,926	25,322,950	29,175,762	32,823,677
Total General Fund	\$ 10,020,026	\$ 10,327,107	\$ 14,321,521	\$ 21,089,204	\$ 23,146,914	\$ 26,620,605	\$ 30,692,423	\$ 34,946,332
ALL OTHER GOVERNMENTAL FUNDS								
Reserved	\$ 29,210,173	\$ 19,129,472	\$ 20,376,787	\$ 16,551,117	\$ 29,244,789	\$ 26,694,766	\$ 36,478,312	\$ 81,538,217
Unreserved, reported in:								
Special Revenue Funds	15,041,595	8,196,925	447,743	6,866,441	7,725,320	12,831,254	25,473,486	27,153,981
Debt Service Funds	5,537,538	4,592,744	5,634,547	6,508,489	5,946,381	9,293,964	6,636,000	-
Capital Project Funds	1,059,628	14,573,251	28,053,310	34,329,414	94,204,775	106,834,652	84,709,516	25,754,862
Total all other governmental funds	\$ 50,848,934	\$ 46,492,392	\$ 54,512,387	\$ 64,255,461	\$ 137,121,285	\$ 155,654,636	\$ 153,297,314	\$ 134,447,060

**NOTES:**

(1) City of Laredo first applied GASB Statement No. 34 in fiscal year 2002; therefore, government-wide financial information for years prior to fiscal year 2002 is not available.

**SOURCE:**

City of Laredo, Texas

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 5**

<b>FISCAL PERIODS</b>	<b>AD VALOREM TAXES (1)</b>	<b>SALES TAX</b>	<b>BEVERAGE TAX</b>	<b>BINGO TAX</b>	<b>OCCUPANCY TAX</b>	<b>FRANCHISE TAX</b>	<b>TOTAL</b>
2001	\$ 26,605,213	\$ 18,461,783	\$ 176,675	\$ 48,011	\$ 2,934,480	\$ 7,046,343	55,272,505
2002	30,147,195	21,447,813	215,022	48,056	2,672,236	6,542,640	61,072,962
2003	35,876,444	22,547,235	231,114	48,058	2,692,876	5,539,242	66,934,969
2004	40,705,401	24,111,061	260,277	49,852	3,298,899	5,700,834	74,126,324
2005	45,239,189	26,433,198	272,500	51,516	2,959,077	6,173,160	81,128,640
2006	49,303,836	29,894,463	307,270	63,010	3,024,062	6,569,349	89,161,990
2007	55,681,122	31,384,048	341,130	65,524	3,330,740	6,506,014	97,308,578
2008	61,553,183	32,518,723	337,545	68,268	3,327,146	6,793,268	104,598,133
2009	67,284,934	30,308,403	325,611	68,274	2,775,027	6,788,837	107,551,086
2010	\$ 68,870,491	\$ 29,339,115	\$ 304,894	\$ 68,235	\$ 3,077,683	\$ 6,668,731	108,329,149

**NOTES:**

(1) Includes General, Special Revenue, and Debt Service Fund tax revenues.

**SOURCE:**

City of Laredo, Texas

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 6**

FISCAL PERIODS	TOTAL TAX LEVY (1)	CURRENT TAX COLLECTIONS	TAX RATE	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY
2001	27,165,182	25,821,461	0.5764	95.05%	783,752	26,605,213	97.94%	3,037,683	11.18%
2002	29,221,694	28,028,927	0.5764	95.92%	926,267	28,955,194	99.09%	3,487,860	11.94%
2003	33,435,345	33,426,302	0.6305	99.97%	1,126,888	34,553,190	103.34%	4,069,391	12.17%
2004	38,455,159	37,461,655	0.6418	97.42%	1,620,366	39,082,021	101.63%	4,381,458	11.39%
2005	43,209,681	41,693,911	0.637	96.49%	1,827,010	43,520,921	100.72%	4,201,328	9.72%
2006	47,451,046	45,951,954	0.637	96.84%	1,568,546	47,520,500	100.15%	4,248,409	8.95%
2007	53,559,195	52,024,898	0.637	97.14%	1,765,255	53,790,153	100.43%	4,457,502	8.32%
2008	59,584,704	57,843,306	0.637	97.08%	1,677,549	59,520,855	99.89%	4,768,826	8.00%
2009	65,642,287	63,194,853	0.637	96.27%	1,879,576	65,074,429	99.13%	5,798,825	8.83%
2010	\$ 66,926,927	\$ 64,379,305	0.637	96.19%	\$ 2,159,933	\$ 66,539,238	99.42%	\$ 5,705,472	8.52%

**NOTES:**

(1) Original levy as filed with the State Comptroller Office

**SOURCE:**

City of Laredo, Texas

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 7

FISCAL PERIODS	RESIDENTIAL PROPERTY			COMMERCIAL PROPERTY			TOTALS			RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)		ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	EXEMPTIONS (2)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	TOTAL DIRECT TAX RATE	
2001 \$	3,057,446,479 \$	3,057,446,479 \$		2,101,929,963 \$	2,101,929,963 \$	418,707,728 \$	4,740,668,714 \$	4,740,668,714	0.576360	100%
2002	3,503,561,473	3,503,561,473		2,408,624,610	2,408,624,610	445,602,625	5,466,583,458	5,466,583,458	0.576360	100%
2003	3,606,409,537	3,606,409,537		2,479,330,480	2,479,330,480	519,598,749	5,566,141,268	5,566,141,268	0.630530	100%
2004	3,844,014,790	3,844,014,790		2,704,140,692	2,704,140,692	529,716,818	6,018,438,664	6,018,438,664	0.641760	100%
2005	4,270,523,001	4,270,523,001		3,040,120,071	3,040,120,071	537,507,869	6,773,135,203	6,773,135,203	0.637000	100%
2006	4,713,754,396	4,713,754,396		3,285,932,811	3,285,932,811	550,543,393	7,449,143,814	7,449,143,814	0.637000	100%
2007	5,411,082,137	5,411,082,137		3,582,097,472	3,582,097,472	585,142,683	8,408,036,926	8,408,036,926	0.637000	100%
2008	6,069,242,179	6,069,242,179		3,971,864,502	3,971,864,502	647,577,934	9,393,528,747	9,393,528,747	0.637000	100%
2009	6,654,553,665	6,654,553,665		4,402,760,384	4,402,760,384	671,339,004	10,385,975,045	10,385,975,045	0.637000	100%
2010 \$	6,825,803,972 \$	6,825,803,972 \$		4,571,159,052 \$	4,571,159,052 \$	773,831,223 \$	10,623,131,801 \$	10,623,131,810	0.637000	100%

**NOTES:**

(1) This estimated valuation is for tax purposes only.

(2) Total exemptions include Homestead, Veteran, Agricultural exemptions. Homestead valuations increased in 1983 from \$3,000 to \$7,500, to \$10,000 in 1986, and to \$20,000 in 1987. Veteran exemptions range from \$1,500 to \$3,000, based on disability percentage. Agriculture valuations represent land used for ranching and farming.

**SOURCE:**

City of Laredo, Texas

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING  
GOVERNMENTS - LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 8**

<b>FISCAL PERIODS</b>	<b>CITY OF LAREDO</b>	<b>WEBB COUNTY</b>	<b>LAREDO INDEPENDENT SCHOOL DISTRICT</b>	<b>UNITED INDEPENDENT SCHOOL DISTRICT</b>	<b>LAREDO COMMUNITY COLLEGE</b>
<b>TAX RATES (per \$100 of assessed value)</b>					
2001	0.57636	0.44578	1.38600	1.42687	0.17000
2002	0.57636	0.43634	1.42600	1.42687	0.21665
2003	0.63053	0.44446	1.50271	1.47687	0.22650
2004	0.64176	0.45792	1.50271	1.47687	0.23600
2005	0.63700	0.43792	1.47411	1.52687	0.23600
2006	0.63700	0.43792	1.55411	1.60687	0.23371
2007	0.63700	0.42006	1.49551	1.47436	0.23050
2008	0.63700	0.42006	1.27400	1.18487	0.22220
2009	0.63700	0.42006	1.27400	1.18487	0.22110
2010	0.63700	0.42006	1.27400	1.19486	0.22720
<b>TAX LEVIES</b>					
2001	\$ 27,165,182	\$ 26,098,416	\$ 17,854,904	\$ 51,042,026	\$ 8,185,875
2002	29,221,694	28,877,392	18,828,678	57,959,460	11,215,837
2003	33,435,345	33,424,545	20,378,959	66,951,115	12,892,422
2004	38,455,159	35,073,016	21,344,510	72,156,593	14,540,002
2005	43,209,681	38,284,553	24,426,783	83,821,422	16,320,700
2006	47,466,862	42,351,341	26,644,992	100,665,114	17,727,308
2007	53,559,195	50,623,052	27,671,836	113,168,711	19,720,017
2008	59,584,704	51,752,884	25,966,124	95,866,850	21,192,705
2009	65,642,009	55,559,866	27,408,723	108,147,626	23,297,634
2010	\$ 66,926,927	\$ 56,069,370	\$ 27,210,755	\$ 111,038,081	\$ 24,304,862

**SOURCES:**

City of Laredo, Texas  
Webb County Appraisal District Office



**SPECIAL ASSESSMENTS BILLINGS AND COLLECTIONS (1)  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 9**

FISCAL PERIODS	BEGINNING BALANCE(2)	ASSESSMENTS BILLED	ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS OF AMOUNT DUE	TOTAL OUTSTANDING CURRENT AND DELINQUENT ASSESSMENTS
2001	\$ 622,603	\$ 67,929	\$ 263,451	38.15%	\$ 427,081
2002	427,081	38,836	194,697	41.79%	271,220
2003	271,220	46,992	135,058	42.44%	183,154
2004	183,154	142,202	170,888	52.52%	154,468
2005	154,468	359,276	441,257	85.89%	72,487
2006	72,487	528,851	574,196	95.49%	27,142
2007	27,142	165,224	178,014	92.54%	14,352
2008	14,352	99,592	106,800	93.73%	7,144
2009	7,144	41,084	38,462	79.75%	9,766
2010	\$ 9,766	\$ 16,420	\$ 17,142	65.46%	\$ 9,044

**NOTES:**

(1) The Charter of the City of Laredo allows the City Council to assess the costs of street paving and sidewalk construction to the adjacent owners. Normally, this is collected in equal principal installments over a five year period with interest computed at eight percent.

This assessment constitutes a lien against the property which may be foreclosed upon default.

(2) Assessments beginning balance include Principal & Interest and are net of allowance for uncollectible.

**SOURCE:**

City of Laredo, Texas

**PRINCIPAL TAXPAYERS  
LAST TEN FISCAL PERIODS 2010**

City Of Laredo , Texas

Table 10

TAXPAYER	TYPE OF BUSINESS	2010 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	\$102,045,830	0.96%
AEP Texas Central Company	Electricity	58,798,630	0.55%
The GEO Group	Jail	53,004,830	0.50%
Mall Del Norte LLC	Real Estate	52,646,610	0.49%
Laredo Regional Medical Ctr. LP	Medical Center	42,262,660	0.40%
Electric Transmission of Texas	Electricity	40,720,760	0.38%
International Bank of Commerce	Bank	34,637,300	0.33%
Killam Ind Dev. Partnership LTD	Partnership	31,116,490	0.29%
H.E. Butt Grocery Company	Real Estate	28,807,740	0.27%
Farias Development, LTD	Real Estate	28,035,060	0.26%
<b>TOTAL</b>		<b>\$472,075,910</b>	<b>4.44%</b>

**PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2000**

TAXPAYER	TYPE OF BUSINESS	2000 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Central Power & Light Company	Utility	\$47,833,500	1.02%
Southwestern Bell	Telephone Co.	29,792,450	0.63%
Lone Star Mall Assoc.	Mall	27,063,580	0.57%
Killam In. Dev. Partnership Ltd.	Development	24,565,230	0.52%
Webb County Correctional Center	Corrections Co.	21,233,370	0.45%
U. S. Cold Storage	Cold Storage	17,364,240	0.37%
Transport International Pool, Inc.	Transportation	16,757,460	0.36%
H.E. Butt Grocery Co.	Grocery	15,832,620	0.34%
Southwestern Motor Transport, Inc.	Freight	15,294,190	0.32%
Paragon Cable	Cable Co.	15,078,250	0.32%
<b>Total</b>		<b>\$230,814,890</b>	<b>4.90%</b>

Numbers show total comparison for principal taxpayers as of 2009 and 10 yrs ago.

**SOURCE:**

City of Laredo, Texas

**COMPUTATION OF LEGAL DEBT  
MARGIN AND AUTHORIZED AND  
UNISSUED BONDS**

CITY OF LAREDO, TEXAS

TABLE 11

The Constitution of Texas in Article 11, Section 5, limits the maximum amount that a home rule city can tax to \$2.50 per \$100.00 of valuation and the same Article provides that no debt shall ever be created by any city unless at the same a time provision is made to assess and collect annually a sufficient sum to pay the interest thereon and create a sinking fund of at least two percent thereon. The Attorney General of Texas, in connection with the quoted provision, has created a rule for the guidance of home rule cities which states that the bond allowable under this constitutional provision shall be on the basis of no greater than \$1.50 per \$100.00 of valuation unless the city charter provides for less than the maximum specified in the Attorney General's rule. City Charter Section 6.13, as amended in November 1995, limits the total overall outstanding debt to 10% of the total assessed valuation of the City. At this time, the City has allocated approximately \$.124228 of the total tax rate.

Assessed value based on 2009 tax roll .....	\$10,596,773,150
Maximum amount of bonded indebtedness based on such assessed value (10%).....	\$1,059,677,315
Amount of debt applicable to said maximum debt limit:	
Total General Obligation Bonds and Certificates of Obligations ...	\$192,761,176
(Percentage of G. O. and C. O. debt to assessed value)	1.82%
Less: Debt Service Fund Balance as of September 30, 2010.....	\$6,529,078
Total Amount of debt applicable to debt limit .....	\$186,232,098
The Debt Margin between current indebtedness and maximum allowable indebtedness .....	\$873,445,217

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 12

FISCAL PERIODS	POPULATION (A)	ASSESSED VALUE FOR OPERATIONS & DEBT SERVICE	GROSS BONDED DEBT (1)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2000	193,180	\$ 4,713,792,517	\$ 150,630,000	\$ 5,587,901	\$ 145,042,099	3.0770%	750.81
2001	193,117	5,070,586,594	152,185,000	6,080,964	146,104,036	2.8814%	756.56
2002	201,292	5,558,982,217	153,675,000	5,455,502	148,219,498	2.6663%	736.34
2003	207,611	6,018,438,664	151,940,000	5,537,538	146,402,462	2.4326%	705.18
2004	214,000	5,992,130,874	152,500,000	4,592,744	147,907,256	2.4684%	691.16
2005	215,375	6,783,309,499	153,725,000	5,634,547	148,090,453	2.1832%	687.59
2006	224,695	7,449,143,814	158,972,282	6,508,489	152,463,793	2.0467%	678.54
2007	231,470	8,408,036,926	221,132,050	5,946,381	215,185,669	2.5593%	929.65
2008	237,396	9,393,528,747	286,235,467	5,990,320	280,245,147	2.9834%	1,180.50
2009	233,152	10,385,975,045	358,833,263	6,636,000	352,197,263	3.3911%	1,510.59
2010	244,580	\$ 10,634,156,096	\$ 196,092,887	\$ 6,529,078	\$ 186,232,098	1.7513%	761.44

**NOTES:**

(1) Includes General Obligation and Certificates of Obligation Bonds.

**SOURCES:**

City of Laredo, Texas

(A) Information was obtained from City of Laredo Planning and Zoning Department

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL  
GOVERNMENT EXPENDITURES (1)  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 13**

<b>FISCAL PERIODS</b>	<b>PRINCIPAL</b>	<b>INTEREST &amp; FISCAL CHARGES</b>	<b>TOTAL DEBT SERVICE</b>	<b>TOTAL GENERAL EXPENDITURES</b>	<b>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</b>
2001	9,360,000	9,277,581	18,637,581	146,243,890	12.74%
2002	10,700,000	10,027,116	20,727,116	183,342,422	11.31%
2003	12,255,000	9,857,015	22,112,015	174,087,134	12.70%
2004	13,500,000	9,412,153	22,912,153	188,026,176	12.19%
2005	14,395,000	9,138,859	23,533,859	184,891,173	12.73%
2006	15,685,000	8,663,891	24,348,891	201,201,456	12.10%
2007	15,195,000	9,242,752	24,437,752	210,990,264	11.58%
2008	16,024,319	12,558,327	28,582,646	233,623,097	12.23%
2009	17,490,000	15,990,496	33,480,496	263,773,010	12.69%
2010	11,228,852	10,717,973	21,946,825	282,782,315	7.76%

**NOTES:**

(1) Total general expenditures consist of the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Expendable Trusts.

**SOURCE:**

City of Laredo, Texas

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 14**

<b>TAXING AUTHORITY</b>	<b>NET DEBT OUTSTANDING (A)</b>	<b>ESTIMATED % APPLICABLE TO CITY (B)</b>	<b>AMOUNT APPLICABLE TO CITY</b>
Direct:			
City of Laredo	\$192,083,569	100.00%	\$192,083,569
Overlapping:			
Webb County	70,919,660	76.630%	54,345,735
Laredo Independent School District	223,478,863	100.00%	223,478,863
United Independent School District	306,424,455	75.620%	231,718,173
Laredo Community College	177,219,179	100.00%	177,219,179
Total Overlapping	778,042,157		686,761,950
Total	\$970,125,726		\$878,845,519

**SOURCES:**

(A) Finance Departments of respective entities

(B) Webb County Appraisal District

**SCHEDULE OF REVENUE BOND  
COVERAGE BRIDGE, WATER, SEWER  
SYSTEM AND SPORTS VENUE  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 15**

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	----DEBT SERVICE REQUIREMENTS----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
<b>Bridge</b>	31,705,719	21,186,065	10,519,654	3,350,000	2,510,790	5,860,790	1.79
<b>Water</b>	17,102,442	10,074,813	7,027,629	690,000	456,915	1,146,915	6.13
<b>Sewer</b>	13,499,699	6,609,398	6,890,301	680,000	326,839	1,006,839	6.84
<b>Sports Venue</b>	2,387,246	268,005	2,119,241	-	683,088	683,088	3.10
<b>Total 2001</b>	64,695,106	38,138,281	26,556,825	4,720,000	3,977,632	8,697,632	3.05
<b>Bridge</b>	34,408,912	24,093,889	10,315,023	12,105,000	3,697,409	15,802,409	0.65
<b>Water</b>	16,773,484	9,363,511	7,409,973	705,000	416,018	1,121,018	6.61
<b>Sewer</b>	13,158,360	6,389,656	6,768,704	4,905,000	295,135	5,200,135	1.30
<b>Sports Venue</b>	4,524,646	80,244	4,444,402	-	2,049,266	2,049,266	2.17
<b>Total 2002</b>	68,865,402	39,927,300	28,938,102	17,715,000	6,457,828	24,172,828	1.20
<b>Bridge</b>	34,836,756	24,944,447	9,892,309	1,408,433	31,865	1,440,298	6.87
<b>Water</b>	15,427,690	9,122,153	6,305,537	725,000	408,121	1,133,121	5.56
<b>Sewer</b>	12,969,437	7,399,556	5,569,881	870,000	216,629	1,086,629	5.13
<b>Sports Venue</b>	4,737,203	46,281	4,690,922	430,000	2,039,591	2,469,591	1.90
<b>Total 2003</b>	67,971,086	41,512,437	26,458,649	3,433,433	2,696,206	6,129,639	4.32
<b>Bridge</b>	35,574,012	25,785,422	9,788,590	4,320,000	4,058,000	8,378,000	1.17
<b>Water</b>	15,902,648	9,801,112	6,101,536	6,645,000	427,893	7,072,893	0.86
<b>Sewer</b>	13,296,851	6,648,103	6,648,748	885,000	252,868	1,137,868	5.84
<b>Sports Venue</b>	5,188,849	68,889	5,119,960	525,000	2,018,104	2,543,104	2.01
<b>Total 2004</b>	69,962,360	42,303,526	27,658,834	12,375,000	6,756,865	19,131,865	1.45
<b>Bridge</b>	39,231,949	26,552,846	12,679,103	39,002,257	4,351,239	43,353,496	0.29
<b>Water</b>	18,736,504	10,991,334	7,745,170	943,000	467,131	1,410,131	5.49
<b>Sewer</b>	14,409,247	6,811,361	7,597,886	727,000	355,530	1,082,530	7.02
<b>Sports Venue</b>	6,169,250	39,752	6,129,498	625,000	1,922,269	2,547,269	2.41
<b>Total 2005</b>	78,546,950	44,395,293	34,151,657	41,297,257	7,096,169	48,393,426	0.71

**SCHEDULE OF REVENUE BOND  
COVERAGE BRIDGE, WATER, SEWER  
SYSTEM AND SPORTS VENUE  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 15**

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	----DEBT SERVICE REQUIREMENTS----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
Bridge	42,757,164	30,396,800	12,360,364	3,866,378	4,482,527	8,348,905	1.48
Water	25,205,737	14,010,809	11,194,928	1,263,000	704,275	1,967,275	5.69
Sewer	15,601,163	8,486,409	7,114,754	839,000	458,565	1,297,565	5.48
Sports Venue	6,614,948	173,785	6,441,163	930,000	1,818,838	2,748,838	2.34
<b>Total 2006</b>	<b>90,179,012</b>	<b>53,067,803</b>	<b>37,111,209</b>	<b>6,898,378</b>	<b>7,464,205</b>	<b>14,362,583</b>	<b>2.58</b>
Bridge	41,642,971	30,445,685	11,197,286	3,940,134	4,313,536	8,253,670	1.36
Water	28,202,867	15,098,280	13,104,587	1,558,000	986,146	2,544,146	5.15
Sewer	15,147,836	9,533,193	5,614,643	951,000	629,571	1,580,571	3.55
Sports Venue	7,344,091	240,967	7,103,124	1,040,000	1,777,551	2,817,551	2.52
<b>Total 2007</b>	<b>92,337,765</b>	<b>55,318,125</b>	<b>37,019,640</b>	<b>7,489,134</b>	<b>7,706,804</b>	<b>15,195,938</b>	<b>2.44</b>
Bridge	48,757,080	12,000,720	36,756,360	4,000,070	4,144,681	8,144,751	4.51
Water	27,357,618	17,030,252	10,327,366	1,833,000	1,279,557	3,112,557	3.32
Sewer	14,641,635	9,510,247	5,131,388	1,058,000	925,800	1,983,800	2.59
Sports Venue	7,246,612	292,815	6,953,797	1,160,000	1,731,163	2,891,163	2.41
<b>Total 2008</b>	<b>98,002,945</b>	<b>38,834,034</b>	<b>59,168,911</b>	<b>8,051,070</b>	<b>8,081,201</b>	<b>16,132,271</b>	<b>3.67</b>
Bridge	43,724,135	11,495,654	32,228,481	4,171,233	4,151,127	8,322,360	3.87
Water	28,533,033	17,782,323	10,750,710	2,158,000	1,121,489	3,279,489	3.28
Sewer	20,088,346	9,431,314	10,657,032	1,364,000	890,814	2,254,814	4.73
Sports Venue	6,509,630	469,113	6,040,517	1,285,000	1,679,338	2,964,338	2.04
<b>Total 2009</b>	<b>98,855,144</b>	<b>39,178,404</b>	<b>59,676,740</b>	<b>8,978,233</b>	<b>7,842,768</b>	<b>16,821,001</b>	<b>3.55</b>
Bridge	46,097,657	11,364,003	34,733,654	4,863,665	3,923,865	8,787,530	3.95
Water	29,428,479	17,217,851	12,210,628	6,505,300	6,019,456	12,524,756	0.97
Sewer	23,017,464	12,091,058	10,926,406	4,944,669	2,958,338	7,903,007	1.38
Sports Venue	6,193,405	541,473	5,651,932	1,430,000	1,616,288	3,046,288	1.86
<b>Total 2010</b>	<b>104,737,005</b>	<b>41,214,385</b>	<b>63,522,620</b>	<b>17,743,634</b>	<b>14,517,947</b>	<b>32,261,581</b>	<b>1.97</b>

**NOTE:**

(1) Includes Operating Revenue and Interest Earnings.

(2) Includes Operating Expenses other than Interest Expense, Depreciation, Amortization, and other non-operating expenses.

(3) Revenue Bond Coverage is equal to Net Revenue Available for Debt Service divided by total Debt Service Requirements.

**SOURCE:**

City of Laredo, Texas



**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 16

BUSINESS-TYPE ACTIVITIES										
FISCAL YEAR	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES				
	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	REVENUE BONDS	CAPITAL LEASE OBLIGATIONS	NOTES PAYABLE	REVENUE BONDS	NOTES PAYABLE	CAPITAL LEASE OBLIGATIONS	GENERAL OBLIGATIONS BONDS	CERTIFICATES OF OBLIGATIONS
2001	\$ 87,910,000	\$ 64,275,000	\$ 39,315,000	\$ 1,755,866	\$ 1,530,000	\$ 53,740,466	\$ 35,265,098	\$ 64,688	\$ -	-
2002	83,630,000	70,045,000	39,315,000	1,302,201	1,445,000	60,733,150	35,435,119	24,767	-	-
2003	87,705,000	77,210,000	39,410,000	2,023,643	1,445,000	60,471,080	35,760,468	-	-	-
2004	74,435,000	78,065,000	38,360,000	1,482,916	1,275,000	70,500,273	37,233,251	-	-	-
2005	88,040,000	65,685,000	37,135,000	1,960,619	1,190,000	95,751,703	25,519,803	-	-	-
2006	79,690,000	76,250,000	36,205,000	2,629,868	1,105,000	104,293,969	24,513,658	-	-	-
2007	72,200,000	145,745,000	35,165,000	5,165,702	1,020,000	116,533,053	23,478,758	-	-	-
2008	64,585,000	218,255,000	34,005,000	3,297,905	935,000	114,675,138	22,413,922	-	-	-
2009	27,989,344	172,020,000	32,720,000	1,730,061	850,000	108,065,223	21,317,923	-	32,100,655	115,815,000
2010	\$ 24,945,491	\$ 167,815,685	\$ 31,290,000	\$ 938,307	\$ 765,000	\$ 107,656,000	\$ 20,494,474	\$ -	\$ 26,894,509	\$ 123,299,316
TOTAL PRIMARY GOVERNMENT		PERSONAL INCOME		PER CAPITA						
2001	\$ 283,856,118	\$ 16,085	\$ 1,470							
2002	291,930,237	16,584	1,450							
2003	304,025,191	17,079	1,464							
2004	301,351,440	17,653	1,477							
2005	315,282,125	20,127	1,464							
2006	324,687,495	20,127	1,445							
2007	399,307,513	21,423	1,725							
2008	458,166,965	22,346	1,930							
2009	512,608,206	22,409	2,199							
2010	\$ 504,098,782	\$ not available	\$ 2,061							

**NOTES:**

(1) Median income data for calculation of Percentage of Personal Income calculation for 2010 fiscal year were unavailable when report was compiled.

**SOURCE:**

City of Laredo, Texas

Bureau of Economic Analysis, U.S. Department of Commerce

**DEMOGRAPHICS STATISTICS  
LAST THREE CENSUS**

**CITY OF LAREDO, TEXAS**

**TABLE 17**

	<b>1980 CENSUS</b>	<b>1990 CENSUS</b>	<b>2000 CENSUS</b>
<b>TOTAL POPULATION BY RACE:</b>			
WHITE	82,997	87,048	145,267
BLACK	89	144	652
OTHER	8,363	35,707	31,524
HISPANIC PERCENTAGE	93.03%	93.86%	94.10%
TOTAL HOUSEHOLDS	23,903	33,998	46,852
HOUSEHOLD POPULATION	90,613	122,899	173,532
AVERAGE HOUSEHOLD SIZE	3.79	3.61	3.70
<b>TOTAL POPULATION BY AGE:</b>			
0-5	11,583	17,081	18,516
6-13	16,239	20,316	18,620
14-17	8,258	10,093	16,054
18-24	12,059	17,987	29,608
25-34	13,060	20,316	28,489
34-44	8,525	14,752	23,657
44-54	7,733	9,964	17,104
54-64	6,108	8,541	10,746
65+	7,884	10,223	13,782
MEDIAN AGE TOTAL POPULATION	23.6	24.7	26.9
MEDIAN AGE ADULT POPULATION	38	36.8	36.8
<b>HOUSEHOLD INCOME:</b>			
\$ 0 - \$ 7,499	8,925	7,639	5,398
\$ 7,500 - \$ 9,999	2,497	3,074	1,799
\$ 10,000 - \$ 14,999	4,036	4,169	4,996
\$ 15,000 - \$ 24,999	4,997	5,600	8,208
\$ 25,000 - \$ 34,999	2,068	3,865	6,814
\$ 35,000 - \$ 49,999	903	3,226	7,078
\$ 50,000 - \$ 74,999	341	1,765	6,780
\$ 75,000	163	1,096	5,835
MEDIAN HOUSEHOLD INCOME	\$10,761	\$15,610	\$29,108
AVERAGE HOUSEHOLD INCOME	13,998	N/A	N/A
MEDIAN FAMILY INCOME	11,985	17,532	30,449
AGGREGATE HOUSEHOLD INCOME	\$334,980	\$708,920	N/A
PERSONAL INCOME	\$544,382,000	\$1,264,416,000	\$2,933,682,000

**SOURCE:**

(Continued)

Laredo Chamber of Commerce

**DEMOGRAPHIC STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 17**

**(Continued)**

<b>FISCAL PERIODS</b>	<b>CIVILIAN LABOR FORCE</b>	<b>UNEMPLOYMENT</b>	<b>UNEMPLOYMENT RATE</b>	<b>EMPLOYMENT</b>
2000	69,595	4,303	6.20%	65,292
2001	71,508	4,551	6.40%	66,957
2002	75,639	5,028	6.60%	70,611
2003	76,985	4,998	6.50%	71,987
2004	81,839	4,655	6.52%	77,184
2005	81,721	4,103	5.00%	77,618
2006	86,447	3,938	4.60%	82,509
2007	84,800	3,680	4.30%	81,120
2008	86,187	4,647	5.40%	81,540
2009	91,457	7,756	8.50%	83,701
2010	90,396	6,776	7.50%	83,620

**SOURCE:**

Texas Labor Market Information

Numbers as of September 30 for each year

# **DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS**

CITY OF LAREDO, TEXAS

**TABLE 17**

(Continued)

FISCAL PERIODS	GROWTH INDICATORS (2)				POSTAL RECEIPTS (3)
	ELECTRIC (1)	GAS	WATER	SEWER	
2000	59,122	23,474	45,700	44,802	8,270,103
2001	61,487	23,366	47,402	46,508	8,795,525
2002	63,946	23,543	49,158	47,041	8,955,000
2003	66,504	23,717	50,997	48,715	13,850,000
2004	69,164	23,414	52,754	50,282	14,680,000
2005	72,604	27,617	55,252	52,565	15,510,000
2006	70,083	31,733	57,489	54,568	16,420,000
2007	72,624	32,123	59,409	56,065	17,120,000
2008	78,080	33,054	60,519	57,851	18,142,000
2009	75,042	33,702	61,171	57,903	19,132,000
2010	75,497	28,862	62,195	58,726	18,462,380

## **NOTES:**

(1) Electric increase was estimated by 4.00% for 2001 - 2004. For 2008, the total is as of December 31, 2008

(2) Amount represents number of active customer accounts.

(3) Represents total revenue collected.

\* Legislation prohibits disclosure of telephone accounts information.

## **SOURCES:**

Finance Department of respective entities

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL PERIODS (10)**

CITY OF LAREDO, TEXAS

TABLE 18

FISCAL PERIODS	COMMERCIAL CONSTRUCTION (A)		RESIDENTIAL CONSTRUCTION (A)		BANK (B) DEPOSITS	PROPERTY VALUE (A)			
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE		COMMERCIAL	RESIDENTIAL	VACANT PROPERTY	EXEMPTIONS (1)
2001	143	\$ 122,363,666	1293	\$ 90,029,908	\$ 5,596,945,000	\$ 2,283,642,411	\$ 2,691,339,590	\$ 236,351,860	\$ 417,619,788
2002	698	182,767,445	1424	123,932,146	6,390,861,000	2,049,091,128	2,851,889,227	258,396,087	896,821,868
2003	860	71,199,808	1495	128,619,147	6,671,288,000	2,216,703,462	3,075,832,429	297,613,702	519,598,749
2004	1020	150,716,661	1342	126,225,481	9,050,235,000	2,665,287,322	3,214,021,140	298,947,650	623,203,260
2005	1132	178,001,202	1847	198,367,334	9,080,074,000	3,003,777,851	3,643,413,881	284,434,270	575,505,390
2006	721	166,713,553	2281	221,625,892	9,871,067,000	3,251,967,681	4,022,266,136	307,462,870	605,370,550
2007	520	180,125,787	2024	198,450,164	10,830,093,000	3,538,252,162	4,689,485,109	342,911,010	670,387,610
2008	278	152,367,779	1250	132,572,308	7,606,202,000	3,971,864,502	5,699,588,209	369,653,970	647,577,934
2009	148	52,017,727	709	96,056,087	7,592,090,000	4,402,760,384	6,257,490,215	397,063,450	671,339,004
2010	110	\$ 70,266,920	622	\$ 96,580,902	\$ 8,183,979,000	\$ 4,571,159,052	\$ 6,448,188,579	\$ 377,615,393	\$ 773,831,223

**NOTES:**

(1) Total exemptions include Homestead, Veteran, Agricultural exemptions. Homestead valuations increased in 1983 from \$3,000 to \$7,500, to \$10,000 in 1986, and to \$20,000 in 1987. Veterans valuations range from \$1,500 to \$3,000 based on disability percentage. Agriculture valuations represent land used for ranching and farming.

**SOURCES:**

(A) City of Laredo, Texas

(B) Commerce Bank N.A.  
Falcon International Bank  
International Bank of Commerce  
Texas Community Bank, N.A.

Note: Limited to locally-owned banks.

**PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 19**

<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL CITY EMPLOYMENT</b>
United Independent School District	6,153	7.36%
Laredo Independent School District	4,591	5.49%
City of Laredo	2,366	2.83%
U.S. Border Patrol	1,700	2.03%
H.E.B. Grocery	1,602	1.92%
Webb County	1,450	1.73%
Laredo Medical Center	1,433	1.71%
McDonald's Restaurants	1,200	1.44%
Texas A & M International University	1,195	1.43%
Convergys	1,009	1.21%

**PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2001**

United Independent School District	3,675	5.49%
Laredo Independent School District	3,349	5.00%
City of Laredo	2,100	3.14%
Mercy Regional Medical Center	3,000	4.48%
H.E.B Grocery Store	1,247	1.86%
Webb County	1,165	1.74%
Laredo Community College	1,012	1.51%
U.S. Border Patrol	1,007	1.50%
McDonald's Restaurants	800	1.19%
Texas A&M Int'l University	696	1.04%

Principal Employers numbers as of September 2010 and 10 years ago.

**SOURCE:**

Laredo Development Foundation

**PRINCIPAL WATER CONSUMERS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 20**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	99,753,900
Texas A&M International University	Education	48,055,400
Laredo Community College	Education	48,054,500
New Webb County Jail	County Jail	22,338,200
Laredo Municipal Housing Corp.	Housing	21,730,600
Laredo Regional Medical Center	Hospital	21,523,600
United High School	Education	20,438,000
Towne North Mobile Homes	Housing	15,018,200
J C Evans Construction	Construction	14,334,900
C.P.L Power Plant	Utility	12,262,000

**PRINCIPAL WATER CONSUMERS  
SEPTEMBER 30, 2001**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Mercy Health Center	Hospital	84,256,000
Texas A&M International University	School	38,841,300
Webb County Jail	County	20,946,700
Bovis Construction Company	Industry	19,089,400
CP&L Power Plant	Electricity	16,319,600
City of Laredo	Government	15,249,300
Laredo Regional Medical Center	Hospital	14,554,900
Holiday Inn-Laredo	Storage	14,183,900
United High School	School	13,836,301
Landa Property Management	Service	13,259,000

(1) Total consumption by gallon.

Numbers show total comparison for principal water consumers as of fiscal year 2009 and 10 years ago.

**SOURCE:**

City of Laredo, Texas

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

**General**

Form of Government:	City Manager & City Council
Terms of Office:	Mayor-4 Year Term (2 Terms Maximum) City Council-4 Year Staggered Terms (2 Terms Maximum) City Manager-Appointed by City Council
Date of First Charter Adoption:	1848
Date of Original Public Sale Of Town Lots:	1880
Second Charter:	February 23, 1911
Home Rule Amendment to Charter:	January 29, 1921
Amendments to Charter:	July 8, 1941, January 8, 1946, October 9, 1951, April 3, 1962, November 30, 1965, January 14, 1981, January 16, 1988, November 7, 1995 and August 28, 2006
Number of City Employees as of September 30, 2010:	2,280
Number of City Departments as of September 30, 2010:	22

**Area in Square Miles by ten year periods for the last 50  
years and annually for the last ten years.**

YEAR	LAND AREA	INCREASE	TOTAL
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	45.32	78.82
2000	78.82	5.52	84.34
2001	78.30	1.12	79.42
2002	79.42	0.34	79.76
2003	80.84	0.34	81.18
2004	81.18	2.26	83.44
2005	83.44	1.11	84.55
2006	84.55	1.38	85.93
2007	85.93	0.36	86.29
2008	86.29	2.95	89.24
2009	89.24	0.49	89.73
2010	89.73	6.52	96.25



**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

continued

**Elections**

Number of Registered Voters: 107,515

**Number of Votes cast in**

Last Municipal Election: Nov 10 30,413

**% of Registered Voter voting in**

Last Municipal Election: 28.29%

**TRANSPORTATION**

**AIRPORTS**

Number of Airports: 1

Name of Airport: Laredo International Airport  
Flights daily to/from  
Houston, Dallas, & Las Vegas

Scheduled Airplane Flights  
Per Day Departing: Monday - Friday 8 flights per day  
Saturday - Sunday 8 flights per day

Scheduled Airplane Flights  
Per Day Arriving: Monday - Friday 8 flights per day  
Saturday - Sunday 8 flights per day

Passengers Enplaning: 108,781 per year

Passengers Deplaned: 112,777 per year

**BRIDGES**

Number of Bridges: 4

Name of Bridges: Gateway to the Americas Bridge  
Juarez - Lincoln International Bridge  
Colombia Solidarity Bridge  
World Trade Bridge

Number of crossing Pick-ups,  
Motorcycles, Autos & 2 Axle  
Vehicles: 6,244,917

Number of crossing Commercial  
Vehicles: 1,575,893

Number of crossing Passenger  
(includes bicycles): 3,746,170

Total Tolls \$42,820,134

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

continued

**RAILROADS**

Number of Railroads: 4  
Names of Railroads: Texas-Mexican Railroad  
Union Pacific Railroad  
American President Lines  
Pacer Stacktrain

**HIGHWAYS**

Number of Highways: 4  
Name of Major Highways IH 35, To San Antonio, Dallas & North to The Candian Border  
Hwy. 59 - To Houston, New Orleans & East  
Hwy. 359 - To Corpus Christi  
Hwy. 83 - To Brownsville (east) & El Paso (west)

**BUS LINES**

Name of Local Bus line: Laredo Transportation  
Management Inc. (El Metro)  
El Aguila Rural Transportation  
(Webb County)

Number of Adult Passengers: 1,919,838

Number of Elderly & Handicapped Paid: 251,766

Number of Elderly & Handicapped Free: 535373 (Free)

Number of Students: 209,093

Number of Children Paid: 102,900

Number of Children Free: 73,861

Number of Transfers: 314,960

Number of I.D. cards for elderly 3,814

Number of Medical Cards 1,855

Number of Service Miles: 1,974,027

Number of Charter Miles: 0

Number of Employees: 157

Name of Interstate Bus Lines: Autobuses Latinos de Greyhound,  
El Conejo,  
Americanos USA,  
Turimex,  
Valley Transit  
Sendor  
Kerrville Bus Company

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010****CITY OF LAREDO, TEXAS****TABLE 21****FIRE PROTECTION**

continued

Number of Stations:	14
Number of Hydrants:	12,000
Number of Fire Pumpers:	14
Number of Aerial Trucks:	3
Number of Ambulances:	9
Number of Crash Trucks:	1
Number of Brush Trucks:	7
Number of Haz-Mat Trucks:	1
Number of Firefighters:	357
Number of EMS Paramedics:	228
Employees per 1,000 population:	1.66

**POLICE PROTECTION**

Number of Stations:	1 Police Headquarters
Number of Neighborhood Policing Stations:	17
Number of Sworn Officers:	420
Number of Vehicular Patrol Units:	309
Employees per 1,000 Population:	1.86
Number of Law Violations:	35,123
Number of Physical Arrests:	7,832
Number of Traffic Violations:	37,492
Number of 911 Calls:	158,922
Number of Non-911 Calls:	222,698

**MEDICAL FACILITIES**

Number of Hospitals:	4
Number of Clinics:	59
Number of Nursing Homes:	3
Number of Ambulance Services:	12

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

**PUBLIC WORKS**

continued

**WATERWORKS SYSTEM**

Miles of Water Mains:	702
Daily Average Consumption:	35.942 Million GDP
Plant Capacity:	65 M.G.D.
Storage Capacity:	145.162 M.G.D.
Water Rights Owned:	55,366 A.C./ F.T.
Source of Water:	Rio Grande
Number of Service Connections:	62,195

**SEWER SYSTEM**

Mile of Sanitary Sewer:	450
Number of Lift Stations:	74
Daily Average Treatment:	17.8 MGD
Maximum Capacity of Treatment Plants:	22.7 MGD
Number of Disposal Plants:	6
Number of Service Connections:	58,726

**SOLID WASTE**

Number of Garbage Connections:	54,850
Solid Waste Disposal Type:	Landfill

**STREETS**

Number of Paved Streets:	10,568
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	660 Miles
Miles of Unpaved Streets:	16 Blocks

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

**EDUCATIONAL**

continued

**LAREDO INDEPENDENT SCHOOL DISTRICT**

<b>Number of Senior High Schools:</b>	4
Number Of Magnet Schools:	3
Number of Classrooms:	377
Number of Administrative Personnel:	26
Number of Teachers	435
Number of Students:	6,272
Annual Budget:	\$41,666,002
<b>Number of Middle Schools:</b>	4
Number of Classrooms:	274
Number of Administrative Personnel:	18
Number of Teachers:	345
Number of Students:	4,678
Annual Budget	\$28,552,733
<b>Number of Elementary Schools:</b>	20
Number of Classrooms:	871
Number of Administrative Personnel:	47
Number of Teachers:	823
Number of Students:	14,193
Annual Budget:	\$70,510,093

**UNITED INDEPENDENT SCHOOL DISTRICT**

continued

<b>Number of Senior High Schools:</b>	4
Number Of Magnet Schools:	3
Number of Classrooms:	628
Number of Administrative Personnel:	105
Number of Teachers:	735
Number of Students:	11,537
Annual Budget:	\$62,214,631
<b>Number of Middle Schools:</b>	10
Number of Classrooms:	523
Number of Administrative Personnel:	82
Number of Teachers:	582
Number of Students:	9,330
Annual Budget:	\$48,220,696
<b>Number of Elementary Schools:</b>	27
Number of Classrooms:	1,350
Number of Administrative Personnel:	157
Number of Teachers:	1,243
Number of Students:	20,884
Annual Budget:	\$98,696,723

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010****CITY OF LAREDO, TEXAS****TABLE 21**

continued

**LIBRARIES**

Number of Public Libraries:	1
Number of Volumes:	253,857
Circulation transactions:	469,380
Circulation per Capita:	2.26
New Library Cards Issued:	23,225
Library Cards in Force:	150,316
Number of Subscriptions:	249
Number of Titles:	193,204
Number of Library Visits:	339,685
Number of Materials Used:	103,568
Library Programs Presented:	1,536
Number Attending Library Programs:	54,109
Bookmobiles:	2
Branches and Outlets:	2

**PRIVATE SCHOOLS**

Number of Parochial Schools:	38
Vocational Training Centers:	12

**COMMUNICATIONS**

Number of Daily Newspapers	1
Major Newspaper:	Laredo Morning Times
Number of Radio Stations:	8
Number of TV Stations:	7
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

**TEXAS A&M INTERNATIONAL UNIVERSITY**

continued

Date Established:	Established in 1970 as a division of Texas A & I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M U. System on September 1, 1989.
Programs Offered:	Undergraduate & Graduate, and Doctoral degrees are offered by the Colleges of Business Administration, Education, Arts & Humanities & Science & Tech.
Population served:	Undergraduate/Graduate level college students seeking Liberal Arts, Education, Psycology, Business, International Trade, Science and Technology Degrees
Region Served:	South Texas Region
Number of Classrooms/Labs:	113
Number of Administrators:	157
Number of Full-Time Faculty:	210
Number of Part-Time Faculty:	78
Number of Full-Time Students:	3,839
Number of Part-Time Students:	3,014

**LAREDO COMMUNITY COLLEGE**

Date Founded:	1947
Programs Offered:	Associates of Art , Degrees in Engineering Education, Medicine, Dentistry, Nursing, Law, Business Administration, Computer Science and Vocational Education.
Number of Classrooms (Inc. labs):	331
Total Gross Square Footage:	1,054,327 Sq. Ft.
Number of Administrative Personnel:	143
Number of Full Time Faculty:	197
Number of Part Time Faculty:	130
Number of Full Time Students:	3,759
Number of Part Time Students:	6,266
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$49,642,753



**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

continued

**RECREATIONAL**

**PARKS**

Number of Acres Maintained:	877.9
Number of Parks:	67
Number of Plazas:	4
Baseball & Softball Fields:	41
Number of Swimming Pools:	6
Number of Soccer Fields:	21
Number of Tennis Court Facilities:	18 courts in 5 facilities
Number of Raquetball Facilities:	5 courts in 2 facilities
Number of Recreational Centers:	7
Number of Splash Parks	5
Number of Skate Parks	8

**CEMETERY**

City:	1
Catholic:	1
Private:	1
Burials Served:	241
Cemetery Lots Sold:	124

**LODGING/MEETING FACILITIES**

Number of Hotels/Motels:	44 with 4,126 rooms
Meeting Facilities:	67

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

**MAJOR ATTRACTIONS**

continued

Number of Rodeo Arenas:	2
Number of Museums:	7
Number of Golf Courses:	2
Number of Tennis Courts:	20
Number of Tennis Court Facilities:	5
Number of Malls:	1
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Laredo International Sister Cities Festival Washington Birthday Celebration in February Jamboozie Miss Laredo Pageant Founder's Day in May Miss Texas USA Pageant 4th of July Celebration SOS Concert Autmus Fest 16 de Septiembre Navidadfest Border Olympics Int.'l Cycling Circuit Race

**CIVIC CENTER**

Auditorium:	1 with 1,979 Seats
Banquet & Exhibit Hall:	20,440.8 sq ft (1,400 seats)
Meeting Rooms:	4 Meeting Rooms with capacity of 64 Per Room
Parking Spaces:	962

**CHURCHES**

Number of Catholic Churches:	20, including 5 Missions
Number of Synagogues:	1
Other Churches:	47

**MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

**SPORTS ARENA**

continued

Square Feet:	178,000
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	4
Food Courts:	2
Team Stores:	1
Parking Spaces	2,000
Major Attraction	CFL Hockey Team: The Laredo Bucks

**SOURCES:**

Finance Department, City of Laredo  
Laredo Chamber of Commerce  
Laredo Community College  
Laredo Independent School District  
Texas A&M International University  
United Independent School District  
Laredo Entertainment Center

**INSURANCE IN FORCE FOR THE CITY OF LAREDO  
INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM  
LAREDO WATERWORKS SYSTEM, AND THE LAREDO  
SEWER SYSTEM  
SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**TABLE 22**

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$349,583,333
ALL PREMISES	General Liability	1,000,000
VEHICLES	Automobile Liability Auto Physical Damage	1,000,000 PER SCHEDULE, ACTUAL CASH VALUE
LIABILITY	Errors & Omissions Public Employee Dishonesty	1,000,000 1,000,000
PROPERTY	Mobile Equipment Boiler & Machinery	15,162,893 17,206,120
AIRPORT LIABILITY	Comprehensive General Liability, Personal Injury Liability Coverage Airport Control Tower Operations	Primary Policy 20,000,000 Excess Policy 50,000,000 PER OCCURANCE
LAW ENFORCEMENT	Law Enforcement Liability	1,000,000
PUBLIC OFFICIALS	Personal Injury and errors and omissions	1,000,000
WORKER'S COMPENSATION	All City employees for all funds- Employer's Liability (2)	STANDARD POLICY/ STATUTORY LIMITS
AIRPORT - FEDERAL TRADE ZONE	Federal Trade Zone Operator's Bond	\$50,000

**NOTES:**

(1) The property Fire and Extended Coverage Policy includes all Buildings owned by the City of Laredo and the contents of particular buildings. It also provides coverage for use occupancy and business interruptions for the four International Bridges operated by the City's International Toll Bridge System.

(2) Includes Volunteers and Elected Officials.

**SOURCE:**

City of Laredo, Texas

**FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION  
LAST FOUR FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 23**

	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30				
FUNCTION	2010	2009	2008	2007	2006
General Government	347.10	339.10	332.10	323.29	316.99
Public Safety					
Police					
Officers	455.00	455.00	455.00	399.00	411.00
Civilians	89.00	89.00	89.00	105.00	84.00
Fire					
Firefighters and Officers	357.00	357.00	350.00	333.00	333.00
Civilians	10.00	10.00	9.00	9.00	8.00
Other Civilians	62.00	62.00	62.00	61.00	60.00
Public Works	118.00	118.00	119.00	113.50	83.50
Health and Welfare	279.88	251.88	250.55	248.88	257.60
Culture and Recreation	245.93	245.93	241.93	238.68	231.28
Air Transportation	47.00	42.00	37.00	43.00	41.00
Bridge System	207.00	218.00	212.00	212.00	213.00
Solid Waste Management System	132.00	168.00	168.00	169.00	169.00
Water System	188.00	179.00	169.00	179.00	146.00
Sewer System	72.00	69.00	69.00	69.00	48.00
Transit System	184.70	184.70	179.31	179.31	179.31
Municipal Housing	11.00	11.00	11.00	11.25	10.25
<b>Total</b>	<b><u>2,805.61</u></b>	<b><u>2,799.61</u></b>	<b><u>2,753.89</u></b>	<b><u>2,693.91</u></b>	<b><u>2,591.93</u></b>

Notes:

(1) This table was implemented by GASB starting on fiscal year 2006.

**SOURCE:**

City of Laredo Budget Department

**OPERATING INDICATORS BY FUNCTION  
LAST THREE FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 24**

<b>FUNCTION</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>	<b>FISCAL YEAR 2010</b>
<b>Police</b>			
Physical arrests	7,882	8,319	7,832
Vehicle inspections	321	818	29
Bridge operations conducted	6	134	115
Emergency calls	155,379	189,312	158,922
Non-emergency calls	276,857	288,998	222,698
Dispatched calls	432,236	478,310	381,620
Public awareness/training/education	22	65	63
<b>Fire</b>			
Fire department responses	11,798	8,002	9,333
Inspections	2,061	3,067	1,873
Arson cases investigated	51	84	80
Public education presentations	89	65	77
<b>Public Works</b>			
Street resurfaced	357	600	490
Potholes repaired	23,842	23,733	23,967
<b>Bridge</b>			
Pedestrian crossings	4,362,476	4,124,272	3,746,170
Gateway passes sold	4,255,304	4,010,461	3,638,851
Non-commercial vehicle crossings	3,930,715	3,644,695	4,669,024
Commercial vehicle crossings	1,608,566	1,400,969	1,575,893
Non-commercial AVI accounts	12,261	13,000	14,033
Commercial AVI accounts	2,060	2,150	2,819
<b>Culture and recreation</b>			
Community center admissions	280,372	294,342	365,265
Community service special events	67	74	63
After school programs	5	11	14
<b>Transit System</b>			
Passenger ridership	4,014,848	3,369,008	3,365,661
Miles driven	1,991,672	1,980,520	1,968,004
<b>Sanitation</b>			
Household customers	54,245	54,588	54,850
Refuse collected (tons)	101,457	100,083	95,384
Recyclables collected (tons)	3,328	3,385	4,200
<b>Water</b>			
Average daily consumption (millions of gallons)	36.72	37.96	32.60
Meters read	59,840	60,880	61,675
Service calls	7,269	6,973	6,943
<b>Wastewater</b>			
Average daily sewage treatment (millions of gallons)	18.04	17.45	18.00
<b>Airport</b>			
Commercial Service Airlines	3	3	3
Land/Building Leases	93	90	89
Inbound/Outbound Passengers serviced	220,520	203,854	221,558
Scheduled Flights per day	8	8	8

**Notes:**

(1) This table was implemented by GASB starting on fiscal year 2006.

**SOURCE:**

City of Laredo, Texas

**CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST FIVE FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 25**

<b>FUNCTION</b>	<b>FISCAL YEAR 2010</b>	<b>FISCAL YEAR 2009</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2006</b>
<b>Public Safety</b>					
Police:					
Stations	18	18	18	18	17
Patrol Units	468	413	433	470	457
Fire:					
Stations	14	14	14	14	14
EMS Units	9	13	13	9	9
Ladder Trucks	3	3	3	3	3
Pumper Trucks	14	17	18	14	16
<b>Highways and Streets</b>					
Public Works:					
Streets - lane miles	660	656	641	631	610
Traffic:					
Traffic Signals	246	243	241	239	231
Street Lights	13,261	13,087	13,035	12,800	12,100
Other Traffic Control Signs	33,775	33,475	32,500	31,500	30,000
<b>Bridge System</b>					
International Bridges	4	4	4	4	4
<b>Culture and Recreation</b>					
Parks Acreage	878	838	1,035	738	618
Parks	71	70	64	71	52
Swimming Pools	6	6	6	6	6
Community Centers	10	8	8	7	7
Convention Centers	1	1	1	1	1
<b>Transit System</b>					
Buses	48	47	47	47	47
Trolleys	3	2	2	2	2
<b>Sanitation</b>					
Collection Trucks - Rear Loaders	20	21	21	25	25
Collection Trucks - Automated	41	31	29	29	29
Collection Trucks - Dump Trucks	3	3	4	4	5
Collection Trucks - Grapplers	6	6	6	2	2
<b>Water</b>					
Water Mains (miles)	702	702	681	660	629
Fire Hydrants	3,221	3,155	2,920	2,740	2,524
Maximum Daily Capacity (millions of gallons)	65	65	65	65	65
<b>Wastewater</b>					
Sanitary Sewer (miles)	450	491	473	426	426
Storm Sewer (miles)	230	202	121	113	107
Maximum Daily Treatment Capacity (millions of gallons)	22.70	21.10	21.00	21.05	21.05
<b>Air Transportation</b>					
Airports	1	1	1	1	1

**Notes:**

(1) This table was implemented by GASB starting on fiscal year 2006.

**SOURCE:**

City of Laredo, Texas

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## **CONTINUING DISCLOSURE INFORMATION**

The following tables are hereby submitted in order to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12 for Continuing Disclosures of Information related to the new bonds issued during fiscal years 1996, 1998, 1999, 2000, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, and 2010. The tables apply to the following issues:

International Toll Bridge System Revenue Refunding Bond, Series 1996	\$ 17,995,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 1996	2,040,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 1998	1,430,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 1999	2,830,000
International Toll Bridge System Revenue Bond, Series 1999	9,000,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2000	2,060,000
Combination Tax and Sewer System Revenue Certificate of Obligation, Series 2000	1,820,000
Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 2000	2,485,000
Combination Tax and Revenue (CIF-Bridge) Certificate of Obligation, Series 2000	9,365,000
Tax and Revenue Certificate of Obligation, Series 2002	9,925,000
International Toll Bridge System Revenue Bond, Series 2002	12,105,000
Sewer System Revenue Bond, Series 2002A	2,095,000
Sewer System Revenue Bond, Series 2002B	2,620,000
Waterworks System Revenue Bond, Series 2002	741,000
Sewer System Revenue Bond, Series 2002	710,000
General Obligation Refunding Bond, Series 2003	4,590,000
Combination Tax and Sewer System Revenue Certificate of Obligation, Series 2003	3,620,000
Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 2003	3,510,000
Combination Tax and Revenue Certificate of Obligation, Series 2004	13,535,000
International Toll Bridge System Revenue Bond, Series 2004	5,935,000
Waterworks & Sewer System Revenue Refunding Bonds, Series 2004	6,215,000
Waterworks & Sewer System Revenue Bonds, Series 2004	7,480,000
General Obligation Refunding Bonds, Series 2005	24,455,000
Sports Venue Sales Tax Revenue Improvement and Refunding Bond, Series 2005	33,550,000
International Toll Bridge System Rev. Improvement and Refunding Bond, Series 2005	23,760,000
International Toll Bridge System Revenue Refunding Bond, Series 2005	24,565,000
Waterworks & Sewer Systems Revenue Bond, Series 2005	6,420,000
Combination Tax and Revenue Certificate of Obligation, Series 2005	15,625,000
General Obligation Refunding Bond, Series 2006	17,865,000
Combination Tax and Revenue Certificate of Obligation, Series 2006	17,320,000
Public Property Finance Contractual Obligations, Series 2006	3,680,000
Waterworks & Sewer Systems Revenue Bond, Series 2006	13,485,000
Waterworks & Sewer Systems Revenue Bond, Series 2007	17,670,000
Combination Tax and Revenue Certificate of Obligation, Series 2007	72,480,000
Combination Tax, Waterworks, and Sewer System Certificate of Obligation, Series 2008	46,235,000
International Toll Bridge System Revenue Bond, Series 2008	3,070,000
Tax and Revenue Certificate of Obligation, Series 2008	30,065,000
Public Property Finance Contractual Obligations, Series 2008	3,555,000
Waterworks & Sewer Systems Revenue Bond, Series 2008	915,000
General Obligation Refunding Bond, Series 2009	27,150,000
Public Property Finance Contractual Obligations, Series 2009	5,095,000
Combination Tax and Revenue Certificate of Obligation, Series 2009A	11,270,000
Combination Tax and Revenue Certificate of Obligation, Series 2009B (BAB)	13,465,000
Waterworks & Sewer Systems Revenue Bond, Series 2009C	13,475,000
Combination Tax and Revenue Certificate of Obligation, Series 2009D (BAB)	37,945,000
Public Property Finance Contractual Obligations, Series 2010	5,080,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2010	4,095,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010	2,070,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010B	\$ 2,040,000

# GENERAL OBLIGATION BONDS

**TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS**

2009 Market Valuation Established by Webb County Appraisal District (as of September 2009)		11,396,963,024
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	229,401,131	
Disabled Veterans Exemptions	10,584,744	
Agricultural and Open Space Land Use Reductions	194,787,592	
Free Port Exemptions	215,618,030	
Property Redevelopment and Tax Abatement	105,400,303	
Pollution Control	13,768,140	
Solar and Wind Power Exemptions	4,027,473	
Warehouse Goods in Transit Exemption	<u>243,810</u>	<u>773,831,223</u>
2009 Taxable Assessed Valuation		10,623,131,801
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	24,945,491	
Certificates of Obligation	<u>167,815,685</u>	
Funded Debt Payable from Ad Valorem Taxes		192,761,176
Less: Self-supporting Debt		
Bridge System General Obligation Debt	4,561,828	
Bridge System Certificates of Obligation	1,895,000	
Airport System Certificates of Obligation	5,450,000	
Environmental Services Certificates of Obligation	22,150,685	
Parking System General Obligation Debt	352,007	
Parking System Certificates of Obligation	1,885,000	<u>36,294,520</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes		156,466,656
Interest and Sinking Fund		6,529,078
Ratio Funded Debt to Taxable Assessed Valuation		1.81%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.47%
2010 Estimated Population-	244,580	
Per Capita Taxable Assessed Valuation-	\$43,434	
Per Capita Funded Debt-	\$788	
Per Capita General Purpose Funded Debt-	\$640	

- (1) The above statement of indebtedness does not include the following revenue bonds, as these are payable solely from the net revenues of the System, as defined in the bond ordinance authorizing the bonds: \$108,616,030 Waterworks System Revenue Bonds; \$66,833,508 Sewer System Revenue Bonds; \$84,572,923 International Toll Bridge System Revenue Bonds; \$10,004,575 Transit System Revenue Bonds; \$7,357,543 Solid Waste Revenue Bonds; and \$32,720,000 Sports Venue Sales Tax Revenue Bonds.

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2010	2009		2008		
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,642,149,175	49.51%	5,512,603,199	49.85%	4,953,719,865	49.33%
Real, Residential, Multifamily	350,283,403	3.07%	334,225,503	3.02%	314,091,897	3.13%
Real, Vacant Lots/Tracts	377,615,393	3.31%	397,063,450	3.59%	369,653,970	3.68%
Real, Acreage (Land Only)	377,971,484	3.32%	331,543,882	3.00%	349,849,007	3.48%
Real, Farm and Ranch Improvements	2,104,590	0.02%	2,539,350	0.02%	1,404,310	0.01%
Real, Commercial/Industrial	3,005,989,286	26.38%	2,862,878,623	25.89%	2,623,142,905	26.12%
Real, Oil, Gas, and Other Mineral Reserves	20,606,845	0.18%	33,697,085	0.30%	27,148,765	0.27%
Real and Tangible Personal, Utilities	196,643,590	1.73%	230,761,250	2.09%	172,801,560	1.72%
Tangible Personal, Commercial/Industrial	1,264,466,251	11.09%	1,210,511,686	10.95%	1,102,980,512	10.98%
Tangible Personal, Other	75,679,927	0.66%	76,578,281	0.69%	80,523,130	0.80%
Real Property, Inventory (1)	63,248,160	0.55%	39,264,150	0.36%	18,066,770	0.18%
Special Inventory	<u>20,204,920</u>	<u>0.18%</u>	<u>25,647,590</u>	<u>0.23%</u>	<u>27,723,990</u>	<u>0.25%</u>
Total Appraised Value Before Exemptions	11,396,963,024	100.00%	11,057,314,049	100.00%	10,041,106,681	100.00%
Less: Total Exemptions/Reductions	<u>773,831,223</u>		<u>671,339,004</u>		<u>647,577,934</u>	
Taxable Assessed Value	<u>10,623,131,801</u>		<u>10,385,975,045</u>		<u>9,393,528,747</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2007	2006		
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	4,405,051,162	48.98%	3,783,773,978	47.30%
Real, Residential, Multifamily	284,433,947	3.16%	238,492,158	2.98%
Real, Vacant Lots/Tracts	342,911,010	3.81%	307,462,870	3.84%
Real, Acreage (Land Only)	293,240,703	3.26%	295,301,820	3.69%
Real, Farm and Ranch Improvements	1,125,845	0.01%	1,172,000	0.01%
Real, Commercial/Industrial	2,357,953,648	26.22%	2,170,073,381	27.13%
Real, Oil, Gas, and Other Mineral Reserves	29,016,290	0.32%	23,701,090	0.30%
Real and Tangible Personal, Utilities	165,448,100	1.84%	148,055,620	1.85%
Tangible Personal, Commercial/Industrial	985,834,124	10.96%	910,137,590	11.38%
Tangible Personal, Other	84,319,470	0.94%	87,551,570	1.09%
Real Property, Inventory (1)	13,407,900	0.15%	6,290,910	0.08%
Special Inventory	<u>30,437,410</u>	<u>0.34%</u>	<u>27,674,220</u>	<u>0.35%</u>
Total Appraised Value Before Exemptions	8,993,179,609	100.00%	7,999,687,207	100.00%
Less: Total Exemptions/Reductions	<u>585,142,683</u>		<u>550,543,393</u>	
Taxable Assessed Value	<u>8,408,036,926</u>		<u>7,449,143,814</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Webb County Appraisal District to the State Controller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

- (1) Real inventory properties in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.

**TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

Fiscal Year Ended <u>9-30</u>	Estimated Population <u>(1)</u>	Taxable Assessed Valuations <u>(2)</u>	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2001	193,117	4,354,083,033	22,546	152,185,000	3.50%	788
2002	201,292	4,713,792,517	23,418	153,675,000	3.26%	763
2003	207,611	5,070,586,594	24,423	151,940,000	3.00%	732
2004	214,000	6,018,438,664	28,124	152,500,000	2.53%	713
2005	215,375	6,773,135,203	31,448	153,725,000	2.27%	714
2006	224,695	7,449,143,814	33,152	155,940,000	2.09%	694
2007	231,470	8,408,036,926	36,325	217,945,000	2.59%	942
2008	237,396	9,393,528,747	39,569	282,840,000	3.01%	1,191
2009	233,152	10,385,975,045	44,546	200,009,344	1.93%	858
2010	244,580	10,623,131,801	43,434	192,761,176	1.81%	788

(1) Source: City of Laredo and Laredo Development Foundation.

(2) As reported by the Webb County Appraisal District on City's annual State Property Tax Board Reports.

**TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY**

Fiscal Year Ended <u>9-30</u>	Tax Rate	Distribution General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2001	0.576358	0.417750	0.158603	27,168,694	95.05%	101.57%
2002	0.576358	0.435878	0.140480	32,039,639	95.92%	103.11%
2003	0.630534	0.484758	0.145776	33,435,345	99.97%	107.29%
2004	0.641761	0.500648	0.141113	38,455,159	97.42%	105.58%
2005	0.637000	0.508677	0.128323	43,209,681	96.49%	104.70%
2006	0.637000	0.512019	0.124981	47,451,046	96.84%	103.73%
2007	0.637000	0.513745	0.123255	53,559,195	87.31%	93.31%
2008	0.637000	0.511426	0.125574	59,584,704	97.08%	103.17%
2009	0.637000	0.512737	0.124263	65,642,287	96.27%	102.37%
2010	0.637000	0.512772	0.124228	66,926,927	96.58%	102.05%

Tax collections as of September 30, 2010

**TABLE 5 – TEN LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>Type of Business</u>	2009 Assessed Valuation Real & Personal <u>Property</u>	Percentage of Total Assessed <u>Valuation</u>
Laredo Texas Hospital Co., LP	Medical	104,560,410	0.98%
The Geo Group, Inc.	Corrections	52,769,480	0.50%
Mall Del Norte, LLC	Retail	52,630,460	0.50%
AEP Texas Central Company	Electricity	45,142,760	0.42%
Laredo Regional Medical Center, LP	Medical	44,354,480	0.42%
Electric Transmission of Texas, LLC	Electricity	36,509,720	0.34%
International Bank of Commerce	Banking	35,222,910	0.33%
Killam Ind. Dev. Partnership, Ltd.	Development	33,287,120	0.31%
San Isidro Northeast, Ltd.	Developer	32,941,770	0.31%
H.E. Butt Grocery Company	Grocery Store	29,168,450	0.27%
		<u>466,587,560</u>	4.39%

NOTE: These taxpayers are current on all taxes.

GENERAL OBLIGATION DEBT LIMITATION...The City held a charter election on November 7, 1995. The voters approved Proposition 24 (2,093 in favor, 522 against), which stated that the total overall outstanding debt shall be limited to 10% of the total assessed value.

## TABLE 6 – ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities may have issued additional debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

<u>Taxing Jurisdiction</u>	<u>2009 Taxable Assessed Valuation</u>	<u>2009 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-10</u>
City of Laredo	10,623,131,801	0.637000	192,761,176	100.00%	192,761,176
Laredo Independent School District	2,210,534,746	1.274000	223,478,863	100.00%	223,478,863
Laredo Community College District	10,663,550,947	0.238120	177,219,179	100.00%	177,219,179
United Independent School District	9,452,946,324	1.194860	306,424,455	75.62%	231,718,173
Webb County	13,686,713,978	0.420050	70,919,660	76.63%	<u>54,345,735</u>
Total Direct and Overlapping G.O. Tax Debt					<u>879,523,126</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.89%
Per Capita Overlapping G. O. Tax Debt					3,772.32

Source: Finance Departments of respective entities.

## TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2011.....	\$	20,384,837
Interest and Sinking Fund, 9-30-2010.....	6,529,078	
Property Taxes for Interest and Sinking Fund.....	13,092,021	
Paving Assessments.....	17,999	
Budgeted Transfers.....	9,282,511	
Estimated Investment Income.....	<u>52,515</u>	<u>28,974,124</u>
Estimated Balance, 9-30-2011.....	\$	<u><u>8,589,287</u></u>

**TABLE 8A – GENERAL OBLIGATION DEBT SERVICE**

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2009 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2011	8,907,600	1,951,050	10,858,650	6,429,736	4,428,914	14.51%
2012	8,668,538	1,266,438	9,934,976	6,098,860	3,836,116	
2013	8,265,288	2,054,712	10,320,000	6,360,768	3,959,232	
2014	6,889,286	2,069,001	8,958,287	4,981,402	3,976,885	
2015	4,206,306	642,907	4,849,213	1,529,088	3,320,125	
2016	4,597,431	72,019	4,669,450	1,557,702	3,111,748	74.13%
2017	4,664,931	72,019	4,736,950	1,561,466	3,175,484	
2018	1,894,767	1,636,433	3,531,200	1,125,217	2,405,983	
2019	1,460,200	-	1,460,200	690,321	769,879	
2020	1,149,700	-	1,149,700	375,411	774,289	
2021	771,450	-	771,450	-	771,450	100.00%
Total	<u>51,475,497</u>	<u>9,764,579</u>	<u>61,240,076</u>	<u>30,709,971</u>	<u>30,530,105</u>	



**TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE**

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2010A	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2011	22,688,077	326,306	23,014,383	10,312,166	12,702,217	5.10%
2012	25,008,766	329,656	25,338,422	10,301,967	15,036,455	
2013	24,893,605	327,650	25,221,255	10,065,776	15,155,479	
2014	25,456,554	325,406	25,781,960	10,079,277	15,702,683	23.50%
2015	24,325,608	327,806	24,653,414	10,072,853	14,580,561	
2016	24,321,570	324,850	24,646,420	10,077,936	14,568,484	
2017	24,322,167	326,538	24,648,705	10,081,237	14,567,468	
2018	24,333,301	327,750	24,661,051	10,086,550	14,574,501	
2019	23,739,862	328,488	24,068,350	9,420,552	14,647,798	52.76%
2020	23,751,853	328,750	24,080,603	9,422,490	14,658,113	
2021	23,194,001	328,537	23,522,538	9,052,844	14,469,694	
2022	23,160,931	327,850	23,488,781	9,033,035	14,455,746	
2023	22,354,329	326,687	22,681,016	8,335,919	14,345,097	
2024	21,734,419	325,050	22,059,469	8,024,026	14,035,443	81.63%
2025	21,079,991	327,819	21,407,810	7,512,060	13,895,750	
2026	19,801,684	324,994	20,126,678	7,475,189	12,651,489	
2027	18,403,373	326,575	18,729,948	7,431,808	11,298,140	
2028	11,795,553	327,444	12,122,997	6,822,126	5,300,871	
2029	9,105,122	327,600	9,432,722	6,775,441	2,657,281	100.00%
2030	6,731,177	-	6,731,177	6,731,177	-	
2031	6,679,706	-	6,679,706	6,679,706	-	
2032	6,635,327	-	6,635,327	6,635,327	-	
2033	6,582,334	-	6,582,334	6,582,334	-	
2034	3,361,440	-	3,361,440	3,361,440	-	100.00%
2035	3,306,065	-	3,306,065	3,306,065	-	
2036	3,243,796	-	3,243,796	3,243,796	-	
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
Total	459,369,025	6,215,756	465,584,781	216,281,511	249,303,270	

**TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT**

Computation of Self-supporting Debt-Airport		
Net Airport Revenue from Fiscal Year Ended 9-30-10	1,105,416	
Less: Airport Revenue Bond Requirements, 2011 Fiscal Year Ended	<u>495,697</u>	
Balance Available for Other Purposes	609,719	
Airport General Obligation Bond Requirements, 2011 Fiscal Year Ended	<u>-</u>	
Balance	<u><u>609,719</u></u>	
Percentage of Airport General Obligation Bonds Self-supporting		0%
Computation of Self-supporting Debt-Sewer System		
Net Revenue from Fiscal Year Ended 9-30-10	(2,127,487)	
Less: Sewer System Revenue Bond Requirements, 2011 Fiscal Year Ended	<u>1,937,992</u>	
Balance Available for Other Purposes	(4,065,479)	
Sewer System General Obligation Bond Requirements, 2011 Fiscal Year Ended	<u>2,391,113</u>	
Balance	<u><u>(6,456,592)</u></u>	
Percentage of Sewer System General Obligation Bonds Self-supporting		100%
Computation of Self-supporting Debt-Waterworks System		
Net Revenues from Fiscal Year Ended 9-30-10	(9,809,166)	
Less: Waterworks Revenue Bond Requirements, 2011 Fiscal Year Ended	<u>2,180,027</u>	
Balance Available for Other Purposes	(11,989,193)	
Waterworks System General Obligation Bond Requirements, 2011 Fiscal Year Ended	<u>3,540,782</u>	
Balance Available for Other Purposes	<u><u>(15,529,975)</u></u>	
Percentage of Waterworks System General Obligation Bonds Self-supporting		100%
Computation of Self-supporting Debt-Mass Transit		
Net Revenue from Fiscal Year Ended 9-30-10	(1,570,071)	
Less: Mass Transit Revenue Bond Requirements, 2011 Fiscal Year Ended	<u>826,424</u>	
Balance Available for Other Purposes	(2,396,495)	
Mass Transit General Obligation Bond Requirements, 2011 Fiscal Year Ended	<u>444,601</u>	
Balance	<u><u>(2,841,096)</u></u>	
Percentage of Mass Transit General Obligation Bonds Self -supporting		100%

**TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT (CONTINUED)**

Computation of Self-supporting Debt-Solid Waste Fund (Landfill Fund)	
Net Revenue from Fiscal Year Ended 9-30-10	1,444,804
Less: Solid Waste Revenue Bond Requirements, 2011 Fiscal Year Ended	<u>1,473,809</u>
Balance Available for Other Purposes	(29,005)
Solid Waste General Obligation Bond Requirements, 2011 Fiscal Year Ended	<u>52,883</u>
Balance	<u><u>(81,888)</u></u>
Percentage of Solid Waste General Obligation Bonds Self-supporting	
	100%

**TABLE 10 - OTHER OBLIGATIONS**

<u>Fiscal Year Ended September 30</u>	<u>Lease Payments</u>
2011	420,559
2012	307,800
2013	307,801
Total Minimum Lease Payments	1,036,160

**Pension Obligation**

The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System (TMRS), a statewide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

## FINANCIAL INFORMATION

**TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY**

Fiscal Year Ended September 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:					
Taxes	79,720,751	79,205,602	76,258,746	70,690,523	64,247,927
Franchises	6,668,731	6,788,837	6,793,268	6,506,014	6,569,349
Licenses & Permits	5,833,700	5,804,115	5,423,364	6,148,720	6,042,780
Intergovernmental	1,581,037	506,126	880,661	1,351,157	671,140
Charges for Services	32,533,435	30,572,648	32,406,865	28,275,249	28,527,167
Fine and Special Assessment	3,230,565	2,819,186	3,006,348	2,629,702	2,574,351
Interest and Other	921,017	1,568,003	1,758,899	1,889,840	1,438,940
Other	<u>1,390,982</u>	<u>1,578,719</u>	<u>1,990,745</u>	<u>1,750,572</u>	<u>1,628,421</u>
Total Revenues	<u>131,880,218</u>	<u>128,843,236</u>	<u>128,518,896</u>	<u>119,241,777</u>	<u>111,700,075</u>
Expenditures:					
General Government	17,864,806	17,603,178	16,708,796	16,548,260	16,245,198
Public Safety	89,777,961	86,642,904	84,875,344	75,891,973	69,093,638
Public Works	6,838,476	6,603,736	7,261,913	7,465,068	6,098,378
Health and Welfare	870,349	958,764	920,952	560,866	438,132
Culture and Recreation	10,499,519	10,162,597	11,114,135	10,551,572	10,025,521
Capital Outlay	<u>18,458,452</u>	<u>9,539,344</u>	<u>114,517</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>144,309,563</u>	<u>131,510,523</u>	<u>120,995,657</u>	<u>111,017,739</u>	<u>101,900,867</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,429,345)</u>	<u>(2,667,287)</u>	<u>7,523,239</u>	<u>8,224,038</u>	<u>9,799,208</u>
Transfers In	2,608,800	1,969,695	12,685	733,997	490,317
Bond/Capital Lease Proceeds	2,070,000	-	46,235,000	144,235	-
Capital Lease Payments	-	(102,232)	(102,232)	(400,000)	-
Bond Costs	(70,000)	-	(766,853)	-	-
Bond Premium	-	-	772,484	-	-
Transfers Out	(5,326,814)	(4,527,830)	(3,885,302)	(6,836,898)	(6,111,145)
Contributions	17,394,912	9,340,787	(46,471,173)	-	-
Sale of Assets	<u>6,356</u>	<u>58,685</u>	<u>155,843</u>	<u>192,338</u>	<u>52,450</u>
Total Transfers In/(Out)	<u>16,683,254</u>	<u>6,739,105</u>	<u>(4,049,548)</u>	<u>(6,166,328)</u>	<u>(5,568,378)</u>
Net Increase (Decrease)	4,253,909	4,071,818	3,473,691	2,057,710	4,230,830
Prior Period Adjustment	-	-	-	-	2,536,853
Beginning Fund Balance	<u>30,692,423</u>	<u>26,620,605</u>	<u>23,146,914</u>	<u>21,089,204</u>	<u>14,321,521</u>
Ending Fund Balance	<u><u>34,946,332</u></u>	<u><u>30,692,423</u></u>	<u><u>26,620,605</u></u>	<u><u>23,146,914</u></u>	<u><u>21,089,204</u></u>

## TABLE 12 – MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, VATCS, Tax Code Chapter 321, which grants the City the power to impose and levy a 1% Local Sales Tax within the City proceeds of which are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9-30	Total Collected (2)	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita (1)
2001	18,461,983	68%	0.3917	95.60
2002	21,447,813	67%	0.3858	106.55
2003	22,547,235	67%	0.4252	108.60
2004	24,374,768	63%	0.4050	113.90
2005	26,433,198	61%	0.3902	122.73
2006	29,894,463	63%	0.4013	133.04
2007	31,384,048	59%	0.3733	135.59
2008	32,518,723	55%	0.3476	136.98
2009	30,308,403	46%	0.2941	129.99
2010	29,339,115	44%	0.2792	119.96

(1) Based on estimated population for all years.

(2) The City has also collected a 1/4 of 1% Local Sales and Use Tax since September, 1991 for funding of its Mass Transit System and a 1/4 of 1% since January 2001 for the Sports & Community Venue Project. The total collected column includes only amount collected for the City and Sports & Community Venue.

The sales tax breakdown for the City is as follows:

Webb County	0.50%
Mass Transit Sales & Use Tax	0.25%
Sports Venue Tax	0.25%
City Sales & Use Tax	1.00%
State Sales & Use Tax	<u>6.25%</u>
Total	<u>8.25%</u>

## TABLE 13 - CURRENT INVESTMENTS

As of September 30, 2010, all of the City's investments consisted of secured certificates of deposits and government investment pools. The City's certificate of deposit portfolio had a weighted average maturity of 196 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 137,864,053
Certificates of Deposit	<u>209,425,711</u>
Total	\$ <u>347,289,764</u>

## LAREDO BRIDGE SYSTEM

The system presently consists of the Gateway to the Americas Bridge (Bridge No. 1), the Juarez/Lincoln International Bridge (Bridge No. 2), the Columbia Solidarity Bridge (Bridge No. 3), and the World Trade Bridge (Bridge No. 4). Bridge No. 1 was built in 1956 and was enlarged to a 40-foot width. It has four vehicular traffic lanes with 8-foot covered pedestrian sidewalks on each side and aluminum outside railings. Bridge No. 2 was built in 1976. Total width of Bridge No. 2 is 98.4 feet and accommodates up to eight vehicular traffic lanes with a sidewalk and includes protective barriers and high curbs to separate the sidewalk from the roadway. Bridge No. 3 was built in 1991. This bridge structure is a simple plan structure consisting of six 12' wide vehicular lanes. Bridge No. 4 was built in 2000 and has eight vehicle lanes.

The system presently has 25 toll lanes, all of which are equipped with an automated toll collection system which counts truck axles and charges accordingly. The toll collection process was recently restructured and upgraded to include a weight-in-motion system for truck toll collections for the Laredo Bridge System. The bridge system employs a staff of 207 employees, approximately 78 of which are directly involved in toll collection operations. Another 129 employees are involved in various aspects of administration, including maintenance, toll technicians, accounting, customer service, traffic control, and general administration.

## LAREDO BRIDGE SYSTEM CURRENT AND HISTORICAL INFORMATION

**TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC**

CALENDAR YEAR	NON- COMMERCIAL VEHICLES	COMMERCIAL VEHICLES	TOTAL VEHICLES	PEDESTRIANS
2001	7,744,421	1,398,064	9,142,485	4,281,313
2002	7,023,501	1,454,517	8,478,018	4,101,208
2003	7,020,005	1,397,421	8,417,426	4,028,299
2004	7,025,709	1,453,807	8,479,516	4,133,170
2005	6,655,426	1,485,435	8,140,861	3,993,263
2006	6,056,829	1,704,727	7,761,556	4,148,359
2007	5,718,799	1,662,549	7,381,348	4,161,523
2008	5,539,281	1,608,566	7,147,847	4,362,476
2009	5,045,664	1,400,969	6,446,633	4,124,272
2010	4,669,024	1,575,893	6,244,917	3,746,170

**TABLE 2 - TOLL RATES FOR THE SYSTEM**

New Rate Schedule (Southbound only) Effective  
October 24, 2008:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

Old Rate Schedule (Southbound only) Effective  
April 25, 2008:

Pedestrians	\$0.50
Children under 6 years of age	Free
Bicycle and Rider	\$0.50
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

**TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM**

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2010</u>	<u>FISCAL YEAR</u> <u>2009</u>	<u>FISCAL YEAR</u> <u>2008</u>	<u>FISCAL YEAR</u> <u>2007</u>	<u>FISCAL YEAR</u> <u>2006</u>
OCT	3,638,421	3,672,960	3,931,482	3,260,281	3,055,601
NOV	3,490,378	3,432,820	3,853,868	3,294,600	3,335,389
DEC	3,832,483	3,748,609	3,985,808	3,420,517	3,604,785
JAN	3,322,648	3,118,442	3,658,372	2,960,412	3,088,928
FEB	3,252,861	3,105,349	3,669,850	2,904,326	2,984,542
MAR	3,751,600	3,391,086	3,745,655	3,289,547	3,452,262
APR	3,583,838	3,322,093	3,817,597	3,076,696	3,080,672
MAY	3,632,644	3,242,775	3,792,909	3,209,794	3,305,073
JUN	3,685,688	3,328,502	3,794,493	3,244,151	3,293,072
JUL	3,327,520	3,514,620	3,866,801	3,161,768	3,245,281
AUG	3,705,904	3,465,722	3,750,195	3,251,761	3,314,186
SEP	<u>3,596,149</u>	<u>3,473,276</u>	<u>3,709,228</u>	<u>2,977,709</u>	<u>3,341,970</u>
TOTAL	<u>42,820,134</u>	<u>40,816,254</u>	<u>45,576,258</u>	<u>38,051,562</u>	<u>39,101,761</u>



**TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM**

Fiscal Year Ended <u>9-30</u>	Bond			SIB Loan <u>Total</u>	Total Outstanding <u>Debt</u>	% of Total Debt Service <u>Retired</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2011	4,230,000	2,856,897	7,086,897	1,697,708	8,784,605	8.07%
2012	4,390,000	2,679,132	7,069,132	1,697,709	8,766,841	
2013	4,605,000	2,499,951	7,104,951	1,697,708	8,802,659	
2014	4,815,000	2,284,965	7,099,965	1,697,709	8,797,674	
2015	5,055,000	2,062,228	7,117,228	1,697,708	8,814,936	
2016	5,310,000	1,811,790	7,121,790	1,697,708	8,819,498	48.47%
2017	5,585,000	1,547,941	7,132,941	1,697,708	8,830,649	
2018	5,870,000	1,269,742	7,139,742	1,697,708	8,837,450	
2019	3,270,000	976,544	4,246,544	1,697,708	5,944,252	
2020	2,770,000	818,398	3,588,398	1,697,709	5,286,107	
2021	2,905,000	678,132	3,583,132	1,697,708	5,280,840	79.85%
2022	3,055,000	530,161	3,585,161	1,697,708	5,282,869	
2023	2,285,000	373,618	2,658,618	1,697,708	4,356,326	
2024	2,400,000	255,306	2,655,306	1,697,708	4,353,014	
2025	2,010,000	131,006	2,141,006	1,697,708	3,838,714	
2026	210,000	31,086	241,086	1,697,708	1,938,794	98.00%
2027	220,000	21,195	241,195	1,697,666	1,938,861	
2028	<u>230,000</u>	<u>10,833</u>	<u>240,833</u>	<u>-</u>	<u>240,833</u>	100.00%
TOTAL	<u>59,215,000</u>	<u>20,838,925</u>	<u>80,053,925</u>	<u>28,860,997</u>	<u>108,914,922</u>	

**TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>REVENUES</u></b>					
Toll Receipts	42,820,134	40,816,254	45,576,258	38,051,562	39,101,761
Rental of Facilities	2,700,169	2,417,709	2,182,015	2,120,862	2,001,395
Miscellaneous	<u>377,044</u>	<u>29,871</u>	<u>61,891</u>	<u>14,811</u>	<u>20,091</u>
Total	<u>45,897,347</u>	<u>43,263,834</u>	<u>47,820,164</u>	<u>40,187,235</u>	<u>41,123,247</u>
<b><u>EXPENSES</u></b>					
Personnel Services	6,950,196	7,759,920	7,646,420	7,474,294	6,801,387
Materials and Supplies	494,239	403,344	749,864	677,734	908,535
Contractual Services (1)	3,867,475	3,316,797	3,589,207	3,250,608	3,095,352
Other	<u>52,093</u>	<u>15,593</u>	<u>15,229</u>	<u>18,268</u>	<u>41,395</u>
Total	<u>11,364,003</u>	<u>11,495,654</u>	<u>12,000,720</u>	<u>11,420,904</u>	<u>10,846,669</u>
<b><u>NON-OPERATING REVENUE</u></b>					
Interest Earnings-Restricted	163,246	103,219	762,427	1,114,714	1,369,477
Interest Earnings-Unrestricted	37,064	369,021	204,796	259,386	252,161
Unrealized Gain/(Loss) on Investments	<u>-</u>	<u>(11,939)</u>	<u>(30,307)</u>	<u>81,636</u>	<u>12,279</u>
Net Revenues Available for for Debt Service	34,733,654	32,228,481	36,756,360	30,222,067	31,910,495
Debt Service	<u>8,789,230</u>	<u>8,325,916</u>	<u>8,147,182</u>	<u>8,259,332</u>	<u>8,353,498</u>
Surplus Revenues	<u>25,944,424</u>	<u>23,902,565</u>	<u>28,609,178</u>	<u>21,962,735</u>	<u>23,556,997</u>

- (1) Contractual Services consist of administrative overhead and monthly payments made to the City for services provided to the System from surplus revenues of the System.

**TABLE 6 – COVERAGE AND FUND BALANCES**

DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS		
Average Annual Principal and Interest Requirements on System Revenue Bonds, 2011 through 2028	\$	4,447,440
Coverage of Average Requirements by 9-30-10 Net Income		5.83
Maximum Annual Principal and Interest Requirements, after FYE 2011 through 2028		
	\$	7,139,742
Coverage of Maximum Requirements by 9-30-10 Net Income		3.63
Reserve Fund	\$	4,447,440
Contingency Fund	\$	500,000
DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS AND SIB LOAN		
Average Annual Principal and Interest Requirements on First Lien Revenue Bonds plus SIB Loan, 2011 through 2028	\$	6,050,829
Coverage of Average Requirements by 9-30-10 Net Income		4.29
Maximum Annual Principal and Interest Requirements, after FYE 2011 through 2028	\$	8,837,450
Coverage of Maximum Requirements by 9-30-10 Net Income		2.94

**TABLE 7 – HISTORICAL DEBT SERVICE COVERAGE ANALYSIS**

Fiscal Year	Operating and Non-Operating Revenues	Direct Operating Expenses(1)	Net Revenue Available For Debt Service	Total Debt Service Requirements	Coverage
2001	31,705,719	6,912,094	24,793,625	5,860,790	4
2002	34,408,912	8,412,238	25,996,674	5,869,449	4
2003	34,836,756	8,725,694	26,111,062	6,881,277	4
2004	35,574,197	9,206,714	26,367,483	6,800,179	4
2005	39,231,949	10,018,330	29,213,619	5,281,103	6
2006	42,757,164	10,846,669	31,910,495	8,353,498	4
2007	41,642,971	11,420,904	30,222,067	8,259,332	4
2008	48,757,080	12,000,720	36,756,360	8,147,182	5
2009	43,724,135	11,495,654	32,228,481	8,325,916	4
2010	46,097,657	11,364,003	34,733,654	8,789,230	4

(1) Operating expenses do not include depreciation expense and non-operating expenses.

## LAREDO INTERNATIONAL AIRPORT

The City of Laredo International Airport encompasses approximately 1,892 acres of which 900 acres are dedicated to aviation for passenger and air cargo terminals, runways, taxiways and aprons, and 982 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by the following scheduled airlines: American Eagle to Dallas/Fort Worth, Express Jet and Chautaugua Airlines d/b/a Continental Express to Houston Bush Intercontinental and Allegiant Air to Las Vegas, Nevada. On average, the airlines have in total nine (9) daily scheduled round trip flights. A top priority for the Airport is the re-instatement of direct air service to Mexico City and Guadalajara, Mexico. Furthermore, our passenger terminal also houses a full service restaurant, gift shop & duty free concession, ATM, five car rental companies, and Federal Inspection Facility and Transportation Security Administration.

In the area of commercial passenger enplanement activity for 2009 decreased by 1.8% compared to 2008. The decrease is less than the average of national decline. The downturn of the global economy is the reason for the decrease. Allegiant Air has added additional summer time flights and this will boost passenger activity. Allegiant Air operates the 150-passenger MD-80 mainline jet aircraft

The airport passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges to twenty gates by the year 2025. The passenger capacity for the terminal is 600 passengers per hour and the Federal Inspection Station has capacity for 300 passengers per hour.

Three (3) scheduled cargo operators and fifteen (15) charter air cargo companies are currently serving the Airport. Major air cargo operators at the Laredo International Airport include: Federal Express, UPS Supply Chain Solutions, Air Transport Inc., Kallita Charters, USA Jet, AmeriJet, USA/TSM, Cherry Air, AmeriStar, IFL Group, Air Cargo Carriers, Inc., and Contract Air. Cargo decreased during 2009 by approximately 7% due to the downturn in the global economy primarily the automotive sector which sector accounts for approximately 90 percent of Laredo's air cargo.

During June 2007 the Federal Aviation Administration's approved Laredo's Airport Noise Compatibility Update Study. A significant number of residents became eligible to participate in the City's voluntary noise abatement program. This program consists of the following options:

- Offer to acquire the fee simple interest, or
- Offer to soundproof, if feasible, the residential structure in exchange for an aviation easement, or
- Offer to acquire the aviation easement.

The estimated cost of the airport noise abatement program for the next eight to ten years is \$48.0 million of which the Federal Aviation Administration, under the current program, would fund 95% of the program cost.

Projects completed during 2009 included the Rehabilitation of General Aviation Apron Phase 4 at a cost of \$3.5 million, rehabilitation of Runway 14/32 at a cost of \$3.0 million and reconstruction of Runway 17R/35L at a cost of \$10.5 million. The Federal Aviation Administration paid 95% of the cost.

Projects for 2010 include construct a Federal Inspection Facility, extend Runway 17R by approximately 900 feet, upgrade electrical vault that services the airfield to include new emergency power generator and upgrade the lighting and electrical at Runway 17R/35L.

During the past fifteen (15) years, the City and the Federal Aviation Administration have invested over \$155 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue in 2010 and into the future.

The airport leases facilities and land to aviation service providers, retailers, medical institutions, and public entities.

The goal of City Council to develop a Regional Medical Center on airport non-aeronautical use land is being realized. The University of Texas Health Science Center (UTHSC) inaugurated the first building of

its medical research and education campus in Laredo in 2002, and the second building was completed in 2007. UTHSC is located adjacent to Mercy Regional Medical Center. During 2006, Laredo Specialty Hospital and Gateway Health Clinic completed the construction of their facilities and are currently offering medical services to the public.

Calendar Year	Enplaned Passengers	Deplaned Passengers	Gross Landed Weight (lbs.)
1998	78,223	75,135	460,763,819
1999	89,306	87,017	374,202,303
2000	89,905	87,807	420,000,000
(1)2001	69,049	67,835	226,136,780
2002	74,286	73,719	261,473,820
2003	73,638	72,345	272,367,959
2004	81,342	81,924	366,161,425
2005	90,653	92,932	374,434,576
2006	92,783	93,979	360,000,000
2007	113,004	111,464	341,198,304
(2)2008	107,553	109,912	272,960,000
2009	102,065	105,107	265,480,642

- (1) Because of the terrorist attacks of September 11, 2001, the airport experienced an 8.0 percent decline in passenger activity for CY 2001. As a result of a weak national economy during all of CY 2001, air cargo declined by approximately 46 percent.
- (2) Global economic conditions during 2008 negatively affected both passenger and cargo activity.

**TABLE 1- SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	Fiscal Years Ended September 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:								
FAA	\$ -	\$ -	\$ -	\$ 388,321	\$ 391,895	\$ 349,076	\$ 287,124	\$ 287,124
State Operating Grants	106,939	109,807	82,190	100,235	102,045	98,363	94,710	135,344
Rents	5,002,207	4,281,154	4,448,507	4,399,983	3,844,104	3,525,829	3,489,304	3,777,292
Interest Earnings	2,354	55	(59)	9,019	47,672	87,095	34,837	759
Discount Earnings	-	-	-	28	-	-	-	-
Proceeds from Asset Dispositior	-	-	-	-	-	329,689	3,898,840	3,400,077
Miscellaneous	514,497	343,539	370,831	404,714	202,542	325,174	251,881	484,174
Total Revenues	<u>5,625,997</u>	<u>4,734,555</u>	<u>4,901,469</u>	<u>5,302,300</u>	<u>4,588,258</u>	<u>4,715,226</u>	<u>8,056,696</u>	<u>8,084,770</u>
Expenditures:								
Administration	2,530,733	2,433,606	2,192,701	2,318,266	2,389,787	2,686,745	3,655,870	1,888,911
Building Maintenance	638,191	618,010	568,963	654,188	389,809	427,045	370,364	373,133
Ground Maintenance	340,024	385,009	379,262	454,977	436,528	498,610	418,625	390,865
Control Tower	-	-	-	684,924	491,684	461,614	392,096	358,495
Airport Police	910,926	861,261	950,347	1,033,311	766,494	584,732	586,887	494,967
Foreign Trade Zone	19,151	19,900	18,540	14,952	14,552	14,558	13,769	13,362
Total Expenditures	<u>4,439,025</u>	<u>4,317,786</u>	<u>4,109,813</u>	<u>5,160,618</u>	<u>4,488,854</u>	<u>4,673,304</u>	<u>5,437,611</u>	<u>3,519,733</u>
Net Operating Revenues	1,186,972	416,769	791,656	141,682	99,404	41,922	2,619,085	4,565,037
Other Sources (Uses):								
Debt Service	(542,210)	(729,105)	(734,444)	(407,640)	(645,942)	(786,131)	(790,914)	(785,744)
Capital Outlay	81,556	-	(35,361)	(302,285)	(1,872,588)	(115,980)	-	-
Airport Construction Fund	(49,993)	(49,887)	(50,000)	-	-	-	-	-
Communication System Fund	-	-	-	(270,000)	(81,411)	-	-	-
General Fund	-	-	-	-	-	-	25,000	25,000
Noise Abatement	403,071	649,682	89,431	-	-	-	(315,790)	-
New Airport Terminal	-	-	-	306,641	316,373	(1,500,000)	(511,889)	-
Sale of Assets	-	1,518	1,496	4,800	-	-	-	-
Total Other Sources (Uses)	<u>(107,576)</u>	<u>(127,792)</u>	<u>(728,878)</u>	<u>(668,484)</u>	<u>(2,283,568)</u>	<u>(2,402,111)</u>	<u>(1,593,593)</u>	<u>(760,744)</u>
Excess (Deficiency) of								
Revenues Over Expenditures	916,284	288,977	62,778	(526,802)	(2,184,164)	(2,360,189)	1,025,492	3,804,293
Beginning Fund Balance	(162,753)	(451,730)	(514,508)	12,294	2,131,789	4,491,978	3,466,486	(337,807)
Prior Period Adjustment	-	-	-	-	64,669	-	-	-
Ending Fund Balance	<u>\$ 753,531</u>	<u>\$ (162,753)</u>	<u>\$ (451,730)</u>	<u>\$ (514,508)</u>	<u>\$ 12,294</u>	<u>\$ 2,131,789</u>	<u>\$ 4,491,978</u>	<u>\$ 3,466,486</u>

**TABLE 2 - DEBT SERVICE REQUIREMENT**

Fiscal Year Ended 9-30	Debt Requirement	Principal	Interest	Total	Total Outstanding Debt	% of Principal Retired
2011	\$ 178,187	135,000	201,052	336,052	514,239	6.32%
2012	177,675	140,000	194,218	334,218	511,893	
2013	176,900	145,000	187,134	332,134	509,034	
2014	175,863	155,000	179,682	334,682	510,545	
2015	179,412	165,000	171,734	336,734	516,146	
2016	177,425	175,000	163,287	338,287	515,712	37.85%
2017	180,000	180,000	154,462	334,462	514,462	
2018	177,025	190,000	145,259	335,259	512,284	
2019	178,775	195,000	135,687	330,687	509,462	
2020	179,775	205,000	125,749	330,749	510,524	
2021		220,000	115,182	335,182	335,182	67.14%
2022		230,000	103,989	333,989	333,989	
2023		240,000	92,297	332,297	332,297	
2024		255,000	79,990	334,990	334,990	
2025		270,000	66,936	336,936	336,936	
2026		280,000	53,255	333,255	333,255	87.69%
2027		295,000	38,946	333,946	333,946	
2028		310,000	23,891	333,891	333,891	
2029	-	325,000	8,090	333,090	333,090	100.00%
	<u>\$ 1,781,037</u>	<u>4,110,000</u>	<u>2,240,840</u>	<u>6,350,840</u>	<u>8,131,877</u>	

**TABLE 3 - DEBT SERVICE COVERAGE**

Average Annual Principal and Interest Requirements, 2010-2019	\$ 427,994
Coverage of Average Requirements by 9-30-09 Net Income	2.58
Maximum Annual Principal and Interest Requirements, after FYE 2010 through 2019	\$ 516,146
Coverage of Maximum Requirements by 9-30-09 Net Income	2.14

## **THE UTILITY SYSTEM**

### **WATER SUPPLY**

The City of Laredo uses surface water from the Rio Grande as its source of raw water. Water is diverted directly from the river to the immediately adjacent water treatment plant facilities by two separate river intakes, two separate river pump structures and related multiple pump units. The City of Laredo's water allotment is approximately 59,366 acre-feet of water rights.

The first "modern" design rapid sand filter plant for the City of Laredo was constructed in the years 1928-1929. The original plant was constructed on a land elevation of 400 feet and has been periodically shut down due to high levels of flood waters from the river. Due to this flooding experience, it was decided by the Waterworks Board to purchase sufficient land immediately East of the original plant site to construct a new plant. The acquired land has an elevation of 420 feet, which is above any historically recorded flood level of the Rio Grande at this location. This second plant has a capacity of one million gallons per day.

The combined pumpage capacity of the City's Upper and Lower Treatment Plants is 65 million gallons per day. The average daily demand during 2010 was approximately 32.6 million gallons per day and peak demand for 2010 was 47.47 million gallons per day. Connections to the water system as of September 30, 2010 were 62,195.

### **WASTEWATER SYSTEM**

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 22.641 million gallons per day ("MGD"). The Sewer System includes approximately 519 miles of sewer lines and 71 lift stations. The average daily treatment is 18.25 MGD with 58,726 connections as of September 30, 2010.



**TABLE 1 - WATER STORAGE AND DISTRIBUTION**

At the present time the system incorporates the following treated water storage facilities:

<u>Location</u>	<u>No. Tanks</u>	<u>No. Clear Wells</u>	<u>Storage Capacity</u>
"Old" Water Treatment Plant		1	1,000,000 gallons
"New" Water Treatment Plant		1	2,500,000 gallons
Hendricks Avenue and Main Street	2		4,000,000 gallons
Lyon Street and Meadow Avenue	2		11,000,000 gallons
Texas Street and Milmo	1		1,000,000 gallons
Airbase Storage	1 (elevated)		500,000 gallons
Station H (#2)	1		170,000 gallons
East Corridor	1		250,000 gallons
Larga Vista	1		33,000 gallons
Unitec Highway 35 North	2		170,000 gallons
South Laredo	1 (elevated)		1,000,000 gallons
North Laredo (Highland)	1 (elevated)		1,000,000 gallons
Northwest Laredo	1 (elevated)		1,000,000 gallons
MHOC	2		10,000,000 gallons
Sierra Vista	1		5,000,000 gallons
Union Pacific	1		88,000 gallons
Hachar	1		280,000 gallons
San Isidro	2		590,000 gallons
San Isidro NE	1		311,000 gallons
Millennium	1		280,000 gallons
Hwy 359	1		211,000 gallons
Las Blancas	1 (elevated)		500,000 gallons
Pico Road	1		278,000 gallons
Killam (TAMIU) Tank	1 (elevated)		2,000,000 gallons
Cuatro Vientos	1 (elevated)		2,000,000 gallons
Total Treated Water Storage			<u>45,161,000 gallons</u>

In conjunction with the existing storage, automatic booster or pumping stations serve the system. These stations are located at the tanks listed above. Two pumping stations are served by two clear wells. Currently, the system consists of approximately 708 miles of transmission and distribution lines.

In 1957, the City of Laredo entered into an agreement with Webb County to use Lake Casa Blanca Reservoir as off-channel storage for emergency use. This reservoir has an impoundment capacity of 77,800 acre feet at top of the Dam, 58,600 acre feet at maximum pool, (PMF – Probable Maximum Feet) of which 20,000 acre feet are reserved for emergency use. This agreement is still in effect.

**TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)**

Historical water usage for the City is as follows:

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage ( <u>1,000 Gallons</u> )	Peak Day Pumpage ( <u>1,000 Gallons</u> )	Total Pumpage ( <u>1,000 Gallons</u> )
2001	36,467	61,003	13,198,319
2002	37,254	61,120	13,654,310
2003	31,288	59,754	11,420,232
2004	32,231	50,231	11,764,315
2005	34,675	55,034	12,820,865
2006	40,918	58,940	14,086,761
2007	33,550	49,000	12,245,329
2008	36,720	53,640	13,345,812
2009	35,900	51,810	13,047,594
2010	32,565	47,470	11,900,196

**TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)**

Fiscal Year Ended <u>9-30</u>	Average Sewage Flow ( <u>1,000 Gallons</u> )	Total Daily Flow ( <u>1,000 Gallons</u> )
2001	15,516,000	5,663,176
2002	15,435,000	5,634,655
2003	16,767,000	6,120,027
2004	17,015,000	6,210,520
2005	16,776,000	6,123,186
2006	16,796,000	6,130,409
2007	18,215,000	6,648,535
2008	17,948,000	6,551,082
2009	17,572,000	6,413,631
2010	18,256,000	6,663,368

**TABLE 4 - TEN LARGEST WATER/SEWER USERS (GALLONS) (1)**

TYPE OF BUSINESS	CONSUMPTION (1)
Laredo Medical Center	99,753,900
Texas A&M International University	48,055,400
Laredo Community College	48,054,500
New Webb County Jail	22,338,200
Laredo Municipal Housing Corp.	21,730,600
Laredo Regional Medical Center	21,523,600
United High School	20,438,000
Towne North Mobile Homes	15,018,200
J C Evans Construction	14,334,900
C.P.L Power Plant	12,262,000

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(1) Source: City of Laredo, Texas.

**TABLE 5 - MONTHLY WATER RATES**

**Water Rates**  
**(Effective January 1, 2010)**

Inside City Limits	
Residential:	
Monthly minimum, including use of 2,000 gallons per month	7.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.45
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.55
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.62
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.72
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	1.82
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	1.90
Per 1,000 gallons per month in excess of 50,000 gallons per month	3.80
Multi-Family and Commercial:	
Monthly minimum, including use of 2,000 gallons per month	28.11
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.55
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.58
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	1.84
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.10
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	2.37
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	2.90
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.59
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	3.68
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

**TABLE 5 - MONTHLY WATER RATES (CONTINUED)**

**Old Rates  
(Effective January 1, 2009)**

Inside City Limits	
Residential:	
Monthly minimum, including use of 2,000 gallons per month	7.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.38
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.48
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.54
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.64
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	1.73
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	1.81
Per 1,000 gallons per month in excess of 50,000 gallons per month	3.62
Multi-Family and Commercial:	
Monthly minimum, including use of 2,000 gallons per month	26.77
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.48
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.50
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	1.75
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.00
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	2.26
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	2.76
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.42
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	3.50
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

**TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)**

**Sewer Rates  
(Effective October 1, 2009)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	\$8.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	\$2.29
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$2.33
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$2.45
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$2.63
The maximum charge will be up to 30,000 gallons and the equivalent of \$36.89.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	\$18.35
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	\$1.69
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$1.89
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	\$1.98
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	\$2.16
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	\$2.24
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	\$2.49
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	\$3.27
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	\$3.96

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

The rates for sewer outside the City Limits shall be two times those established for commercial rates.

**Old Rates  
(Effective April 1, 1997)**

Inside City Limits	
Residential:	
Monthly minimum, including use of 4,000 gallons per month	\$8.50
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$1.03
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$1.08
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$1.14
The maximum charge will be up to 30,000 gallons and the equivalent of \$30.89.	
<b>TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION) (CONTINUED)</b>	
Commercial:	
Monthly minimum, including use of 4,000 gallons per month	\$13.00
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$1.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$1.31
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$1.37
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	\$1.43
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	\$1.48
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 50,000 gallons per month	\$1.54
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 100,000 gallons per month	\$1.60
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 150,000 gallons per month	\$1.65
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 200,000 gallons per month	\$1.71
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 250,000 gallons per month	\$1.77
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 300,000 gallons per month	\$1.82
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 350,000 gallons per month	\$1.88
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 400,000 gallons per month	\$1.94
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of	\$2.00

450,000 gallons per month	
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 500,000 gallons per month	\$2.05
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 550,000 gallons per month	\$2.11
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 600,000 gallons per month	\$2.16
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 650,000 gallons per month	\$2.22
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 700,000 gallons per month	\$2.28
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 750,000 gallons per month	\$2.34
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 800,000 gallons per month	\$2.39
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 850,000 gallons per month	\$2.45
Per 1,00 gallons (for the next 50,000 gallons) per month in excess of 900,000 gallons per month	\$2.51
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 950,000 gallons per month	\$2.57
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	\$2.62
There shall be no maximum monthly charges for commercial users.	
Outside City Limits	
The rates for water outside the City limits shall be two times those established for commercial rates	



TABLE 7

# VALUE OF SYSTEM-CITY OF LAREDO UTILITIES

	2010			2009			2008		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	153,166,635	114,484,049	267,650,684	145,432,603	112,466,222	257,898,825	120,792,897	93,917,054	214,709,951
Vehicles and Equipment	7,512,781	7,649,439	15,162,220	6,914,288	7,322,401	14,236,689	6,811,377	7,494,843	14,306,220
Buildings	22,206,391	21,224,034	43,430,425	13,395,112	21,209,597	34,604,709	13,245,692	18,308,734	31,554,426
Land and Improvements	34,482,381	4,531,525	39,013,906	29,811,988	4,531,525	34,343,513	21,617,530	4,531,525	26,149,055
Easements	121,934	201,395	323,329						
Construction In Progress	36,186,936	24,817,915	61,004,851	28,722,303	11,528,447	40,250,750	16,385,573	7,948,202	24,333,775
Less: Total Depreciation	(86,006,220)	(55,378,617)	(141,384,837)	(79,123,908)	(49,705,564)	(128,829,472)	(73,120,032)	(44,615,508)	(117,735,540)
Value After Depreciation	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887
	2007			2006					
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities			
System Improvements	113,881,674	89,431,498	203,313,172	110,303,883	74,321,403	184,625,286			
Vehicles and Equipment	5,449,703	5,865,521	11,315,224	4,464,891	5,443,216	9,908,107			
Buildings	13,245,692	18,308,734	31,554,426	13,245,692	17,759,212	31,004,904			
Land and Improvements	19,792,793	4,531,525	24,324,318	18,012,171	4,531,252	22,543,696			
Construction In Progress	10,870,641	4,769,294	15,639,935	5,782,543	15,180,078	20,962,621			
Less: Total Depreciation	(68,006,208)	(39,990,212)	(107,996,220)	(62,790,899)	(35,956,413)	(98,747,312)			
Value After Depreciation	95,124,295	82,916,560	178,040,855	89,018,281	81,279,021	170,297,302			

**TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM**

Fiscal Year Ended Sept. 30,	2010			2009			2008		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<u>Resources:</u>									
Net System Value	\$ 167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887
Cash and Investments	81,639,476	44,109,722	125,749,198	91,353,207	56,418,094	147,771,301	73,341,316	50,294,270	123,635,586
Other Sources	13,201,529	4,155,250	17,356,779	5,665,612	3,520,180	9,185,792	5,241,840	4,000,808	9,242,648
Total Resources	262,511,843	165,794,712	428,306,555	242,171,205	167,290,902	409,462,107	184,316,193	141,879,928	326,196,121
<u>Obligations:</u>									
Bonds Payable	112,753,816	62,641,553	175,395,369	107,802,522	66,627,155	174,429,677	72,779,717	59,144,593	131,924,310
Less: Bond Funds	(2,370,132)	(1,531,444)	(3,901,576)	(2,060,373)	(1,546,107)	(3,606,480)	(2,128,548)	(1,583,837)	(3,712,385)
Other Obligations	110,383,684	61,110,109	171,493,793	105,742,149	65,081,048	170,823,197	70,651,169	57,560,756	128,211,925
Total Obligations	18,296,292	5,539,658	23,835,950	14,185,069	3,167,643	17,352,682	11,215,993	3,793,936	15,009,929
	128,679,976	66,649,767	195,329,743	119,327,218	68,248,691	188,175,879	81,867,162	61,354,692	143,221,854
City's Equity In System	\$ 133,831,867	100,144,945	232,976,812	122,843,987	99,042,211	221,286,228	102,449,031	80,525,236	182,974,267
Percentage City's Equity In System	50.98%	60.40%	54.39%	50.73%	59.20%	54.40%	55.58%	56.76%	56.09%
Fiscal Year Ended Sept. 30,									
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities			
<u>Resources:</u>									
Net System Value	\$ 95,124,295	82,916,560	178,040,855	89,018,281	81,279,021	170,297,302			
Cash and Investments	57,112,032	34,294,373	91,406,405	46,788,214	25,619,286	72,407,500			
Other Sources	4,701,477	2,513,872	7,215,349	4,380,439	2,420,388	6,800,827			
Total Resources	156,937,804	119,724,805	276,662,609	140,186,934	109,318,695	249,505,629			
<u>Obligations:</u>									
Bonds Payable	51,247,410	41,006,234	92,253,644	46,758,244	34,686,718	81,444,962			
Less: Bond Funds	(2,145,992)	(1,624,617)	(3,770,609)	(1,612,118)	(980,733)	(2,592,851)			
Other Obligations	49,101,418	39,381,617	88,483,035	45,146,126	33,705,985	78,852,111			
Total Obligations	10,178,418	2,978,020	13,156,438	8,590,035	2,056,101	10,646,136			
	59,279,836	42,359,637	101,639,473	53,736,161	35,762,086	89,498,247			
City's Equity In System	\$ 97,657,968	77,365,168	175,023,136	86,450,773	73,556,609	160,007,382			
Percentage City's Equity In System	62.23%	64.62%	63.26%	61.67%	67.29%	64.13%			

**TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1**For Fiscal Year Ended  
September 30,

	2010			2009			2008		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<b>Revenues</b>									
Charges for Services	\$ 25,455,038	22,612,937	48,067,975	26,937,378	19,819,164	46,756,542	26,265,698	14,006,232	40,271,930
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	40,128	-	40,128
Interest	121,919	84,664	206,583	350,531	273,926	624,457	711,991	265,542	977,533
Miscellaneous	3,535,088	110,909	3,645,997	1,555,527	269,182	1,824,709	339,801	369,861	709,662
<b>Total Revenues</b>	<b>29,152,173</b>	<b>22,808,510</b>	<b>51,960,683</b>	<b>28,883,564</b>	<b>20,362,272</b>	<b>49,245,836</b>	<b>27,357,618</b>	<b>14,641,635</b>	<b>41,999,253</b>
<b>Expenses</b>									
Administrative	2,793,650	4,038,665	6,832,315	2,991,019	2,000,407	4,991,426	2,583,385	2,097,387	4,680,772
Utility Engineering	826,978	-	826,978	690,694	-	690,694	799,864	-	799,864
Utility Billing	2,929,649	-	2,929,649	2,818,275	-	2,818,275	2,724,036	-	2,724,036
Asset Management	260,108	-	260,108	234,988	-	234,988	247,660	-	247,660
Water Treatment Plant	6,414,438	-	6,414,438	6,819,136	-	6,819,136	6,742,276	-	6,742,276
Transmission and Distribution	3,600,821	-	3,600,821	3,835,000	-	3,835,000	3,495,224	-	3,495,224
Water Pollution Control	392,207	-	392,207	393,211	-	393,211	437,807	-	437,807
Wastewater Treatment	5,319,244	5,319,244	10,638,488	-	4,765,446	4,765,446	-	4,792,566	4,792,566
Wastewater Collection	2,733,149	2,733,149	5,466,298	-	2,665,461	2,665,461	-	2,620,294	2,620,294
<b>Total Expenses</b>	<b>17,217,851</b>	<b>12,091,058</b>	<b>29,308,909</b>	<b>17,782,323</b>	<b>9,431,314</b>	<b>27,213,637</b>	<b>17,030,252</b>	<b>9,510,247</b>	<b>26,540,499</b>
<b>Net Available for Debt Service</b>	<b>\$ 11,934,322</b>	<b>10,717,452</b>	<b>22,651,774</b>	<b>11,101,241</b>	<b>10,930,958</b>	<b>22,032,199</b>	<b>10,327,366</b>	<b>5,131,388</b>	<b>15,458,754</b>
Number of Customers	62,195	58,726		61,171	57,903		60,519	57,851	

# TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended  
September 30,

	2007			2006		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<b>Revenues</b>						
Charges for Services	\$ 24,977,835	13,055,433	38,033,268	23,129,698	14,006,232	40,271,930
Rental Of Facilities	40,128	-	40,128	38,122	-	38,122
Interest	1,001,877	506,934	1,508,811	585,645	389,384	975,029
Miscellaneous	463,192	587,121	1,050,313	294,506	429,905	724,411
Total Revenues	26,483,032	14,149,488	40,632,520	24,047,927	14,927,662	38,975,589
<b>Expenses</b>						
Administrative	2,076,626	2,872,599	4,949,225	1,779,174	2,543,621	4,322,795
Utility Engineering	752,441	-	752,441	638,979	-	638,979
Utility Billing	2,368,785	-	2,368,785	1,950,102	-	1,950,102
Asset Management	270,448	-	270,448	246,510	-	246,510
Water Treatment Plant	5,956,680	-	5,956,680	6,090,084	-	6,090,084
Transmission and Distribution	3,144,501	-	3,144,501	2,803,090	-	2,803,090
Water Pollution Control	528,799	-	528,799	502,870	-	502,870
Wastewater Treatment	-	4,133,862	4,133,862	-	3,662,090	3,662,090
Wastewater Collection	-	2,526,732	2,526,732	-	2,280,698	2,280,698
Total Expenses	15,098,280	9,533,193	24,631,473	14,010,809	8,846,090	22,497,218
Net Available for Debt Service	\$ 11,384,752	4,616,295	16,001,047	10,037,118	6,441,253	16,478,371
Number of Customers	59,409	56,065		57,489	54,568	

**TABLE 10 Debt Service Requirements**

Fiscal Year Ended 9-30	Plus Contractual & General Obligation			Plus Contractual & General Obligation			% of Grand Total Retired	
	Water Revenue Debt Requirement	Water System Debt Service Requirements	Water Total	Sewer Revenue Debt	Sewer System Debt Service Requirements	Sewer Total		Utility Grand Total
2011	2,441,124	8,504,005	10,945,129	1,892,683	5,448,299	5,448,299	16,393,428	
2012	2,449,364	8,135,371	10,584,735	1,557,638	5,478,269	5,478,269	16,063,004	
2013	2,444,336	8,152,942	10,597,278	1,563,871	5,476,305	5,476,305	16,073,583	
2014	2,445,243	7,587,467	10,032,710	1,563,406	5,114,526	5,114,526	15,147,236	
2015	2,438,800	5,600,141	8,038,941	1,560,130	3,626,500	3,626,500	11,665,441	24.85%
2016	2,447,557	5,602,413	8,049,970	1,556,878	3,631,183	3,631,183	11,681,153	
2017	2,441,102	5,609,668	8,050,770	1,560,068	3,628,557	3,628,557	11,679,327	
2018	2,443,514	5,355,116	7,798,630	1,562,632	3,463,151	3,463,151	11,261,781	
2019	2,432,671	5,315,252	7,747,923	1,562,448	2,979,892	2,979,892	10,727,815	
2020	2,440,953	5,001,277	7,442,230	1,553,372	2,981,137	2,981,137	10,423,367	51.17%
2021	2,437,297	4,788,629	7,225,926	1,562,273	2,820,338	2,820,338	10,046,264	
2022	2,440,621	5,887,067	8,327,688	1,559,824	1,704,200	1,704,200	10,031,888	
2023	2,439,576	5,583,013	8,022,589	1,567,845	1,701,693	1,701,693	9,724,282	
2024	2,439,477	5,546,667	7,986,144	1,558,800	1,427,878	1,427,878	9,414,022	
2025	2,078,816	5,504,760	7,583,576	1,219,988	1,429,800	1,429,800	9,013,376	70.00%
2026	1,754,847	5,467,264	7,222,111	1,071,894	1,431,550	1,431,550	8,653,661	
2027	1,065,424	5,431,883	6,497,307	728,288	1,425,925	1,425,925	7,923,232	
2028	421,183	5,391,601	5,812,784	26,684	1,430,525	1,430,525	7,243,309	
2029	380,000	5,347,941	5,727,941	-	1,427,500	1,427,500	7,155,441	
2030	-	5,302,177	5,302,177	-	1,429,000	1,429,000	6,731,177	84.71%
2031	-	5,252,206	5,252,206	-	1,427,500	1,427,500	6,679,706	
2032	-	5,207,452	5,207,452	-	1,427,875	1,427,875	6,635,327	
2033	-	5,152,459	5,152,459	-	1,429,875	1,429,875	6,582,334	
2034	-	3,361,440	3,361,440	-	-	-	3,361,440	
2035	-	3,306,065	3,306,065	-	-	-	3,306,065	95.08%
2036	-	3,243,796	3,243,796	-	-	-	3,243,796	
2037	-	3,184,304	3,184,304	-	-	-	3,184,304	
2038	-	3,122,098	3,122,098	-	-	-	3,122,098	
2039	-	3,052,012	3,052,012	-	-	-	3,052,012	100.00%
Total	39,881,905	153,996,486	193,878,391	25,228,722	62,341,478	62,341,478	256,219,869	

**TABLE 11: COVERAGE AND FUND BALANCES**

## Waterworks:

Average Annual Principal and Interest Requirements	\$	2,370,132
Coverage of Average Requirements by 2010 Net Income		5.04
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2010	\$	2,449,364
Coverage of Maximum Requirements by 2010 Net Income		4.87
Outstanding New Series Water Revenue Bonds	\$	39,881,905
Interest and Sinking Fund as of September 30, 2010	\$	844,750
Reserve Fund as of September 30, 2010	\$	2,370,132
Contingency Fund as of September 30, 2010	\$	1,496,578

## Sewer:

Average Annual Principal and Interest Requirements	\$	1,531,444
Coverage of Average Requirements by 2010 Net Income		7.00
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2010	\$	1,892,683
Coverage of Maximum Requirements by 2010 Net Income		5.66
Outstanding New Series Sewer Revenue Bonds	\$	25,228,722
Interest and Sinking Fund as of September 30, 2010	\$	476,000
Reserve Fund as of September 30, 2010	\$	1,531,444
Contingency Fund as of September 30, 2010	\$	1,151,225

**TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM**

<b>Utility System</b>			
	<b>Waterworks</b>	<b>Sewer</b>	<b>Total</b>
Net Funds Available for Debt Service	\$ 11,934,322	10,717,452	22,651,774
Average Annual Principal and Interest Requirements	2,370,132	1,531,444	3,901,576
Coverage of Average Annual Requirements by Funds Available for Debt Service	5.04	7.00	5.81
Maximum Principal and Interest Revenue Bond Requirements	2,449,364	1,892,683	4,342,047
Coverage of Maximum Requirement by Funds Available for Debt Service	4.87	5.66	5.22
Outstanding Revenue Bonds as of 09/30/2010	39,881,905	25,228,722	65,110,627
Interest & Sinking Fund as of 09/30/2010	844,750	476,000	1,320,750
Reserve Funds as of 09/30/2010	2,370,132	1,531,444	3,901,576
Contingency Fund as of 09/30/2010	\$ 1,496,578	1,151,225	2,647,803

## LAREDO ENERGY ARENA

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue Improvement and Refunding Bonds, Series 2005, to acquire and construct additional parking facilities for the Laredo Energy Arena, to achieve a debt service savings by partially refunding outstanding Sports Venue Tax Revenue Bonds, Series 2001, used to construct a sports venue project for a multipurpose entertainment arena and related infrastructure, and to pay for the issuance costs of the Bonds. The principal and interest due on the Sports Venue Tax Revenue Bonds, Series 2001 and 2005, are to be paid on the scheduled interest payment dates from funds deposited with an escrow agent until discharged.

The bonds constitute special and limited obligations of the City and are payable solely from, and secured solely by a first lien on and pledge of the Sales Tax Revenues, as approved by the citizens on a special election on August 12, 2000. The Sales Tax Revenues consist of the gross receipts from a  $\pi$  of 1% sales and use tax collected within the boundaries of the City. The bonds were issued pursuant to the provisions of (i) Chapter 334 of the Texas Local Government code, as amended (the "Act"), and (ii) an authorizing ordinance (the "Ordinance") adopted by the City Council of the City on May 23, 2001.

The bonds are payable solely from, and secured solely by, a first lien on and pledge of the Sales Tax Revenues as provided in the Ordinance and not from any other revenues, properties or income of the City. Neither the State of Texas nor any political corporation, subdivision, or agency of the State other than the City will be obligated to pay the bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State or any political corporation, subdivision, or agency thereof is pledged to the payment of principal of or interest on the bonds.

The construction of Laredo Entertainment Center was completed by September 2002. This enormous entertainment center will introduce inexpensive, family-oriented entertainment services, such as concerts, rodeos, circuses, civic events, sporting events, and more. Its major attraction is the Laredo Bucks hockey team, who participates in the Central Hockey League. On March 18, 2010 the City of Laredo, along with the Laredo Bucks officially announced that the Laredo Entertainment Center name will change to the Laredo Energy Arena. Laredo Energy signed a four-year naming rights agreement with options for extension with the City of Laredo.

The Arena itself offers a diverse mixture of world-class entertainment, with a 10,000 seating capacity, over 2,000 parking spaces and a team store. The 178,000 square foot, \$36.5 million facility opened in October 2002. Each year the Laredo Energy Arena hosts more than 100 events including major concerts by artists such as Mana, Shakira, Vicente Fernandez, Ludacris, Lil Wayne, Rihanna, Alan Jackson, Jason Aldean, George Lopez and Staind to name a few.

After the construction of the Arena was completed, approximately 220 new jobs were created for the operation of the facility. Furthermore, contracts were awarded to local businesses whose products are required for the Laredo Energy Arena's daily operations.



**TABLE 1 – SALES TAX RECEIPTS**

<u>Fiscal Year Ending 9/30</u>		<u>Actual 1% Sales &amp; Use Tax Receipts</u>	<u>1/4 of 1% Sales Tax Receipts</u>	<u>Maximum Annual Debt Service</u>	<u>Estimated Coverage</u>
2001	\$	16,512,506 *	4,128,126	3,121,125	1.32
2002		17,158,252	4,289,561	3,121,125	1.37
2003		18,037,788	4,509,447	3,121,125	1.44
2004		19,288,849	4,822,212	3,121,125	1.55
2005		21,075,124	5,268,781	3,121,125	1.69
2006		23,862,993	5,965,748	3,121,125	1.91
2007		25,426,235	6,356,559	3,121,125	2.04
2008		25,962,164	6,490,541	3,121,125	2.08
2009		24,315,518	6,078,880	3,121,125	1.95
2010		23,471,292	5,867,823	3,121,125	1.88

(\*) These amounts were generated by multiplying, for each Fiscal Year, the amount of actual 1.0% sales and use tax receipts for such Fiscal Year by .25. These figures therein are provided for illustrative purposes only. The ¼ of 1% Sales Tax securing the Bonds has only been collected since January 1, 2001. Therefore, the amounts do not represent actual collections of the Sales Tax securing the Bonds, but simply provide an estimate of the amounts of Sales Tax Revenues that might have been collected had the ¼ of 1% Sales Tax been in effect since Fiscal Year 1996.

**TABLE 2 - COVERAGE**

Average Annual Principal and Interest Requirements, 2010-2024	3,116,359
Fiscal Year 2010 Sales Tax Revenues	5,867,823
Coverage of Average Requirements by Fiscal Year 2010	1.88
Maximum Principal and Interest Requirements 2024	3,121,125
Fiscal Year 2010 Sales Tax Revenues	5,867,823
Coverage of Maximum Requirements by Fiscal 2010	1.88

**TABLE 3 – DEBT SERVICE REQUIREMENTS**

<u>Fiscal Year</u> <u>Ended 9-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Outstanding</u> <u>Debt</u>	<u>% of</u> <u>Debt Service</u> <u>Retired</u>
2011	1,575,000	1,539,194	3,114,194	7.14%
2012	1,660,000	1,456,350	3,116,350	
2013	1,745,000	1,371,225	3,116,225	
2014	1,835,000	1,281,725	3,116,725	
2015	1,930,000	1,187,600	3,117,600	
2016	2,030,000	1,088,600	3,118,600	42.86%
2017	2,130,000	984,600	3,114,600	
2018	2,240,000	875,350	3,115,350	
2019	2,355,000	757,531	3,112,531	
2020	2,485,000	630,481	3,115,481	
2021	2,615,000	499,875	3,114,875	78.55%
2022	2,750,000	365,750	3,115,750	
2023	2,895,000	224,625	3,119,625	
2024	<u>3,045,000</u>	<u>76,125</u>	<u>3,121,125</u>	100.00%
	<u>\$ 31,290,000</u>	<u>\$ 12,339,031</u>	<u>\$ 43,629,031</u>	

# **SINGLE AUDIT**

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

To the Honorable Mayor and Members of the City Council  
City of Laredo, Texas

Compliance

We have audited the compliance of the City of Laredo, Texas, 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, 2010. The City of Laredo, Texas' 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 City of Laredo, Texas' management. Our responsibility is to express an opinion on the City of Laredo, Texas' 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the *State of Texas Single Audit Circular*. Those standards, OMB Circular A-133, and the *State of 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 or state program occurred. An audit includes examining, on a test basis, evidence about the City of Laredo, Texas' 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 City of Laredo, Texas' compliance with those requirements.

In our opinion, the City of Laredo, Texas, 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, 2010.

### Internal Control Over Compliance

Management of the City of Laredo, Texas, 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 City of Laredo, Texas' internal control over compliance with the 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 internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas', internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.

*Comales, Marga & Baum, PLLC*

Laredo, Texas  
February 8, 2011

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**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
<b>U.S. Department of Health and Human Services</b>							
Passed Through Texas Department of State Health Services:							
Center for Disease Control and Prevention, Public Health Services:							
Public Health and Social Services Emergency Fund							
Control Program - TB Federal '00	93.116	N/A	\$ 183,186	886	-	-	886
Control Program - TB Federal '09	93.116	N/A	168,940	17,353	145,168	162,521	-
TB Prevention & Control & Lab Program - '10	93.116	2010-034138-001	171,081	-	121,713	108,222	13,491
Occupational Safety and Health Research Projects:							
Lead Poisoning Prevention 04-05	93.262	N/A	15,000	622	-	-	622
Center for Disease Control and Prevention, Public Health Services:							
Immunization Grants:							
Immunization Locals 09	93.268	2009-028334-001	223,188	15,118	-	15,118	-
Immunization Locals 10	93.268	2010-031606-001	230,491	9,941	220,413	221,163	9,191
Immunization Locals 11	93.268	2011-036323-001	230,491	-	12,840	-	12,840
Center for Disease Control and Prevention							
Investigations and Technical Assistance - Bureau of Clinical and Nutrition Services -							
Bioterrorism Preparedness - 08-09	93.283	2009-027970-001	264,059	9,843	-	9,843	-
Public Health Emergency Preparedness - 09-10	93.069	2009-031946-001	317,727	28,108	189,310	210,509	6,909
Public Health Emergency Preparedness - 10-11	93.069	2010-035740-001	318,285	-	37,125	-	37,125
Public Health Emergency Response - 09-10	93.018	2010-034773-001	120,912	-	63,386	-	63,386
Bioterrorism Pandemic - 07-08	93.283	2008-022927-001	59,527	2,880	-	-	2,880
CDC Investigations, Technical Assistance & Affordable Care Proj., Ph. 2	93.283	2009-031079-001	52,125	25,085	6,821	31,906	-
CDC Investigations, Technical Assistance & Affordable Care Proj., Ph. 2	93.283	2009-031281-001	140,512	20,425	110,500	130,925	-
CDC Investigations, Technical Assistance & Affordable Care Proj., Ph. 2	93.283	2009-032327-001	74,582	3,794	59,934	63,728	-
Early Warning Infectious Disease Surveillance 2008	93.283	2008-024694-001	172,239	13,231	-	-	13,231
Early Warning Infectious Disease Surveillance 2010	93.069	2009-031669-001	150,000	18,764	114,203	129,330	3,637
Early Warning Infectious Disease Surveillance 2011	93.069	2010-035558-001	179,000	-	23,517	-	23,517
Preventive Health & Health Services 02-03 - NTD	93.283	N/A	155,289	11,022	-	-	11,022
Health Resources and Services Administration:							
H.I.V. Care Formula Grant - H.I.V. Consortia and Insurance 09-10	93.917	019-01-09	419,450	36,074	237,166	273,240	-
H.I.V. Care Formula Grant - 10-11	93.917	019-01-10	413,189	-	213,853	117,691	96,162
H. I. V. Prevention Activities - Health Department Based							
H. I. V. Prevention Counseling Partner Elicitation Education 09	93.940	2009-030667-001	316,628	44,872	95,422	140,294	-
Epidemiologic Research Studies of AIDS & HIV in Selected Population Groups							
Prevention Services for H.I.V. Infected Persons '07	93.943	2010-034567-001	388,217	-	264,272	223,416	40,856
Prevention Services for H.I.V. Infected Persons '08	93.940	N/A	69,993	1,342	-	-	1,342
Prevention Services for H.I.V. Infected Persons '09	93.940	N/A	-	522	-	-	522
Centers for Disease Control and Prevention:							
Preventive Health & Health Services Block Grant							
Office of Border Health - NTD	93.991	N/A	28,053	265	-	-	265
Office of Regional Administrative Services - 08-09 / O.P.H.P.	93.991	2009-028162-001	306,835	85,982	-	80,434	5,548
Office of Regional Administrative Services - 09-10 / O.P.H.P.	93.991	2010-032824-001	306,835	7,203	287,314	129,036	165,461
Preventive Health & Health Services 01-02 - Border Health	93.991	N/A	5,000	892	-	-	892
Total U. S. Department of Health and Human Services			\$ 5,480,834	354,234	2,202,957	2,047,376	509,815

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
<b>U.S. Department of Housing and Urban Development (HUD)</b>							
<b>Direct Programs:</b>							
Community Planning and Development:							
Community Development Block Grant / Entitlement Grants 07	14.218	N/A	\$ 3,711,664	-	707,447	707,447	-
Community Development Block Grant / Entitlement Grants 08	14.218	N/A	3,589,985	-	532,149	532,149	-
Community Development Block Grant / Entitlement Grants 09	14.218	N/A	3,634,339	351,801	1,619,373	1,900,866	70,308
Emergency Shelter Grant Program 2008	14.231	N/A	159,922	-	68,718	68,718	-
Emergency Shelter Grant Program 2009	14.231	N/A	159,838	1,285	131,172	120,516	11,941
Housing Opportunities for Persons with Aids - H.O.P.W.A. II 08-09	14.241	019-3-08	79,249	-	32,609	32,609	-
Housing Opportunities for Persons with Aids - 09-10	14.241	019-3-09	83,700	12,101	36,003	43,884	4,220
HOME Investment Partnership Program 2007GRANT	14.239	N/A	1,290,876	-	118,021	118,021	-
HOME Investment Partnership Program 2008 GRANT	14.239	N/A	1,248,285	-	57,780	57,780	-
HOME Investment Partnership Program 2009 GRANT	14.239	N/A	1,389,582	76,339	986,968	1,004,980	58,327
Total U. S. Department of HUD			15,347,440	441,526	4,290,240	4,586,970	144,796

**U. S. Department of Transportation**

<b>Direct Programs:</b>							
<b>Federal Transit Administration:</b>							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX03X274	2,546,681	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030299	1,943,557	109,234	-	109,234	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040040	680,130	79,077	343,935	412,353	10,659
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	714,000	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	776,000	-	-	-	-
<b>Federal Transit Formula Grants:</b>							
Urbanized Area Formula Program	20.507	TX904848	4,170,475	313,112	1,151,292	1,464,404	-
Urbanized Area Formula Program	20.507	TX904891	4,040,202	-	2,590,986	2,313,828	277,158
<b>Federal Aviation Administration:</b>							
Airport Improvement Program (Runway 17R/35L)	20.106	3-48-0136-44-05	4,271,932	-	-	-	-
Airport Improvement Program (Runway 17R/35L, RPZ)	20.106	3-48-0136-46-05	1,000,000	-	-	-	-
Airport Improvement Program (Noise Abatement)	20.106	3-48-0136-47-06	2,000,000	-	-	-	-
Airport Improvement Program (Runway 17L, Noise Study)	20.106	3-48-0136-48-06	1,424,968	8,381	225,223	233,604	-
Airport Improvement Program (G.A. Apron, N.E. Cargo Apron)	20.106	3-48-0136-49-07	7,500,000	-	-	-	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-50-07	2,000,000	5,338	97,717	103,055	-
Airport Improvement Program (Rehab Apron, Rehab Runway 14/32)	20.106	3-48-0136-51-07	4,513,444	106,720	48,737	155,457	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-52-08	2,000,000	361	1,052,441	1,079,035	(26,233)
Airport Improvement Program (Rehab Apron, Rehab Runway 14/31)	20.106	3-48-0136-53-09	4,416,530	190,660	84,801	259,486	15,975
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-54-09	390,964	23,631	37,432	61,063	-
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-55-09	3,540,961	175,285	16,060	191,345	-
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-57-10	3,092,510	-	2,261,568	1,935,863	325,705
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-58-10	2,000,000	-	1,647,549	1,588,147	59,402
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-60-10	2,000,000	-	1,121,155	1,169,488	(48,333)
Airport Improvement Program (Rehab General Apron)	20.106	3-48-0136-61-10	2,803,152	-	1,152,779	826,139	326,640
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-62-10	4,000,000	-	30,653	21,087	9,566
Airport Improvement Program (Wildlife Hazard Study and Assessment)	20.106	3-48-0136-63-10	145,629	-	17,903	17,903	-
Airport Improvement Program (Geographic Information System "AGIS" Survey)	20.106	3-48-0136-64-10	300,000	-	-	-	-
Airport Improvement Program (Runway 17/35 Extension)	20.106	3-48-0136-65-10	8,843,166	-	-	-	-

(Continued)



## CITY OF LAREDO, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010

## GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
U. S. Department of Transportation							
Direct Programs:							
Federal Aviation Administration:							
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090	HSTS0208HSLR197	\$ 97,455	6,108	105,744	97,141	14,711
Pass Through Texas Department of Transportation:							
Federal Transit Administration:							
New Freedom Program	20.521	51822F7282	375,000	75,956	102,523	178,479	-
New Freedom Program	20.521	51022F7311	157,368	-	61,475	49,124	12,351
New Freedom Program	20.521	51022F7072	218,624	-	-	-	-
Capital Investment Grant-Fixed Guideway Modernization Bus and Bus Facility New Starts	20.500	51922F7089	959,480	947,971	-	947,971	-
National Highway Traffic Safety - State & Community Highway Safety							
Texas Department of Transportation							
Comprehensive Commercial Vehicle STEP	20.600	2010-LAREODP-S-SYG-0146	40,000	-	39,714	31,248	8,466
Comprehensive Commercial Vehicle STEP	20.600	2009-LAREODP-S-SYG-0282	40,000	8,972	-	-	8,972
Comprehensive STEP	20.600	2010-LAREODP-S-SYG-0135	94,442	-	99,806	89,259	10,547
Comprehensive STEP	20.600	2009-LAREODP-S-SYG-0292	99,806	10,095	-	10,095	-
Impaired Driving Mobilization	20.600	2009-LAREODP-STEP-IDM-00044	27,488	4,660	-	4,660	-
Step - CLOT	20.600	2010-LAREODP-CLOT-00033	20,000	-	12,782	12,782	-
Highway Planning and Construction-Industrial Streets El Portal Industrial Park	20.205	CSJ-0922-33-116	4,767,840	73,369	2,856,227	1,634,660	1,294,936
Highway Planning and Construction-Industrial Streets InterAmerica Park	20.205	CSJ-0922-33-130	3,723,720	73,369	2,221,920	1,682,415	612,874
Highway Planning and Construction-Industrial Streets Modern, Octavio Salinas	20.205	CSJ-0922-33-131	4,047,120	73,369	1,430,366	622,823	880,912
Highway Planning and Construction-Industrial Streets Unitec Industrial Park	20.205	CSJ-0922-33-132	3,215,520	73,368	1,658,900	1,074,036	658,232
Highway Planning and Construction-Industrial Streets Laredo Int'l Airport	20.205	CSJ-0922-33-138	77,522	-	-	-	-
Highway Planning and Construction-Industrial Streets Laredo Int'l Airport	20.205	CSJ-0922-33-141	2,070,678	-	151,207	135,857	15,350
Highway Planning and Construction-Arkansas State Railroad Grade Separation	20.205	CSJ-0922-33-099	1,122,016	-	35,924	-	35,924
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-2-09-1113-70-806	325,196	256,238	-	256,238	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-2-10-1113-70-806	314,665	-	41,026	41,026	-
Federal Transit Metropolitan Planning Grants-Metropolitan Planning	20.505	51-74-108-0122-10-810	81,410	-	178,410	18,628	157,782
Total U. S. Department of Transportation			92,989,671	2,615,274	20,874,255	18,827,933	4,661,596

## U. S. Department of Agriculture

Passed Through Texas Department of State Health Services:							
Food & Nutrition Service - Special Supplemental Nutrition Program							
Women, Infants and Children 08-09	10.557	2009-030392-001	4,692,386	729,393	40,872	770,265	-
Women, Infants and Children 08-10	10.557	2010-033379-001	4,133,295	-	3,666,287	2,937,092	729,195
Women, Infants and Children 10-11	10.557	2011-037188-001	4,630,162	-	12,049	-	12,049
Women, Infants and Children Counties 08-09	10.557	2009-030392-001	-	66,181	3,219	69,400	-
Women, Infants and Children Counties 09-10	10.557	2010-033379-001	-	-	388,691	292,841	95,850
Women, Infants and Children Counties 10-11	10.557	2011-037188-001	-	-	1,073	-	1,073
Total U. S. Department of Agriculture			\$ 13,455,843	795,574	4,112,191	4,069,598	838,167

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
<b>U. S. Department of Justice</b>							
Passed Through State Department of Criminal Justice:							
Criminal Justice Discretionary Grant Program							
Office of Justice Program - Bureau of Justice Assistance - Edward Byrne Memorial Justice Assistance Grant Program:							
FY10 Justice Assistance Grant	16.738		\$ 142,603	-	-	-	-
FY09 Justice Assistance Grant	16.738	2010-DJ-BX0494	139,813	-	108,469	108,469	-
FY07 City of Laredo Justice Assistance Grant	16.738	2009-DJ-BX1331	125,687	-	68,118	68,118	-
Byrne Memorial Justice Assistance Grant	16.579	2007-DJ-BX-0784	80,977	-	40,434	40,434	-
Local JAG	16.738	2006-DJ-BX-1051	40,343	-	14,520	14,520	-
Grant-Gang Initiative	16.738	2008-DJ-BX-0579	225,000	14,760	-	14,760	-
DJ-07-A10-20912-01							
Bulletproof Vest Partnership Program							
Bulletproof Vest Partnership 2009	16.607	N/A	37,500	-	10,305	10,305	-
Bulletproof Vest Partnership	16.607	N/A	42,428	-	20,829	20,829	-
Bulletproof Vest Partnership 2007	16.607	N/A	42,428	-	1,301	1,301	-
Public Safety Partnership & Community Policing Grants:							
Cops In School SRO 02-05	16.710	2002-SH-WX-0726	1,250,000	6,944	5,817	12,761	-
Total U. S. Department of Justice			2,126,779	21,704	269,793	291,497	-
<b>Executive Office of the President</b>							
Financial Task Force 05	95.001		630,685	30	-	-	30
Financial Task Force 06	95.001	IPSPSP571Z	630,685	3,965	10,992	13,716	1,241
Financial Task Force 07	95.001	IPSPSP571Z	679,130	10,988	39,979	17,162	33,805
Financial Task Force 08	95.001	IPSPSP571Z	736,104	63,202	21,379	72,022	12,559
Financial Task Force 09	95.001	G09SS0001A	781,383	181,053	423,812	501,925	102,940
Financial Task Force 10	95.001	G10SS0001A	99,916	7,190	171,095	-	171,095
South Texas Public Corruption Task Force 06	95.001	IPSPSP571Z	99,916	694	7,369	6,532	7,190
South Texas Public Corruption Task Force 07	95.001	IPSPSP571Z	99,916	7,410	9,755	3,060	1,531
South Texas Public Corruption Task Force 08	95.001	IPSPSP571Z	99,916	17,804	45,430	3,060	14,105
South Texas Public Corruption Task Force 09	95.001	G09SS0001A	100,106	-	2,620	43,999	19,235
South Texas Public Corruption Task Force 10	95.001	G10SS0001A	-	-	-	-	2,620
Total Executive of the President			4,693,861	292,336	732,431	658,416	366,351
<b>U.S. Department of Homeland Security</b>							
Federal Emergency Management Agency							
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1931-DR-PA	-	-	483,101	-	483,101
Pre-disaster Mitigation Planning Grant	97.017	FDMM05-004	73,230	3,070	-	-	3,070
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	2006-FE-04283	1,552,500	45,381	262,730	279,450	28,661
Assistance to Firefighters Grant (AFG)	97.044	EMW-2008-FO-06946	400,000	-	318,525	232,395	86,130
Passed Through GDEM:							
State Homeland Security Program (SHSGP)	97.067	2004 HSGP-41464	1,462,934	12,122	-	-	12,122
Homeland Security Program (LETPP)	97.067	2006-GE-T6-0068	227,363	-	21,165	21,165	-
State Homeland Security Program (SHSP)	97.073	2008-GE-T8-0034	850,000	-	850,000	850,000	-
Homeland Security Program (SHSP)	97.073	2009-SS-T9-0064	856,327	-	-	-	-
Homeland Security Grant Program (SHSP-LEAP)	97.073	2009-SS-T9-0064	434,024	-	1,051,852	160,198	891,654
Total U. S. Department of Homeland Security			\$ 5,856,378	60,573	2,987,373	1,543,208	1,504,738

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
<b>U. S. Department of Environmental Protection Agency</b>							
<b>Survey, Studies, Investigations &amp; Special Purpose Grants</b>							
EPA - Jefferson & Chacon Water and Wastewater Improvements	66.606	C-481961-01-0	\$ 8,200,000	107,589	-	-	107,589
EPA - Border 2012 Video Grant	66.931	X4-96656201-0	50,000	-	9,969	9,969	-
EPA - Health	66.035	RE-96654801-0	300,000	12,618	111,838	111,035	13,421
<b>Air Pollution Control Program Support:</b>							
Passed Through Texas Commission on Environmental Quality	66.001	582-7-72662	210,000	26,030	53,187	65,332	13,885
Continuous Air Monitoring Station - Air Pollution Control Prog	66.001	581-11-86431	70,000	-	3,468	-	3,468
Passed Through Texas Water Development Board: Surveys, studies, investigations, and special purpose grants.							
NADB - Colonia Water & Wastewater Treatment	66.606	BEIF23-48/00	6,231,450	560,747	274,928	835,675	-
Colonia Water & Waste Water Treatment	66.606	G13500/13600	25,370,151	2,328,881	2,581,235	4,902,545	7,571
Total U. S. of Environmental Protection Agency			40,431,601	3,035,865	3,034,625	5,924,556	145,934
<b>American Recovery and Reinvestment Act</b>							
ARRA-Federal Transit Formula Grants-Urbanized Area Formula Grant	20.507	TX-96-X001	4,757,091	-	-	-	-
ARRA-State Energy Program-SECO Grant	81.041	CS0023	924,000	-	18,361	10,771	7,590
ARRA-FAA Grant - Airport Improvements Grant #56	20.106	3-48-0136-56-09	8,000,000	1,554,394	5,413,086	6,967,480	-
ARRA-FAA Grant - Airport Improvements Grant #59	20.106	3-48-0136-59-09	2,565,744	114,102	2,249,426	2,363,528	-
ARRA- Edward Byrne Memorial Justice Assistance Grant to units of Local Government- Laredo JAG Recovery	16.804	2009-SB-B9-1063	602,748	3,399	426,865	416,199	14,065
ARRA- Edward Byrne Memorial Justice Assistance Grant to states- Laredo Recovery Act	16.803	SU-09-A10-2329601-01	499,840	-	173,520	86,310	87,210
ARRA- Edward Byrne Memorial Justice Assistance Grant to states- State JAG Grant	16.803	SU-09-A10-22246-01	298,400	-	246,888	89,966	156,922
ARRA-Dept. of Energy-Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000967	2,083,600	-	231,863	442,022	(210,159)
ARRA-HUD-Homeless Prevention & Rapid Re-Housing Program	14.257	S09-48-MY-0505	1,490,976	-	707,103	646,560	60,543
ARRA-HUD-Neighborhood Stabilization Program	14.256	77090000107	2,127,102	1,119	765,630	139,611	627,336
ARRA-HUD-Weatherization Assistance Program	81.042	16090000707	3,271,636	3,305	273,968	225,408	51,865
ARRA-HUD- CDBG Entitlement Grants (CDBG-R) Eljido Extension Proj.	14.253	B-09-MY-48-0505	975,026	-	975,026	975,026	-
ARRA-HRSA - Health Care and Other Facilities	93.887	C76HF15325	188,100	-	188,001	101,987	86,014
ARRA-Capitalization Grants For Drinking Water State Revolving Funds	66.468	2F-96692301-0	48,196,000	-	17,411,296	9,873,835	7,537,461
ARRA-Highway Planning & Construction-Industrial St Laredo Intl Airport	20.205	CSJ-0922-33-138	524,539	-	-	-	-
Total American Recovery and Reinvestment Act			76,504,802	1,676,319	29,081,233	22,338,703	8,418,849
Total Federal Assistance			\$ 256,887,209	9,293,405	67,585,098	60,288,257	16,590,246

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program 08-09	N/A	2009-028670-001	\$ 134,342	19,345	-	19,345	-
Primary Health Care Program 09-10	N/A	2010-031863-001	134,342	5,659	106,308	97,841	14,126
Primary Health Care Program 10-11	N/A	2011-036689-001	140,236	-	8,737	-	8,737
Tuberculosis Prevention and Control 07-08	N/A	2008-023216-001	140,125	107	-	-	107
Tuberculosis Prevention and Control 08-09	N/A	2009-023865-001	12,595	3,829	-	3,829	-
Tuberculosis Prevention and Control 09-10	N/A	2010-032854-001	187,752	12,600	174,763	163,310	24,063
Tuberculosis Prevention and Control 10-11	N/A	2011-035291-001	199,863	-	12,193	-	12,193
Bureau of Clinical and Nutrition Services - Population-Based							
Public Health - Title V - CORE - 04	N/A	74-60015732-0407	21,657	353	-	-	353
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 07	N/A	2007-02435-001	347,956	800	-	-	800
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 09	N/A	2009-023675-001	31,349	2,816	-	2,816	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 10	N/A	2010-031683-001	-	4,885	43,484	47,147	1,222
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 11	N/A	2011-036931-001	87,640	-	4,969	-	4,969
Family Planning - 02	N/A	74-60015732B02-01	93,550	11,595	-	-	11,595
Family Planning - 04	N/A	74-60015732A04-03	101,751	32,017	-	-	32,017
Family Planning - 07	N/A	2007-02365-002	61,068	28,685	-	-	28,685
Family Planning - 08	N/A	2008-024154-001	34,883	20,638	-	-	20,638
Family Planning - 09	N/A	2009-029220-001	56,671	339	-	-	339
Family Planning - 10	N/A	2010-032523-001	9,445	1,668	7,714	-	9,382
Family Planning - 11	N/A	2010-034124-001	60,000	-	78,865	52,186	26,679
Child Health Services Prenatal - 09	N/A	2011-036931-001	87,640	-	9,282	-	9,282
Child Health Services Prenatal - 10	N/A	2009-029486-001	90,811	1,757	-	-	1,757
Child Health Services Prenatal - 11	N/A	2009-031713-001	92,000	3,746	23,345	25,276	1,815
Local City CVD & Stroke Prevention Plan	N/A	2011-036681-001	46,000	-	2,273	-	2,273
Local City CVD & Stroke Prevention Plan	N/A	2010-034654-001	30,000	-	17,987	9,440	8,547
Local City CVD & Stroke Prevention Plan	N/A	2011-035575-001	30,000	-	3,064	-	3,064
Cancer Prevention & Research Institute of Texas (CPRIT)							
Public Health Emergency Response	N/A	PP100228	2,497,500	-	5,107	-	5,107
Border Binational Health Week	N/A	2010-033283-001	629,566	-	618,644	542,294	76,350
Los Dos Laredos Plan	N/A	4X4081XUSMEXBRD	2,100	-	2,100	2,100	-
Office of Border Health - Border Health	N/A	N/A	2,000	-	2,000	2,000	-
		2009-030958-001	7,700	-	7,700	7,700	-

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**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
<b>STATE AWARDS</b>							
Passed Through South Texas Development Council:							
H. I. V. Social Services 08-09	N/A	19-2-2008 (09)	\$ 137,677	19,466	-	19,466	-
H. I. V. Social Services 09-10	N/A	19-2-09 (10)	135,807	5,961	122,714	128,675	-
H. I. V. Social Services 10-11	N/A	19-2-10 (11)	136,022	-	5,223	-	5,223
<b>Total - Texas Department of State Health Services</b>			<b>5,980,048</b>	<b>176,266</b>	<b>1,256,472</b>	<b>1,123,425</b>	<b>309,313</b>
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	32,844	(20,713)	32,312	31,915	(20,316)
Law Enforcement Officer Standards and Education 2007	N/A	N/A	1,600	(122)	-	-	(122)
Law Enforcement Officer Standards and Education 2008	N/A	N/A	1,600	(1,462)	-	-	(1,462)
Law Enforcement Officer Standards and Education 2009	N/A	N/A	1,324	(1,324)	-	-	(1,324)
Law Enforcement Officer Standards and Education 2010	N/A	N/A	1,249	-	1,196	1,249	(53)
<b>Total - Commission on Law Enforcement Officers Standards and Education</b>			<b>38,617</b>	<b>(23,621)</b>	<b>33,508</b>	<b>33,164</b>	<b>(23,277)</b>
Texas Parks and Wildlife:							
Laredo Independence Hills Park	N/A	50-000405	499,981	-	-	-	-
<b>Total - Texas Parks and Wildlife</b>			<b>499,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Texas State Library and Archives Commission							
Seven Flags Regional Advisory Council	N/A	N/A	5,604	-	5,604	5,604	-
Texas State Library and Archives Commission	N/A	N/A	5,110	-	5,110	5,110	-
Loan Star Libraries Grant	N/A	442-10080	45,522	-	45,522	45,522	-
<b>Total-Texas State Library and Archives Commission</b>			<b>56,236</b>	<b>-</b>	<b>56,236</b>	<b>56,236</b>	<b>-</b>
State Department of Transportation:							
Auto Theft Task Force	**	SA-T01-10057-09	346,000	6,806	-	6,806	-
Auto Theft Task Force	**	SA-T01-10057-10	433,514	36,663	408,370	379,136	65,897
Auto Theft Task Force	**	SA-T01-10057-11	433,514	-	37,328	-	37,328
TXDOT-Interlocal Agreement for TPDES Permit Program		N/A	44,000	3,667	44,000	44,000	3,667
TXDOT -Laredo Signal Integration Project		CSJ-0922-33-084	1,750,000	-	22,973	13,092	9,881
TXDOT -Federal Inspection Booths at World Trade Bridge		CSJ-0922-33-114	3,731,774	837	2,340,034	1,278,304	1,062,567
TX Dept. of Transportation-Routine Airport Maintenance Program '09		CSJ-M022LREDO	50,000	19,861	149	20,010	-
TX Dept. of Transportation-Routine Airport Maintenance Program '10		CSJ-M022LREDO	50,000	-	49,318	39,444	9,874
TX Dept. of Transportation-SH359/US 83		CSJ-0086-01-055	250,000	-	-	-	-
TX Dept. of Transportation-SH359		CSJ-0086-01-046	102,826	-	-	-	-
TX Dept. of Transportation-Loop 20		CSJ-0086-14-037	5,316	-	-	-	-
TX Dept. of Transportation-Wastewater Line at Loop 20(Spur 400 to US 59)		CSJ-0086-14-022	81,310	-	-	-	-
TX Dept. of Transportation- Chacon Creek Hike and Bike Trail		CSJ-0922-33-100	3,300,000	84,088	307	73,079	11,316
TX Dept. of Transportation- West Laredo CPL Road		CSJ-0922-33-071	4,797,810	-	-	-	-
TX Dept. of Transportation- West Laredo CPL Road Phase II		CSJ-0922-33-076	2,597,272	73,804	222,432	296,236	-
TX Dept. of Transportation- West Laredo CPL Road Phase III		CSJ-0922-33-083	11,301,589	-	-	-	-
Urbanized Area Formula Program		51022F7052	708,885	-	708,885	708,885	-
Urbanized Area Formula Program		51122F7062	661,226	-	-	-	-
<b>Total - State Department of Transportation</b>			<b>30,645,036</b>	<b>225,726</b>	<b>3,833,796</b>	<b>2,858,992</b>	<b>1,200,530</b>
Texas Commission on Environmental Quality							
Passed Through STDC:							
T.C.E.Q.-Regional Solid Waste Management	N/A	08-19-002/04	40,000	-	-	-	-
T.C.E.Q.-Regional Solid Waste Management	N/A	09-19-G01	83,342	83,341	-	83,341	-
<b>Total - Texas Commission on Environmental Quality</b>			<b>123,342</b>	<b>83,341</b>	<b>-</b>	<b>83,341</b>	<b>-</b>
Texas Water Development Board							
Flood Protection Planning	**	804830837	160,000	81,226	1,970	83,196	-
Water Rights Grant-Economic Distressed Areas	N/A	PROJECT #10409	7,500,000	-	515,300	500,692	14,608
<b>Total - Texas Water Development Board</b>			<b>7,660,000</b>	<b>81,226</b>	<b>517,270</b>	<b>583,888</b>	<b>14,608</b>
Total State Assistance			\$ 45,003,260	542,938	5,697,282	4,739,046	1,501,174

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2010**

**CITY OF LAREDO, TEXAS**

**GRANT NAME**

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2009	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2010
OTHER ASSISTANCE							
Stone Garden Grant	N/A	N/A	700,000	-	-	-	-
Tobacco Compliance	N/A	N/A	8,200	-	-	-	-
GDEM 08- Local Border Security	N/A	LBSP-08-029	100,000	74,129	-	74,129	-
United States Customs Service 04	N/A	N/A	116,580	243	-	-	243
Custom-Narcotics 2003	N/A	N/A	91,000	2,561	-	-	2,561
Custom-Narcotics 2007	N/A	N/A	91,000	3,095	-	-	3,095
Custom-Narcotics 2009	N/A	N/A	91,000	15,739	-	15,739	-
Custom-Narcotics 2010	N/A	N/A	91,000	-	52,324	49,216	-
OCDETF-DEA 2009	N/A	N/A	62,450	30,955	-	30,955	-
OCDETF-DEA 2010	N/A	N/A	40,422	-	13,712	13,712	-
Laredo Joint Terrorism TF 2009	N/A	N/A	15,573	1,360	-	1,360	-
Laredo Joint Terrorism TF 2010	N/A	N/A	15,573	-	15,778	13,352	2,426
Safe Streets Task Force	N/A	N/A	15,572	2,721	-	2,721	-
Safe Streets Task Force 2010	N/A	N/A	33,807	-	31,076	23,023	8,053
Fugitive Apprehension Task Force 09	N/A	N/A	75,000	-	-	6,864	-
Fugitive Apprehension Task Force 10	N/A	N/A	99,000	6,864	65,303	46,911	-
Fugitive Apprehension Task Force 11	N/A	N/A	99,000	-	1,907	-	1,907
Bureau of Alcohol and Tobacco 08	N/A	N/A	21,000	232	-	6,792	18,392
Bureau of Alcohol and Tobacco 09	N/A	N/A	21,000	11,249	-	13,452	1,907
Bureau of Alcohol and Tobacco 10	N/A	N/A	28,500	-	18,112	34,523	4,457
Webb County - Auto Theft Task Force 09/10	N/A	N/A	37,661	-	34,523	34,523	4,660
Webb County - Auto Theft Task Force 10/11	N/A	N/A	43,000	-	3,583	3,583	-
911 Regional Communications Grant - FY2009	N/A	N/A	1,603,374	225,844	371,861	328,376	269,329
911 Regional Communications Grant - FY2010	N/A	N/A	1,357,921	42,829	779,309	876,082	(53,944)
911 Regional Communications Grant - FY2011	N/A	N/A	-	-	24,708	299,942	(275,234)
Prairie Foundation	N/A	N/A	10,950	(80)	80	-	-
UTHCSA - Proyecto Bienestar 09-10	N/A	N/A	250,000	41,088	222,668	263,756	-
UTHCSA - Proyecto Bienestar 10-11	N/A	N/A	90,000	-	18,832	18,832	-
UTHCSA - South Texas AIDS Network	N/A	N/A	24,750	484	-	484	-
UTHCSA - South Texas AIDS Network	N/A	N/A	-	4,188	20,812	25,000	-
UTHCSA - South Texas AIDS Network	N/A	N/A	-	-	5,030	1,630	3,400
UTHCSA - Dental Clinic Construction (deferred)	N/A	N/A	1,300,000	(567,031)	91,934	(15,623)	(459,474)
UTHCSA - Dental Clinic Construction (receivable)	N/A	N/A	-	15,623	-	15,623	-
UTHCSA - Dental Clinic Operations	N/A	N/A	300,000	36,866	84,332	108,902	12,296
UTHCSA - Dental Clinic Operations	N/A	N/A	300,000	-	5,353	-	5,353
Laredo Community College-Interfocal Agreement for TPDES Permit Prgrm.	N/A	N/A	10,000	-	10,000	10,000	-
Webb County-Interfocal Agreement-Health	N/A	N/A	200,000	-	200,000	200,000	-
Mercy Hospital - CHIP Perinate	N/A	N/A	-	110,227	128,648	124,684	114,191
SCAN - HIV Testing	N/A	N/A	33,882	-	43,521	37,824	5,697
SCAN - HIV Testing	N/A	N/A	45,000	419	-	419	-
SCAN - HIV Testing	N/A	N/A	45,000	-	135	-	135
Webb County-311 Agreement	N/A	N/A	34,500	-	34,500	34,500	-
Webb County - Father McTaboe Park & Noon Lions Parks	N/A	N/A	275,000	-	-	-	-
Universal Service Fund (USF)-E-Rate Program (Round 12)	N/A	N/A	100,000	-	-	-	-
911 Regional Communications Grant - FY2010 Use of Revenue	N/A	N/A	451,608	-	43,619	43,619	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	-	(12,559)	34,047	35,000	(13,512)
BECC - Tex-Mex Binational Solid Waste Reduction	N/A	TAA09-046	28,180	-	15,724	6,989	8,735
BECC - Children's Health Outreach Program	N/A	TAA10-001	40,000	-	7,386	7,386	-
IBWC-Dos Laredo's Water Weir	N/A	MOU No. 081124	250,000	-	250,000	250,000	-
City of Nuevo Laredo-Water Weir Project	N/A	N/A	50,000	-	44,012	-	44,012
Total - Other Assistance			7,996,274	47,046	2,672,829	3,009,757	(289,882)
Total Federal, State and Other Assistance			\$ 309,886,743	9,883,389	75,955,209	68,037,060	17,801,538

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

- \* Major Federal Program
- \*\* Major State Program

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Laredo is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

**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**

To the Honorable Mayor and Members of the City Council  
City of Laredo, 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 the City of Laredo, Texas, as of and for the year ended September 30, 2010, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated February 8, 2011. 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 City of Laredo, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Laredo, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Laredo, Texas' 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Laredo, Texas, in a separate letter dated February 8, 2011.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.

*Canale, Garza & Baum, PLLC*

Laredo, Texas  
February 8, 2011



City of Laredo, Texas  
Federal Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   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 Section .510(a) of Circular A-133? \_\_\_\_\_ yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG – Entitlement Grants Cluster
14.253	Community Development Block Grant/Entitlement Grants
	ARRA CDBG Entitlement Grant (CDBG-R)
20.500	Federal Transit Cluster
20.507	Capital Investment Grants
	Formula Grants
66.606	Colonia Water & Wastewater Treatment
66.468	ARRA Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,027,553

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

City of Laredo, Texas  
Federal Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.

City of Laredo, Texas  
State Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***State Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   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 Section .510(a) of Circular A-133? \_\_\_\_\_ yes   X   no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Department of State Health Services Public Health Emergency Response
None	Texas Department of Transportation Auto Theft Task Force
None	Texas Water Development Board Water Rights Grant – Economic Distressed Areas

Dollar threshold used to distinguish between Type A and Type B programs:   \$ 300,000  

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

City of Laredo, Texas  
State Schedule of Findings and Questioned Costs  
Year Ended September 30, 2010

**Section II - Financial Statement Findings**

None.

**Section III - State Award Findings and Questioned Costs**

None.

City of Laredo, Texas  
Federal Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2010

**Summary of Prior Audit Findings**

***Federal Award Findings and Questioned Costs***

None.

City of Laredo, Texas  
State Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2010

**Summary of Prior Audit Findings**

***State Award Findings and Questioned Costs***

None.

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