

CITY OF
Laredo
TEXAS



**Comprehensive Annual Financial Report
For The Year Ended September 30, 2009**

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009

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, 2009

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January 29, 2010

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, 2009. 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 Garza, Martinez & Co., L.L.P., 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, 2009, 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, 2009 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 thirteenth fastest growing city in the State of Texas. According to U.S. Bureau, Laredo had a population of 221,659 in 2008.

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 30th, 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 Mexico is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland Port on the U.S. – Mexico border. With our 4 international bridges, Laredo crosses over \$173 billion imports and exports annually. It is the 6th largest U.S. Customs District in the Country. The Laredo International Airport is the 8th largest cargo hub to South America. It services over 287 million pounds of cargo on an annual basis.

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 like 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 have opened its doors. We also have added 3 new Walgreens and a TJ Maxx store. 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 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 Mexico 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 Entertainment Center, 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 2008-2009

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.

- Renovation of a Bio-Safety Laboratory for Preparedness Testing located at the Health Department was completed with a cost of over \$3.2 million. This 4,000 sq. ft. state-of-the-art facility will be able to test for various bacteria's, cholesterol, glucose levels, and HIV, H1N1, rubella and hepatitis. Funding of \$2.45 million is from various bond proceeds and \$750 thousand from the Texas Dept. of Health Services.
- Phase 1 & 2 of North Central Park has been completed. This park will be a 210 acre park. The park includes 1.4 miles of walking/hiking/biking trails, covered recreational pavilions; play stations, landscaped areas, exercise stations, and other amenities. The project cost for these phases was \$3 million dollars.
- Various project improvements were completed at the Laredo International Airport in the amount of \$9.1 million including the airport taxiway and cargo apron reconstructions. The projects were funded with Federal Aviation Administration Grants and the Laredo International Airport Fund.
- Land was also acquired during the year in the amount of \$4.7 million including \$2.6 for Noise Abatement Project and \$1.3 million for city wide drainage projects.

Future Major Initiatives

Future projects that 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 \$3 million federal grant for energy efficiency projects was awarded to the City. Construction/upgrade of fueling stations for buses and other city vehicles to utilize compressed natural gas facility and begin to burn cleaner air with an estimated cost of \$924 thousand. In addition, \$2.1 million of these funds will be used to add solar power in recreational facilities and will be retro-fitted with solar panels and solar-powered trash compactors along with providing \$400 thousand in interest free loans to citizens in order to do energy efficiency improvements in their homes.

- A commercial booth expansion project at the World Trade Bridge will commence in 2010 with a project cost of \$4.62 million. The project will include 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.
- The City awarded a contract for \$863 thousand for the park surveillance and a wireless broadband system for the central business district. This project will assist the City with the possibility of implementing cameras in various areas to prevent vandalism and other crime related incidents.
- Numerous recreational and park projects were funded during the current year with the sale of a Certificate of Obligation Bonds. The projects include the following:
 - o Construction is underway for a recreational facility in East Laredo; Hayes Recreation Center, a 35,000 square foot facility, with estimated cost of \$10.8 million will include a lobby/reception area, administrative offices, game room, computer lab, rock wall, kitchen/juice bar, basketball gym/indoor soccer field, an elevated indoor jogging/walking track, cardiovascular area, dance/aerobics room and a multipurpose room.
 - o North Central Park – additional amenities of the park will include trails and improvements, park benches, additional lighting, exercise station, playground, shades, drinking fountains, restrooms, landscape irrigation and a nature area for bird watching. Other features include basketball courts, a baseball complex, tennis courts, and an amphitheater. The project will also focus on Green Space restoration and the Manadas Creek Regional Detention Pond. Total estimated cost for North Central Park is \$12.5 million, not including the potential federal earmarks.
 - o A Northwest Recreation Center and Pool with bathhouse, concession stand, parking, lighting and landscaping with at an estimated cost of \$6.6 million. Funding from this project will be funded by bond proceeds.
 - o Construction is underway 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 estimated project cost of \$13.8 million which is funded in various ways by bond proceeds.
 - o Phase 1 contract was awarded for the Independence Regional Park which will include baseball complex, open areas, a linear park system and other related amenities on a 62 acres tract of land in South Laredo. The total estimated cost of the park is \$2.5 million.

- o The reconstruction/renovation of the Santo Nino Library Branch with an estimated cost of \$2.7 million will service the Citizens of South Laredo.

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 99 days. The average yield on investments was 2.10 percent for the year.

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 \$2,047,127 as of September 30, 2009. The amount reflects an unusual increase in health claims that exceeded projections by \$2.5 million and prescription claims by \$816 thousand. 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 \$2,689,738, a decrease of \$378,251 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 53.50 percent as of December 30, 2008. The remaining un-funded amount is being systematically funded over 30 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 91 retired employees receiving these benefits. An actuarial was conducted in fiscal year 2009 for fiscal year ending 2008 and due to new reporting requirements the City has an unfunded liability of \$95,683,806; an increase of \$7.6 million from the City's actuarial in 2007. The City of Laredo is continuing to look for methods on implementing the funding for this liability.

million from the City's actuarial in 2007. 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, 2008. This was the twenty first 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 eighteenth 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,


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, 2008

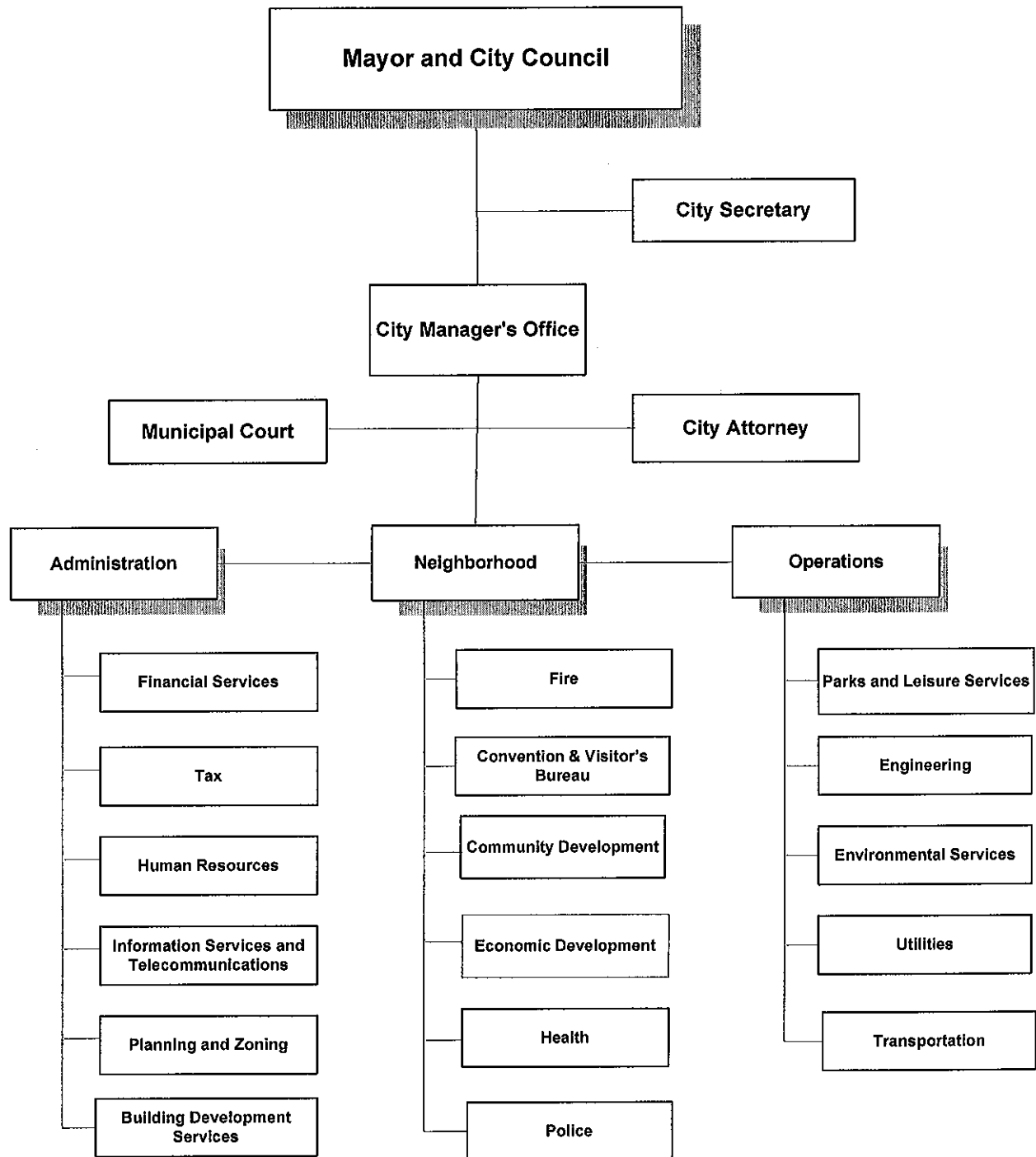
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards 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 Mayor Pro Tempore	I	Johnny Rendon	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 Manager

Horacio De Leon, Assistant City Manager

Jesus M. Olivares, Assistant City Manager

Raul Casso, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

FINANCIAL SECTION

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Omar Salcedo
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INDEPENDENT AUDITORS' 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, 2009, 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, 2009, 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 January 29, 2010, 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 the 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.

The management's discussion and analysis and the other required supplementary information listed on the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Laredo, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules listed in the table of contents, and statistical section are also 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 provisions of the State of Texas Uniform Grant Management Standards, 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, schedules listed in the table of contents as well as the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Gauze, Martiny & Co, L.L.P.

Laredo, Texas
January 29, 2010

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, 2009. 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 \$685.7 million (net assets). Of this amount, \$77.9 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 \$70.7 million while the business-type activities net assets decreased by \$57.4 million resulting in a \$13.3 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 \$184 million; an increase of \$1.7 million from prior year attributed to a \$29.8 million bond proceeds received in September 2009 and decreases in other bond construction funds. At the City's discretion, \$139.4 million of these fund balances are unreserved, \$6.6 million are designated for debt service, and the remaining amounts of \$38 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 \$30.7 million, or 23.32 percent of the total general fund expenditures.
- The City's bonded debt has a net increase of \$59.4 million from prior year's balance of \$458.1 million. During the current fiscal year, the City issued \$43.3 million in certificate of obligation bonds and \$27.15 million in general obligation refunding bonds.

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.

		Fund Statements		
	Government –Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
SCOPE	Entire City Government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary, such as police, fire, and parks	Activities the City operates similar to private businesses: Bridge, Water, Sewer	Instances in which the City is the trustee or agent for someone else's resources i.e.: the retirement plan for City employees
Required Financial Statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of Revenues and Expenditures, and changes in fund balances	• Statement of net assets • Statement of Revenues, expenses, and changes in net assets • Statement of Cash Flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	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	All revenues and expenses during the year; regardless of when cash is received or paid	All revenues and expenses during the year, regardless when cash is received or paid

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

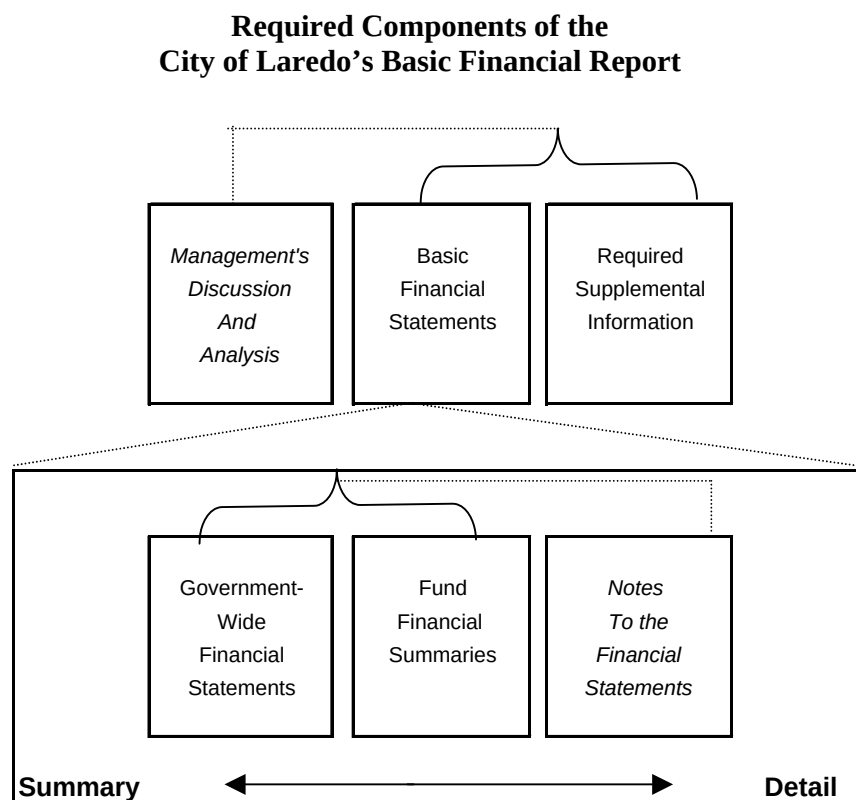


Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City Government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of 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.
- Discretely Presented Component units – The City includes five 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, and the Laredo Water Corporation. 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 \$685.7 million as of September 30, 2009. Analyzing the net assets and net expenses of the governmental and business-type activities separately, the business type activities net assets are \$297.5 million and the government type activities are \$388.2 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, 2009 and 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 239,010,491	\$ 233,841,832	\$ 195,839,046	\$ 171,279,216	\$ 434,849,537	\$ 405,121,048
Capital assets	456,337,197	437,586,020	404,121,472	340,944,630	860,458,669	778,530,650
Unamortized Bond Costs	4,591,039	3,851,782	3,421,122	2,821,325	8,012,161	6,673,107
Total assets	699,938,727	675,279,634	603,381,640	515,045,171	1,303,320,367	1,190,324,805
Current liabilities	33,273,699	37,782,573	34,627,658	22,488,163	67,901,357	60,270,736
Non-current liabilities	278,461,629	319,969,714	271,285,723	137,689,273	549,747,352	457,658,987
Total liabilities	311,735,328	357,752,287	305,913,381	160,177,436	617,648,709	517,929,723
Net Assets:						
Invested in capital assets, net of related debt	327,113,377	226,128,108	241,824,056	289,915,339	568,937,433	516,043,447
Restricted	21,283,295	18,974,742	17,621,503	24,336,104	38,904,798	43,310,846
Unrestricted	39,806,727	72,424,497	38,022,700	40,616,292	77,829,427	113,040,789
Total net assets	\$ 388,203,399	\$ 317,527,347	\$ 297,468,259	\$ 354,867,735	\$ 685,671,658	\$ 672,395,082

A portion of the City's net assets (\$38,904,798 or 5.67%) 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, 2009. Governmental activities decreased the City's net assets by \$25.8 million, while Business-Type activities increased by \$39.1 million, overall the City's Net Assets increased by \$13.3 million. The City's total revenues remained at the same level of \$396 million as the previous fiscal 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, bride tolls and utility charges.

Total operating cost of all programs increased by \$19.6 million from prior year to \$382.6 million. The most significant governmental expense for the City was in providing public safety, which incurred \$101.3 million, a growth of \$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 \$42.1 million and the fire department with \$32.5 million (both areas including benefits).

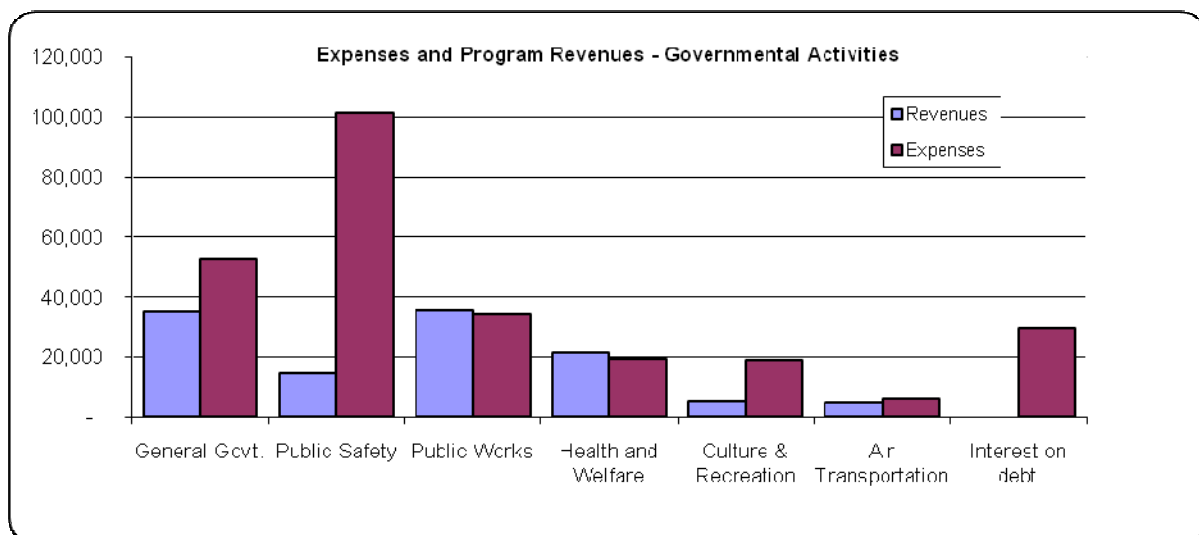
Table A-2

City of Laredo's Changes in Net Assets September 30, 2009 and 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 66,721,646	\$ 67,616,640	\$ 116,133,790	\$ 115,632,061	\$ 182,855,436	\$ 183,248,701
Operating grants and contributions	18,369,080	13,930,222	4,433,244	4,519,591	22,802,324	18,449,813
Capital grants and contributions	30,660,626	15,342,851	41,035,105	57,024,886	71,695,731	72,367,737
General revenues:						
Sales tax	29,801,861	32,648,289	5,760,681	6,122,978	35,562,542	38,771,267
Property taxes	68,693,562	62,332,204	-	-	68,693,562	62,332,204
Other taxes	9,755,834	10,501,227	-	-	9,755,834	10,501,227
Grants and contributions not restricted	-	4,845,731	-	-	-	4,845,731
Other	3,996,616	5,115,141	512,769	393,328	4,509,385	5,508,469
Total revenue	\$ 227,999,225	\$ 212,332,305	\$ 167,875,589	\$ 183,692,844	\$ 395,874,814	\$ 396,025,149

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Expenses:						
General Government	\$ 52,488,587	\$ 19,219,026	\$ -	\$ -	\$ 52,488,587	\$ 19,219,026
Public Safety	101,317,492	95,322,249	-	-	101,317,492	95,322,249
Public Works	33,983,968	26,609,686	-	-	33,983,968	26,609,686
Health & Welfare	19,374,716	18,974,496	-	-	19,374,716	18,974,496
Culture & Recreation	19,137,914	16,311,284	-	-	19,137,914	16,311,284
Air Transportation	6,014,102	5,709,233	-	-	6,014,102	5,709,233
Interest & Other long - term debt	29,610,058	60,052,703	-	-	29,610,058	60,052,703
Transit System	-	-	14,428,909	14,662,621	14,428,909	14,662,621
Bridge System	-	-	39,335,750	42,734,185	39,335,750	42,734,185
Solid Waste	-	-	18,828,910	17,157,717	18,828,910	17,157,717
Water System	-	-	28,536,428	28,212,391	28,536,428	28,212,391
Sewer System	-	-	18,235,772	16,765,662	18,235,772	16,765,662
Municipal Housing	-	-	1,305,632	1,231,002	1,305,632	1,231,002
Total expenses	261,926,837	242,198,677	120,671,401	120,763,578	382,598,238	362,962,255
Inc (dec) in net assets before transfers	(33,927,612)	(29,866,372)	47,204,188	62,929,266	13,276,576	33,062,894
Transfers	8,108,009	13,622,444	(8,108,009)	(13,622,444)	-	-
Incr (Dec) in net assets	(25,819,603)	(16,243,928)	39,096,179	49,306,822	13,276,576	33,062,894
Net assets, beginning	317,527,347	333,771,275	354,867,735	305,921,469	672,395,082	639,692,744
Prior Period Adj.	96,495,655	-	(96,495,655)	(360,556)	-	(360,556)
Net assets, ending	\$ 388,203,399	\$ 317,527,347	\$ 297,468,259	\$ 354,867,735	\$ 685,671,658	\$ 672,395,082

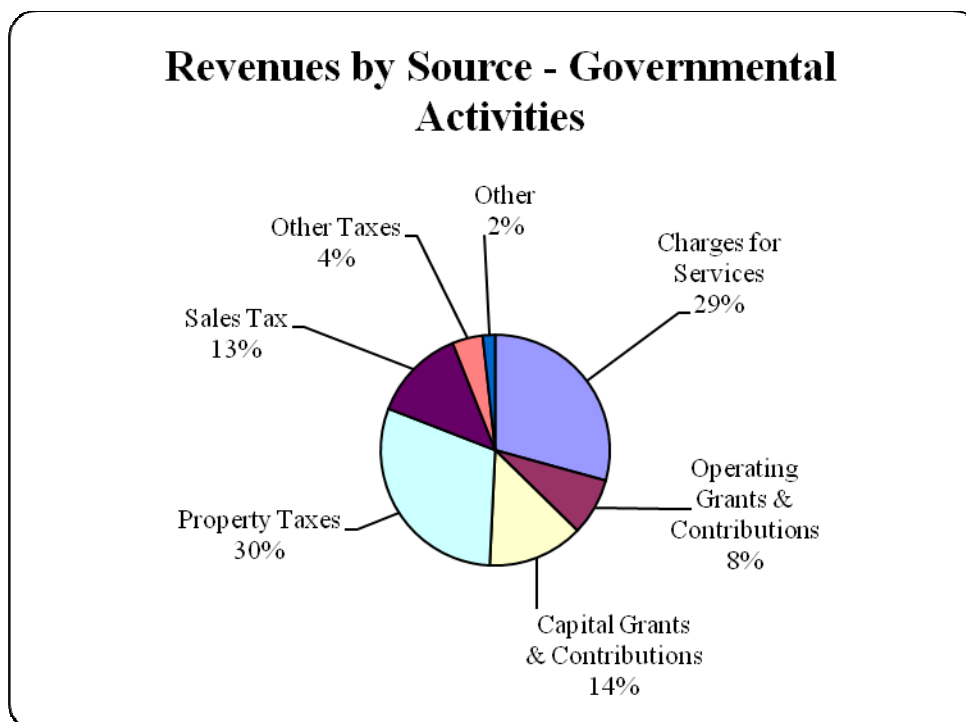
Graph 1



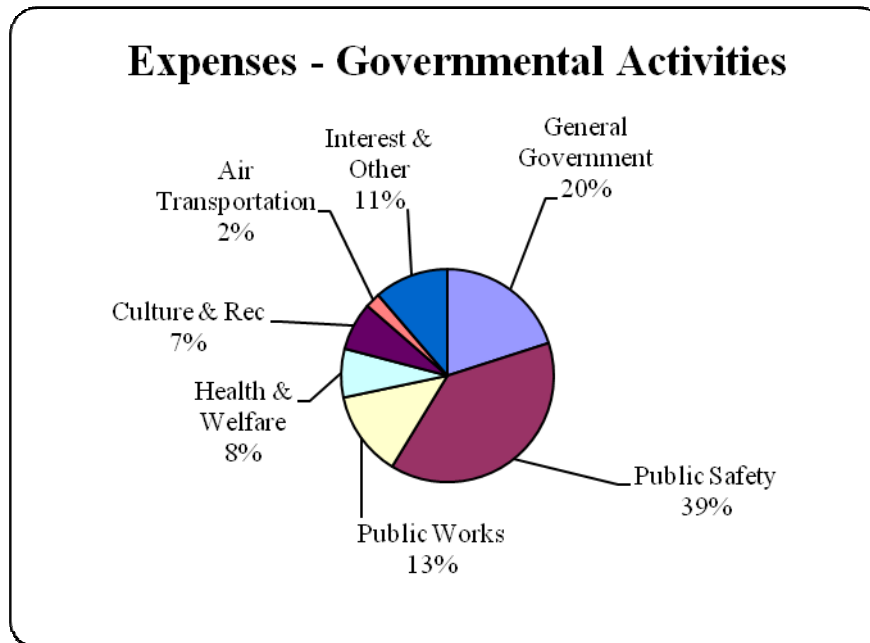
Graph 1 represents the cost of each of the City's 7 largest programs as well as each of the programs revenue. Net cost (total cost less fees generated by the activities and intergovernmental aid) is also reflected for each program. The net cost is the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all *Governmental* activities this year was \$261.9 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 \$112.2 million.
- 39% of all Governmental Activities expenses were from Public Safety, 13% were from Public Works, 8% were from Health & Welfare, 7% were from Cultural & Recreational, 20% were for general governmental activities and 13% were from the Other categories. (See Graph 3).
- General Government (support services) comprised approximately 20% of total expenses in Fiscal Year 2009; an increase of \$33.3 million from prior year. The major increase was due to recognition of net pension obligation of OPEB in the amount of \$32 million. There were no other significant increases in any one area, other than cost of living.
- Expense for Public Safety increased by \$6 million from prior year to \$101.3 million. This increase was due to increased personnel expenses in Fire and Police Departments by \$3.6 million. This increase was due to contractual obligations with Police and Fire Unions.
- Public Works increased by \$7.4 million 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 \$2.8 million due to the operations of the Laredo Entertainment Center (LEC). The City hired SMG to operate the LEC during the fiscal year. This venue offers additional entertainment options to the citizens of Laredo.
- Other areas in Health & Welfare and Air Transportation expenses increased by \$705 thousands.
- Business Type Activities transferred to Governmental Activities \$8.1 million.
- 29% of all Governmental Activities revenue came from charges for services, 30% from property taxes and 13% from sales taxes (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City's business-type activities were \$167.9 million for the fiscal year ending September 30, 2009, a decrease of \$15.8 million from prior year. The decrease was mainly due to a decrease in capital grants and contributions in the amount of \$16 million. Charges for Services reflect an overall increase of \$502 thousand. Other major revenue categories decreased by \$329 thousand such as Sales Tax, Operating Grants and Contribution and Other.

Expenses for the City's business-type activities were \$120.7 million for the year, a difference of \$92 thousand from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- \$1.7 million increase in Solid Waste System; operational expenses increase by \$1.5 million and an increase of \$200 thousands million in non-operating expenses.
- \$1.5 million increase in the Sewer System; operational expense increase \$400 thousands and an increase of \$1.1 million in non-operating for the Sewer System.
- \$3.4 million decrease in Bridge System; operational expenses decrease by \$3.2 million and a decrease of \$200 thousands in non-operating expenses.
- Other business-type activities increase by \$200 thousands in operating expenses for the Transit System, Water System, 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 \$184 million of which \$37.3 million is for General Fund and Debt Service Fund and \$146.7 million if for Other Governmental Funds that account for Special Revenue Funds, Capital Projects and a Permanent Fund. Of the \$184 million combined fund balance, \$29.2 million is unreserved for General Fund, \$6.6 million for Debt Service, \$84.7 million for capital projects, and \$25.5 million for Special Revenue Funds. \$38 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 \$29.2 million of the total fund balance \$30.7 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 22.17 percent total general fund operating expenses, while total fund balance represents 23.32 percent of the same amount.

During the current fiscal year, the City's General Fund balance increased by \$4.1 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 \$4.8 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 \$1.8 million as compared to the prior year. The decrease is a reflection of the current economic conditions.
- Charges for Services decrease by \$1.8 million as compared to prior years.
- General Fund expenses decreased by \$36.3 million from prior year. Where most of the departments remained stable, minimal growth occurred in Public Safety by \$1.9 million. The major increase was in the personnel expenses in the amount \$2.5 million for Fire and Police Department. General Government and Health & Welfare increased by \$507 thousand. Public Works and Cultural & Recreational recorded a decrease in their expenses by \$1.1 million. Other Financing Uses reflected the majority of the decreases. Contributions decrease by \$46.4 million while capital outlay increased by \$9.1 million.

The Debt Service fund has a total fund balance of \$6.6 million, all of which is designated for the payment of debt. The net increase in the fund balance during the current year in the debt service fund was \$646 thousand dollars.

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 \$297.5 million. The total net assets decreased by \$57.4 million as compared to prior year. The largest area of change is in the Waterworks System, Sewer Systems and Solid Waste Funds due to prior period adjustment in the amount of \$96.5million 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 \$39.1 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 \$4.2 million and other non-

operating revenues, net of expenses, of \$34.9 million. Waterworks and Sewer Systems increase by \$17.8 million and \$16.6 million respectively prior to the prior period adjustment. Revenues increase due to a rate increase implemented during the current year and an increase in the number of customers. 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 policy, but has also has been able to increase the rate to 23.32% of operating expenditures in FY 2009. 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 property valuation growth which has increased from prior year by 10.56%. Even though sales tax collection decreased by 6.85% and charges for services have decreased by 5.67% 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 \$30,692,423 or 23.32% of operating expenditures as of September 30, 2009.

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 \$286 thousands. This amendment consisted of grants including \$36 thousands from State Operating and Planning Grants. Other amendments included \$250 thousand appropriated for Penalty and Interest revenues.

Expenses and Other Financing Uses:

- The budget was amended to reflect additional appropriations of \$283 thousand for various grants in the amount of \$33 thousand and \$250 to cover the cost of administrative expenses.

Amended Budget as compared to Actual Expenses:

Revenues:

- The actual revenues reflect an overall unfavorable variance of \$6.4 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 \$2.3 million.
 - Licenses and Permits revenues did not materialized as projected resulting in an \$800 thousand revenue shortfall.
 - Charges for Services revenues did not increase as projected during the budget cycle and had a shortfall of \$2.7 million.
 - Other sources of revenues such as Franchise Fees, Interest Earnings and Other revenues resulted in a revenue shortfall of \$600 thousand.

Expenses and Other Financing Sources (Uses):

- An overall favorable variance (savings) of \$10.3 million in expenses was realized during the current year as compared to amended budget.
 - General Government realized savings in the amount of \$1.9 million among the departments with savings include Municipal Court, Building and Planning and Financial Services Department among others.
 - Savings of \$3.4 million were realized in the Public Safety area. Actual operating cost came in below the annual estimated budget. The Police department realized

savings of \$2.5 million. Fire Department realized savings of \$300 thousand. The Traffic Department had savings of 561 thousands.

- o Public Works had savings of \$942 thousand in the divisions of Drafting & Surveying, Street Maintenance and Street Construction.
- o Cultural & Recreational had savings of \$1.6 million in the Library, Recreation and Park Maintenance Divisions.
- o All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remain healthy.

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, 2009 is \$860 million (net of accumulated depreciation). The total increase in the City's investment in capital assets for the current fiscal year was \$117 million net increase over prior year. Additions, to capital assets such as land, infrastructure, equipment, construction in progress and buildings for the year totaled \$38.6 million for governmental activities and \$78.4 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		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 66,333,535	\$ 61,526,824	\$ 30,857,130	\$ 30,857,130	\$ 97,190,665	\$ 92,383,954
Buildings	137,977,860	132,956,551	86,817,021	61,747,067	224,794,881	194,703,618
Machinery & Equipment	75,693,226	72,522,272	69,517,572	68,117,731	145,210,798	140,640,003
Water Rights	-	-	28,816,551	20,622,093	28,816,551	20,622,093
Improve'ts other than Bldg	417,475,750	393,530,681	341,031,893	290,783,664	758,507,643	684,314,345
Construction in Progress	17,598,562	15,911,502	47,796,609	54,356,565	65,395,171	70,268,067
Total	\$ 715,078,933	\$ 676,447,830	\$ 604,836,776	\$ 526,484,250	\$ 1,319,915,709	\$ 1,202,932,080

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

Governmental

- Various land acquisitions totaling \$4.8 million. Land related to the Noise Abatement Project totaling \$2.6 million and \$1.3 million for the City wide drainage projects.
- Building increase by \$5 million mainly due to an addition to the Health Clinic at a cost of \$1.3 million and additions to El Eden Recreation Center at a cost of \$876 thousand.
- Infrastructure Improvements in the amount of \$23.9 million for various projects including Airport runways and cargo at a cost of \$9.1 million, Improvements at Slaughter Park at a cost of \$1.9million and \$7.9 million in improvements for streets and sidewalks. Machinery, Equipment, Vehicles and Heavy Equipment acquired during the fiscal year amounted to \$3.2 million for all departments within the City.
- Additions to Construction in Progress in the amount of \$1.7 million include ongoing projects for Drainage Improvements, Haynes Recreation Center, North Central Park and other projects.

Proprietary

- Water Rights acquisition in the amount of \$8.2 million.
- El Portal Center Building at a cost of \$22 million was added to the capital assets for Laredo Bridge System. The building is a complex of commercial suites spaces and an administrative building.
- Water and Waste Water Systems investment in Capital Assets increase by \$70.2 million which includes Water and Sewer plant improvements, construction in progress and 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 \$289.8 million in outstanding bonds and other long term debt; an increase of \$47.6 million over last year (See Table A-4) for the Governmental Activities. The Business Type Activities recorded an increase of \$44 million. More detailed information about the City's long-term liabilities is presented in Note 11, 12 & 20 to the financial statements.

New debt resulted mainly from a \$24.7 million Combination Tax and Revenue Certificate of Obligation Series 2009 and \$51.4 million Waterworks & Sewer Systems Combination Tax and Revenue Certificate of Obligation Series 2009. The issuance of long term debt was to finance various projects including constructing City buildings, parks and recreation facilities, storm drainage projects, street projects traffic signals, vehicles for various City Departments and improving and extending the water and sewer systems.

Bond Ratings

The City most recent general obligation bond ratings are the following:

Standard & Poor's	AAA
Moody's	Aa2
Fitch	AA

Table A-4
City of Laredo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 27,989,344	\$ 32,484,345	\$ 32,100,655	\$ 32,100,655	\$ 60,089,999	\$ 64,585,000
Certificates of obligation	172,020,000	153,860,000	115,815,000	64,395,000	287,835,000	218,255,000
Revenue bonds	32,720,000	34,005,000	108,065,223	114,675,138	140,785,223	148,680,138
Capital lease obligations	1,664,246	3,297,907	-	-	1,664,246	3,297,907
Compensated Absences	22,428,114	17,595,468	1,998,128	1,704,642	24,426,242	19,300,110
Notes payable	850,000	935,000	21,317,923	22,413,922	22,167,923	23,348,922
Net Penion Ob. - OPEB	32,085,140	-	-	-	32,085,140	-
Total	\$ 289,756,844	\$ 242,177,720	\$ 279,296,929	\$ 235,289,357	\$ 569,053,773	\$ 477,467,077

Economic Factors and Next Year's Budgets and Rates

The City Council considered many factors when setting the fiscal year 2010 budget. General Fund revenues for FY 09-10 are proposed to be \$133,706,315 a decrease of \$3,343,467 or 2.44% under the prior year's original budget. Expenditures are proposed to be \$133,762,358 a decrease of \$3,350,379 or 2.44% over prior year budgeted expenditures. This decrease is the reflection of the prevailing current economic conditions. The City's unemployment rate increased to 8.5% as of September 30, 2009 compared to prior year's 5.4%. 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 2009-2010 consolidated budget revenue appropriation is \$484,952,774 million. This represents an increase in revenues of \$61.4 million or 14.49 percent over the 2008-2009 original budget. The property tax rate for 2010 is .6370 per \$100 valuation; the rate has remained the same for the last seven consecutive years. Assessed valuations for FY 2010 were \$10.6 billion which represents a 1.86% growth over prior year with an estimated levy of \$66.3 million. Of the .6370 tax rate, 81 percent or .513007 cents are utilized for General Fund activities, the remaining 19 percent or .123993 cents are used for Debt Service. The General Fund's portion of property tax revenue for FY 2010 is projected to be \$51.7 million. Sales tax revenues for the General Fund for FY 2010 are budgeted to be \$25 million, a decrease of \$1.6 million or 5.93 percent as compared prior year's budgeted amounts.

The cost of living increase and merit program have been suspended for FY 2010 and nothing is allocated in FY 2010 budget. The budget does include a \$2.65 million funding for the Police and Fire Departments cost of living increase as per contractual obligations. Fire & Police Safety are the exceptions to this increase since they have individual negotiated contracts. There were a total of 2,604 full time equivalent positions with an estimated budget of \$156.1 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, 78042.

BASIC FINANCIAL STATEMENTS

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
September 30, 2009

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 88,236	\$ 26,424	\$ 114,660
Investments (Note 5)	198,554,919	61,248,470	259,803,389
Receivable, net of allowances: (Note 6)			
Accrued Interest	2,079,986	276,980	2,356,966
Property Taxes, Penalty and Interest	8,751,485	-	8,751,485
Hotel-Motel Tax, Penalty and Interest	271,170	-	271,170
Accounts	8,919,530	6,823,960	15,743,490
Notes	15,048,173	18,786	15,066,959
Paving Assessments	9,766	-	9,766
Internal Balances (Note 13)	(4,286,730)	4,286,730	-
Due From Other Governments	8,764,592	1,608,691	10,373,283
Inventory, at cost	458,047	1,487,519	1,945,566
Prepaid Items	351,317	-	351,317
Total Current Assets	239,010,491	75,777,560	314,788,051
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	119,606,696	119,606,696
Accrued Interest	-	347,116	347,116
Notes	-	85	85
Due From Other Governments	-	107,589	107,589
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	66,333,535	59,673,681	126,007,216
Construction in Progress	17,598,562	47,796,609	65,395,171
Depreciable Assets:			
Buildings	137,977,860	86,817,021	224,794,881
Machinery and Equipment	75,693,226	69,517,572	145,210,798
Infrastructure	417,475,750	341,031,893	758,507,643
Accumulated Depreciation	(258,741,736)	(200,715,304)	(459,457,040)
Unamortized Bond Issuance Costs	4,591,039	3,421,122	8,012,161
Total Non Current Assets	460,928,236	527,604,080	988,532,316
TOTAL ASSETS	\$ 699,938,727	\$ 603,381,640	\$ 1,303,320,367

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
September 30, 2009

(Continued)

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 6,276,566	\$ 2,887,793	\$ 9,164,359
Claims and Judgments Payable (Note 18)	3,659,633	-	3,659,633
Retainage Payable	1,982,159	965,729	2,947,888
Accrued Wages and Employee Benefits	3,740,707	1,041,276	4,781,983
Accrued Interest Payable	1,213,029	164,115	1,377,144
Compensated Absences (Note 12)	-	863,257	863,257
Contracts Payable	2,610,508	4,746,759	7,357,267
Customer and Tenant Deposits	146,665	4,445,550	4,592,215
Due To Other Governments	479,761	-	479,761
Due to Developers	534,100	-	534,100
Unearned Revenue	1,335,356	2,633,359	3,968,715
General Obligation Bonds (Note 11 & 12)	3,043,853	5,206,147	8,250,000
Certificates of Obligation (Note 11 & 12)	5,180,000	3,260,000	8,440,000
Revenue Bond Payable (Note 11 & 12)	1,430,000	7,590,000	9,020,000
Notes Payable (Note 11 & 12)	85,000	823,673	908,673
Capital Lease Obligation (Note 11)	1,556,362	-	1,556,362
Total Current Liabilities	<u>33,273,699</u>	<u>34,627,658</u>	<u>67,901,357</u>
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	24,945,491	26,894,508	51,839,999
Certificates of Obligation (Note 11 & 12)	166,840,000	112,555,000	279,395,000
Revenue Bonds Payable (Note 11 & 12)	31,290,000	100,475,223	131,765,223
Notes Payable (Note 11 & 12)	765,000	20,494,250	21,259,250
Capital Lease Obligations (Note 11)	107,884	-	107,884
Compensated Absences (Note 11 & 12)	22,428,114	1,134,871	23,562,985
Net Pension Obligations - OPEB (Note 11)	32,085,140	-	32,085,140
Landfill Closure & Postclosure Costs (Note 12)	-	9,731,871	9,731,871
Total Noncurrent Liabilities	<u>278,461,629</u>	<u>271,285,723</u>	<u>549,747,352</u>
TOTAL LIABILITIES	<u>311,735,328</u>	<u>305,913,381</u>	<u>617,648,709</u>
NET ASSETS			
Investments in Capital Assets,			
net of related debt	327,113,377	241,824,056	568,937,433
Restricted for:			
Debt Service	6,636,000	11,254,631	17,890,631
Capital Projects	14,485,660	-	14,485,660
Improvements	-	6,366,872	6,366,872
Canseco Endowment Fund			
Nonexpendable	71,635	-	71,635
Unrestricted	39,896,727	38,022,700	77,919,427
TOTAL NET ASSETS	<u>\$ 388,203,399</u>	<u>\$ 297,468,259</u>	<u>\$ 685,671,658</u>

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, 2009

Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues				Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-Type
					Activities	Activities
Total						
Functions/Programs						
Primary Government Activities:						
Governmental Activities:						
General Government	\$	52,488,587	33,923,642	1,036,543	16,840	(17,511,562)
Public Safety		101,317,492	10,016,804	4,269,918	110,427	(86,920,343)
Public Works		33,983,968	3,675,472	2,114,638	29,565,020	1,371,162
Health and Welfare		19,374,716	10,452,002	10,759,249	240,246	2,076,781
Culture and Recreation		19,137,914	4,029,673	78,285	728,093	(14,301,863)
Air Transportation		6,014,102	4,624,053	110,447	-	(1,279,602)
Interest and Other on Long-Term Debt		29,610,058	-	-	-	(29,610,058)
Total Governmental Activities		261,926,837	66,721,646	18,369,080	30,660,626	(146,175,485)
Business-Type Activities:						
Transit System		14,428,909	3,994,923	4,349,903	1,759,672	(4,324,411)
Bridge System		39,335,750	43,736,439	-	-	4,400,689
Waterworks System		28,536,428	30,032,089	-	21,649,804	23,145,465
Sewer System		18,235,772	21,401,432	-	17,625,629	20,791,289
Solid Waste Management System		18,828,910	15,570,572	83,341	-	(3,174,997)
Municipal Housing		1,305,632	1,398,335	-	-	92,703
Total Business-Type Activities		120,671,401	116,133,790	4,433,244	41,035,105	40,930,738
Total Primary Government	\$	382,598,238	182,855,436	22,802,324	71,695,731	(105,244,747)
General Revenues:						
Property Taxes					68,693,562	-
Sales Tax					29,801,861	5,760,681
Franchise Tax					6,714,232	-
Hotel Motel Tax					2,718,253	-
Alcoholic Beverage Tax					323,349	-
Unrestricted investment earnings					1,980,307	-
Gain on sale of capital assets					122,890	512,769
Bond Premium					1,893,419	-
Transfers (Note 14)					8,108,009	(8,108,009)
Total general revenues and transfers						
					120,355,882	118,521,323
Change in net assets						
Net assets-beginning					(25,819,603)	39,096,179
Prior Period Adjustment (Note 20)					317,527,347	672,395,082
					96,495,655	-
Net assets-ending	\$	388,203,399	297,468,259			685,671,658

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

**CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ 15,668	-	72,168	87,836
Investments	32,290,920	6,608,334	153,245,882	192,145,136
Receivable, net of allowances:				
Accrued Interest	160,873	28,616	1,866,616	2,056,105
Taxes, Penalty and Interest	7,406,756	1,265,512	14,717	8,686,985
Accounts	5,136,053	-	1,542,608	6,678,661
Notes	-	-	15,048,173	15,048,173
Paving Assessments	-	9,766	-	9,766
Due from Other Funds	2,455,909	-	262,341	2,718,250
Due from Other Governments	271,430	-	8,493,162	8,764,592
Inventory, at cost	21,742	-	39,228	60,970
TOTAL ASSETS	47,759,351	7,912,228	180,584,895	236,256,474
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	1,571,483	950	3,642,480	5,214,913
Retainage Payable	721	-	1,981,438	1,982,159
Accrued Wages and Employee Benefits	2,988,108	-	633,994	3,622,102
Contracts Payable	-	-	2,610,508	2,610,508
Customer and Tenant Deposits	100	-	146,565	146,665
Due to Other Funds	373,555	-	6,107,484	6,481,039
Due to Other Governments	-	-	106,206	106,206
Due to Developers	-	-	534,100	534,100
Deferred Revenue	12,132,961	1,275,278	18,160,806	31,569,045
TOTAL LIABILITIES	17,066,928	1,276,228	33,923,581	52,266,737
FUND BALANCES				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	867,854	-	36,140,518	37,008,372
Reserved for Capital Acquisition	648,807	-	266,159	914,966
Reserved for Children's Programming	-	-	21,635	21,635
Reserved for Endowment Corpus	-	-	50,000	50,000
Unreserved Reported in:				
General Fund	29,175,762	-	-	29,175,762
Debt Service Fund	-	6,636,000	-	6,636,000
Capital Projects	-	-	84,709,516	84,709,516
Special Revenue Fund	-	-	25,473,486	25,473,486
TOTAL FUND BALANCES	30,692,423	6,636,000	146,661,314	183,989,737
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,759,351	7,912,228	180,584,895	

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.	455,515,851
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,359,865
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.	2,458,384
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)	(257,120,438)
Net assets of governmental activities	\$ 388,203,399

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, 2009

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:				
Taxes:				
Property	\$ 54,582,194	12,702,740	-	67,284,934
Sales	24,229,523	-	6,078,880	30,308,403
Franchise Fees	6,788,837	-	-	6,788,837
Bingo Tax	68,274	-	-	68,274
Alcoholic Beverage	325,611	-	-	325,611
Hotel Motel	-	-	2,775,027	2,775,027
Licenses and Permits	5,804,115	-	566,357	6,370,472
Intergovernmental Revenues	506,126	-	39,375,923	39,882,049
Charges for Services	30,572,648	-	7,063,453	37,636,101
Fines	2,819,186	-	573,643	3,392,829
Fees and Collections	853,208	-	2,984,262	3,837,470
Rents	-	-	5,714,968	5,714,968
Interest and Other	1,568,003	375,644	2,900,139	4,843,786
Miscellaneous	-	38,462	4,884,620	4,923,082
Contributions & Donations	9,340,787	-	95,240	9,436,027
Reimbursements	725,511	-	1,188,096	1,913,607
TOTAL REVENUES	138,184,023	13,116,846	74,200,608	225,501,477
EXPENDITURES:				
Current:				
General Government	17,603,178	485,986	803,049	18,892,213
Public Safety	86,642,904	-	6,730,264	93,373,168
Public Works	6,603,736	-	12,319,639	18,923,375
Health and Welfare	958,764	-	17,775,463	18,734,227
Cultural and Recreational	10,162,597	-	8,174,570	18,337,167
Air Transportation Services	-	-	4,317,786	4,317,786
Capital Outlay	9,539,344	-	47,408,330	56,947,674
Debt Service:				
Principal Retirement	97,441	17,490,000	1,136,220	18,723,661
Interest and Fiscal Expenditures	4,791	15,504,510	116,670	15,625,971
TOTAL EXPENDITURES	131,612,755	33,480,496	98,781,991	263,875,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,571,268	(20,363,650)	(24,581,383)	(38,373,765)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,969,695	20,543,223	18,109,468	40,622,386
Issuance of Debt	-	27,150,000	29,830,000	56,980,000
Bond Costs	-	(27,799,429)	-	(27,799,429)
Bond Premium	-	1,115,536	745,247	1,860,783
Transfers Out	(4,527,830)	-	(27,169,319)	(31,697,149)
Sale of Assets	58,685	-	62,984	121,669
TOTAL OTHER FINANCING SOURCES (USES)	(2,499,450)	21,009,330	21,578,380	40,088,260
Net Change in Fund Balances	4,071,818	645,680	(3,003,003)	1,714,495
Fund Balances-Beginning	26,620,605	5,990,320	149,664,316	182,275,241
FUND BALANCES-ENDING	\$ 30,692,423	6,636,000	146,661,313	183,989,736

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, 2009

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

Net change in fund balances-total governmental funds	\$ 1,714,495
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)	(18,777,472)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	122,890
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	330,021
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)	(38,256,339)
Accrued interest expense recorded for entity-wide statements.	1,161,317
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.	29,260,846
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.	(1,375,361)
Change in net assets of governmental activities	\$ (25,819,603)

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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, 2009

	<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>
REVENUES:						
Taxes						
Property Taxes	\$ 52,552,777	52,552,777	52,371,690	-	52,371,690	(181,087)
Penalty and Interest	1,701,869	1,951,869	2,210,504	-	2,210,504	258,635
Alcoholic Beverage	338,000	338,000	325,611	-	325,611	(12,389)
Bingo Tax	66,693	66,693	68,274	-	68,274	1,581
Sales and Use	26,549,987	26,549,987	24,229,523	-	24,229,523	(2,320,464)
Franchise Fees	7,005,906	7,005,906	6,788,837	-	6,788,837	(217,069)
Licenses and Permits	6,646,401	6,646,401	5,804,115	-	5,804,115	(842,286)
Intergovernmental Revenues	514,422	549,938	506,126	-	506,126	(43,812)
Charges for Services	33,283,078	33,283,078	30,572,648	-	30,572,648	(2,710,430)
Fines	2,694,113	2,694,113	2,819,186	-	2,819,186	125,073
Fees and Collections	869,433	869,433	853,208	-	853,208	(16,225)
Interest and Other	1,701,542	1,701,542	1,568,003	-	1,568,003	(133,539)
Miscellaneous	1,034,611	1,034,611	725,511	-	725,511	(309,100)
Contributions and Donations	5,000	6,000	9,340,787	-	9,340,787	9,334,787
TOTAL REVENUES	134,963,832	135,250,348	138,184,023	-	138,184,023	2,933,675
EXPENDITURES:						
General Government						
Mayor and City Council	758,250	757,200	704,583	9,747	714,330	42,870
City Manager	1,228,755	1,257,049	1,120,990	2,843	1,123,833	133,216
Internal Audit	233,846	233,195	227,432	-	227,432	5,763
Public Information Office	184,955	166,560	82,636	615	83,251	83,309
City Hall Maintenance	504,944	519,628	436,542	18,578	455,120	64,508
Municipal Court	1,496,415	1,471,415	1,248,408	7,759	1,256,167	215,248
Building Inspections	1,724,110	1,726,602	1,503,270	3,352	1,506,622	219,980
Development Review Engineering	519,006	518,514	502,936	-	502,936	15,578
Code Enforcement	366,795	366,295	331,940	-	331,940	34,355
Public Right of Way	177,343	176,843	168,926	-	168,926	7,917
Geographic Information Systems	199,279	198,279	185,724	-	185,724	12,555
City Attorney	1,035,417	1,035,417	900,868	5,715	906,583	128,834
City Secretary	454,749	466,280	410,044	682	410,726	55,554
Elections	89,208	77,677	61,262	-	61,262	16,415
Tax Office	1,068,477	1,047,592	995,835	950	996,785	50,807
Accounting	1,248,755	1,256,765	1,151,761	10,176	1,161,937	94,828
Purchasing	489,327	487,667	443,092	185	443,277	44,390
Payroll	210,573	210,483	207,065	298	207,363	3,120
Accounts Payable	348,826	347,273	296,966	-	296,966	50,307
Budget	372,691	367,984	335,150	18,768	353,918	14,066
Personnel and Civil Service	561,681	571,756	509,722	1,415	511,137	60,619
Training	445,550	435,475	317,041	1,923	318,964	116,511
Planning	941,133	941,133	800,795	1,177	801,972	139,161
Section 112	380,749	389,178	346,526	34,358	380,884	8,294
311 Program	283,555	278,191	263,290	21,406	284,696	(6,505)
Communications & Admin. Support	474,792	549,706	399,534	21,984	421,518	128,188
Center for Non-Profit	123,828	124,323	98,437	1,553	99,990	24,333
Real Estate	275,258	275,258	180,928	3,200	184,128	91,130
Economic Development	95,149	75,000	-	75,000	75,000	-
Public Safety						
Police	5,622,487	4,815,822	4,324,614	3,328	4,327,942	487,880
Records/Property	1,212,553	1,232,374	1,142,553	8,982	1,151,535	80,839
Autotheft Grant Match	408,061	523,189	505,058	-	505,058	18,131
Detective	5,772,887	5,802,245	5,470,010	41,430	5,511,440	290,805
LISD SRO Program	1,184,955	1,187,388	1,137,645	-	1,137,645	49,743
Narcotics/Pipeline/K-9	2,872,382	3,142,723	3,084,032	2,267	3,086,299	56,424
911 Communications	2,572,746	2,551,624	2,479,763	2,671	2,482,434	69,190
Criminal Int. Acquisition	653,934	660,858	333,889	1,736	335,625	325,233
Patrols	29,995,355	30,213,519	28,912,242	153,993	29,066,235	1,147,284
Fire	24,174,367	23,718,032	23,612,881	46,877	23,659,758	58,274
Fire - EMS Division	7,130,123	7,466,469	7,402,417	13,564	7,415,981	50,488
Fire - EMS Trauma (Webb Co.)	-	15,000	12,515	-	12,515	2,485
Fire Civilians	567,150	590,442	558,478	-	558,478	31,964
Fire - Prevention & Arson	1,464,635	1,464,856	1,374,016	4,590	1,378,606	86,250
Fire Airport	934,390	980,866	969,470	631	970,101	10,765
Fire - Training (In House)	370,843	417,703	410,232	677	410,909	6,794
Fire - Training	528,164	523,578	490,098	2,458	492,556	31,022
Fire Emergency Management	20,577	17,747	11,538	773	12,311	5,436
Homeland Security Grant	-	7,569	-	-	-	7,569
Traffic	2,633,685	2,623,485	2,231,185	7,223	2,238,408	385,077
Street Lighting	\$ 2,356,098	2,356,098	2,180,268	-	2,180,268	175,830

(Continued)

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2009

	Budgeted Amounts		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
Public Works						
Administration	\$ 781,041	781,041	748,283	2,363	750,646	30,395
Engineering	563,662	582,813	557,926	411	558,337	24,476
Street Maintenance	1,349,376	1,219,164	966,540	1,569	968,109	251,055
Drafting & Surveying	1,001,579	977,804	794,410	2,740	797,150	180,654
Street Construction	1,163,301	1,005,966	825,127	28,790	853,917	152,049
Construction & Inspections	503,516	506,010	453,054	-	453,054	52,956
Street Cleaning	1,189,356	1,189,356	1,090,686	93	1,090,779	98,577
Building Rehabilitation	780,353	789,613	650,480	1,650	652,130	137,483
Warehouse	103,900	103,900	101,950	207	102,157	1,743
Special Construction Projects	157,267	427,735	415,280	-	415,280	12,455
Health and Welfare						
Third-Party Funding	868,875	869,075	814,818	3,064	817,882	51,193
Non CDBG Code Enforcement	159,486	159,486	143,946	837	144,783	14,703
Cultural and Recreational						
Parks	552,205	608,283	474,664	5,370	480,034	128,249
Maintenance	4,678,710	4,654,700	3,946,569	45,930	3,992,499	662,201
Recreation	839,784	837,784	834,261	12,715	846,976	(9,192)
Recreation Centers	1,835,312	1,803,492	1,684,720	24,115	1,708,835	94,657
Cemetery	441,642	438,678	346,126	3,916	350,042	88,636
Library	3,691,316	3,691,321	2,876,257	146,620	3,022,877	668,444
Other	5,001,165	5,207,321	3,371,475	42,499	3,413,974	1,793,347
Capital Outlay	68,000	286,747	9,539,344	1,310	9,540,654	(9,253,907)
Debt Service:						
Principal Retirement	93,907	97,442	97,441	-	97,441	1
Interest and Fiscal Expenditures	8,325	4,791	4,791	-	4,791	-
TOTAL EXPENDITURES	132,600,886	132,882,847	131,612,755	857,083	132,469,838	413,009
Excess (Deficiency) of Revenues Over Expenditures	2,362,946	2,367,501	6,571,268	(857,083)	5,714,185	3,346,684
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	25,000	25,000	7,675	-	7,675	(17,325)
Capital Improvements Fund	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Bridge	1,058,950	1,058,950	962,020	-	962,020	(96,930)
Transfers Out:						
Auto Theft Task Force	(232,009)	(232,009)	(231,349)	-	(231,349)	660
Health Fund	(3,393,528)	(3,393,528)	(2,926,462)	-	(2,926,462)	467,066
Special Police Program	(724,109)	(724,109)	(589,749)	-	(589,749)	134,360
Public Access Fund	(323,231)	(323,231)	(291,857)	-	(291,857)	31,374
Special Fire Grants	(448,200)	(448,200)	(428,413)	-	(428,413)	19,787
Friends of the Library Fund	(60,000)	(60,000)	(60,000)	-	(60,000)	-
Sale of Assets	2,000	2,000	58,685	-	58,685	56,685
TOTAL OTHER FINANCING SOURCES (USES)	(3,095,127)	(3,095,127)	(2,499,450)	-	(2,499,450)	595,677
Net Change in Fund Balance	(732,181)	(727,626)	4,071,818	(857,083)	3,214,735	3,942,361
Fund Balances at Beginning of Year	23,973,884	26,620,605	26,620,605	(10,771)	26,609,834	(10,771)
FUND BALANCES AT END OF YEAR	\$ 23,241,703	25,892,979	30,692,423	(867,854)	29,824,569	3,931,590

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, 2009

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS						
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Cash and Cash Equivalents: (Note 4)						
Cash	21,400	2,150	300	2,574	26,424	400
Investments (Note 5)	9,206,712	28,692,611	15,174,972	8,174,175	61,248,470	6,401,770
Receivable:						
Accrued Interest	51,137	142,946	75,602	7,295	276,980	31,894
Accounts (Note 6)	6,113	3,237,709	2,499,039	1,081,099	6,823,960	191,967
Notes (Note 6)	-	3,857	14,929	-	18,786	-
Prepaid Items	-	-	-	-	-	351,317
Due From Other Governments	-	-	-	1,608,691	1,608,691	-
Due From Other Funds	38,764	9,045	10,539	247,769	306,117	-
Inventory, at Cost	-	908,916	72,659	505,944	1,487,519	397,077
Total Current Assets	9,324,126	32,997,234	17,848,040	11,627,547	71,796,947	7,374,425
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	8,154,145	62,658,446	41,242,822	7,551,283	119,606,696	-
Accrued Interest Receivable	-	168,619	119,372	59,125	347,116	-
Notes Receivable (Note 6)	-	85	-	-	85	-
Due From Other Funds	-	-	-	5,397,717	5,397,717	-
Due From Other Governments	-	-	107,589	-	107,589	-
Total Restricted Assets (Note 7)	8,154,145	62,827,150	41,469,783	13,008,125	125,459,203	-
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	14,020,403	6,914,288	7,322,401	41,260,480	69,517,572	1,241,313
Buildings	33,559,095	13,395,112	21,209,597	18,653,217	86,817,021	656,136
Improvements	72,098,613	145,432,603	112,466,222	11,034,455	341,031,893	-
Land and Improvements	11,265,265	29,811,988	4,531,525	14,064,903	59,673,681	-
Construction in Progress	6,209,291	28,722,303	11,528,447	1,336,568	47,796,609	-
Less Accumulated Depreciation	(36,911,368)	(79,123,908)	(49,705,564)	(34,974,464)	(200,715,304)	(1,076,103)
Total Capital Assets (net of accumulated depreciation)	100,241,299	145,152,386	107,352,628	51,375,159	404,121,472	821,346
Other Assets:						
Unamortized Bond Issuance Costs	1,606,236	1,194,435	620,451	-	3,421,122	-
Total Noncurrent Assets	110,001,680	209,173,971	149,442,862	64,383,284	533,001,797	821,346
TOTAL ASSETS	\$ 119,325,806	242,171,205	167,290,902	76,010,831	604,798,744	8,195,771

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS
					INTERNAL SERVICE FUNDS
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 157,430	711,832	238,866	1,779,665	2,887,793
Retainage Payable	262,596	502,462	83,486	1,117,185	965,729
Contracts Payable	5,260	3,257,257	956,938	527,304	4,746,759
Due To Other Funds (Note 13)	38,764	9,045	10,539	2,256,252	2,314,600
Accrued Interest	-	91,859	72,256	-	164,115
Accrued Wages & Employee Benefits	213,186	244,019	101,481	482,590	1,041,276
Claims and Judgments Payable	-	-	-	-	118,605
Compensated Absences	271,877	194,829	76,196	320,355	3,659,633
Customer Deposits	165,220	4,197,158	-	83,172	115,036
Unearned Revenue	1,526,687	1,086,307	14,929	5,436	-
General Obligation Bonds (Note 12)	-	2,868,389	1,940,951	396,807	-
Certificates of Obligation (Note 12)	-	952,282	1,567,718	740,000	-
Revenue Bonds Payable (Note 12)	4,040,000	2,229,000	1,321,000	-	7,590,000
Notes Payable (Note 12)	823,673	-	-	-	823,673
Total Current Liabilities	7,504,693	16,344,439	6,384,360	6,708,766	36,942,258
Noncurrent Liabilities:					
General Obligation Bonds (Note 12)	-	14,360,994	10,808,204	1,725,310	26,894,508
Certificates of Obligation (Note 12)	-	65,142,718	32,912,282	14,500,000	112,555,000
Revenue Bonds Payable (Note 12)	59,149,084	23,249,139	18,077,000	-	100,475,223
Notes Payable (Note 12)	20,494,250	-	-	-	20,494,250
Compensated Absences	452,397	229,928	66,845	385,701	1,134,871
Closure and Postclosure Cost (Note 12)	-	-	-	9,731,871	9,731,871
Total Noncurrent Liabilities	80,095,731	102,982,779	61,864,331	26,342,882	240,254
TOTAL LIABILITIES	87,600,424	119,327,218	68,248,691	33,051,648	308,227,981
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	22,940,951	99,008,310	81,968,295	37,906,500	241,824,056
Restricted for Debt Service	5,188,409	3,506,770	2,559,452	-	11,254,631
Restricted for Improvements	-	6,366,872	-	-	6,366,872
Unrestricted (Deficit)	3,596,022	13,962,035	14,514,464	5,052,683	37,125,204
TOTAL NET ASSETS	\$ 31,725,382	122,843,987	99,042,211	42,959,183	296,570,763
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					897,496
Net assets of business-type activities					\$ 297,468,259

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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS
					INTERNAL SERVICE FUNDS
OPERATING REVENUES:					
Charges for Services	-	26,937,378	19,819,164	18,599,732	65,356,274
Rental of Facilities	2,417,709	40,128	-	1,684,072	4,141,909
Toll Receipts	40,816,254	-	-	-	40,816,254
Miscellaneous	29,871	1,555,527	269,182	312,025	2,166,605
TOTAL OPERATING REVENUES	43,263,834	28,533,033	20,088,346	20,595,829	112,481,042
OPERATING EXPENSES:					
Personnel Services	7,759,920	7,782,573	3,186,081	15,937,834	34,666,388
Materials and Supplies	403,344	2,586,118	940,547	3,938,382	7,870,391
Contractual Services	23,243,914	7,291,671	5,238,455	7,616,496	43,390,536
Other	15,593	119,961	66,251	2,589,300	2,791,105
Total Operating Expenses Before Depreciation	31,422,771	17,782,323	9,431,314	30,082,012	88,718,420
Depreciation Expense (Note 8)	3,620,435	6,118,538	5,282,216	4,297,906	19,319,095
TOTAL OPERATING EXPENSES	35,043,206	23,900,861	14,713,530	34,379,918	108,037,515
Operating Income (Loss)	8,220,628	4,632,172	5,374,816	(13,784,089)	4,443,527
NON-OPERATING REVENUES (EXPENSES):					
Intergovernmental	-	-	-	4,433,244	4,433,244
Sales Tax	-	-	-	5,760,681	5,760,681
Interest Earnings	472,240	1,455,987	982,349	371,118	3,281,694
Net Increase (Decrease) In Fair Value Of Investment	(11,939)	(51,506)	(18,869)	(11,808)	(94,122)
Discount Earnings	357	-	4,634	2,964	7,955
Premiums	-	76,575	302,083	-	378,658
Miscellaneous	-	9,796	37,043	-	46,839
Gain (Loss) On Sale of Assets	(16,459)	44,376	17,416	-	512,769
Interest Expense	(4,151,127)	(1,121,489)	(890,814)	467,436	(6,163,430)
Gain (Loss) on Advance Funding	56,402	(39,721)	-	-	16,681
Water Availability	-	(113,238)	-	-	(113,238)
Other Non-Operating Expenses	(11,602)	(3,242,528)	(2,568,759)	(38,763)	(5,961,652)
Fiscal Agent Fees	(3,566)	(1,250)	(6,350)	-	(11,356)
Bond Issuance Cost Amortized	(137,365)	(59,039)	(28,044)	-	(224,448)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(3,803,049)	(3,042,037)	(2,169,511)	10,984,872	1,970,275
Income Before Contributions and Transfers	4,417,579	1,590,135	3,205,305	(2,799,217)	6,413,802
Capital Contributions-Grants	-	18,299	-	1,759,672	1,788,125
Capital Contributions-Waterights	-	1,143,478	10,154	-	1,143,478
Capital Contributions-Other	-	15,179,084	13,466,035	-	28,645,119
Capital Contributions-Developers	-	5,308,943	4,149,440	-	9,458,383
Transfers In	-	-	-	8,935,009	8,935,009
Transfers Out	(3,569,897)	(5,392,899)	(4,202,397)	(3,657,865)	(17,043,018)
Change in Net Assets	827,882	17,847,040	16,628,537	4,037,639	38,340,898
Total Net Assets-Beginning	30,897,700	147,651,330	118,892,829	56,283,661	4,660,004
Prior Period Adjustment (Note 20)	-	(42,654,383)	(36,479,155)	(17,362,117)	(96,495,655)
Total Net Assets-Ending	\$ 31,725,382	122,843,987	99,042,211	42,959,183	3,000,590
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(244,719)
Change in net assets of business-type activities					\$ (57,399,476)

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, 2009

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 43,091,917	28,075,897	19,286,688	20,308,348	110,762,850
Receipts from interfund services provided	-	487,917	307,600	629,292	1,424,809
Payments to suppliers	(2,716,795)	(6,315,371)	(3,992,339)	(7,804,598)	(20,829,103)
Payments to employees	(7,594,309)	(7,692,166)	(3,141,787)	(15,808,407)	(34,236,669)
Payments for interfund services used	(21,664,065)	(2,020,265)	(2,533,704)	(2,066,637)	(28,284,671)
Net cash provided (used) by operating activities	11,116,748	12,536,012	9,926,458	(4,742,002)	28,837,216
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer to other funds	(3,589,897)	(5,931,396)	(4,516,365)	(3,857,825)	(17,895,483)
Transfer from other funds	-	-	-	5,545,775	5,545,775
Subsidy from federal and state grants	-	-	-	4,349,903	4,349,903
Sales Tax	-	-	-	5,760,681	5,760,681
Net cash provided (used) by noncapital and related financing activities	(3,589,897)	(5,931,396)	(4,516,365)	11,798,534	(2,239,124)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from capital debt	-	40,114,074	10,857,905	-	50,971,979
Capital contributions	-	1,143,478	-	-	1,143,478
Subsidy from federal and state grants	-	86,740	923,840	529,846	1,540,426
Purchases of capital assets	-	(20,196)	62	(278,935)	(299,069)
Acquisition and construction of capital assets	(2,125,823)	(28,375,633)	(9,946,446)	(9,610,160)	(50,058,062)
Principal paid on capital debt	(4,171,233)	(2,139,000)	(1,364,000)	-	(7,674,233)
Interest paid on capital debt	(4,151,127)	(1,177,576)	(915,749)	-	(6,244,452)
Proceeds from sales of capital assets	-	44,376	-	507,476	551,852
Net cash provided (used) by capital and related financing activities	(10,448,183)	9,676,263	(444,388)	(8,851,773)	(10,068,081)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	2,372,626	(18,064,697)	(6,142,693)	1,352,921	(20,481,843)
Interest and dividends received	548,706	1,775,210	1,173,660	442,187	3,939,763
Issuance of Notes Receivable	-	8,558	3,328	-	11,886
Net cash provided (used) by investing activities	2,921,332	(16,280,929)	(4,965,705)	1,795,108	(16,530,194)
Net increase (decrease) in cash and cash equivalents	-	(50)	-	(133)	(183)
Cash and cash equivalents, October 1	21,400	2,200	300	2,707	26,607
Cash and cash equivalents, September 30	\$ 21,400	2,150	300	2,574	26,424

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2009

(Continued)

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ 8,220,628	4,632,172	5,374,816	(13,784,089)	4,443,527	(936,294)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	3,620,435	6,118,538	5,282,216	4,297,906	19,319,095	125,186
(Increase) decrease in landfill closure and post closure cost	-	-	-	2,420,953	2,420,953	-
(Increase) decrease in accounts receivable	(4,421)	(143,103)	(556,982)	270,152	(434,354)	(180,023)
Increase (decrease) in allowance for uncollectible accounts	955	51,473	66,251	74,373	193,052	1,032
(Increase) decrease in inventories	-	(219,189)	4,843	(55,432)	(269,778)	(28,633)
(Increase) decrease in prepaid items	-	-	-	-	-	(90,759)
Increase (decrease) in customer deposits	(140,385)	156,771	-	358	16,744	-
Increase (decrease) in accounts payable	(718,009)	1,883,303	(285,633)	1,907,422	2,787,083	(205,148)
Increase (decrease) in unearned revenues	(28,066)	(34,360)	(3,327)	(3,072)	(68,825)	-
Increase (decrease) in compensated absences payable	137,355	77,369	32,359	46,403	293,486	39,334
Increase (decrease) in accrued wages and employee benefits	28,256	13,038	11,915	83,024	136,233	19,073
Increase (decrease) in claims & judgements payables	-	-	-	-	-	233,306
Total adjustments	2,896,120	7,903,840	4,551,642	9,042,087	24,393,689	(86,632)
Net cash provided (used) by operating activities	\$ 11,116,748	12,536,012	9,926,458	(4,742,002)	28,837,216	(1,022,926)
Noncash investing, capital, and financing activities:						
Gain on refunding issue	304,766	-	-	-	304,766	-
Bond issuance cost amortized	(137,365)	(577,641)	166,134	-	(548,872)	-
Contributions of capital assets from developers & others	-	20,488,027	17,615,475	-	38,103,502	-
Current Landfill Closure and Postclosure cost	-	-	-	2,420,953	2,420,953	-
Loss on sale of equipment	-	-	-	(40,040)	(40,040)	-
Disposition of Assets	(18,646)	-	-	-	(18,646)	-
Loss on advance refunding	(248,364)	(39,721)	-	-	(288,085)	-
Increase (Decrease) in fair value of investments	(11,939)	(51,506)	(18,869)	(11,808)	(94,122)	(9,511)
Increase (Decrease) in Accrued Interest Payable	-	(56,087)	(3,385)	-	(59,472)	-

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, 2009**

LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	AGENCY FUNDS
<u> </u>	<u> </u>

ASSETS

Cash and Cash Equivalents (Note 4)	\$ 147,386	-
Accrued Interest Receivable	23,480	7,314
Investments, at Fair Market Value (Note 5)	-	1,468,190
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	6,302,461	-
Foreign Money Market Funds	11,969,481	-
Domestic Corporate Bonds	10,940,091	-
Domestic Stocks	33,561,856	-
Foreign Stocks	7,161,544	-
Accounts Receivable (Note 6)	40	2,609
Notes Receivable (Note 6)	-	-
	<u>70,106,339</u>	<u>1,478,113</u>
TOTAL ASSETS	<u>70,106,339</u>	<u>1,478,113</u>

LIABILITIES

Accounts Payable	31,337	445,841
Accrued Wages and Employee Benefits	<u>1,568</u>	<u>1,032,272</u>
TOTAL LIABILITIES	<u>32,905</u>	<u>1,478,113</u>

NET ASSETS

Held In Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ <u><u>70,073,434</u></u>	<u><u>-</u></u>

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, 2009

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND
ADDITIONS:	
Contributions:	
Employer contributions	\$ 4,392,773
Plan members	3,543,080
Other contributions	<u>5,624</u>
Total Contributions	<u>7,941,477</u>
Investment Earnings:	
Interest earnings and dividends	1,227,233
Net increase (decrease) in the fair value of investments	3,320,555
Gains (Loss) on sale of investment	<u>(3,311,659)</u>
Total investment earnings	1,236,129
Less: investment expense	<u>(249,301)</u>
Net Investment Earnings	<u>986,828</u>
TOTAL ADDITIONS	<u>8,928,305</u>
DEDUCTIONS:	
Benefits	4,035,255
Administrative Expenses	<u>186,057</u>
TOTAL DEDUCTIONS	<u>4,221,312</u>
Change in Net Assets	4,706,993
Net Assets - Beginning	<u>65,366,441</u>
NET ASSETS - ENDING	\$ <u><u>70,073,434</u></u>

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, 2009

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CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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.

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 37 buses during a regular workday and 31 buses on a Saturday. The Laredo Transit Management, Inc. bus fleet is currently comprised of 47 buses and 2 trolleys. Thirty-eight buses operate using compressed natural gas. The El Lift program operates a total of 18 para-transit vans. Thirteen 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 61,171 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 57,903 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 the Noise Abatement Fund, HUD Section 108, Expendable Trust Fund, Contractual Obligations Fund, 2001 C.O. Issue, 1998 C.O. Issue, Colonias Project, 2002 C.O. Issue, 2003 C.O. Issue, Parks Capital Grants, Capital Grants, 2005 C.O. Issue, 2006 C.O. Issue, 2007 C.O. Issue, 2008 C.O. Issue, and the 2009 C. O. Issue 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.

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 \$257,120,438 difference are as follows:

Bonds, notes payable, and capital leases	\$235,243,590
Accrued interest	1,213,029
Deferred revenue	(30,233,689)
Compensated absences	22,428,114
Elimination of Interfund activity	(3,615,746)
Net Pension Obligations	<u>32,085,140</u>
Net adjustment to reduce <i>fund balance-total funds</i> to arrive at <i>net assets-governmental activities</i>	<u><u>\$257,120,438</u></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 \$38,256,339 difference are as follows:

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

Debt issued:	
Bond & Capital lease proceeds	\$ (56,980,000)
Repayments:	
General obligation bond	17,090,000
Capital lease	<u>1,633,661</u>
Net adjustment to decrease <i>net changes in fund balances-total</i> governmental funds to arrive at <i>changes in net assets of governmental activities</i>	<u>(\$38,256,339)</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 \$18,777,472. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$56,947,672
Current year depreciation	<u>(38,170,200)</u>
Amount by which capital outlays exceed depreciation	<u>\$18,777,472</u>

NOTE 3 - FUND DEFICITS

The following is a list of the undesignated deficit fund balances in the Special Revenue Funds: Block Grants \$900,362; Home Investment \$207,585; Emergency Shelter \$68,323; Environmental Services \$1,304,205; International Airport \$208,752; 911 Emergency Comm. Fund \$986,707; Veteran’s Field \$14,896; Special Fire Grants \$749,990; Laredo Entertainment Center \$106,703 and Capital Projects Funds: Webb County Colonias Project \$1,881,470; Airport Construction Fund \$6,583,587; Capital Grants Fund \$708,629. 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, 2009. The deficits will be recovered through grant cost reimbursements and other revenues.

International Airport Fund’s deficit fund balance of \$208,752 was due to an increase in passenger facility charges designated for improvements and reduction of landing fees. The deficit is expected to be recovered by next fiscal year.

The Laredo Entertainment Center’s fund deficit of \$106,703 was due to event promotions and advances for the following fiscal year paid during fiscal year 2009. 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.

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

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 decrease in the fair value of the securities was \$(201,918) for the City of Laredo and a net increase of \$3,320,555 for the Laredo Firefighters Retirement System.

As of September 30, 2009, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$	81,593
Cash in Other Bank Accounts		64,120
Cash with Fiscal Agent		116,333
	\$	<u>262,046</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, 2009, the book value of all the City's deposits was \$262,046. 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 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, 2009, were as follows:

		Investment Maturity in Years			
		Fair Value	Non Maturity Rated	Less Than 1	1-3
Mutual Funds	\$	13,464,005	13,464,005	-	-
Equities		45,531,337	45,531,337	-	-
Managed Pools		396,420,487	396,420,487	-	-
Total Investments	\$	455,415,829	455,415,829	-	-

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, 2009, all investments had average maturity dates less than a 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, 2009, the City invested in Bank Certificates of Deposit and Managed Pools. The credit ratings for our Managed Pool accounts are as follows: Lone Star Investment Pool "AAAm", Municipal Investor Services Co. "Aaa", and TexPool "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, 42% was invested in mutual funds and 58% 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, 2009, 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, 2009, upon which the 2009 levy was based, was \$10,385,975,045.

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. 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.

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2009 was \$.637000 per \$100 of assessed valuation (\$.512737 for general government and \$.124263 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$89,630,965 in additional taxes per year from the present assessed valuation of \$10,385,975,045 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, 2009 are reflected in the following table:

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

	General	Other Governmental Types	Proprietary	Fiduciary	Total
Receivables:					
Property Taxes	\$ 7,746,185	1,268,367	-	-	9,014,552
Hotel/Motel Taxes	-	19,891	-	-	19,891
Accounts	16,764,259	4,840,557	8,744,279	2,649	30,351,744
Notes	-	15,424,049	706,993	-	16,131,042
Paving Assessments	-	243,615	-	-	243,615
Gross Receivables	24,510,444	21,796,479	9,451,272	2,649	55,760,844
Less Allowance For Uncollectible	(11,967,635)	(3,915,703)	(2,416,474)	-	(18,299,812)
Net Receivables	\$ 12,542,809	17,880,776	7,034,798	2,649	37,461,032

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, 2009:

	Other Enterprise Fund	Bridge System	Waterworks System	Sewer System	Total
Revenue Bond Retirement Reserve	\$ -	4,586,502	2,060,373	1,546,107	8,192,982
Revenue Bond Contingency	-	500,000	1,446,397	1,013,345	2,959,742
Construciton Account	13,008,125	3,067,643	7,252,600	38,910,331	62,238,699
Water Rights	-	-	52,067,780	-	52,067,780
Total Restricted Assets	\$ 13,008,125	8,154,145	62,827,150	41,469,783	125,459,203

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2008	Additons	Deletions and Transfers	Balance as of September 30, 2009
Capital Assets, Not Being Depreciated:				
Land	\$ 61,526,824	4,769,712	36,999	66,333,535
Construction in Progress	15,911,502	12,992,662	(11,305,602)	17,598,562
Total Capital Assets, Not Being Depreciated	77,438,326	17,762,374	(11,268,603)	83,932,097
Capital Assets Being Depreciated				
Buildings	132,956,550	2,388,686	2,632,624	137,977,860
Improvements Other Than Buildings	393,530,681	31,106,354	(7,161,285)	417,475,750
Machinery and Equipment	72,522,273	5,789,147	(2,618,194)	75,693,226
Total Assets Being Depreciated	599,009,504	39,284,187	(7,146,855)	631,146,836
Less Accumulated Depreciation For:				
Buildings	(28,311,789)	(3,003,892)	-	(31,315,681)
Improvements Other Than Buildings	(165,165,419)	(12,594,344)	932,577	(176,827,186)
Machinery and Equipment	(45,384,598)	(7,581,249)	2,366,978	(50,598,869)
Total Accumulated Depreciation	(238,861,806)	(23,179,485)	3,299,555	(258,741,736)
Total Capital Assets, Being Depreciated, Net	360,147,698	16,104,702	(3,847,300)	372,405,100
Governmental Activities Capital Assets, Net	\$ 437,586,024	33,867,076	(15,115,903)	456,337,197

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

B - Business Type Activities:

	Balance as of September 30, 2008	Additons	Deletions and Transfers	Balance as of September 30, 2009
Capital Assets, Not Being Depreciated:				
Land	\$ 30,857,131	-	-	30,857,131
Construction in Progress	54,356,566	37,048,501	(43,608,459)	47,796,608
Watterights	20,622,093	-	8,194,458	28,816,551
Total Capital Assets, Not Being Depreciated	105,835,790	37,048,501	(35,414,001)	107,470,290
Capital Assets Being Depreciated:				
Buildings	61,747,067	-	25,069,954	86,817,021
Improvements Other Than Buildings	290,783,663	11,314,065	38,934,165	341,031,893
Machinery and Equipment	68,117,732	5,546,937	(4,147,097)	69,517,572
Total Assets Being Depreciated	420,648,462	16,861,002	59,857,022	497,366,486
Less Accumulated Depreciation For:				
Buildings	(20,547,377)	(1,632,951)	-	(22,180,328)
Improvements Other Than Buildings	(121,985,235)	(11,439,144)	-	(133,424,379)
Machinery and Equipment	(43,007,007)	(6,247,001)	4,143,411	(45,110,597)
Total Accumulated Depreciation	(185,539,619)	(19,319,096)	4,143,411	(200,715,304)
Total Capital Assets, Being Depreciated, Net	235,108,843	(2,458,094)	64,000,433	296,651,182
Business Type Activities Capital Assets, Net	\$ 340,944,633	34,590,407	28,586,432	404,121,472

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

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

Government Activities:

General Government	\$	1,494,906
Public Health		497,056
Culture and Recreational		587,629
Public Works		15,689,435
Public Safety		3,111,659
Air Transportation		1,673,615
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>125,186</u>
Total depreciation expense-governmental activities	\$	<u><u>23,179,486</u></u>

Business-Type Activities:

Solid Waste Management		2,442,311
Municipal Transit System		1,747,738
Bridge System		3,620,435
Waterworks System		6,118,538
Sewer System		5,282,216
Other Enterprise Funds		<u>107,857</u>
Total depreciation expense-business-type activities	\$	<u><u>19,319,095</u></u>

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

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

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, 2008 valuation is effective for rates beginning January 2010).

SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

Actuarial Valuation Date	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08
Actuarial Value of Assets	\$ 71,378,360	83,134,944	93,220,964	104,886,750	118,216,115	131,250,617	147,642,107
Actuarial Accrued Liability	100,308,824	143,268,763	159,858,885	176,834,192	196,473,335	255,908,643	275,809,704
Percentage Funded	71.16%	58.03%	58.31%	59.31%	60.17%	51.29%	53.5%
Unfunded Actuarial							
Accrued Liability (UAAL)	28,930,464	60,133,819	66,637,921	71,947,442	78,257,220	124,658,026	128,167,597
Annual Covered Payroll	53,281,587	57,825,500	59,429,800	66,500,972	70,411,134	76,207,380	83,778,815
UAAL as a percentage of							
covered Payroll	54.30%	103.99%	112.13%	108.19%	111.14%	163.58%	153.0%
Annual Pension Cost:							
Annual Required							
Contribution (ARC)	5,573,578	7,853,449	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648
Less Contributions Made							
at the end of the period	5,573,578	7,853,449	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648
Net Pension Obligation	\$ -	-	-	-	-	-	-

Actuarial Assumptions

Actuarial Cost Method -	Projected Unit Credit
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	30 Years – Closed Period
Asset Valuation Method-	Amortized Cost (To accurately reflect the requirements of the GASB Stmt, No. 25, paragraphs 36e and 138)
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, 2007 valuations are contained in the 2007 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, 2008

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.

	03/31/08
a. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	99
b. Current Employees:	
i. Vested	74
ii. Non-vested	267
c. Total	<u>440</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, 2008

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, 2008), 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, 2009, the City of Laredo's annual pension cost of \$4,382,773 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, 2008 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 21 years as of March 31, 2008 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
9/30/1999	\$ 1,417,590	100%	-
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%	-

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)
09/30/92 \$	15,117,781	19,384,831	4,267,050	77.99%	4,999,917	85%
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%

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Annual Required Contribution	Percentage of Required Contribution Contributed
9/30/1996	14.02% & 12.57%	\$1,033,636	100%
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%

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, 138 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 (Monumental), 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 \$694,653 were recognized for postretirement health benefits of which \$136,080 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

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OPEB Obligation for the prior 3 years assuming the plan is not pre-funded (4% discount) Financial Statement Disclosures Current Plan (with three year trend)*:

Plan Year Ended	Annual OPEB Cost	Percentage	Expected Benefits	
			Payments	Net OPEB
09-30-2007	\$11,173,498	5.6%	\$622,297	\$10,551,201
09-30-2008	11,008,837	7.3%	\$804,172	20,755,866
09-30-2009	\$13,037,889	13.1%	\$1,708,615	\$32,085,140

*Last actuarial valuation provided figures for September 30, 2009, previous years data is not available.

Funded Status and Funding Progress:

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

Schedule of Funding Progress*:

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
09-30-2007	0	\$88,107,100	88,107,100	0.0%	N/A	N/A
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%

*Last actuarial valuation provided figures for September 30, 2009, previous years 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	0
Unfunded Actuarial Accrued Liability	\$95,683,806
Fund Percentage	0.0%
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, 2009	\$5,742,270

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.

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 contract the City of Laredo Police employees are due a 4% salary raise each fiscal year under a collective bargaining contract. 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, 2009:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences *	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	\$ 61,252,184	149,225,000	32,575,000	17,577,657	1,741,545	850,000	-
Additions	8,545,971	29,285,000	-	6,706,762	-	-	32,085,140
Retirements	(44,852,664)	(11,670,000)	(1,285,000)	(1,880,578)	(1,633,661)	(85,000)	-
Ending Balances	24,945,491	166,840,000	31,290,000	22,403,841	107,884	765,000	32,085,140
Current Liabilities:							
Due Within One Year	3,043,853	5,180,000	1,430,000	-	1,556,362	85,000	-
Total Liabilities	\$ 27,989,344	172,020,000	32,720,000	22,403,841	1,664,246	850,000	32,085,140

* - As of the issuance date of the City's financial statements, no City employees had retired from the City, therefore no estimate for Compensated Absences due within one year is available.

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2009 are comprised of the following issues:

A - General Obligation Serial Bonds

\$4,590,000 General Obligation Refunding Bonds, Series 2003 issued to reduce the overall debt service requirements of the city. Principal is due in varying amounts through 2010 with interest varying from 2.00% to 3.00% interest per annum.	\$	280,000
\$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.		14,929,255
\$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.		2,982,754
\$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.		<u>9,797,335</u>
Total General Obligation Bonds	\$	<u>27,989,344</u>

B – Certificates of Obligation

\$1,000,000 1992 Combination Tax and Airport Revenue Certificates of Obligation issued for the purpose of making airport improvements. Principal is due in varying amounts through 2013, with interest varying from 4.85% to 6.60% per annum.	\$ 300,000
\$2,040,000 1996 Combination Tax and Airport Revenue Certificates of Obligation issued for the purpose of acquiring land for the Laredo Municipal Airport. Principal is due on varying amounts through year 2011, with interest rates varying from 4.4% to 6% per annum.	375,000
\$1,430,000 1998 Combination Tax and Airport Revenue Certificates of Obligation, for the purpose of paying all or a portion of the City's Contractual Obligations for the purpose of acquiring land at the municipal airport in connection with the settlement of a lawsuit in reference to noise abatement at the City's Airport and for the payment of legal and fiscal fees in connection with this project. Principal is due in varying amounts through 2018 with interest from 4.60% to 7.00% per	825,000
\$2,830,000 1999 Combination Tax and Airport Revenue Refunding Bonds issued for the purpose of refunding a portion of the City's current outstanding indebtedness. Principal is due in varying amounts through 2014 with interest varying between 4.25% through 5.40% per annum.	495,000
\$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.	1,440,000
\$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.	2,310,000
\$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.	7,320,000
\$3,510,000 Combination Tax and Waterworks System 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	\$ 2,830,000

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\$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%	\$ 1,185,000
\$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.	13,485,000
\$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.	15,705,000
\$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.	2,285,000
\$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.	63,705,000
\$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.	\$ 29,930,000

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\$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 various projects. Principal is due in varying amounts through 2021 with interest from 2% to 5% per annum. \$ 11,270,000

\$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. 5,095,000

\$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 for various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amount from 2022 through 2029 with interest of 6.366% per annum. \$ 13,465,000

Total Certificates of Obligation \$ 172,020,000

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, 2009 consist of the following:

\$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. \$ 32,720,000

Total Sales Tax Revenue Bonds \$ 32,720,000

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.

\$1,600,000 Motorola Corporation for the purchase of 800 Mhz radio communication system for the public safety and public service departments. Payments are due in annual installments of \$400,000.00 through November 2009. Interest is at 0.00% per annum.	\$ 400,000
\$1,453,266 Government Capital Corporation for the purchase of H T E digital information system for the Police Department. Payments are due in annual installments of \$528,041, including principal and interest through December, 2009. Interest is at 4.5% per annum.	502,683
\$1,501,380 Kansas State Bank for the purpose of fifty four law enforcement vehicles for the Police Department. Payments are due in biannual intallments of \$549,212.92, including principal and interest, through January 2010. Interest is at 4.78% per annum.	524,159
\$144,235 Municipal Asset Corporation for the purchase of cardio-weight lifting equipment for the City's recreation centers. Payments are due in biannual installments of \$27,290.97 through November, 2009. Interest is at 3.75% per annum.	26,305
\$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.	<u>211,099</u>
Total Present Value of Future Minimum Lease Payments	\$ 1,664,246
Plus Amount Representing Interest	<u>65,817</u>
Total Minimum Lease Payments	<u><u>\$ 1,730,063</u></u>

The assets acquired through capital leases are as follows:

Governmental Activities	
Asset:	
Automotive Equipment	\$ 2,607,842
Machinery & Equipment	<u>3,743,500</u>
Less: Accumulated Depreciation	(5,263,926)
Total	<u><u>\$ 1,087,416</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, are as follows:

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<u>Year Ending Sep. 30</u>		<u>Governmental Activities</u>
2010	\$	1,617,303
2011		112,758
Total minimum lease payments		1,730,061
Less: amount representing interest		(65,817)
Present value of minimum lease payments	\$	<u>1,664,244</u>

Capital leases will be paid within the next four 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%.

\$ 850,000

F – OPEB

Beginning in October 1st, 2008, the latest actuarial; valuation reflected a net obligation for OPEB in the amount of \$32,085,140 with the unfunded actuarial liability at \$95,683,806.

G - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2009

On April 23, 2009, the City of Laredo issued \$9,667,201 in General Obligation Refunding Bonds, Series 2009 with an average interest rate of 3.50% to advance refund the following:

<u>Bond Issue</u>	<u>Average Interest Rate</u>		<u>Principal Amount Refunded</u>
Comb. Tax & Rev., Series 1998	4.54%	\$	2,007,633
G.O. Ref. Bond, Series 1998	5.12%	\$	8,915,000
Comb. Tax & Rev., Series 1999	5.03%	\$	160,000

The net proceeds of \$11,017,171 (after payment of \$184,112 in underwriting fees, insurance, and other issuance costs) plus an additional cash contribution of \$146,436 for the 1998 Series C.O., 1998 Series G.O., and 1999 Series C.O. sinking fund monies were used to purchase government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 Series C.O., 1998 Series G.O., and 1999 Series C.O. bonds. As a result, the 1998 Series C.O., 1998 Series G.O., and 1999 Series C.O. bonds are considered defeased and the liability for those bonds has been removed from the General Long-Term Debt account group.

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The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$13,030,150. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decreased over the next nine years by \$746,985 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$686,581.

H – 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, 2009, \$6.800 million in bonds outstanding are considered defeased.

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, 2009:

	Revenue Bonds	Certificates of Obligation	General Oglig. Bond	Note Payable
Long Term Liabilities:				
Beginning Balances	\$ 107,777,138	64,395,000	32,100,655	21,622,689
Additions	-	51,420,000	17,247,664	-
Amortization of Deferred Charges	288,085	-	-	(304,766)
Retirements	-	-	(17,247,664)	-
Due Within One Year	(7,590,000)	(3,260,000)	(5,206,147)	(823,673)
Ending Balances	100,475,223	112,555,000	26,894,508	20,494,250
Current Liabilities:				
Due Within One Year	7,590,000	3,260,000	5,206,147	823,673
Total Liabilities	\$ 108,065,223	115,815,000	32,100,655	21,317,923

	Landfill Costs	Compensated Absences
Long Term Liabilities:		
Beginning Balances	\$ 7,310,917	978,527
Additions	2,420,954	268,105
Retirements	-	(111,761)
Ending Balances	9,731,871	1,134,871
Current Liabilities:		
Due Within One Year	-	863,257
Total Liabilities	\$ 9,731,871	1,998,128

A – Bonds

\$1,700,000 1991 Subordinate Sewer Revenue Bonds issued for the purpose of constructing and extending the utilities system with principal due in varying amounts through 2011, including interest at 5.5% per annum.	\$ 135,000
\$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%	8,390,000
\$2,095,000 2002A Sewer System Revenue Refunding Bond issued for the purpose of refunding other Sewer System Revenue Bond issues with principal due in varying amounts through year 2011, including interest at 2.0% to 3.75% per annum.	195,000
\$2,620,000 2002B Sewer System Revenue Refunding Bond issued for the purpose of refunding other Sewer System Revenue Bond issues with principal due in varying amounts through year 2011, including interest at 1.85% to 4.95% per annum.	110,000
\$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.	588,000
\$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.	563,000
\$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.	4,770,000
\$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.	5,900,000
\$23,760,000 2005A International Toll Bridge System Revenue Improvement and Refunding Bond issue for the purpose to acquire, purchase, construct, improve, enlarge equip an International Toll Bridge and refunding of State Infrastructure Bank Loans with the Texas Department of Transportation with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.	19,660,000
\$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.	\$ 23,520,000

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\$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.	\$ 5,280,000
\$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%	11,790,000
\$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.	15,930,000
\$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	2,875,000
\$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	\$ <u>855,000</u>
Subtotal	100,561,000
Deferred Charges for Various Revenue Refunding Bonds	<u>(85,777)</u>
Total Revenue Bonds	100,475,223
Due Within One Year	\$ <u><u>7,590,000</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.	\$ 185,000

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\$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.	\$ 255,000
\$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.	2,705,000
\$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 with interest from 3% to 5% per annum.	4,825,000
\$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.	6,600,000
\$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.	3,075,000
\$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.	44,515,000
\$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.	12,450,000
\$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.	\$ <u>37,945,000</u>
Total Certificates of Obligation	<u>112,555,000</u>
Due Within One Year	\$ <u><u>3,620,000</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.	\$ 9,131,312
\$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.	4,099,167
\$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>13,664,029</u>
Total Certificates of Obligation Bonds	<u>26,894,508</u>
Due Within One Year	\$ <u><u>5,206,147</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.	\$ <u>20,494,250</u>
Due Within One Year	\$ <u><u>823,673</u></u>

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	\$ 72,111
Bridge System	452,397
Municipal Housing	8,396
Waterworks System	229,928
Sewer System	66,845
Solid Waste Fund	<u>305,194</u>
Total	\$ <u><u>1,134,871</u></u>

F - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2009

On April 15, 2009, the City of Laredo issued \$17,482,799 in General Obligation Refunding Bonds, Series 2009 with an average interest rate of 3.50% to advance refund the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Combination Tax & Sewer Revenue C.O., Series 1998A	4.58%	\$ 845,000
Combination Tax & Revenue C.O., Series 1998B	4.54%	112,367
General Obligation Refunding Bonds, Series 1998	5.12%	15,080,000
Combination Tax & Water Revenue C.O., Series 1999	5.00%	390,000

The net proceeds of \$16,874,401 (after payment of \$281,995 in underwriting fees, insurance, and other issuance costs) plus an additional cash contribution of \$224,287 for the 1998A, 1998B, and 1999 Series C.O.'s and 1998 Series G.O. bonds sinking funds monies were used to purchase government securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 1998A, 1998B, and 1999 Series C.O.'s and 1998 Series G.O. bonds. As a result, the 1998A, 1998B, and 1999 Series C.O.'s and 1998 Series G.O. bonds are considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$19,957,572. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next nine years by \$1,144,116 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$1,051,598.

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, 2009, 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, 2009 is \$15,383,877 of which \$9,731,871 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 \$9,731,871 as of September 30, 2009 represents the cumulative amount for 109.3 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, 2009 is 63.26%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 9 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 (\$15,383,877) 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, 2009. 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, 2009 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Activity		
Contractual Obligations		
Transit System	\$ -	\$ 247,769
2007 Certificate of Obligation		
Solid Waste Fund	-	3,141,465
Due to Business Type Activities for Internal Service Funds Allocation		897,496
Total Governmental Activity	<u>\$ -</u>	<u>\$ 4,286,730</u>
Business Type Activity		
Transit System		
Contractual Obligations	\$ 247,769	\$ -
Solid Waste Fund		
2007 Certificate of Obligations	3,141,465	-
Due from Governmental Activities for Internal Service		
Funds Allocation	897,496	
	<u>\$ 4,286,730</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:

	Transfers In	Transfers Out	Net Transfers
GOVERNMENTAL FUND:			
GENERAL FUND			
Bridge	\$ 962,020		
DEBT SERVICE			
Transit	1,244,536		
Bridge	773,871		
Solid Waste	2,613,289		
Waterworks	5,392,899		
Sewer	4,202,397		
CONTRACTUAL OBLIGATIONS			
Transit		3,572,369	
CAPITAL IMPROVEMENTS			
Bridge	1,854,006		
2007 CERTIFICATE OF OBLIGATIONS			
Solid Waste		5,362,640	
TOTAL - GOVERNMENT TYPE	<u>17,043,018</u>	<u>8,935,009</u>	<u>8,108,009</u>
BUSINESS TYPE:			
TRANSIT			
Contractual Obligations	3,572,369		
Debt Service		1,244,536	
BRIDGE			
General Fund		962,020	
Debt Service		773,871	
Capital Improvements		1,854,006	
SOLID WASTE			
2007 Certificate of Deposit	5,362,640		
Debt Service Fund		2,613,289	
WATERWORKS			
Debt Service		5,392,899	
SEWER			
Debt Service		4,202,397	
TOTAL BUSINESS TYPE	<u>\$ 8,935,009</u>	<u>17,043,018</u>	<u>(8,108,009)</u>
TOTAL TRANSFERS	<u>25,978,027</u>	<u>25,978,027</u>	<u>-</u>

NOTE 15 - Debt Service Requirements

The following is a summary of the City's debt service requirements for business-type funds as of September 30, 2009

Year	Revenue Bonds			Notes Payable			Certificates of Obligation			General Obligation Bonds			Debt Service to Maturity		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	7,705,000	1,924,551	9,629,551	823,673	874,035	1,697,708	3,260,000	5,672,353	8,932,353	5,206,147	1,239,254	6,445,401	16,994,820	9,710,193	26,705,013
2011	6,384,000	1,799,807	8,183,807	857,444	840,264	1,697,708	3,275,000	5,688,955	8,973,955	5,371,625	1,058,111	6,429,736	15,888,069	9,397,137	25,285,206
2012	6,303,000	1,714,002	8,017,002	892,599	805,109	1,697,708	3,380,000	5,586,140	8,966,140	5,269,829	829,031	6,098,860	15,845,428	8,934,282	24,779,710
2013	6,601,000	1,632,207	8,233,207	929,196	768,513	1,697,709	3,270,000	5,464,132	8,734,132	5,745,331	615,437	6,360,768	16,545,527	8,480,289	25,025,816
2014	6,897,000	1,546,649	8,443,649	967,293	730,416	1,697,709	3,400,000	5,344,464	8,744,464	4,541,511	439,891	4,981,402	15,805,804	8,061,420	23,867,224
2015	7,217,000	1,456,930	8,673,930	1,006,952	690,757	1,697,709	3,525,000	5,212,134	8,737,134	1,231,484	297,604	1,529,088	12,980,436	7,657,425	20,637,861
2016	7,572,000	1,362,435	8,934,435	1,048,237	649,472	1,697,709	3,675,000	5,068,505	8,743,505	1,321,556	236,146	1,557,702	13,616,793	7,316,558	20,933,351
2017	7,944,000	1,262,170	9,206,170	1,091,214	606,494	1,697,708	3,835,000	4,915,333	8,750,333	1,391,102	170,354	1,561,456	14,261,316	6,954,361	21,215,677
2018	8,340,000	1,156,146	9,496,146	1,135,954	561,754	1,697,708	4,005,000	4,747,152	8,752,152	1,024,113	101,104	1,125,217	14,505,067	6,566,156	21,071,223
2019	5,841,000	1,044,119	6,885,119	1,182,528	515,180	1,697,708	4,180,000	4,571,326	8,751,326	640,423	49,898	690,321	11,843,951	6,180,523	18,024,474
2020	5,459,000	3,972,575	9,431,575	1,231,012	466,696	1,697,708	4,360,000	4,395,414	8,755,414	357,535	17,876	375,411	11,407,547	8,852,561	20,260,108
2021	5,725,000	3,653,994	9,378,994	1,281,484	416,225	1,697,709	4,170,000	4,209,937	8,379,937	-	-	-	11,176,484	8,280,156	19,456,640
2022	6,009,000	3,342,986	9,351,986	1,334,024	363,684	1,697,708	4,360,000	4,001,660	8,361,660	-	-	-	11,703,024	7,708,330	19,411,354
2023	5,387,000	3,022,664	8,409,664	1,388,719	308,989	1,697,708	4,565,000	3,770,919	8,335,919	-	-	-	11,340,719	7,102,572	18,443,291
2024	5,641,000	2,659,415	8,300,415	1,445,657	252,051	1,697,708	4,490,000	3,534,027	8,024,027	-	-	-	11,576,657	6,445,493	18,022,150
2025	4,690,000	2,298,088	6,988,088	1,504,929	192,779	1,697,708	4,215,000	3,297,060	7,512,060	-	-	-	10,409,929	5,787,927	16,197,856
2026	2,533,000	1,932,469	4,465,469	1,566,631	131,077	1,697,708	4,420,000	3,055,190	7,475,190	-	-	-	8,519,631	5,118,736	13,638,367
2027	1,602,000	1,581,357	3,183,357	1,630,377	66,845	1,697,222	4,630,000	2,801,809	7,431,809	-	-	-	7,862,377	4,450,011	12,312,388
2028	301,000	1,268,195	1,569,195	-	-	-	4,265,000	2,557,126	6,822,126	-	-	-	4,566,000	3,825,321	8,391,321
2029	-	973,011	973,011	-	-	-	4,460,000	2,315,442	6,775,442	-	-	-	4,460,000	3,288,453	7,748,453
2030	-	814,630	814,630	-	-	-	4,675,000	2,056,177	6,731,177	-	-	-	4,675,000	2,870,807	7,545,807
2031	-	674,247	674,247	-	-	-	4,895,000	1,784,707	6,679,707	-	-	-	4,895,000	2,458,954	7,353,954
2032	-	526,040	526,040	-	-	-	5,135,000	1,500,327	6,635,327	-	-	-	5,135,000	2,026,367	7,161,367
2033	-	369,262	369,262	-	-	-	5,380,000	1,202,335	6,582,335	-	-	-	5,380,000	1,571,597	6,951,597
2034	-	250,831	250,831	-	-	-	2,390,000	971,440	3,361,440	-	-	-	2,390,000	1,222,271	3,612,271
2035	-	126,296	126,296	-	-	-	2,495,000	811,065	3,306,065	-	-	-	2,495,000	937,361	3,432,361
2036	-	26,141	26,141	-	-	-	2,600,000	643,796	3,243,796	-	-	-	2,600,000	669,937	3,269,937
2037	-	16,014	16,014	-	-	-	2,715,000	469,304	3,184,304	-	-	-	2,715,000	485,318	3,200,318
2038	-	5,417	5,417	-	-	-	2,835,000	287,100	3,122,100	-	-	-	2,835,000	292,517	3,127,517
2039	-	-	-	-	-	-	2,955,000	97,014	3,052,014	-	-	-	2,955,000	97,014	3,052,014
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	108,151,000	42,412,648	150,563,648	21,317,923	9,240,340	30,558,263	115,815,000	96,042,343	211,857,343	32,100,656	5,054,716	37,155,372	277,384,579	152,750,047	430,134,626

NOTE 15 - Debt Service Requirements

The following is a summary of the City's debt service requirements for governmental funds as of September 30, 2009

Year	Revenue Bonds			Notes Payable			Certificates of Obligation			General Obligation Bonds			Debt Service to Maturity		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	1,430,000	1,616,288	3,046,288	1,641,363	126,842	1,768,205	5,180,000	7,984,726	13,164,726	3,043,853	1,233,820	4,277,673	11,295,216	10,961,676	22,256,892
2011	1,575,000	1,539,194	3,114,194	192,882	64,446	257,328	5,345,000	7,934,671	13,179,671	3,293,375	1,135,539	4,428,914	10,406,257	10,573,850	20,980,107
2012	1,660,000	1,456,350	3,116,350	85,000	53,196	138,196	7,715,000	7,575,542	15,290,542	2,850,172	985,944	3,836,116	12,310,172	10,071,032	22,381,204
2013	1,745,000	1,371,225	3,116,225	85,000	46,696	131,696	8,120,000	7,282,428	15,402,428	3,084,668	874,563	3,959,231	13,034,668	9,574,912	22,609,580
2014	1,835,000	1,281,725	3,116,725	85,000	40,135	125,135	8,905,000	6,940,860	15,845,860	3,238,488	738,398	3,976,886	14,063,488	9,001,118	23,064,606
2015	1,930,000	1,187,600	3,117,600	85,000	33,541	118,541	8,080,000	6,550,298	14,630,298	2,713,515	606,608	3,320,123	12,808,515	8,378,047	21,186,562
2016	2,030,000	1,088,600	3,118,600	85,000	26,904	111,904	8,445,000	6,173,730	14,618,730	2,628,444	483,304	3,111,748	13,188,444	7,772,538	20,960,982
2017	2,130,000	984,600	3,114,600	85,000	20,225	105,225	8,840,000	5,777,422	14,617,422	2,823,899	351,586	3,175,485	13,878,899	7,133,833	21,012,732
2018	2,240,000	875,350	3,115,350	85,000	13,502	98,502	9,275,000	5,347,783	14,622,783	2,195,887	210,096	2,405,983	13,795,887	6,446,731	20,242,618
2019	2,355,000	757,531	3,112,531	85,000	6,764	91,764	9,760,000	4,897,846	14,657,846	669,578	100,302	769,880	12,869,578	5,762,443	18,632,021
2020	2,485,000	630,481	3,115,481	-	-	-	10,230,000	4,435,688	14,665,688	707,464	66,823	774,287	13,422,464	5,132,992	18,555,456
2021	2,615,000	499,875	3,114,875	-	-	-	10,535,000	3,943,882	14,478,882	740,001	31,451	771,452	13,890,001	4,475,208	18,365,209
2022	2,750,000	365,750	3,115,750	-	-	-	11,040,000	3,425,282	14,465,282	-	-	-	13,790,000	3,791,032	17,581,032
2023	2,895,000	224,625	3,119,625	-	-	-	10,800,000	2,886,113	13,686,113	-	-	-	13,695,000	3,110,738	16,805,738
2024	3,045,000	76,125	3,121,125	-	-	-	11,050,000	2,325,403	13,375,403	-	-	-	14,095,000	2,401,528	16,496,528
2025	-	-	-	-	-	-	11,490,000	1,740,995	13,230,995	-	-	-	11,490,000	1,740,995	13,230,995
2026	-	-	-	-	-	-	10,850,000	1,143,240	11,993,240	-	-	-	10,850,000	1,143,240	11,993,240
2027	-	-	-	-	-	-	10,025,000	612,619	10,637,619	-	-	-	10,025,000	612,619	10,637,619
2028	-	-	-	-	-	-	4,400,000	239,536	4,639,536	-	-	-	4,400,000	239,536	4,639,536
2029	-	-	-	-	-	-	1,935,000	61,591	1,996,591	-	-	-	1,935,000	61,591	1,996,591
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	32,720,000	13,955,319	46,675,319	2,514,245	432,251	2,946,496	172,020,000	87,179,655	259,199,655	27,989,344	6,818,434	34,807,778	235,243,589	108,385,659	343,629,248

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2009, the City had contractual commitments of \$45,412,848 for various construction and improvement projects. The commitments are summarized as follows:

Project Description	Commitment	Financing Sources
Community Development	258,673	Grant Proceeds
Health	15,365	Grant Proceeds
Environmental Services	3,513,530	Bond Proceeds
Noise Abatement Lease Program	16,336	Fund Revenues
Airport Construction	7,792,560	Grant Revenues
2000 C.O. Issue	12,460	Bond Proceeds
Colonias	2,318,797	Grant Proceeds
2003 C.O. Issue	65,142	Bond Proceeds
2005 C.O. Issue	294,214	Bond Proceeds
2006 C.O. Issue	1,432,912	Bond Proceeds
2007 C.O. Issue	1,896,160	Bond Proceeds
2008 C.O. Issue	5,072,151	Bond Proceeds
2009 C.O. Issue	1,349,880	Bond Proceeds
Transit	155,590	Grant Proceeds
Bridge	134,576	Fund Revenues/ Bond Proceeds
Solid Waste	323,103	Bond Proceeds
Waterworks System	1,539,366	Fund Revenues/ Bond Proceeds
Wastewater	19,222,033	Fund Revenues/ Bond Proceeds
Total Commitments	<u>\$ 45,412,848</u>	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2009, expenditures in Internal Service Funds and Non major Governmental Funds – Health and Benefits, and Veterans Field exceeded appropriations by \$3,472,848 and \$20,742, 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 \$16,070,520 and projected net claims of \$14,284,907. Claims exceeding \$100,000 per employee are paid by the City and

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 \$2,263,454 reported in the Fund as of September 30, 2009 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 2007, 2008, and 2009 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance of Fiscal Year end ¹
2006-2007	\$1,522,241	11,245,965	11,155,095	1,643,111
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

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.

¹Claim 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 \$2,600,000 aggregate for FY 06-07 and \$2,700,000 aggregated for FY07-08 and \$2,350,000 aggregated for FY08-09. 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, 2009, a liability was recorded based on fiscal year 2009 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 2007, 2008 and 2009 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance of Fiscal Year end ²
2006-2007	\$1,372,269	1,718,562	1,604,328	1,486,503
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

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.

²Claim 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, 2009, 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 substantial; however, it has been the City's experience that such actions are resolved for amounts substantially less than the claimed amounts. The City Attorney estimates that the amount of potential claims against the City not covered by various insurance policies would not materially affect 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 \$96,496,655 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 \$42,654,383; Sewer System Fund \$36,479,155 and Solid Waste Fund \$17,362,117.

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, 2009, the amount of unspent interest to date was \$21,635. 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)-	\$ 4,071,818
Adjustments:	
Timing Differences-Encumbrances	(867,854)
Basic Differences:	
Non Budgeted-Compensated Absences	-
Non Budgeted-Allowance for Doubtful Accounts	<u>10,771</u>
Excess of revenues and other financing sources over expenditures	
and other uses (GAAP Basis)-budgetary classifications	3,214,735
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>26,609,834</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	\$ <u><u>29,824,569</u></u>

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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, 2009

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes:				
Current	\$ 12,344,737	12,344,737	12,325,408	(19,329)
Delinquent - Prior	357,041	357,041	377,332	20,291
Total Taxes	12,701,778	12,701,778	12,702,740	962
Investment Income:				
Interest Earnings	314,700	406,843	375,644	(31,199)
Total Investment Income	314,700	406,843	375,644	(31,199)
Special Assessments:				
Paving Assessments	87,461	87,461	38,462	(48,999)
Total Special Assessments	87,461	87,461	38,462	(48,999)
TOTAL REVENUES	13,103,939	13,196,082	13,116,846	(79,236)
EXPENDITURES:				
Principal Retirement:				
Airport Bond Principal	585,000	585,000	585,000	-
Tax Supported Bond Principal	5,616,727	5,616,727	5,721,727	(105,000)
Solid Waste Bond Principal	1,932,226	1,932,226	1,931,601	625
Water Bond Principal	3,019,522	3,019,522	3,019,522	-
Sewer Bond Principal	2,212,455	2,212,455	2,212,455	-
Transit Bond Principal	809,256	809,256	809,256	-
Parking Meters Bond Principal	170,325	170,325	170,325	-
Risk Management Bond Principal	15,000	15,000	15,000	-
Civic Center Bond Principal	101,814	101,814	101,814	-
Bridge Principal	408,300	408,300	408,300	-
Sports and Community Venue	1,285,000	1,285,000	1,285,000	-
Environmental Services Principal	830,000	830,000	830,000	-
Information Technology Principal	-	-	400,000	(400,000)
Total Principal Retirement	16,985,625	16,985,625	17,490,000	(504,375)
Interest:				
Airport Bond Interest	144,105	144,105	144,105	-
Tax Supported Bond Interest	6,647,439	6,647,439	7,854,721	(1,207,282)
Solid Waste Bond Interest	681,063	681,063	679,870	1,193
Water Bond Interest	2,373,377	2,373,377	1,702,721	670,656
Sewer Bond Interest	1,989,942	1,989,942	1,440,248	549,694
Transit Bond Interest	\$ 435,280	435,280	435,279	1

(Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2009

(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES (Continued)				
Parking Meters Bond Interest	\$ 113,965	113,965	112,088	1,877
Risk Management Bond Interest	2,228	2,228	1,114	1,114
Civic Center Bond Interest	6,061	6,061	6,061	-
Bridge Interest	365,571	365,571	365,570	1
Sports and Community Venue Interest	1,679,338	1,679,338	1,679,338	-
Environmental Services Bond Interest	<u>1,083,395</u>	<u>1,083,395</u>	<u>1,083,395</u>	<u>-</u>
Total Interest	<u>15,521,764</u>	<u>15,521,764</u>	<u>15,504,510</u>	<u>17,254</u>
Other:				
Fiscal Agent Fees	28,000	28,000	14,195	13,805
Other	<u>106,000</u>	<u>664,250</u>	<u>471,791</u>	<u>192,459</u>
Total Other	<u>134,000</u>	<u>692,250</u>	<u>485,986</u>	<u>206,264</u>
TOTAL EXPENDITURES	<u>32,641,389</u>	<u>33,199,639</u>	<u>33,480,496</u>	<u>(280,857)</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	<u>(19,537,450)</u>	<u>(20,003,557)</u>	<u>(20,363,650)</u>	<u>(360,093)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Airport	729,105	729,105	729,105	-
Civic Center	7,875	7,875	7,875	-
Environmental Services	1,913,395	1,913,395	1,913,395	-
Parking Meters	284,290	284,290	284,290	-
Sports and Community Venue	2,964,338	2,964,338	2,964,338	-
Transit System	1,244,536	1,244,536	1,244,536	-
Bridge System	773,871	773,871	773,871	-
Solid Waste System	2,613,289	2,613,289	2,613,289	-
Water System	5,392,899	5,392,899	5,392,899	-
Sewer System	4,202,397	4,202,397	4,202,397	-
Risk Management	17,228	17,228	17,228	-
Information Technology	-	-	400,000	400,000
Refunding Bonds Issued	-	27,150,000	27,150,000	-
Bond Premium	-	1,115,536	1,115,536	-
Payment to Refunded Bond Escrow Agent	<u>-</u>	<u>(27,799,429)</u>	<u>(27,799,429)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES):	<u>20,143,223</u>	<u>20,609,330</u>	<u>21,009,330</u>	<u>400,000</u>
Net Change in Fund Balances	605,773	605,773	645,680	39,907
Fund Balances-Beginning	<u>5,430,182</u>	<u>5,812,179</u>	<u>5,990,320</u>	<u>178,141</u>
Fund Balances-Ending	<u>\$ 6,035,955</u>	<u>6,417,952</u>	<u>6,636,000</u>	<u>218,048</u>

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 $\frac{1}{4}$ 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 ENTERTAINMENT CENTER – 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 – 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.

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CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009

SPECIAL REVENUE

	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	FINANCIAL TASK FORCE	AUTO THEFT TASK FORCE
ASSETS						
Cash and Cash Equivalents:						
Cash	\$ 100	-	-	-	5,000	-
Cash with Fiscal Agent	-	-	-	-	-	-
Investments	-	43,194	-	-	677,791	284,392
Receivables, net of allowances:						
Accrued Interest	-	215	-	-	3,377	1,417
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-	-
Accounts	2,714	-	-	-	11	750
Notes	-	1,869,269	11,478,904	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	351,801	-	76,339	1,284	292,328	43,469
Inventory	-	-	-	-	-	-
TOTAL ASSETS	354,615	1,912,678	11,555,243	1,284	978,507	330,028
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	6,757	116	18,950	1,284	95,892	8,998
Retainage Payable	30,395	-	-	-	-	-
Accrued Wages and Employee Benefits	31,699	1,172	3,638	-	12,738	14,562
Contracts Payable	126,856	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-
Due To Other Funds	156,072	-	5,854	-	-	-
Due To Other Governments	-	-	-	-	94,689	9,000
Due To Developers	-	-	-	-	-	-
Deferred Revenue	2,680	1,869,269	11,478,904	-	-	-
TOTAL LIABILITIES	354,459	1,870,557	11,507,346	1,284	203,319	32,560
Fund Balances:						
Reserved:						
Reserved for Encumbrances	900,518	-	255,482	68,323	26,122	35
Reserved for Capital Acquisition	-	-	-	-	-	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	42,121	1,018,048	-	-	-
Designated for Debt Service	-	-	-	-	-	-
Undesignated (Deficit)	(900,362)	-	(1,225,633)	(68,323)	749,066	297,433
TOTAL FUND BALANCES	156	42,121	47,897	-	775,188	297,468
TOTAL LIABILITIES AND FUND BALANCES	\$ 354,615	1,912,678	11,555,243	1,284	978,507	330,028

(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	2,600	100	200	-	725	-
-	-	-	-	-	-	-	-
-	2,854,033	65,843	-	-	70,592	1,116,617	14,498
-	14,218	328	-	-	352	5,563	72
-	-	-	-	-	-	-	-
1,020	183,978	1,923	-	154,325	500	876,977	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
197,977	81,226	1,583,588	268,672	6,108	-	-	-
-	-	-	-	-	-	-	-
198,997	3,133,805	1,654,282	268,772	160,633	71,444	1,999,882	14,570
3,633	166,513	255,064	86,752	90,412	29	23,118	9,311
-	12,982	31,148	-	-	-	-	-
25,500	25,507	266,012	9,085	73,128	4,610	30,480	1,996
-	56,787	-	-	-	-	-	-
-	-	-	-	53,792	-	-	-
35,341	-	-	171,656	29,067	-	-	-
-	-	-	-	297	-	-	-
-	-	-	-	-	-	-	-
-	-	692,889	-	76,690	-	876,969	-
64,474	261,789	1,245,113	267,493	323,386	4,639	930,567	11,307
108,760	4,176,221	397,312	987,986	45,999	-	11,089	1,631
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,763	(1,304,205)	11,857	(986,707)	(208,752)	66,805	1,058,226	1,632
134,523	2,872,016	409,169	1,279	(162,753)	66,805	1,069,315	3,263
198,997	3,133,805	1,654,282	268,772	160,633	71,444	1,999,882	14,570

(Continued)

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009

(Continued)

	SPECIAL REVENUE					
	RECREATION FUND	VETERANS FIELD	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
ASSETS						
Cash and Cash Equivalents:						
Cash	\$ -	-	500	-	-	-
Cash with Fiscal Agent	-	-	-	-	-	-
Investments	304,180	-	58,303	542,162	246,477	199,676
Receivables, net of allowances:						
Accrued Interest	1,516	-	290	2,701	1,228	995
Hotel-Motel Tax, Penalty and Interest	-	-	-	14,717	-	-
Accounts	-	35,880	10,500	-	64,666	-
Notes	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
TOTAL ASSETS	305,696	35,880	69,593	559,580	312,371	200,671
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	4,948	2,317	18,163	43,527	12,117	2,274
Retainage Payable	-	-	-	-	-	-
Accrued Wages and Employee Benefits	-	-	11,897	-	10,343	-
Contracts Payable	-	-	-	-	-	-
Customer Deposits	-	-	24,152	-	-	-
Due To Other Funds	-	27,731	-	-	-	-
Due To Other Governments	-	-	-	-	-	-
Due To Developers	-	-	-	-	-	-
Deferred Revenue	-	15,019	-	14,717	-	-
TOTAL LIABILITIES	4,948	45,067	54,212	58,244	22,460	2,274
Fund Balances:						
Reserved:						
Reserved for Encumbrances	94,780	5,711	15,381	4,780	23,752	-
Reserved for Capital Acquisition	-	-	-	-	266,159	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	-	-	-	-	-
Designated for Debt Service	-	-	-	-	-	-
Undesignated (Deficit)	205,968	(14,898)	-	496,556	-	198,397
TOTAL FUND BALANCES	300,748	(9,187)	15,381	501,336	289,911	198,397
TOTAL LIABILITIES AND FUND BALANCES	\$ 305,696	35,880	69,593	559,580	312,371	200,671

(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
600	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
168,566	-	22,720,799	598,337	135,311	531,494	3,688,895	86,790
840	1,154,682	103,296	2,981	674	2,648	18,378	432
-	-	-	-	-	-	-	-
2,206	-	-	48,542	2,130	-	-	-
-	1,700,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	45,381
-	-	-	-	-	-	-	-
<u>172,212</u>	<u>2,854,682</u>	<u>22,824,095</u>	<u>649,860</u>	<u>138,115</u>	<u>534,142</u>	<u>3,707,273</u>	<u>132,603</u>
73,116	-	8,098	11,609	10	42	176	-
-	-	-	-	-	-	-	-
12,741	-	-	4,708	-	-	-	32,593
-	-	-	-	-	-	-	-
-	-	-	68,621	-	-	-	-
-	-	262,341	-	-	-	-	-
90	-	-	-	2,130	-	-	-
-	-	-	-	-	534,100	-	-
-	2,854,682	-	7,575	-	-	-	-
<u>85,947</u>	<u>2,854,682</u>	<u>270,439</u>	<u>92,513</u>	<u>2,140</u>	<u>534,142</u>	<u>176</u>	<u>32,593</u>
86,265	-	-	85,242	-	-	1,646	850,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,450,836	472,105	-	-	-	-
-	-	3,226,608	-	-	-	-	-
-	-	17,876,212	-	135,975	-	3,705,451	(749,990)
<u>86,265</u>	<u>-</u>	<u>22,553,656</u>	<u>557,347</u>	<u>135,975</u>	<u>-</u>	<u>3,707,097</u>	<u>100,010</u>
<u>172,212</u>	<u>2,854,682</u>	<u>22,824,095</u>	<u>649,860</u>	<u>138,115</u>	<u>534,142</u>	<u>3,707,273</u>	<u>132,603</u>

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009

(Continued)

	SPECIAL REVENUE		CAPITAL PROJECTS			
	LAREDO ENT. CENTER	COMMUNITY DEV. ARRA	WEBB COUNTY COLONIAS PROJECT	AIRPORT CONSTRUCTION FUND	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 98 ISSUE
ASSETS						
Cash and Cash Equivalents:						
Cash	\$ 29,000	-	-	-	-	-
Cash with Fiscal Agent	32,993	-	-	-	-	-
Investments	-	-	-	2,398,755	5,602,401	158,350
Receivables, net of allowances:						
Accrued Interest	-	-	-	11,950	-	789
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-	-
Accounts	156,486	-	-	-	-	-
Notes	-	-	-	-	-	-
Due From Other Funds	262,341	-	-	-	-	-
Due From Other Governments	-	4,424	2,889,628	2,198,733	-	-
Inventory	39,228	-	-	-	-	-
TOTAL ASSETS	520,048	4,424	2,889,628	4,609,438	5,602,401	159,139
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	439,339	180	1	1,490,953	51,020	21
Retainage Payable	-	-	785,969	501,865	-	13,320
Accrued Wages and Employee Benefits	-	-	691	5,075	-	-
Contracts Payable	-	-	447,617	263,279	-	137,187
Customer Deposits	-	-	-	-	-	-
Due To Other Funds	-	4,244	1,109,580	-	256,020	-
Due To Other Governments	-	-	-	-	-	-
Due To Developers	-	-	-	-	-	-
Deferred Revenue	187,412	-	-	-	-	-
TOTAL LIABILITIES	626,751	4,424	2,343,858	2,261,172	307,040	150,528
Fund Balances:						
Reserved:						
Reserved for Encumbrances	-	-	2,427,240	8,931,853	49,957	-
Reserved for Capital Acquisition	-	-	-	-	-	-
Reserved for Children's Programming	-	-	-	-	-	-
Reserved for Endowment Corpus	-	-	-	-	-	-
Unreserved:						
Designated for Improvements	-	-	-	-	5,245,404	8,611
Designated for Debt Service	-	-	-	-	-	-
Undesignated (Deficit)	(106,703)	-	(1,881,470)	(6,583,587)	-	-
TOTAL FUND BALANCES	(106,703)	-	545,770	2,348,266	5,295,361	8,611
TOTAL LIABILITIES AND FUND BALANCES	\$ 520,048	4,424	2,889,628	4,609,438	5,602,401	159,139

(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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
155,894	11,594,950	805,041	107,659	1,271,344	6,919,405	37,715,664	26,801,072
-	57,766	4,133	536	1,456	11,764	356,345	104,564
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	73,804	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>155,894</u>	<u>11,726,520</u>	<u>809,174</u>	<u>108,195</u>	<u>1,272,800</u>	<u>6,931,169</u>	<u>38,072,009</u>	<u>26,905,636</u>
652	37,553	57	8	48	380,820	109,344	187,360
1,527	3,840	-	1,750	18,378	124,893	269,846	174,240
-	3,823	-	-	-	672	31,969	19,355
15,729	158,008	-	33,245	158,550	205,402	935,046	-
-	-	-	-	-	-	-	-
-	-	-	-	45,162	-	3,679,119	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	84,000	-	-	-	-	-	-
<u>17,908</u>	<u>287,224</u>	<u>57</u>	<u>35,003</u>	<u>222,138</u>	<u>711,787</u>	<u>5,025,324</u>	<u>380,955</u>
34,109	1,047,903	-	65,142	684,008	2,843,408	3,237,848	6,422,800
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
103,877	10,391,393	809,117	8,050	366,654	3,375,974	29,808,837	20,101,881
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>137,986</u>	<u>11,439,296</u>	<u>809,117</u>	<u>73,192</u>	<u>1,050,662</u>	<u>6,219,382</u>	<u>33,046,685</u>	<u>26,524,681</u>
<u>155,894</u>	<u>11,726,520</u>	<u>809,174</u>	<u>108,195</u>	<u>1,272,800</u>	<u>6,931,169</u>	<u>38,072,009</u>	<u>26,905,636</u>

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

(Continued)

	CAPITAL PROJECTS			PERMANENT FUND	
	CERTIFICATE OF OBLIGATION 09 ISSUE	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	39,175
Cash with Fiscal Agent	-	-	-	-	32,993
Investments	25,084,529	151,582	-	71,286	153,245,882
Receivables, net of allowances:					
Accrued Interest	-	755	-	355	1,866,616
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	14,717
Accounts	-	-	-	-	1,542,608
Notes	-	-	-	-	15,048,173
Due From Other Funds	-	-	-	-	262,341
Due From Other Governments	-	84,088	294,312	-	8,493,162
Inventory	-	-	-	-	39,228
TOTAL ASSETS	<u>25,084,529</u>	<u>236,425</u>	<u>294,312</u>	<u>71,641</u>	<u>180,584,895</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	44	10	1,838	6	3,642,480
Retainage Payable	-	11,285	-	-	1,981,438
Accrued Wages and Employee Benefits	-	-	-	-	633,994
Contracts Payable	-	72,802	-	-	2,610,508
Customer Deposits	-	-	-	-	146,565
Due To Other Funds	32,823	-	292,474	-	6,107,484
Due To Other Governments	-	-	-	-	106,206
Due To Developers	-	-	-	-	534,100
Deferred Revenue	-	-	-	-	18,160,806
TOTAL LIABILITIES	<u>32,867</u>	<u>84,097</u>	<u>294,312</u>	<u>6</u>	<u>33,923,581</u>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	1,402,082	138,504	708,629	-	36,140,518
Reserved for Capital Acquisition	-	-	-	-	266,159
Reserved for Children's Programming	-	-	-	21,635	21,635
Reserved for Endowment Corpus	-	-	-	50,000	50,000
Unreserved:					
Designated for Improvements	23,649,580	-	-	-	96,852,488
Designated for Debt Service	-	-	-	-	3,226,608
Undesignated (Deficit)	-	13,824	(708,629)	-	10,103,906
TOTAL FUND BALANCES	<u>25,051,662</u>	<u>152,328</u>	<u>-</u>	<u>71,635</u>	<u>146,661,314</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,084,529</u>	<u>236,425</u>	<u>294,312</u>	<u>71,641</u>	<u>180,584,895</u>

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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, 2009

	SPECIAL REVENUE						
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	FINANCIAL TASK FORCE	AUTO THEFT TASK FORCE	SPECIAL POLICE PROGRAM
REVENUES:							
Taxes	\$ -	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental:							
Federal	2,964,554	-	1,450,648	143,281	594,126	-	463,475
State	-	-	-	-	-	382,250	580,834
Other	-	-	-	-	-	47,559	-
Charges for Services	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-
Fees and Collections	-	-	-	-	-	-	-
Investment Income:							
Interest Earnings	-	-	-	-	5,376	4,424	-
Net increase (decrease) in the fair value of Investments	-	(59)	(126)	-	(81)	(368)	(6)
Rents and Royalties	-	-	-	-	-	-	-
Discount Earnings	-	-	-	-	-	-	-
Miscellaneous:							
Local Contributions	-	-	-	-	-	-	-
Reimbursements	117,419	89,192	7,796	-	-	-	-
Other	-	-	-	-	424,997	-	-
TOTAL REVENUES	3,081,973	89,133	1,458,318	143,281	1,024,418	433,865	1,044,303
EXPENDITURES:							
Public Safety	409,554	-	-	-	649,287	689,961	1,545,099
Public Works	-	-	-	-	-	-	-
Health and Welfare	715,477	49,153	1,469,184	143,281	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-
General Government	765,433	37,616	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-	-
Total Operating Expenditures	1,890,464	86,769	1,469,184	143,281	649,287	689,961	1,545,099
Debt Service	-	-	-	-	-	-	-
Capital Outlay	1,194,010	-	-	-	-	-	33,178
TOTAL EXPENDITURES	3,084,474	86,769	1,469,184	143,281	649,287	689,961	1,578,277
Excess (Deficiency) of Revenues Over Expenditures	(2,501)	2,364	(10,866)	-	375,131	(256,096)	(533,974)
OTHER FINANCING SOURCES (USES):							
Transfers In	-	-	-	-	-	231,349	589,749
Proceeds - Long Term Debt	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	231,349	589,749
Net Change in Fund Balance	(2,501)	2,364	(10,866)	-	375,131	(24,747)	55,775
Fund Balances at Beginning of Year	2,656	39,757	58,763	-	400,057	322,215	78,748
FUND BALANCE AT END OF YEAR	\$ 155	42,121	47,897	-	775,188	297,468	134,523

(Continued)

(Continued)

SPECIAL REVENUE						
ENVIRO. SERVICES	HEALTH FUND	911 REGIONAL COMM. FUND	INT'L AIRPORT	HAZARDOUS MATERIALS	PARKING METERS	KEEP LAREDO BEAUTIFUL, INC. FUND
-	-	-	-	-	-	-
-	273,396	-	-	284,000	8,961	-
55,670	121,720	-	640	-	-	-
213,283	6,955,452	1,182,147	109,807	-	-	-
10,000	1,087,768	-	-	-	-	333
4,632,379	-	-	-	-	-	-
-	-	-	-	-	573,643	-
-	1,059,195	-	15,756	-	1,188,999	-
55,449	-	938	55	1,634	26,042	3
(3,623)	-	(100)	-	(137)	(2,078)	-
-	1,210	-	4,281,154	-	-	-
4,062	-	-	-	-	630	-
-	-	-	-	-	-	5,950
146,265	413,324	-	327,143	-	6,199	-
-	-	-	-	-	-	-
<u>5,113,485</u>	<u>9,912,065</u>	<u>1,182,985</u>	<u>4,734,555</u>	<u>285,497</u>	<u>1,802,396</u>	<u>6,286</u>
-	-	972,758	-	192,859	1,289,543	-
-	-	-	-	-	-	99,806
2,667,340	12,229,736	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,317,786	-	-	-
<u>2,667,340</u>	<u>12,229,736</u>	<u>972,758</u>	<u>4,317,786</u>	<u>192,859</u>	<u>1,289,543</u>	<u>99,806</u>
-	-	-	-	-	-	-
4,364,233	370,192	227,736	-	-	379,791	-
<u>7,031,573</u>	<u>12,599,928</u>	<u>1,200,494</u>	<u>4,317,786</u>	<u>192,859</u>	<u>1,669,334</u>	<u>99,806</u>
<u>(1,918,088)</u>	<u>(2,687,863)</u>	<u>(17,509)</u>	<u>416,769</u>	<u>92,638</u>	<u>133,062</u>	<u>(93,520)</u>
4,180,073	2,926,462	-	649,682	-	-	95,577
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,008,972)	-	-	(778,992)	(116,497)	(284,290)	-
-	-	-	1,518	-	-	-
<u>2,171,101</u>	<u>2,926,462</u>	<u>-</u>	<u>(127,792)</u>	<u>(116,497)</u>	<u>(284,290)</u>	<u>95,577</u>
253,013	238,599	(17,509)	288,977	(23,859)	(151,228)	2,057
2,619,003	170,570	18,788	(451,730)	90,664	1,220,543	1,206
<u>2,872,016</u>	<u>409,169</u>	<u>1,279</u>	<u>(162,753)</u>	<u>66,805</u>	<u>1,069,315</u>	<u>3,263</u>

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2009

(Continued)

	SPECIAL REVENUE					
	RECREATION FUND	VETERANS FIELD	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
REVENUES:						
Taxes	\$ -	-	-	2,775,027	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Other	-	-	-	-	-	-
Charges for Services	-	-	-	-	25,265	-
Fines	-	-	-	-	-	-
Fees and Collections	142,322	-	-	-	263,824	-
Investment Income:						
Interest Earnings	5,411	152	408	20,080	6,263	3,254
Net increase (decrease) in the fair value of Investments	(339)	(23)	-	(1,613)	(321)	(196)
Rents and Royalties	-	45,148	276,676	-	-	118,075
Discount Earnings	-	-	80	-	10	14
Miscellaneous:						
Local Contributions	-	-	-	-	-	-
Reimbursements	-	-	-	175	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	147,394	45,277	277,164	2,793,669	295,041	121,147
EXPENDITURES:						
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Cultural and Recreational	52,907	59,260	728,667	737,051	418,226	48,378
General Government	-	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-
Total Operating Expenditures	52,907	59,260	728,667	737,051	418,226	48,378
Debt Service	-	-	-	-	-	-
Capital Outlay	28,452	-	-	-	295,888	-
TOTAL EXPENDITURES	81,359	59,260	728,667	737,051	714,114	48,378
Excess (Deficiency) of Revenues Over Expenditures	66,035	(13,983)	(451,503)	2,056,618	(419,073)	72,769
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	455,771	-	389,143	-
Proceeds - Long Term Debt	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
Transfers Out	-	-	(7,875)	(2,432,070)	-	-
Sale of Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	447,896	(2,432,070)	389,143	-
Net Change in Fund Balance	66,035	(13,983)	(3,607)	(375,452)	(29,930)	72,769
Fund Balances at Beginning of Year	234,713	4,796	18,988	876,788	319,841	125,628
FUND BALANCE AT END OF YEAR	\$ 300,748	(9,187)	15,381	501,336	289,911	198,397

(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
-	6,078,880	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	43,106	-	-	536,449
-	-	-	30,079	-	-	41
310	-	-	-	-	-	-
-	-	-	3,197	-	-	-
-	-	-	-	-	-	-
59,289	-	31,361	-	-	-	-
315	452,856	62,762	1,566	-	16,650	-
(104)	(22,106)	(4,232)	(101)	(744)	(1,296)	-
-	-	992,705	-	-	-	-
1	-	7	1	-	-	-
-	-	-	-	-	-	-
3,263	-	12,803	15,800	-	48,713	4
-	-	-	5,105	-	3,930,780	-
<u>63,074</u>	<u>6,509,630</u>	<u>1,095,406</u>	<u>98,753</u>	<u>(744)</u>	<u>3,994,847</u>	<u>536,494</u>
-	-	-	-	-	-	981,203
-	-	-	-	-	-	-
-	-	501,292	-	-	-	-
1,887,997	469,113	-	51,616	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,887,997</u>	<u>469,113</u>	<u>501,292</u>	<u>51,616</u>	<u>-</u>	<u>-</u>	<u>981,203</u>
-	-	-	-	-	1,252,890	-
-	-	36,767	40,452	-	5,130	-
<u>1,887,997</u>	<u>469,113</u>	<u>538,059</u>	<u>92,068</u>	<u>-</u>	<u>1,258,020</u>	<u>981,203</u>
<u>(1,824,923)</u>	<u>6,040,517</u>	<u>557,347</u>	<u>6,685</u>	<u>(744)</u>	<u>2,736,827</u>	<u>(444,709)</u>
1,871,338	-	-	60,000	-	-	428,413
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,171,954)	(2,899,682)	-	-	-	-
-	-	-	-	-	61,466	-
<u>1,871,338</u>	<u>(4,171,954)</u>	<u>(2,899,682)</u>	<u>60,000</u>	<u>-</u>	<u>61,466</u>	<u>428,413</u>
46,415	1,868,563	(2,342,335)	66,685	(744)	2,798,293	(16,296)
39,849	20,685,093	2,899,682	69,290	744	908,804	116,306
<u>86,264</u>	<u>22,553,656</u>	<u>557,347</u>	<u>135,975</u>	<u>-</u>	<u>3,707,097</u>	<u>100,010</u>

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2009

(Continued)

	CAPITAL PROJECTS					
	LAREDO ENT. CENTER	COMMUNITY DEV. ARRA	WEBB COUNTY COLONIAS PROJECT	AIRPORT CONSTRUCTION FUND	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 98 ISSUE
REVENUES:						
Taxes	\$ -	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	4,424	-	13,442,268	-	-
State	-	-	6,876,881	49,590	-	-
Other	-	-	-	-	-	-
Charges for Services	2,402,612	-	-	-	-	-
Fines	-	-	-	-	-	-
Fees and Collections	-	-	223,516	-	-	-
Investment Income:						
Interest Earnings	-	-	5,125	5,122	32,994	6,826
Net increase (decrease) in the fair value of Investments	-	-	-	(469)	-	(531)
Rents and Royalties	-	-	-	-	-	-
Discount Earnings	-	-	-	-	-	-
Miscellaneous:						
Local Contributions	-	-	62,535	-	-	-
Reimbursements	-	-	-	-	-	-
Other	-	-	-	-	7,098	5,557
TOTAL REVENUES	2,402,612	4,424	7,168,057	13,496,511	40,092	11,852
EXPENDITURES:						
Public Safety	-	-	-	-	-	-
Public Works	-	-	7,548,951	2,078,123	171,221	98
Health and Welfare	-	-	-	-	-	-
Cultural and Recreational	3,716,931	4,424	-	-	-	-
General Government	-	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-
Total Operating Expenditures	3,716,931	4,424	7,548,951	2,078,123	171,221	98
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	11,729,648	35,251	144,587
TOTAL EXPENDITURES	3,716,931	4,424	7,548,951	13,807,771	206,472	144,685
Excess (Deficiency) of Revenues Over Expenditures	(1,314,319)	-	(380,894)	(311,260)	(166,380)	(132,833)
OTHER FINANCING SOURCES (USES):						
Transfers In	1,207,616	-	-	2,299,887	-	-
Proceeds - Long Term Debt	-	-	-	-	5,095,000	-
Bond Premium	-	-	-	-	32,636	-
Transfers Out	-	-	-	-	(3,572,369)	(191,418)
Sale of Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,207,616	-	-	2,299,887	1,555,267	(191,418)
Net Change in Fund Balance	(106,703)	-	(380,894)	1,988,627	1,388,887	(324,251)
Fund Balances at Beginning of Year	-	-	926,664	359,639	3,906,474	332,862
FUND BALANCE AT END OF YEAR	\$ (106,703)	-	545,770	2,348,266	5,295,361	8,611

(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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	225,232	-	-	-	-	-	-
-	-	-	-	-	25,494	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,477	237,972	15,217	2,196	32,344	219,908	973,232	632,402
-	(13,505)	-	(152)	-	(1,086)	-	-
-	-	-	-	-	-	-	-
-	177	-	-	-	-	-	-
-	26,755	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	37,764	-	-	461,803	-	-	11,516
<u>1,477</u>	<u>514,395</u>	<u>15,217</u>	<u>2,044</u>	<u>494,147</u>	<u>244,316</u>	<u>973,232</u>	<u>643,918</u>
-	-	-	-	-	-	-	-
20	585,191	220	32	73,065	794,467	413,831	9,504
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20</u>	<u>585,191</u>	<u>220</u>	<u>32</u>	<u>73,065</u>	<u>794,467</u>	<u>413,831</u>	<u>9,504</u>
-	-	-	-	-	-	-	-
26,549	1,338,511	-	34,995	2,458,958	7,086,019	11,292,018	4,358,598
<u>26,569</u>	<u>1,923,702</u>	<u>220</u>	<u>35,027</u>	<u>2,532,023</u>	<u>7,880,486</u>	<u>11,705,849</u>	<u>4,368,102</u>
<u>(25,092)</u>	<u>(1,409,307)</u>	<u>14,997</u>	<u>(32,983)</u>	<u>(2,037,876)</u>	<u>(7,636,170)</u>	<u>(10,732,617)</u>	<u>(3,724,184)</u>
-	2,453,519	-	-	-	11,168	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(1,044,561)	-	-	-	(50,000)	(9,531,779)	(78,860)
-	-	-	-	-	-	-	-
-	1,408,958	-	-	-	(38,832)	(9,531,779)	(78,860)
(25,092)	(349)	14,997	(32,983)	(2,037,876)	(7,675,002)	(20,264,396)	(3,803,044)
<u>163,078</u>	<u>11,439,645</u>	<u>794,120</u>	<u>106,175</u>	<u>3,088,539</u>	<u>13,894,384</u>	<u>53,311,081</u>	<u>30,327,725</u>
<u>137,986</u>	<u>11,439,296</u>	<u>809,117</u>	<u>73,192</u>	<u>1,050,663</u>	<u>6,219,382</u>	<u>33,046,685</u>	<u>26,524,681</u>

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2009

(Continued)

	CAPITAL PROJECTS			PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CERTIFICATE OF OBLIGATION 09 ISSUE	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CANSECO ENDOWMENT FUND	
REVENUES:	\$				
Taxes	-	-	-	-	8,853,907
Licenses and Permits	-	-	-	-	566,357
Intergovernmental:					
Federal	-	-	-	-	19,820,361
State	-	206,452	1,542,680	-	18,354,728
Other	-	29,370	-	-	1,200,834
Charges for Services	-	-	-	-	7,063,453
Fines	-	-	-	-	573,643
Fees and Collections	-	-	-	-	2,984,262
Investment Income:					
Interest Earnings	84,529	1,709	-	1,430	2,916,121
Net increase (decrease) in the fair value of Investments	-	(103)	-	(101)	(53,600)
Rents and Royalties	-	-	-	-	5,714,968
Discount Earnings	-	-	-	-	4,982
Miscellaneous:					
Local Contributions	-	-	-	-	95,240
Reimbursements	-	-	-	-	1,188,096
Other	-	-	-	-	4,884,620
TOTAL REVENUES	84,529	237,428	1,542,680	1,329	74,167,972
EXPENDITURES:					
Public Safety	-	-	-	-	6,730,264
Public Works	480,291	-	64,819	-	12,319,639
Health and Welfare	-	-	-	-	17,775,463
Cultural and Recreational	-	-	-	-	8,174,570
General Government	-	-	-	-	803,049
Air Transportation Services	-	-	-	-	4,317,786
Total Operating Expenditures	480,291	-	64,819	-	50,120,771
Debt Service	-	-	-	-	1,252,890
Capital Outlay	32,823	235,822	1,658,722	-	47,408,330
TOTAL EXPENDITURES	513,114	235,822	1,723,541	-	98,781,991
Excess (Deficiency) of Revenues Over Expenditures	(428,585)	1,606	(180,861)	1,329	(24,614,019)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	78,860	180,861	-	18,109,468
Proceeds - Long Term Debt	24,735,000	-	-	-	29,830,000
Bond Premium	745,247	-	-	-	777,883
Transfers Out	-	-	-	-	(27,169,319)
Sale of Assets	-	-	-	-	62,984
TOTAL OTHER FINANCING SOURCES (USES)	25,480,247	78,860	180,861	-	21,611,016
Net Change in Fund Balance	25,051,662	80,466	-	1,329	(3,003,003)
Fund Balances at Beginning of Year	-	71,862	-	70,306	149,664,316
FUND BALANCE AT END OF YEAR	\$ 25,051,662	152,328	-	71,635	146,661,313

**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, 2009**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
CDBG Grants	\$ 30,850,206	2,964,554	33,814,760	37,267,678
Miscellaneous:				
Reimbursements	<u>614,058</u>	<u>117,419</u>	<u>731,477</u>	<u>747,716</u>
TOTAL REVENUES	<u>31,464,264</u>	<u>3,081,973</u>	<u>34,546,237</u>	<u>38,015,394</u>
EXPENDITURES:				
Public Safety	2,635,853	409,554	3,045,407	3,168,225
Public Works	3,321,000	-	3,321,000	3,321,108
Health and Welfare	4,004,026	715,477	4,719,503	5,024,075
Cultural and Recreational	2,985,305	-	2,985,305	4,189,658
General Government	6,350,515	765,433	7,115,948	7,247,157
Capital Outlay	<u>12,298,622</u>	<u>1,194,010</u>	<u>13,492,632</u>	<u>15,209,633</u>
TOTAL EXPENDITURES	<u>31,595,321</u>	<u>3,084,474</u>	<u>34,679,795</u>	<u>38,159,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(131,057)</u>	<u>(2,501)</u>	<u>(133,558)</u>	<u>(144,462)</u>
OTHER FINANCING SOURCES (USES):				
Transfer In:				
General Fund	<u>133,713</u>	<u>-</u>	<u>133,713</u>	<u>144,462</u>
TOTAL OTHER FINANCING SOURCES:	<u>133,713</u>	<u>-</u>	<u>133,713</u>	<u>144,462</u>
Net Change in Fund Balances	\$ <u><u>2,656</u></u>	<u>(2,501)</u>	<u><u>155</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>2,656</u>		
Fund Balances-Ending		\$ <u><u>155</u></u>		

CITY OF LAREDO, TEXAS
HOUSING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Net increase (decrease) in the fair value of Investments	\$ -	-	(59)	-	(59)	(59)
Miscellaneous:						
Reimbursements	<u>130,000</u>	<u>130,000</u>	<u>89,192</u>	<u>-</u>	<u>89,192</u>	<u>(40,808)</u>
TOTAL REVENUES	<u>130,000</u>	<u>130,000</u>	<u>89,133</u>	<u>-</u>	<u>89,133</u>	<u>(40,867)</u>
EXPENDITURES:						
Administration:						
Personnel Services	38,173	38,173	37,616	-	37,616	557
Contractual Services	<u>94,699</u>	<u>94,699</u>	<u>49,153</u>	<u>-</u>	<u>49,153</u>	<u>45,546</u>
Total Administration	<u>132,872</u>	<u>132,872</u>	<u>86,769</u>	<u>-</u>	<u>86,769</u>	<u>46,103</u>
TOTAL EXPENDITURES	<u>132,872</u>	<u>132,872</u>	<u>86,769</u>	<u>-</u>	<u>86,769</u>	<u>46,103</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,872)	(2,872)	2,364	-	2,364	5,236
Fund Balances at Beginning of Year	<u>63,098</u>	<u>39,757</u>	<u>39,757</u>	<u>-</u>	<u>39,757</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ <u>60,226</u>	<u>36,885</u>	<u>42,121</u>	<u>-</u>	<u>42,121</u>	<u>5,236</u>

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
HOME Grants	\$ 7,880,677	1,450,648	9,331,325	9,682,814
Investment Income:				
Interest Earnings	2,493	-	2,493	1,807
Net increase (decrease) in the fair value of Investments	126	(126)	-	-
Miscellaneous:				
Reimbursements	<u>484,376</u>	<u>7,796</u>	<u>492,172</u>	<u>402,009</u>
TOTAL REVENUES	<u>8,367,672</u>	<u>1,458,318</u>	<u>9,825,990</u>	<u>10,086,630</u>
EXPENDITURES:				
Personnel Services	645,229	112,734	757,963	757,964
Materials and Supplies	7,435	461	7,896	7,898
Contractual Services	<u>7,656,245</u>	<u>1,355,989</u>	<u>9,012,234</u>	<u>9,320,768</u>
TOTAL EXPENDITURES	<u>8,308,909</u>	<u>1,469,184</u>	<u>9,778,093</u>	<u>10,086,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>58,763</u>	<u>(10,866)</u>	<u>47,897</u>	<u>-</u>
Fund Balances - Beginning		<u>58,763</u>		
Fund Balances - Ending		\$ <u>47,897</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>424,662</u>	<u>143,281</u>	<u>567,943</u>	<u>637,062</u>
TOTAL REVENUES	<u>424,662</u>	<u>143,281</u>	<u>567,943</u>	<u>637,062</u>
EXPENDITURES:				
Materials and Supplies	2,783	686	3,469	3,670
Contractual Services	421,463	142,595	564,058	632,976
Capital Outlay	<u>416</u>	<u>-</u>	<u>416</u>	<u>416</u>
TOTAL EXPENDITURES	<u>424,662</u>	<u>143,281</u>	<u>567,943</u>	<u>637,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u><u>-</u></u>		

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 857,681	1,376,784	594,126	-	594,126	(782,658)
Investment Income:						
Interest Earnings	6,200	6,200	5,376	-	5,376	(824)
Net increase (decrease) in the fair value of investments	-	-	(81)	-	(81)	(81)
Miscellaneous:						
Forfeitures	<u>70,000</u>	<u>70,000</u>	<u>424,997</u>	<u>-</u>	<u>424,997</u>	<u>354,997</u>
TOTAL REVENUES	<u>933,881</u>	<u>1,452,984</u>	<u>1,024,418</u>	<u>-</u>	<u>1,024,418</u>	<u>(428,566)</u>
EXPENDITURES:						
Personnel Services	666,064	1,106,850	540,846	-	540,846	566,004
Material and Supplies	41,436	84,210	12,345	1,740	14,085	70,125
Contractual Services	90,080	249,547	96,096	24,382	120,478	129,069
Other	<u>136,301</u>	<u>12,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,154</u>
Total Operating Expenditures	933,881	1,452,761	649,287	26,122	675,409	777,352
Capital Outlay	<u>-</u>	<u>223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>
TOTAL EXPENDITURES	<u>933,881</u>	<u>1,452,984</u>	<u>649,287</u>	<u>26,122</u>	<u>675,409</u>	<u>777,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>375,131</u>	<u>(26,122)</u>	<u>349,009</u>	<u>349,009</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>375,131</u>	<u>(26,122)</u>	<u>349,009</u>	<u>349,009</u>
Fund Balances at Beginning of Year	<u>432,472</u>	<u>400,057</u>	<u>400,057</u>	<u>-</u>	<u>400,057</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>432,472</u>	<u>400,057</u>	<u>775,188</u>	<u>(26,122)</u>	<u>749,066</u>	<u>349,009</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State	\$ 346,000	779,233	382,250	-	382,250	(396,983)
Other	48,459	82,082	47,559	-	47,559	(34,523)
Investment Income:						
Interest Earnings	4,500	4,500	4,424	-	4,424	(76)
Net increase (decrease) in the fair value of investments	-	-	(368)	-	(368)	(368)
TOTAL REVENUES	398,959	865,815	433,865	-	433,865	(431,950)
EXPENDITURES:						
Personnel Services	556,032	1,109,475	558,818	-	558,818	550,657
Materials and Supplies	9,500	48,000	40,332	35	40,367	7,633
Contractual Services	101,000	201,527	90,811	-	90,811	110,716
Other	-	40,064	-	-	-	40,064
TOTAL EXPENDITURES	666,532	1,399,066	689,961	35	689,996	709,070
Excess (Deficiency) of Revenues Over Expenditures	(267,573)	(533,251)	(256,096)	(35)	(256,131)	277,120
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	232,009	231,349	231,349	-	231,349	-
TOTAL OTHER FINANCING SOURCES (USES)	232,009	231,349	231,349	-	231,349	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(35,564)	(301,902)	(24,747)	(35)	(24,782)	277,120
Fund Balances at Beginning of Year	35,564	322,215	322,215	-	322,215	-
FUND BALANCES AT END OF YEAR	\$ -	20,313	297,468	(35)	297,433	277,120

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 2,025,335	2,394,358	463,475	-	463,475	(1,930,883)
State	230,000	858,878	580,834	-	580,834	(278,044)
Other	80,000	80,000	-	-	-	(80,000)
Investment Income:						
Net increase (decrease) in the fair value of Investments	-	-	(6)	-	(6)	(6)
Miscellaneous:						
Reimbursements	-	16,189	-	-	-	(16,189)
TOTAL REVENUES	<u>2,335,335</u>	<u>3,349,425</u>	<u>1,044,303</u>	<u>-</u>	<u>1,044,303</u>	<u>(2,305,122)</u>
EXPENDITURES:						
Police Grants:						
Click It or Ticket	25,741	25,741	18,018	-	18,018	7,723
DWI	64,015	41,515	27,063	-	27,063	14,452
Alcohol Tobacco Firearms	36,586	36,586	18,600	-	18,600	17,986
Comprehensive Comm. Vehicle STEP	64,015	53,868	53,865	-	53,865	3
Comprehensive Vehicle STEP	127,806	141,281	121,617	-	121,617	19,664
Labor Day Step Grant	25,741	25,741	-	-	-	25,741
Customs Narcotics	116,325	116,325	73,698	-	73,698	42,627
Bulletproof Vest Partnership	75,000	162,051	42,790	43,912	86,702	75,349
Justice Assistance Grant	160,000	646,490	19,404	64,848	84,252	562,238
Fugitive Apprehension	95,910	95,910	32,409	-	32,409	63,501
Ldo. Joint Terrorism TF	20,094	20,094	19,959	-	19,959	135
Weed and Seed Program	102,282	80,000	-	-	-	80,000
Cops in School - SRO	714,264	714,264	689,293	-	689,293	24,971
OCDEF	90,188	30,890	18,749	-	18,749	12,141
FBI-Safe Streets	-	20,094	9,913	-	9,913	10,181
Gang Initiative	-	225,000	223,471	-	223,471	1,529
GDEM	319,864	496,242	176,250	-	176,250	319,992
Other	1,032,586	1,070,896	-	-	-	1,070,896
Total Operating Expenditures	3,070,417	4,002,988	1,545,099	108,760	1,653,859	2,349,129
Capital Outlay	-	125,045	33,178	-	33,178	91,867
TOTAL EXPENDITURES	<u>3,070,417</u>	<u>4,128,033</u>	<u>1,578,277</u>	<u>108,760</u>	<u>1,687,037</u>	<u>2,440,996</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(735,082)</u>	<u>(778,608)</u>	<u>(533,974)</u>	<u>(108,760)</u>	<u>(642,734)</u>	<u>135,874</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	724,109	724,109	589,749	-	589,749	(134,360)
TOTAL OTHER FINANCING SOURCES (USES)	<u>724,109</u>	<u>724,109</u>	<u>589,749</u>	<u>-</u>	<u>589,749</u>	<u>(134,360)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(10,973)</u>	<u>(54,499)</u>	<u>55,775</u>	<u>(108,760)</u>	<u>(52,985)</u>	<u>1,514</u>
Fund Balances at Beginning of Year	10,973	78,748	78,748	-	78,748	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>24,249</u>	<u>134,523</u>	<u>(108,760)</u>	<u>25,763</u>	<u>1,514</u>

CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Storm Water Fees	\$ 4,663,200	4,663,200	4,632,379	-	4,632,379	(30,821)
Intergovernmental:						
Environmental Protective Agency	-	65,795	55,670	-	55,670	(10,125)
TWDB- Flood Protection Plan	-	155,582	137,375	-	137,375	(18,207)
STDC-Regional Solid Waste Mgmt	30,000	40,000	31,908	-	31,908	(8,092)
Texas Department of Transportation	44,000	44,000	44,000	-	44,000	-
Universities and Colleges	10,000	10,000	10,000	-	10,000	-
Investment Income:						
Interest Earnings	72,200	72,200	55,449	-	55,449	(16,751)
Net increase (decrease) in the fair value of Investments	-	-	(3,623)	-	(3,623)	(3,623)
Discount Earnings	-	-	4,062	-	4,062	4,062
Miscellaneous:						
Reimbursements	-	-	146,265	-	146,265	146,265
TOTAL REVENUES	4,819,400	5,050,777	5,113,485	-	5,113,485	62,708
EXPENDITURES:						
Administration:						
Personnel Services	233,736	235,094	233,851	-	233,851	1,243
Materials and Supplies	1,000	1,000	-	-	-	1,000
Contractual Services	7,000	8,000	817	-	817	7,183
Other	-	-	18,454	(18,454)	-	-
Total Administration	241,736	244,094	253,122	(18,454)	234,668	9,426
Environmental Engineering:						
Personnel Services	652,136	652,136	575,753	-	575,753	76,383
Materials and Supplies	96,826	111,781	54,025	1,017	55,042	56,739
Contractual Services	1,904,499	1,884,941	1,290,498	263,337	1,553,835	331,106
Other	94,788	64,817	29	-	29	64,788
Total Environmental Engineering	2,748,249	2,713,675	1,920,305	264,354	2,184,659	529,016
CD Code Enforcement						
Personnel Services	42,767	42,946	42,736	-	42,736	210
Materials and Supplies	2,550	2,300	280	-	280	2,020
Contractual Services	1,800	2,050	770	-	770	1,280
Total CD Code Enforcement	47,117	47,296	43,786	-	43,786	3,510
Personnel	-	12,695	-	-	-	12,695
Contractual Services	-	35,000	35,000	-	35,000	-
Total Border 2012 Video Grant	\$ -	47,695	35,000	-	35,000	12,695

(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, 2009

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
Brownfields:						
Materials and Supplies	\$ -	16,720	16,720	-	16,720	-
Contractual Services	-	25,157	23,061	-	23,061	2,096
Total Brownfields	-	41,877	39,781	-	39,781	2,096
STDC - Regional Management:						
Materials and Supplies	-	20,000	11,908	-	11,908	8,092
Contractual Services	-	20,000	20,000	-	20,000	-
Total STDC - Regional Management	-	40,000	31,908	-	31,908	8,092
TWDB- Flood Protection:						
Contractual Services	-	348,954	343,438	5,000	348,438	516
Total TWDB- Flood Protection	-	348,954	343,438	5,000	348,438	516
Storm Water Improvements:						
Reserve Appropriation	751,856	691,856	-	-	-	691,856
Total Storm Water Improvements	751,856	691,856	-	-	-	691,856
Total Operating Expenditures	3,788,958	4,175,447	2,667,340	250,900	2,918,240	1,257,207
Capital Outlay	170,440	17,673,552	4,364,233	3,906,866	8,271,099	9,402,453
TOTAL EXPENDITURES	3,959,398	21,848,999	7,031,573	4,157,766	11,189,339	10,659,660
Excess (Deficiency) of Revenues Over Expenditures	860,002	(16,798,222)	(1,918,088)	(4,157,766)	(6,075,854)	10,722,368
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hazardous Materials	116,497	116,497	116,497	-	116,497	-
2007 C.O. Issue	-	17,441,075	4,063,576	-	4,063,576	(13,377,499)
Transfers Out:						
Debt Service	(1,913,395)	(1,913,395)	(1,913,395)	-	(1,913,395)	-
Keep Laredo Beautiful	(100,000)	(100,000)	(95,577)	-	(95,577)	4,423
TOTAL OTHER FINANCING SOURCES (USES)	(1,896,898)	15,544,177	2,171,101	-	2,171,101	(13,373,076)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,036,896)	(1,254,045)	253,013	(4,157,766)	(3,904,753)	(2,650,708)
Fund Balances at Beginning of Year	1,886,033	2,619,003	2,619,003	(18,454)	2,600,549	(18,454)
FUND BALANCE AT END OF YEAR	\$ 849,137	1,364,958	2,872,016	(4,176,220)	(1,304,204)	(2,669,162)

CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal Grants	\$ 150,000	574,918	121,720	-	121,720	(453,198)
State Grants	7,396,457	9,962,614	6,955,452	-	6,955,452	(3,007,162)
Other	1,105,868	2,045,188	1,087,768	-	1,087,768	(957,420)
Licenses and Permits	302,608	302,608	273,396	-	273,396	(29,212)
Fees and Collections	1,215,183	1,321,669	1,059,195	-	1,059,195	(262,474)
Rents and Royalties	2,560	2,560	1,210	-	1,210	(1,350)
Miscellaneous:						
Contributions	272,500	112,513	-	-	-	(112,513)
Reimbursements	498,402	1,031,579	413,324	-	413,324	(618,255)
TOTAL REVENUES	10,943,578	15,353,649	9,912,065	-	9,912,065	(5,441,584)
EXPENDITURES:						
Administrative Divisions:						
Administration	1,290,799	1,369,848	1,157,249	16,678	1,173,927	195,921
Health Education	197,465	197,180	190,710	1,589	192,299	4,881
Vital Statistics	486,446	490,666	428,820	5,260	434,080	56,586
E.M.S. Billing	450,852	343,476	266,014	23,894	289,908	53,568
STD Clinic	850	98,481	52,414	400	52,814	45,667
Maternity	124,040	106,026	73,642	16,642	90,284	15,742
Immunization	221,435	267,435	234,185	4,902	239,087	28,348
Tuberculosis	163,019	163,019	140,640	10,361	151,001	12,018
Adult Health	55,735	55,735	49,508	5,066	54,574	1,161
Dental	97,631	-	-	-	-	-
Laboratory	482,784	499,190	460,662	10,892	471,554	27,636
Personal Health Services	120,988	100,988	81,644	3,988	85,632	15,356
Budget and Grant Management	327,920	327,920	270,507	232	270,739	57,181
Health Protective Services	661,585	661,585	642,471	135	642,606	18,979
Animal Control	790,448	790,448	740,189	826	741,015	49,433
Total Administrative Divisions	<u>5,471,997</u>	<u>5,471,997</u>	<u>4,788,655</u>	<u>100,865</u>	<u>4,889,520</u>	<u>582,477</u>
State Grants:						
T.N.R.C.C. - Continuous Air Monitoring Station	70,000	136,195	67,163	-	67,163	69,032
H.I.V. - Prevention	308,378	410,584	316,831	572	317,403	93,181
Immunization Action Plan	286,079	582,256	288,450	-	288,450	293,806
Environmental Protection Agency	150,000	386,818	116,420	274	116,694	270,124
T.B. Federal - Tuberculosis	168,940	221,709	170,866	5,932	176,798	44,911
H.I.V. - Consortia (Ryan White)	412,985	649,311	409,995	65,612	475,607	173,704
H.I.V. - Housing Project (H.O.P.W.A.)	79,249	112,556	78,864	29,397	108,261	4,295
Associateship for Community Health and Resource Development - Title V	11,593	47,549	-	-	-	47,549
Associateship for Community Health and Resource Development - Family Planning	61,068	63,664	39,892	700	40,592	23,072
Associateship for Community Health and Resource Development - Prenatal	\$ 273,324	168,285	105,383	-	105,383	62,902

(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, 2009

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
State Grants (Continued)						
Primary Care	\$ 155,145	310,329	141,078	-	141,078	169,251
HIV Social Services	137,555	137,058	133,675	-	133,675	3,383
Bureau of Regional/Local Health Operations	422,705	997,650	460,473	-	460,473	537,177
Associateship for Community Health and Resource Development - Dental	23,240	27,970	-	-	-	27,970
Tuberculosis Elimination	157,301	351,866	153,082	-	153,082	198,784
Women Infant and Children (W.I.C.)	4,114,795	4,243,005	3,726,916	8,290	3,735,206	507,799
W.I.C. Counties Expansion	419,233	431,681	357,450	158	357,608	74,073
Bio-Terrorism Preparedness	266,532	611,031	291,595	488	292,083	318,948
Bio-Terrorism Pandemic Influenza	132,228	132,228	-	-	-	132,228
Early Warning Preparedness	171,847	258,492	112,005	-	112,005	146,487
Border Health - Surveillance	-	7,700	1,594	-	1,594	6,106
CPS - Emergency Response	-	247,374	-	-	-	247,374
Women and Children Health Program	210,754	209,716	40,471	3,778	44,249	165,467
Special Projects	235,000	57,201	-	-	-	57,201
Hepatitis B Program	19,374	19,374	10,701	-	10,701	8,673
SCAN - HIV Testing	45,176	45,000	40,753	-	40,753	4,247
Ventanilla de Salud Program	-	28,180	15,621	11,731	27,352	828
UTHSCSA - Bienestar	250,000	440,993	258,745	2,630	261,375	179,618
UTHSCSA - STX Family Aids Network	25,338	24,985	24,783	-	24,783	202
UTHSCSA - Dental Clinic	300,000	307,648	78,275	-	78,275	229,373
Total State Grant Expenses	<u>8,907,839</u>	<u>11,668,408</u>	<u>7,441,081</u>	<u>129,562</u>	<u>7,570,643</u>	<u>4,097,765</u>
Total Operating Expenses	14,379,836	17,140,405	12,229,736	230,427	12,460,163	4,680,242
Capital Outlay	<u>11,000</u>	<u>1,310,617</u>	<u>370,192</u>	<u>166,884</u>	<u>537,076</u>	<u>773,541</u>
TOTAL EXPENDITURES	<u>14,390,836</u>	<u>18,451,022</u>	<u>12,599,928</u>	<u>397,311</u>	<u>12,997,239</u>	<u>5,453,783</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,447,258)</u>	<u>(3,097,373)</u>	<u>(2,687,863)</u>	<u>(397,311)</u>	<u>(3,085,174)</u>	<u>12,199</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	<u>3,393,528</u>	<u>3,393,528</u>	<u>2,926,462</u>	<u>-</u>	<u>2,926,462</u>	<u>(467,066)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,393,528</u>	<u>3,393,528</u>	<u>2,926,462</u>	<u>-</u>	<u>2,926,462</u>	<u>(467,066)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(53,730)</u>	<u>296,155</u>	<u>238,599</u>	<u>(397,311)</u>	<u>(158,712)</u>	<u>(454,867)</u>
Fund Balances at Beginning of Year	<u>-</u>	<u>170,570</u>	<u>170,570</u>	<u>-</u>	<u>170,570</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ <u>(53,730)</u>	<u>466,725</u>	<u>409,169</u>	<u>(397,311)</u>	<u>11,858</u>	<u>(454,867)</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State Emergency Commission	\$ 1,294,373	3,835,755	1,182,147	-	1,182,147	(2,653,608)
Investment Income:						
Interest Earnings	5,700	10,700	938	-	938	(9,762)
Net increase (decrease) in the fair value of Investments	-	-	(100)	-	(100)	(100)
TOTAL REVENUES	<u>1,300,073</u>	<u>3,846,455</u>	<u>1,182,985</u>	<u>-</u>	<u>1,182,985</u>	<u>(2,663,470)</u>
EXPENDITURES:						
Personnel Services	299,917	572,039	294,708	-	294,708	277,331
Materials and Supplies	13,208	86,237	81,888	29,429	111,317	(25,080)
Contractual Services	981,248	2,553,718	581,824	711,418	1,293,242	1,260,476
Other	7,444	47,790	14,338	-	14,338	33,452
Total Operating Expenditures	1,301,817	3,259,784	972,758	740,847	1,713,605	1,546,179
Capital Outlay	-	609,423	227,736	247,139	474,875	134,548
TOTAL EXPENDITURES	<u>1,301,817</u>	<u>3,869,207</u>	<u>1,200,494</u>	<u>987,986</u>	<u>2,188,480</u>	<u>1,680,727</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,744)	(22,752)	(17,509)	(987,986)	(1,005,495)	(982,743)
Fund Balances at Beginning of Year	1,744	18,788	18,788	-	18,788	-
FUND BALANCES AT END OF YEAR	\$ <u>-</u>	<u>(3,964)</u>	<u>1,279</u>	<u>(987,986)</u>	<u>(986,707)</u>	<u>(982,743)</u>

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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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ -	-	640	-	640	640
State	99,055	99,055	109,807	-	109,807	10,752
Fees and Collections	4,000	4,000	15,756	-	15,756	11,756
Investment Income:						
Interest Earnings	-	-	55	-	55	55
Rents and Royalties	5,062,653	5,062,653	4,281,154	-	4,281,154	(781,499)
Miscellaneous:						
Reimbursements	<u>492,606</u>	<u>492,606</u>	<u>327,143</u>	<u>-</u>	<u>327,143</u>	<u>(165,463)</u>
TOTAL REVENUES	<u>5,658,314</u>	<u>5,658,314</u>	<u>4,734,555</u>	<u>-</u>	<u>4,734,555</u>	<u>(923,759)</u>
EXPENDITURES:						
Administration:						
Personnel Services	590,758	591,406	550,629	-	550,629	40,777
Materials and Supplies	49,389	47,594	18,033	200	18,233	29,361
Contractual Services	1,794,011	1,816,640	1,701,181	2,169	1,703,350	113,290
Other	<u>-</u>	<u>-</u>	<u>163,763</u>	<u>(163,763)</u>	<u>-</u>	<u>-</u>
Total Administration	<u>2,434,158</u>	<u>2,455,640</u>	<u>2,433,606</u>	<u>(161,394)</u>	<u>2,272,212</u>	<u>183,428</u>
Building Maintenance:						
Personnel Services	461,215	427,245	386,510	-	386,510	40,735
Materials and Supplies	78,821	84,418	77,627	2,714	80,341	4,077
Contractual Services	<u>218,836</u>	<u>185,668</u>	<u>153,873</u>	<u>31,153</u>	<u>185,026</u>	<u>642</u>
Total Building Maintenance	<u>758,872</u>	<u>697,331</u>	<u>618,010</u>	<u>33,867</u>	<u>651,877</u>	<u>45,454</u>
Ground Maintenance:						
Personnel Services	325,762	325,762	268,498	-	268,498	57,264
Materials and Supplies	60,837	60,053	28,948	259	29,207	30,846
Contractual Services	<u>91,782</u>	<u>89,910</u>	<u>87,563</u>	<u>128</u>	<u>87,691</u>	<u>2,219</u>
Total Ground Maintenance	<u>\$ 478,381</u>	<u>475,725</u>	<u>385,009</u>	<u>387</u>	<u>385,396</u>	<u>90,329</u>

(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, 2009

(Continued)

	Original	Final			Actual Budget	Variance Positive
EXPENDITURES (Continued)						
Airport Police:						
Personnel Services	\$ 679,778	683,603	656,015	-	656,015	27,588
Materials and Supplies	6,882	11,376	10,849	175	11,024	352
Contractual Services	<u>257,008</u>	<u>237,372</u>	<u>194,397</u>	<u>9,201</u>	<u>203,598</u>	<u>33,774</u>
Total Airport Police	<u>943,668</u>	<u>932,351</u>	<u>861,261</u>	<u>9,376</u>	<u>870,637</u>	<u>61,714</u>
Foreign Trade Zone:						
Personnel Services	11,938	12,214	12,157	-	12,157	57
Materials and Supplies	2,058	5,813	3,763	-	3,763	2,050
Contractual Services	<u>3,980</u>	<u>3,981</u>	<u>3,980</u>	<u>-</u>	<u>3,980</u>	<u>1</u>
	-					
Total Foreign Trade Zone	<u>17,976</u>	<u>22,008</u>	<u>19,900</u>	<u>-</u>	<u>19,900</u>	<u>2,108</u>
TOTAL EXPENDITURES	<u>4,633,055</u>	<u>4,583,055</u>	<u>4,317,786</u>	<u>(117,764)</u>	<u>4,200,022</u>	<u>383,033</u>
Excess (Deficiency) of Revenues Over Expenditures						
	<u>1,025,259</u>	<u>1,075,259</u>	<u>416,769</u>	<u>117,764</u>	<u>534,533</u>	<u>(540,726)</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Noise Abatement Fund	-	649,682	649,682	-	649,682	-
Transfers Out:						
Airport Construction Fund	-	(50,000)	(49,887)	-	(49,887)	113
Debt Service	(729,105)	(729,105)	(729,105)	-	(729,105)	-
Sale of Assets	<u>-</u>	<u>-</u>	<u>1,518</u>	<u>-</u>	<u>1,518</u>	<u>1,518</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(729,105)</u>	<u>(129,423)</u>	<u>(127,792)</u>	<u>-</u>	<u>(127,792)</u>	<u>1,631</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)						
	296,154	945,836	288,977	117,764	406,741	(539,095)
Fund Balances at Beginning of Year	<u>(305,106)</u>	<u>(451,730)</u>	<u>(451,730)</u>	<u>(163,763)</u>	<u>(615,493)</u>	<u>(163,763)</u>
FUND BALANCE AT END OF YEAR	<u>\$ (8,952)</u>	<u>494,106</u>	<u>(162,753)</u>	<u>(45,999)</u>	<u>(208,752)</u>	<u>(702,858)</u>

CITY OF LAREDO, TEXAS
HAZARDOUS MATERIALS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Licenses and Permits	\$ 285,000	285,000	284,000	-	284,000	(1,000)
Investment Income:						
Interest Earnings	2,900	2,900	1,634	-	1,634	(1,266)
Net increase (decrease) in the fair value of Investments	<u>-</u>	<u>-</u>	<u>(137)</u>	<u>-</u>	<u>(137)</u>	<u>(137)</u>
TOTAL REVENUES	<u>287,900</u>	<u>287,900</u>	<u>285,497</u>	<u>-</u>	<u>285,497</u>	<u>(2,403)</u>
EXPENDITURES:						
Personnel Services	163,444	163,444	151,300	-	151,300	12,144
Materials and Supplies	13,719	13,719	6,001	-	6,001	7,718
Contractual Services	<u>44,744</u>	<u>44,744</u>	<u>35,558</u>	<u>-</u>	<u>35,558</u>	<u>9,186</u>
TOTAL EXPENDITURES	<u>221,907</u>	<u>221,907</u>	<u>192,859</u>	<u>-</u>	<u>192,859</u>	<u>29,048</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>65,993</u>	<u>65,993</u>	<u>92,638</u>	<u>-</u>	<u>92,638</u>	<u>26,645</u>
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Environmental Services	<u>(116,497)</u>	<u>(116,497)</u>	<u>(116,497)</u>	<u>-</u>	<u>(116,497)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(116,497)</u>	<u>(116,497)</u>	<u>(116,497)</u>	<u>-</u>	<u>(116,497)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(50,504)</u>	<u>(50,504)</u>	<u>(23,859)</u>	<u>-</u>	<u>(23,859)</u>	<u>26,645</u>
Fund Balances at Beginning of Year	<u>49,913</u>	<u>90,664</u>	<u>90,664</u>	<u>-</u>	<u>90,664</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ <u>(591)</u>	<u>40,160</u>	<u>66,805</u>	<u>-</u>	<u>66,805</u>	<u>26,645</u>

CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Licenses and Permits	\$ 13,300	13,300	8,961	-	8,961	(4,339)
Fines	623,000	623,000	573,643	-	573,643	(49,357)
Fees and Collections	1,309,112	1,309,112	1,188,999	-	1,188,999	(120,113)
Investment Income:						
Interest Earnings	29,000	29,000	26,042	-	26,042	(2,958)
Net increase (decrease) in the fair value of Investments	-	-	(2,078)	-	(2,078)	(2,078)
Discount Earnings	-	-	630	-	630	630
Miscellaneous:						
Reimbursements	-	-	6,199	-	6,199	6,199
TOTAL REVENUES	<u>1,974,412</u>	<u>1,974,412</u>	<u>1,802,396</u>	<u>-</u>	<u>1,802,396</u>	<u>(172,016)</u>
EXPENDITURES:						
Personnel Services	1,152,839	1,153,141	1,000,561	-	1,000,561	152,580
Materials and Supplies	81,319	83,815	63,318	1,325	64,643	19,172
Contractual Services	260,644	262,731	225,586	7,704	233,290	29,441
Other	-	11,740	78	-	78	11,662
Total Operating Expenditures	1,494,802	1,511,427	1,289,543	9,029	1,298,572	212,855
Capital Outlay	<u>240,593</u>	<u>403,968</u>	<u>379,791</u>	<u>2,060</u>	<u>381,851</u>	<u>22,117</u>
TOTAL EXPENDITURES	<u>1,735,395</u>	<u>1,915,395</u>	<u>1,669,334</u>	<u>11,089</u>	<u>1,680,423</u>	<u>234,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>239,017</u>	<u>59,017</u>	<u>133,062</u>	<u>(11,089)</u>	<u>121,973</u>	<u>62,956</u>
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Debt Service Fund	<u>(284,290)</u>	<u>(284,290)</u>	<u>(284,290)</u>	<u>-</u>	<u>(284,290)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(284,290)</u>	<u>(284,290)</u>	<u>(284,290)</u>	<u>-</u>	<u>(284,290)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(45,273)</u>	<u>(225,273)</u>	<u>(151,228)</u>	<u>(11,089)</u>	<u>(162,317)</u>	<u>62,956</u>
Fund Balances at Beginning of Year	<u>643,451</u>	<u>1,220,543</u>	<u>1,220,543</u>	<u>-</u>	<u>1,220,543</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ <u>598,178</u>	<u>995,270</u>	<u>1,069,315</u>	<u>(11,089)</u>	<u>1,058,226</u>	<u>62,956</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State Operating Grant	\$ -	-	333	-	333	333
Investment Income:						
Interest Earnings	-	-	3	-	3	3
Miscellaneous:						
Contributions	<u>2,000</u>	<u>5,000</u>	<u>5,950</u>	<u>-</u>	<u>5,950</u>	<u>950</u>
TOTAL REVENUES	<u>2,000</u>	<u>5,000</u>	<u>6,286</u>	<u>-</u>	<u>6,286</u>	<u>1,286</u>
EXPENDITURES:						
Personnel Services	64,999	64,999	64,856	-	64,856	143
Materials and Supplies	22,506	25,506	23,397	631	24,028	1,478
Contractual Services	<u>15,701</u>	<u>15,701</u>	<u>11,553</u>	<u>1,000</u>	<u>12,553</u>	<u>3,148</u>
TOTAL EXPENDITURES	<u>103,206</u>	<u>106,206</u>	<u>99,806</u>	<u>1,631</u>	<u>101,437</u>	<u>4,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(101,206)</u>	<u>(101,206)</u>	<u>(93,520)</u>	<u>(1,631)</u>	<u>(95,151)</u>	<u>6,055</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	<u>100,000</u>	<u>100,000</u>	<u>95,577</u>	<u>-</u>	<u>95,577</u>	<u>(4,423)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>100,000</u>	<u>95,577</u>	<u>-</u>	<u>95,577</u>	<u>(4,423)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(1,206)</u>	<u>(1,206)</u>	<u>2,057</u>	<u>(1,631)</u>	<u>426</u>	<u>1,632</u>
Fund Balances at Beginning of Year	<u>-</u>	<u>1,206</u>	<u>1,206</u>	<u>-</u>	<u>1,206</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (1,206)</u>	<u>-</u>	<u>3,263</u>	<u>(1,631)</u>	<u>1,632</u>	<u>1,632</u>

CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 5,000	5,000	5,411	-	5,411	411
Net increase (decrease) in the fair value of Investments	-	-	(339)	-	(339)	(339)
Fees and Collections	<u>125,350</u>	<u>125,350</u>	<u>142,322</u>	<u>-</u>	<u>142,322</u>	<u>16,972</u>
TOTAL REVENUES	<u>130,350</u>	<u>130,350</u>	<u>147,394</u>	<u>-</u>	<u>147,394</u>	<u>17,044</u>
EXPENDITURES:						
Materials and Supplies	58,222	42,439	14,654	6,503	21,157	21,282
Contractual Services	36,813	41,813	38,254	-	38,254	3,559
Other	<u>-</u>	<u>10,783</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>10,784</u>
Total Operating Expenditures	95,035	95,035	52,907	6,503	59,410	35,625
Capital Outlay	<u>124,881</u>	<u>124,881</u>	<u>28,452</u>	<u>88,277</u>	<u>116,729</u>	<u>8,152</u>
TOTAL EXPENDITURES	<u>219,916</u>	<u>219,916</u>	<u>81,359</u>	<u>94,780</u>	<u>176,139</u>	<u>43,777</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(89,566)</u>	<u>(89,566)</u>	<u>66,035</u>	<u>(94,780)</u>	<u>(28,745)</u>	<u>60,821</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(89,566)	(89,566)	66,035	(94,780)	(28,745)	60,821
Fund Balances at Beginning of Year	<u>203,527</u>	<u>234,713</u>	<u>234,713</u>	<u>-</u>	<u>234,713</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>113,961</u>	<u>145,147</u>	<u>300,748</u>	<u>(94,780)</u>	<u>205,968</u>	<u>60,821</u>

CITY OF LAREDO, TEXAS
VETERANS FIELD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 1,700	1,700	152	-	152	(1,548)
Net increase (decrease) in the fair value of Investments	-	-	(23)	-	(23)	(23)
Rents and Royalties	<u>63,045</u>	<u>43,045</u>	<u>45,148</u>	<u>-</u>	<u>45,148</u>	<u>403</u>
TOTAL REVENUES	<u>64,745</u>	<u>44,745</u>	<u>45,277</u>	<u>-</u>	<u>45,277</u>	<u>532</u>
EXPENDITURES:						
Personnel Services	10,407	-	-	-	-	-
Materials and Supplies	4,178	4,178	1,607	2,511	4,118	60
Contractual Services	<u>49,644</u>	<u>40,051</u>	<u>57,653</u>	<u>3,200</u>	<u>60,853</u>	<u>(20,802)</u>
TOTAL EXPENDITURES	<u>64,229</u>	<u>44,229</u>	<u>59,260</u>	<u>5,711</u>	<u>64,971</u>	<u>(20,742)</u>
Excess (Deficiency) of Revenues Over Expenditures	516	516	(13,983)	(5,711)	(19,694)	(20,210)
Fund Balances at Beginning of Year	<u>9,797</u>	<u>4,796</u>	<u>4,796</u>	<u>-</u>	<u>4,796</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>10,313</u>	<u>5,312</u>	<u>(9,187)</u>	<u>(5,711)</u>	<u>(14,898)</u>	<u>(20,210)</u>

CITY OF LAREDO, TEXAS
CIVIC CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 1,700	1,700	408	-	408	(1,292)
Discount Earnings	-	-	80	-	80	80
Rents and Royalties	<u>289,300</u>	<u>393,300</u>	<u>276,676</u>	<u>-</u>	<u>276,676</u>	<u>(116,624)</u>
TOTAL REVENUES	<u>291,000</u>	<u>395,000</u>	<u>277,164</u>	<u>-</u>	<u>277,164</u>	<u>(117,836)</u>
EXPENDITURES:						
Personnel Services	400,295	452,995	411,965	-	411,965	41,030
Materials and Supplies	110,265	121,765	83,536	1,876	85,412	36,353
Contractual Services	299,122	315,422	230,216	13,505	243,721	71,701
Other	<u>-</u>	<u>23,500</u>	<u>2,950</u>	<u>(2,650)</u>	<u>300</u>	<u>23,200</u>
TOTAL EXPENDITURES	<u>809,682</u>	<u>913,682</u>	<u>728,667</u>	<u>12,731</u>	<u>741,398</u>	<u>172,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(518,682)</u>	<u>(518,682)</u>	<u>(451,503)</u>	<u>(12,731)</u>	<u>(464,234)</u>	<u>54,448</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel - Motel Occupancy Tax	507,468	507,468	455,771	-	455,771	(51,697)
Transfer Out:						
Debt Service	<u>(7,875)</u>	<u>(7,875)</u>	<u>(7,875)</u>	<u>-</u>	<u>(7,875)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>499,593</u>	<u>499,593</u>	<u>447,896</u>	<u>-</u>	<u>447,896</u>	<u>(51,697)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(19,089)</u>	<u>(19,089)</u>	<u>(3,607)</u>	<u>(12,731)</u>	<u>(16,338)</u>	<u>2,751</u>
Fund Balances at Beginning of Year	<u>-</u>	<u>18,988</u>	<u>18,988</u>	<u>(2,650)</u>	<u>16,338</u>	<u>(2,650)</u>
FUND BALANCE AT END OF YEAR	\$ <u>(19,089)</u>	<u>(101)</u>	<u>15,381</u>	<u>(15,381)</u>	<u>-</u>	<u>101</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 3,424,128	3,424,128	2,764,559	-	2,764,559	(659,569)
Penalty and Interest	-	-	10,468	-	10,468	10,468
Investment Income:						
Interest Earnings	35,700	35,700	20,080	-	20,080	(15,620)
Net increase (decrease) in the fair value of Investments	-	-	(1,613)	-	(1,613)	(1,613)
Miscellaneous:						
Reimbursements	-	-	175	-	175	175
TOTAL REVENUES	<u>3,459,828</u>	<u>3,459,828</u>	<u>2,793,669</u>	<u>-</u>	<u>2,793,669</u>	<u>(666,159)</u>
EXPENDITURES:						
Contractual Services:						
Tourism and Promotion	426,121	426,121	416,199	3,761	419,960	6,161
Historical and Arts	323,183	323,183	320,565	1,019	321,584	1,599
Other	-	-	287	-	287	(287)
TOTAL EXPENDITURES	<u>749,304</u>	<u>749,304</u>	<u>737,051</u>	<u>4,780</u>	<u>741,831</u>	<u>7,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,710,524</u>	<u>2,710,524</u>	<u>2,056,618</u>	<u>(4,780)</u>	<u>2,051,838</u>	<u>(658,686)</u>
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Civic Center	(507,468)	(507,468)	(455,771)	-	(455,771)	51,697
General Fund	(25,000)	(25,000)	(7,675)	-	(7,675)	17,325
Convention and Visitors Bureau	(2,666,544)	(2,666,544)	(1,871,338)	-	(1,871,338)	795,206
Public Access Channel	(107,744)	(107,744)	(97,286)	-	(97,286)	10,458
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,306,756)</u>	<u>(3,306,756)</u>	<u>(2,432,070)</u>	<u>-</u>	<u>(2,432,070)</u>	<u>874,686</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(596,232)</u>	<u>(596,232)</u>	<u>(375,452)</u>	<u>(4,780)</u>	<u>(380,232)</u>	<u>216,000</u>
Fund Balances at Beginning of Year	<u>425,766</u>	<u>876,788</u>	<u>876,788</u>	<u>-</u>	<u>876,788</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>(170,466)</u>	<u>280,556</u>	<u>501,336</u>	<u>(4,780)</u>	<u>496,556</u>	<u>216,000</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Production and Transmission	\$ 28,686	28,686	25,265	-	25,265	(3,421)
Peg Funds	265,000	265,000	263,824	-	263,824	(1,176)
Investment Income:						
Interest Earnings	4,300	4,300	6,263	-	6,263	1,963
Net increase (decrease) in the fair value of Investments	-	-	(321)	-	(321)	(321)
Discount Earnings	-	-	10	-	10	10
Miscellaneous:						
Reimbursements	61	61	-	-	-	(61)
TOTAL REVENUES	298,047	298,047	295,041	-	295,041	(3,006)
EXPENDITURES:						
Administration						
Personnel Services	364,549	364,549	345,930	-	345,930	18,619
Materials and Supplies	27,815	27,815	23,091	325	23,416	4,399
Contractual Services	71,838	67,738	49,205	1,988	51,193	16,545
Other	-	4,100	-	-	-	4,100
Total Operating Expenditures	464,202	464,202	418,226	2,313	420,539	43,663
Capital Outlay	353,140	353,140	295,888	21,439	317,327	35,813
TOTAL EXPENDITURES	817,342	817,342	714,114	23,752	737,866	79,476
Excess (Deficiency) of Revenues Over Expenditures	(519,295)	(519,295)	(419,073)	(23,752)	(442,825)	76,470
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	323,231	323,231	291,857	-	291,857	(31,374)
Hotel-Motel Occupancy Tax	107,744	107,744	97,286	-	97,286	(10,458)
TOTAL OTHER FINANCING SOURCES (USES)	430,975	430,975	389,143	-	389,143	(41,832)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(88,320)	(88,320)	(29,930)	(23,752)	(53,682)	34,638
Fund Balances at Beginning of Year	264,830	319,841	319,841	-	319,841	-
FUND BALANCE AT END OF YEAR	\$ 176,510	231,521	289,911	(23,752)	266,159	34,638

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 2,600	2,600	3,254	-	3,254	654
Net increase (decrease) in the fair value of Investments	-	-	(196)	-	(196)	(196)
Rents and Royalties	122,697	122,697	118,075	-	118,075	(4,622)
Discount Earnings	-	-	14	-	14	14
TOTAL REVENUES	<u>125,297</u>	<u>125,297</u>	<u>121,147</u>	<u>-</u>	<u>121,147</u>	<u>(4,150)</u>
EXPENDITURES:						
Personnel Services	6,504	6,504	-	-	-	6,504
Materials and Supplies	23,732	21,382	3,809	-	3,809	17,573
Contractual Services	88,903	85,953	44,569	-	44,569	41,384
Other	-	5,300	-	-	-	5,300
TOTAL EXPENDITURES	<u>119,139</u>	<u>119,139</u>	<u>48,378</u>	<u>-</u>	<u>48,378</u>	<u>70,761</u>
Excess (Deficiency) of Revenues Over Expenditures	6,158	6,158	72,769	-	72,769	66,611
Fund Balances at Beginning of Year	<u>78,536</u>	<u>125,628</u>	<u>125,628</u>	<u>-</u>	<u>125,628</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 84,694</u>	<u>131,786</u>	<u>198,397</u>	<u>-</u>	<u>198,397</u>	<u>66,611</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental Revenue:						
F.E.M.A.	\$ -	-	310	-	310	310
Fees and Collections	58,392	58,392	59,289	-	59,289	897
Investment Income:						
Interest Earnings	42	42	315	-	315	273
Net increase (decrease) in the fair value of Investments	-	-	(104)	-	(104)	(104)
Discount Earnings	-	-	1	-	1	1
Miscellaneous:						
Reimbursements	800	800	3,263	-	3,263	2,463
TOTAL REVENUES	59,234	59,234	63,074	-	63,074	3,840
EXPENDITURES:						
Personnel Services	634,503	634,503	439,960	-	439,960	194,543
Materials and Supplies	131,534	129,088	103,209	3,758	106,967	22,121
Contractual Services	1,597,590	1,517,782	1,344,828	82,506	1,427,334	90,448
Other	402,000	484,254	-	-	-	484,254
TOTAL EXPENDITURES	2,765,627	2,765,627	1,887,997	86,264	1,974,261	791,366
Excess (Deficiency) of Revenues Over Expenditures	(2,706,393)	(2,706,393)	(1,824,923)	(86,264)	(1,911,187)	795,206
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	2,666,544	2,666,544	1,871,338	-	1,871,338	(795,206)
TOTAL OTHER FINANCING SOURCES (USES)	2,666,544	2,666,544	1,871,338	-	1,871,338	(795,206)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(39,849)	(39,849)	46,415	(86,264)	(39,849)	-
Fund Balances at Beginning of Year	-	39,849	39,849	-	39,849	-
FUND BALANCE AT END OF YEAR	\$ (39,849)	-	86,264	(86,264)	-	-

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
General Sales & Use Tax	\$ 6,683,256	6,683,256	6,078,880	-	6,078,880	(604,376)
Investment Income:						
Interest Earnings	404,735	404,735	452,856	-	452,856	48,121
Net increase (decrease) in the fair value of investments	<u>-</u>	<u>-</u>	<u>(22,106)</u>	<u>-</u>	<u>(22,106)</u>	<u>(22,106)</u>
TOTAL REVENUES	<u>7,087,991</u>	<u>7,087,991</u>	<u>6,509,630</u>	<u>-</u>	<u>6,509,630</u>	<u>(578,361)</u>
EXPENDITURES:						
Materials and Supplies	-	8,867	8,395	-	8,395	472
Contractual Services	57,551	159,331	159,331	-	159,331	-
Other	<u>500,000</u>	<u>919,517</u>	<u>301,387</u>	<u>-</u>	<u>301,387</u>	<u>618,130</u>
TOTAL EXPENDITURES	<u>557,551</u>	<u>1,087,715</u>	<u>469,113</u>	<u>-</u>	<u>469,113</u>	<u>618,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,530,440</u>	<u>6,000,276</u>	<u>6,040,517</u>	<u>-</u>	<u>6,040,517</u>	<u>40,241</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	2,747,032	2,747,032	-	-	-	(2,747,032)
Transfers Out:						
Sports & Community Debt Service	(2,747,032)	(2,747,032)	-	-	-	2,747,032
Laredo Entertainment Center Operations	-	(945,275)	(1,207,616)	-	(1,207,616)	(262,341)
Debt Service	<u>(2,964,338)</u>	<u>(2,964,338)</u>	<u>(2,964,338)</u>	<u>-</u>	<u>(2,964,338)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,964,338)</u>	<u>(3,909,613)</u>	<u>(4,171,954)</u>	<u>-</u>	<u>(4,171,954)</u>	<u>(262,341)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>3,566,102</u>	<u>2,090,663</u>	<u>1,868,563</u>	<u>-</u>	<u>1,868,563</u>	<u>(222,100)</u>
Fund Balances at Beginning of Year	<u>20,539,549</u>	<u>20,685,093</u>	<u>20,685,093</u>	<u>-</u>	<u>20,685,093</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>24,105,651</u>	<u>22,775,756</u>	<u>22,553,656</u>	<u>-</u>	<u>22,553,656</u>	<u>(222,100)</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 61,300	61,300	62,762	-	62,762	1,462
Net increase (decrease) in the fair value of Investments	-	-	(4,232)	-	(4,232)	(4,232)
Fees and Collections	22,000	22,000	31,361	-	31,361	9,361
Rents and Royalties	1,002,000	1,002,000	992,705	-	992,705	(9,295)
Discount Earnings	-	-	7	-	7	7
Miscellaneous:						
Reimbursements	1,846	1,846	12,803	-	12,803	10,957
TOTAL REVENUES	1,087,146	1,087,146	1,095,406	-	1,095,406	8,260
EXPENDITURES:						
Personnel Services	156,121	158,121	130,326	-	130,326	27,795
Materials and Supplies	84,436	90,936	75,756	9,495	85,251	5,685
Contractual Services	521,148	512,648	275,386	75,747	351,133	161,515
Other	97,498	59,498	19,824	(19,824)	-	59,498
Total Operating Expenditures	859,203	821,203	501,292	65,418	566,710	254,493
Capital Outlay	-	38,000	36,767	-	36,767	1,233
TOTAL EXPENDITURES	859,203	859,203	538,059	65,418	603,477	255,726
Excess (Deficiency) of Revenues Over Expenditures	227,943	227,943	557,347	(65,418)	491,929	263,986
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Airport Fund	-	(649,682)	(649,682)	-	(649,682)	-
New Airport Terminal	-	(2,250,000)	(2,250,000)	-	(2,250,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,899,682)	(2,899,682)	-	(2,899,682)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	227,943	(2,671,739)	(2,342,335)	(65,418)	(2,407,753)	263,986
Fund Balances at Beginning of Year	2,772,832	2,899,682	2,899,682	(19,824)	2,879,858	(19,824)
FUND BALANCES AT END OF YEAR	\$ 3,000,775	227,943	557,347	(85,242)	472,105	244,162

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal Operating Grant	\$ 565,500	582,676	43,106	-	43,106	(539,570)
State Operating Grants	50,000	30,079	30,079	-	30,079	-
Charges for Services	1,500	1,500	3,197	-	3,197	1,697
Investment Income:						
Interest Earnings	2,100	2,100	1,566	-	1,566	(534)
Net increase (decrease) in the fair value of Investments	-	-	(101)	-	(101)	(101)
Discount Earnings	-	-	1	-	1	1
Miscellaneous:						
Reimbursements	-	-	15,800	-	15,800	15,800
Other	5,000	16,000	5,105	-	5,105	(10,895)
TOTAL REVENUES	624,100	632,355	98,753	-	98,753	(533,602)
EXPENDITURES:						
Library:						
Materials and Supplies	5,600	6,050	395	-	395	5,655
Contractual Services	3,000	8,550	529	-	529	8,021
Other	-	5,000	2,130	-	2,130	2,870
Total Library	8,600	19,600	3,054	-	3,054	16,546
FOTL-Loan Star Library Grant:						
Materials and Supplies	10,000	-	-	-	-	-
Total FOTL-Loan Star Library Grant	10,000	-	-	-	-	-
FCC-Universal Service Program:						
Contractual Services	65,000	82,176	48,562	-	48,562	33,614
Other	585,000	585,000	-	-	-	585,000
Total FCC-Universal Service Program	650,000	667,176	48,562	-	48,562	618,614
Total Operating Expenditures	668,600	686,776	51,616	-	51,616	635,160
Capital Outlay	52,525	42,604	40,452	-	40,452	2,152
TOTAL EXPENDITURES	721,125	729,380	92,068	-	92,068	637,312
Excess (Deficiency) of Revenues Over Expenditures	(97,025)	(97,025)	6,685	-	6,685	103,710
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	60,000	60,000	60,000	-	60,000	-
TOTAL OTHER FINANCING SOURCES (USES)	60,000	60,000	60,000	-	60,000	-
Expenditures and Other Sources (Uses)	(37,025)	(37,025)	66,685	-	66,685	103,710
Fund Balances at Beginning of Year	39,529	69,290	69,290	-	69,290	-
FUND BALANCES AT END OF YEAR	\$ 2,504	32,265	135,975	-	135,975	103,710

CITY OF LAREDO, TEXAS
SUBDIVISION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Net increase (decrease) in the fair value of Investments	\$ -	-	(744)	-	(744)	(744)
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>(744)</u>	<u>-</u>	<u>(744)</u>	<u>(744)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(744)	-	(744)	(744)
Fund Balances at Beginning of Year	-	744	744	-	744	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(744)</u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 60,800	60,800	16,650	-	16,650	(44,150)
Net increase (decrease) in the fair value of Investments	-	-	(1,296)	-	(1,296)	(1,296)
Miscellaneous:						
Forfeitures	800,000	800,000	3,930,780	-	3,930,780	3,130,780
Reimbursements	-	-	48,713	-	48,713	48,713
TOTAL REVENUES	860,800	860,800	3,994,847	-	3,994,847	3,134,047
EXPENDITURES:						
Materials and Supplies	-	2,194	-	1,646	1,646	548
Total Operating Expenditures	-	2,194	-	1,646	1,646	548
Debt Service	1,364,540	1,364,540	1,252,890	-	1,252,890	111,650
Capital Outlay	-	14,995	5,130	-	5,130	9,865
TOTAL EXPENDITURES	1,364,540	1,381,729	1,258,020	1,646	1,259,666	122,063
Excess (Deficiency) of Revenues Over Expenditures	(503,740)	(520,929)	2,736,827	(1,646)	2,735,181	3,256,110
OTHER FINANCING SOURCES (USES):						
Sale of Assets	-	-	61,466	-	61,466	61,466
TOTAL OTHER FINANCING SOURCES (USES)	-	-	61,466	-	61,466	61,466
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(503,740)	(520,929)	2,798,293	(1,646)	2,796,647	3,317,576
Fund Balances at Beginning of Year	1,303,740	908,804	908,804	-	908,804	-
FUND BALANCES AT END OF YEAR	\$ 800,000	387,875	3,707,097	(1,646)	3,705,451	3,317,576

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 1,201,800	1,001,800	536,449	-	536,449	(465,351)
State	500,000	871,676	41	-	41	(871,635)
Miscellaneous:						
Reimbursements	-	-	4	-	4	4
TOTAL REVENUES	<u>1,701,800</u>	<u>1,873,476</u>	<u>536,494</u>	<u>-</u>	<u>536,494</u>	<u>(1,336,982)</u>
EXPENDITURES:						
DHS/EMS Program	75,000	75,000	-	-	-	75,000
DHS/Fire Prevention & Safety	55,000	55,000	-	-	-	55,000
Assistance to FF Grant (AFG)	750,000	500,000	-	-	-	500,000
State Homeland Security	-	12,307	41	-	41	12,266
SAFER Grant	770,000	770,000	981,162	-	981,162	(211,162)
Fire/New Grants	-	50,000	-	-	-	50,000
Total Operating Expenditures	1,650,000	1,462,307	981,203	-	981,203	481,104
Capital Outlay	500,000	859,369	-	850,000	850,000	9,369
TOTAL EXPENDITURES	<u>2,150,000</u>	<u>2,321,676</u>	<u>981,203</u>	<u>850,000</u>	<u>1,831,203</u>	<u>490,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(448,200)</u>	<u>(448,200)</u>	<u>(444,709)</u>	<u>(850,000)</u>	<u>(1,294,709)</u>	<u>(846,509)</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	448,200	448,200	428,413	-	428,413	(19,787)
TOTAL OTHER FINANCING SOURCES (USES)	<u>448,200</u>	<u>448,200</u>	<u>428,413</u>	<u>-</u>	<u>428,413</u>	<u>(19,787)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(16,296)	(850,000)	(866,296)	(866,296)
Fund Balances at Beginning of Year	-	116,306	116,306	-	116,306	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>116,306</u>	<u>100,010</u>	<u>(850,000)</u>	<u>(749,990)</u>	<u>(866,296)</u>

CITY OF LAREDO, TEXAS
LAREDO ENTERTAINMENT CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Charges for Services	\$ -	1,772,666	2,402,612	-	2,402,612	629,946
TOTAL REVENUES	-	1,772,666	2,402,612	-	2,402,612	629,946
EXPENDITURES:						
Contractual Services	-	2,492,047	3,716,931	-	3,716,931	(1,224,884)
TOTAL EXPENDITURES	-	2,492,047	3,716,931	-	3,716,931	(1,224,884)
Excess (Deficiency) of Revenues Over Expenditures	-	(719,381)	(1,314,319)	-	(1,314,319)	(594,938)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	-	719,381	1,207,616	-	1,207,616	488,235
TOTAL OTHER FINANCING SOURCES (USES)	-	719,381	1,207,616	-	1,207,616	488,235
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(106,703)	-	(106,703)	(106,703)
Fund Balances at Beginning of Year	-	-	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	-	(106,703)	-	(106,703)	(106,703)

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Weatherization Assistance	\$ -	3,305	3,305	-
Neighborhood Assistance	<u>-</u>	<u>1,119</u>	<u>1,119</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>4,424</u>	<u>4,424</u>	<u>-</u>
EXPENDITURES:				
Contractual Services	<u>-</u>	<u>4,424</u>	<u>4,424</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>4,424</u>	<u>4,424</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u><u>-</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, 2009**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 18,103,719	6,876,881	24,980,600	31,984,851
Webb County	539,750	-	539,750	539,750
Fees and Collections	107,336	223,516	330,852	-
Investment Income:				
Interest Earnings	84,079	5,125	89,204	80,161
Miscellaneous:				
Contributions	<u>-</u>	<u>62,535</u>	<u>62,535</u>	<u>915,000</u>
TOTAL REVENUES	<u>18,834,884</u>	<u>7,168,057</u>	<u>26,002,941</u>	<u>33,519,762</u>
EXPENDITURES:				
Other	<u>21,096,168</u>	<u>7,548,951</u>	<u>28,645,119</u>	<u>35,959,587</u>
TOTAL EXPENDITURES	<u>21,096,168</u>	<u>7,548,951</u>	<u>28,645,119</u>	<u>35,959,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,261,284)</u>	<u>(380,894)</u>	<u>(2,642,178)</u>	<u>(2,439,825)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Waterworks System	1,831,908	-	1,831,908	1,299,350
Sewer System	<u>1,356,040</u>	<u>-</u>	<u>1,356,040</u>	<u>1,140,475</u>
	-			
TOTAL OTHER FINANCING SOURCES:	<u>3,187,948</u>	<u>-</u>	<u>3,187,948</u>	<u>2,439,825</u>
Net Change in Fund Balances	\$ <u>926,664</u>	<u>(380,894)</u>	<u>545,770</u>	<u>-</u>
Fund Balances-Beginning		<u>926,664</u>		
Fund Balances-Ending		\$ <u>545,770</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
FAA Grants	\$ 25,003,893	13,442,268	38,446,161	51,215,177
Texas Department of Transportation	-	49,590	49,590	50,000
Investment Income:				
Interest Earnings	147,927	5,122	153,049	149,031
Net increase (decrease) in the fair value of Investments	469	(469)	-	-
Miscellaneous:				
Other	<u>264,313</u>	<u>-</u>	<u>264,313</u>	<u>210,018</u>
TOTAL REVENUES	<u>25,416,602</u>	<u>13,496,511</u>	<u>38,913,113</u>	<u>51,624,226</u>
EXPENDITURES:				
Personnel	19,163	120,503	139,666	287,800
Materials and Supplies	47,762	94,240	142,002	160,908
Contractual Services	3,889,083	1,863,380	5,752,463	7,070,993
Other	1	-	1	2,819,730
Capital Outlay	<u>22,104,050</u>	<u>11,729,648</u>	<u>33,833,698</u>	<u>44,587,893</u>
TOTAL EXPENDITURES	<u>26,060,059</u>	<u>13,807,771</u>	<u>39,867,830</u>	<u>54,927,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(643,457)</u>	<u>(311,260)</u>	<u>(954,717)</u>	<u>(3,303,098)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
International Airport	2,012,939	49,887	2,062,826	1,676,112
Laredo Convention and Visitors Bureau	100,000	-	100,000	-
Noise Abatement Lease Program	-	2,250,000	2,250,000	2,250,000
Transfers Out:				
International Airport	(1,009,843)	-	(1,009,843)	(623,014)
Laredo Convention and Visitors Bureau	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES:	<u>1,003,096</u>	<u>2,299,887</u>	<u>3,302,983</u>	<u>3,303,098</u>
Net Change in Fund Balances	\$ <u>359,639</u>	1,988,627	<u>2,348,266</u>	<u>-</u>
Fund Balances-Beginning		<u>359,639</u>		
Fund Balances-Ending		\$ <u>2,348,266</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 228,605	32,994	261,599	167,962
Miscellaneous:				
Other	<u>58,968</u>	<u>7,098</u>	<u>66,066</u>	<u>35,072</u>
TOTAL REVENUES	<u>287,573</u>	<u>40,092</u>	<u>327,665</u>	<u>203,034</u>
EXPENDITURES:				
Materials and Supplies	564,727	43,278	608,005	839,928
Contractual Services	1,408	307	1,715	780
Other	187,179	127,636	314,815	326,805
Capital Outlay	<u>5,685,600</u>	<u>35,251</u>	<u>5,720,851</u>	<u>10,723,156</u>
TOTAL EXPENDITURES	<u>6,438,914</u>	<u>206,472</u>	<u>6,645,386</u>	<u>11,890,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,151,341)</u>	<u>(166,380)</u>	<u>(6,317,721)</u>	<u>(11,687,635)</u>
OTHER FINANCING SOURCES (USES):				
Bond Issues	10,030,000	5,095,000	15,125,000	15,125,000
Bond Premium	-	32,636	32,636	32,635
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)	(3,572,369)	(3,500,000)
Debt Service Fund	(2,185)	-	(2,185)	-
Sale of Assets	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
TOTAL OTHER FINANCING SOURCES:	<u>10,057,815</u>	<u>1,555,267</u>	<u>11,613,082</u>	<u>11,687,635</u>
Net Change in Fund Balances	\$ <u>3,906,474</u>	1,388,887	<u>5,295,361</u>	<u>-</u>
Fund Balances-Beginning		<u>3,906,474</u>		
Fund Balances-Ending		\$ <u>5,295,361</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
School Districts	\$ 155,825	-	155,825	155,825
Investment Income:				
Interest Earnings	2,340,021	6,826	2,346,847	2,343,783
Net increase (decrease) in the fair value of Investments	531	(531)	-	-
Miscellaneous:				
Local Contributions	645,451	-	645,451	645,451
Other	<u>43,152</u>	<u>5,557</u>	<u>48,709</u>	<u>43,151</u>
TOTAL REVENUES	<u>3,184,980</u>	<u>11,852</u>	<u>3,196,832</u>	<u>3,188,210</u>
EXPENDITURES:				
Materials and Supplies	49,073	-	49,073	49,073
Contractual Services	238,210	98	238,308	238,295
Other	96,748	-	96,748	96,748
Capital Outlay	<u>16,247,158</u>	<u>144,587</u>	<u>16,391,745</u>	<u>16,391,747</u>
TOTAL EXPENDITURES	<u>16,631,189</u>	<u>144,685</u>	<u>16,775,874</u>	<u>16,775,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,446,209)</u>	<u>(132,833)</u>	<u>(13,579,042)</u>	<u>(13,587,653)</u>
OTHER FINANCING SOURCES (USES):				
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:				
Capital Improvements Fund	(409,056)	(191,418)	(600,474)	(600,474)
DPW Infrastructure	(2,500,000)	-	(2,500,000)	(2,500,000)
Sale of Assets	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
TOTAL OTHER FINANCING SOURCES:	<u>13,779,071</u>	<u>(191,418)</u>	<u>13,587,653</u>	<u>13,587,653</u>
Net Change in Fund Balances	\$ <u>332,862</u>	<u>(324,251)</u>	<u>8,611</u>	<u>-</u>
Fund Balances-Beginning		<u>332,862</u>		
Fund Balances-Ending		\$ <u>8,611</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 650,559	1,477	652,036	651,627
Miscellaneous:				
Local Contributions	2,000,000	-	2,000,000	2,000,000
Reimbursements	<u>12,918</u>	<u>-</u>	<u>12,918</u>	<u>12,918</u>
TOTAL REVENUES	<u>2,663,477</u>	<u>1,477</u>	<u>2,664,954</u>	<u>2,664,545</u>
EXPENDITURES:				
Contractual Services	6,328	20	6,348	6,355
Other	-	-	-	21,728
Debt Service	68,890	-	68,890	68,890
Capital Outlay	<u>12,123,528</u>	<u>26,549</u>	<u>12,150,077</u>	<u>12,265,919</u>
TOTAL EXPENDITURES	<u>12,198,746</u>	<u>26,569</u>	<u>12,225,315</u>	<u>12,362,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,535,269)</u>	<u>(25,092)</u>	<u>(9,560,361)</u>	<u>(9,698,347)</u>
OTHER FINANCING SOURCES (USES):				
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	<u>(2,165,000)</u>	<u>-</u>	<u>(2,165,000)</u>	<u>(2,165,000)</u>
TOTAL OTHER FINANCING SOURCES:	<u>9,698,347</u>	<u>-</u>	<u>9,698,347</u>	<u>9,698,347</u>
Net Change in Fund Balances	\$ <u>163,078</u>	(25,092)	<u>137,986</u>	<u>-</u>
Fund Balances-Beginning		<u>163,078</u>		
Fund Balances-Ending		\$ <u>137,986</u>		

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**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, 2009**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 535,590	-	535,590	535,590
State	1,656,312	225,232	1,881,544	8,103,605
Other	556,981	-	556,981	678,730
Investment Income:				
Interest Earnings	4,768,178	237,972	5,006,150	4,963,573
Net increase (decrease) in the fair value of Investments	13,505	(13,505)	-	-
Discount Earnings	390	177	567	390
Miscellaneous:				
Local Contributions	2,433,206	26,755	2,459,961	2,068,573
Other	690,955	37,764	728,719	703,107
TOTAL REVENUES	<u>10,655,117</u>	<u>514,395</u>	<u>11,169,512</u>	<u>17,053,568</u>
EXPENDITURES:				
Materials and Supplies	259,846	53,427	313,273	315,594
Contractual Services	3,685,971	482,428	4,168,399	4,362,980
Other	129,942	49,336	179,278	2,541,332
Capital Outlay	15,408,701	1,338,511	16,747,212	29,227,866
TOTAL EXPENDITURES	<u>19,484,460</u>	<u>1,923,702</u>	<u>21,408,162</u>	<u>36,447,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,829,343)</u>	<u>(1,409,307)</u>	<u>(10,238,650)</u>	<u>(19,394,204)</u>
OTHER FINANCING SOURCES (USES):				
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	409,056	191,418	600,474	600,474
2006 C.O. Issue	83,840	-	83,840	326,572
2007 C.O. Issue	15,590	8,095	23,685	8,820
2008 C.O. Issue	-	-	-	444,425
Transit System	100,000	-	100,000	100,000
Bridge System	12,629,290	1,854,006	14,483,296	11,976,025
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, 2009

(Continued)

	Prior	Current	Total To	Project
Transfers Out:				
General Fund	\$ (280,000)	(1,000,000)	(1,280,000)	(1,280,000)
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	(112,782)	(33,393)	(146,175)	(606,106)
2006 C.O. Issue	-	(11,168)	(11,168)	-
Bridge System	(400,000)	-	(400,000)	(400,000)
Sale of Assets	<u>6,625</u>	<u>-</u>	<u>6,625</u>	<u>6,625</u>
TOTAL OTHER FINANCING SOURCES:	<u>20,268,988</u>	<u>1,408,958</u>	<u>21,677,946</u>	<u>19,394,204</u>
Net Change in Fund Balances	\$ <u>11,439,645</u>	(349)	<u>11,439,296</u>	<u>-</u>
Fund Balances-Beginning		<u>11,439,645</u>		
Fund Balances-Ending		\$ <u>11,439,296</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 266,867	15,217	282,084	232,816
Miscellaneous:				
Reimbursements	<u>19,433</u>	<u>-</u>	<u>19,433</u>	<u>15,795</u>
TOTAL REVENUES	<u>286,300</u>	<u>15,217</u>	<u>301,517</u>	<u>248,611</u>
EXPENDITURES:				
Contractual Services	2,637	220	2,857	2,893
Debt Service	225,000	-	225,000	225,000
Other	-	-	-	1,186,045
Capital Outlay	<u>4,567,114</u>	<u>-</u>	<u>4,567,114</u>	<u>5,228,463</u>
TOTAL EXPENDITURES	<u>4,794,751</u>	<u>220</u>	<u>4,794,971</u>	<u>6,642,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,508,451)</u>	<u>14,997</u>	<u>(4,493,454)</u>	<u>(6,393,790)</u>
OTHER FINANCING SOURCES (USES):				
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,091,219</u>
TOTAL OTHER FINANCING SOURCES:	<u>5,302,571</u>	<u>-</u>	<u>5,302,571</u>	<u>6,393,790</u>
Net Change in Fund Balances	\$ <u><u>794,120</u></u>	<u>14,997</u>	<u><u>809,117</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>794,120</u>		
Fund Balances-Ending		\$ <u><u>809,117</u></u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 179,131	2,196	181,327	221,447
Net increase (decrease) in the fair value of Investments	152	(152)	-	-
Miscellaneous:				
Local Contributions	31,023	-	31,023	31,023
Reimbursements	<u>16,146</u>	<u>-</u>	<u>16,146</u>	<u>16,146</u>
	-			
TOTAL REVENUES	<u>226,452</u>	<u>2,044</u>	<u>228,496</u>	<u>268,616</u>
EXPENDITURES:				
Contractual Services	827	32	859	859
Other	-	-	-	48,168
Debt Service	70,000	-	70,000	70,000
Capital Outlay	<u>3,617,450</u>	<u>34,995</u>	<u>3,652,445</u>	<u>3,717,589</u>
TOTAL EXPENDITURES	<u>3,688,277</u>	<u>35,027</u>	<u>3,723,304</u>	<u>3,836,616</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,461,825)</u>	<u>(32,983)</u>	<u>(3,494,808)</u>	<u>(3,568,000)</u>
OTHER FINANCING SOURCES (USES):				
Bond Issues	3,510,000	-	3,510,000	3,510,000
Transfer In:				
Fire Training Facility	<u>58,000</u>	<u>-</u>	<u>58,000</u>	<u>58,000</u>
TOTAL OTHER FINANCING SOURCES:	<u>3,568,000</u>	<u>-</u>	<u>3,568,000</u>	<u>3,568,000</u>
Net Change in Fund Balances	\$ <u>106,175</u>	(32,983)	<u>73,192</u>	<u>-</u>
Fund Balances-Beginning		<u>106,175</u>		
Fund Balances-Ending		\$ <u>73,192</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,441,805	32,344	1,474,149	1,464,258
Other	<u>10,626</u>	<u>461,803</u>	<u>472,429</u>	<u>190,000</u>
TOTAL REVENUES	<u>1,452,431</u>	<u>494,147</u>	<u>1,946,578</u>	<u>1,654,258</u>
EXPENDITURES:				
Materials and Supplies	83,842	72,643	156,485	156,486
Contractual Services	1,189	422	1,611	1,968
Other	256,525	-	256,525	259,880
Capital Outlay	<u>11,000,210</u>	<u>2,458,958</u>	<u>13,459,168</u>	<u>14,213,798</u>
TOTAL EXPENDITURES	<u>11,341,766</u>	<u>2,532,023</u>	<u>13,873,789</u>	<u>14,632,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,889,335)</u>	<u>(2,037,876)</u>	<u>(11,927,211)</u>	<u>(12,977,874)</u>
OTHER FINANCING SOURCES (USES):				
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	<u>(3,000,000)</u>	<u>-</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
TOTAL OTHER FINANCING SOURCES:	<u>12,977,874</u>	<u>-</u>	<u>12,977,874</u>	<u>12,977,874</u>
Net Change in Fund Balances	\$ <u>3,088,539</u>	<u>(2,037,876)</u>	<u>1,050,663</u>	<u>-</u>
Fund Balances-Beginning		<u>3,088,539</u>		
Fund Balances-Ending		\$ <u>1,050,663</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,688,397	219,908	1,908,305	1,822,294
Net increase (decrease) in the fair value of Investments	1,086	(1,086)	-	-
Other	<u>788,647</u>	<u>25,494</u>	<u>814,141</u>	<u>222,169</u>
TOTAL REVENUES	<u>2,478,130</u>	<u>244,316</u>	<u>2,722,446</u>	<u>2,044,463</u>
EXPENDITURES:				
Materials and Supplies	5,075	32,477	37,552	45,844
Contractual Services	4,334	3,122	7,456	4,275
Other	327,891	758,868	1,086,759	331,187
Capital Outlay	<u>5,482,606</u>	<u>7,086,019</u>	<u>12,568,625</u>	<u>18,478,601</u>
TOTAL EXPENDITURES	<u>5,819,906</u>	<u>7,880,486</u>	<u>13,700,392</u>	<u>18,859,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,341,776)</u>	<u>(7,636,170)</u>	<u>(10,977,946)</u>	<u>(16,815,444)</u>
OTHER FINANCING SOURCES (USES):				
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)	(50,000)	(326,572)
Capital Improvements Fund	<u>(83,840)</u>	<u>-</u>	<u>(83,840)</u>	<u>(177,984)</u>
TOTAL OTHER FINANCING SOURCES:	<u>17,236,160</u>	<u>(38,832)</u>	<u>17,197,328</u>	<u>16,815,444</u>
Net Change in Fund Balances	\$ <u>13,894,384</u>	<u>(7,675,002)</u>	<u>6,219,382</u>	<u>-</u>
Fund Balances-Beginning		<u>13,894,384</u>		
Fund Balances-Ending		\$ <u>6,219,382</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
School Districts	\$ 27,200	-	27,200	-
Investment Income:				
Interest Earnings	5,271,560	973,232	6,244,792	4,312,137
Other	<u>30,085</u>	<u>-</u>	<u>30,085</u>	<u>-</u>
TOTAL REVENUES	<u>5,328,845</u>	<u>973,232</u>	<u>6,302,077</u>	<u>4,312,137</u>
EXPENDITURES:				
Materials and Supplies	254,198	341,449	595,647	664,902
Contractual Services	19,496	45,182	64,678	79,959
Other	938,978	27,200	966,178	941,814
Capital Outlay	<u>16,567,719</u>	<u>11,292,018</u>	<u>27,859,737</u>	<u>47,473,707</u>
TOTAL EXPENDITURES	<u>17,780,391</u>	<u>11,705,849</u>	<u>29,486,240</u>	<u>49,160,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,451,546)</u>	<u>(10,732,617)</u>	<u>(23,184,163)</u>	<u>(44,848,245)</u>
OTHER FINANCING SOURCES (USES):				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Transfers Out:				
Environmental Services Fund	(4,603,819)	(4,063,576)	(8,667,395)	(17,441,075)
Capital Grants Fund	(18)	(97,468)	(97,486)	(2,481,497)
Solid Waste Fund	(2,097,946)	(5,362,640)	(7,460,586)	(7,460,586)
Capital Improvements Fund	<u>(15,590)</u>	<u>(8,095)</u>	<u>(23,685)</u>	<u>(248,597)</u>
TOTAL OTHER FINANCING SOURCES:	<u>65,762,627</u>	<u>(9,531,779)</u>	<u>56,230,848</u>	<u>44,848,245</u>
Net Change in Fund Balances	\$ <u>53,311,081</u>	<u>(20,264,396)</u>	<u>33,046,685</u>	<u>-</u>
Fund Balances-Beginning		<u>53,311,081</u>		
Fund Balances-Ending		\$ <u>33,046,685</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 366,809	632,402	999,211	146,285
Other	<u>-</u>	<u>11,516</u>	<u>11,516</u>	<u>-</u>
TOTAL REVENUES	<u>366,809</u>	<u>643,918</u>	<u>1,010,727</u>	<u>146,285</u>
EXPENDITURES:				
Contractual Services	2,177	9,504	11,681	2,177
Other	520,293	-	520,293	529,401
Capital Outlay	<u>36,907</u>	<u>4,358,598</u>	<u>4,395,505</u>	<u>29,162,000</u>
TOTAL EXPENDITURES	<u>559,377</u>	<u>4,368,102</u>	<u>4,927,479</u>	<u>29,693,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(192,568)</u>	<u>(3,724,184)</u>	<u>(3,916,752)</u>	<u>(29,547,293)</u>
OTHER FINANCING SOURCES (USES):				
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)	(78,860)	(323,000)
Capital Grants Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,000)</u>
TOTAL OTHER FINANCING SOURCES:	<u>30,520,293</u>	<u>(78,860)</u>	<u>30,441,433</u>	<u>29,547,293</u>
Net Change in Fund Balances	<u>\$ 30,327,725</u>	<u>(3,803,044)</u>	<u>26,524,681</u>	<u>-</u>
Fund Balances-Beginning		<u>30,327,725</u>		
Fund Balances-Ending		<u>\$ 26,524,681</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ -	84,529	84,529	82,758
TOTAL REVENUES	<u>-</u>	<u>84,529</u>	<u>84,529</u>	<u>82,758</u>
EXPENDITURES:				
Contractual Services	-	44	44	-
Other	-	-	-	82,758
Debt Service	-	480,247	480,247	480,247
Capital Outlay	<u>-</u>	<u>32,823</u>	<u>32,823</u>	<u>25,000,000</u>
TOTAL EXPENDITURES	<u>-</u>	<u>513,114</u>	<u>513,114</u>	<u>25,563,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(428,585)</u>	<u>(428,585)</u>	<u>(25,480,247)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	24,735,000	24,735,000	24,735,000
Bond Premium	<u>-</u>	<u>745,247</u>	<u>745,247</u>	<u>745,247</u>
TOTAL OTHER FINANCING SOURCES:	<u>-</u>	<u>25,480,247</u>	<u>25,480,247</u>	<u>25,480,247</u>
Net Change in Fund Balances	\$ <u>-</u>	25,051,662	<u>25,051,662</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u>25,051,662</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 20,161	206,452	226,613	4,794,273
Webb County	331,284	29,370	360,654	375,000
Investment Income:				
Interest Earnings	10,019	1,709	11,728	-
Net increase (decrease) in the fair value of Investments	103	(103)	-	-
Miscellaneous:				
Contributions and Donations	-	-	-	4,267,987
TOTAL REVENUES	<u>361,567</u>	<u>237,428</u>	<u>598,995</u>	<u>9,437,260</u>
EXPENDITURES:				
Contractual Services	28,101	-	28,101	30,614
Other	-	-	-	1,700,554
Capital Outlay	410,145	235,822	645,967	8,177,446
TOTAL EXPENDITURES	<u>438,246</u>	<u>235,822</u>	<u>674,068</u>	<u>9,908,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(76,679)</u>	<u>1,606</u>	<u>(75,073)</u>	<u>(471,354)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	-	78,860	78,860	322,813
2008 C.O. Bond	148,541	-	148,541	148,541
TOTAL OTHER FINANCING SOURCES:	<u>148,541</u>	<u>78,860</u>	<u>227,401</u>	<u>471,354</u>
Net Change in Fund Balances	<u>\$ 71,862</u>	<u>80,466</u>	<u>152,328</u>	<u>-</u>
Fund Balances-Beginning		<u>71,862</u>		
Fund Balances-Ending		<u>\$ 152,328</u>		

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, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 198,400	-	198,400	198,400
State	<u>215,170</u>	<u>1,542,680</u>	<u>1,757,850</u>	<u>35,461,379</u>
TOTAL REVENUES	<u>413,570</u>	<u>1,542,680</u>	<u>1,956,250</u>	<u>35,659,779</u>
EXPENDITURES:				
Contractual Services	85,725	64,819	150,544	210,978
Other	-	-	-	650,000
Capital Outlay	<u>440,645</u>	<u>1,658,722</u>	<u>2,099,367</u>	<u>38,965,808</u>
TOTAL EXPENDITURES	<u>526,370</u>	<u>1,723,541</u>	<u>2,249,911</u>	<u>39,826,786</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(112,800)</u>	<u>(180,861)</u>	<u>(293,661)</u>	<u>(4,167,007)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	112,782	33,393	146,175	857,525
2006 C.O. Bond	-	50,000	50,000	177,984
2007 C.O. Bond	18	97,468	97,486	2,481,498
2008 C.O. Bond	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
TOTAL OTHER FINANCING SOURCES:	<u>112,800</u>	<u>180,861</u>	<u>293,661</u>	<u>4,167,007</u>
Net Change in Fund Balances	\$ <u><u>-</u></u>	-	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u><u>-</u></u>		

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 2,100	2,100	1,430	-	1,430	(670)
Net increase (decrease) in the fair value of Investments	-	-	(101)	-	(101)	(101)
TOTAL REVENUES	<u>2,100</u>	<u>2,100</u>	<u>1,329</u>	<u>-</u>	<u>1,329</u>	<u>(771)</u>
EXPENDITURES:						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(400)	(400)	1,329	-	1,329	1,729
Fund Balances at Beginning of Year	<u>67,769</u>	<u>70,306</u>	<u>70,306</u>	<u>-</u>	<u>70,306</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>67,369</u>	<u>69,906</u>	<u>71,635</u>	<u>-</u>	<u>71,635</u>	<u>1,729</u>

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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, 2009

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECH.</u>	<u>TOTAL</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash	\$ -	-	400	-	400
Investments	4,195,277	280,911	1,454,724	470,858	6,401,770
Accounts Receivable	865	188,194	2,908	-	191,967
Accrued Interest Receivable	20,901	1,399	7,248	2,346	31,894
Inventory	-	-	397,077	-	397,077
Prepaid items	286,000	65,317	-	-	351,317
Total Current Assets	<u>4,503,043</u>	<u>535,821</u>	<u>1,862,357</u>	<u>473,204</u>	<u>7,374,425</u>
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	654,948	-	656,136
Transportation Vehicles and Equipment	62,843	17,217	844,124	317,129	1,241,313
Less Accumulated Depreciation	<u>(49,495)</u>	<u>(16,896)</u>	<u>(886,026)</u>	<u>(123,686)</u>	<u>(1,076,103)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>14,536</u>	<u>321</u>	<u>613,046</u>	<u>193,443</u>	<u>821,346</u>
TOTAL ASSETS	<u>4,517,579</u>	<u>536,142</u>	<u>2,475,403</u>	<u>666,647</u>	<u>8,195,771</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	360,779	310,976	353,591	36,307	1,061,653
Claims and Judgments Payable	1,396,180	2,263,453	-	-	3,659,633
Accrued Wages and Employee Benefits	22,268	8,494	56,096	31,747	118,605
Compensated Absences	<u>21,157</u>	<u>346</u>	<u>54,650</u>	<u>38,883</u>	<u>115,036</u>
Total Current Liabilities	<u>1,800,384</u>	<u>2,583,269</u>	<u>464,337</u>	<u>106,937</u>	<u>4,954,927</u>
Noncurrent Liabilities:					
Compensated Absences	<u>27,457</u>	<u>-</u>	<u>122,266</u>	<u>90,531</u>	<u>240,254</u>
Total Noncurrent Liabilities	<u>27,457</u>	<u>-</u>	<u>122,266</u>	<u>90,531</u>	<u>240,254</u>
TOTAL LIABILITIES	<u>1,827,841</u>	<u>2,583,269</u>	<u>586,603</u>	<u>197,468</u>	<u>5,195,181</u>
NET ASSETS					
Invested in Capital Assets	14,536	321	613,046	193,443	821,346
Unrestricted	<u>2,675,202</u>	<u>(2,047,448)</u>	<u>1,275,754</u>	<u>275,736</u>	<u>2,179,244</u>
TOTAL NET ASSETS	<u>\$ 2,689,738</u>	<u>(2,047,127)</u>	<u>1,888,800</u>	<u>469,179</u>	<u>3,000,590</u>

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECHNOLOGY</u>	<u>TOTAL</u>
OPERATING REVENUES:					
Charges for Services	\$ 3,859,844	16,777,428	7,825,321	2,545,820	31,008,413
Reimbursements	<u>203,931</u>	<u>1,751,497</u>	<u>4,000</u>	<u>5,522</u>	<u>1,964,950</u>
TOTAL OPERATING REVENUES	<u>4,063,775</u>	<u>18,528,925</u>	<u>7,829,321</u>	<u>2,551,342</u>	<u>32,973,363</u>
OPERATING EXPENSES:					
Cost of Services	3,696,984	17,551,053	5,240,372	560,679	27,049,088
Personnel Services	759,953	206,266	1,863,131	1,078,331	3,907,681
Materials and Supplies	68,818	5,150	102,299	79,457	255,724
Contractual Services	484,767	1,338,386	474,380	273,325	2,570,858
Other	-	-	1,032	88	1,120
Depreciation	<u>5,394</u>	<u>642</u>	<u>60,191</u>	<u>58,959</u>	<u>125,186</u>
TOTAL OPERATING EXPENSES	<u>5,015,916</u>	<u>19,101,497</u>	<u>7,741,405</u>	<u>2,050,839</u>	<u>33,909,657</u>
Operating Income (Loss)	<u>(952,141)</u>	<u>(572,572)</u>	<u>87,916</u>	<u>500,503</u>	<u>(936,294)</u>
NON-OPERATING REVENUES (EXPENSES):					
Investment Income:					
Interest Earnings	67,796	4,373	24,023	6,142	102,334
Net Increase (Decrease) in the Fair Value of Investments	(6,279)	-	(2,165)	(1,067)	(9,511)
Discount Earnings	32	-	32	-	64
Gain/(Loss) on Sale of Assets	<u>-</u>	<u>-</u>	<u>1,221</u>	<u>-</u>	<u>1,221</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>61,549</u>	<u>4,373</u>	<u>23,111</u>	<u>5,075</u>	<u>94,108</u>
Income Before Contributions and Transfers	(890,592)	(568,199)	111,027	505,578	(842,186)
OPERATING TRANSFERS IN/(OUT):					
Transfers In	529,569	-	-	-	529,569
Transfers Out	<u>(17,228)</u>	<u>(529,569)</u>	<u>-</u>	<u>(800,000)</u>	<u>(1,346,797)</u>
Change in Net Assets	(378,251)	(1,097,768)	111,027	(294,422)	(1,659,414)
Total Net Assets - Beginning	<u>3,067,989</u>	<u>(949,359)</u>	<u>1,777,773</u>	<u>763,601</u>	<u>4,660,004</u>
TOTAL NET ASSETS- ENDING	<u>\$ 2,689,738</u>	<u>(2,047,127)</u>	<u>1,888,800</u>	<u>469,179</u>	<u>3,000,590</u>

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2009

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 203,066	1,563,303	13,616	5,974	1,785,959
Receipts from interfund services provided	3,859,844	16,777,428	7,825,321	2,545,820	31,008,413
Payment to suppliers	(4,218,511)	(18,539,206)	(5,565,873)	(822,280)	(29,145,870)
Payment to employees	(740,889)	(201,804)	(1,843,558)	(1,063,023)	(3,849,274)
Payment for interfund services used	(231,298)	(70,694)	(435,892)	(84,270)	(822,154)
Net cash provided (used) by operating activities	(1,127,788)	(470,973)	(6,386)	582,221	(1,022,926)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	529,569	-	-	-	529,569
Transfer to Other Funds	(17,228)	(529,569)	-	(800,000)	(1,346,797)
Net cash provided (used) by noncapital and related financing activities	512,341	(529,569)	-	(800,000)	(817,228)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	-	-	(43,116)	(55,774)	(98,890)
Proceeds from sales of capital assets	-	-	1,221	-	1,221
Net cash provided (used) by capital and related financing activities	-	-	(41,895)	(55,774)	(97,669)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	522,554	985,248	17,132	262,609	1,787,543
Interest and dividends received	92,893	15,294	31,149	10,944	150,280
Net cash provided (used) by investing activities	615,447	1,000,542	48,281	273,553	1,937,823
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents - October 1, 2008	-	-	400	-	400
Cash and cash equivalents - September 30, 2009	\$ -	-	400	-	400
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	\$ (952,141)	(572,572)	87,916	500,503	(936,294)
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	5,394	642	60,191	58,959	125,186
(Increase) decrease in accounts receivable	(865)	(188,194)	8,584	452	(180,023)
Increase (decrease) in allowance for uncollectible accounts	-	-	1,032	-	1,032
(Increase) decrease in inventories	-	-	(28,633)	-	(28,633)
(Increase) decrease in prepaid items	(63,000)	(27,759)	-	-	(90,759)
Increase (decrease) in accounts payable	(48,118)	(8,980)	(155,049)	6,999	(205,148)
Increase (decrease) in compensated absences payable	16,374	346	11,649	10,965	39,334
Increase (decrease) in accrued wages and employee benefits	2,690	4,116	7,924	4,343	19,073
Increase (decrease) in claims and judgements payable	(88,122)	321,428	-	-	233,306
Total adjustments	(175,647)	101,599	(94,302)	81,718	(86,632)
Net cash provided by operating activities	\$ (1,127,788)	(470,973)	(6,386)	582,221	(1,022,926)
Noncash investing, capital, and financing activities:					
Increase (decrease) in the fair value of investments	(6,279)	-	(2,165)	(1,067)	(9,511)

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2009

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Budget				
OPERATING REVENUES:						
Charges for Services	\$ 4,094,156	4,094,156	3,859,844	-	3,859,844	(234,312)
Reimbursements	-	-	203,931	-	203,931	203,931
TOTAL OPERATING REVENUES	4,094,156	4,094,156	4,063,775	-	4,063,775	(30,381)
OPERATING EXPENSES:						
Cost of Services	4,422,168	4,404,265	3,696,984	-	3,696,984	707,281
Personnel Services	780,637	783,516	759,953	(16,374)	743,579	39,937
Materials and Supplies	140,970	122,639	68,818	-	68,818	53,821
Contractual Services	627,706	619,950	484,767	-	484,767	135,183
Other	272,896	297,633	-	-	-	297,633
Depreciation	-	-	5,394	(5,394)	-	-
TOTAL OPERATING EXPENSES	6,244,377	6,228,003	5,015,916	(21,768)	4,994,148	1,233,855
Operating Income (Loss)	(2,150,221)	(2,133,847)	(952,141)	21,768	(930,373)	1,203,474
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	59,800	59,800	67,796	-	67,796	7,996
Net Increase (Decrease) in the Fair Value of Investments	-	-	(6,279)	-	(6,279)	(6,279)
Discount Earnings	-	-	32	-	32	32
TOTAL NON-OPERATING REVENUES (EXPENSES)	59,800	59,800	61,549	-	61,549	1,749
Income (Loss) Before Contributions and Transfers	(2,090,421)	(2,074,047)	(890,592)	21,768	(868,824)	1,205,223
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	452,122	452,122	529,569	-	529,569	77,447
Transfers Out:						
Debt Service	(17,228)	(17,228)	(17,228)	-	(17,228)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	434,894	434,894	512,341	-	512,341	77,447
Change in Net Assets	(1,655,527)	(1,639,153)	(378,251)	21,768	(356,483)	1,282,670
Total Net Assets - Beginning	3,067,989	3,067,989	3,067,989	-	3,067,989	-
TOTAL NET ASSETS - ENDING	\$ 1,412,462	1,428,836	2,689,738	21,768	2,711,506	1,282,670

**CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 203,066
Receipts from interfund services provided	3,859,844
Payment to suppliers	(4,218,511)
Payment to employees	(740,889)
Payment for interfund services used	<u>(231,298)</u>
Net cash provided (used) by operating activities	<u>(1,127,788)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	529,569
Transfer to other funds	<u>(17,228)</u>
Net cash provided (used) by noncapital and related financing activities	<u>512,341</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	522,554
Interest and dividends received	<u>92,893</u>
Net cash provided (used) by investing activities	<u>615,447</u>

Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - October 1, 2008	<u>-</u>

Cash and cash equivalents - September 30, 2009	<u><u>\$ -</u></u>

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

Operating income	\$ <u>(952,141)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	5,394
(Increase) decrease in accounts receivable	(865)
(Increase) decrease in prepaid items	(63,000)
Increase (decrease) in accounts payable	(48,118)
Increase (decrease) in compensated absences payable	16,374
Increase (decrease) in accrued wages and employee benefits	2,690
Increase (decrease) in claims and judgments payable	<u>(88,122)</u>
Total adjustments	<u>(175,647)</u>

Net cash provided by operating activities	<u><u>\$ (1,127,788)</u></u>

Noncash investing, capital, and financing activities:

Increase (decrease) in the fair value of investments	(6,279)

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2009

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 15,588,836	15,588,836	16,777,428	-	16,777,428	1,188,592
Reimbursements	750,000	750,000	1,751,497	-	1,751,497	1,001,497
TOTAL OPERATING REVENUES	16,338,836	16,338,836	18,528,925	-	18,528,925	2,190,089
OPERATING EXPENSES:						
Cost of Services	13,983,058	13,983,058	17,551,053	-	17,551,053	(3,567,995)
Personnel Services	217,766	217,766	206,266	(346)	205,920	11,846
Materials and Supplies	7,806	7,806	5,150	-	5,150	2,656
Contractual Services	1,419,031	1,419,031	1,338,386	-	1,338,386	80,645
Depreciation	-	-	642	(642)	-	-
TOTAL OPERATING EXPENSES	15,627,661	15,627,661	19,101,497	(988)	19,100,509	(3,472,848)
Operating Income (Loss)	711,175	711,175	(572,572)	988	(571,584)	(1,282,759)
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	35,300	35,300	4,373	-	4,373	(30,927)
TOTAL NON-OPERATING REVENUES (EXPENSES)	35,300	35,300	4,373	-	4,373	(30,927)
Income Before Contributions and Transfers	746,475	746,475	(568,199)	988	(567,211)	(1,313,686)
OPERATING TRANSFERS IN/(OUT):						
Transfer Out:						
Risk Management Fund	(452,122)	(452,122)	(529,569)	-	(529,569)	(77,447)
TOTAL OPERATING TRANSFERS IN/(OUT)	(452,122)	(452,122)	(529,569)	-	(529,569)	(77,447)
Change in Net Assets	294,353	294,353	(1,097,768)	988	(1,096,780)	(1,391,133)
Total Net Assets - Beginning	(949,359)	(949,359)	(949,359)	-	(949,359)	-
TOTAL NET ASSETS-ENDING	\$ (655,006)	(655,006)	(2,047,127)	988	(2,046,139)	(1,391,133)

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,563,303
Receipts from interfund services provided	16,777,428
Payment to suppliers	(18,539,206)
Payment to employees	(201,804)
Payment for interfund services used	<u>(70,694)</u>
Net cash provided (used) by operating activities	<u>(470,973)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(529,569)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(529,569)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	985,248
Interest and dividends received	<u>15,294</u>
Net cash provided (used) by investing activities	<u>1,000,542</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - October 1, 2008	<u>-</u>
Cash and cash equivalents - September 30, 2009	<u><u>\$ -</u></u>

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

Operating income	\$ <u>(572,572)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	642
(Increase) decrease in accounts receivable	(188,194)
(Increase) decrease in prepaid items	(27,759)
Increase (decrease) in accounts payable	(8,980)
Increase (decrease) in compensated absences payable	346
Increase (decrease) in accrued wages and employee benefits	4,116
Increase (decrease) in claims and judgements payable	<u>321,428</u>
Total adjustments	<u>101,599</u>
Net cash provided by operating activities	<u><u>\$ (470,973)</u></u>

Noncash investing, capital, and financing activities:

Increase (decrease) in the fair value of investments	-

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2009

	<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>				
OPERATING REVENUES:						
Charges for Services	\$ 10,595,815	10,595,815	7,825,321	-	7,825,321	(2,770,494)
Reimbursements	10,000	10,000	4,000	-	4,000	(6,000)
TOTAL OPERATING REVENUES	10,605,815	10,605,815	7,829,321	-	7,829,321	(2,776,494)
OPERATING EXPENSES:						
Cost of Services	7,711,462	7,772,438	5,240,372	-	5,240,372	2,532,066
Personnel Services	2,104,996	2,104,996	1,863,131	(11,649)	1,851,482	253,514
Materials and Supplies	95,071	125,071	102,299	-	102,299	22,772
Contractual Services	511,050	489,050	474,380	-	474,380	14,670
Other	78,976	-	1,032	(1,032)	-	-
Capital Outlay	56,000	66,000	-	43,116	43,116	22,884
Depreciation	-	-	60,191	(60,191)	-	-
TOTAL OPERATING EXPENSES	10,557,555	10,557,555	7,741,405	(29,756)	7,711,649	2,845,906
Operating Income (Loss)	48,260	48,260	87,916	29,756	117,672	69,412
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	12,300	12,300	24,023	-	24,023	11,723
Net Increase (Decrease) in the Fair Value of Investments	-	-	(2,165)	-	(2,165)	(2,165)
Discount Earnings	-	-	32	-	32	32
Gain/(Loss) on Sale of Assets	2,000	2,000	1,221	-	1,221	(779)
TOTAL NON-OPERATING REVENUES (EXPENSES)	14,300	14,300	23,111	-	23,111	8,811
Change in Net Assets	62,560	62,560	111,027	29,756	140,783	78,223
Total Net Assets - Beginning	1,777,773	1,777,773	1,777,773	-	1,777,773	-
TOTAL NET ASSETS- ENDING	\$ 1,840,333	1,840,333	1,888,800	29,756	1,918,556	78,223

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 13,616
Receipts from interfund services provided	7,825,321
Payment to suppliers	(5,565,873)
Payment to employees	(1,843,558)
Payment for interfund services used	<u>(435,892)</u>
Net cash provided (used) by operating activities	<u>(6,386)</u>

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

Purchase of capital assets	(43,116)
Proceeds from sales of capital assets	<u>1,221</u>
Net cash provided (used) by capital and related financing activities	<u>(41,895)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	17,132
Interest and dividends received	<u>31,149</u>
Net cash provided (used) by investing activities	<u>48,281</u>

Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - October 1, 2008	<u>400</u>
Cash and cash equivalents - September 30, 2009	<u>\$ 400</u>

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

Operating income	\$ <u>87,916</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	60,191
(Increase) decrease in accounts receivable	8,584
Increase (decrease) in allowable for uncollectible accounts	1,032
(Increase) decrease in inventories	(28,633)
Increase (decrease) in accounts payable	(155,049)
Increase (decrease) in compensated absences payable	11,649
Increase (decrease) in accrued wages and employee benefits	<u>7,924</u>
Total adjustments	<u>(94,302)</u>

Net cash provided by operating activities	<u>\$ (6,386)</u>

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

Increase (decrease) in the fair value of investments	(2,165)

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2009

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 2,545,025	2,545,025	2,545,820	-	2,545,820	795
Reimbursements	-	-	5,522	-	5,522	5,522
TOTAL OPERATING REVENUES	2,545,025	2,545,025	2,551,342	-	2,551,342	6,317
OPERATING EXPENSES:						
Cost of Services	621,651	614,234	560,679	-	560,679	53,555
Personnel Services	1,120,874	1,117,992	1,078,331	(10,965)	1,067,366	50,626
Materials and Supplies	110,127	137,221	79,457	-	79,457	57,764
Contractual Services	474,256	387,912	273,325	-	273,325	114,587
Other	203,986	218,663	88	-	88	218,575
Capital Outlay	84,754	139,626	-	55,774	55,774	83,852
Depreciation	-	-	58,959	(58,959)	-	-
TOTAL OPERATING EXPENSES	2,615,648	2,615,648	2,050,839	(14,150)	2,036,689	578,959
Operating Income (Loss)	(70,623)	(70,623)	500,503	14,150	514,653	585,276
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	3,600	3,600	6,142	-	6,142	2,542
Net Increase (Decrease) in the Fair Value of Investments	-	-	(1,067)	-	(1,067)	(1,067)
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,600	3,600	5,075	-	5,075	1,475
Income (Loss) Before Contributions and Transfers	(67,023)	(67,023)	505,578	14,150	519,728	586,751
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
Capital Improvement	-	(400,000)	(400,000)	-	(400,000)	-
Debt Service	(400,000)	(400,000)	(400,000)	-	(400,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(400,000)	(800,000)	(800,000)	-	(800,000)	-
Change in Net Assets	(467,023)	(867,023)	(294,422)	14,150	(280,272)	586,751
Total Net Assets - Beginning	763,601	763,601	763,601	-	763,601	-
TOTAL NET ASSETS - ENDING	\$ 296,578	(103,422)	469,179	14,150	483,329	586,751

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2009

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 5,974
Receipts from interfund services provided	2,545,820
Payment to suppliers	(822,280)
Payment to employees	(1,063,023)
Payment for interfund services used	<u>(84,270)</u>

Net cash provided (used) by operating activities	<u>582,221</u>

CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(800,000)</u>

Net cash provided (used) by noncapital and related financing activities	<u>(800,000)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	<u>(55,774)</u>

Net cash provided (used) by capital and related financing activities	<u>(55,774)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	262,609
Interest and dividends received	<u>10,944</u>

Net cash provided (used) by investing activities	<u>273,553</u>

Net increase (decrease) in cash and cash equivalents	-

Cash and cash equivalents - October 1, 2008	<u>-</u>

Cash and cash equivalents - September 30, 2009	<u>\$ -</u>

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

Operating income	\$ <u>500,503</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	58,959
(Increase) decrease in accounts receivable	452
Increase (decrease) in accounts payable	6,999
Increase (decrease) in compensated absences payable	10,965
Increase (decrease) in accrued wages and employee benefits	<u>4,343</u>

Total adjustments	<u>81,718</u>

Net cash provided by operating activities	<u>\$ 582,221</u>

Noncash investing, capital, and financing activities:

Increase (decrease) in the fair value of investments	(1,067)

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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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Governmental Funds Capital Assets:		
Land	\$ 66,333,535	61,526,824
Buildings	137,321,724	132,300,415
Improvements Other Than Buildings	417,475,750	393,530,681
Vehicles	46,960,468	45,031,407
Machinery & Equipment	27,491,445	26,348,441
Construction in Progress	<u>17,598,562</u>	<u>15,911,502</u>
Total Governmental Funds Capital Assets	<u>713,181,484</u>	<u>674,649,270</u>

Investments in Governmental Funds Capital Assets by Source:

General Fund	272,369,845	263,776,565
Special Revenue Funds	175,582,738	170,193,030
Capital Projects Funds	<u>265,228,901</u>	<u>240,679,675</u>
Total Investments in Governmental Funds \$	<u>713,181,484</u>	<u>674,649,270</u>

(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, 2009

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS		TRANSPORTATION	MACHINERY & EQUIPMENT
				O/T BLDGS			
General Government:							
Mayor and City Council	\$ 9,908	-	-	-		9,908	-
City Manager	5,003	-	-	-		-	5,003
Municipal Court	317,450	39,981	31,900	-		-	245,569
Building	213,246	-	-	-		191,246	22,000
City Attorney	125	-	-	125		-	-
City Secretary	58,134	-	-	-		14,643	43,491
Tax Office	105,264	-	-	-		-	105,264
Personnel	-	-	-	-		-	-
City Planning	92,442	-	-	-		15,125	77,317
Finance	254,479	18,575	-	-		-	235,904
Real Estate	1,554,554	1,554,554	-	-		-	-
City Hall Maintenance	3,292,772	3,095,274	112,093	-		-	85,405
Engineering	304,063	-	-	-		194,797	109,266
Information Technology	579,787	-	-	-		-	579,787
Communications and Support	48,432	-	-	-		13,968	34,464
Community Development	21,426,944	6,044,659	2,931,599	10,797,351		1,523,196	130,139
Telecommunications	310,354	-	-	-		15,740	294,614
General Government	28,572,957	10,753,043	3,075,592	10,797,476		1,978,623	1,968,223
Public Safety:							
Police	8,122,564	-	6,133,671	-		1,315,676	673,217
Police Trust Fund	11,995,660	-	806,661	-		8,571,299	2,617,700
Auto Theft Task Force	184,036	-	-	-		89,669	94,367
Narcotics	691,234	-	-	-		483,454	207,780
Financial Task Force	203,204	-	-	-		27,782	175,422
Special Police	1,725,229	-	-	-		7,133	1,718,096
Laredo Border Violence	267,877	-	-	-		240,947	26,930
Homeland Security Grant	918,245	-	-	-		263,978	654,267
Fire	8,096,324	767,503	1,268,158	-		5,235,204	825,459
Hazardous Materials	62,690	-	9,085	-		53,605	-
Parking Meters	3,904,029	1,247,536	60,342	2,230,958		167,554	197,639
911 Administration	503,938	-	-	-		-	503,938
911 - General Fund	52,056	-	-	-		33,590	18,466
Communications	6,879,563	-	-	-		-	6,879,563
Special Fire Grants	234,319	-	-	-		-	234,319
Traffic Safety	7,855,321	-	38,724	7,461,924		219,227	135,446
Public Safety	51,696,289	2,015,039	8,316,641	9,692,882		16,709,118	14,962,609
Public Works:							
Capital Improvements Projects	66,985,374	1,906,787	2,977,338	60,672,487		814,198	614,564
1998 C.O. Issue	1,706,680	108,232	864,429	473,235		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	7,847,341	933,003	3,278,920	3,635,418		-	-
Colonias Project	-	-	-	-		-	-
LEC Construction Project	33,348,399	258,500	33,089,899	-		-	-
2002 CO Issue	4,548,595	4,548,595	-	-		-	-
2003 CO Issue	3,617,084	31,022	1,584,738	2,001,324		-	-
2005 CO Issue	8,605,327	1,493,130	43,844	5,574,166		1,393,310	100,877
2006 CO Issue	10,504,931	-	4,206,034	5,982,374		316,523	-
2007 CO Issue	25,985,155	-	2,564,138	15,392,259		7,589,746	439,012
2008 CO Issue	3,659,567	-	690,222	862,112		2,107,233	-
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-		-	-
Airport Const. Fund.	52,889,945	4,256,965	1,049,636	44,591,273		779,609	2,212,462
Ryan Street Railroad Bridge	668,019	-	-	668,019		-	-
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524		-	-
Contractual Obligations	10,494,936	-	776,528	-		7,590,963	2,127,445
Parks Capital Grants	645,967	-	-	645,967		-	-
Capital Grants	2,099,367	-	198,400	1,900,967		-	-
Public Works	225,703,799	3,930,255	3,769,000	213,639,745		4,275,553	89,246
Public Works	\$ 492,131,743	35,527,512	67,721,141	357,303,863		25,813,091	5,766,136

(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, 2009

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
Health & Welfare:						
Health	\$ 6,514,704	421,278	3,863,508	157,576	293,450	1,778,892
Noise Abtm. Lease	87,582	-	-	-	87,582	-
Emergency Shelter Grant	416	-	-	-	-	416
Environmental Services	9,314,620	2,607,823	107,853	5,856,653	566,900	175,391
Health & Welfare	15,917,322	3,029,101	3,971,361	6,014,229	947,932	1,954,699
Cultural & Recreational:						
Parks & Recreation	7,474,812	4,078,992	2,548,792	9,850	608,494	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	82,321	-	7,900	-	57,689	16,732
Friends of the Library	801,866	-	-	-	-	801,866
Civic Center	1,637,193	-	1,407,123	6,119	66,810	157,141
Public Access Channel	2,342,096	-	1,406,518	-	31,259	904,319
Mercado	1,166,850	-	1,162,235	-	4,615	-
Convention & Visitor's Bureau	41,687	-	17,300	-	24,387	-
Sports & Community Venue	4,643,905	4,604,851	39,054	-	-	-
Recreation Fund	51,190	-	-	-	51,190	-
Veterans Field	446,958	-	340,396	-	68,117	38,445
Cultural & Recreational	25,663,435	8,683,843	13,220,566	48,969	982,331	2,727,726
Air Transportation Services:						
Airport	81,601,176	6,324,997	41,016,423	33,618,331	529,373	112,052
Air Transportation Services	81,601,176	6,324,997	41,016,423	33,618,331	529,373	112,052
Total Assets in service	695,582,922	66,333,535	137,321,724	417,475,750	46,960,468	27,491,445
Construction in Progress	17,598,562					
Total Governmental Funds Capital Assets	\$ 713,181,484					

(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, 2009

(Continued)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ 9,908	-	-	9,908
City Manager	5,003	-	-	5,003
Municipal Court	294,167	23,283	-	317,450
Building Inspections	250,974	-	(37,728)	213,246
City Attorney	125	-	-	125
City Secretary	58,134	-	-	58,134
Tax Office	83,386	21,878	-	105,264
Personnel	-	-	-	-
City Planning	92,442	-	-	92,442
Finance	254,479	-	-	254,479
Real Estate	234,600	1,388,165	(68,211)	1,554,554
City Hall Maintenance	3,292,772	-	-	3,292,772
Engineering	323,632	-	(19,569)	304,063
Information Technology	579,787	-	-	579,787
Communications and Support	48,432	-	-	48,432
Community Development	19,253,056	903,750	1,270,138	21,426,944
Telecommunications	310,354	-	-	310,354
General Government	25,091,251	2,337,076	1,144,630	28,572,957
Public Safety:				
Police	8,160,155	146,037	(183,628)	8,122,564
Police Trust Fund	13,046,441	5,130	(1,055,911)	11,995,660
Auto Theft Task Force	184,036	-	-	184,036
Narcotics	691,234	-	-	691,234
Financial Task Force	203,204	-	-	203,204
Special Police	1,692,051	33,178	-	1,725,229
Laredo Border Violence	267,877	-	-	267,877
Homeland Security Grant	918,245	-	-	918,245
Fire	8,296,273	-	(199,949)	8,096,324
Hazardous Materials	62,690	-	-	62,690
Parking Meters	3,524,239	379,790	-	3,904,029
911 Administration	773,857	227,736	(497,655)	503,938
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	234,319	-	-	234,319
Traffic Safety	7,898,935	10,160	(53,774)	7,855,321
Public Safety	52,885,175	802,031	(1,990,917)	51,696,289
Public Works:				
Capital Improvements Project	65,793,864	1,059,531	131,979	66,985,374
1998 CO Issue	1,706,680	-	-	1,706,680
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	7,519,442	(8,158)	336,057	7,847,341
Colonias Project	15,729,053	-	(15,729,053)	-
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	4,548,595	-	-	4,548,595
2003 CO Issue	3,357,563	-	259,521	3,617,084
2005 CO Issue	2,651,962	399,973	5,553,392	8,605,327
2006 CO Issue	4,131,019	3,452,684	2,921,228	10,504,931
2007 CO Issue	16,474,319	9,449,521	61,315	25,985,155
2008 CO Issue	36,907	3,622,660	-	3,659,567
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	41,160,297	11,729,648	-	52,889,945
Ryan Street Railroad Bridge	668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	10,613,905	35,251	(154,220)	10,494,936
Parks Capital Grants	410,144	235,823	-	645,967
Capital Grants	440,645	1,658,722	-	2,099,367
Public Works	218,115,219	7,944,635	(356,055)	225,703,799
Public Works	\$ 459,527,289	39,580,290	(6,975,836)	492,131,743

(Continued)

(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, 2009

(Continued)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Health & Welfare:				
Health	\$ 6,163,765	370,192	(19,253)	6,514,704
Noise Abatement Lease	50,815	36,767	-	87,582
Emergency Shelter Grant	416	-	-	416
Environmental Services	8,083,973	458,675	771,972	9,314,620
Health & Welfare	14,298,969	865,634	752,719	15,917,322
Cultural & Recreational:				
Parks & Recreation	7,469,626	5,186	-	7,474,812
Library	6,918,390	-	-	6,918,390
New Public Library	56,167	-	-	56,167
Cemetery	109,471	-	(27,150)	82,321
Friends of the Library	761,413	40,453	-	801,866
Civic Center	1,637,193	-	-	1,637,193
Public Access Channel	2,046,208	295,888	-	2,342,096
Mercado	1,166,850	-	-	1,166,850
Convention & Visitors Bureau	41,687	-	-	41,687
Sports & Community Venue	4,643,905	-	-	4,643,905
Recreation Fund	22,738	28,452	-	51,190
Veterans Field	446,958	-	-	446,958
Cultural & Recreational	25,320,606	369,979	(27,150)	25,663,435
Air Transportation Services:				
Airport	81,614,478	-	(13,302)	81,601,176
Air Transportation Services	81,614,478	-	(13,302)	81,601,176
Total Assets In Service	658,737,768	43,955,010	(7,109,856)	695,582,922
Construction in Progress	15,911,502	12,992,662	(11,305,602)	17,598,562
Total Governmental Funds Capital Assets	\$ 674,649,270	56,947,672	(18,415,458)	713,181,484

(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 7% 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 61,171 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 57,903 customers.

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

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET ASSETS
September 30, 2009

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash	\$ 624	200	1,750	2,574
Investments	3,762,799	1,257,975	3,153,401	8,174,175
Receivables, net of allowances:				
Accrued Interest	1,028	6,267	-	7,295
Accounts	980	29,603	1,050,516	1,081,099
Due From Other Funds	247,769	-	-	247,769
Due From Other Governments	1,525,350	-	83,341	1,608,691
Inventory, at cost	503,419	-	2,525	505,944
Total Current Assets	6,041,969	1,294,045	4,291,533	11,627,547
Noncurrent Assets:				
Restricted Assets:				
Investments	120,118	-	7,431,165	7,551,283
Accrued Interest Receivable	14,571	-	44,554	59,125
Due From Other Funds	-	-	5,397,717	5,397,717
Total Restricted Assets	134,689	-	12,873,436	13,008,125
Capital Assets:				
Transportation Vehicles and Equipment	22,178,626	132,438	18,949,416	41,260,480
Buildings	13,959,990	3,623,431	1,069,796	18,653,217
Improvements	7,620,230	131,362	3,282,863	11,034,455
Land and Improvements	9,521,557	278,885	4,264,461	14,064,903
Construction in Progress	1,336,568	-	-	1,336,568
Less Accumulated Depreciation	(18,034,209)	(3,234,829)	(13,705,426)	(34,974,464)
Total Capital Assets (net of accumulated depreciation)	36,582,762	931,287	13,861,110	51,375,159
Total Noncurrent Assets	36,717,451	931,287	26,734,546	64,383,284
TOTAL ASSETS	\$ 42,759,420	2,225,332	31,026,079	76,010,831
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 1,523,474	17,052	239,139	1,779,665
Retainage Payable	43,174	-	74,011	117,185
Contracts Payable	167,126	-	360,178	527,304
Due to Other Funds	-	-	2,256,252	2,256,252
Accrued Wages and Employee Benefits	287,075	16,333	179,182	482,590
Compensated Absences	124,774	14,516	181,065	320,355
Customer Deposits	6,929	76,243	-	83,172
Deferred Revenue	-	3,808	1,628	5,436
General Obligation Bonds	375,073	-	21,734	396,807
Certificates of Obligation	490,000	-	250,000	740,000
Total Current Liabilities	3,017,625	127,952	3,563,189	6,708,766
Noncurrent Liabilities:				
General Obligation Bonds	1,239,502	-	485,808	1,725,310
Certificates of Obligation	7,900,000	-	6,600,000	14,500,000
Closure and Post Closure	-	-	9,731,871	9,731,871
Compensated Absences	72,111	8,396	305,194	385,701
Total Noncurrent Liabilities	9,211,613	8,396	17,122,873	26,342,882
TOTAL LIABILITIES	12,229,238	136,348	20,686,062	33,051,648
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	27,330,180	931,287	9,645,033	37,906,500
Unrestricted	3,200,002	1,157,697	694,984	5,052,683
TOTAL NET ASSETS	\$ 30,530,182	2,088,984	10,340,017	42,959,183

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
Year ended September 30, 2009

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
OPERATING REVENUES:				
Charges for Services	\$ 3,246,164	97,608	15,255,960	18,599,732
Rental of Facilities	437,934	1,246,138	-	1,684,072
Miscellaneous	239,361	31,725	40,939	312,025
TOTAL OPERATING REVENUES	3,923,459	1,375,471	15,296,899	20,595,829
OPERATING EXPENSES:				
Personnel Services	9,045,184	517,034	6,375,616	15,937,834
Materials and Supplies	2,048,090	170,814	1,719,478	3,938,382
Contractual Services	1,494,534	427,312	5,694,650	7,616,496
Other	51,281	78,758	2,459,261	2,589,300
Total Operating Expenses Before Depreciation	12,639,089	1,193,918	16,249,005	30,082,012
Depreciation Expense	1,747,738	107,857	2,442,311	4,297,906
TOTAL OPERATING EXPENSES	14,386,827	1,301,775	18,691,316	34,379,918
Operating Income (Loss)	(10,463,368)	73,696	(3,394,417)	(13,784,089)
NONOPERATING REVENUES (EXPENSES):				
Investment Income:				
Interest Earnings	60,000	23,931	72,828	156,759
Interest Earnings - Restricted	15,409	-	198,950	214,359
Net Increase (Decrease) in Fair Value of Investment	(5,190)	(1,461)	(5,157)	(11,808)
Discount Earnings	153	12	2,799	2,964
Sales Tax	5,760,681	-	-	5,760,681
Gain (Loss) on Sale of Assets	-	-	467,436	467,436
Federal Operating Grant	3,682,394	-	83,341	3,765,735
State Dept. of Highways	667,509	-	-	667,509
Other	(38,763)	-	-	(38,763)
TOTAL NONOPERATING REVENUES (EXPENSES)	10,142,193	22,482	820,197	10,984,872
Income (Loss) Before Contributions and Transfers	(321,175)	96,178	(2,574,220)	(2,799,217)
Capital Contributions-Grants	1,759,672	-	-	1,759,672
Transfers In:				
2007 C.O. Bond	-	-	5,362,640	5,362,640
Contractual Obligations Fund	3,572,369	-	-	3,572,369
Transfers Out:				
Debt Service	(1,244,536)	-	(2,613,289)	(3,857,825)
Change in Net Assets	3,766,330	96,178	175,131	4,037,639
Total Net Assets-Beginning	36,768,427	1,992,806	17,522,428	56,283,661
Prior Period Adjustment	(10,004,575)	-	(7,357,542)	(17,362,117)
Total Net Assets-Ending	\$ 30,530,182	2,088,984	10,340,017	42,959,183

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2009

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 3,924,937	1,387,676	14,995,735	20,308,348
Receipts from interfund services provided	-	-	629,292	629,292
Payments to suppliers	(2,134,767)	(296,997)	(5,372,834)	(7,804,598)
Payments to employees	(8,977,385)	(514,827)	(6,316,195)	(15,808,407)
Payments for interfund services used	(121,097)	(367,645)	(1,577,895)	(2,066,637)
Net cash provided (used) by operating activities	(7,308,312)	208,207	2,358,103	(4,742,002)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	(1,244,536)	-	(2,613,289)	(3,857,825)
Subsidy from federal and state grants	4,349,903	-	-	4,349,903
Sales Tax	5,760,681	-	-	5,760,681
Transfer from other funds	3,324,600	-	2,221,175	5,545,775
Net cash provided (used) by noncapital and related financing activities	12,190,648	-	(392,114)	11,798,534
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Subsidy from federal and state grants	529,846	-	-	529,846
Purchases of capital assets	-	-	(278,935)	(278,935)
Acquisition and construction of capital assets	(7,388,985)	-	(2,221,175)	(9,610,160)
Proceeds from sales of capital assets	-	-	507,476	507,476
Net cash provided (used) by capital and related financing activities	(6,859,139)	-	(1,992,634)	(8,851,773)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	1,885,327	(235,843)	(296,563)	1,352,921
Interest and dividends received	90,793	27,636	323,758	442,187
Net cash provided (used) by investing activities	1,976,120	(208,207)	27,195	1,795,108
Net increase (decrease) in cash and cash equivalents	(683)	-	550	(133)
Cash and cash equivalents, October 1	1,307	200	1,200	2,707
Cash and cash equivalents, September 30	\$ 624	200	1,750	2,574
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (10,463,368)	73,696	(3,394,417)	(13,784,089)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	1,747,738	107,857	2,442,311	4,297,906
(Increase) decrease in landfill closure and post closure costs	-	-	2,420,953	2,420,953
(Increase) decrease in accounts receivable	929	(24,394)	293,617	270,152
Increase in allowance for uncollectible accounts	-	36,758	37,615	74,373
(Increase) decrease in inventories	(54,670)	-	(762)	(55,432)
Increase in customer deposits	549	(191)	-	358
Increase (decrease) in accounts payable	1,392,711	12,242	502,469	1,907,422
Increase (decrease) in deferred revenues	-	32	(3,104)	(3,072)
Increase (decrease) in compensated absences payable	12,165	(320)	34,558	46,403
Increase (decrease) in accrued wages and employee benefits	55,634	2,527	24,863	83,024
Total adjustments	3,155,056	134,511	5,752,520	9,042,087
Net cash provided (used) by operating activities	\$ (7,308,312)	208,207	2,358,103	(4,742,002)
Noncash investing, capital, and financing activities:				
Loss on sale of equipment	-	-	(40,040)	(40,040)
Current closure and post closure costs	-	-	2,420,953	2,420,953
Increase (Decrease) in fair value of investments	(5,190)	(1,461)	(5,157)	(11,808)

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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, 2009

	<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>
OPERATING REVENUES:						
Charges for Services	\$ 3,232,963	3,275,834	3,246,164	-	3,246,164	(29,670)
Miscellaneous	165,989	122,118	239,361	-	239,361	117,243
Rental of Facilities	590,262	590,262	437,934	-	437,934	(152,328)
TOTAL OPERATING REVENUES	3,989,214	3,988,214	3,923,459	-	3,923,459	(64,755)
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	5,844,957	5,848,957	5,324,688	(17,784)	5,306,904	542,053
Materials and Supplies	1,165,100	758,587	717,880	-	717,880	40,707
Contractual Services	300,349	280,230	262,497	-	262,497	17,733
Other	35,500	35,900	39,943	-	39,943	(4,043)
Total Opt-Fixed Route	7,345,906	6,923,674	6,345,008	(17,784)	6,327,224	596,450
Opt-Para Transit:						
Personnel Services	1,118,580	1,193,502	1,212,518	14,258	1,226,776	(33,274)
Materials and Supplies	152,300	157,532	145,578	-	145,578	11,954
Contractual Services	116,150	119,094	91,396	-	91,396	27,698
Other	8,200	8,200	8,636	-	8,636	(436)
Total Opt-Para Transit	1,395,230	1,478,328	1,458,128	14,258	1,472,386	5,942
Maint-Fixed Route:						
Personnel Services	1,522,852	1,510,367	1,413,582	(3,367)	1,410,215	100,152
Materials and Supplies	834,250	1,128,015	990,720	-	990,720	137,295
Contractual Services	202,237	187,592	156,768	-	156,768	30,824
Total Maint-Fixed Route	2,559,339	2,825,974	2,561,070	(3,367)	2,557,703	268,271
Maint-Para Transit:						
Personnel Services	228,579	222,519	201,798	(436)	201,362	21,157
Materials and Supplies	69,240	98,360	88,388	-	88,388	9,972
Contractual Services	63,130	59,912	23,807	-	23,807	36,105
Total Maint-Para Transit	360,949	380,791	313,993	(436)	313,557	67,234
Training and Safety:						
Personnel Services	65,654	65,954	64,407	(1,602)	62,805	3,149
Materials and Supplies	3,500	4,072	3,402	-	3,402	670
Contractual Services	500	746	774	-	774	(28)
Total Training and Safety	69,654	70,772	68,583	(1,602)	66,981	3,791
Building/Grounds:						
Personnel Services	265,545	267,041	151,395	10,940	162,335	104,706
Materials and Supplies	56,700	48,420	41,659	-	41,659	6,761
Contractual Services	253,620	247,436	213,099	-	213,099	34,337
Total Building/Grounds	\$ 575,865	562,897	406,153	10,940	417,093	145,804

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
Bus Stop/Shelters:						
Personnel Services	\$ 101,066	106,316	102,538	(3,087)	99,451	6,865
Materials and Supplies	500	500	44	-	44	456
Contractual Services	5,803	4,273	4,273	-	4,273	-
Total Bus Stop/Shelters	107,369	111,089	106,855	(3,087)	103,768	7,321
General Administration:						
Personnel Services	178,477	176,549	92,868	(1,488)	91,380	85,169
Materials and Supplies	4,300	8,583	7,902	-	7,902	681
Contractual Services	539,722	563,159	459,291	-	459,291	103,868
Other	-	-	2,704	-	2,704	(2,704)
Total General Administration	722,499	748,291	562,765	(1,488)	561,277	187,014
Planning:						
Personnel Services	51,863	51,943	48,882	1,137	50,019	1,924
Contractual Services	-	1,680	1,664	-	1,664	16
Total Planning	51,863	53,623	50,546	1,137	51,683	1,940
Marketing:						
Personnel Services	57,266	71,480	76,174	327	76,501	(5,021)
Materials and Supplies	9,600	13,407	10,322	-	10,322	3,085
Contractual Services	17,000	27,522	22,110	-	22,110	5,412
Total Marketing	83,866	112,409	108,606	327	108,933	3,476
Customer Service:						
Personnel Services	91,408	91,626	83,681	(1,290)	82,391	9,235
Materials and Supplies	4,250	9,250	6,168	-	6,168	3,082
Contractual Services	8,424	9,124	8,265	-	8,265	859
Total Customer Service	104,082	110,000	98,114	(1,290)	96,824	13,176
Transit Center Building:						
Personnel Services	233,631	233,711	223,476	(8,430)	215,046	18,665
Materials and Supplies	58,648	48,261	33,768	-	33,768	14,493
Contractual Services	271,036	273,636	199,839	-	199,839	73,797
Total General Administration	563,315	555,608	457,083	(8,430)	448,653	106,955
Transit Center Facility:						
Personnel Services	27,676	34,979	49,177	(4,430)	44,747	(9,768)
Materials and Supplies	4,300	4,700	2,259	-	2,259	2,441
Contractual Services	69,451	69,455	50,751	-	50,751	18,704
Other	44,513	44,513	(2)	-	(2)	44,515
Total Transit Center Facility	145,940	153,647	102,185	(4,430)	97,755	55,892
Total Operating Expenses Before Depreciation	14,085,877	14,087,103	12,639,089	(15,252)	12,623,837	1,463,266
Depreciation	-	-	1,747,738	(1,747,738)	-	-
TOTAL OPERATING EXPENSES	14,085,877	14,087,103	14,386,827	(1,762,990)	12,623,837	1,463,266
Operating Income (Loss)	\$ (10,096,663)	(10,098,889)	(10,463,368)	1,762,990	(8,700,378)	1,398,511

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 85,600	86,600	60,000	-	60,000	(26,600)
Interest Earnings-Restricted	170,000	170,000	15,409	-	15,409	(154,591)
Net Increase (Decrease) in Fair						
Value of Investments	-	-	(5,190)	-	(5,190)	(5,190)
Discount Earnings	-	-	153	-	153	153
Sales Tax	6,284,977	6,284,977	5,760,681	-	5,760,681	(524,296)
FTA Operating Grant	3,952,135	4,833,686	3,682,394	-	3,682,394	(1,151,292)
State Dept. of Highways	667,123	667,123	667,509	-	667,509	386
Construction	(1,218,000)	(17,228,139)	-	(7,350,222)	(7,350,222)	9,877,917
Other Non-Operating Expenses	(841,218)	(1,172,218)	(38,763)	-	(38,763)	1,133,455
TOTAL NONOPERATING REVENUES AND (EXPENSES)	9,100,617	(6,357,971)	10,142,193	(7,350,222)	2,791,971	9,149,942
Income (Loss) Before Contributions and Transfers	(996,046)	(16,456,860)	(321,175)	(5,587,232)	(5,908,407)	10,548,453
Capital Contributions:						
Federal Capital Grant	776,000	8,686,146	696,591	-	696,591	(7,989,555)
State Capital Grant	-	1,334,480	1,063,081	-	1,063,081	(271,399)
Transfer In:						
Transit Sales Tax	5,581,507	5,066,505	-	4,626,600	4,626,600	(439,905)
Contractual Obligations Fund	-	3,500,000	3,572,369	-	3,572,369	72,369
Transfers Out:						
Debt Service	(1,244,536)	(1,244,536)	(1,244,536)	-	(1,244,536)	-
Transit Operations	(5,387,507)	(4,505,956)	-	(4,260,051)	(4,260,051)	245,905
Capital and Planning	(194,000)	(560,549)	-	(366,549)	(366,549)	194,000
Change in Net Assets	(1,464,582)	(4,180,770)	3,766,330	(5,587,232)	(1,820,902)	2,359,868
Total Net Assets-Beginning	36,768,427	36,768,427	36,768,427	-	36,768,427	-
Prior Period Adjustment	-	-	(10,004,575)	-	(10,004,575)	(10,004,575)
Total Net Assets-Ending	\$ 35,303,845	32,587,657	30,530,182	(5,587,232)	24,942,950	(7,644,707)

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 3,924,937
Payments to suppliers	(2,134,767)
Payments to employees	(8,977,385)
Payments for interfund services used	(121,097)
Net cash provided (used) by operating activities	(7,308,312)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(1,244,536)
Advances from other funds	3,324,600
Subsidy from federal and state grants	4,349,903
Sales Tax	5,760,681
Net cash provided (used) by noncapital and related financing activities	12,190,648

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Subsidy from federal and state grants	529,846
Acquisition and construction of capital assets	(7,388,985)
Net cash provided (used) by capital and related financing activities	(6,859,139)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	1,885,327
Interest and dividends received	90,793
Net cash provided (used) by investing activities	1,976,120

Net increase (decrease) in cash and cash equivalents	(683)
Cash and cash equivalents, October 1	1,307
Cash and cash equivalents, September 30	\$ 624

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

(Continued)

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

Operating income	\$ (10,463,368)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,747,738
(Increase) decrease in accounts receivable	929
(Increase) decrease in inventories	(54,670)
Increase in customer deposits	549
Increase (decrease) in accounts payable	1,392,711
Increase (decrease) in compensated absences payable	12,165
Increase (decrease) in accrued wages and employee benefits	55,634
Total adjustments	3,155,056
Net cash provided (used) by operating activities	\$ (7,308,312)

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

Increase (Decrease) in fair value of investments	(5,190)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	<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>
OPERATING REVENUES:						
Rental of Facilities	\$ 2,088,063	2,088,063	2,417,709	-	2,417,709	329,646
Toll Receipts	46,564,504	46,564,504	40,816,254	-	40,816,254	(5,748,250)
Miscellaneous	1,985	1,985	29,871	-	29,871	27,886
TOTAL OPERATING REVENUES	48,654,552	48,654,552	43,263,834	-	43,263,834	(5,390,718)
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,477,574	2,477,574	2,127,723	(32,799)	2,094,924	382,650
Materials and Supplies	362,747	234,390	161,059	-	161,059	73,331
Contractual Services	25,156,125	25,088,493	22,058,804	-	22,058,804	3,029,689
Other	23,256	1,340,856	15,593	(955)	14,638	1,326,218
Capital Outlay	650,000	18,400	-	12,296	12,296	6,104
Total Laredo Bridge Operations	28,669,702	29,159,713	24,363,179	(21,458)	24,341,721	4,817,992
Bridge II Operations:						
Personnel Services	2,283,542	2,283,542	2,206,559	(45,450)	2,161,109	122,433
Materials and Supplies	110,619	101,879	90,885	-	90,885	10,994
Contractual Services	510,613	508,813	398,054	-	398,054	110,759
Total Bridge II Operations	2,904,774	2,894,234	2,695,498	(45,450)	2,650,048	244,186
Colombia Bridge Operations:						
Personnel Services	1,248,388	1,248,388	1,253,622	(11,738)	1,241,884	6,504
Materials and Supplies	49,404	55,404	25,033	-	25,033	30,371
Contractual Services	286,553	268,103	234,678	-	234,678	33,425
Capital Outlay	-	5,553	-	5,553	5,553	-
Total Colombia Bridge Operations	1,584,345	1,577,448	1,513,333	(6,185)	1,507,148	70,300
Fourth Bridge Operations:						
Personnel Services	2,622,666	2,622,666	2,172,016	(47,367)	2,124,649	498,017
Materials and Supplies	189,740	173,482	126,367	-	126,367	47,115
Contractual Services	521,383	549,243	522,381	-	1,044,762	(495,519)
Capital Outlay	66,000	62,930	-	50,347	50,347	12,583
Total Fourth Bridge Operations	3,399,789	3,408,321	2,820,764	2,980	3,346,125	62,196
Fifth Bridge:						
Contractual Services	506,807	36,807	29,997	-	29,997	6,810
Total Fifth Bridge	506,807	36,807	29,997	-	29,997	6,810
Total Operating Expenses Before Depreciation	37,065,417	37,076,523	31,422,771	(70,113)	31,875,039	5,201,484
Depreciation	-	-	3,620,435	(3,620,435)	-	-
TOTAL OPERATING EXPENSES	37,065,417	37,076,523	35,043,206	(3,690,548)	31,875,039	5,201,484
Operating Income (Loss)	\$ 11,589,135	11,578,029	8,220,628	3,690,548	11,388,795	(189,234)

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	<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>
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 306,350	306,350	103,219	-	103,219	(203,131)
Interest Earnings - Restricted	1,051,250	201,250	369,021	-	369,021	167,771
Net Increase (Decrease) in Fair Value of Investments	-	-	(11,939)	-	(11,939)	(11,939)
Discount Earnings	-	-	357	-	357	357
Gain/(Loss) On Sale of Assets	-	-	(16,459)	18,646	2,187	2,187
Refunding Gain	-	-	304,766	(304,766)	-	-
Interest Expense	(4,151,127)	(4,151,127)	(4,151,127)	-	(4,151,127)	-
Principal Paid Revenue Bonds	(4,171,233)	(4,171,233)	-	(4,171,233)	(4,171,233)	-
Fiscal Agent Fees	-	-	(3,556)	-	(3,556)	(3,556)
Bond Issuance Cost Amortized	-	-	(137,365)	137,365	-	-
Loss on Advance Refunding	-	-	(248,364)	248,364	-	-
Other Non-Operating Expenses	-	(76,074)	(11,602)	-	(11,602)	64,472
Construction	(2,012,375)	(10,042,831)	-	(2,048,212)	(2,048,212)	7,994,619
TOTAL NONOPERATING REVENUES (EXPENSES)	(8,977,135)	(17,933,665)	(3,803,049)	(6,119,836)	(9,922,885)	8,010,780
Income (Loss) Before Contributions and Transfers	2,612,000	(6,355,636)	4,417,579	(2,429,288)	1,465,910	7,821,546
Transfers In:						
Bridge Operating Fund	6,061,955	6,061,955	-	6,393,839	6,393,839	331,884
Bridge Bonds	-	-	-	4,410	4,410	4,410
Transfers Out:						
General Fund	(1,058,950)	(1,058,950)	(962,020)	-	(962,020)	96,930
Capital Improvements Fund	(2,006,769)	(2,006,769)	(1,854,006)	-	(1,854,006)	152,763
Debt Service	(773,871)	(773,871)	(773,871)	-	(773,871)	-
Bridge Construction Projects	(500,000)	(500,000)	-	(300,000)	(300,000)	200,000
Bridge Debt Service	(5,561,955)	(5,561,955)	-	(6,098,249)	(6,098,249)	(536,294)
Change in Net Assets	(1,227,590)	(10,195,226)	827,682	(2,429,288)	(2,123,987)	8,071,239
Total Net Assets-Beginning	30,897,700	30,897,700	30,897,700	-	30,897,700	-
Total Net Assets-Ending	\$ 29,670,110	20,702,474	31,725,382	(2,429,288)	28,773,713	8,071,239

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 43,091,917
Payments to suppliers	(2,716,795)
Payments to employees	(7,594,309)
Payments for interfund services used	<u>(21,664,065)</u>
Net cash provided by operating activities	<u>11,116,748</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(3,589,897)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(3,589,897)</u>

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

Acquisition and construction of capital assets	(2,125,823)
Principal paid on capital debt	(4,171,233)
Interest paid on capital debt	<u>(4,151,127)</u>
Net cash provided (used) by capital and related financing activities	<u>(10,448,183)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	2,372,626
Interest and dividends received	<u>548,706</u>
Net cash provided (used) by investing activities	<u>2,921,332</u>

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

-
21,400

Cash and cash equivalents, September 30

\$ 21,400
(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

(Continued)

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

Operating income	\$ 8,220,628
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,620,435
(Increase) decrease in accounts receivable	(4,421)
Increase (decrease) in allowance for uncollectible accounts	955
Increase in customer deposits	(140,385)
Increase (decrease) in accounts payable	(718,009)
Increase (decrease) in deferred revenues	(28,066)
Increase (decrease) in compensated absences payable	137,355
Increase (decrease) in accrued wages and employee benefits	28,256

Total adjustments	2,896,120

Net cash provided by operating activities	11,116,748

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

Disposition of Assets	(18,646)
Gain on Refunding Issue	304,766
Bond issuance cost amortized	(137,365)
Increase (Decrease) in fair value of investments	(11,939)
Loss on Advance Refunding	(248,364)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 1,255,623	1,229,623	1,246,138	-	1,246,138	16,515
Charges for Services	145,950	145,950	97,608	-	97,608	(48,342)
Miscellaneous	24,346	24,346	31,725	-	31,725	7,379
TOTAL OPERATING REVENUES	1,425,919	1,399,919	1,375,471	-	1,375,471	(24,448)
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	456,039	456,039	423,785	118	423,903	32,136
Materials and Supplies	198,538	200,644	151,315	-	151,315	49,329
Contractual Services	446,895	380,447	315,110	-	315,110	65,337
Other	35,639	109,952	66,158	(36,758)	29,400	80,552
Total Airport Housing	1,137,111	1,147,082	956,368	(36,640)	919,728	227,354
West Laredo Housing:						
Personnel Services	95,264	95,638	93,249	202	93,451	2,187
Materials and Supplies	43,902	42,506	19,499	-	19,499	23,007
Contractual Services	197,386	188,437	112,202	-	112,202	76,235
Other	12,600	12,600	12,600	-	12,600	-
Total West Laredo Housing	349,152	339,181	237,550	202	237,752	101,429
Total Operating Expenses Before Depreciation	1,486,263	1,486,263	1,193,918	(36,438)	1,157,480	328,783
Depreciation Expense	-	-	107,857	(107,857)	-	-
TOTAL OPERATING EXPENSES	1,486,263	1,486,263	1,301,775	(144,295)	1,157,480	328,783
Operating Income (Loss)	(60,344)	(86,344)	73,696	144,295	217,991	304,335
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	26,000	26,000	23,931	-	23,931	(2,069)
Net Increase (Decrease) in Fair Value of Investments	-	-	(1,461)	-	(1,461)	(1,461)
Discount Earnings	-	-	12	-	12	12
TOTAL NONOPERATING REVENUES (EXPENSES)	26,000	26,000	22,482	-	22,482	(3,518)
Change in Net Assets	(34,344)	(60,344)	96,178	144,295	240,473	300,817
Total Net Assets-Beginning	1,992,806	1,992,806	1,992,806	-	1,992,806	-
Total Net Assets-Ending	\$ 1,958,462	1,932,462	2,088,984	144,295	2,233,279	300,817

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**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,387,676
Payments to suppliers	(296,997)
Payments to employees	(514,827)
Payments for interfund services used	<u>(367,645)</u>
Net cash provided by operating activities	<u>208,207</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(235,843)
Interest and dividends received	<u>27,636</u>
Net cash provided (used) by investing activities	<u>(208,207)</u>

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

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2009

(Continued)

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

Operating income	\$ 73,696
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	107,857
(Increase) decrease in accounts receivable	(24,394)
Increase in allowance for uncollectible accounts	36,758
Increase (decrease) in customer deposits	(191)
Increase (decrease) in accounts payable	12,242
Increase (decrease) in deferred revenues	32
Increase (decrease) in compensated absences payable	(320)
Increase (decrease) in accrued wages and employee benefits	2,527

Total adjustments	134,511

Net cash provided by operating activities	208,207

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

Increase (Decrease) in fair value of investments	(1,461)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	<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>
OPERATING REVENUES:						
Charges for Services	\$ 28,950,951	28,950,951	26,937,378	-	26,937,378	(2,013,573)
Rental of Facilities and Equipment	40,128	40,128	40,128	-	40,128	-
Miscellaneous	1,354,540	1,354,540	1,555,527	-	1,555,527	200,987
TOTAL OPERATING REVENUES	30,345,619	30,345,619	28,533,033	-	28,533,033	(1,812,586)
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,228,327	1,265,505	1,202,858	(21,804)	1,181,054	84,451
Materials and Supplies	118,774	51,316	36,291	-	36,291	15,025
Contractual Services	1,665,968	1,672,711	1,631,909	-	1,631,909	40,802
Other	69,567	698,675	119,961	(90,305)	29,656	669,019
Total General and Administrative	3,082,636	3,688,207	2,991,019	(112,109)	2,878,910	809,297
Utility Engineering:						
Personnel Services	628,029	636,030	618,915	(6,699)	612,216	23,814
Materials and Supplies	55,835	39,997	24,345	-	24,345	15,652
Contractual Services	51,891	56,302	47,434	-	47,434	8,868
Total Utility Engineering	735,755	732,329	690,694	(6,699)	683,995	48,334
Utility Billing:						
Personnel Services	1,829,674	1,844,038	1,750,422	(8,479)	1,741,943	102,095
Materials and Supplies	819,833	654,932	544,088	-	544,088	110,844
Contractual Services	652,881	639,671	523,765	-	523,765	115,906
Capital Outlay	53,190	2,190	-	-	-	2,190
Total Utility Billing	3,355,578	3,140,831	2,818,275	(8,479)	2,809,796	331,035
Asset Management:						
Personnel Services	253,629	253,629	215,098	1,453	216,551	37,078
Materials and Supplies	8,584	3,927	2,079	-	2,079	1,848
Contractual Services	11,775	18,531	17,811	-	17,811	720
Total Asset Management	273,988	276,087	234,988	1,453	236,441	39,646
Water Treatment:						
Personnel Services	1,508,499	1,672,315	1,661,805	(17,639)	1,644,166	28,149
Materials and Supplies	1,582,746	1,565,299	1,158,394	-	1,158,394	406,905
Contractual Services	4,992,502	4,829,037	3,998,937	-	3,998,937	830,100
Capital Outlay	875,000	20,197	-	20,196	20,196	1
Total Water Treatment	8,958,747	8,086,848	6,819,136	2,557	6,821,693	1,265,155
Transmission and Distribution:						
Personnel Services	1,697,269	2,011,951	1,997,651	(18,204)	1,979,447	32,504
Materials and Supplies	931,888	1,019,778	804,800	-	804,800	214,978
Contractual Services	1,038,391	1,170,147	1,032,549	-	1,032,549	137,598
Total Transmission and Distribution	\$ 3,667,548	4,201,876	3,835,000	(18,204)	3,816,796	385,080

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
Water Pollution Control:						
Personnel Services	\$ 436,134	442,133	335,824	(5,998)	329,826	112,307
Materials and Supplies	48,829	34,454	18,121	-	18,121	16,333
Contractual Services	53,873	51,323	39,266	-	39,266	12,057
Capital Outlay	41,000	-	-	-	-	-
Total Water Pollution Control	579,836	527,910	393,211	(5,998)	387,213	140,697
Total Operating Expenses Before Depreciation	20,654,088	20,654,088	17,782,323	(147,479)	17,634,844	3,019,244
Depreciation Expense	-	-	6,118,538	(6,118,538)	-	-
TOTAL OPERATING EXPENSES	20,654,088	20,654,088	23,900,861	(6,266,017)	17,634,844	3,019,244
Operating Income (Loss)	9,691,531	9,691,531	4,632,172	6,266,017	10,898,189	1,206,658
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	745,310	745,310	402,037	-	402,037	(343,273)
Interest Earnings Restricted	350,000	508,157	1,053,950	-	1,053,950	545,793
Net Increase (Decrease) in Fair Value of Investments	-	-	(51,506)	-	(51,506)	(51,506)
Premiums	-	76,575	76,575	-	76,575	-
Miscellaneous	-	-	9,796	-	9,796	9,796
Gain on Sale of Assets	-	-	44,376	-	44,376	44,376
Bond Issues	-	40,670,000	-	40,670,000	40,670,000	-
Interest Expense	(1,187,197)	(1,187,197)	(1,121,489)	(37,087)	(1,158,576)	28,621
Principal Paid Revenue Bond / Capital Leases	(2,120,000)	(2,120,000)	-	(2,158,000)	(2,158,000)	(38,000)
Fiscal Agent Fees	(4,000)	(4,000)	(1,250)	-	(1,250)	2,750
Bond Issuance Cost Amortized	-	-	(59,039)	(577,641)	(636,680)	(636,680)
Loss on Advance Funding	-	-	(39,721)	39,721	-	-
Water Availability	(15,081,545)	(15,081,545)	(113,238)	(8,194,458)	(8,307,696)	6,773,849
Other Non-Operating Expenses	(2,145,205)	(53,508,361)	(3,242,528)	(16,692,829)	(19,935,357)	33,573,004
TOTAL NONOPERATING REVENUES (EXPENSES)	(19,442,637)	(29,901,061)	(3,042,037)	13,049,706	10,007,669	39,908,730
Income (Loss) Before Contributions and Transfers	(9,751,106)	(20,209,530)	1,590,135	19,315,723	20,905,858	41,115,388
Capital Contributions:						
State Capital Grant	-	-	18,299	-	18,299	18,299
Contributions - Waterrights	1,780,308	1,780,308	1,143,478	-	1,143,478	(636,830)
Contributions - Developers	-	-	5,308,943	(5,308,943)	-	-
Contributions - Other	-	-	15,179,084	(15,179,084)	-	-
Transfer In:						
Waterworks System	5,247,317	6,872,173	-	4,694,306	4,694,306	(2,177,867)
Transfers Out:						
Debt Service Fund	(5,392,899)	(5,392,899)	(5,392,899)	-	(5,392,899)	-
Water Construction Fund	(1,870,079)	(3,494,935)	-	(1,436,192)	(1,436,192)	2,058,743
Water Debt Service	(3,377,238)	(3,377,238)	-	(3,258,114)	(3,258,114)	119,124
Change in Net Assets	(13,363,697)	(23,822,121)	17,847,040	(1,172,304)	16,674,736	40,496,857
Total Net Assets-Beginning	147,651,330	147,651,330	147,651,330	-	147,651,330	-
Prior Period Adjustment	-	-	(42,654,383)	-	(42,654,383)	(42,654,383)
Total Net Assets-Ending	\$ 134,287,633	123,829,209	122,843,987	(1,172,304)	121,671,683	(2,157,526)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 28,075,897
Receipts from interfund services provided	487,917
Payments to suppliers	(6,315,371)
Payments to employees	(7,692,166)
Payments for interfund services used	(2,020,265)
Net cash provided by operating activities	12,536,012

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(5,931,396)
Net cash provided (used) by noncapital and related financing activities	(5,931,396)

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

Proceeds from capital debt	40,114,074
Capital contributions	1,143,478
Subsidy from federal and state grants	86,740
Purchases of capital assets	(20,196)
Acquisition and construction of capital assets	(28,375,633)
Principal paid on capital debt	(2,139,000)
Interest paid on capital debt	(1,177,576)
Proceeds from sales of capital assets	44,376
Net cash provided (used) by capital and related financing activities	9,676,263

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(18,064,697)
Interest and dividends received	1,775,210
Issuance of Notes Receivable	8,558
Net cash provided (used) by investing activities	(16,280,929)

Net increase (decrease) in cash and cash equivalents	(50)
Cash and cash equivalents, October 1	2,200
Cash and cash equivalents, September 30	\$ 2,150

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

(Continued)

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

Operating income	\$ 4,632,172
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	6,118,538
(Increase) decrease in accounts receivable	(143,103)
Increase (decrease) in allowance for uncollectible accounts	51,473
(Increase) decrease in inventories	(219,189)
Increase (decrease) in customer deposits	156,771
Increase (decrease) in accounts payable	1,883,303
Increase (decrease) in deferred revenues	(34,360)
Increase (decrease) in compensated absences payable	77,369
Increase (decrease) in accrued wages and employee benefits	13,038

Total adjustments	7,903,840

Net cash provided by operating activities	\$ 12,536,012

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

Bond issuance cost amortized	(577,641)
Contributions of capital assets from developers	20,488,027
Increase (Decrease) in fair value of investments	(51,506)
Increase (Decrease) in Accrued Interest Payable	(56,087)
Loss on Advance Refunds	(39,721)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 17,063,283	17,063,283	19,819,164	-	19,819,164	2,755,881
Miscellaneous	246,383	246,383	269,182	(665)	268,517	22,134
TOTAL OPERATING REVENUES	17,309,666	17,309,666	20,088,346	(665)	20,087,681	2,778,015
OPERATING EXPENSES:						
Administrative:						
Contractual Services	1,924,089	1,924,089	1,934,156	-	1,934,156	(10,067)
Other	-	291,588	66,251	(66,251)	-	291,588
Total Administrative	1,924,089	2,215,677	2,000,407	(66,251)	1,934,156	281,521
Wastewater Treatment:						
Personnel Services	1,672,447	1,734,742	1,721,231	(16,470)	1,704,761	29,981
Materials and Supplies	865,371	751,831	537,618	-	537,618	214,213
Contractual Services	3,076,109	3,176,044	2,506,597	-	2,506,597	669,447
Capital Outlay	139,000	7,400	-	7,400	7,400	-
Total Wastewater Treatment	5,752,927	5,670,017	4,765,446	(9,070)	4,756,376	913,641
Wastewater Collection:						
Personnel Services	1,299,538	1,474,039	1,464,830	(15,891)	1,448,939	25,100
Materials and Supplies	547,919	536,282	402,929	-	402,929	133,353
Contractual Services	1,371,941	1,246,445	797,702	-	797,702	448,743
Capital Outlay	256,000	9,954	-	9,954	9,954	-
Total Wastewater Collection	3,475,398	3,266,720	2,665,461	(5,937)	2,659,524	607,196
Total Operating Expenses Before Depreciation	11,152,414	11,152,414	9,431,314	(81,258)	9,350,056	1,802,358
Depreciation Expense	-	-	5,282,216	(5,282,216)	-	-
TOTAL OPERATING EXPENSES	11,152,414	11,152,414	14,713,530	(5,363,474)	9,350,056	1,802,358
Operating Income (Loss)	\$ 6,157,252	6,157,252	5,374,816	5,362,809	10,737,625	4,580,373

(Continued)

(Continued)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	<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>
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 456,800	456,800	177,161	-	177,161	(279,639)
Interest Earnings Restricted	130,000	153,279	805,188	-	805,188	651,909
Net Increase (Decrease) in Fair Value of Investments	-	-	(18,869)	-	(18,869)	(18,869)
Gain/Loss On Sale of Equipment	-	-	17,416	-	17,416	17,416
Discount Earnings	-	-	4,634	-	4,634	4,634
Bond Issues	-	10,750,000	-	10,750,000	10,750,000	-
Miscellaneous	-	-	37,043	-	37,043	37,043
Premium	-	302,083	302,083	-	302,083	-
Interest Expense	(896,984)	(896,984)	(890,814)	(18,385)	(909,199)	(12,215)
Principal Paid Revenue Bond / Capital Leases	(1,368,000)	(1,368,000)	-	(1,364,000)	(1,364,000)	4,000
Fiscal Agent Fees	(4,000)	(4,000)	(6,550)	-	(6,550)	(2,550)
Bond Issuance Cost Amortized	-	-	(28,044)	(166,134)	(194,178)	(194,178)
Other Non Operating Expenses	(796,749)	(51,723,051)	(2,568,759)	(7,417,166)	(9,985,925)	41,737,126
TOTAL NONOPERATING REVENUES (EXPENSES)	(2,478,933)	(42,329,873)	(2,169,511)	1,784,315	(385,196)	41,944,677
Income (Loss) Before Contributions and Transfers	3,678,319	(36,172,621)	3,205,305	7,147,124	10,352,429	46,525,050
Capital Contributions:						
State Capital Grant	-	-	10,154	-	10,154	10,154
Contributions - Others	-	-	13,466,035	(13,466,035)	-	-
Contributions - Developers	-	-	4,149,440	(4,149,440)	-	-
Transfers In:						
Sewer Operating Fund	2,628,848	2,628,848	-	2,762,129	2,762,129	133,281
Transfers Outs:						
Sewer Operations	-	(287,367)	-	(287,367)	(287,367)	-
Debt Service Fund	(4,202,397)	(4,202,397)	(4,202,397)	-	(4,202,397)	-
Sewer Debt Service	(2,268,997)	(2,268,997)	-	(2,474,762)	(2,474,762)	(205,765)
Sewer Construction Fund	(359,851)	(359,851)	-	-	-	359,851
Change in Net Assets	(524,078)	(40,662,385)	16,628,537	(10,468,351)	6,160,186	46,822,571
Total Net Assets-Beginning	118,892,829	118,892,829	118,892,829	-	118,892,829	-
Prior Period Adjustment	-	-	(36,479,155)	-	(36,479,155)	(36,479,155)
Total Net Assets-Ending	\$ 118,368,751	78,230,444	99,042,211	(10,468,351)	88,573,860	10,343,416

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 19,286,688
Receipts from interfund services provided	307,600
Payments to suppliers	(3,992,339)
Payments to employees	(3,141,787)
Payments for interfund services used	(2,533,704)
Net cash provided by operating activities	9,926,458

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(4,516,365)
Net cash provided (used) by noncapital and related financing activities	(4,516,365)

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

Subsidy from federal and state grants	923,840
Proceeds from capital debt	10,857,905
Purchases of capital assets	62
Acquisition and construction of capital assets	(9,946,446)
Principal paid on capital debt	(1,364,000)
Interest paid on capital debt	(915,749)
Net cash provided (used) by capital and related financing activities	(444,388)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(6,142,693)
Interest and dividends received	1,173,660
Issuance of Notes Receivable	3,328
Net cash provided (used) by investing activities	(4,965,705)

Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, October 1	300

Cash and cash equivalents, September 30	\$ 300

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

(Continued)

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

Operating income	\$ 5,374,816
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	5,282,216
(Increase) decrease in accounts receivable	(556,982)
Increase (decrease) in allowance for uncollectible accounts	66,251
(Increase) decrease in inventories	4,843
Increase (decrease) in accounts payable	(285,633)
Increase (decrease) in deferred revenues	(3,327)
Increase (decrease) in compensated absences payable	32,359
Increase (decrease) in accrued wages and employee benefits	11,915

Total adjustments	4,551,642

Net cash provided by operating activities	9,926,458

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

Contributions of capital assets from developers & others	17,615,475
Bond issuance cost amortized	166,134
Increase (Decrease) in fair value of investments	(18,869)
Increase (Decrease) in Accrued Interest Payable	(3,385)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Charges for Services	\$ 16,556,302	16,556,302	15,255,960	-	15,255,960	(1,300,342)
Miscellaneous	35,398	35,398	40,939	(601)	40,338	4,940
TOTAL OPERATING REVENUES	16,591,700	16,591,700	15,296,899	(601)	15,296,298	(1,295,402)
OPERATING EXPENSES:						
Administration:						
Personnel Services	304,334	322,586	297,414	22,435	319,849	2,737
Materials and Supplies	25,307	24,126	10,482	-	10,482	13,644
Contractual Services	77,852	78,669	56,051	-	56,051	22,618
Other	-	-	50	-	50	(50)
Total Administration	407,493	425,381	363,997	22,435	386,432	38,949
Recycling:						
Personnel Services	873,520	895,705	840,136	(13,685)	826,451	69,254
Materials and Supplies	289,692	309,692	257,982	-	257,982	51,710
Contractual Services	739,734	874,034	760,902	-	760,902	113,132
Total Recycling	1,902,946	2,079,431	1,859,020	(13,685)	1,845,335	234,096
STDC-Solid Waste Management						
Capital Outlay	-	74,992	-	74,547	74,547	445
Total Recycling	-	74,992	-	74,547	74,547	445
Creek Cleaning						
Personnel Services	889,885	807,885	722,911	(2,947)	719,964	87,921
Materials and Supplies	241,611	236,961	118,970	-	118,970	117,991
Contractual Services	242,448	344,648	318,455	-	318,455	26,193
Total Creek Cleaning	1,373,944	1,389,494	1,160,336	(2,947)	1,157,389	232,105
Sanitation						
Personnel Services	3,826,799	3,872,149	3,735,018	(34,169)	3,700,849	171,300
Materials and Supplies	1,569,867	1,642,896	860,442	-	860,442	782,454
Contractual Services	1,292,707	1,250,228	1,179,741	-	1,179,741	70,487
Other	-	-	35,215	(35,215)	-	-
Capital Outlay	156	156	-	-	-	156
Total Sanitation	6,689,529	6,765,429	5,810,416	(69,384)	5,741,032	1,024,397
Landfill:						
Personnel Services	906,299	912,799	780,137	(6,192)	773,945	138,854
Materials and Supplies	836,058	909,147	471,602	-	471,602	437,545
Contractual Services	3,722,871	4,148,711	3,379,501	-	3,379,501	769,210
Other	1,237,118	261,000	2,423,996	(2,423,954)	42	260,958
Capital Outlay	423,388	227,389	-	204,388	204,388	23,001
Total Landfill	7,125,734	6,459,046	7,055,236	(2,225,758)	4,829,478	1,629,568
Total Operating Expenses Before Depreciation	17,499,646	17,193,773	16,249,005	(2,214,792)	14,034,213	3,159,560
Depreciation Expense	-	-	2,442,311	(2,442,311)	-	-
TOTAL OPERATING EXPENSES	17,499,646	17,193,773	18,691,316	(4,657,103)	14,034,213	3,159,560
Operating Income (Loss)	\$ (907,946)	(602,073)	(3,394,417)	4,656,502	1,262,085	1,864,158

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2009

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 195,000	195,000	72,828	-	72,828	(122,172)
Interest Earnings-Restricted	309,453	309,453	198,950	-	198,950	(110,503)
Net Increase (Decrease) in Fair Value of Investments	-	-	(5,157)	-	(5,157)	(5,157)
Discount Earnings	-	-	2,799	-	2,799	2,799
Gain (Loss) From Sale of Assets	105,000	105,000	467,436	40,040	507,476	402,476
State Operating Grant	-	74,992	83,341	-	83,341	8,349
Other Non-Operating Expenses	-	(7,460,586)	-	(2,221,175)	(2,221,175)	5,239,411
TOTAL NONOPERATING REVENUES (EXPENSES)	609,453	(6,776,141)	820,197	(2,181,135)	(1,360,938)	5,415,203
Income (Loss) Before Contributions and Transfers	(298,493)	(7,378,214)	(2,574,220)	2,475,367	(98,853)	7,279,361
Transfers In:						
2007 C.O. Bond	-	7,460,586	5,362,640	-	5,362,640	(2,097,946)
Transfers Out:						
Debt Service Fund	(2,613,289)	(2,613,289)	(2,613,289)	-	(2,613,289)	-
Change in Net Assets	(2,911,782)	(2,530,917)	175,131	2,475,367	2,650,498	5,181,415
Total Net Assets-Beginning	17,522,428	17,522,428	17,522,428	-	17,522,428	-
Prior Period Adjustment	-	-	(7,357,542)	-	(7,357,542)	(7,357,542)
Total Net Assets-Ending	\$ 14,610,646	14,991,511	10,340,017	2,475,367	12,815,384	(2,176,127)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 14,995,735
Receipts from interfund services provided	629,292
Payments to suppliers	(5,372,834)
Payments to employees	(6,316,195)
Payments for interfund services used	(1,577,895)
Net cash provided by operating activities	2,358,103

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(2,613,289)
Transfer from other funds	2,221,175
Net cash provided (used) by noncapital and related financing activities	(392,114)

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

Purchases of capital assets	(278,935)
Acquisition and construction of capital assets	(2,221,175)
Proceeds from sales of capital assets	507,476
Net cash provided (used) by capital and related financing activities	(1,992,634)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(296,563)
Interest and dividends received	323,758
Net cash provided (used) by investing activities	27,195

Net increase (decrease) in cash and cash equivalents	550
Cash and cash equivalents, October 1	1,200
Cash and cash equivalents, September 30	\$ 1,750

(Continued)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2009**

(Continued)

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

Operating income	\$ (3,394,417)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,442,311
(Increase) decrease in landfill closure and post closure costs	2,420,953
(Increase) decrease in accounts receivable	293,617
Increase (decrease) in allowance for uncollectible accounts	37,615
(Increase) decrease in inventories	(762)
Increase (decrease) in accounts payable	502,469
Increase (decrease) in deferred revenues	(3,104)
Increase (decrease) in compensated absences payable	34,558
Increase (decrease) in accrued wages and employee benefits	24,863

Total adjustments	5,752,520

Net cash provided by operating activities	\$ 2,358,103

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

Current closure and post closure costs	2,420,953
Loss on sale of equipment	(40,040)
Increase (Decrease) in fair value of investments	(5,157)

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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 DEPENDANTS – to account for contributions made by city police officers and the City for expenses associated with health benefits premiums for retired police officers' dependants.

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, 2009**

	POLICE RETIREE DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL FIDUCIARY FUNDS
ASSETS			
Accrued Interest Receivable	\$ 504	7,314	7,818
Investments, at Fair Market Value	101,244	1,468,190	1,569,434
Accounts Receivable	-	2,609	2,609
TOTAL ASSETS	101,748	1,478,113	1,579,861
LIABILITIES			
Accounts Payable	43	445,841	445,884
Accrued Wages and Employee Benefits	-	1,032,272	1,032,272
Deferred Revenues	101,705	-	101,705
TOTAL LIABILITIES	101,748	1,478,113	1,579,861
NET ASSETS			
Held In Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ -	-	-

CITY OF LAREDO, TEXAS
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	POLICE RETIREES DEPENDENTS FUND	CITY ANNUITY FUND	TOTAL FIDUCIARY FUNDS
ADDITIONS:			
Contributions:			
Employer contributions	\$ 177,971	527,208	705,179
Plan members	16,537	136,080	152,617
Other contributions	-	31,365	31,365
	<u>194,508</u>	<u>694,653</u>	<u>889,161</u>
Total Contributions			
	194,508	694,653	889,161
Investment Earnings:			
Interest earnings and dividends	1,548	-	1,548
	<u>1,548</u>	<u>-</u>	<u>1,548</u>
Total investment earnings			
	1,548	-	1,548
	<u>196,056</u>	<u>694,653</u>	<u>890,709</u>
TOTAL ADDITIONS			
	196,056	694,653	890,709
DEDUCTIONS:			
Benefits	-	642,994	642,994
Administrative expenses	246,377	51,659	298,036
	<u>246,377</u>	<u>694,653</u>	<u>941,030</u>
TOTAL DEDUCTIONS			
	246,377	694,653	941,030
Change in Net Assets	(50,321)	-	(50,321)
Net Assets - Beginning	50,321	-	50,321
NET ASSETS - ENDING	<u>\$ -</u>	<u>-</u>	<u>-</u>

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended September 30, 2009

PAYROLL CLEARING FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents				
Cash	\$ -	83,627,223	83,627,223	-
Accrued Interest Receivable	13,990	7,314	13,990	7,314
Investments, at Fair Market Value	1,437,857	1,468,190	1,437,857	1,468,190
Accounts Receivable	7,183	7,290	11,864	2,609
	<u>1,459,030</u>	<u>85,110,017</u>	<u>85,090,934</u>	<u>1,478,113</u>
TOTAL ASSETS				
	<u>1,459,030</u>	<u>85,110,017</u>	<u>85,090,934</u>	<u>1,478,113</u>
LIABILITIES				
Accounts Payable	1,446,357	68,707,614	69,708,130	445,841
Accrued Wages and Benefits	12,673	39,322,692	38,303,093	1,032,272
	<u>1,459,030</u>	<u>108,030,306</u>	<u>108,011,223</u>	<u>1,478,113</u>
TOTAL LIABILITIES	<u>\$ 1,459,030</u>	<u>108,030,306</u>	<u>108,011,223</u>	<u>1,478,113</u>

POLICE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Accrued Interest Receivable	\$ 484	504	484	504
Investments, at Fair Market Value	49,837	104,508	53,101	101,244
	<u>50,321</u>	<u>105,012</u>	<u>53,585</u>	<u>101,748</u>
TOTAL ASSETS				
	<u>50,321</u>	<u>105,012</u>	<u>53,585</u>	<u>101,748</u>
LIABILITIES				
Accounts Payable	-	59	16	43
Deferred Revenue	-	101,705	-	101,705
	<u>-</u>	<u>101,764</u>	<u>16</u>	<u>101,748</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>101,764</u>	<u>16</u>	<u>101,748</u>

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended September 30, 2009

(Continued)

CITY ANNUITY FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash	\$ -	843,274	843,274	-
TOTAL ASSETS	<u>-</u>	<u>843,274</u>	<u>843,274</u>	<u>-</u>
LIABILITIES				
Accounts Payable	-	6,000	6,000	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>6,000</u>	<u>6,000</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>
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ -	83,627,223	83,627,223	-
Accrued Interest Receivable	14,474	851,092	857,748	7,818
Accounts Receivable	7,183	7,290	11,864	2,609
Investments, at Fair Market Value	1,487,694	1,572,698	1,490,958	1,569,434
TOTAL ASSETS	<u>1,509,351</u>	<u>86,058,303</u>	<u>85,987,793</u>	<u>1,579,861</u>
LIABILITIES				
Accounts Payable	1,446,357	68,713,673	69,714,146	445,884
Accrued Wages and Benefits	12,673	39,322,692	38,303,093	1,032,272
Deferred Revenue	-	101,705	-	101,705
TOTAL LIABILITIES	<u>\$ 1,459,030</u>	<u>108,138,070</u>	<u>108,017,239</u>	<u>1,579,861</u>

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STATISTICAL SECTION

**CITY OF LAREDO, TEXAS
STATISTICAL SECTION
SEPTEMBER 30, 2009**

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>
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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
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
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
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
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
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
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
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
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
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
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
Unrestricted	76,816,044	84,873,970	81,944,961	76,966,960	98,835,943	193,481,248	113,040,789	110,004,567
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

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		
Expenses										
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		
Public Safety	58,387,980	61,576,788	73,213,859	76,682,946	81,993,355	86,550,055	95,322,249	101,317,492		
Public Works	36,409,755	7,018,369	18,914,550	27,601,104	22,544,287	22,524,297	26,609,686	33,963,968		
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		
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		
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		
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		
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		
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		
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		
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		
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		
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		
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		
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		
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 26,402,564	\$ 27,747,717	\$ 29,034,241	\$ 30,349,336	\$ 34,295,011	\$ 32,910,354	\$ 37,689,581	\$ 33,923,642		
General Government	5,625,697	5,121,972	7,207,564	5,786,216	6,638,370	8,172,180	5,778,145	10,016,804		
Public Safety	1,677,516	3,030,954	1,011,853	1,429,722	2,535,760	5,465,043	5,397,891	3,675,472		
Public Works	5,875,532	5,977,562	5,029,827	9,739,625	8,564,712	9,392,593	12,351,506	10,452,002		
Health and Welfare	965,379	1,341,474	1,445,751	1,245,478	1,784,371	1,775,372	1,570,822	4,029,673		
Culture and Recreation	3,530,883	4,261,466	3,741,185	3,851,003	4,066,353	4,838,526	4,828,695	4,624,053		
Air Transportation	9,960,418	13,576,179	13,072,709	14,751,179	11,946,958	12,987,606	13,930,222	18,369,080		
Operating 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		
Total Governmental Activities Program Revenues	61,051,539	90,960,327	73,638,045	81,424,055	86,691,297	93,777,890	96,889,713	115,751,352		
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		
Solid Waste Management System	13,009,371	14,894,945	14,531,305	15,000,859	15,802,217	16,645,845	-	15,570,572		
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		
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		
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	5,393,258		
Operating Grants and Contributions	12,153,814	13,296,318	12,514,706	7,244,365	4,564,435	4,519,591	4,519,591	4,433,244		
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		
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		
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		

**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
Net (Expense)/Revenue								
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) \$
Business-Type Activities	17,091,823	12,418,301	22,423,244	14,382,217	22,098,238	15,971,973	59,412,960	40,930,738
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>
General Revenues and Other Changes in								
Net Assets								
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
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
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
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
Alcoholic Beverage Taxes	216,212	233,288	266,345	279,198	318,415	341,440	334,273	323,349
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
Gain on Sale of Capital Assets	63,430	3,340,946	4,444,005	755,759	54,052	344,958	409,102	122,890
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
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>
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
Investment Earnings	-	-	-	-	53,537	-	-	-
Gain/(Loss) on Sale of Capital Assets	256,064	430,777	(103,221)	12,500	143,756	133,758	393,328	512,769
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)
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>
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>
Change in Net Assets								
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
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
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>

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

TABLE 3

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES:								
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
Sales	21,447,813	22,547,235	24,374,768	26,433,198	29,894,463	31,384,048	32,518,723	30,306,403
Franchise Fees	6,542,640	5,539,242	5,700,834	6,173,180	6,569,349	6,506,014	6,793,268	6,788,837
Bingo Tax	48,056	48,058	49,852	51,516	63,010	65,524	68,274	68,274
Alcoholic Beverage	215,022	231,114	260,277	272,500	307,270	341,130	337,545	325,611
Hotel Motel	2,672,236	2,692,876	3,298,899	2,959,077	3,024,062	3,330,740	3,327,146	2,775,027
Licenses and Permits	5,423,246	5,436,837	5,843,628	6,084,439	6,603,719	6,736,908	6,029,355	6,370,472
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
Charges for Services	23,802,222	24,703,403	26,823,867	27,684,715	31,502,211	31,310,068	37,045,771	37,636,101
Fees	2,083,427	2,303,065	2,726,372	2,930,319	2,901,019	3,147,555	3,646,728	3,392,829
Fees and Collections	1,754,100	2,246,309	2,270,772	2,481,061	3,004,802	3,386,329	3,837,470	3,892,470
Rents	4,401,311	5,116,014	4,922,493	5,088,865	5,679,488	6,314,430	6,545,628	5,714,968
Interest and Other	2,920,369	1,324,605	876,024	6,103,161	4,528,522	8,370,527	7,238,944	4,843,786
Miscellaneous	3,136,435	3,758,090	3,554,741	1,493,862	2,313,099	2,264,974	643,499	4,923,082
Contributions & Donations	23,666	728,198	2,356,387	871,866	924,530	1,008,606	988,331	96,240
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
TOTAL REVENUES	127,192,128	146,231,462	153,846,140	168,733,867	181,912,289	195,310,918	207,652,298	216,160,690
EXPENDITURES:								
General Government	14,804,490	15,751,235	15,541,101	16,021,417	17,112,707	17,413,287	17,894,512	18,892,213
Public Safety	56,842,094	63,906,967	69,598,058	74,215,275	78,048,861	83,246,215	91,511,415	93,373,168
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
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
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
Air Transportation Services	3,824,408	3,519,733	5,437,611	4,789,284	4,488,854	5,160,618	4,109,813	4,317,786
Capital Outlay	48,746,914	27,793,519	22,788,736	24,933,816	35,722,670	34,033,486	44,092,402	56,947,674
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
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
TOTAL EXPENDITURES	183,459,807	177,707,134	188,026,176	184,891,173	201,627,935	210,990,640	233,831,897	263,773,010
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)
OTHER FINANCING SOURCES (USES):								
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
Issuance of Debt	-	15,928,240	-	75,154,978	35,185,000	76,160,000	79,855,000	56,980,000
Bond Costs	-	-	-	-	-	-	(766,853)	(27,799,429)
Bond Premium	-	-	-	-	-	-	1,227,777	1,860,763
Payment to refunded bond escrow agent	-	(4,629,841)	-	(62,639,409)	(18,796,378)	(16,463,011)	-	-
Transfers Out	(25,329,302)	(31,469,194)	(14,023,498)	(21,272,956)	(20,405,531)	(23,493,174)	(23,493,174)	(31,697,149)
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)
Sale of Assets	204,349	3,542,655	4,546,896	754,683	52,673	334,354	194,959	121,669
TOTAL OTHER FINANCING SOURCES (USES)	20,893,244	29,556,692	30,130,575	28,171,715	33,517,176	90,603,236	47,977,861	49,326,815
Net Change in Fund Balances	\$ (35,374,435)	\$ (1,918,980)	\$ (4,049,461)	\$ 12,014,409	\$ 13,801,530	\$ 74,923,514	\$ 21,798,262	\$ 1,714,495
Debt Service as a Percentage of non-capital expenditure	16.36%	15.51%	14.38%	15.50%	15.27%	14.83%	15.86%	16.56%

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
GENERAL FUND							
Reserved	\$ 868,913	\$ 1,216,553	\$ 1,461,135	\$ 1,663,551	\$ 1,376,988	\$ 1,297,655	\$ 1,516,661
Unreserved	9,151,113	9,110,554	12,860,386	19,425,653	21,769,926	25,322,950	29,175,762
Total General Fund	<u>\$ 10,020,026</u>	<u>\$ 10,327,107</u>	<u>\$ 14,321,521</u>	<u>\$ 21,089,204</u>	<u>\$ 23,146,914</u>	<u>\$ 26,620,605</u>	<u>\$ 30,692,423</u>
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
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
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
Total all other governmental funds	<u>\$ 50,848,934</u>	<u>\$ 46,492,392</u>	<u>\$ 54,512,387</u>	<u>\$ 64,255,461</u>	<u>\$ 137,121,265</u>	<u>\$ 155,654,636</u>	<u>\$ 153,297,314</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

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 5

FISCAL PERIODS	AD VALOREM TAXES (1)	SALES TAX	BEVERAGE TAX	BINGO TAX	OCCUPANCY TAX	FRANCHISE TAX	TOTAL
2000	\$ 24,545,937	\$ 15,230,665	\$ 157,698	\$ 48,492	\$ 2,369,286	\$ 5,805,626	48,157,704
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

NOTES:

(1) Includes General, Special Revenue, and Debt Service Fund tax revenues.

SOURCE:

City of Laredo, Texas

TABLE 6

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL PERIODS

FISCAL PERIODS	TOTAL TAX LEVY (1)	CURRENT TAX COLLECTIONS	TAX RATE	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	PENALTY & INTEREST COLLECTED	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY
2000	24,784,224	23,706,162	0.5692	95.65%	743,860	968,980	25,419,002	102.56%	2,697,782	10.89%
2001	27,165,182	25,821,461	0.5764	95.05%	783,752	985,442	27,590,655	101.57%	3,037,683	11.18%
2002	29,221,694	28,028,927	0.5764	95.92%	926,267	1,174,015	30,129,209	103.11%	3,487,860	11.94%
2003	33,435,345	33,426,302	0.6305	99.97%	1,126,888	1,318,725	35,871,915	107.29%	4,069,391	12.17%
2004	38,455,159	37,461,655	0.6418	97.42%	1,620,366	1,519,809	40,601,830	105.58%	4,381,458	11.39%
2005	43,209,681	41,693,911	0.637	96.49%	1,827,010	1,718,268	45,239,189	104.70%	4,201,328	9.72%
2006	47,451,046	45,951,954	0.637	96.84%	1,568,546	1,698,767	49,219,267	103.73%	4,248,409	8.95%
2007	53,559,195	52,024,898	0.637	97.14%	1,765,255	1,805,922	55,596,075	103.80%	4,457,502	8.32%
2008	59,584,704	57,843,306	0.637	97.08%	1,677,549	1,950,906	61,471,761	103.17%	4,768,826	8.00%
2009	\$ 65,642,287	\$ 63,194,853	0.637	96.27%	\$ 1,879,576	\$ 2,123,522	\$ 67,197,951	102.37%	\$ 5,798,825	8.83%

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)		ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	TOTAL DIRECT TAX RATE	
2000	\$ 3,088,239,462	\$ 3,088,239,462	\$ 2,123,099,489	\$ 2,123,099,489	\$ 2,123,099,489	\$ 325,224,426	\$ 4,886,114,525	\$ 4,886,114,525	0.569220	100%
2001	3,057,446,479	3,057,446,479	2,101,929,963	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	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	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	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	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	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	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	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	\$ 4,402,760,384	\$ 671,339,004	\$ 10,385,975,045	\$ 10,385,975,045	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. Veterans valuations range from \$1,500 to \$3,000 based on dissability 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

FISCAL PERIODS	CITY OF LAREDO	WEBB COUNTY	LAREDO INDEPENDENT SCHOOL DISTRICT	UNITED INDEPENDENT SCHOOL DISTRICT	LAREDO COMMUNITY COLLEGE
TAX RATES (per \$100 of assessed value)					
2000	0.56922	0.41822	1.32600	1.43848	0.16420
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
TAX LEVIES					
2000	\$ 24,784,224	\$ 22,862,131	\$ 16,697,681	\$ 47,253,707	\$ 7,329,142
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

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
2000	\$ 837,382	\$ 156,379	\$ 371,158	37.35%	\$ 622,603
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

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**

City Of Laredo , Texas

Table 10

TAXPAYER	TYPE OF BUSINESS	2009 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	\$104,560,410	1.01%
The Geo Group, Inc	Jail	52,769,480	0.51%
Mall Del Norte LLC	Retail	52,630,460	0.51%
AEP Texas Central Company	Electricity	45,142,760	0.43%
Laredo Regional Medical Ctr. LP	Medical Center	44,354,480	0.43%
Electric Transmission of Texas	Electricity	36,509,720	0.35%
International Bank of Commerce	Bank	35,222,910	0.34%
Killam Ind Dev. Partnership LTD	Partnership	33,287,120	0.32%
San Isidro Northeast LTD	Real Estate	32,941,770	0.32%
H.E. Butt Grocery Company	Retail	29,168,450	0.28%
TOTAL		\$466,587,560	4.49%

**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%
Total		\$230,814,890	4.90%

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 \$.124263 of the total tax rate.

Assessed value based on 2008 tax roll	\$10,385,975,045
Maximum amount of bonded indebtedness based on such assessed value (10%).....	\$1,038,597,505
Amount of debt applicable to said maximum debt limit:	
Total General Obligation Bonds and Certificates of Obligations ...	\$200,009,344
(Percentage of G. O. and C. O. debt to assessed value)	1.93%
Less: Debt Service Fund Balance as of September 30, 2009.....	\$6,636,000
Total Amount of debt applicable to debt limit	\$193,373,344
The Debt Margin between current indebtedness and maximum allowable indebtedness	\$845,224,161

**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
1999	187,000	\$ 4,354,083,033	\$ 150,940,000	\$ 5,443,650	\$ 145,496,350	3.3416%	778.06
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

NOTES:

(1) Includes General Obligation and Certificates of Obligation Bonds.

SOURCES:

City of Laredo, Texas

(A) Information was obtained from Laredo Development Foundation

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

FISCAL PERIODS	PRINCIPAL	INTEREST & FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2000	8,725,000	8,095,218	16,820,218	150,249,689	11.19%
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%

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, 2009**

CITY OF LAREDO, TEXAS

TABLE 14

TAXING AUTHORITY	NET DEBT OUTSTANDING (A)	ESTIMATED % APPLICABLE TO CITY (B)	AMOUNT APPLICABLE TO CITY
Direct:			
City of Laredo	\$341,288,901	100.00%	\$341,288,901
Overlapping:			
Webb County	76,279,075	74.487%	56,817,995
Laredo Independent School District	208,003,381	100.00%	208,003,381
United Independent School District	294,907,499	75.534%	222,755,430
Laredo Community College	118,241,950	100.00%	118,241,950
Total Overlapping	697,431,905		605,818,756
Total	\$1,038,720,806		\$947,107,657

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	
Bridge	32,789,832	19,533,598	13,256,234	3,030,000	2,774,346	5,804,346	2.28
Water	16,360,173	9,413,042	6,947,131	605,000	494,210	1,099,210	6.32
Sewer	13,498,696	6,049,102	7,449,594	635,000	362,084	997,084	7.47
Total 2000	62,648,701	34,995,742	27,652,959	4,270,000	3,630,640	7,900,640	3.50
Bridge	31,705,719	21,186,065	10,519,654	3,350,000	2,510,790	5,860,790	1.79
Water	17,102,442	10,074,813	7,027,629	690,000	456,915	1,146,915	6.13
Sewer	13,499,699	6,609,398	6,890,301	680,000	326,839	1,006,839	6.84
Sports Venue	2,387,246	268,005	2,119,241	-	683,088	683,088	3.10
Total 2001	64,695,106	38,138,281	26,556,825	4,720,000	3,977,632	8,697,632	3.05
Bridge	34,408,912	24,093,889	10,315,023	12,105,000	3,697,409	15,802,409	0.65
Water	16,773,484	9,363,511	7,409,973	705,000	416,018	1,121,018	6.61
Sewer	13,158,360	6,389,656	6,768,704	4,905,000	295,135	5,200,135	1.30
Sports Venue	4,524,646	80,244	4,444,402	-	2,049,266	2,049,266	2.17
Total 2002	68,865,402	39,927,300	28,938,102	17,715,000	6,457,828	24,172,828	1.20
Bridge	34,836,756	24,944,447	9,892,309	1,408,433	31,865	1,440,298	6.87
Water	15,427,690	9,122,153	6,305,537	725,000	408,121	1,133,121	5.56
Sewer	12,969,437	7,399,556	5,569,881	870,000	216,629	1,086,629	5.13
Sports Venue	4,737,203	46,281	4,690,922	430,000	2,039,591	2,469,591	1.90
Total 2003	67,971,086	41,512,437	26,458,649	3,433,433	2,696,206	6,129,639	4.32
Bridge	35,574,012	25,785,422	9,788,590	4,320,000	4,058,000	8,378,000	1.17
Water	15,902,648	9,801,112	6,101,536	6,645,000	427,893	7,072,893	0.86
Sewer	13,296,851	6,648,103	6,648,748	885,000	252,868	1,137,868	5.84
Sports Venue	5,188,849	68,889	5,119,960	525,000	2,018,104	2,543,104	2.01
Total 2004	69,962,360	42,303,526	27,658,834	12,375,000	6,756,865	19,131,865	1.45

**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	39,231,949	26,552,846	12,679,103	39,002,257	4,351,239	43,353,496	0.29
Water	18,736,504	10,991,334	7,745,170	943,000	467,131	1,410,131	5.49
Sewer	14,409,247	6,811,361	7,597,886	727,000	355,530	1,082,530	7.02
Sports Venue	6,169,250	39,752	6,129,498	625,000	1,922,269	2,547,269	2.41
Total 2005	78,546,950	44,395,293	34,151,657	41,297,257	7,096,169	48,393,426	0.71
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
Total 2006	90,179,012	53,067,803	37,111,209	6,898,378	7,464,205	14,362,583	2.58
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
Total 2007	92,337,765	55,318,125	37,019,640	7,489,134	7,706,804	15,195,938	2.44
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
Total 2008	98,002,945	38,834,034	59,168,911	8,051,070	8,081,201	16,132,271	3.67
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
Total 2009	98,855,144	39,178,404	59,676,740	8,978,233	7,842,768	16,821,001	3.55

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

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
2000	\$ 91,710,000	\$ 58,920,000	\$ -	\$ 2,571,705	\$ 1,615,000	\$ 58,458,898	\$ 34,800,149	\$ 101,612	\$ -	\$ -
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

	TOTAL PRIMARY GOVERNMENT	PERSONAL INCOME	PER CAPITA
2000	\$ 248,177,364	\$ 15,067	1,285
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	458,186,965	22,346	1,930
2009 (1)	\$ 512,608,206	not available	2,199

NOTES:

(1) Median income data for calculation of Percentage of Personal Income calculation for 2009 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

	1980 CENSUS	1990 CENSUS	2000 CENSUS
TOTAL POPULATION BY RACE:			
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
TOTAL POPULATION BY AGE:			
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
HOUSEHOLD INCOME:			
\$ 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, 2009**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

FISCAL PERIODS	CIVILIAN LABOR FORCE	UNEMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT
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

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

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

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)
2000	87 \$	68,818,362	1,407 \$	89,886,823	5,313,356,000 \$	1,655,695,070 \$	2,437,626,399 \$	209,197,540 \$	325,224,426 \$
2001	143	122,363,666	1,293	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	1,424	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	1,495	128,619,147	6,671,288,000	2,216,703,462	3,075,832,429	297,613,702	519,598,749
2004	1,020	150,716,661	1,342	126,225,481	9,050,235,000	2,665,287,322	3,214,021,140	298,947,650	623,203,260
2005	1,132	178,001,202	1,847	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	2,281	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	2,024	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	1,250	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
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, 2009**

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	6,067	7.25%
Laredo Independent School District	4,564	5.45%
City of Laredo	2,414	2.88%
Laredo Sector Border Patrol	1,700	2.03%
H.E.B. Grocery	1,640	1.96%
Laredo Community College	1,564	1.87%
Webb County	1,500	1.79%
McDonald's Restaurant	1,418	1.69%
Laredo Medical Center	1,400	1.67%
Wal-Mart (3 locations)	1,144	1.37%

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2000**

United Independent School District	3,669	5.62%
Laredo Independent School District	3,461	5.30%
City of Laredo	1,970	3.02%
Mercy Regional Medical Center	1,553	2.38%
H.E.B Grocery Store	1,225	1.88%
Webb County	1,165	1.78%
INS	845	1.29%
McDonald's Restaurant	800	1.23%
APC Homemaker Service	713	1.09%
Texas A&M Int'l University	667	1.02%

Principal Employers numbers as of September 2008 and 10 years ago.

SOURCE:

Laredo Development Foundation

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	77,735,000
Texas A&M International University	Education	55,106,300
C.P.L. Power Plant	Utility	30,492,800
Laredo Municipal Housing Corp.	Housing	26,073,200
New Webb County Jail	County Jail	22,884,500
Laredo Community College	Education	17,900,400
Webb County (Irrigation)	County	15,362,100
Towne North Mobil Homes	Housing	13,915,500
UISD-LBJ High School	Education	13,117,900
International Bank of Commerce	Banking	11,933,400

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2000**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Mercy Health Center	Hospital	56,672,200
Texas A&M International University	School	23,314,300
Webb County Jail	County	20,213,300
United High School	School	16,763,200
CP&L Power Plant	Electricity	15,254,400
Holiday Inn-Laredo	Hotel	14,259,400
Laredo Regional Medical Center	Hospital	13,311,600
Correction Corp. of America	Detention	12,773,300
U. S. Cold Storage	Storage	12,586,500
City of Laredo	Government	12,229,100

(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, 2009**

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, 2009:	2,305
Number of City Departments as of September 30, 2009:	21

**Area in Square Miles by ten year periods for the last 50
years and current periods.**

YEAR	LAND AREA	INCREASE	TOTAL
1991	20.24	17.00	37.24
1992	37.24	5.03	42.27
1993	42.27	1.73	44.00
1994	44.00	6.81	50.81
1995	50.81	4.18	54.99
1996	54.99	1.49	56.48
1997	56.48	1.49	57.97
1998	57.97	2.74	60.71
1999	60.71	12.07	72.78
2000	72.78	5.52	78.30
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

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

Elections

Number of Registered Voters: 99,837

Number of Votes cast in

Last Municipal Election: Nov 08 45,007

% of Registered Voter voting in

Last Municipal Election: 44.52%

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: 100,663 per year

Passengers Deplaned: 103,191 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: 5,045,664

Number of crossing Commercial
Vehicles: 1,400,969

Number of crossing Passenger
(includes bicycles): 4,124,272

Total Tolls

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

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: 6
Name of Major Highways IH 35, US HWY 59, US HWY 81
US HWY 83, TX HWY 359, Bob Bullock Loop
IH 35 connects in Mexico with
National HWY 85. The Pan Am
HWY connects Mexico to
Central & South America.

BUS LINES

Name of Local Bus line: Laredo Municipal Transit
System
Number of Adult Passengers: 2,107,665
Number of Elderly & Handicapped Paid: 244,666
Number of Elderly & Handicapped Free: 554,991
Number of Students: 218,098
Number of Children Paid: 139,333
Number of Children Free: 104,255
Number of Transfers: 294,169
Number of I.D. cards for elderly 3,822
Number of Medical Cards 2,341
Number of Service Miles: 1,980,520
Number of Charter Miles: 0
Number of Employees: 179
Name of Interstate Bus Lines: Autobuses Latinos de Greyhound,
El Conejo,
Americanos USA,
El Expreso Bus Co.,
Autobuses Adame,
Cougar Buslines,
Tornado Bus Company,
Turimex,
Ybarra Brothers

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

FIRE PROTECTION

Number of Stations:	14	
Number of Hydrants:	12,000	
Number of Fire Pumpers:	14	Reserve: 3
Number of Aerial Trucks:	3	Reserve: 0
Number of Ambulances:	9	Reserve: 4
Number of Crash Trucks:	1	Reserve: 2
Number of Brush Trucks:	6	Reserve: 1
Number of Haz-Mat Trucks:	1	
Number of Firefighters:	357	
Number of EMS Paramedics:	215	
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:	440
Number of Vehicular Patrol Units:	413
Employees per 1,000 Population:	1.99
Number of Law Violations:	28,434
Number of Physical Arrests:	8,305
Number of Traffic Violations:	71,944
Number of 911 Calls:	189,312
Number of Non-911 Calls:	288,998

MEDICAL FACILITIES

Number of Hospitals:	4
Number of Clinics:	59
Number of Nursing Homes:	3
Number of Ambulance Services:	11

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

PUBLIC WORKS

WATERWORKS SYSTEM

Miles of Water Mains:	702
Daily Average Consumption:	35.9 M.G.D.
Plant Capacity:	65 M.G.D.
Storage Capacity:	45.2 M.G.D.
Water Rights Owned:	54,526 A.C./ F.T.
Source of Water:	Rio Grande
Number of Service Connections:	61,171

SEWER SYSTEM

Mile of Sanitary Sewer:	491
Number of Lift Stations:	70
Daily Average Treatment:	17.8 MGD
Maximum Capacity of Treatment Plants:	21 MGD
Number of Disposal Plants:	5
Number of Service Connections:	57,903

SOLID WASTE

Number of Garbage Connections:	54,755
Solid Waste Disposal Type:	Landfill

STREETS

Number of Paved Streets:	10,499 Blocks
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	656 Miles
Miles of Unpaved Streets:	16 Blocks

LAREDO INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	4
Number Of Magnet Schools:	3
Number of Classrooms:	258
Number of Administrative Personnel:	25
Number of Teachers	502
Number of Students:	5,944
Annual Budget:	\$37,023,652
Number of Middle Schools:	4
Number of Classrooms:	194
Number of Administrative Personnel:	18
Number of Teachers:	388
Number of Students:	4,905
Annual Budget	\$29,385,081
Number of Elementary Schools:	20
Number of Classrooms:	620
Number of Administrative Personnel:	48
Number of Teachers:	958
Number of Students:	14,054
Annual Budget:	\$71,471,104

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

UNITED INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	5
Number Of Magnet Schools:	3
Number of Classrooms:	628
Number of Administrative Personnel:	105
Number of Teachers:	715
Number of Students:	10,818
Annual Budget:	\$60,498,301
Number of Middle Schools:	10
Number of Classrooms:	522
Number of Administrative Personnel:	81
Number of Teachers:	583
Number of Students:	8,777
Annual Budget:	\$38,105,788
Number of Elementary Schools:	27
Number of Classrooms:	1,334
Number of Administrative Personnel:	166
Number of Teachers:	1,249
Number of Students:	20,509
Annual Budget:	\$97,767,370

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

LIBRARIES

Number of Public Libraries:	1
Number of Volumes:	239,838
Circulation transactions:	472,113
Circulation per Capita:	2.27
New Library Cards Issued:	25,542
Library Cards in Force:	141,218
Number of Subscriptions:	337
Number of Titles:	182,041
Number of Library Visits:	399,999
Number of Materials Used:	99,952
Library Programs Presented:	1,444
Number Attending Library Programs:	57,009
Bookmobiles:	2
Branches and Outlets:	2

PRIVATE SCHOOLS

Number of Parochial Schools:	38
Vocational Training Centers:	9

COMMUNICATIONS

Number of Daily Newspapers	2
Major Newspaper:	Laredo Morning Times
Number of Radio Stations:	14
Number of TV Stations:	10
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

TEXAS A&M INTERNATIONAL UNIVERSITY

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/psychology & business/international trade & Science & Technology degrees.
Region Served:	South Texas Region
Number of Classrooms/Labs:	113
Number of Administrators:	143
Number of Full-Time Faculty:	188
Number of Part-Time Faculty:	73
Number of Full-Time Students:	3,518
Number of Part-Time Students:	2,901

LAREDO COMMUNITY COLLEGE

Date Founded:	1947
Programs Offered:	2 Years of Pre-Professional Courses in the Fields of Art, Business, Computer, Education, Engineering, Law, Medical, Nursing, Pre-Professional, Science & Vocational leading to an Associates of Arts Diploma Dentistry
Number of Classrooms (Inc. labs):	331
Total Gross Square Footage:	1,054,327 Sq. Ft.
Number of Administrative Personnel:	141
Number of Full Time Faculty:	198
Number of Part Time Faculty:	126
Number of Full Time Students:	4,063
Number of Part Time Students:	8,482
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$45,813,440

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

RECREATIONAL

PARKS

Number of Acres Maintained:	340.55
Number of Parks:	70
Number of Plazas:	5
Baseball & Softball Fields:	35
Number of Swimming Pools:	6
Number of Soccer Fields:	28
Number of Tennis Court Facilities:	20 courts in 5 facilities
Number of Raquetball Facilities:	6 courts in 2 facilities
Number of Recreational Centers:	6
Number of Splash Parks	5
Number of Skate Parks	7

CEMETERY

City:	1
Catholic:	1
Private:	1
Burials Served:	246
Cemetery Lots Sold:	128

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	44 with 4,200 rooms
Meeting Facilities:	24

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

MAJOR ATTRACTIONS

Number of Rodeo Arenas:	3
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

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:	18, including 3 Missions
Number of Synagogues:	1
Other Churches:	66

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2009**

CITY OF LAREDO, TEXAS

TABLE 21

continued

SPORTS ARENA

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, 2009**

CITY OF LAREDO, TEXAS

TABLE 22

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$267,664,799
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	13,123,646 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	2009	2008	2007	2006
General Government	339.10	332.10	323.29	316.99
Public Safety				
Police				
Officers	455.00	455.00	399.00	411.00
Civilians	89.00	89.00	105.00	84.00
Fire				
Firefighters and Officers	357.00	350.00	333.00	333.00
Civilians	10.00	9.00	9.00	8.00
Other Civilians	62.00	62.00	61.00	60.00
Public Works	118.00	119.00	113.50	83.50
Health and Welfare	251.88	250.55	248.88	257.60
Culture and Recreation	245.93	241.93	238.68	231.28
Air Transportation	42.00	37.00	43.00	41.00
Bridge System	218.00	212.00	212.00	213.00
Solid Waste Management System	168.00	168.00	169.00	169.00
Water System	179.00	169.00	179.00	146.00
Sewer System	69.00	69.00	69.00	48.00
Transit System	184.70	179.31	179.31	179.31
Municipal Housing	11.00	11.00	11.25	10.25
Total	2,799.61	2,753.89	2,693.91	2,591.93

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

FUNCTION	FISCAL YEAR 2007	FISCAL YEAR 2008	FISCAL YEAR 2009
Police			
Physical arrests	9,379	7,882	8,319
Vehicle inspections	672	321	818
Bridge operations conducted	110	6	134
Emergency calls	159,374	155,379	189,312
Non-emergency calls	290,866	276,857	288,998
Dispatched calls	468,182	432,236	478,310
Public awareness/training/education	121	22	65
Fire			
Fire department responses	5,148	11,798	8,002
Inspections	3,110	2,061	3,067
Arson cases investigated	156	51	84
Public education presentations	396	89	65
Public Works			
Street resurfaced	206	357	600
Potholes repaired	21,589	23,842	23,733
Bridge			
Pedestrian crossings	4,161,523	4,362,476	4,124,272
Gateway passes sold	3,132,040	4,255,304	4,010,461
Non-commercial vehicle crossings	5,718,799	3,930,715	3,644,695
Commercial vehicle crossings	1,662,549	1,608,566	1,400,969
Non-commercial AVI accounts	12,033	12,261	13,000
Commercial AVI accounts	2,021	2,060	2,150
Culture and recreation			
Community center admissions	331,208	280,372	294,342
Community service special events	65	67	74
After school programs	5	5	11
Transit System			
Passenger ridership	4,324,816	4,014,848	3,369,008
Miles driven	1,946,970	1,991,672	1,980,520
Sanitation			
Household customers	53,037	54,245	54,588
Refuse collected (tons)	93,093	101,457	100,083
Recyclables collected (tons)	2,979	3,328	3,385
Water			
Average daily consumption (millions of gallons)	33.58	36.72	37.96
Meters read	58,193	59,840	60,880
Service calls	7,071	7,269	6,973
Wastewater			
Average daily sewage treatment (millions of gallons)	18.10	18.04	17.45
Airport			
Commercial Service Airlines	3	3	3
Land/Building Leases	94	93	90
Inbound/Outbound Passengers serviced	223,638	220,520	203,854
Number of Air Traffic Controllers	6	0	0
Air Traffic Control Transmissions per day	153	0	0
Scheduled Flights per day	N/A	8	8

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST FOUR FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 25

FUNCTION	FISCAL YEAR 2009	FISCAL YEAR 2008	FISCAL YEAR 2007	FISCAL YEAR 2006
Public Safety				
Police:				
Stations	18	18	18	17
Patrol Units	413	433	470	457
Fire:				
Stations	14	14	14	14
EMS Units	13	13	9	9
Ladder Trucks	3	3	3	3
Pumper Trucks	17	18	14	16
Highways and Streets				
Public Works:				
Streets - lane miles	656	641	631	610
Traffic:				
Traffic Signals	243	241	239	231
Street Lights	13,087	13,035	12,800	12,100
Other Traffic Control Signs	33,475	32,500	31,500	30,000
Bridge System				
International Bridges	4	4	4	4
Culture and Recreation				
Parks Acreage	838	1,035	738	618
Parks	70	64	71	52
Swimming Pools	6	6	6	6
Community Centers	8	8	7	7
Convention Centers	1	1	1	1
Transit System				
Buses	47	47	47	47
Trolleys	2	2	2	2
Sanitation				
Collection Trucks - Rear Loaders	21	21	25	25
Collection Trucks - Automated	31	29	29	29
Collection Trucks - Dump Trucks	3	4	4	5
Collection Trucks - Grapplers	6	6	2	2
Water				
Water Mains (miles)	702	681	660	629
Fire Hydrants	3,155	2,920	2,740	2,524
Maximum Daily Capacity (millions of gallons)	65	65	65	65
Wastewater				
Sanitary Sewer (miles)	491	473	426	426
Storm Sewer (miles)	202	121	113	107
Maximum Daily Treatment Capacity (millions of gallons)	21.10	21.00	21.05	21.05
Air Transportation				
Airports	1	1	1	1

Notes:

(1) This table was implemented by GASB starting on fiscal year 2006.

SOURCE:

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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, and 2009. 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

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2008 Market Valuation Established by Webb County Appraisal District (as of September 2008)		11,057,314,049
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	243,668,683	
Disabled Veterans Exemptions	6,218,000	
Agricultural and Open Space Land Use Reductions	174,656,105	
Free port Exemptions	239,740,030	
Property Redevelopment and Tax Abatement	5,374,365	
Pollution Control	538,200	
Solar and Wind Power Exemptions	927,401	
Warehouse Goods in Transit Exemption	<u>216,220</u>	<u>671,339,004</u>
2008 Taxable Assessed Valuation		10,385,975,045
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	27,989,344	
Certificates of Obligation	<u>172,020,000</u>	
Funded Debt Payable from Ad Valorem Taxes		200,009,344
Less: Self-supporting Debt		
Waterworks System Certificates of Obligation	2,605,513	
Bridge System General Obligation Debt	4,575,594	
Bridge System Certificate of Obligation	2,310,000	
Airport System Certificates of Obligation	3,435,000	
Hotel-Motel General Obligation Debt	100,613	
Landfill Certificates of Obligation	3,959,487	
Environmental Services Certificates of Obligation	22,490,000	
Parking System General Obligation Debt	434,682	
Parking System Certificates of Obligation	<u>1,940,000</u>	<u>41,850,889</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes		158,158,455
Interest and Sinking Fund		6,636,000
Ratio Funded Debt to Taxable Assessed Valuation		1.93%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.52%
2008 Estimated Population-	233,152	
Per Capita Taxable Assessed Valuation-	\$44,546	
Per Capita Funded Debt-	\$858	
Per Capita General Purposes Funded Debt-	\$678	

- (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,					
	2009	% of	2008	% of	2007	% of
	Amount		Amount		Amount	
Real, Residential, Single Family	5,512,603,199	54.90%	4,953,719,865	49.33%	4,405,051,162	43.87%
Real, Residential, Multifamily	334,225,503	3.33%	314,091,897	3.13%	284,433,947	2.83%
Real, Vacant Lots/Tracts	397,063,450	3.95%	369,653,970	3.68%	342,911,010	3.42%
Real, Acreage (Land Only)	331,543,882	3.30%	349,849,007	3.48%	293,240,703	2.92%
Real, Farm and Ranch Improvements	2,539,350	0.03%	1,404,310	0.01%	1,125,845	0.01%
Real, Commercial/Industrial	2,862,878,623	28.51%	2,623,142,905	26.12%	2,357,953,648	23.48%
Real, Oil, Gas, and Other Mineral Reserves	33,697,085	0.34%	27,148,765	0.27%	29,016,290	0.29%
Real and Tangible Personal, Utilities	230,761,250	2.30%	172,801,560	1.72%	165,448,100	1.65%
Tangible Personal, Commercial/Industrial	1,210,511,686	12.06%	1,102,980,512	10.98%	985,834,124	9.82%
Tangible Personal, Other	76,578,281	0.76%	80,523,130	0.80%	84,319,470	0.84%
Real Property, Inventory (1)	39,264,150	0.39%	18,066,770	0.18%	13,407,900	0.13%
Special Inventory	<u>25,647,590</u>	<u>0.26%</u>	<u>27,723,990</u>	<u>0.28%</u>	<u>30,437,410</u>	<u>0.30%</u>
Total Appraised Value Before Exemptions	11,057,314,049	110.12%	10,041,106,681	100.00%	8,993,179,609	89.56%
Less: Total Exemptions/Reductions	<u>671,339,004</u>		<u>647,577,934</u>		<u>585,142,683</u>	
Taxable Assessed Value	<u>10,385,975,045</u>		<u>9,393,528,747</u>		<u>8,408,036,926</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2006	% of	2005	% of
	Amount		Amount	
Real, Residential, Single Family	3,783,773,978	42.07%	3,418,436,623	34.04%
Real, Residential, Multifamily	238,492,158	2.65%	224,977,258	2.24%
Real, Vacant Lots/Tracts	307,462,870	3.42%	284,434,270	2.83%
Real, Acreage (Land Only)	295,301,820	3.28%	250,847,690	2.50%
Real, Farm and Ranch Improvements	1,172,000	0.01%	1,478,870	0.01%
Real, Commercial/Industrial	2,170,073,381	24.13%	1,947,911,091	19.40%
Real, Oil, Gas, and Other Mineral Reserves	23,701,090	0.26%	30,917,840	0.31%
Real and Tangible Personal, Utilities	148,055,620	1.65%	136,386,070	1.36%
Tangible Personal, Commercial/Industrial	910,137,590	10.12%	888,562,850	8.85%
Tangible Personal, Other	87,551,570	0.97%	90,439,390	0.90%
Real Property, Inventory (1)	6,290,910	0.07%	13,134,920	0.13%
Special Inventory	<u>27,674,220</u>	<u>0.31%</u>	<u>23,116,200</u>	<u>0.23%</u>
Total Appraised Value Before Exemptions	7,999,687,207	88.95%	7,310,643,072	72.81%
Less: Total Exemptions/Reductions	<u>550,543,393</u>		<u>537,507,869</u>	
Taxable Assessed Value	<u>7,449,143,814</u>		<u>6,773,135,203</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

<u>Fiscal Year Ended 9-30</u>	<u>Estimated Population (1)</u>	<u>Taxable Assessed Valuations (2)</u>	<u>Taxable Assessed Valuation Per Capita</u>	<u>G.O. Tax Debt Outstanding at End of Year</u>	<u>Ratio of G.O. Tax Debt to Taxable Assessed Valuation</u>	<u>G.O. Tax Debt Per Capita</u>
2000	193,180	4,073,722,461	21,088	150,630,000	3.70%	780
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

(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

<u>Fiscal Year Ended 9-30</u>	<u>Tax Rate</u>	<u>Distribution General Fund</u>	<u>Interest and Sinking Fund</u>	<u>Tax Levy</u>	<u>% Current Collections</u>	<u>% Total Collections</u>
2000	0.569218	0.393256	0.175962	24,784,224	95.65%	102.56%
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%

Tax collections as of September 30, 2009

TABLE 5 – TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	2008 Assessed Valuation Real & Personal <u>Property</u>	Percentage of Total Assessed <u>Valuation</u>
Laredo Texas Hospital Co., LP	Medical	105,123,350	1.01%
AEP Texas Central Company	Electricity	66,400,040	0.64%
Electric Transmission of Texas, LLC	Electricity	62,452,800	0.60%
Mall Del Norte, LLC	Retail	52,617,210	0.51%
Laredo Regional Medical Center, LP	Medical	43,618,800	0.42%
International Bank of Commerce	Banking	33,899,320	0.33%
Killam Ind. Dev. Partnership, Ltd.	Development	33,724,400	0.32%
The Geo Group, Inc.	Corrections	32,232,930	0.31%
Laredo Levcal, LLC	Developer	29,831,170	0.29%
H.E. Butt Grocery Company	Grocery Store	28,751,300	0.28%
		<u>488,651,320</u>	4.70%

NOTE: As of February 2, 2010, the following taxpayers are not current on their taxes: MALL DEL NORTE, LLC, LAREDO REGIONAL MEDICAL CENTER, LC, INTERNATIONAL BANK OF COMMERCE, KILLAM INDUSTRIAL DEVELOPMENT PARTNERSHIP, LTD., LAREDO LEVCAL, LLC.

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>2008 Taxable Assessed Valuation</u>	<u>2008 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-09</u>
City of Laredo	10,385,975,045	0.637000	341,288,901	100.00%	341,288,901
Laredo Independent School District	2,219,499,096	1.274000	208,003,381	100.00%	208,003,381
Laredo Community College District	10,569,683,062	0.221100	118,241,950	100.00%	118,241,950
United Independent School District	9,262,934,474	1.184870	294,907,499	75.53%	222,743,634
Webb County	13,390,099,213	0.420060	76,279,075	74.49%	<u>56,820,283</u>
Total Direct and Overlapping G.O. Tax Debt					<u>947,098,149</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					2.07%
Per Capita Overlapping G. O. Tax Debt					4,062.15

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2010.....	\$	36,753,601
Interest and Sinking Fund, 9-30-2009.....	6,636,000	
Property Taxes for Interest and Sinking Fund.....	12,910,710	
Paving Assessments.....	21,192	
Budgeted Transfers.....	23,381,184	
Estimated Investment Income.....	<u>191,200</u>	<u>43,140,286</u>
Estimated Balance, 9-30-2010.....	\$	<u><u>6,386,685</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
2010	4,864,800	5,858,275	10,723,075	6,445,401	4,277,674	12.29%
2011	5,168,575	5,690,075	10,858,650	6,429,736	4,428,914	25.01%
2012	5,146,700	4,788,275	9,934,975	6,098,860	3,836,115	
2013	4,760,325	5,559,675	10,320,000	6,360,768	3,959,232	
2014	3,388,950	5,569,337	8,958,287	4,981,402	3,976,885	
2015	4,180,200	669,013	4,849,213	1,529,088	3,320,125	
2016	4,570,700	98,750	4,669,450	1,557,702	3,111,748	77.31%
2017	4,638,200	98,750	4,736,950	1,561,466	3,175,484	
2018	1,457,450	2,073,750	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>41,557,250</u>	<u>30,405,900</u>	<u>71,963,150</u>	<u>37,155,372</u>	<u>34,807,778</u>	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2009A	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2010	21,181,570	915,509	22,097,079	8,932,353	13,164,726	5.08%
2011	21,502,951	650,675	22,153,626	8,973,955	13,179,671	
2012	23,601,107	655,575	24,256,682	8,966,140	15,290,542	
2013	22,663,910	1,472,650	24,136,560	8,734,132	15,402,428	
2014	23,170,049	1,420,275	24,590,324	8,744,464	15,845,860	22.01%
2015	21,945,607	1,421,825	23,367,432	8,737,134	14,630,298	
2016	21,943,785	1,418,450	23,362,235	8,743,505	14,618,730	
2017	21,949,205	1,418,550	23,367,755	8,750,333	14,617,422	
2018	21,954,285	1,420,650	23,374,935	8,752,152	14,622,783	
2019	21,986,222	1,422,950	23,409,172	8,751,326	14,657,846	50.68%
2020	21,998,852	1,422,250	23,421,102	8,755,414	14,665,688	
2021	21,439,194	1,419,625	22,858,819	8,379,937	14,478,882	
2022	22,826,942	-	22,826,942	8,361,660	14,465,282	
2023	22,022,032	-	22,022,032	8,335,919	13,686,113	
2024	21,399,430	-	21,399,430	8,024,027	13,375,403	78.44%
2025	20,743,055	-	20,743,055	7,512,060	13,230,995	
2026	19,468,430	-	19,468,430	7,475,190	11,993,240	
2027	18,069,428	-	18,069,428	7,431,809	10,637,619	
2028	11,461,662	-	11,461,662	6,822,126	4,639,536	
2029	8,772,033	-	8,772,033	6,775,442	1,996,591	99.23%
2030	6,731,177	-	6,731,177	6,731,177	-	
2031	6,679,707	-	6,679,707	6,679,707	-	
2032	6,635,327	-	6,635,327	6,635,327	-	
2033	6,582,335	-	6,582,335	6,582,335	-	
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	3,122,100	-	3,122,100	3,122,100	-	
2039	3,052,014	-	3,052,014	3,052,014	-	100.00%
Total	455,998,014	15,058,984	471,056,998	211,857,343	259,199,655	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Airport Revenue from Fiscal Year Ended 9-30-09	416,769
Less: Airport Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	416,769
Airport General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>542,210</u>
Balance	<u><u>(125,441)</u></u>
Percentage of Airport General Obligation Bonds Self-supporting	55%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-09	13,955,305
Less: Sewer System Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>2,273,214</u>
Balance Available for Other Purposes	11,682,091
Sewer System General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>5,030,745</u>
Balance	<u><u>6,651,346</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 9-30-09	42,260,135
Less: Waterworks Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>3,316,337</u>
Balance Available for Other Purposes	38,943,798
Waterworks System General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>8,453,011</u>
Balance Available for Other Purposes	<u><u>30,490,787</u></u>
Percentage of Waterworks System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Hotel Occupancy Tax	
Net Revenues from Fiscal Year Ended 9-30-09	2,056,618
Less: Hotel Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	2,056,618
Hotel General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>102,625</u>
Balance	<u><u>1,953,993</u></u>
Percentage of Hotel General Obligation Bonds Self-supporting	100%

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT (CONTINUED)

Computation of Self-supporting Debt-Mass Transit	
Net Revenue from Fiscal Year Ended 9-30-09	(321,175)
Less: Mass Transit Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	(321,175)
Mass Transit General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>1,269,164</u>
Balance	<u><u>(1,590,339)</u></u>
Percentage of Mass Transit General Obligation Bonds Self -supporting	100%
Computation of Self-supporting Debt-Solid Waste Fund (Landfill Fund)	
Net Revenue from Fiscal Year Ended 9-30-09	(2,574,220)
Less: Solid Waste Revenue Bond Requirements, 2010 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	(2,574,220)
Solid Waste General Obligation Bond Requirements, 2010 Fiscal Year Ended	<u>624,834</u>
Balance	<u><u>(3,199,054)</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>
2010	1,617,303
2011	112,758
Total Minimum Lease Payments	1,730,061

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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Taxes	79,205,602	76,258,746	70,690,523	64,247,927	57,900,377
Franchises	6,788,837	6,793,268	6,506,014	6,569,349	6,173,160
Licenses & Permits	5,804,115	5,423,364	6,148,720	6,042,780	5,539,664
Intergovernmental	506,126	880,661	1,351,157	671,140	1,379,562
Charges for Services	30,572,648	32,406,865	28,275,249	28,527,167	24,873,733
Fine and Special Assessment	2,819,186	3,006,348	2,629,702	2,574,351	2,649,032
Interest and Other	1,568,003	1,758,899	1,889,840	1,438,940	598,745
Other	<u>1,578,719</u>	<u>1,990,745</u>	<u>1,750,572</u>	<u>1,628,421</u>	<u>2,134,048</u>
Total Revenues	<u>128,843,236</u>	<u>128,518,896</u>	<u>119,241,777</u>	<u>111,700,075</u>	<u>101,248,321</u>
Expenditures:					
General Government	17,603,178	16,708,796	16,548,260	16,245,198	11,532,732
Public Safety	86,642,904	84,875,344	75,891,973	69,093,638	64,300,403
Public Works	6,603,736	7,261,913	7,465,068	6,098,378	5,695,047
Health and Welfare	958,764	920,952	560,866	438,132	527,562
Culture and Recreation	10,162,597	11,114,135	10,551,572	10,025,521	9,466,373
Capital Outlay	<u>9,539,344</u>	<u>114,517</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>131,510,523</u>	<u>120,995,657</u>	<u>111,017,739</u>	<u>101,900,867</u>	<u>91,522,117</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,667,287)</u>	<u>7,523,239</u>	<u>8,224,038</u>	<u>9,799,208</u>	<u>9,726,204</u>
Transfers In	1,969,695	12,685	733,997	490,317	2,663,967
Bond/Capital Lease Proceeds	-	46,235,000	144,235	-	-
Capital Lease Payments	(102,232)	(102,232)	(400,000)	-	(3,616,381)
Bond Costs	-	(766,853)	-	-	-
Bond Premium	-	772,484	-	-	-
Transfers Out	(4,527,830)	(3,885,302)	(6,836,898)	(6,111,145)	(4,779,376)
Contributions	9,340,787	(46,471,173)	-	-	-
Sale of Assets	<u>58,685</u>	<u>155,843</u>	<u>192,338</u>	<u>52,450</u>	<u>-</u>
Total Transfers In/(Out)	<u>6,739,105</u>	<u>(4,049,548)</u>	<u>(6,166,328)</u>	<u>(5,568,378)</u>	<u>(5,731,790)</u>
Net Increase (Decrease)	4,071,818	3,473,691	2,057,710	4,230,830	3,994,414
Prior Period Adjustment	-	-	-	2,536,853	-
Beginning Fund Balance	<u>26,620,605</u>	<u>23,146,914</u>	<u>21,089,204</u>	<u>14,321,521</u>	<u>10,327,107</u>
Ending Fund Balance	<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>	<u><u>14,321,521</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)
2000	15,230,665	61%	0.3498	78.84
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

(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, 2009, 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 164 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 132,899,612
Certificates of Deposit	<u>252,580,784</u>
Total	\$ <u>385,480,396</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 pedestrian walks 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 218 employees, approximately 82 of which are directly involved in toll collection operations. Another 136 employees are involved in various aspects of administration, including maintenance, engineering, accounting, customer service, traffic control, and general administration.

LAREDO BRIDGE SYSTEM CURRENT AND HISTORICAL INFORMATION

TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC

CALENDAR YEAR	COMMERCIAL VEHICLES	COMMERCIAL VEHICLES	TOTAL VEHICLES	PEDESTRIANS
2000	7,543,793	1,407,239	8,951,032	4,303,717
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

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 2009</u>	<u>FISCAL YEAR 2008</u>	<u>FISCAL YEAR 2007</u>	<u>FISCAL YEAR 2006</u>	<u>FISCAL YEAR 2005</u>
OCT	3,672,960	3,931,482	3,260,281	3,055,601	2,800,813
NOV	3,432,820	3,853,868	3,294,600	3,335,389	2,810,202
DEC	3,748,609	3,985,808	3,420,517	3,604,785	2,949,343
JAN	3,118,442	3,658,372	2,960,412	3,088,928	2,561,825
FEB	3,105,349	3,669,850	2,904,326	2,984,542	2,526,743
MAR	3,391,086	3,745,655	3,289,547	3,452,262	2,812,851
APR	3,322,093	3,817,597	3,076,696	3,080,672	2,818,596
MAY	3,242,775	3,792,909	3,209,794	3,305,073	2,821,433
JUN	3,328,502	3,794,493	3,244,151	3,293,072	2,813,522
JUL	3,514,620	3,866,801	3,161,768	3,245,281	2,714,569
AUG	3,465,722	3,750,195	3,251,761	3,314,186	2,796,893
SEP	<u>3,473,276</u>	<u>3,709,228</u>	<u>2,977,709</u>	<u>3,341,970</u>	<u>2,642,241</u>
TOTAL	<u>40,816,254</u>	<u>45,576,258</u>	<u>38,051,562</u>	<u>39,101,761</u>	<u>33,069,032</u>

TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM

Fiscal Year Ended 9-30	Series 1996 Bonds Total	Bond			SIB Loan Total	Total Outstanding Debt	% of Total Debt Service Retired
		Principal	Interest	Total			
2010	1,347,675	2,765,000	2,976,929	5,741,929	1,697,709	8,787,313	7.47%
2011	-	4,230,000	2,856,897	7,086,897	1,697,708	8,784,605	
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	44.82%
2016	-	5,310,000	1,811,790	7,121,790	1,697,708	8,819,498	
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	76.87%
2021	-	2,905,000	678,132	3,583,132	1,697,708	5,280,840	
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	96.50%
2026	-	210,000	31,086	241,086	1,697,708	1,938,794	
2027	-	220,000	21,195	241,195	1,697,222	1,938,417	
2028	-	230,000	10,833	240,833	-	240,833	100.00%
TOTAL	1,347,675	61,980,000	23,815,854	85,795,854	30,558,262	117,701,791	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>REVENUES</u>					
Toll Receipts	40,816,254	45,576,258	38,051,562	39,101,761	33,069,032
Rental of Facilities	2,417,709	2,182,015	2,120,862	2,001,395	2,032,072
Miscellaneous	29,871	61,891	14,811	20,091	12,517
Total	<u>43,263,834</u>	<u>47,820,164</u>	<u>40,187,235</u>	<u>41,123,247</u>	<u>35,113,621</u>
<u>EXPENSES</u>					
Personnel Services	7,759,920	7,646,420	7,474,294	6,801,387	6,437,754
Materials and Supplies	403,344	749,864	677,734	908,535	417,238
Contractual Services (1)	3,316,797	3,589,207	3,250,608	3,095,352	3,137,229
Other	15,593	15,229	18,268	41,395	26,109
Total	<u>11,495,654</u>	<u>12,000,720</u>	<u>11,420,904</u>	<u>10,846,669</u>	<u>10,018,330</u>
<u>NON-OPERATING REVENUE</u>					
Interest Earnings-Restricted	103,219	762,427	1,114,714	1,369,477	3,989,068
Interest Earnings-Unrestricted	369,021	204,796	259,386	252,161	172,257
Unrealized Gain/(Loss) on Investments	<u>(11,939)</u>	<u>(30,307)</u>	<u>81,636</u>	<u>12,279</u>	<u>(42,997)</u>
Net Revenues Available for for Debt Service	32,228,481	36,756,360	30,222,067	31,910,495	29,213,619
Debt Service	<u>8,325,916</u>	<u>8,147,182</u>	<u>8,259,332</u>	<u>8,353,498</u>	<u>5,281,103</u>
Surplus Revenues	<u>23,902,565</u>	<u>28,609,178</u>	<u>21,962,735</u>	<u>23,556,997</u>	<u>23,932,516</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, 2010 through 2028	\$	4,586,502
Coverage of Average Requirements by 9-30-09 Net Income		7.03
Maximum Annual Principal and Interest Requirements, after FYE 2010 through 2028		
	\$	7,139,742
Coverage of Maximum Requirements by 9-30-09 Net Income		4.51
Reserve Fund	\$	4,586,502
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, 2010 through 2028	\$	6,194,831
Coverage of Average Requirements by 9-30-09 Net Income		5.20
Maximum Annual Principal and Interest Requirements, after FYE 2010 through 2028	\$	8,837,450
Coverage of Maximum Requirements by 9-30-09 Net Income		3.65

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

(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,						
	2009	2008	2007	2006	2005	2004	2003
Revenues:							
FAA	\$ -	\$ -	\$ 388,321	\$ 391,895	\$ 349,076	\$ 287,124	\$ 287,124
State Operating Grants	109,807	82,190	100,235	102,045	98,363	94,710	135,344
Rents	4,281,154	4,448,507	4,399,983	3,844,104	3,525,829	3,489,304	3,777,292
Interest Earnings	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	343,539	370,831	404,714	202,542	325,174	251,881	484,174
Total Revenues	<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	2,433,606	2,192,701	2,318,266	2,389,787	2,686,745	3,655,870	1,888,911
Building Maintenance	618,010	568,963	654,188	389,809	427,045	370,364	373,133
Ground Maintenance	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	861,261	950,347	1,033,311	766,494	584,732	586,887	494,967
Foreign Trade Zone	19,900	18,540	14,952	14,552	14,558	13,769	13,362
Total Expenditures	<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	416,769	791,656	141,682	99,404	41,922	2,619,085	4,565,037
Other Sources (Uses):							
Debt Service	(729,105)	(734,444)	(407,640)	(645,942)	(786,131)	(790,914)	(785,744)
Capital Outlay	-	(35,361)	(302,285)	(1,872,588)	(115,980)	-	-
Airport Construction Fund	(49,887)	(50,000)	-	-	-	-	-
Communication System Fund	-	-	(270,000)	(81,411)	-	-	-
General Fund	-	-	-	-	-	25,000	25,000
Noise Abatement	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>(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	288,977	62,778	(526,802)	(2,184,164)	(2,360,189)	1,025,492	3,804,293
Beginning Fund Balance	(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>\$ (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
2010	\$ 542,210	100,000	78,338	178,338	720,548	17.28%
2011	542,700	105,000	73,187	178,187	720,887	
2012	321,338	110,000	67,675	177,675	499,013	
2013	311,625	115,000	61,900	176,900	488,525	
2014	206,447	120,000	55,863	175,863	382,310	79.00%
2015	117,042	130,000	49,412	179,412	296,454	
2016	116,960	135,000	42,425	177,425	294,385	
2017	116,610	145,000	35,000	180,000	296,610	
2018	115,940	150,000	27,025	177,025	292,965	
2019	-	160,000	18,775	178,775	178,775	100.00%
	<u>\$ 2,390,872</u>	<u>1,270,000</u>	<u>509,600</u>	<u>1,779,600</u>	<u>4,170,472</u>	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2010-2019	\$ 417,047
Coverage of Average Requirements by 9-30-09 Net Income	1.00
Maximum Annual Principal and Interest Requirements, after FYE 2010 through 2019	\$ 720,887
Coverage of Maximum Requirements by 9-30-09 Net Income	0.58

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 54,526 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 2009 was approximately 35.9 million gallons per day and peak demand for 2009 was 51.81 million gallons per day. Connections to the water system as of September 30, 2009 were 61,171.

WASTEWATER SYSTEM

The City of Laredo owns and operates five wastewater treatment plants, which have a combined total design capacity of 21.141 million gallons per day ("MGD"). The Sewer System includes approximately 519 miles of sewer lines and 71 lift stations. The average daily treatment is 17.8 MGD with 57,903 connections as of September 30, 2009.

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 681 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 (GALLONS)

Historical water usage for the City is as follows:

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage (<u>000</u> <u>Gallons</u>)	Peak Day Pumpage (<u>000 Gallons</u>)	Total Pumpage (<u>000 Gallons</u>)
2000	36,534	66,000	13,335,000
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

TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)

Fiscal Year Ended <u>9-30</u>	Average Sewage Flow <u>Flow</u>	Total Daily Flow <u>Flow</u>
2000	15.419	5,628
2001	15.515	5,663
2002	15.435	5,634
2003	16.767	6,120
2004	17.015	6,211
2005	16.776	6,123
2006	16.796	6,130
2007	18.095	6,604
2008	17.899	6,533
2009	17.800	6,370

TABLE 4 - TEN LARGEST WATER/SEWER USERS (GALLONS) (1)

<u>User</u>	2009Water/Sewer <u>Consumption</u>
LAREDO MEDICAL CENTER	77,735,000
TEXAS A&M INTERNATIONAL	55,106,300
C.P.L. POWER PLANT	30,492,800
LAREDO MUNICIPAL HOUSING CORP.	26,073,200
NEW WEBB COUNTY JAIL	22,884,500
LAREDO COMMUNITY COLLEGE	17,900,400
WEBB COUNTY IRRIGATION	15,362,100
TOWN NORTH MOBIL HOMES	13,915,500
UISD-LBJ HIGH SCHOOL	13,117,900
INTERNATION BANK OF COMMERCE	<u>11,933,400</u>
(1) Total gallons consumed	<u>284,521,100</u>

(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	1.38
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 5 - MONTHLY WATER RATES (CONTINUED)

**Old Rates
(Effective January 1, 2008)**

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	1.29
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.38
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.44
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.53
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	1.62
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	1.69
Per 1,000 gallons per month in excess of 50,000 gallons per month	3.38
Multi-Family and Commercial:	
Monthly minimum, including use of 2,000 gallons per month	25.02
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	1.40
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	1.64
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	1.87
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	2.11
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	2.58
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.20
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	3.27
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 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 6,000 gallons) per month in excess of 4,000 gallons per month	\$1.89
Per 1,000 gallons (for the next 10,000 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 20,000 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 50,000 gallons) per month in excess of 50,000 gallons per month	\$2.24
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 100,000 gallons per month	\$2.24
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 150,000 gallons per month	\$2.49
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 200,000 gallons per month	\$2.49
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 250,000 gallons per month	\$2.49
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 300,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 350,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 400,000 gallons per month	\$2.75

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION) (CONTINUED)	
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 450,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 500,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 550,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 600,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 650,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 700,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 750,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 800,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 850,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 900,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 950,000 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	
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$8.50
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$1.03
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$1.08
The maximum charge will be up to 30,000 gallons and the equivalent of \$30.40.	\$1.14

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION) (CONTINUED)	
Commercial:	
Monthly minimum, including use of 4,000 gallons per month	
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$13.00
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$1.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$1.31
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	\$1.37
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	\$1.43
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 50,000 gallons per month	\$1.48
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 100,000 gallons per month	\$1.54
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 150,000 gallons per month	\$1.60
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 200,000 gallons per month	\$1.65
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 250,000 gallons per month	\$1.71
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 300,000 gallons per month	\$1.77
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 350,000 gallons per month	\$1.82
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 400,000 gallons per month	\$1.88
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 450,000 gallons per month	\$1.94
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 500,000 gallons per month	
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 550,000 gallons per month	\$2.00
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 600,000 gallons per month	\$2.05
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 650,000 gallons per month	\$2.11
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 700,000 gallons per month	\$2.16
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 750,000 gallons per month	\$2.22
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 800,000 gallons per month	\$2.28

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION) (CONTINUED)	\$2.34
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 850,000 gallons per month	\$2.39
Per 1,00 gallons (for the next 50,000 gallons) per month in excess of 900,000 gallons per month	\$2.45
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 950,000 gallons per month	\$2.51
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	\$2.57
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

	2009			2008			2007		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	145,432,603	112,466,222	257,898,825	120,792,897	93,917,054	214,709,951	113,881,674	89,431,498	203,313,172
Vehicles and Equipment	6,914,288	7,322,401	14,236,689	6,811,377	7,494,843	14,306,220	5,449,703	5,865,521	11,315,224
Buildings	13,395,112	21,209,597	34,604,709	13,245,692	18,308,734	31,554,426	13,245,692	18,308,734	31,554,426
Land and Improvements	29,811,988	4,531,525	34,343,513	21,617,530	4,531,525	26,149,055	19,792,793	4,531,525	24,324,318
Construction In Progress	28,722,303	11,528,447	40,250,750	16,385,573	7,948,202	24,333,775	10,870,641	4,769,294	15,639,935
Less: Total Depreciation	(79,123,908)	(49,705,564)	(128,829,472)	(73,120,032)	(44,615,508)	(117,735,540)	(68,006,208)	(39,990,212)	(107,996,220)
Value After Depreciation	145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887	95,124,295	82,916,560	178,040,855
	2006			2005			Total		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	110,303,883	74,321,403	184,625,286	105,821,499	70,625,996	176,447,495			
Vehicles and Equipment	4,464,891	5,443,216	9,908,107	4,276,234	5,102,033	9,378,267			
Buildings	13,245,692	17,759,212	31,004,904	12,881,428	13,912,873	26,794,301			
Land and Improvements	18,012,171	4,531,252	22,543,696	15,448,728	4,531,525	19,980,253			
Construction In Progress	5,782,543	15,180,078	20,962,621	2,744,578	16,281,855	19,026,433			
Less: Total Depreciation	(62,790,899)	(35,956,413)	(98,747,312)	(57,592,086)	(32,291,468)	(89,883,554)			
Value After Depreciation	89,018,281	81,279,021	170,297,302	83,580,381	78,162,814	161,743,195			

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

Fiscal Year Ended Sept. 30,	2009			2008			2007		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<u>Resources:</u>									
Net System Value	\$ 145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887	95,124,295	82,916,560	178,040,855
Cash and Investments	91,353,207	56,418,094	147,771,301	73,341,316	50,294,270	123,635,586	57,112,032	34,294,373	91,406,405
Other Sources	5,665,612	3,520,180	9,185,792	5,241,840	4,000,808	9,242,648	4,701,477	2,513,872	7,215,349
Total Resources	242,171,205	167,290,902	409,462,107	184,316,193	141,879,928	326,196,121	156,937,804	119,724,805	276,662,609
<u>Obligations:</u>									
Bonds Payable	107,802,522	66,627,155	174,429,677	72,779,717	59,144,593	131,924,310	51,247,410	41,006,234	92,253,644
Less: Bond Funds	(2,060,373)	(1,546,107)	(3,606,480)	(2,128,548)	(1,583,837)	(3,712,385)	(2,145,992)	(1,624,617)	(3,770,609)
Other Obligations	105,742,149	65,081,048	170,823,197	70,651,169	57,560,756	128,211,925	49,101,418	39,381,617	88,483,035
Total Obligations	14,185,069	3,167,643	17,352,682	11,215,993	3,793,936	15,009,929	10,178,418	2,978,020	13,156,438
	119,327,218	68,248,691	188,175,879	81,867,162	61,354,692	143,221,854	59,279,836	42,359,637	101,639,473
City's Equity In System	\$ 122,843,987	99,042,211	221,286,228	102,449,031	80,525,236	182,974,267	97,657,968	77,365,168	175,023,136
Percentage City's Equity In System	50.73%	59.20%	54.40%	55.58%	56.76%	56.09%	62.23%	64.62%	63.26%
Fiscal Year Ended Sept. 30,									
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities			
<u>Resources:</u>									
Net System Value	\$ 89,018,281	81,279,021	170,297,302	83,580,381	78,162,814	161,743,195			
Cash and Investments	46,788,214	25,619,286	72,407,500	37,432,457	22,306,240	59,738,697			
Other Sources	4,380,439	2,420,388	6,800,827	3,444,306	2,369,981	5,814,287			
Total Resources	140,186,934	109,318,695	249,505,629	124,457,144	102,839,035	227,296,179			
<u>Obligations:</u>									
Bonds Payable	46,758,244	34,686,718	81,444,962	41,344,468	33,230,933	74,575,401			
Less: Bond Funds	(1,612,118)	(980,733)	(2,592,851)	(999,731)	(680,773)	(1,680,504)			
Other Obligations	45,146,126	33,705,985	78,852,111	40,344,737	32,550,160	72,894,897			
Total Obligations	8,590,035	2,056,101	10,646,136	7,040,361	1,946,258	8,986,619			
	53,736,161	35,762,086	89,498,247	47,385,098	34,496,418	81,881,516			
City's Equity In System	\$ 86,450,773	73,556,609	160,007,382	77,072,046	68,342,617	145,414,663			
Percentage City's Equity In System	61.67%	67.29%	64.13%	61.93%	66.46%	63.98%			

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

For Fiscal Year Ended
September 30,

Revenues	2009			2008			2007		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Charges for Services	\$ 26,937,378	19,819,164	46,756,542	26,265,698	14,006,232	40,271,930	24,977,835	13,055,433	38,033,268
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	40,128	-	40,128
Interest	350,531	273,926	624,457	711,991	265,542	977,533	1,001,877	506,934	1,508,811
Miscellaneous	1,555,527	269,182	1,824,709	339,801	369,861	709,662	463,192	587,121	1,050,313
Total Revenues	28,883,564	20,362,272	49,245,836	27,357,618	14,641,635	41,999,253	26,483,032	14,149,488	40,632,520
<u>Expenses</u>									
Administrative	2,991,019	2,000,407	4,991,426	2,583,385	2,097,387	4,680,772	2,076,626	2,872,599	4,949,225
Utility Engineering	690,694	-	690,694	799,864	-	799,864	752,441	-	752,441
Utility Compliance	-	-	-	-	-	-	-	-	-
City Managed Employees	-	-	-	-	-	-	-	-	-
Utility Billing	2,818,275	-	2,818,275	2,724,036	-	2,724,036	2,368,785	-	2,368,785
Asset Management	234,988	-	234,988	247,660	-	247,660	270,448	-	270,448
Water Treatment Plant	6,819,136	-	6,819,136	6,742,276	-	6,742,276	5,956,680	-	5,956,680
Transmission and Distribution	3,835,000	-	3,835,000	3,495,224	-	3,495,224	3,144,501	-	3,144,501
Water Pollution Control	393,211	-	393,211	437,807	-	437,807	528,799	-	528,799
Wastewater Treatment	-	4,765,446	4,765,446	-	4,792,566	4,792,566	-	4,133,862	4,133,862
Wastewater Collection	-	2,665,461	2,665,461	-	2,620,294	2,620,294	-	2,526,732	2,526,732
Total Expenses	17,782,323	9,431,314	27,213,637	17,030,252	9,510,247	26,540,499	15,098,280	9,533,193	24,631,473
Net Available for Debt Service	\$ 11,101,241	10,930,958	22,032,199	10,327,366	5,131,388	15,458,754	11,384,752	4,616,295	16,001,047
Number of Customers	61,171	57,903		60,519	57,851		59,409	56,065	

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended
September 30,

	2006			2005		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Revenues						
Charges for Services	\$ 23,129,698	14,006,232	40,271,930	16,894,576	13,389,474	30,284,050
Rental Of Facilities	38,122	-	38,122	34,109	-	34,109
Interest	585,645	389,384	975,029	187,486	132,550	320,036
Miscellaneous	294,506	429,905	724,411	1,043,549	464,833	1,508,382
Total Revenues	24,047,927	14,927,662	38,975,589	18,159,720	13,986,857	32,146,577
Expenses						
Administrative	1,779,174	2,543,621	4,322,795	1,278,137	1,846,066	3,124,203
Utility Engineering	638,979	-	638,979	580,413	-	580,413
Utility Compliance	-	-	-	4,763,429	3,019,560	7,782,989
City Managed Employees	-	-	-	137,414	79,466	216,880
Utility Billing	1,950,102	-	1,950,102	707,008	-	707,008
Asset Management	246,510	-	246,510	121,035	-	121,035
Water Treatment Plant	6,090,084	-	6,090,084	1,956,422	-	1,956,422
Transmission and Distribution	2,803,090	-	2,803,090	1,262,552	-	1,262,552
Water Pollution Control	502,870	-	502,870	171,841	-	171,841
Wastewater Treatment	-	3,662,090	3,662,090	-	1,064,536	1,064,536
Wastewater Collection	-	2,280,698	2,280,698	-	769,719	769,719
Corrective Maintenance	-	-	-	13,083	32,014	45,097
Total Expenses	14,010,809	8,846,090	22,497,218	10,991,334	6,811,361	17,802,695
Net Available for Debt Service	\$ 10,037,118	6,441,253	16,478,371	7,168,386	7,175,496	14,343,882
Number of Customers	57,489	54,568		55,252	52,565	

TABLE 10 Debt Service Requirements

Fiscal Year Ended 9-30	Water Revenue Debt After Refunding Issue Debt Requirement	2004 WATER SYSTEM REVENUE REFUNDING ISSUE				Plus Contractual & General Obligation Water System Debt Requirements				Sewer Revenue Debt After Refunding Issue Debt Requirements				2002 SEWER SYSTEM REVENUE REFUNDING ISSUE				Plus Contractual & General Obligation Sewer System Debt Requirements				Utility Grand Total	% of Grand Total Retired
		Principal	Interest	Total	Total Outstanding Debt	Principal	Interest	Total	Total Outstanding Debt	Principal	Interest	Total	Total Outstanding Debt	Principal	Interest	Total	Total Outstanding Debt	Principal	Interest	Total	Total Outstanding Debt		
2010	2,154,948	1,135,000	26,389	1,161,389	3,316,337	8,453,011	11,769,348	1,794,916	460,000	18,298	478,298	2,273,214	5,030,745	7,303,959	19,073,307								
2011	2,061,124	-	-	-	2,061,124	8,482,626	10,543,750	1,698,460	190,000	4,223	194,223	1,892,683	5,019,246	6,911,929	17,455,679								
2012	2,069,364	-	-	-	2,069,364	8,111,919	10,181,283	1,557,638	-	-	-	1,557,638	5,052,016	6,609,654	16,790,937								
2013	2,064,336	-	-	-	2,064,336	8,130,526	10,194,862	1,563,871	-	-	-	1,563,871	5,050,378	6,614,249	16,809,111								
2014	2,065,243	-	-	-	2,065,243	7,566,749	9,631,992	1,563,406	-	-	-	1,563,406	4,685,797	6,248,203	15,881,195	29.80%							
2015	2,058,800	-	-	-	2,058,800	5,576,680	7,635,480	1,560,130	-	-	-	1,560,130	3,200,207	4,760,337	12,395,817								
2016	2,067,557	-	-	-	2,067,557	5,581,651	7,649,208	1,556,878	-	-	-	1,556,878	3,202,655	4,759,533	12,408,741								
2017	2,061,102	-	-	-	2,061,102	5,589,593	7,650,695	1,560,068	-	-	-	1,560,068	3,200,596	4,760,664	12,411,359								
2018	2,063,514	-	-	-	2,063,514	5,333,063	7,396,577	1,562,632	-	-	-	1,562,632	3,036,064	4,598,696	11,995,273								
2019	2,052,671	-	-	-	2,052,671	5,329,587	7,382,258	1,562,448	-	-	-	1,562,448	2,691,864	4,254,312	11,636,570	50.88%							
2020	2,060,953	-	-	-	2,060,953	5,015,791	7,076,744	1,553,372	-	-	-	1,553,372	2,693,811	4,247,183	11,323,927								
2021	2,057,297	-	-	-	2,057,297	4,800,628	6,857,925	1,562,273	-	-	-	1,562,273	2,533,143	4,095,416	10,953,341								
2022	2,060,621	-	-	-	2,060,621	4,786,931	6,847,552	1,559,824	-	-	-	1,559,824	2,529,767	4,089,591	10,937,143								
2023	2,059,576	-	-	-	2,059,576	4,764,058	6,823,634	1,567,845	-	-	-	1,567,845	2,520,648	4,088,493	10,912,127								
2024	2,059,477	-	-	-	2,059,477	4,735,233	6,794,710	1,558,800	-	-	-	1,558,800	2,239,313	3,798,113	10,592,823	69.84%							
2025	1,698,816	-	-	-	1,698,816	4,701,755	6,400,571	1,219,988	-	-	-	1,219,988	2,232,805	3,452,793	9,853,364								
2026	1,374,847	-	-	-	1,374,847	4,672,569	6,047,416	1,071,894	-	-	-	1,071,894	2,226,246	3,298,140	9,345,556								
2027	690,424	-	-	-	690,424	4,645,446	5,335,870	728,288	-	-	-	728,288	2,212,363	2,940,651	8,276,521								
2028	46,183	-	-	-	46,183	4,613,440	4,659,623	26,684	-	-	-	26,684	2,208,686	2,235,370	6,894,993								
2029	-	-	-	-	-	4,579,177	4,579,177	-	-	-	-	-	2,196,265	2,196,265	6,775,442	84.10%							
2030	-	-	-	-	-	4,542,897	4,542,897	-	-	-	-	-	2,188,280	2,188,280	6,731,177								
2031	-	-	-	-	-	4,503,601	4,503,601	-	-	-	-	-	2,176,106	2,176,106	6,679,707								
2032	-	-	-	-	-	4,468,649	4,468,649	-	-	-	-	-	2,166,678	2,166,678	6,635,327								
2033	-	-	-	-	-	4,424,788	4,424,788	-	-	-	-	-	2,157,547	2,157,547	6,582,335								
2034	-	-	-	-	-	2,645,199	2,645,199	-	-	-	-	-	716,241	716,241	3,361,440	94.49%							
2035	-	-	-	-	-	2,601,623	2,601,623	-	-	-	-	-	704,442	704,442	3,306,065								
2036	-	-	-	-	-	2,552,622	2,552,622	-	-	-	-	-	691,174	691,174	3,243,796								
2037	-	-	-	-	-	2,505,806	2,505,806	-	-	-	-	-	678,498	678,498	3,184,304								
2038	-	-	-	-	-	2,456,855	2,456,855	-	-	-	-	-	665,245	665,245	3,122,100								
2039	-	-	-	-	-	2,401,703	2,401,703	-	-	-	-	-	650,311	650,311	3,052,014	100.00%							
Total	34,826,853	1,135,000	26,389	1,161,389	35,988,242	133,410,368	169,398,610	26,829,415	650,000	22,521	672,521	27,501,936	76,557,137	104,059,073	288,621,491								

TABLE 11: COVERAGE AND FUND BALANCES

Waterworks:

Average Annual Principal and Interest Requirements	\$	2,060,373
Coverage of Average Requirements by 2009 Net Income		5.39
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2009	\$	3,316,576
Coverage of Maximum Requirements by 2009 Net Income		3.35
Outstanding New Series Water Revenue Bonds	\$	35,988,242
Outstanding Refunding Water Revenue Bonds	\$	1,161,389
Interest and Sinking Fund as of September 30, 2009	\$	1,297,915
Reserve Fund as of September 30, 2009	\$	2,060,373
Contingency Fund as of September 30, 2009	\$	1,446,397

Sewer:

Average Annual Principal and Interest Requirements	\$	1,546,107
Coverage of Average Requirements by 2009 Net Income		7.07
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2009	\$	2,273,198
Coverage of Maximum Requirements by 2009 Net Income		4.81
Outstanding New Series Sewer Revenue Bonds	\$	27,501,936
Outstanding Refunding Sewer Revenue Bonds	\$	672,521
Interest and Sinking Fund as of September 30, 2009	\$	837,667
Reserve Fund as of September 30, 2009	\$	1,547,107
Contingency Fund as of September 30, 2009	\$	1,013,345

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

Utility System			
	Waterworks	Sewer	Total
Net Funds Available for Debt Service	\$ 11,101,241	10,930,958	22,032,199
Average Annual Principal and Interest Requirements	2,060,373	1,546,107	3,606,480
Coverage of Average Annual Requirements by Funds Available for Debt Service	5.39	7.07	6.11
Maximum Principal and Interest Revenue Bond Requirements	3,316,576	2,273,198	5,589,774
Coverage of Maximum Requirement by Funds Available for Debt Service	3.35	4.81	3.94
Outstanding Revenue Bonds as of 09/30/2009	35,988,242	27,501,936	63,490,178
Interest & Sinking Fund as of 09/30/2009	1,297,915	837,667	2,135,582
Reserve Funds as of 09/30/2009	2,060,373	1,546,107	3,606,480
Contingency Fund as of 09/30/2009	\$ 1,446,397	1,013,345	2,459,742

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LAREDO ENTERTAINMENT CENTER

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 Entertainment Center, 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 $\frac{1}{4}$ 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 will be the Laredo Bucks hockey team, who will participate in the Central Hockey League.

The Arena itself offers a diverse mixture of world-class entertainment, 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 Entertainment Center hosts more than 100 events including major concerts by artists such as Mana, Shakira, Vicente Fernandez, Ludacris, Lil Wayne, Pat Green, Dwight Yoakum, and Staind.

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 Entertainment Center's daily operations.

TABLE 1 – SALES TAX RECEIPTS

<u>Fiscal Year Ending 9/30</u>		<u>Actual 1% Sales & Use Tax Receipts</u>	<u>1/4 of 1% Sales Tax Receipts</u>	<u>Maximum Annual Debt Service</u>	<u>Estimated Coverage</u>
2000	\$	15,230,665 *	3,807,666	3,121,125	1.22
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

(*) 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, 2009-2024	3,111,688
Fiscal Year 2009 Sales Tax Revenues	6,078,880
Coverage of Average Requirements by Fiscal Year 2009	1.95
Maximum Principal and Interest Requirements 2024	3,121,125
Fiscal Year 2009 Sales Tax Revenues	6,078,880
Coverage of Maximum Requirements by Fiscal 2009	1.95

TABLE 3 – DEBT SERVICE REQUIREMENTS

<u>Fiscal Year</u> <u>Ended 9-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Outstanding</u> <u>Debt</u>	<u>Debt Service</u> <u>Retired</u>
2010	1,430,000	1,616,287	3,046,287	6.53%
2011	1,575,000	1,539,194	3,114,194	
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	39.91%
2016	2,030,000	1,088,600	3,118,600	
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	73.28%
2021	2,615,000	499,875	3,114,875	
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>\$ 32,720,000</u>	<u>\$ 13,955,318</u>	<u>\$ 46,675,318</u>	

SINGLE AUDIT

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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
UNIFORM GRANT MANAGEMENT STANDARDS

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 *Uniform Grant Management Standards (UGMS)* issued by the Office of the Governor of the State that are applicable to each of its major federal and state programs for the year ended September 30, 2009. The City of Laredo, Texas' major federal and state programs are identified in the summary of auditors' 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 *UGMS*. Those standards, OMB Circular A-133, and *UGMS* 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 on 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, 2009.

Internal Control Over Compliance

The 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 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, 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 City of Laredo, Texas' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

City of Laredo, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Laredo, Texas' response and, accordingly, we express no opinion on it.

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. However, this report is a matter of public record and its distribution is not limited.

Gauze, Martiny & Co, L.L.P.

Laredo, Texas
January 29, 2010

PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
U.S. Department of Health and Human Services							
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	896	-	-	896
Control Program - TB Federal '08	93.116	N/A	175,979	35,859	48,556	84,415	-
Control Program - TB Federal '09	93.116	N/A	168,940	-	122,274	104,921	17,353
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 08	93.268	N/A	223,188	40,294	-	40,294	-
Immunization Locals 09	93.268	2009-028334-001	223,188	13,268	203,801	201,951	15,118
Immunization Locals 10	93.268	2010-031606-001	230,491	-	9,941	-	9,941
Center for Disease Control and Prevention							
Investigations and Technical Assistance - Bureau of Clinical and Nutrition Services -							
Community Preparedness Section - Lab	93.283	N/A	952,406	11,297	132,074	143,371	-
Bioterrorism Preparedness - 03-04	93.283	N/A	449,067	48,071	-	48,071	-
Bioterrorism Preparedness - 07-08	93.283	2008-022927-001	172,082	95,990	-	95,990	-
Bioterrorism Preparedness - 08-09	93.283	2009-027970-001	284,059	37,354	222,341	249,852	9,843
Bioterrorism Preparedness - 09-10	93.283	2009-031946-001	317,727	-	43,039	14,931	28,108
Bioterrorism Pandemic - 07-08	93.283	2008-022927-001	59,527	7,006	-	4,126	2,880
Bioterrorism Discretionary Fund Projects Phase 1	93.283	2009-031079-001	52,125	-	25,085	-	25,085
Bioterrorism Discretionary Fund Projects Phase 2	93.283	2009-031281-001	140,512	-	21,240	815	20,425
Bioterrorism Discretionary Fund Projects Phase 3	93.283	2009-032327-001	174,582	-	3,794	-	3,794
Early Warning Infectious Disease Surveillance 2008	93.283	2008-024694-001	172,239	13,231	-	-	13,231
Early Warning Infectious Disease Surveillance 2009	93.283	2008-028124-001	129,993	20,678	93,242	113,920	-
Early Warning Infectious Disease Surveillance 2010	93.283	2008-031689-001	150,000	-	18,764	-	18,764
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 08-09	93.917	019-03-08	412,985	89,573	229,274	318,847	-
H.I.V. Care Formula Grant - H.I.V. Consortia and Insurance 09-10	93.917	019-01-09	419,450	-	180,744	144,670	36,074
H.I.V. Prevention Activities - Health Department Based							
H.I.V. Prevention Counseling Partner Elicitation Education 08	93.940	2008-023782-001	411,171	63,721	74,107	137,828	-
H.I.V. Prevention Counseling Partner Elicitation Education 09	93.940	2009-030667-001	316,628	-	244,973	200,101	44,872
Prevention Services for H.I.V. Infected Persons '07	93.940	N/A	69,993	1,342	-	-	1,342
Prevention Services for H.I.V. Infected Persons '08	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 - 07-08 / O.P.H.P.	93.991	2008-024502-001	306,835	107,688	-	107,688	-
Office of Regional Administrative Services - 08-09 / O.P.H.P.	93.991	2009-028162-001	306,835	13,696	298,688	226,402	85,982
Office of Regional Administrative Services - 09-10 / O.P.H.P.	93.991	2010-032824-001	306,835	-	7,203	-	7,203
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			\$ 6,893,365	613,287	1,979,140	2,238,193	354,234

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
U.S. Department of Housing and Urban Development (HUD)							
Direct Programs:							
Community Planning and Development:							
Community Development Block Grant / Entitlement Grants 06	14.218	N/A	\$ 3,711,628	203,656	454,478	658,134	-
Community Development Block Grant / Entitlement Grants 07	14.218	N/A	3,711,664	-	273,873	273,873	-
Community Development Block Grant / Entitlement Grants 08	14.218	N/A	3,589,985	-	2,240,627	1,888,826	351,801
Emergency Shelter Grant Program 2007	14.231	N/A	160,079	16,573	52,378	68,951	-
Emergency Shelter Grant Program 2008	14.231	N/A	159,922	-	90,904	89,619	1,285
Housing Opportunities for Persons with Aids - H.O.P.W.A. II 08-09	14.241	019-3-08	79,249	12,483	28,408	40,891	-
Housing Opportunities for Persons with Aids - H.O.P.W.A. II 09-10	14.241	019-3-09	83,700	-	50,456	38,355	12,101
HOME Investment Partnership Program 2006 GRANT	14.239	N/A	1,299,879	-	186,506	186,506	-
ADDI Program 2008 Grant	14.239	N/A	5,188	-	5,188	5,188	-
HOME Investment Partnership Program 2007 GRANT	14.239	N/A	1,290,876	41,818	243,837	285,655	-
HOME Investment Partnership Program 2008 GRANT	14.239	N/A	1,248,285	-	1,015,413	939,074	76,339
Total U. S. Department of HUD			15,340,455	274,530	4,642,068	4,475,072	441,526

U. S. Department of Transportation

Direct Programs:							
Federal Transit Administration:							
Capital Improvement Grant	20.500	TX90X438	1,427,252	-	12,266	12,266	-
Capital Improvement Grant	20.500	TX90X456	1,179,484	-	21,989	21,989	-
Capital Improvement Grant	20.500	TX03X274	2,346,681	-	-	-	-
Capital Improvement Grant	20.500	TX030299	1,943,557	-	400,000	290,766	109,234
Capital Investment Grants-Fixed Guideway Modernization Bus and Bus Facility New Starts	20.500	TX040040	680,130	-	262,336	183,259	79,077
Federal Transit Formula Grants-Urbanized Area Formula Grant	20.507	TX904800	3,952,369	295,524	187,502	483,026	-
Federal Transit Formula Grants-Urbanized Area Formula Grant	20.507	TX904848	4,170,475	-	3,019,183	2,706,071	313,112
Federal Aviation Administration:							
Airport Improvement Program (ARFF Station/Cargo Apron Pads)	20.106	3-48-0136-38-03	1,314,480	-	-	-	-
Airport Improvement Program (Taxiways, Apron)	20.106	3-48-0136-42-04	5,449,747	-	-	-	-
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	-	993,706	993,706	-
Airport Improvement Program (Noise Abatement)	20.106	3-48-0136-47-06	2,000,000	-	653,433	653,433	-
Airport Improvement Program (Runway 17L, Noise Study)	20.106	3-48-0136-48-06	1,424,968	28,168	12,595	32,382	8,381
Airport Improvement Program (G.A. Apron, N.E. Cargo Apron)	20.106	3-48-0136-49-07	7,500,000	27,901	7,015	34,916	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-50-07	2,000,000	64,103	1,092,676	1,151,441	5,338
Airport Improvement Program (Rehab Apron, Rehab Runway 14/32)	20.106	3-48-0136-51-07	4,513,444	239,113	119,875	252,268	106,720
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-52-08	2,000,000	-	921,324	920,963	361
Airport Improvement Program (Rehab Apron, Rehab Runway 14/31)	20.106	3-48-0136-53-09	4,416,530	231,145	3,179,719	3,220,204	190,660
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-54-09	390,964	-	238,852	215,221	23,631
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-55-09	3,540,981	-	3,522,058	3,346,773	175,285

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
U. S. Department of Transportation							
Direct Programs:							
Federal Aviation Administration:							
Airport Traffic Control Services	20.106						
Transportation Security Administration	97.090						
Pass Through Texas Department of Transportation:							
Federal Transit Administration:							
Urbanized Area Formula Program	20.507	519XXF7052	667,509	-	667,509	667,509	-
New Freedom Formula Grant	20.521	51822F7282	375,000	-	115,110	39,154	75,956
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	20.604	586XXF6051	40,000	8,025	-	8,025	-
Comprehensive Commercial Vehicle STEP	20.600	2009-LAREDOPD-S-SYG-0282	40,000	-	40,000	31,028	8,972
Comprehensive STEP	20.600	586XXF6037	94,442	8,519	-	8,519	-
Impaired Driving Mobilization	20.600	2009-LAREDOPD-S-SYG-0292	99,806	-	96,093	85,998	10,095
Impaired Driving Mobilization	20.600	2009-LAREDOPD-STEP-IDM-00044	27,488	-	27,063	22,403	4,680
Step - CLOT	20.601	588EGF6034	25,000	2,732	-	2,732	-
Industrial Park Street and Truck Reconstruction	20.205	2009-LAREDOPD-CLOT-00077	20,000	-	18,019	18,019	-
Industrial Park Street and Truck Reconstruction	20.205	CSJ-0922-33-116	5,723,462	41	320,251	246,923	73,369
Industrial Park Street and Truck Reconstruction	20.205	CSJ-0922-33-130	3,649,912	41	320,251	246,923	73,369
Industrial Park Street and Truck Reconstruction	20.205	CSJ-0922-33-131	4,229,435	42	320,251	246,924	73,369
Industrial Park Street and Truck Reconstruction	20.205	CSJ-0922-33-132	3,953,191	42	320,250	246,924	73,368
Arkansas State Railroad Grade Separation	20.205	CSJ-0922-33-099	1,122,016	-	-	-	-
Highway Planning & Const-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-2-08-1113-70	772,642	280,073	-	280,073	-
Highway Planning & Const-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-2-09-1113-70-806	325,196	-	269,871	13,633	256,238
Federal Transit Metropolitan Planning Grants-Metropolitan Planning	20.505	51-74-108-0122-09-810	76,655	-	76,655	76,655	-
Total U. S. Department of Transportation			78,363,023	1,203,603	18,304,821	16,893,150	2,615,274

U. S. Department of Agriculture

Passed Through Texas Department of State Health Services:							
Food & Nutrition Service - Special Supplemental Nutrition Program							
Women, Infants and Children 07-08	10.557	N/A	4,062,648	738,647	6,721	745,368	-
Women, Infants and Children 08-09	10.557	N/A	4,692,386	-	3,725,216	2,995,823	729,393
Women, Infants and Children Counties 07-08	10.557	N/A	-	89,593	-	89,593	-
Women, Infants and Children Counties 08-09	10.557	N/A	-	-	358,047	291,866	66,181
Total U. S. Department of Agriculture			\$ 8,755,034	828,240	4,089,984	4,122,650	795,574

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
U. S. Department of Justice							
Passed Through State Department of Criminal Justice:							
Criminal Justice Discretionary Grant Program							
Interdiction Project	16.579			49,951	-	49,951	-
Financial Task Force 05	16.579		80,000	4,457	-	4,427	30
Financial Task Force 06	16.579		630,685	12,037	3,859	11,931	3,965
Financial Task Force 07	16.579		679,130	165,775	18,009	172,796	10,988
Financial Task Force 08	16.579		736,104	276,548	326,209	539,555	63,202
Financial Task Force 09	G09SS0001A		736,104	-	181,053	-	181,053
South Texas Public Corruption Task Force 06	16.579		99,916	9,321	-	2,131	7,190
South Texas Public Corruption Task Force 07	16.579		99,916	26,385	1,230	26,921	694
South Texas Public Corruption Task Force 08	16.579		99,916	22,273	45,862	60,825	7,410
South Texas Public Corruption Task Force 09	G09SS0001A		99,916	-	17,804	-	17,804
Passed Through South Texas Development Board:							
South Texas Interoperability Project	16.579		1,200,000	-	-	-	-
Office of Justice Program - Bureau of Justice Assistance -							
Byrne Memorial Justice Assistance Grant Program:							
South Texas Public Corruption Task Force 05	16.592		101,225	1,250	-	1,250	-
Justice Assistance Grant	16.738		124,624	-	1,022	1,022	-
Byrne Memorial Justice Assistance Grant	16.738		125,687	-	-	-	-
Justice Assistance Grant	16.579		80,977	-	1,458	1,458	-
Byrne Memorial Justice Assistance Grant-Gang Initiative	16.738		40,343	-	19,980	19,980	-
Office of Community Oriented Policing Services - Public Safety	16.738		225,000	-	223,471	208,711	14,760
Partnership & Community Policing Grants:							
Cops In School SRQ 02.05	16.710		2002-SH-WX-0726	34,722	249,909	277,687	6,944
Total U. S. Department of Justice			7,040,228	602,719	1,089,966	1,378,645	314,040
U.S. Department of Homeland Security							
Federal Emergency Management Agency							
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	n/a	-	-	42,764	42,764	-
Pre-disaster Mitigation Planning Grant	97.017	PDM05-004	73,230	14,907	-	11,837	3,070
SAFER Grant	97.044	2006-FF-04283	1,552,500	88,024	536,449	579,092	45,381
Assistance to Firefighters Grant (AFG)	97.044	EMW-2008-FO-06946	400,000	-	-	-	-
Passed Through GDEM:							
GDEM 08- Local Border Security	N/A	LBSP-08-029	100,000	1,522	176,189	103,582	74,129
State Homeland Security Program (SHSGP)	97.067	2004 HSGP-41464	1,462,934	12,122	-	-	12,122
State Homeland Security Program (SHSP)	97.067	2005 HSGP-41464	459,818	16,539	-	16,539	-
Law Enforcement Terrorism Prevention Program (LETPP)	97.067	2005 HSGP-41464	195,918	-	-	-	-
State Homeland Security Program (SHSP)	97.067	2006-GE-T6-0068	108,185	1,816	-	1,816	-
Law Enforcement Terrorism Prevention Program (LETPP)	97.067	2006-GE-T6-0068	227,363	78,453	41	78,494	-
State Homeland Security Program (SHSP)	97.073	2008-GE-T8-0034	850,000	-	-	-	-
Total U. S. Department of Homeland Security			5,429,948	213,383	755,443	834,124	134,702

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
U. S. Department of Environmental Protection Agency							
Survey, Studies, Investigations & Special Purpose Grants	66.606	C-481961-01-0	\$ 8,200,000	1,016,730	-	909,141	107,589
EPA - Jefferson & Chacon Water and Wastewater Improvements	66.818	BF-96638301-0	100,000	-	27,757	27,757	-
EPA - Brownfields Assessment and Cleanup	66.931	X4-96656201-0	50,000	-	27,913	27,913	-
EPA - Border 2012 Video Grant	66.035	RE-96654801-0	300,000	42,492	116,420	146,294	12,618
EPA - Health							
Air Pollution Control Program Support:							
Passed Through Texas Commission on Environmental Quality	66.001	582-7-72662	210,000	11,979	67,163	53,112	26,030
Continuous Air Monitoring Station - Air Pollution Control Prog 06-09							
Passed Through Texas Water Development Board:	66.606	BEF23-48/00	6,231,450	258,701	3,826,578	3,524,532	560,747
NADB - Colonia Water & Wastewater Treatment	66.606	G13500/13600	25,370,151	4,037,421	3,050,303	4,758,843	2,328,881
Colonia Water & Waste Water Treatment							
Total U. S. of Environmental Protection Agency			40,461,601	5,367,323	7,116,134	9,447,592	3,035,865
American Recovery and Reinvestment Act							
ARRA-Federal Transit Formula Grants-Urbanized Area Formula Grant	20.507	TX-96-X001	4,757,091	-	475,709	475,709	-
ARRA-Federal AVIATION ADMINISTRATION GRANTS- AIRPORT IMPROVEMENT	20-106	3-48-0136-56-09	8,000,000	-	2,586,914	1,032,520	1,554,394
ARRA-Federal AVIATION ADMINISTRATION GRANTS- AIRPORT IMPROVEMENT	20-106	3-48-0136-59-09	2,585,744	-	114,102	-	114,102
ARRA-Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-1063	602,748	-	16,924	13,525	3,399
ARRA-HUD-Homesless Prevention & Rapid Re-Housing Program	14.257	S09-48-MY-0505	1,490,976	-	-	-	-
ARRA-HUD-Texas Neighborhood Stabilization Program	14.256	77090000107	2,127,102	-	1,119	-	1,119
ARRA-HUD-Weatherization Assistance Program	81.402	16090000707	3,271,636	-	3,305	-	3,305
ARRA-HUD- Ejido Extension Project	14.253	B-09-MY-48-0505	975,026	-	-	-	-
ARRA-HRSA - Health Care and Other Facilities	93.867	C76HF15325	188,100	-	-	-	-
Total American Recovery and Reinvestment Act			23,978,423	-	3,198,073	1,521,754	1,676,319
Total Federal Assistance			186,262,077	9,103,085	41,175,629	40,911,180	9,367,534
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program 07-08	N/A	2008-024332-001	134,342	36,755	-	36,755	-
Primary Health Care Program 08-09	N/A	2009-028670-001	134,342	8,519	114,559	103,733	19,345
Primary Health Care Program 09-10	N/A	2010-031863-001	134,342	-	5,659	-	5,659
Tuberculosis Prevention and Control 07-08	N/A	2008-023216-001	140,125	24,392	-	24,285	107
Tuberculosis Prevention and Control 08-09	N/A	2009-028365-001	12,595	8,977	122,559	127,707	3,829
Tuberculosis Prevention and Control 09-10	N/A	2010-032854-001	187,752	-	12,600	-	12,600
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	2009-029675-001	31,349	-	36,079	33,263	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	-	4,885
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	17,420	3,218	-	20,638
Family Planning - 09	N/A	2009-029220-001	56,671	4,306	51,968	55,935	339
Family Planning - 10	N/A	2010-032523-001	9,445	-	6,031	-	1,668
Child Health Services Prenatal - 08	N/A	2008-024095-001	181,622	5,079	-	-	-
Child Health Services Prenatal - 09	N/A	2009-029486-001	90,811	6,986	34,567	5,079	1,757
Child Health Services Prenatal - 10	N/A	2009-031713-001	92,000	-	3,746	-	3,746
Total			\$	-	-	-	(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2009

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
STATE AWARDS							
Passed Through South Texas Development Council:							
H.I.V. Social Services 07-08	N/A	19-2-2008	123,042	27,407	-	27,407	-
H.I.V. Social Services 08-09	N/A	19-2-2008 (09)	137,677	6,593	127,714	114,841	19,466
H.I.V. Social Services 09-10	N/A	19-2-09 (10)	135,807	-	5,961	-	5,961
Public Health Emergency Response	N/A	2010-033283-001	258,965	-	-	-	-
Total - Texas Department of State Health Services			2,521,752	219,884	529,546	573,164	176,266
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	32,844	-	12,131	32,844	(20,713)
Law Enforcement Officer Standards and Education	N/A	N/A	1,600	(1,584)	-	-	(1,584)
Total - Commission on Law Enforcement Officers Standards and Education			34,444	(1,584)	12,131	32,844	(22,297)
Texas Parks and Wildlife:							
Laredo Independence Hills Park	N/A	50-000405	499,981	-	-	-	-
Total - Texas Parks and Wildlife			499,981	-	-	-	-
Texas State Library and Archives Commission							
Seven Flags Regional Advisory Council	N/A	N/A	12,515	-	12,515	12,515	-
Loan Star Libraries Grant	N/A	442-09286	30,079	-	30,079	30,079	-
Book Festival	N/A	N/A	5,000	(5,000)	5,000	-	-
Total-Texas State Library and Archives Commission			47,594	(5,000)	47,594	42,594	-
State Department of Transportation:							
Auto Theft Task Force	N/A	SA-T01-10057-08	346,000	44,607	-	44,607	-
Auto Theft Task Force	N/A	SA-T01-10057-09	346,000	35,276	345,587	374,057	6,806
Auto Theft Task Force	N/A	SA-T01-10057-10	433,514	-	36,663	-	36,663
TXDOT-Interlocal Agreement for TPDES Permit Program	N/A	N/A	44,000	-	44,000	40,333	-
TXDOT -Laredo Signal Integration Project	N/A	CSJ-0922-33-094	1,750,000	23,166	64,820	87,986	-
TXDOT -Federal Inspection Booths at World Trade Bridge	N/A	CSJ-0922-33-114	3,731,774	92,820	196,858	288,841	837
TX Dept. of Transportation-Routine Airport Maintenance Program '08	N/A	CSJ-M922LREDO	50,000	11,485	-	11,485	-
TX Dept. of Transportation-Routine Airport Maintenance Program '09	N/A	CSJ-M922LREDO	50,000	-	49,589	29,728	19,861
TX Dept. of Transportation-SH359/US 83	N/A	CSJ-0086-01-055	250,000	44,623	-	44,623	-
TX Dept. of Transportation-SH359	N/A	CSJ-0086-01-046	102,826	20,565	151,293	171,858	-
TX Dept. of Transportation-Loop 20	N/A	CSJ-0086-14-037	5,316	532	-	532	-
TX Dept. of Transportation-Wastewater Line at Loop 20(Spur 400 to US 59)	N/A	CSJ-0086-14-022	81,310	7,267	-	7,267	-
TX Dept. of Transportation- Chascon Creek Hike and Bike Trail	N/A	CSJ-0922-33-100	3,300,000	-	206,452	122,364	84,088
TX Dept. of Transportation- West Laredo CPL Road	N/A	CSJ-0922-33-071	4,797,810	-	223	223	-
TX Dept. of Transportation- West Laredo CPL Road Phase II	N/A	CSJ-0922-33-076	2,597,272	30,020	225,008	181,224	73,804
TX Dept. of Transportation- West Laredo CPL Road Phase III	N/A	CSJ-0922-33-093	11,301,589	-	-	-	-
Total - State Department of Transportation			17,885,822	310,361	1,320,493	1,405,128	225,726
Texas Commission on Environmental Quality							
Passed Through STDC:	N/A	08-19-g02/04	40,000	-	31,908	31,908	-
T.C.E.Q.-Regional Solid Waste Management	N/A	09-19-G01	83,342	-	83,341	-	83,341
Total - Texas Commission on Environmental Quality			123,342	-	115,249	31,908	83,341
Texas Water Development Board							
Flood Protection Planning	N/A	804830837	160,000	4,419	137,375	60,568	81,226
Total - Texas Water Development Board			160,000	4,419	137,375	60,568	81,226
Total State Assistance			\$ 26,763,730	528,080	2,162,388	2,146,206	544,262

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2009**

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, 2008	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2009
OTHER ASSISTANCE							
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	-	58,065	42,326	15,739
OCEDET-DEA 2009	N/A	N/A	62,450	-	30,955	-	30,955
Laredo Joint Terrorism TF 2008	N/A	N/A	15,573	2,628	-	-	-
Laredo Joint Terrorism TF 2009	N/A	N/A	15,573	-	15,626	14,266	1,360
Safe Streets Task Force	N/A	N/A	15,572	-	7,823	5,102	2,721
Fugitive Apprehension Task Force 08	N/A	N/A	75,000	15,019	131	15,150	-
Fugitive Apprehension Task Force 09	N/A	N/A	75,000	-	25,588	18,724	6,864
Bulletproof Vest Partnership	N/A	N/A	42,428	-	735	735	-
Bulletproof Vest Partnership 2007	N/A	N/A	42,428	-	20,660	20,660	-
Bureau of Alcohol and Tobacco 08	N/A	N/A	21,000	1,608	-	1,376	232
Bureau of Alcohol and Tobacco 09	N/A	N/A	21,000	-	14,600	3,351	11,249
Webb County - Auto Theft Task Force 08/09	N/A	N/A	48,459	-	44,421	44,421	-
Webb County - Auto Theft Task Force 09/10	N/A	N/A	37,661	-	3,138	3,138	-
911 Regional Communications Grant - FY2007	N/A	N/A	1,281,937	88,757	(9,882)	78,875	-
911 Regional Communications Grant - FY2008	N/A	N/A	1,212,139	68,566	13,466	82,032	-
911 Regional Communications Grant - FY2009	N/A	N/A	195,684	(150,826)	1,121,398	744,728	225,844
911 Regional Communications Grant - FY2009	N/A	N/A	337,271	-	42,829	-	42,829
Prairie Foundation	N/A	N/A	10,950	(180)	100	-	(80)
UTHCSA - Proyecto Bienestar	N/A	N/A	252,906	127	-	127	-
UTHCSA - Proyecto Bienestar 08-09	N/A	N/A	-	53,921	160,530	214,451	-
UTHCSA - Proyecto Bienestar 09-10	N/A	N/A	-	-	98,215	57,127	41,088
UTHCSA - South Texas AIDS Network	N/A	N/A	24,750	1,866	-	1,866	-
UTHCSA - South Texas AIDS Network	N/A	N/A	24,750	3,954	20,595	24,065	484
UTHCSA - South Texas AIDS Network	N/A	N/A	-	-	4,188	-	4,188
UTHCSA - Dental Clinic Construction (deferred)	N/A	N/A	1,300,000	219,700	297,608	1,084,339	(567,031)
UTHCSA - Dental Clinic Construction (receivable)	N/A	N/A	-	-	15,623	-	15,623
UTHCSA - Dental Clinic Operations	N/A	N/A	300,000	-	78,275	41,409	36,866
Laredo Community College-Interlocal Agreement for TPDES Permit Prgm.	N/A	N/A	10,000	-	10,000	10,000	-
Webb County-Interlocal Agreement-Health	N/A	N/A	200,000	-	209,400	209,400	-
Mercy Hospital - CHIP Perinate	N/A	N/A	-	123,361	146,959	160,093	110,227
SCAN - HIV Testing	N/A	N/A	33,882	7,484	12,082	19,566	-
SCAN - HIV Testing	N/A	N/A	45,000	-	28,671	28,252	419
Webb County-311 Agreement	N/A	N/A	37,000	-	37,000	37,000	-
Webb County - Father McNaboe Splash Park	N/A	N/A	275,000	-	-	-	-
Webb County - Father McNaboe Park & Noon Lions Parks	N/A	N/A	100,000	-	29,370	29,370	-
Universal Service Fund (USF)-E-Rate Program (Round 11)	N/A	N/A	42,711	-	-	-	-
National Network of Libraries of Medicine	N/A	N/A	5,000	4,605	42,711	42,711	-
911 Regional Communications Grant - FY2009 Use of Revenue	N/A	N/A	14,338	-	395	5,000	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	28,180	-	14,338	14,338	-
Frontier Associates, LLC - Weatherization Project	N/A	N/A	890,000	-	15,621	28,180	(12,559)
Total - Other Assistance			7,483,202	446,489	2,611,234	3,084,806	(27,083)
Total Federal, State and Other Assistance			220,509,009	10,077,654	45,949,251	46,142,192	9,884,713

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.

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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, 2009, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated January 29, 2010. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Laredo, Texas' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Laredo, Texas' financial statements that is more than inconsequential will not be prevented or detected by the City of Laredo, Texas' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Laredo, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 January 29, 2010.

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. However, this report is a matter of public record and its distribution is not limited.

Gauze, Martiny & Co, L.L.P.

Laredo, Texas
January 29, 2010

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

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 no

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 no

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</u>	<u>Name of Federal Program or Cluster</u>
20.106	American Recovery and Reinvestment Act – Federal Aviation Administration Grants – Airport Improvements
20.205	U.S. Department of Transportation – Industrial Park Street and Truck Reconstruction
20.500	U.S. Department of Transportation – Capital Investment Grants – Fixed Guideway Modernization Bus and Bus Facility New Starts
66.606	U.S. Department of Environmental Protection Agency – NADB – Colonia Water & Wastewater Treatment

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

Section I - Summary of Auditors' Results (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 1,235,269

Auditee qualified as low-risk auditee?

 X yes no

Section II – Financial Statements Findings

No matters were reported

Section III – Federal Awards Findings and Questioned Costs

No matters were reported

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

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 no

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 no

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State of Texas Single Audit Circular Section .510(a)? _____ yes X no

Identification of major programs:

Name of State Program or Cluster

- State Department of Transportation
 - Ø Texas Department of Transportation
 - § Federal Inspection Booths at World Trade Bridge
 - § West Laredo CPL Road Phase II

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

Section I - Summary of Auditors' Results (Continued)

State Awards (Continued)

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X yes no

Section II - Financial Statement Findings

No matters were reported

Section III – State Award Findings and Questioned Costs

No matters were reported

City of Laredo, Texas
Federal Summary Schedule of Prior Audit Findings
Year Ended September 30, 2009

Federal Award Findings and Questioned Costs

There were no audit findings reported in the prior audit's schedule of findings and questioned costs.

City of Laredo, Texas
State Summary Schedule of Prior Audit Findings
Year Ended September 30, 2009

State Award Findings and Questioned Costs

There were no audit findings reported in the prior audit's schedule of findings and questioned costs.

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