City of Laredo, Texas

Comprehensive Annual Financial Report
For The Year Ended September 30, 2011

CITY OF LAREDO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2011

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, 2011

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February 17, 2012

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, 2011. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City of Laredo's financial statements have been audited by Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Laredo for the fiscal year ended September 30, 2011, 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, 2011 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.

In addition, the City has an Internal Auditor's Division. The division is under the City Manager but reports directly to the Mayor and City Council. Its primary responsibility is to measure and evaluate the City's accounting and operational controls. This division was directly established to ensure that the City's assets are safeguarded and can provide reasonable assurance of proper accounting and operational activities to our public.

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

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

Profile of the Government

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City presently maintains four border crossings, three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is the tenth most populated City in the State of Texas according with a population of 233,152 in 2010 according to the U.S. Census.

The City of Laredo is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statue 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 financial statements include component units of the City of Laredo. Component units are units are legally separate organizations for which our elected officials are financially accountable. The City's component unit entities include:

- Laredo Municipal Housing Authority Corporation
- Laredo Transit Management, Inc.
- Laredo Convention and Visitor's Bureau
- Laredo Fire Fighters' Retirement System
- Laredo Public Facilities Corporation - La Terraza, LLC

All these entities can be explained more in detail on note #1 of the Notes to the Basic Financial Statements portion of the CAFR.

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 though 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 México is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland Port on the U.S. – México border. With our 4 international bridges, Laredo crosses over $173 billion imports and exports annually. It is the 6th largest U.S. Customs District in the country. The Laredo International Airport is the 8th largest cargo hub to South America. In 2010, the Airport serviced over 425 million pounds of cargo as compared to prior year.

The City of Laredo continues to undertake an aggressive marketing approach in bringing additional commerce to our City. We continue to visit as well has host producers of goods from Central and South America to our City in order to establish stronger economic growth. We have established healthy business opportunities where Laredo will be a route through the Ports of Lazaro Cardenas and Manzanillo to logistically import products into the United States. Two great catalysts that will enhance the City's economic growth in international trade are the following:

- The City has built two cold storage facilities which will draw exports to our Gateway City. Exporters of fresh fruits, vegetables and flowers will cross our border more expediently while keeping its products safe from the external elements. The countries of Chile and Ecuador have signed formal

agreements with Mexican officials and the City of Laredo for this venue.

- Current plans are underway to construct a $2.3 million facility located at our International Airport for federal inspections. This will allow Mexican Customs to pre-clear American goods for import into Mexico. This will be the first international inspection in the United States.

Another major economic catalyst that is boosting our economy tremendously is the activity of oil and gas in our area. The drilling and exploration in the Eagle Ford Shale, has heightened the City's sales tax and hotel/motel revenues to new levels. Due to the close proximity to our City, the oil and gas industry increased other service sectors in our community such as rental properties, restaurants, and non essential purchases. This activity has created job employment opportunities to our citizens where it is expected to create over 36,000 new jobs.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of Wal-Mart's #1 sales store in the nation. Grocery store chains such as H.E.B. continue to invest in Laredo by adding additional stores. Hobby Lobby, additional electronic stores such as Best Buy and sporting goods stores such as Academy continue to be top nationwide retail sellers in Laredo. Our 1.2 million square foot 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 Bells, Macy's, JC Penny, Sears, BeBe, Guess, Hollister, American Eagle, Aeropostale, Chucky Cheese, and many more.

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

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

MAJOR INITIATIVES

For the Year 2010-2011

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.

- Completed a 3 MGD water tower that will server over 10,000 residents in Central Laredo. This tank will alleviate the pressure on antiquated water lines. The project cost was $3.6 million.

- A commercial booth expansion project at the World Trade Bridge was completed with the project cost of $4.62 million. The project includes the addition of 7 new lanes and primary inspection booths, 2 additional secondary lanes, and other site enhancements of which all will aid to improve the flow of commercial trucks for our Port.

- Completion of two cold storage inspection facilities with a project cost of $1.7 million located at the World Trade Bridge and the Colombia Solidarity Bridge. These facilities will be useful in transporting perishable produce from Central and South America into the United States. Each refrigerated facility is approximately 6,000 square feet. The facilities will be operated through a private/public partnership.

- Rehabilitation of 462 City blocks with a project cost of $3.7 million.

Future Major Initiatives

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

- Construction of the Jefferson Water Treatment Plant continues 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.

- Construction of a Water Treatment Plant called "El Pico Water Treatment Plant" began November 2011. This project will eventually have capacity of 80 million gallons per day and its cost is $100 million.

- Another project designed to help impact trade is that of a federal inspection with a project cost of $2.3 million. The Laredo International Airport will allow Mexican customs to pre-clear American goods for import into Mexico.

- The Max A. Mandel Municipal Golf Course is the first municipal golf course in Laredo. The course is to be situated along the Rio Grande River. Water Rights, 240 acres of land, and $1 million were donated by the Mandel Family toward this project. The total construction cost of the golf course is estimated at $7.8 million. The course was designed by Robert Trent Jones, one of the top leading design firms in the world. The 18 hole golf course will include a 3,600 square foot clubhouse, a pro shop, a restaurant, a park and many other features. The project is expected to be completed in the fall of 2012.

- A baseball stadium at a cost of $21 million will be constructed off Loop 20, between the Laredo International Airport and the Laredo Energy Arena. The baseball park will hold 6,000 spectators where among some amenities will include picnic areas, luxury suites and a full service bar. The projected is expected to be completed by May 2012.

- The construction of a 3rd library for the citizens of Laredo is pending completion due to contractor delays. The cost of this project is $4.6 million. The library is located in South Laredo with approximately 22,000 square feet to include an expanded collection for circulation, a Teen Café, children's area, reference and computer labs, Wi-Fi and individual study rooms.

- Construction of a $4.8 million contract for a Hazardous Material Containment System Retrofit Project which will be built in Bridge #4 - the World Trade International Bridge. This project will construct a hazardous material containment system integral into the World Trade International Bridge span, which will capture and contain any hazardous material that maybe spilled on the international bridge. Estimated time of completion is in the later part of 2012 due to pending approvals from the Department of State.

- The City began construction of the Fire Department Administration Building. The building will house over 55 administrative personnel along with fire inspectors and the EMS training division. The project cost of this building is $8 million. The Project is expected to be completed April 2012.

- Various recreational and park projects were funded during the current year with the sale of a Certificate of Obligation Bonds. The projects include the following:

    - Construction continues for a recreational facility in East Laredo; Hayes Recreation Center, a 35,000 square feet facility, with estimated cost of $13 million will include a lobby/reception area, elevated indoor tack, game room, computer lab, rock wall, kitchen/juice bar, basketball gym/indoor soccer field, cardiovascular area, dance/aerobics room and a multipurpose room. The project is expected to be completed in March 2012.

- A Northwest Recreation Center, a 20.52 acre tract located in West Laredo will include a 44,000 sq ft. multi-purpose room, exercise and weight room, library branch, indoor play structure, a senior citizen center, computer labs, aerobic and dance studio, and may outdoor amenities. The estimated project cost is $6.6 million. Funding for this project will be funded through bond proceeds. The projected is expected to be completed mid-summer 2012.

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, 2010. This was the twenty third 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 twentieth 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

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Certificate of Achievement for Excellence in Financial Reporting

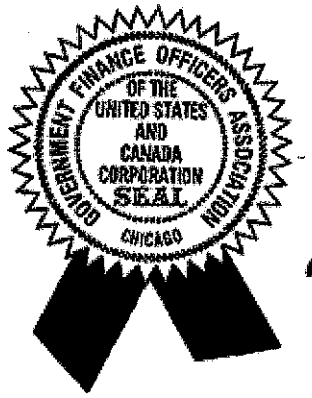
Presented to

City of Laredo

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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.



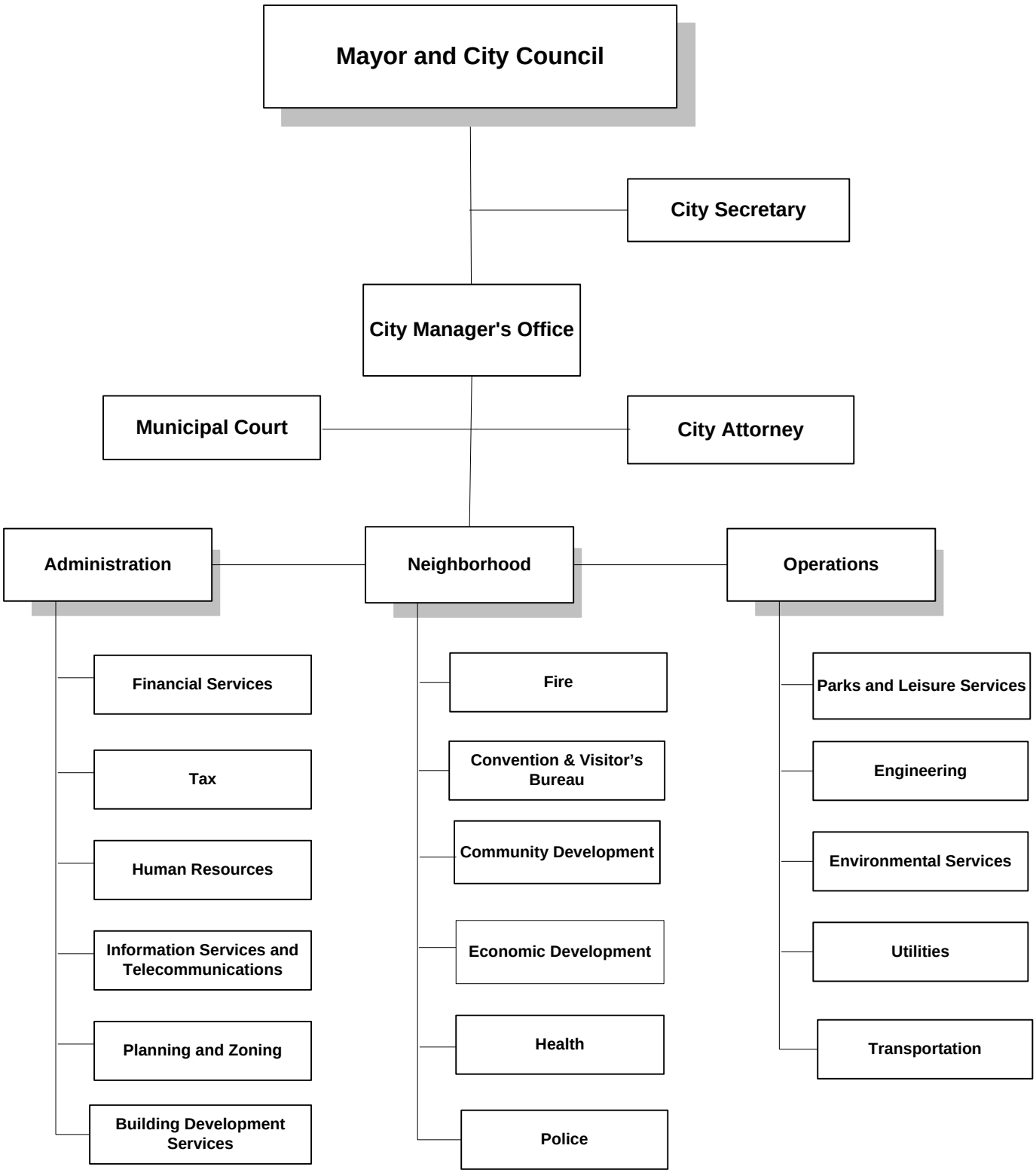
Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

CITY OF LAREDO, TEXAS



CITY OF LAREDO, TEXAS
ADMINISTRATIVE OFFICIALS

CITY COUNCIL

Raul G. Salinas, Mayor

COUNCIL MEMBER	DISTRICT	COUNCIL MEMBER	DISTRICT
Mike Garza	I	Johnny Rendon Mayor Pro-Tempore	V
Esteban Rangel	II	Charlie San Miguel	VI
Alejandro "Alex" Perez, Jr.	III	Jorge A. Vera	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

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FINANCIAL SECTION

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

CG&B
Canales, Garza & Baum, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Laredo, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2011, 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2012, on our consideration of the City of Laredo, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

707 E. Calton Rd., Suite 201, Laredo, TX 78041 MAIL: P.O. Box 3627, Laredo, TX 78044-3627 T: 956.724.1111 F: 956.724.1350
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

Canales, Garza & Bann, PLLC

Laredo, Texas
February 17, 2012

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, 2011. 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

- On a government-wide basis, the Primary Government total assets exceeded its liabilities as of September 30, 2011 by $799.1 million. There was a $71.3 million in unrestricted net assets.
- The Primary Government's total net assets increased by $63.6 million as compared to prior year. Net Assets increased for governmental activities by $24.8 million while business type activities increased by $38.7 from prior year. The primary government's total expenses were $376.9 million; this is less than the $301.5 million generated in charges for services, grants, taxes and other revenues.
- The cost of the Primary Government's governmental activities was $236 million for the 2011 fiscal year.
- As of September 30, 2011, the City's governmental fund reported combined ending fund balances of $158.2; a decrease of $11.2 million compared to prior year activities. Approximately 7% of the combined fund balances or $10.6 million is unassigned and available for the discretional use of which the funds are collected.
- The unassigned fund balance in General Fund was $10.7 million or 7.6 % of total General Fund current year expenditures.
- In fiscal year 2011, the City issued $23.9 million in debt to finance capital projects. There was a decrease of $ 10.4 million in long-term liabilities from the prior year.

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 FINANCIAL STATEMENTS

	Government – Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	• 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

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

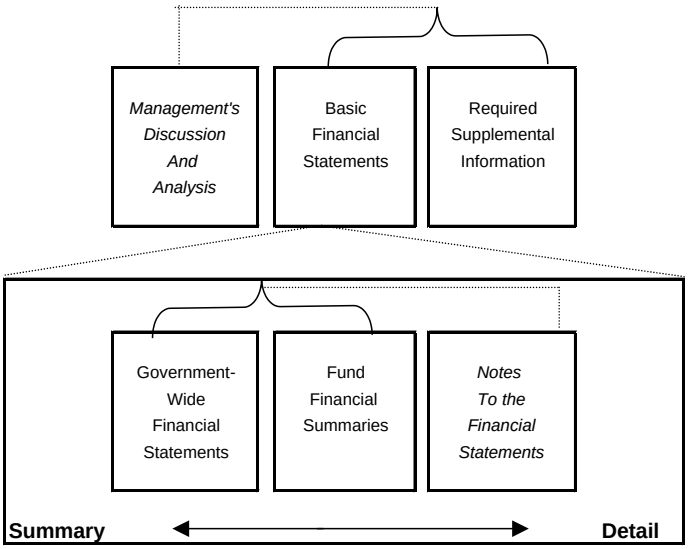


Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of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

Government-wide Statements

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

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

- Increases or decreases in the City's net assets are indicators of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City consideration to non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

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

- Government activities- Most of the City's basic services are included here, such as the police, fire, parks, public works, health, library departments, and general administration. Sales taxes and property taxes, charges for services, and the state and federal grants finance most of these activities.

- Business-type activities – The City charges fees to customers to help it cover its cost of certain services it provides. The City's Municipal Court operations and a portion of the Bridge revenues are included here.

- Blended Component units – The City includes six other entities in its report. These entities are: Laredo Municipal Housing Corp., Laredo Municipal Transit System, Laredo Convention and Visitors' Bureau, Laredo Firefighters' Retirement System, Laredo Public Facilities Corporation-La Terraza,

LLC, and the Laredo Energy Arena. Although legally separate, these "component units" are important because the City is financially accountable for them.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The City Council has established other funds to account for particular purposes or projects and or to show that it is properly using certain revenue sources.

The City has three kinds of funds:

- *Governmental funds* – Most of the City's basic services are included in Governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, we provide additional information at the bottom of the Governmental Funds Statements, or on the subsequent page, that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide Statements, provide both long- and short-term financial information. These funds are generally used to account for services for which the City charges customers either outside customers or internal cost centers of the City.

    - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Municipal Transit System, Bridge System, Municipal Housing, Waterworks, Sewer, and Solid Waste Funds.

    - Internal service funds are an accounting devise used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its Risk Management, Health & Benefits, Fleet and Information Technology Funds.

- *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.

Required Supplemental Information – In addition to the basic financial statements and accompanying notes, the CAFR also presents certain required supplemental information. These schedules include a budgetary comparison and information concerning the City's funding of its pension obligations and other postemployment benefits.

Other Information – Following the required supplemental information are additional schedules such as the combining statements referred to above in connection with non-major governmental funds, internal service funds and fiduciary funds and schedules of expenditures for capital projects.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets. The City's *combined* net assets totaled $799.1 million as of September 30, 2011. Analyzing the net assets and net expenses of the governmental and business-type activities separately, the business type activities net assets are $343.7 million and the government type activities are $455.4 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, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 218,591,259	$ 225,848,059	$ 246,605,303	$ 184,775,286	$ 465,196,562	$ 410,623,345
Capital assets	573,867,035	513,872,337	465,505,124	428,607,886	1,039,372,159	942,480,223
Unamortized Bond Costs	4,617,550	4,436,239	4,081,902	3,333,943	8,699,452	7,770,182
Total assets	797,075,844	744,156,635	716,192,329	616,717,115	1,513,268,173	1,360,873,750
Current liabilities	42,564,674	36,707,797	38,126,375	39,570,677	80,691,049	76,278,474
Non-current liabilities	299,098,678	276,858,075	334,345,651	272,167,887	633,444,329	549,025,962
Total liabilities	341,663,352	313,565,872	372,472,026	311,738,564	714,135,378	625,304,436
Net Assets:						
Invested in capital assets, net of related debt	404,332,329	371,030,290	273,496,354	251,995,464	677,828,683	623,025,754
Restricted	24,098,965	23,051,240	25,879,932	16,695,175	49,978,897	39,746,415
Unrestricted	26,981,198	36,509,233	44,344,017	36,287,912	71,325,215	72,797,145
Total net assets	$ 455,412,492	$ 430,590,763	$ 343,720,303	$ 304,978,551	$ 799,132,795	$ 735,569,314

A portion of the City's net assets, $49.98 million 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. The City's restricted net assets increased by 25.7% over the prior year.

Generally, all net assets generated by governmental actives are either externally restricted or invested in capital assets. Unrestricted governmental activities net assets are $26.98 million for the year.

Unrestricted net assets in the business- type activities are $44.34 million, increasing by $8.1 million from prior year.

The table below provides a summary of the City's operations for the year ended September 30, 2011. Governmental activities increased the City's net assets by $24.8 million, while Business-Type activities increased by $38.7 million, overall the City's Net Assets increased by $63.5 million. Total revenues realized for the City increased by $30.5 million over the previous year. (See Table A-2). The largest revenue category was charges for services, which are comprised for the most part of administrative fees from all departments, bridge tolls and utility charges.

Total operating cost of all programs increased by $19.6 million from prior year to $376.9 million. The most significant governmental expense for the City was in providing public safety, cultural and recreational, and air transportation as compared to 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 $48.4 million and the fire department with $35.6 million (both areas including benefits and overtime expenditures).

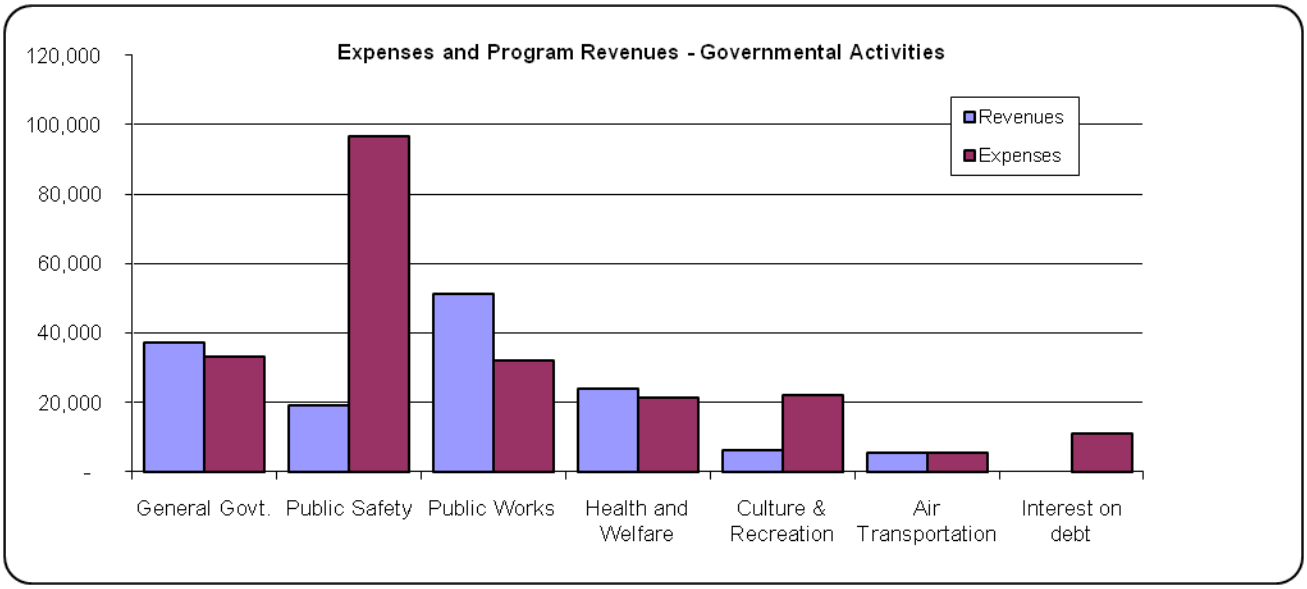
Table A-2

City of Laredo's Changes in Net Assets
September 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 73,120,474	$ 73,280,328	$ 132,488,632	$ 120,119,380	$ 205,609,106	$ 193,399,708
Operating grants and contributions	23,499,860	21,833,031	4,279,722	5,439,854	27,779,582	27,272,885
Capital grants and contributions	36,020,500	48,006,390	36,609,025	26,282,072	72,629,525	74,288,462
General revenues:						
Sales tax	39,050,113	29,790,610	6,311,745	5,512,908	45,361,858	35,303,518
Property taxes	69,142,902	69,155,582	-	-	69,142,902	69,155,582
Other taxes	11,466,079	10,078,239	-	-	11,466,079	10,078,239
Other	2,662,326	740,113	5,796,304	(245,475)	8,458,630	494,638
Total revenue	$ 254,962,254	$ 252,884,293	$ 185,485,428	$ 157,108,739	$ 440,447,682	$ 409,993,032

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Expenses:						
General Government	$ 33,212,469	$ 33,057,032	$ -	$ -	$ 33,212,469	$ 33,057,032
Public Safety	108,220,849	96,731,529	-	-	108,220,849	96,731,529
Public Works	28,971,676	31,945,598	-	-	28,971,676	31,945,598
Health & Welfare	21,559,624	21,408,808	-	-	21,559,624	21,408,808
Culture & Recreation	24,351,217	21,989,636	-	-	24,351,217	21,989,636
Air Transportation	8,337,337	5,592,799	-	-	8,337,337	5,592,799
Interest & Other long -					-	-
term debt	11,330,317	11,170,771	-	-	11,330,317	11,170,771
Transit System	-	-	15,011,164	15,264,944	15,011,164	15,264,944
Bridge System	-	-	41,558,090	40,917,048	41,558,090	40,917,048
Solid Waste	-	-	15,794,014	14,516,888	15,794,014	14,516,888
Water System	-	-	42,840,185	40,110,255	42,840,185	40,110,255
Sewer System	-	-	24,269,283	25,526,830	24,269,283	25,526,830
Municipal Housing	-	-	1,427,976	2,013,781	1,427,976	2,013,781
Total expenses	235,983,489	221,896,173	140,900,712	138,349,746	376,884,201	360,245,919
Inc (dec) in net assets						
before transfers	18,978,765	30,988,120	44,584,716	18,758,993	63,563,481	49,747,113
Transfers	5,842,964	4,683,701	(5,842,964)	(4,683,701)	-	-
Incr (Dec) in net assets	24,821,729	35,671,821	38,741,752	14,075,292	63,563,481	49,747,113
Net assets, beginning	430,590,763	388,203,399	304,978,551	297,468,259	735,569,314	685,671,658
Prior Period Adj.	-	6,715,543	-	(6,565,000)	-	150,543
Net assets, ending	$ 455,412,492	$ 430,590,763	$ 343,720,303	$ 304,978,551	$ 799,132,795	$ 735,569,314

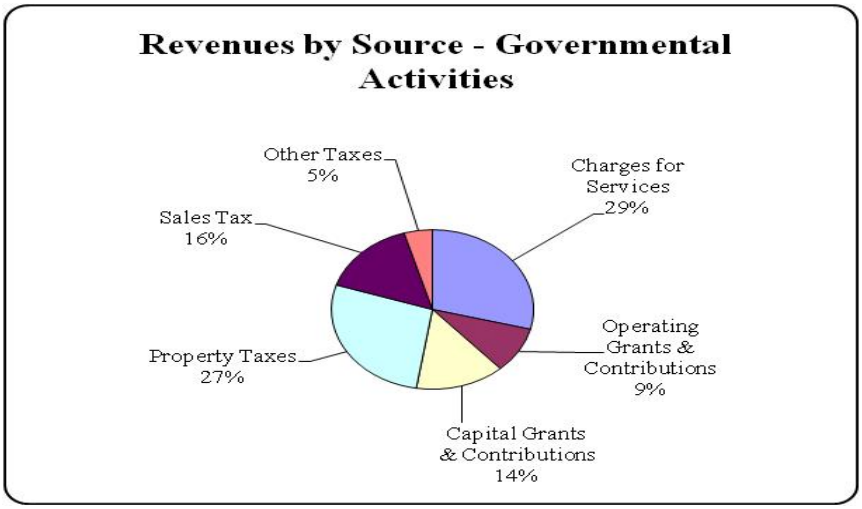
Graph 1



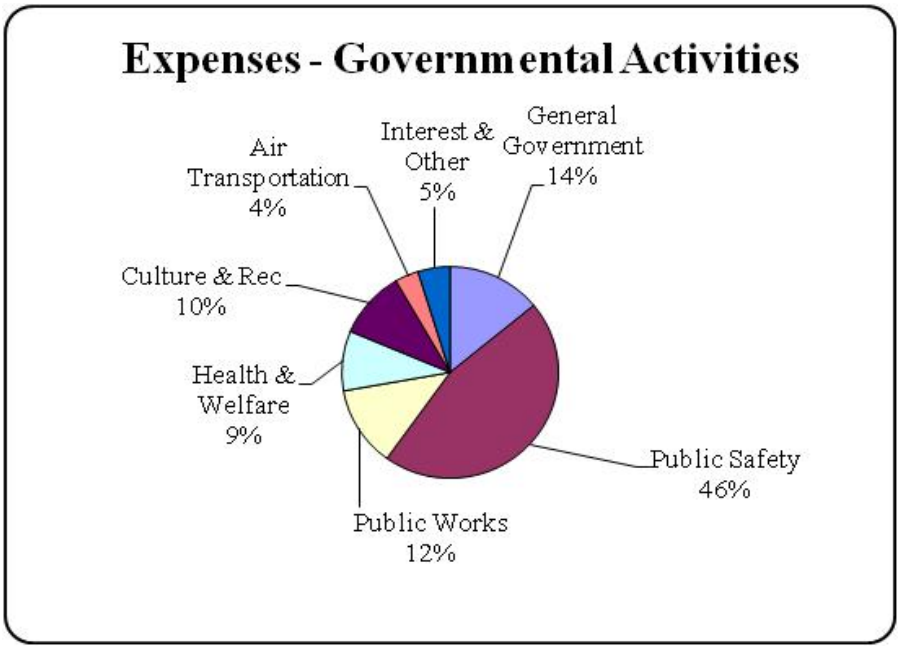
Graph 1 represents the cost of each of the City's 7 largest programs as well as each of the programs revenue. Net cost (total cost less fees generated by the activities and intergovernmental aid) is also reflected for each program. The net cost is the financial burden that was placed on the City's taxpayers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

- The cost of all Governmental activities this year was $236 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 $128.2 million.
- 45.9% of all Governmental activities expenses were from Public Safety, 12.3% were from Public Works, 9% were from Health & Welfare, 10.3% were from Cultural & Recreational, 14.2% were for general governmental activities and 8.3% were from "Other" categories. (See Graph 3).
- General Government (support services) comprised approximately 14.2% of the total expenses in fiscal year 2011; a very stable expenditure line item with an increase of only $155 thousand from prior year.
- Expenses for Public Safety represent 45.9% of total expenditures with an increase of 11.9% or $11.5 million from prior year. A portion of the increase was due to increased contractual obligations with the Fire and Police Unions where a 4% cost of living increase was given to Police totaling $1.5 million and 3.25% to the Fire Department totaling $1 million. In addition, there was a significant adjustment for uncompensated absences of $9.6 million of which $3.1 million was unused leave by the Police Department.
- Public Works expenses represent 12.3% of total expenditures with a decrease of $3 million or 9.3% as compared to the prior year. The decrease in this area is due to a reduction of charges and activity for the Colonias Projects in Webb County as it relates to heavy construction.
- Cultural & Recreational increased by $2.4 million or 10.7% as compared to prior year. This is due to increased funding for parks projects by Community Development Block Grants of $1.5 million and other smaller increases in Friends of the Library Fund of $500 thousand.
- Air Transportation I.e. the International Airport increased by $2.7 million or 49.07% as compared to prior year. The increase of $2.5 million is due to depreciation expenses of its assets.
- Business Type Activities transferred to Governmental Activities $5.8 million, an increase of $1.2 million from the prior year.
- Overall, there was an increase in net assets of $13.8 million for the City. There was a $24.6 million increase in the business type activities and a decrease of $10.9 million in the governmental activities generating the $24.6 million.
- 29% of all Governmental Activities revenue came from charges for services, 27% from property taxes and 16% from sales taxes (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City's business-type activities were $185.5 million for the fiscal year ending September 30, 2011, an increase of $28.4 million from prior year. The increase was for various reasons including an increase in capital grants and contributions in the amount of $10.3 million and $12.4 million in charges for services. Other major revenue categories remained at the same level as in the prior year.
Expenses for the City's business-type activities were $140.9 million for the year, a difference of $2.6 million from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- $2.7 million increase in Water System for non-operating expenses such as interest of $2.7 million.
- $1.3 million increase in Solid Waste System; operational expenses increased in Sanitation and Landfill divisions including the following: personnel with $79 thousand, materials and supplies $341 thousand, contractual services $929 thousand and Closure and Post Closure expenses of $208 thousand.
- $1.3 million decrease in the Sewer System; operating expenses increased $700 thousand in the following divisions: Administration $222 thousand, Wastewater Collection $269 thousand, and depreciation expenses of $175 thousand. Non-operating expenses decreased by $2.1 million.
- Bridge System increased by $641 thousand due to increases in operating expenses of $911 thousand and decreases in non-operating expenses of $270 thousand.
- Other business-type activities decreased by $740 thousand in operating expenses for the Transit System and Municipal Housing Fund and others.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City of Laredo is to provide information on near term inflows (current resources) outflows, and balances of available resources. Such information is useful in assessing the City of

Laredo's financial requirements. In particular, unreserved fund balances may serve as a useful measure of the Government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of $158.2 million. The fund balance category is as follows: $134 thousand for non-spendable funds which are used for inventory items within general fund; $105 million which are restricted for debt and grants; $29.2 are committed for specific purposes as it relates to reserves, public safety, etc.; $13.3 million are assigned for a specific use for General Fund and $10.6 are unassigned which can be used by the City government as it is needed.

The General Fund is the chief operating fund of the City of Laredo. At the end of the current fiscal year, fund balance of the General Fund was $35.5 million of which $22.4 million is committed, and $10.7 is unassigned, $1.6 million is assigned and the remaining amount is restricted and non-spendable. 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. A healthy unassigned General Fund balance represents 30.16 % of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by $574 thousand 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 revenues slightly increased by $128 thousand. There was no growth in assessed valuations from prior year. The City has not increased its tax rate for the last eight consecutive years. We remain hopeful that while other City's revenues are constant, others areas will show larger improvements.
- Sales Tax revenues increased by $3.5 million as compared to the prior year. The increase is a great indication that the Eagle Ford Shale gas industrial boom has significantly boosted the economy in our City this year.
- Charges for Services increased by $472 thousand as compared to prior year.
- General Fund expenses decreased by $2.9 million from prior year. Where most of the departments remained stable, growth (increases) occurred in categories such as: Public Safety by $3.1million, General Government by $431 thousand, and Cultural and Recreational by $670 thousand. Offsetting the increases, capital outlay decreased by $7.2 million. The major increase for public safety was in personnel expenses by $3.0 million due to contractual obligations in payroll. Other Financing Uses reflected an increase of $2.2 million due partially to transfers-in from the Capital Improvements Fund.

The Debt Service fund has a total fund balance of $8.3 million, all of which is reserved for the payment of debt. The Debt Service Fund had an increase of $1.9 million over prior year.

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 $344 million. The total net assets increased by $39 million as compared to prior year. The largest area of change is in the Waterworks System, with an increase of $26.8 million, and the Sewer System had an increase of $5.8 million. The Other Funds category is reported at $43.6 million; a decreased of $5.6 million. An increase of $24.6 million is the result of operations of the proprietary funds for the fiscal year. The increase can be further broken down into operating revenues of $12.08 million and other non-operating revenues, net of expenses, of $6.3 million. The business-type activity funds increased in revenues in the amount of $12.1 million. Charges for Services revenues increased by $11.5 million over prior year due to a higher number of customers serviced in the Water and Sewer Systems. Capital Grants and Contributions increased by $12.2 million due to completion of projects financed with grants and contribution from other categories as it relates to intergovernmental funds.

Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Overall, the City has not only maintained at least a 15% fund balance as required by City Charter, but has also has been able to increase the rate to 25.12% of operating expenditures in FY 2011. Steadily and in spite of current economic conditions, the City has been able to sustain and strengthen its economic condition. An example of an indicator that led us to this position is that sales tax collections increased by 14.8% over prior year and Hotel/Motel by 58.3% or $1.4 million as compared to budget. With appropriate planning and cautious financial spending, the City's General Fund balance increased to $35,520,440 or 25.12% of operating expenditures as of September 30, 2011.

Original Budget vs. Final Amended Budget:
Revenues and Other Financing Sources:

- During the year, the General Fund budget was amended by increasing additional appropriations of $3.5 million. The largest increase was to amend the budget in the capital outlay category in order to account for various City street improvements.

Expenses and Other Financing Uses:

- Surprisingly, the original and amended budget remained virtually unchanged thought the year; no changes were made to the budget.

Amended Budget as compared to Actual Expenses:
Revenues:

- The actual revenues reflect an overall favorable variance of $12.5 million as compared to the amended budget. This variance had various attributes:
    - Sales tax revenues increased by $3.35 million.
    - Contribution and Donations exceeded the projected revenues by $9.7 million. This amount is as a result of the recognition of the value of donated for storm drainage, street improvements and sidewalk improvements by developers to the City.

Expenses and Other Financing Sources (Uses):

- An overall negative variance of $3.9 million when comparing the amended budget to the actual expenses increased (prior to adjustments). A large portion of the increase was due to capital outlay and $3 million transferred from the Capital Improvement Fund for the completion of various projects in General Fund during the year.
    - General Government realized savings in the amount of $1.3 million from various areas including the Municipal Court, City Attorney, Building, and Planning Departments.
    - Public Works realized savings of $839 thousand in the divisions of Drafting & Surveying, Street Maintenance and Street Construction.
    - Cultural & Recreational had savings of $1.1 million in the Library and & Cemetery divisions.
    - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remain at the same level as in prior years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
The City of Laredo's investment in capital assets for its Governmental and Business-Type activities as of September 30, 2011 is $1.04 million (net of accumulated depreciation). The total increase in the City's investment in capital assets for the current fiscal year was $142.2 million net increase over prior year. Additions, to capital assets such as land, infrastructure, equipment, construction in progress and buildings for the year totaled $62.6 million for governmental activities and $36.9 million for business type activities.

Deletions of such items were immaterial for the year. (Table A-3) Additional information about the City's Capital Assets is presented in Note 8 to the financial statements.

Table A-3
City of Laredo – Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 76,466,440	$ 70,500,680	$ 31,229,059	$ 31,180,460	$ 107,695,499	$ 101,681,140
Buildings	161,893,800	148,755,547	103,983,287	96,084,537	265,877,087	244,840,084
Machinery & Equipment	92,401,725	89,151,249	80,324,733	71,703,748	172,726,458	160,854,997
Water Rights		-	40,050,823	29,847,150	40,050,823	29,847,150
Improve'ts other than Bldg	530,418,410	483,021,096	367,677,009	353,237,984	898,095,419	836,259,080
Construction in Progress	19,810,403	5,266,211	83,622,885	66,962,317	103,433,288	72,228,528
Total	$ 880,990,778	$ 796,694,783	$ 706,887,796	$ 649,016,196	$ 1,587,878,574	$ 1,445,710,979

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

Governmental

- Various land acquisitions totaling $6 million. Largely, the land acquisition was for the purchase of a City Hall Annex totaling $3.0 million, various Airport properties totaling $2.8 million.
- Assets for Building category increased by $13.1 million mainly due to a City Hall Annex with a cost of $5.5 million for the building, an additional phase to the Haynes Recreation Center with a cost of $3.6 million and several other recreational centers including the Civic Center with $500 thousand.
- Infrastructure Improvements in the amount of $47.4 million for various projects including Airport runways and cargo at a cost of $13 million, various industrial truck route with a cost of $6.7 million, Street Improvements of $3.6 million, drainage improvements of $4.8 million, parks improvements of $19 million including a municipal golf course and baseball stadium.
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to $3.3 million for all departments within the City.
- Construction in Progress increased by $14.5 due to commencement of various projects.

Proprietary

- Building capital assets increased by $7.9 million for the proprietary funds, this is mostly due to a desalination brackish water plant with a cost of $1.6 million, South and North Laredo Waste Water Treatment Plants for a cost of $5.2 million and various other improvements.
- Machinery, equipment, vehicles and heavy equipment acquired totaled $8.6 million. Some of the items purchased were landfill equipment totaling $2.2 million, $4.6 million for 14 buses in our Transit System and various equipment needs in the Water and Sewer Departments totaling $1.8 million.
- Water Rights increased by $10.2 million.
- Improvement other than building and construction in progress increased by $31.1 million which includes Water and Sewer plant improvements, collection and distribution systems.

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

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

Long-term Debt

At year-end, the City had $314.8 million in outstanding bonds and other long term debt; an increase of $27.8 million over last year (See Table A-4) for the Governmental Activities. The Business Type Activities recorded an increase of $218.2 million. More detailed information about the City's long-term liabilities is presented in Note 11 and 12 of the financial statements.

Bond Ratings

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

Standard & Poor's	AA-
Moody's	Aa2
Fitch	A+

New debt resulted mainly from various issues totaling $23.5 million; $3.5 for a General Obligation Refunding, $9.5 in Certificate of Obligation Bond Series 2011 for various capital projects and a Revenue Bond from paid from sales tax for the construction of a new baseball stadium for $10.5 million. For proprietary debt, $80.4 million was issued for Water and Sewer Systems projects as well as a $5.8 million refunding. The issuance of long term debt is to finance various projects including constructing City buildings, land acquisition, equipment and vehicles for vehicles for various City Departments and water rights acquisition.

Table A-4
City of Laredo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	$ 25,154,037	$ 24,945,491	$ 181,297,000	$ 26,894,509	$ 206,451,037	$ 51,840,000
Certificates of obligation	168,839,892	167,815,685	113,545,109	123,299,316	282,385,001	291,115,001
Revenue bonds	40,160,000	31,290,000	181,297,000	107,656,000	221,457,000	138,946,000
Capital lease obligations	1,175,951	938,307	-	-	1,175,951	938,307
Compensated Absences	23,343,701	16,530,088	1,813,806	1,009,275	25,157,507	17,539,363
Notes payable	680,000	765,000	19,637,040	20,494,474	20,317,040	21,259,474
Net Penion Ob. - OPEB	55,468,398	44,707,668	-	-	55,468,398	44,707,668
Total	$ 314,821,979	$ 286,992,239	$ 497,589,955	$ 279,353,574	$ 812,411,934	$ 566,345,813

Economic Factors and Next Year's Budgets and Rates

The City Council considered many factors when setting the fiscal year 2012 budget. General Fund revenues for FY 11-12 are proposed to be $143,765,731; an increase of $6,156,126 or 4.47% over the prior year's original budget. Expenditures are proposed to be $143,821,421; an increase of $4,148,861 or 2.97% over prior year budgeted expenditures. The City's unemployment rate increase by 0.2% to 7.7% as of September 30, 2011 compared to prior year's 7.5%. This average places it slightly below the State average of 8.0%. Building permit revenues, sales tax revenues and bridge toll revenues are areas which we use to measure the local economy. These areas are showing slight growth and are good indicators of the local state of the economy.

The total 2010-2011 consolidated budget revenue appropriation is $577,391,493 million. This represents an increase in revenues of $139.5 million or 31.88% over the 2010-2011 Original Budget. The property tax rate for 2012 is .6370 per $100 valuation; the rate has remained the same for the last eighth consecutive years. Assessed valuations for FY 2012 are $10.5 billion which represents a decrease of 0.56% over prior

year with an estimated levy of $66.8 million. Of the .6370 tax rate, 80.4% or .512296 cents are utilized for General Fund activities, the remaining 19.6% or .124704 cents are used for Debt Service. The General Fund's portion of property tax revenue for FY 2012 is projected to be $51.8 million. Sales tax revenues for the General Fund for FY 2012 are budgeted to be $27.4 million, an increase of $3.8 million or 16.27% as compared prior year's budgeted amounts.

A cost of living increase of 2% is included for all personnel beginning April 1st, excluding the Fire and Police Departments. The budget does include a $1.4 million or 4% salary increase for the Police Departments as per contractual obligations. The proposed budget also includes $1.0 million salary increase for Fire Department, an average of 3.25% depending on the position as per contractual obligations. There were a total of 2,617.60 full time equivalent positions with an estimated budget of $169.9 million.

The City of Laredo will continue to work on various projects for continued economic growth in the area of international trade through our airport and four international bridges. We will continue to revitalize our downtown, protect our green spaces, continue to rehabilitate our water and sewer lines, increase water distribution and water treatment for the future growth of our community, and create new park spaces such as a baseball field and new golf course among other projects. These significant investments will help assure future fiscal stability for the City and its citizens.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
September 30, 2011

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	$ 499,965	$ 16,700	$ 516,665
Investments (Note 5)	172,838,330	80,279,110	253,117,440
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,501,975	68,586	1,570,561
Property Taxes, Penalty and Interest	9,114,577	-	9,114,577
Hotel-Motel Tax, Penalty and Interest	343,495	-	343,495
Accounts	13,495,700	9,955,160	23,450,860
Notes	14,760,391	16,180	14,776,571
Paving Assessments	7,870	-	7,870
Internal Balances (Note 13)	(1,725,716)	1,725,716	-
Due From Other Governments	6,901,489	927,860	7,829,349
Inventory, at cost	489,314	1,606,872	2,096,186
Prepaid Items	363,869	-	363,869
Total Current Assets	218,591,259	94,596,184	313,187,443
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	147,398,442	147,398,442
Accrued Interest	-	194,486	194,486
Notes	-	63	63
Due From Other Governments	-	4,416,128	4,416,128
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	76,466,440	71,279,883	147,746,323
Construction in Progress	19,810,402	83,622,885	103,433,287
Depreciable Assets:			
Buildings	161,893,799	103,983,287	265,877,086
Machinery and Equipment	92,401,726	80,324,733	172,726,459
Infrastructure	530,418,410	367,677,009	898,095,419
Accumulated Depreciation	(307,123,742)	(241,382,673)	(548,506,415)
Unamortized Bond Issuance Costs	4,617,550	4,081,902	8,699,452
Total Non Current Assets	578,484,585	621,596,145	1,200,080,730
TOTAL ASSETS	$ **797,075,844**	$ **716,192,329**	$ **1,513,268,173**

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
September 30, 2011

(Continued)

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 5,872,090	$ 2,172,574	$ 8,044,664
Claims and Judgments Payable (Note 18)	4,283,348	-	4,283,348
Retainage Payable	2,344,195	2,750,449	5,094,644
Accrued Wages and Employee Benefits	5,034,121	1,377,044	6,411,165
Accrued Interest Payable	1,244,803	1,358,582	2,603,385
Compensated Absences (Note 11 & 12)	2,630,835	726,404	3,357,239
Contracts Payable	4,179,314	3,292,847	7,472,161
Customer and Tenant Deposits	156,349	4,684,690	4,841,039
Due To Other Governments	479,044	-	479,044
Due to Developers	337,187	-	337,187
Unearned Revenue	2,910,922	3,257,585	6,168,507
General Obligation Bonds (Note 11 & 12)	3,476,586	5,538,414	9,015,000
Certificates of Obligation (Note 11 & 12)	7,157,804	4,092,196	11,250,000
Revenue Bond Payable (Note 11 & 12)	1,900,000	7,983,000	9,883,000
Notes Payable (Note 11 & 12)	85,000	892,590	977,590
Capital Lease Obligation (Note 11)	473,076	-	473,076
Total Current Liabilities	42,564,674	38,126,375	80,691,049
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	21,677,451	21,297,317	42,974,768
Certificates of Obligation (Note 11 & 12)	161,682,088	109,452,913	271,135,001
Revenue Bonds Payable (Note 11 & 12)	38,260,000	173,314,000	211,574,000
Notes Payable (Note 11 & 12)	595,000	18,744,450	19,339,450
Capital Lease Obligations (Note 11)	702,875	-	702,875
Compensated Absences (Note 11 & 12)	20,712,866	1,087,402	21,800,268
Net Pension Obligations - OPEB (Note 11)	55,468,398	-	55,468,398
Landfill Closure & Postclosure Costs (Note 12)	-	10,449,569	10,449,569
Total Noncurrent Liabilities	299,098,678	334,345,651	633,444,329
TOTAL LIABILITIES	**341,663,352**	**372,472,026**	**714,135,378**
NET ASSETS			
Investments in Capital Assets, net of related debt	404,332,329	273,496,354	677,828,683
Restricted for:			
Debt Service	10,692,075	20,349,643	31,041,718
Capital Projects	13,334,525	-	13,334,525
Improvements	-	5,530,289	5,530,289
Canseco Endowment Fund Nonexpendable	72,365	-	72,365
Unrestricted	26,981,198	44,344,017	71,325,215
TOTAL NET ASSETS	**$ 455,412,492**	**$ 343,720,303**	**$ 799,132,795**

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	$ 33,212,469	40,374,802	984,808	-	8,147,141	-	8,147,141
Public Safety	108,220,849	8,589,950	6,298,435	-	(93,332,464)	-	(93,332,464)
Public Works	28,971,676	2,158,284	1,555,902	32,935,915	7,678,425	-	7,678,425
Health and Welfare	21,559,624	11,998,683	12,640,939	1,902,080	4,982,078	-	4,982,078
Culture and Recreation	24,351,217	5,412,318	1,946,972	1,182,505	(15,809,422)	-	(15,809,422)
Air Transportation	8,337,337	4,586,437	72,804	-	(3,678,096)	-	(3,678,096)
Interest and Other on Long-Term Debt	11,330,317	-	-	-	(11,330,317)	-	(11,330,317)
Total Governmental Activities	**235,983,489**	**73,120,474**	**23,499,860**	**36,020,500**	**(103,342,655)**	**-**	**(103,342,655)**
Business-Type Activities:							
Transit System	15,011,164	3,971,867	4,259,641	4,991,135	-	(1,788,521)	(1,788,521)
Bridge System	41,558,090	46,433,396	13,727	55,901	-	4,944,934	4,944,934
Waterworks System	42,840,185	36,301,316	-	30,068,701	-	23,529,832	23,529,832
Sewer System	24,269,283	27,711,393	6,354	1,425,575	-	4,874,039	4,874,039
Solid Waste Management System	15,794,014	16,657,612	-	67,713	-	931,311	931,311
Municipal Housing	1,427,976	1,413,048	-	-	-	(14,928)	(14,928)
Total Business-Type Activities	**140,900,712**	**132,488,632**	**4,279,722**	**36,609,025**	**-**	**32,476,667**	**32,476,667**
Total Primary Government	**$ 376,884,201**	**205,609,106**	**27,779,582**	**72,629,525**	**(103,342,655)**	**32,476,667**	**(70,865,988)**
General Revenues:							
Property Taxes					69,142,902	-	69,142,902
Sales Tax					39,050,113	6,311,745	45,361,858
Franchise Tax					7,018,602	-	7,018,602
Hotel Motel Tax					4,117,956	-	4,117,956
Alcoholic Beverage Tax					329,521	-	329,521
Unrestricted investment earnings					505,944	203,743	709,687
Gain on sale of capital assets					1,327,296	152,893	1,480,189
Bond Premium					829,086	5,439,668	6,268,754
Transfers (Note 14)					5,842,964	(5,842,964)	-
Total general revenues and transfers					128,164,384	6,265,085	134,429,469
Change in net assets					24,821,729	38,741,752	63,563,481
Net assets-beginning					430,590,763	304,978,551	735,569,314
Net assets-ending					**$ 455,412,492**	**343,720,303**	**799,132,795**

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

CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	$ 15,084	-	484,431	499,515
Investments	38,286,530	8,269,231	121,011,349	167,567,110
Receivable, net of allowances:				
Accrued Interest	40,502	3,913	1,451,867	1,496,282
Taxes, Penalty and Interest (Note 6)	7,832,042	1,217,241	46,824	9,096,107
Accounts (Note 6)	3,455,095	-	1,784,765	5,239,860
Notes (Note 6)	-	-	14,760,391	14,760,391
Paving Assessments (Note 6)	-	7,870	-	7,870
Due from Other Funds	2,955,441	-	2,950	2,958,391
Due from Other Governments	358,194	-	6,543,295	6,901,489
Inventory, at cost	14,937	-	69,161	84,098
TOTAL ASSETS	**52,957,825**	**9,498,255**	**146,155,033**	**208,611,113**
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	1,830,889	903	2,555,123	4,386,915
Retainage Payable	-	-	2,344,195	2,344,195
Accrued Wages and Employee Benefits	3,958,909	-	916,557	4,875,466
Contracts Payable	34,843	-	4,144,471	4,179,314
Customer and Tenant Deposits	625	-	155,724	156,349
Due to Other Funds	-	-	3,171,805	3,171,805
Due to Other Governments	387,044	-	92,000	479,044
Due to Developers	-	-	337,187	337,187
Deferred Revenue	11,225,075	1,225,324	17,990,827	30,441,226
TOTAL LIABILITIES	**17,437,385**	**1,226,227**	**31,707,889**	**50,371,501**
FUND BALANCES (Note 22)				
Nonspendable	14,937	-	119,161	134,098
Restricted	786,681	8,272,028	95,987,821	105,046,530
Committed	22,393,198	-	6,756,570	29,149,768
Assigned	1,613,435	-	11,709,333	13,322,768
Unassigned (Deficit)	10,712,189	-	(125,741)	10,586,448
TOTAL FUND BALANCES	**35,520,440**	**8,272,028**	**114,447,144**	**158,239,612**
TOTAL LIABILITIES AND FUND BALANCES	**$ 52,957,825**	**9,498,255**	**146,155,033**	

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.	572,956,104
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	9,806,101
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.	(72,468)
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)	(285,516,857)
Net assets of governmental activities	**$ 455,412,492**

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, 2011

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes:				
Property	$ 55,890,069	13,108,222	-	68,998,291
Sales	26,935,219	-	6,733,805	33,669,024
Franchise Fees	6,995,838	-	-	6,995,838
Bingo Tax	74,345	-	-	74,345
Alcoholic Beverage	341,545	-	-	341,545
Hotel Motel	-	-	4,055,510	4,055,510
Licenses and Permits	5,795,171	-	692,547	6,487,718
Intergovernmental Revenues	1,629,571	-	48,171,579	49,801,150
Charges for Services	32,061,368	-	9,667,053	41,728,421
Fines	3,248,911	-	514,066	3,762,977
Fees and Collections	790,739	-	2,756,806	3,547,545
Rents	-	-	5,731,032	5,731,032
Interest and Other	931,281	67,636	512,963	1,511,880
Miscellaneous	480,466	304,116	3,938,247	4,722,829
Contributions & Donations	9,749,327	-	1,202,123	10,951,450
Reimbursements	-	38,578	2,242,035	2,280,613
TOTAL REVENUES	**144,923,850**	**13,518,552**	**86,217,766**	**244,660,168**
EXPENDITURES:				
Current:				
General Government	18,295,821	14,822	787,486	19,098,129
Public Safety	92,803,746	-	8,253,548	101,057,294
Public Works	7,049,101	-	3,136,007	10,185,108
Health and Welfare	839,064	-	19,321,739	20,160,803
Cultural and Recreational	11,139,218	-	12,501,448	23,640,666
Air Transportation Services	-	-	4,651,685	4,651,685
Capital Outlay	11,291,552	-	74,420,482	85,712,034
Debt Service:				
Bond Costs	-	64,452	640,403	704,855
Principal Retirement	-	9,676,355	570,009	10,246,364
Interest and Fiscal Expenditures	-	10,816,364	50,550	10,866,914
TOTAL EXPENDITURES	**141,418,502**	**20,571,993**	**124,333,357**	**286,323,852**
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,505,348	(7,053,441)	(38,115,591)	(41,663,684)
OTHER FINANCING SOURCES (USES):				
Transfers In	6,681,267	8,736,563	31,282,112	46,699,942
Issuance of Debt	-	3,199,078	19,990,000	23,189,078
Bond Premium	-	178,683	650,403	829,086
Transfers Out	(9,738,939)	-	(29,334,061)	(39,073,000)
Capital Leases	-	-	807,653	807,653
Sale of Assets	126,432	-	1,248,646	1,375,078
Payment to Refunded Bond Escrow Agent	-	(3,317,933)	-	(3,317,933)
TOTAL OTHER FINANCING SOURCES (USES)	**(2,931,240)**	**8,796,391**	**24,644,753**	**30,509,904**
Net Change in Fund Balances	574,108	1,742,950	(13,470,838)	(11,153,780)
Fund Balances-Beginning	34,946,332	6,529,078	127,917,982	169,393,392
FUND BALANCES-ENDING	**$ 35,520,440**	**8,272,028**	**114,447,144**	**158,239,612**

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, 2011

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

Net change in fund balances-total governmental funds	**$**	**(11,153,780)**
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2)		59,956,857
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		8,131,933
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2)		(10,432,434)
Accrued interest expense recorded for entity-wide statements.		60,141
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(19,848,584)
Internal service funds are used by management to charge the costs of fleet management, risk management, and health and benefits to individual funds.		
The net revenue of certain activities of internal service funds is reported with governmental activities.		(1,892,404)
Change in net assets of governmental activities	**$**	**24,821,729**

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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, 2011

	Budgeted Amounts				Actual Budget	Variance Positive
	Original	Final	Actual	Adjustments	Basis	(Negative)
REVENUES:						
Taxes						
Property Taxes	$ 54,109,923	54,109,923	53,783,005	-	53,783,005	(326,918)
Penalty and Interest	2,421,767	2,421,767	2,107,064	-	2,107,064	(314,703)
Alcoholic Beverage	314,028	314,028	341,545	-	341,545	27,517
Bingo Tax	73,153	73,153	74,345	-	74,345	1,192
Sales and Use	23,589,876	23,589,876	26,935,219	-	26,935,219	3,345,343
Franchise Fees	6,645,215	6,645,215	6,995,838	-	6,995,838	350,623
Licenses and Permits	5,856,543	5,856,543	5,795,171	-	5,795,171	(61,372)
Intergovernmental Revenues	622,500	2,107,842	1,629,571	-	1,629,571	(478,271)
Charges for Services	32,198,266	32,198,266	32,061,368	-	32,061,368	(136,898)
Fines	3,394,911	3,394,911	3,248,911	-	3,248,911	(146,000)
Fees and Collections	744,297	744,297	790,739	-	790,739	46,442
Interest and Other	922,047	922,047	931,281	-	931,281	9,234
Miscellaneous	4,893	40,532	480,466	-	480,466	439,934
Contributions and Donations	15,000	15,000	9,749,327	-	9,749,327	9,734,327
TOTAL REVENUES	**130,912,419**	**132,433,400**	**144,923,850**	**-**	**144,923,850**	**12,490,450**
EXPENDITURES:						
General Government						
Mayor and City Council	730,270	741,310	747,064	4,863	751,927	(10,617)
City Manager	1,200,526	1,201,026	1,195,295	3,197	1,198,492	2,534
Internal Audit	240,405	240,405	237,591	-	237,591	2,814
Public Information Office	175,321	174,821	86,254	156	86,410	88,411
City Hall Maintenance	530,165	530,165	452,865	65,272	518,137	12,028
Municipal Court	1,472,707	1,485,946	1,317,366	16,269	1,333,635	152,311
Building Inspections	1,539,897	1,509,897	1,282,574	1,494	1,284,068	225,829
Development Review Engineering	490,076	489,917	508,728	-	508,728	(18,811)
Code Enforcement	340,512	340,512	337,235	-	337,235	3,277
Public Right of Way	198,875	199,034	196,532	-	196,532	2,502
Geographic Information Systems	204,913	204,913	193,508	2,231	195,739	9,174
City Attorney	1,021,245	1,021,245	892,478	8,159	900,637	120,608
City Secretary	449,186	457,911	426,102	2,250	428,352	29,559
Elections	87,492	275,823	274,221	-	274,221	1,602
Tax Office	1,058,789	1,058,789	1,035,938	3,565	1,039,503	19,286
Accounting	1,180,614	1,175,104	1,080,648	677	1,081,325	93,779
Purchasing	483,910	483,910	480,506	1,126	481,632	2,278
Payroll	218,809	218,809	216,775	255	217,030	1,779
Accounts Payable	347,100	351,700	351,698	320	352,018	(318)
Budget	362,596	363,506	361,640	351	361,991	1,515
Personnel and Civil Service	538,739	538,739	518,335	128	518,463	20,276
Training	334,021	334,021	291,776	105	291,881	42,140
Planning	909,474	933,474	847,343	16,136	863,479	69,995
Section 112	500,000	500,000	283,926	902	284,828	215,172
311 Program	297,952	297,952	269,280	27,389	296,669	1,283
Communications & Admin. Support	341,605	341,605	247,845	6,118	253,963	87,642
Center for Non-Profit	97,379	97,379	90,537	2,178	92,715	4,664
Real Estate	165,358	175,358	159,203	9,800	169,003	6,355
Economic Development	75,000	75,000	-	-	-	75,000
Public Safety						
Police	4,139,742	4,259,803	3,897,386	32,890	3,930,276	329,527
Records/Property	1,313,130	1,312,585	1,178,585	1,888	1,180,473	132,112
Autotheft Grant Match	813,514	699,238	638,663	-	638,663	60,575
Detective	5,801,983	5,556,093	5,406,773	11,646	5,418,419	137,674
LISD SRO Program	11,205	-	-	-	-	-
Narcotics/Pipeline/K-9	3,286,953	3,261,166	3,010,767	14,884	3,025,651	235,515
911 Communications	2,749,481	2,782,525	2,431,069	-	2,431,069	351,456
Criminal Int. Acquisition	387,627	385,965	361,452	1,523	362,975	22,990
Patrols	34,436,185	34,718,221	34,667,037	305,619	34,972,656	(254,435)
Fire	23,763,599	23,719,497	24,813,386	19,439	24,832,825	(1,113,328)
Fire - EMS Division	8,287,077	8,293,806	7,684,557	3,013	7,687,570	606,236
Fire - EMS Trauma (Webb Co.)	14,000	14,000	6,650	-	6,650	7,350
Fire Civilians	551,782	572,022	611,431	-	611,431	(39,409)
Fire - Prevention & Arson	1,566,354	1,578,072	1,467,252	11	1,467,263	110,809
Fire Airport	975,269	976,664	1,143,472	-	1,143,472	(166,808)
Fire - Training (In House)	438,286	442,251	505,860	-	505,860	(63,609)
Fire - Training	418,895	419,472	402,409	1,115	403,524	15,948
Fire Emergency Management	12,294	11,772	11,878	780	12,658	(886)
Homeland Security Grant	-	101,756	27,500	16,366	43,866	57,890
Traffic	2,443,556	2,463,490	2,360,236	4,060	2,364,296	99,194
Street Lighting	$ 2,280,834	2,252,134	2,177,383	-	2,177,383	74,751

(Continued)

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2011

	Budgeted Amounts				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
Public Works						
Administration	$ 711,419	733,225	673,471	14,103	687,574	45,651
Engineering	565,405	565,405	557,817	299	558,116	7,289
Street Maintenance	1,231,639	1,226,939	954,410	11,850	966,260	260,679
Drafting & Surveying	1,212,945	1,215,732	968,093	1,101	969,194	246,538
Street Construction	1,071,786	1,015,508	912,433	6,456	918,889	96,619
Construction & Inspections	476,743	473,956	504,973	589	505,562	(31,606)
Street Cleaning	1,362,328	1,364,678	1,280,637	970	1,281,607	83,071
Building Rehabilitation	810,896	808,396	629,467	2,730	632,197	176,199
Warehouse	111,170	103,034	90,239	822	91,061	11,973
Special Construction Projects	437,734	419,396	477,561	-	477,561	(58,165)
Health and Welfare						
Third-Party Funding	696,700	696,700	689,900	2,952	692,852	3,848
Non CDBG Code Enforcement	154,645	154,645	149,164	418	149,582	5,063
Cultural and Recreational						
Parks	555,449	549,962	469,088	3,304	472,392	77,570
Maintenance	4,474,530	4,534,893	4,645,347	82,555	4,727,902	(193,009)
Recreation	681,700	666,200	837,876	4,124	842,000	(175,800)
Recreation Centers	1,816,850	1,767,688	1,802,643	34,633	1,837,276	(69,588)
Cemetery	325,287	325,287	298,548	3,418	301,966	23,321
Library	3,536,707	3,536,052	3,085,716	136,652	3,222,368	313,684
Other	4,480,564	4,996,008	3,912,558	8,835	3,921,393	1,074,615
Capital Outlay	-	2,727,673	11,291,552	236,202	11,527,754	(8,800,081)
TOTAL EXPENDITURES	**133,999,199**	**137,520,180**	**141,418,502**	**1,138,188**	**142,556,690**	**(5,036,510)**
Excess (Deficiency) of Revenues Over Expenditures	(3,086,780)	(5,086,780)	3,505,348	(1,138,188)	2,367,160	7,453,940
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	19,807	19,807	7,538	-	7,538	(12,269)
Capital Improvements Fund	3,889,751	3,889,751	3,889,751	-	3,889,751	-
Parking Meters	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Fleet Management	457,591	457,591	457,591	-	457,591	-
Risk Management	1,026,387	1,026,387	1,026,387	-	1,026,387	-
Information Technology	300,000	300,000	300,000	-	300,000	-
Transfers Out:						
Auto Theft Task Force	(241,646)	(241,646)	(235,507)	-	(235,507)	6,139
Health Fund	(2,985,441)	(2,985,441)	(3,058,484)	-	(3,058,484)	(73,043)
Special Police Program	(190,112)	(190,112)	(50,401)	-	(50,401)	139,711
Public Access Fund	(312,121)	(312,121)	(304,287)	-	(304,287)	7,834
Special Fire Grants	(1,059,269)	(1,059,269)	(1,090,260)	-	(1,090,260)	(30,991)
Debt Service Fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Capital Improvements Fund	-	-	(3,000,000)	-	(3,000,000)	(3,000,000)
Sale of Assets	3,650	3,650	126,432	-	126,432	122,782
TOTAL OTHER FINANCING SOURCES (USES)	**(91,403)**	**(91,403)**	**(2,931,240)**	**-**	**(2,931,240)**	**(2,839,837)**
Net Change in Fund Balance	(3,178,183)	(5,178,183)	574,108	(1,138,188)	(564,080)	4,614,103
Fund Balances at Beginning of Year	32,968,293	34,946,332	34,946,332	(42,235)	34,904,097	(42,235)
FUND BALANCES AT END OF YEAR	$ **29,790,110**	**29,768,149**	**35,520,440**	**(1,180,423)**	**34,340,017**	**4,571,868**

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, 2011

	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	$ 10,000	1,950	300	4,450	16,700	450
Investments (Note 5)	8,261,309	33,704,115	25,462,572	12,851,114	80,279,110	5,271,220
Receivable:						
Accrued Interest	4,788	31,253	21,702	10,843	68,586	5,693
Accounts (Note 6)	655,492	4,351,169	3,731,552	1,216,947	9,955,160	470,863
Notes (Note 6)	-	607	15,573	-	16,180	-
Prepaid Items	-	-	-	-	-	363,869
Due From Other Governments	3,571	44,225	12,817	867,247	927,860	-
Due From Other Funds	-	368,797	10,582	3,020,974	3,400,353	-
Inventory, at Cost	-	1,001,767	71,999	533,106	1,606,872	405,216
Total Current Assets	8,935,160	39,503,883	29,327,097	18,504,681	96,270,821	6,517,311
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	4,924,974	106,697,849	26,050,902	9,724,717	147,398,442	-
Accrued Interest Receivable	59	169,151	25,159	117	194,486	-
Notes Receivable (Note 6)	-	63	-	-	63	-
Due From Other Funds	-	-	-	1,405,067	1,405,067	-
Due From Other Governments	-	4,416,128	-	-	4,416,128	-
Total Restricted Assets (Note 7)	4,925,033	111,283,191	26,076,061	11,129,901	153,414,186	-
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	14,998,133	8,417,463	8,090,771	48,818,366	80,324,733	1,634,650
Buildings	33,617,727	23,917,848	27,403,618	19,044,094	103,983,287	401,188
Improvements	79,274,590	154,422,056	121,178,164	12,802,199	367,677,009	11,391
Land and Improvements	11,265,265	44,686,054	4,531,525	10,425,110	70,907,954	-
Land Easements	-	170,534	201,395	-	371,929	-
Construction in Progress	2,017,143	60,961,884	19,498,038	1,145,820	83,622,885	-
Less Accumulated Depreciation	(44,961,415)	(92,880,401)	(61,020,411)	(42,520,446)	(241,382,673)	(1,136,298)
Total Capital Assets (net of accumulated depreciation)	96,211,443	199,695,438	119,883,100	49,715,143	465,505,124	910,931
Other Assets:						
Unamortized Bond Issuance Costs	1,331,506	1,961,025	671,581	117,790	4,081,902	-
Total Noncurrent Assets	102,467,982	312,939,654	146,630,742	60,962,834	623,001,212	910,931
TOTAL ASSETS	**$ 111,403,142**	**352,443,537**	**175,957,839**	**79,467,515**	**719,272,033**	**7,428,242**

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

(Continued)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	**WATERWORKS SYSTEM**	**SEWER SYSTEM**	**OTHER ENTERPRISE FUNDS**	**TOTALS**	**INTERNAL SERVICE FUNDS**
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 178,166	1,058,524	402,659	533,225	2,172,574	1,485,174
Retainage Payable	85,617	2,341,348	310,495	12,989	2,750,449	-
Contracts Payable	244,365	2,081,458	844,751	122,273	3,292,847	-
Due To Other Funds (Note 13)	-	1,901,209	10,582	1,947,427	3,859,218	714,509
Accrued Interest	-	902,500	321,212	134,870	1,358,582	-
Accrued Wages & Employee Benefits	273,619	384,024	167,787	551,614	1,377,044	158,655
Claims and Judgments Payable	-	-	-	-	-	4,283,348
Compensated Absences	202,315	184,108	72,712	267,269	726,404	102,880
Customer Deposits	8,000	4,589,799	-	86,891	4,684,690	-
Unearned Revenue	1,676,283	1,467,009	61,751	52,542	3,257,585	79,509
General Obligation Bonds (Note 12)	-	2,875,951	2,200,709	461,754	5,538,414	-
Certificates of Obligation (Note 12)	-	1,061,751	1,601,385	1,429,060	4,092,196	-
Revenue Bonds Payable (Note 12)	4,390,000	2,597,000	996,000	-	7,983,000	-
Notes Payable (Note 12)	892,590	-	-	-	892,590	-
Total Current Liabilities	7,950,955	21,444,681	6,990,043	5,599,914	41,985,593	6,824,075
Noncurrent Liabilities:						
General Obligation Bonds (Note 12)	-	10,716,866	6,718,118	3,862,333	21,297,317	-
Certificates of Obligation (Note 12)	-	63,378,500	30,528,310	15,546,103	109,452,913	-
Revenue Bonds Payable (Note 12)	50,595,000	95,973,000	26,746,000	-	173,314,000	-
Notes Payable (Note 12)	18,744,450	-	-	-	18,744,450	-
Compensated Absences	355,042	279,066	87,471	365,823	1,087,402	210,753
Closure and Postclosure Cost (Note 12)	-	-	-	10,449,569	10,449,569	-
Total Noncurrent Liabilities	69,694,492	170,347,432	64,079,899	30,223,828	334,345,651	210,753
TOTAL LIABILITIES	**77,645,447**	**191,792,113**	**71,069,942**	**35,823,742**	**376,331,244**	**7,034,828**
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	25,551,720	133,657,327	82,514,140	31,773,167	273,496,354	910,931
Restricted for Debt Service	4,792,178	10,556,270	5,001,195	-	20,349,643	-
Restricted for Improvements	-	5,530,289	-	-	5,530,289	-
Unrestricted (Deficit)	3,413,797	10,907,538	17,372,562	11,870,606	43,564,503	(517,517)
TOTAL NET ASSETS	**$ 33,757,695**	**160,651,424**	**104,887,897**	**43,643,773**	**342,940,789**	**393,414**
	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				779,514	
	Net assets of business-type activities				**$ 343,720,303**	

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, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Charges for Services	$ -	31,431,680	27,438,365	20,060,860	78,930,905	36,529,348
Rental of Facilities	2,734,637	-	-	1,775,801	4,510,438	-
Toll Receipts	43,638,202	-	-	-	43,638,202	-
Miscellaneous	59,631	3,625,787	100,640	179,945	3,966,003	1,027,849
TOTAL OPERATING REVENUES	**46,432,470**	**35,057,467**	**27,539,005**	**22,016,606**	**131,045,548**	**37,557,197**
OPERATING EXPENSES:						
Costs of Services	-	-	-	-	-	29,906,620
Personnel Services	7,451,573	7,299,538	3,404,848	14,689,459	32,845,418	4,321,997
Materials and Supplies	566,377	2,633,448	1,410,241	4,095,921	8,705,987	293,249
Contractual Services	25,377,182	7,183,318	7,692,813	7,202,801	47,456,114	2,933,393
Other	25,688	120,803	107,190	654,580	908,261	840
Total Operating Expenses Before Depreciation	33,420,820	17,237,107	12,615,092	26,642,761	89,915,780	37,456,099
Depreciation Expense (Note 8)	4,192,722	7,260,095	6,095,297	4,559,856	22,107,970	193,812
TOTAL OPERATING EXPENSES	**37,613,542**	**24,497,202**	**18,710,389**	**31,202,617**	**112,023,750**	**37,649,911**
Operating Income (Loss)	8,818,928	10,560,265	8,828,616	(9,186,011)	19,021,798	(92,714)
NON-OPERATING REVENUES (EXPENSES):						
Intergovernmental	13,727	-	6,354	-	20,081	125
Sales Tax	-	-	-	6,311,745	6,311,745	-
Interest Earnings	23,032	951,413	64,847	36,465	1,075,757	19,409
Interest Earnings - Restricted	55,901	800,957	171,246	68,430	1,096,534	-
Discount Earnings	-	4,205	8,983	6,631	19,819	122
Premiums	-	4,550,647	701,569	187,452	5,439,668	-
Miscellaneous	-	366,374	162,762	16,355	545,491	-
Gain (Loss) On Sale of Assets	2,608	29,293	99,668	21,324	152,893	(47,907)
Interest Expense	(3,697,171)	(8,737,268)	(3,083,142)	(959,279)	(16,476,860)	-
Federal Operating Grant	-	-	-	3,588,224	3,588,224	-
Gain (Loss) on Advance Funding	-	(18,271)	-	-	(18,271)	-
Water Availability	-	(343,824)	-	-	(343,824)	-
Other Non-Operating Expenses	-	(9,139,482)	(2,402,968)	-	(11,542,450)	-
Fiscal Agent Fees	(1,300)	(3,425)	(3,725)	(125)	(8,575)	-
Bond Issuance Cost Amortized	(137,365)	(93,927)	(65,587)	(37,745)	(334,624)	-
State Dept. of Highways	-	-	-	671,417	671,417	-
Construction	(103,709)	-	-	(16,880)	(120,589)	-
Other	-	-	-	(645)	(645)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(3,844,277)**	**(11,633,308)**	**(4,339,993)**	**9,893,369**	**(9,924,209)**	**(28,251)**

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended September 30, 2011

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	**WATERWORKS SYSTEM**	**SEWER SYSTEM**	**OTHER ENTERPRISE FUNDS**	**TOTALS**	**INTERNAL SERVICE FUNDS**
Income Before Contributions and Transfers	4,974,651	(1,073,043)	4,488,623	707,358	9,097,589	(120,965)
Capital Contributions-Intergovernmental	-	26,942,569	-	4,990,418	31,932,987	-
Capital Contributions-Waterrights	-	1,035,367	-	-	1,035,367	-
Capital Contributions-Other	-	144,210	290,602	-	434,812	-
Capital Contributions-Developers	-	1,145,598	963,727	-	2,109,325	-
Transfers In	-	-	-	288	288	186,637
Transfers Out	(4,468,108)	(1,375,144)	-	-	(5,843,252)	(1,970,615)
Change in Net Assets	506,543	26,819,557	5,742,952	5,698,064	38,767,116	(1,904,943)
Total Net Assets-Beginning	33,251,152	133,831,867	99,144,945	37,945,709		2,298,357
Total Net Assets-Ending	**$ 33,757,695**	**160,651,424**	**104,887,897**	**43,643,773**		**393,414**
	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(25,364)	
	Change in net assets of business-type activities				**$ 38,741,752**	

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

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2011

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
CASH FLOW FROM OPERATING ACTIVITIES:						
Receipts from customers and users	$ 47,146,776	33,369,541	26,439,088	22,155,473	129,110,878	941,732
Receipts from interfund services provided	-	531,540	493,573	177,180	1,202,293	36,529,348
Payments to suppliers	(3,312,544)	(8,735,599)	(9,383,788)	(12,130,398)	(33,562,329)	(31,860,505)
Payments to employees	(7,358,465)	(7,155,952)	(3,329,338)	(10,569,667)	(28,413,422)	(4,323,793)
Payments for interfund services used	(22,311,962)	(2,177,852)	(1,638,102)	(4,601,132)	(30,729,048)	(718,658)
Net cash provided (used) by operating activities	**14,163,805**	**15,831,678**	**12,581,433**	**(4,968,544)**	**37,608,372**	**568,124**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer to other funds	(4,468,108)	(1,758,247)	-	1,839,678	(4,386,677)	(1,970,615)
Transfer from other funds	-	-	-	569,932	569,932	253,113
Subsidy from federal and state grants	25,139	21,214	310,920	3,700,152	4,057,425	125
Sales Tax	-	-	-	6,311,745	6,311,745	-
Net cash provided (used) by noncapital and related financing activities	**(4,442,969)**	**(1,737,033)**	**310,920**	**12,421,507**	**6,552,425**	**(1,717,377)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from capital debt	-	77,884,944	11,885,181	3,156,553	92,926,678	-
Capital contributions	-	1,035,367	12,614	-	1,047,981	-
Subsidy from federal and state grants	-	30,078,510	-	5,004,624	35,083,134	-
Purchases of capital assets	-	(47,942,329)	(9,447,148)	(2,340,155)	(59,729,632)	(303,050)
Acquisition and construction of capital assets	(3,433,693)	-	-	(5,602,884)	(9,036,577)	-
Principal paid on capital debt	(5,087,435)	(9,544,541)	(5,176,563)	(5,000,516)	(24,809,055)	-
Interest paid on capital debt	(3,698,470)	(8,473,597)	(3,063,924)	(951,240)	(16,187,231)	-
Proceeds from sales of capital assets	2,608	62,599	99,668	21,324	186,199	23,488
Net cash provided (used) by capital and related financing activities	**(12,216,990)**	**43,100,953**	**(5,690,172)**	**(5,712,294)**	**19,481,497**	**(279,562)**
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments	2,402,443	(58,822,903)	(7,453,907)	(1,866,639)	(65,741,006)	1,401,913
Interest and dividends received	82,311	1,614,437	248,071	116,862	2,061,681	26,952
Issuance of Notes Receivable	-	12,668	3,655	-	16,323	-
Net cash provided (used) by investing activities	**2,484,754**	**(57,195,798)**	**(7,202,181)**	**(1,749,777)**	**(63,663,002)**	**1,428,865**
Net increase (decrease) in cash and cash equivalents	**(11,400)**	**(200)**	**-**	**(9,108)**	**(20,708)**	**50**
Cash and cash equivalents, October 1	**21,400**	**2,150**	**300**	**13,558**	**37,408**	**400**
Cash and cash equivalents, September 30	**$ 10,000**	**1,950**	**300**	**4,450**	**16,700**	**450**

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2011

(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	$ 8,818,928	10,560,265	8,828,616	(9,186,011)	19,021,798	(92,712)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	4,192,722	7,260,095	6,095,297	4,559,856	22,107,970	193,812
(Increase) decrease in landfill closure and post closure cost	-	-	-	462,989	462,989	-
(Increase) decrease in accounts receivable	628,474	(1,150,329)	(737,603)	246,452	(1,013,006)	(165,722)
Increase (decrease) in allowance for uncollectible accounts	(373)	64,324	88,736	66,450	219,137	97
(Increase) decrease in inventories	-	(213,309)	9,272	22,860	(181,177)	(12,207)
(Increase) decrease in prepaid items	-	-	-	-	-	(21,394)
Increase (decrease) in customer deposits	(36,435)	208,170	-	1,127	172,862	-
Increase (decrease) in accounts payable	344,741	(762,573)	(1,820,918)	(1,210,390)	(3,449,140)	174,789
Increase (decrease) in unearned revenues	122,640	(278,551)	42,523	2,018	(111,370)	79,509
Increase (decrease) in compensated absences payable	50,224	51,243	25,817	12,682	139,966	(12,825)
Increase (decrease) in accrued wages and employee benefits	42,884	92,343	49,693	53,423	238,343	11,027
Increase (decrease) in claims & judgements payables	-	-	-	-	-	413,750
Total adjustments	5,344,877	5,271,413	3,752,817	4,217,467	18,586,574	660,836
Net cash provided (used) by operating activities	**$ 14,163,805**	**15,831,678**	**12,581,433**	**(4,968,544)**	**37,608,372**	**568,124**
Noncash investing, capital, and financing activities:						
Bond issuance cost amortized	137,365	41,676	63,338	29,870	272,249	-
Contributions of capital assets from developers & others	-	1,289,808	1,241,715	-	2,531,523	-
Current Landfill Closure and Postclosure cost	-	-	-	462,989	462,989	-
Loss on advance refunding	-	228,586	-	-	228,586	-
Increase (Decrease) in Accrued Interest Payable	-	267,096	(22,943)	17,654	261,807	-

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, 2011

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents (Note 4)	$ 186,761	-
Accrued Interest Receivable	25,871	2,033
Investments, at Fair Market Value (Note 5)	-	1,881,708
Investment with Fiscal Agent, at Fair Market Value (Note 5):		-
Money Market Funds	1,177,447	-
Foreign Money Market Funds	31,127,201	-
Domestic Corporate Bonds	14,016,945	-
Domestic Stocks	34,769,298	-
Foreign Stocks	2,819,129	-
Accounts Receivable (Note 6)	10,835	20,974
TOTAL ASSETS	**84,133,487**	**1,904,715**
LIABILITIES		
Accounts Payable	50,495	1,747,240
Accrued Wages and Employee Benefits	2,068	9,871
Deferred Revenues	-	129,324
Due To Other Funds	-	18,280
TOTAL LIABILITIES	**52,563**	**1,904,715**
NET ASSETS		
Held In Trust for Pension Benefits, Plan Participants, and Other Purposes	$ **84,080,924**	**-**

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, 2011

		LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	CITY ANNUITY PENSION TRUST FUND
ADDITIONS:			
Contributions:			
Employer contributions	$	4,644,823	831,928
Plan members		3,667,573	129,615
Other contributions		22,521	30,427
Total Contributions		8,334,917	991,970
Investment Earnings:			
Interest earnings and dividends		1,113,425	-
Net increase (decrease) in the fair value of investments		(902,098)	-
Gains (Loss) on sale of investment		2,187,030	-
Total investment earnings		2,398,357	-
Less: investment expense		(399,745)	-
Net Investment Earnings		1,998,612	-
TOTAL ADDITIONS		**10,333,529**	**991,970**
DEDUCTIONS:			
Benefits		6,632,055	920,426
Administrative Expenses		346,718	71,544
TOTAL DEDUCTIONS		**6,978,773**	**991,970**
Change in Net Assets		3,354,756	-
Net Assets - Beginning		80,726,168	-
NET ASSETS - ENDING	$	**84,080,924**	**-**

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

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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, Laredo Transit Management, Inc and Laredo Public Facilities Corporation - La Terraza, LLC.* 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.

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

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

Laredo Transit Management, Inc. provides both a fixed-route and a demand response para-transit program (El Lift). Currently, the fixed-route system is comprised of 22 routes. The fixed route system has a total of 35 buses during a regular workday and 30 buses on a Saturday. The Laredo Transit Management, Inc. bus fleet is currently comprised of 47 buses and 2 trolleys. Thirty-seven buses operate using compressed natural gas. The El Lift program operates a total of 18 para-transit vans. Twelve 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 Public Facilities Corporation - La Terraza, LLC. The Laredo Public Facilities Corporation (LPFC) - La Terraza, LLC was organized exclusively for the purpose of assisting the City in financing, refinancing or provided public facilities. The LPFC has the power to finance the acquisition of City obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities including multifamily housing facilities. The LPFC is the sole General Partner of the La Terraza at Lomas del Sur, Ltd. Partnership. The LPFC had no financial activity as of September 30, 2011 and therefore no financial information is disclosed.

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 and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Proceeds of specific revenue sources established that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Special revenue funds should not be used to account for resources held in trust for individuals, private organizations or other governments.

Debt Service Fund - The Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows finance by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

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 two trust funds: Firefighters Retirement System, 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 three Agency fund: Payroll Clearing, Police Retirees Dependants, and Fire Retirees Dependant Fund

Permanent Funds – Permanent funds are only used to account for and report resources that are restricted to the extent that only earnings and not principal may be used for purposes that support the reporting government's programs for the benefit of the government or its citizenry.

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 and report all financial resources not accounted for and reported in another fund.

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

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 63,703 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 59,955 customers.

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

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

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

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

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

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

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

C. Budgets and Budgetary Accounting

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

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

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

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

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

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

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

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

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

D. Encumbrances

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

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

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

E. Equity in Investment Pool

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

F. Investments

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

G. Inventories

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

H. Restricted Assets

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

I. Property, Plant, Equipment, and Infrastructure

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

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

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

J. Net Assets

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

K. Long-Term Obligations

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

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

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

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

L. Compensated Absences

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

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with available financial resources are accounted as a general long-term debt for internal purposes only. Accumulated vacation leave of enterprise funds are recorded as an expense and liability of those

funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits except as noted above.

M. Federal and State Grants and Entitlements

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

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

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

N. Interfund Transactions

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

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

O. Unamortized Bond Issuance Costs

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

P. Statement of Cash Flows

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

Q. Fund Equity

The City adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions effective October 1, 2010. Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent because of legal or contractual requirements. Restricted fund balances have restrictions for

specific purposes which are either imposed externally or by enabling legislation. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by City Council through ordinance or resolution. Assigned fund balances are constrained by intent made by City management. Unassigned fund balances include residual positive balance within General Fund or may also include negative balances for any governmental fund type.

The City, as per City Charter of the City of Laredo, has set aside 15% of expenditures of the General Fund as a cash reserves or minimum fund balance. If at any time the reserves fall below this threshold, City management will develop a plan, approved by the City Council, to restore the fund balance reserves to 15% of expenditures.

Proprietary funds have three classifications of fund equity: 1) net assets invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets.

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 $285,516,857 difference are as follows:

Bonds, notes payable, and capital leases	$	236,009,880
Accrued interest		1,244,803
Deferred revenue		(27,609,813)
Compensated absences		23,343,701
Elimination of Interfund activity		(2,940,112)
Net Pension Obligations		55,468,398
Net adjustment to reduce *fund balance-total governmental funds* to arrive at *net assets-governmental activities*	$	285,516,857

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 $10,432,434 difference are as follows:

Debt issued:		
Bond & Capital lease proceeds	$	(23,996,731)
Repayments:		
Bond & Notes payments		12,994,288
Capital lease		570,009
Net adjustment to decrease *net changes in fund balances-total* governmental funds to arrive at *changes in net assets of governmental activities*	$	(10,432,434)

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 $59,956,857. The details of this are as follows:

Assets that were purchased and capitalized in the current year	$	90,281,034
Assets that were disposed during the current fiscal year		(2,479,394)
Current year depreciation		(27,844,783)
Amount by which capital outlays exceed depreciation	$	59,956,857

NOTE 3 - FUND DEFICITS

The following is a list of the unassigned deficit fund balances in the Special Revenue Funds: Veterans Field $38,241 and Laredo Energy Arena $87,500. The deficit for the Veterans Field is due as a result of operations of the Veterans Field Fund. The deficit for the Laredo Energy Arena is due to a nonspendable fund balance for inventory of $67,658 and the result of operations for the fund. The deficit will be covered by revenues received next fiscal year from events.

NOTE 4 - CASH AND CASH EQUIVALENTS

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

year of less are reported at amortized cost. The net decrease in the fair value of the securities was $902,098 for the Laredo Firefighters Retirement System.

As of September 30, 2011, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	$	67,880
Cash in Other Bank Accounts		17,482
Cash with Fiscal Agent		618,064
	$	703,426

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, 2011, the book value of all the City's deposits was $703,426. 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, 2011, were as follows:

		Fair Value	Non Maturity Rated	Investment Maturity in Years Less Than 1	1-3
Mutual Funds	$	32,303,611	32,303,611	-	-
Equities		37,588,427	37,588,427	-	-
Managed Pools		416,286,377	123,771,424	262,631,453	29,883,500
Total Investments	$	486,178,415	193,663,462	262,631,453	29,883,500

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 matched with projected cash flow requirements. As of September 30, 2011, all investments had average maturity dates of less than one year.

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

As of September 30, 2011, the City invested in Bank Certificates of Deposit and Managed Pools. The credit ratings for our Managed Pool accounts are as follows: TexPool "AAAm", and TexasDaily "AAAm".

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As per the City's investment policy, no more than 50% of the City's total investment portfolio will be invested in a single security type, with the exception of U.S. Treasury securities. Of the City's total investments, 100% were invested in Local Government Investment Pools and Bank Certificates of Deposit. Of the Firefighters' Retirement System investments, 55% was invested in mutual funds and 45% 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, 2011, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System has also designated a third party selected by the system as the safekeeping institution for its securities.

NOTE 6 - RECEIVABLES

The City's property tax is levied each October 1st on the assessed value listed on the tax roll as of the prior January 1st for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1st of the year of levy and shall be paid by the following January 31st. All real and personal property in the City on January 1st each year will be subject to lien from that date for taxes due thereon. The adjusted assessed value for the tax roll as of January 1, 2010, upon which the 2010 levy was based, was $10,634,156,096.

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.

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2011 was $.637000 per $100 of assessed valuation ($.512304 for general government and $.124696 for debt service). Thus, the City has a tax margin of approximately $.863000 per $100, and could levy approximately $91,772,767 in additional taxes per year from the present assessed valuation of $10,634,156,096 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, 2011 are reflected in the following table:

	General	Other Governmental Types	Proprietary	Fiduciary	Total
Receivables:					
Property Taxes	$ 8,230,095	1,225,262	-	-	9,455,357
Hotel/Motel Taxes	-	53,208	-	-	53,208
Accounts	21,939,325	7,611,296	12,651,103	31,809	42,233,533
Notes	-	16,073,584	661,418	-	16,735,002
Paving Assessments	-	205,376	-	-	205,376
Gross Receivables	30,169,420	25,168,726	13,312,521	31,809	68,682,476
Less Allowance For Uncollectible	(18,882,283)	(7,351,635)	(2,870,255)	-	(29,104,173)
Net Receivables	$ 11,287,137	17,817,091	10,442,266	31,809	39,578,303

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, 2011:

	Other Enterprise Fund	Bridge System	Waterworks System	Sewer System	Total
Revenue Bond Retirement Reserve	$ -	4,292,178	6,236,122	1,568,062	12,096,362
Revenue Bond Contingency	-	500,000	1,812,626	1,385,803	3,698,429
Construction Account	11,129,901	132,855	96,818,448	23,122,196	131,203,400
Water Rights	-	-	6,415,995	-	6,415,995
Total Restricted Assets	$ 11,129,901	4,925,033	111,283,191	26,076,061	153,414,186

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2010	Additions	Deletions and Transfers	Balance as of September 30, 2011
Capital Assets, Not Being Depreciated:				
Land	$ 70,500,680	8,283,116	(2,317,356)	76,466,440
Construction in Progress	5,266,211	18,911,080	(4,366,888)	19,810,403
Total Capital Assets, Not Being Depreciated	75,766,891	27,194,196	(6,684,244)	96,276,843
Capital Assets Being Depreciated				
Buildings	148,755,547	11,264,916	1,873,337	161,893,800
Improvements Other Than Buildings	483,021,096	46,042,218	1,355,096	530,418,410
Machinery and Equipment	89,151,249	6,082,754	(2,832,278)	92,401,725
Total Assets Being Depreciated	720,927,892	63,389,888	396,155	784,713,935
Less Accumulated Depreciation For:				
Buildings	(34,491,020)	(3,416,703)	722,252	(37,185,471)
Improvements Other Than Buildings	(190,991,078)	(16,127,047)	-	(207,118,125)
Machinery and Equipment	(57,340,348)	(8,494,845)	3,015,045	(62,820,148)
Total Accumulated Depreciation	(282,822,446)	(28,038,595)	3,737,297	(307,123,744)
Total Capital Assets, Being Depreciated, Net	438,105,446	35,351,293	4,133,452	477,590,191
Governmental Activities Capital Assets, Net	$ 513,872,337	62,545,489	(2,550,792)	573,867,034

B - Business Type Activities:

	Balance as of September 30, 2010	Additions	Deletions and Transfers	Balance as of September 30, 2011
Capital Assets, Not Being Depreciated:				
Land	$ 31,180,460	48,599	-	31,229,059
Construction in Progress	66,962,317	36,579,759	(19,919,191)	83,622,885
Waterrights	29,847,150	10,203,673	-	40,050,823
Total Capital Assets, Not Being Depreciated	127,989,927	46,832,031	(19,919,191)	154,902,767
Capital Assets Being Depreciated:				
Buildings	96,084,536	-	7,898,751	103,983,287
Improvements Other Than Buildings	353,237,984	2,523,328	11,915,697	367,677,009
Machinery and Equipment	71,703,748	9,681,829	(1,060,844)	80,324,733
Total Assets Being Depreciated	521,026,268	12,205,157	18,753,604	551,985,029
Less Accumulated Depreciation For:				
Buildings	(24,194,444)	(2,205,777)	74,554	(26,325,667)
Improvements Other Than Buildings	(146,039,715)	(13,089,910)	-	(159,129,625)
Machinery and Equipment	(50,174,151)	(6,812,283)	1,059,054	(55,927,380)
Total Accumulated Depreciation	(220,408,310)	(22,107,970)	1,059,054	(241,382,672)
Total Capital Assets, Being Depreciated, Net	300,617,958	(9,902,813)	19,812,658	310,602,357
Business Type Activities Capital Assets, Net	$ 428,607,885	36,929,218	(106,533)	465,505,124

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

Government Activities:		
General Government	$	952,318
Public Health		1,296,293
Culture and Recreational		621,834
Public Works		18,805,984
Public Safety		2,503,274
Air Transportation		3,665,080
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		193,812
Total depreciation expense-governmental activities	$	28,038,595
Business-Type Activities:		
Solid Waste Management		2,196,316
Municipal Transit System		2,254,232
Bridge System		4,192,722
Waterworks System		7,260,095
Sewer System		6,095,297
Other Enterprise Funds		109,308
Total depreciation expense-business-type activities	$	22,107,970

NOTE 9 - RETIREMENT PLANS

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

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

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

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

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2010 valuation is effective for rates beginning January 2012).

SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

Actuarial Valuation Date	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10
Actuarial Value of Assets	$ 93,220,964	104,886,750	118,216,115	131,250,617	147,642,107	166,772,840	227,498,651
Actuarial Accrued Liability	159,858,885	176,834,192	196,473,335	255,908,643	275,809,704	305,212,249	363,711,044
Percentage Funded	58.31%	59.31%	60.17%	51.29%	53.5%	54.6%	62.5%
Unfunded Actuarial Accrued Liability (UAAL)	66,637,921	71,947,442	78,257,220	124,658,026	128,167,597	138,439,409	136,212,393
Annual Covered Payroll	59,429,800	66,500,972	70,411,134	76,207,380	83,778,815	86,683,788	84,075,541
UAAL as a percentage of covered Payroll	112.13%	108.19%	111.14%	163.58%	153.0%	159.7%	162.0%
Annual Pension Cost:							
Annual Required Contribution (ARC)	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405
Less Contributions Made at the end of the period	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405
Net Pension Obligation	$ - -	-	-	-	-	-	-

Actuarial Assumptions

Actuarial Cost Method -	Projected Unit Credit
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	27 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	7.0%
Projected Salary Increases	Varies by Age and Service
Includes Inflation At	3.0%
Cost-of-Living Adjustments-	2.1%

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

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

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

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

The Laredo Firefighters Retirement System covers the firefighters in the Laredo Fire Department. The table below summarizes the membership of the System reflected in the actuarial valuation as of March 31, 2010, which is performed every two years.

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

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 July 20, 2011 (in effect on the March 31, 2010 valuation date) provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit is equal to 3.03% 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 July 20,2011, (Plan effective March 31, 2010), the funding policy of the Laredo Firefighters Retirement System requires contributions equal to 14% of pay by the firefighters. On October 1, 2010, the city contribution rate was 17.65% of pay for all firefighters. The revised actuarial valuation as of May 31, 2010 reflected the scheduled increases in the city contribution rate from 17.65% to 17.90% in June 2011, to 18.15% in October 2012, to the ultimate rate of 20.10% in October 2013, and assumed the 20.10% rate will continue at least for the remainder of the UAAL amortization period.

Annual Pension Cost

For the fiscal year ending September 30, 2011, the City of Laredo's annual pension cost of $4,644,823 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 July 20,2011 has been approved by the Board's actuary as having an adequate financing arrangement. On October 1, 2010, the city contribution rate was 17.65% of pay for all firefighters, and it increased to 17.90% effective June 2011 for the remainder of the fiscal year according to the current collective bargaining agreement. The required contributions were reflected in the March 31, 2010 actuarial valuation, which satisfied the parameters of the Governmental Accounting Standards Board (GASB) Statement No. 27.

The entry age actuarial cost method was used, with the normal cost calculated as a level percentage of payroll. The actuarial value is equal to the expected actuarial value of assets adjusted by 40% of the difference between the actual market value and the expected actuarial value. The actuarial value is not more than 110% or less than 90% of the actual market value of assets. The actuarial assumptions included an investment return assumption of 8.0% per year (net of expenses), projected salary increases averaging 3.75% 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 3.75% per year, and was 22 years as of March 31, 2010 actuarial valuation based on the plan provisions effective July 20, 2011.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2002	$ 2,000,411	100%	-
9/30/2003	2,420,048	100%	-
9/30/2004	2,787,027	100%	-
9/30/2005	3,235,074	100%	-
9/30/2006	3,576,070	100%	-
9/30/2007	3,779,090	100%	-
9/30/2008	4,136,418	100%	-
9/30/2009	4,392,773	100%	-
9/30/2010	4,616,573	100%	-
9/30/2011	$ 4,644,823	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)
09/30/95	$ 19,843,996	27,545,436	7,701,440	72.04%	6,832,917	113%
07/31/96	21,565,365	30,936,694	9,371,329	69.71%	8,063,403	116%
09/30/97	23,768,183	32,196,210	8,428,027	73.82%	8,080,170	104%
06/30/98	27,925,724	38,685,191	10,759,467	72.19%	10,191,336	106%
03/31/00	32,040,945	48,944,733	16,903,788	65.50%	12,481,680	135%
03/31/02	35,064,847	66,941,016	31,876,169	52.40%	16,652,165	191%
03/31/04	43,720,097	82,210,204	38,490,107	53.18%	18,726,396	206%
03/31/06	57,228,050	95,649,924	38,421,874	59.80%	21,831,766	176%
03/31/08	73,106,502	113,301,606	40,195,104	64.50%	22,931,569	175%
03/31/10	$ 84,625,644	140,669,842	56,044,198	60.20%	25,715,241	218%

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Annual Required Contribution	Percentage of Required Contribution Contributed
9/30/2001	14.02% & 12.57%	1,714,980	100%
9/30/2002	15.02% & 13.57%	2,000,411	100%
9/30/2003	16.02% & 14.57%	2,420,048	100%
9/30/2004	17.02% & 15.57%	2,787,027	100%
9/30/2005	17.65% & 16.20%	3,235,074	100%
9/30/2006	17.65% & 16.20%	3,576,070	100%
9/30/2007	17.65% & 16.20%	3,779,090	100%
9/30/2008	17.65% & 16.20%	4,136,418	100%
9/30/2009	17.65% & 16.20%	4,392,773	100%
9/30/2010	17.65%	4,616,573	100%

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

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description:

Police and City Employees who have twenty years of service or have attained age sixty with five years of service and Firefighters who have attained age forty-five with twenty years of service pr have attained age fifty with twenty 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, 166 retirees meet those eligibility requirements. The City reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependants. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City.

Prior to age 65, retirees participate in the City's Medical Plan. At age 65, retirees are offered a Medicare Supplemental Plan (Hartford Life), but the full cost is borne by the retirees. However retirees can continue to participant in the City's prescription drug program after age 65. There is a $750-$1,000 deductible per person with an additional maximum out of pocket cost of $2,500. 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 $991,970 were recognized for postretirement health benefits of which $129,615 was received from the firemen's as a contribution. The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	694,653	100%	-
9/30/2010	784,054	100%	-
9/30/2011	991,970	100%	-

Annual contribution rates for retirees not currently eligible for Medicare:

	Retiree Only	Retiree & Spouse	Retiree & Family
Police & Fire	$0	$2,279	$4,491
City Employees	$2,848	$6,990	$6,990

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	Retiree & Family
Police & Fire	$532	$1,464	N/A
City Employees	$532	$1,464	N/A

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

	Fiscal Year Ending September 30			
	2008	2009	2010	2011
Determination of Annual Required Contribution				
Normal Cost at year end	$ 6,078,256	$ 7,640,484	$ 7,640,484	$ 7,002,272
amortization of UAAL & Loss	5,095,242	5,742,270	7,593,736	6,700,930
Annual Required Contribution (ARC)	11,173,498	13,382,754	15,234,220	13,703,202
Determination of Net OPEB Obligation				
Annual Required Contribution	$ 11,173,498	$ 13,382,754	$ 15,234,220	$ 13,703,202
Interest on prior year Net OPEB Obligation	422,048	830,235	1,283,406	1,788,307
Adjustment to AC	(586,709)	(1,175,100)	(1,851,466)	(2,579,846)
Annual OPEB Cost	11,008,837	13,037,889	14,666,160	12,911,663
Contributions made	(804,172)	(1,708,615)	(2,043,632)	(2,150,933)
Estimated Increase in Net OPEB Obligation	10,204,665	11,329,274	12,622,528	10,760,730
Net OPEB Obligation- beginning of year	$ 10,551,201	$ 20,755,866	$ 32,085,140	$ 44,707,668
Estimated Net OPEB Obligation- end of year	$ 20,755,866	$ 32,085,140	$ 44,707,668	$ 55,468,398

Funded Status and Funding Progress:

The funded status of the plan beginning as of October 1, 2010, 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
09-30-2008	0	95,698,806	95,698,806	0.00%	96,747,240	98.9%
09-30-2009	N/A	N/A	N/A	N/A	N/A	N/A
09-30-2010	0	111,658,020	111,658,020	0.00%	88,405,550	126.3%

(1) Actuarial liability determined under the projected unit credit cost method.
(2) Actuarial accrued liability less actuarial value of assets.

Actuarial valuations of the plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events for into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Unfunded Actuarial Accrued Liability: The Unfunded Actuarial Accrued (UAAL) is the ctuarial 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, 2010-September 30, 2011
Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	$111,658,020
Assets	-
Unfunded Actuarial Accrued Liability	$111,658,020
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	$111,658,020
Amortization Period	28 years
Amortization Amount-October 1, 2010	$6,443,202
Interest to end of year	$257,728
Amortization Amount- September 30, 2011	$6,700,930

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. 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, 2010, 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. The plan is unfunded and therefore no investment rate of returned was used. An inflation rate of 2.75% was used for the actuarial study. Salary or benefit increases were not applicable to the study.
4. Unfunded Actuarial Accrued Liability is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over 28 year (the maximum permissible period under GASB 45 is 30 years).

5. Health Cost Trend used in the actuarial study is from 6.90% trending to 4.20% over seventy two years. 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.
6. 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.

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, 2011:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	$ 21,166,090	157,247,881	29,390,000	15,927,701	465,231	680,000	44,707,668
Additions	3,501,891	9,545,000	10,445,000	6,475,825	807,652	-	10,760,730
Retirements	(2,990,561)	(5,110,793)	(1,575,000)	(1,690,659)	(570,009)	(85,000)	-
Ending Balances	21,677,420	161,682,088	38,260,000	20,712,867	702,874	595,000	55,468,398
Current Liabilities:							
Due Within One Year	3,476,587	7,157,804	1,900,000	2,630,835	473,076	85,000	-
Total Liabilities	$ 25,154,007	168,839,892	40,160,000	23,343,702	1,175,950	680,000	55,468,398

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2011 are comprised of the following issues:

A - General Obligation Serial Bonds

$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.	$ 13,992,744
$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.	833,658
$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.	$ 6,825,714

9,345,000 General Obligation Refunding Bonds, Series 2010 issued for the purpose of refunding outsanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest varying from 2.99% to 5.00% per annum.	$	3,501,891
Total General Obligation Bonds	$	25,154,007
Due Within One Year	$	3,476,587

B – Certificates of Obligation

$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.	$	50,000
$3,510,000 Combination Tax and Revenue Certificates of Obligation, Series 2003, for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing drainage improvements, including pilot channel, constructing and equipping a fire station, for the payment of legal, fiscal, architectural and engineering fees in connection with this. Principal is due in varying amounts through 2023 with interest from 3.40% to 4.50% per annum.		2,515,000
$13,535,000 Combination Tax and Revenue Certificates of Obligation, Series 2004, for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 with interest from 3% to 5% per annum.		1,065,000
$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.		12,265,000
$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.	$	14,415,000

$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.	$ 790,000
$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.	61,590,000
$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.	29,600,000
$11,270,000 Combination Tax and Revenue Contractual Obligations, Series 2009A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2021 with interest from 2% to 5% per annum.	10,660,000
$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.	4,895,000
$13,465,000 Combination Tax and Revenue Contractual Obligations, Series 2009B (Build America Bonds), for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts from 2022 through 2029 with interest of 6.366% per annum.	13,465,000
$5,080,000 Public Property Finance Contractual Obligations, Series 2010, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2018 with interest of 3.875% per annum.	454,892
$4,095,000 Combination Tax and Airport Revenue Contractual Obligations, Series 2010, for the purpose of constructing, improving, and maintaining the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2029 with interest of 4.750% per annum	$ 3,960,000

$2,070,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010, for the purpose of refunding the Municipal Airport land indenture. Principal is due in varying amounts through 2029 with interest of 4.750% per annum.	$	2,000,000
$2,040,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010B, for the purpose of constructing and equipping a Federal inspection station at the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the project. Principal is due in varying amounts through 2029 with interest of 5.200% per annum.		1,975,000
$9,545,000 Combination Tax and Revenue Contractual Obligations, Series 2010, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2030 with interest from 2.00% to 5.00% per annum.		9,140,000
Total Certificates of Obligation	$	168,839,892
Due Within One Year	$	7,157,804

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, 2011 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.	$	31,290,000

Sports Venue Sales Tax revenue Bonds issued for the purpose of financing a baseball stadium and related infrastructure as part of the enlarged Laredo Sports Venue Project for the multi-purpose entertainment aena and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2036 with interest from 1.088% to 5.85% per annum.	$	10,445,000
Total Sales Tax Revenue Bonds	$	40,160,000
Due Within One Year	$	1,900,000

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.

$1,330,425 Ford Motor Credit Company for the purchase of fifty law enforcement vehicles for the Police Department. Payments are due in annual installments of $307,800.43 through June 2013. Interest is at 5.50% per annum.	$	568,298
$607,652 Kansas State Bank for the purchase of thirty law enforcement vehicles for the Police Department. Payments are due in annual installments of $214,955.79 through 2014. Interest is at 3.032% per annum.		607,652
Total Present Value of Future Minimum Lease Payments		1,175,950
Plus Amount Representing Interest		84,518
Total Minimum Lease Payments	$	1,260,468

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Automotive Equipment	$ 4,343,941
Machinery & Equipment	2,143,500
Less: Accumulated Depreciation	(5,216,715)
Total	$ 1,270,726

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011, are as follows:

Year Ending Sep. 30		Governmental Activities
2012	$	522,756
2013		522,756
2014		214,956
Total Minimum lease payments		1,260,468
Less: amount representing interest		(84,518)
Present value of minimum lease payments	$	1,175,950

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

E - Notes Payable

Section 108 Loan $1,700,000 Chase Manhattan Bank through HUD 108 Program for the restoration of the Hamilton Hotel into a 165 low and moderate income residential units. Principal is due annually with a variable interest rate between 6.2013% and 6.4050%.	$	680,000
Due Within One Year	$	85,000

F – Prior-year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements. As of September 30, 2011, $11.875 million in bonds outstanding are considered defeased.

G – OPEB

Updated on September 30, 2011, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of $55,468,398, with the unfunded actuarial liability at $111,658,020.

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, 2011:

		Revenue Bonds	Certificates of Obligation	General Oblig. Bond	Note Payable
Long Term Liabilities:					
Beginning Balances	$	100,892,000	119,120,109	21,522,884	19,637,040
Additions		80,405,000	-	5,843,108	-
Retirements		-	(5,575,000)	-	-
Amortization of Deferred Charges		-	-	(530,261)	-
Due Within One Year		(7,983,000)	(4,092,196)	(5,538,414)	(892,590)
Ending Balances		173,314,000	109,452,913	21,297,317	18,744,450
Current Liabilities:					
Due Within One Year		7,983,000	4,092,196	5,538,414	892,590
Total Liabilities	$	181,297,000	113,545,109	26,835,731	19,637,040

		Landfill Costs	Compensated Absences
Long Term Liabilities:			
Beginning Balances	$	9,986,580	1,009,275
Additions		462,989	172,761
Retirements		-	(94,634)
Ending Balances		10,449,569	1,087,402
Current Liabilities:			
Due Within One Year		-	726,404
Total Liabilities	$	10,449,569	1,813,806

A – Bonds

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

$23,760,000 2005A International Toll Bridge System Revenue Improvement and Refunding Bond issue for the purpose to acquire, purchase, construct, improve, enlarge equp an International Toll Bridge and refunding of State Infrastructure Bank Loans with the Texas Deparment of Transportation with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.	$	18,740,000
$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.		21,095,000
$6,420,000 2005 Waterworks & Sewer Systems Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2025, including interest at 3.0% to 4.4% per annum.		5,020,000
$8,950,000 2006 Waterworks & Sewer Systems Revenue Bond Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2026, including interest at 4.0% to 4.5% per annum.		11,275,000
$17,670,000 2007 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2027, including interest at 4.0% to 4.75% per annum.		15,275,000
$3,070,000 2008 International Toll Bridge System Revenue Bond issued for the purpose of improving and constructing expansion of inspection station booths for Bridge No. IV with principal due in varying amounts through year 2028, including interest at 4.71% per annum.		2,770,000
$915,000 2008 Waterworks and Sewer System Revenue Bond for the purpose of constructing, improving, and extending the waterworks and sewer systems with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.		824,000
$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at 0.001 per annum.		6,830,000
$82,175,000 2010 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2040 at 2.00% per annum.		80,405,000
Subtotal	$	181,297,000
Deferred Charges for Various Revenue Refunding Bonds		-
Total Revenue Bonds	$	181,297,000
Due Within One Year	$	7,983,000

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.

B – Certificates of Obligations

$9,925,000 2002 Combination Tax and Revenue Certificates of Obligtion issued for the purpose of acquiring downtown properites, 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.	$	420,000
$3,620,000 2003 Combination Tax and Sewer System Revenue Certificates of Obligation, for the purpose of paying all or a portion of the City's contractual obligations for constructing, improving, and extending the City's Sewer system, and for the payment of legal, fiscal, and engineering fees in connection with this project. Principal is due in varying amounts through 2023, with interest varying from 3.40% to 4.50% per annum.		2,545,000
$13,535,000 2004 Combination Tax and Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's contractual obligations for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 wtih interest from 3% to 5% per annum.		4,570,000
$72,480,000 2007 Combination Tax and Revenue Contractual Obligations, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.		6,340,000
$3,555,000 2008 Public Property Finance Contractual Obligations, for the purpose of purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.399% per annum.		2,820,000
$46,235,000 2008B Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation, for the purpose of constructing, improving, and extending the City's Waterworks and Sewer systems, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2033 with interest from 3.50% to 5.00% per annum.		43,340,000
$13,475,000 2009C Cominbination Tax and Waterworks and Sewer System Revenue Certificates of Obligation fro the purpose of construcitng and extending Waterworks and Sewer System with principal due in varying amounts through year 2021, including interest at 2.00% to 5.00% per annum.		11,495,000
$37,945,000 2009D Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks System and Sewer System with principal due in varying amount through year 2039, including interest at 6.566% per annum.	$	37,945,000

$5,060,000 2010 Public Property Finance Contractual Obligations, for the purpose of personal property with principal due in varying amounts through 2018 with interest at 3.875% per annu.	$	4,070,109
Total Certifcates of Obligation	$	113,545,109
Due Within One Year	$	4,092,196

C - General Obligation Bonds

$24,455,000 2005 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt services savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum.	$	8,572,256
$17,865,000 2006 General Obligtion Refunding Bonds issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2013 with interest varying from 4.00% to 5.00% per annum.		2,591,342
$27,150,000 2009 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum.		10,359,286
$9,345,000 2010 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cots related to the issuance of the bonds. Principal is due in varying amounts through 2022 with interest varying from 2.00% to 4.00% per annum.		5,843,108
Subtotal	$	27,365,992
Deferred Charges for Various General Obligation Bonds		(530,261)
Total General Obligation Bonds	$	26,835,731
Due Within One Year	$	5,538,414

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.	$	18,744,450
Due Within One Year	$	892,590

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	$	78,826
Bridge System		355,042
Municipal Housing		12,038
Waterworks System		279,066
Sewer System		87,471
Solid Waste Fund		274,959
Total	$	1,087,402
Due Within One Year	$	726,404

F - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2010

On October 26, 2010, the City of Laredo issued $6,145,922 in General Obligation Refunding Bonds, Series 2010 with an average interest rate of 3.75% to advance the following:

Bond Issue	Average Interest Rate		Prinicpal Amount Refunded
Combination Tax & Sewer Revenue C.O., Series 2000	5.25%	$	185,000
Combination Tax & Water Revenue C.O., Series 2000	5.25%		255,000
Combination Tax & Revenue C.O., Series 2002	4.50%		10,700,000

The net proceeds of $6,123,725 (after payment of $118,623 in underwriting fees, insurance, and other issuance costs) plus an additional cash contribution of $9,034 for the 2000 and 2002 Series C.O.'s sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 2000 and 2002 Series C.O.'s. As a result, the 2000 and 2002 Series C.O.'s 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 $7,661.473. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2022 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next eleven years by $344,073 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of $307,338.

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, 2011 $15,634,576 in 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, 2011 is $15,062,067 of which $10,449,569 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 $10,449,569 as of September 30, 2011 represents the cumulative amount for 123.9 acres of the landfill filled with solid waste for closure and 200 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2011 is 69.38%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 7 years. Based on the remaining life, the landfill will

be filled to capacity by the year 2018. The estimated total current cost of the landfill closure and post closure care ($15,062,067) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2011. 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, 2011 are as follows:

	Interfund Receivables	Interfund Payables
Governmental Activity		
2007 Certificate of Obligation		
Solid Waste Fund	$ -	$ 946,202
Due to Business Type Activities for Internal Service Funds Allocation	-	779,514
Total Governmental Activity	$ -	$ 1,725,716
Business Type Activity		
Solid Waste Fund		
2007 Certificate of Obligations	$ 946,202	$ -
Due from Governmental Activities for Internal Service		
Funds Allocation	779,514	-
TOTAL BUSINESS TYPE ACTIVITY	$ 1,725,716	$ -

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:			
Contractual Obligations			
Transit	$ -	288	(288)
CAPITAL IMPROVEMENTS			
Bridge	3,691,761	-	3,691,761
Waterworks	1,375,144	-	1,375,144
DEBT SERVICE			
Bridge	776,347	-	776,347
TOTAL - GOVERNMENT TYPE	5,843,252	288	5,842,964
BUSINESS TYPE:			
TRANSIT			
Contractual Obligations	288	-	288
WATERWORKS			
Capital Improvements	-	1,375,144	(1,375,144)
BRIDGE			
Capital Improvements	-	3,691,761	(3,691,761)
Debt Service	-	776,347	(776,347)
TOTAL BUSINESS TYPE	$ 288	5,843,252	(5,842,964)

CITY OF LAREDO, TEXAS
NOTES TO FINANCIAL STATEMENTS
NOTE 15 - Debt Service Requirements
The following is a summary of the City's debt service requirements for all funds as of September 30, 2011

Business-Type and Governmental Activities

	Revenue Bonds			Notes Payable			Certificates of Obligation			General Obligation Bonds			Debt Service to Maturity		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	9,893,000	10,383,223	20,276,223	1,450,666	870,260	2,320,926	11,250,000	13,748,316	24,998,316	9,015,002	2,137,887	11,152,889	31,608,668	27,139,686	58,748,354
2013	10,341,000	9,975,063	20,316,063	1,508,431	811,765	2,320,196	11,542,100	13,349,483	24,891,583	9,989,999	1,786,563	11,776,562	33,381,530	25,922,874	59,304,404
2014	10,777,000	9,532,800	20,309,800	1,260,912	750,343	2,011,255	12,558,921	12,899,044	25,457,965	8,979,999	1,433,452	10,413,451	33,576,832	24,615,639	58,192,471
2015	11,257,000	9,064,219	20,321,219	1,091,941	702,829	1,794,770	12,475,740	12,379,796	24,855,536	4,649,999	1,123,037	5,773,036	29,474,680	23,269,881	52,744,561
2016	11,782,000	8,547,177	20,329,177	1,133,226	658,674	1,791,900	13,027,561	11,829,585	24,857,146	4,675,000	913,250	5,588,250	30,617,787	21,948,686	52,566,473
2017	12,339,000	7,993,716	20,332,716	1,176,203	614,436	1,790,639	13,599,383	11,253,214	24,852,597	4,975,002	687,862	5,662,864	32,089,588	20,549,228	52,638,816
2018	12,935,000	7,409,595	20,344,595	1,220,942	567,223	1,788,165	14,239,159	10,627,286	24,866,445	4,010,000	446,113	4,456,113	32,405,101	19,050,217	51,455,318
2019	10,646,000	6,789,578	17,435,578	1,267,516	517,997	1,785,513	14,288,935	9,986,218	24,275,153	2,130,000	252,912	2,382,912	28,332,451	17,546,705	45,879,156
2020	10,499,000	6,282,159	16,781,159	1,230,999	466,709	1,697,708	14,953,710	9,331,249	24,284,959	1,919,998	153,911	2,073,909	28,603,707	16,234,028	44,837,735
2021	11,005,000	5,776,398	16,781,398	1,281,470	416,238	1,697,708	15,269,397	8,636,749	23,906,146	1,445,001	72,108	1,517,109	29,000,868	14,901,493	43,902,361
2022	11,539,000	5,245,910	16,784,910	1,334,010	363,698	1,697,708	15,992,129	7,881,958	23,874,087	730,000	14,600	744,600	29,595,139	13,506,166	43,101,305
2023	11,182,000	4,685,871	15,867,871	1,388,704	309,004	1,697,708	16,345,000	7,074,016	23,419,016	-	-	-	28,915,704	12,068,891	40,984,595
2024	11,716,000	4,143,158	15,859,158	1,445,641	252,067	1,697,708	16,570,000	6,227,469	22,797,469	-	-	-	29,731,641	10,622,694	40,354,335
2025	7,850,000	3,669,581	11,519,581	1,504,913	192,796	1,697,709	16,790,000	5,354,560	22,144,560	-	-	-	26,144,913	9,216,937	35,361,850
2026	5,838,000	3,312,744	9,150,744	1,566,614	131,094	1,697,708	16,400,000	4,460,928	20,860,928	-	-	-	23,804,614	7,904,766	31,709,380
2027	5,057,000	3,061,589	8,118,589	1,630,803	66,863	1,697,666	15,845,000	3,620,448	19,465,448	-	-	-	22,532,803	6,748,900	29,281,703
2028	3,921,000	2,849,215	6,770,215	-	-	-	9,915,000	2,943,247	12,858,247	-	-	-	13,836,000	5,792,462	19,628,462
2029	3,805,000	2,665,893	6,470,893	-	-	-	7,710,000	2,461,222	10,171,222	-	-	-	11,515,000	5,127,115	16,642,115
2030	3,605,000	2,480,351	6,085,351	-	-	-	5,375,000	2,091,177	7,466,177	-	-	-	8,980,000	4,571,528	13,551,528
2031	3,805,000	2,284,779	6,089,779	-	-	-	4,895,000	1,784,706	6,679,706	-	-	-	8,700,000	4,069,485	12,769,485
2032	4,010,000	2,077,364	6,087,364	-	-	-	5,135,000	1,500,327	6,635,327	-	-	-	9,145,000	3,577,691	12,722,691
2033	4,230,000	1,857,510	6,087,510	-	-	-	5,380,000	1,202,334	6,582,334	-	-	-	9,610,000	3,059,844	12,669,844
2034	4,460,000	1,625,633	6,085,633	-	-	-	2,390,000	971,440	3,361,440	-	-	-	6,850,000	2,597,073	9,447,073
2035	4,705,000	1,381,062	6,086,062	-	-	-	2,495,000	811,065	3,306,065	-	-	-	7,200,000	2,192,127	9,392,127
2036	4,960,000	1,125,150	6,085,150	-	-	-	2,600,000	643,796	3,243,796	-	-	-	7,560,000	1,768,946	9,328,946
2037	4,460,000	879,862	5,339,862	-	-	-	2,715,000	469,304	3,184,304	-	-	-	7,175,000	1,349,166	8,524,166
2038	4,695,000	643,931	5,338,931	-	-	-	2,835,000	287,098	3,122,098	-	-	-	7,530,000	931,029	8,461,029
2039	4,940,000	395,625	5,335,625	-	-	-	2,955,000	97,012	3,052,012	-	-	-	7,895,000	492,637	8,387,637
2040	5,205,000	134,156	5,339,156	-	-	-	-	-	-	-	-	-	5,205,000	134,156	5,339,156
Total	221,457,000	126,273,312	347,730,312	21,492,991	7,691,996	29,184,987	285,547,035	163,923,047	449,470,082	52,520,000	9,021,695	61,541,695	581,017,026	306,910,050	887,927,076

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2011, the City had contractual commitments of $146,084,862 for various construction and improvement projects. The commitments are summarized as follows:

Project Description	Commitment	Financing Sources
Community Development	$ 792,829	Grant Proceeds
Environmental Services	466,120	Fund Revenues/Bond/Grant Proceeds
Capital Improvements	133,272	Fund Revenues
Airport Construction	6,512,395	Grant Proceeds
Colonias	2,067,527	Grant Proceeds
Capital Grants	1,247,698	Grant Proceeds
2006 C.O. Issue	136,175	Bond Proceeds
2007 C.O. Issue	2,842,949	Bond Proceeds
2008 C.O Issue	4,368,081	Bond Proceeds
2009 C.O. Issue	5,970,582	Bond Proceeds
2010 C.O. Issue	774,486	Bond Proceeds
Baseball Stadium	14,148,660	Fund Revenue/Bond Proceeds
Bridge	342,268	Bond Proceeds
Waterworks System	103,507,438	Fund Revenues/ Bond / Grant Proceeds
Wastewater	2,774,382	Fund Revenues/ Bond Proceeds
Total Commitments	$ 146,084,862	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2011, expenses/expenditures in General Fund, Debt Service, Nonmajor Governmental Funds and Internal Service Funds exceeded appropriations as follows: General Fund $5,036,510; Debt Service Fund $98,788; Hotel-Motel Occupancy Tax $533; Mercado Management $6,085; Laredo Energy Arena $43,969 and Health and Benefits Fund $1,218,850.

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 $19,589,253 and projected net claims of $17,412,669. 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 $2,431,242 reported in the Fund as of September 30, 2011 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 2009, 2010, and 2011 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance at Fiscal Year end [1]
2008-2009	$1,942,025	15,411,118	15,089,689	2,263,454
2009-2010	2,263,454	15,518,829	15,462,854	2,319,429
2010-2011	$2,319,429	16,320,094	16,208,281	2,431,242

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.

[1]Claim Liabilities are due within one year of the date of the statement of net assets.

B. RISK MANAGEMENT FUND

On October 1, 1996, the City established a self-insured retention program for the worker's compensation liability within the Risk Management Fund which also accounts for the following policies: (a) General Liability (b) Law Enforcement Liability (c) Errors and Omission (d) Auto Liability (e) Auto Physical Damage - ACV. The self-insured retention program for worker's compensation was implemented with $300,000 retention per occurrence and a $2,350,000 aggregate for FY08-09 and $2,350,000 aggregated for FY09-10 and $2,360,000 aggregated for FY10-11. 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, 2011, a liability was recorded based on fiscal year 2011 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 2009, 2010 and 2011 were:

Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Current year Claims & Payments	Balance at Fiscal Year end [2]
2008-2009	$1,484,301	1,922,330	2,010,452	1,396,179
2009-2010	1,396,179	2,101,857	1,947,866	1,550,170
2010-2011	$1,550,170	2,090,250	1,788,314	1,852,106

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.
[2]Claim Liabilities are due within one year of the date of the statement of assets.

NOTE 19 – CONTINGENCIES

The City participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2011, 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 with no material effect on the financial condition of the City.

NOTE 20 – 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 though 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, 2011, the amount of unspent interest to date was $22,365. 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 21- 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:

		General Fund
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	$	574,108
Adjustments:		
Timing Differences-Encumbrances		(1,180,423)
Basic Differences:		
Non Budgeted-Allowance for Doubtful Accounts		42,235
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications		(564,080)
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)		34,904,097
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	$	34,340,017

NOTE 22 – FUND EQUITY

The City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund type Definitions" effective October 1, 2010. The statement established new categories for reporting fund balance, revised the definitions for governmental fund types and change the presentation of fund balance. Components of fund balance of Governmental Funds are as follows:

	General Fund	Debt Service	Other Governmantal Funds
Fund Balances:			
Nonspendable:			
Inventory	14,937	-	69,161
Permanent Fund Principal	-	-	50,000
Restricted for:			
Debt Service	-	8,272,028	2,420,047
Public Safety	-	-	7,074,789
Health & Welfare	-	-	2,303,427
Cultural & Recreation	-	-	19,121,170
Transportation	-	-	168,702
Capital Projects	786,681	-	64,899,686
Commited to:			
Cash Reserves	21,212,775	-	-
General Government	187,341	-	-
Public Safety	489,519	-	56,653
Public Works	85,425	-	-
Health & Welfare	3,370	-	4,040,800
Cultural & Recreation	363,698	-	275,740
Other	51,070	-	
Capital Projects	-	-	2,383,377
Assigned to:			
Municipal Court	1,613,435	-	-
Public Safety	-	-	657,381
Health & Welfare	-	-	782,707
Cultural & Recreation	-	-	583,427
Capital Projects	-	-	9,685,818
Unassigned	10,712,189	-	(125,741)
Total Fund Balances	35,520,440	8,272,028	114,447,144

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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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes:				
Current	$ 12,621,488	12,621,488	12,750,734	129,246
Delinquent - Prior	470,533	470,533	357,488	(113,045)
Total Taxes	13,092,021	13,092,021	13,108,222	16,201
Investment Income:				
Interest Earnings	52,515	52,515	53,437	922
Restricted Interest Earnings	-	14,200	14,199	(1)
Total Investment Income	52,515	66,715	67,636	921
Special Assessments:				
Paving Assessments	17,999	17,999	38,578	20,579
Total Special Assessments	17,999	17,999	38,578	20,579
Miscellaneous:				
Reimbursements	-	-	4,102	4,102
Interest Rebates	568,359	568,359	300,014	(268,345)
Total Miscellaneous	568,359	568,359	304,116	(264,243)
TOTAL REVENUES	**13,730,894**	**13,745,094**	**13,518,552**	**(226,542)**
EXPENDITURES:				
Principal Retirement:				
General Obligations Debt	3,293,378	3,293,378	2,990,562	302,816
Revenue Bonds Debt	1,575,000	1,575,000	1,575,000	-
Contractual Obligations Debt	4,810,794	4,810,794	5,110,793	(299,999)
Total Principal Retirement	9,679,172	9,679,172	9,676,355	2,817
Interest:				
General Obligations Debt	1,135,542	1,135,542	1,233,955	(98,413)
Revenue Bonds Debt	1,539,194	1,539,194	1,539,194	-
Contractual Obligations Debt	7,891,429	7,891,429	8,043,215	(151,786)
Total Interest	10,566,165	10,566,165	10,816,364	(250,199)
Other:				
Other	111,500	135,416	6,997	128,419
Fiscal Agent Fees	28,000	28,000	7,825	20,175
Bond Costs	-	64,452	64,452	-
Total Other	139,500	227,868	79,274	148,594
TOTAL EXPENDITURES	**20,384,837**	**20,473,205**	**20,571,993**	**(98,788)**
Excess (Deficiencies) of Revenues Over (Under) Expenditures	$ (6,653,943)	(6,728,111)	(7,053,441)	(325,330)

(Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2011

(Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual**	
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	$ 2,000,000	2,000,000	2,000,000	-
Airport	495,697	495,697	495,697	-
Environmental Services	1,957,665	1,957,665	1,957,665	-
Parking Meters	284,029	284,029	284,029	-
Sports and Community Venue	3,114,194	3,114,194	3,114,194	-
2000A C.O. Issue	-	-	21,970	21,970
2002 C.O. Issue	-	-	441	441
Bridge System	776,347	776,347	776,347	-
Police Trust Fund	86,220	86,220	86,220	-
Refunding Bonds Issued	-	3,199,078	3,199,078	-
Bond Premium	-	178,683	178,683	-
Payment to Refunded Bond Escrow Agent	-	(3,303,593)	(3,317,933)	(14,340)
TOTAL OTHER FINANCING SOURCES (USES):	**8,714,152**	**8,788,320**	**8,796,391**	**8,071**
Net Change in Fund Balances	2,060,209	2,060,209	1,742,950	(317,259)
Fund Balances-Beginning	6,403,892	6,529,078	6,529,078	-
Fund Balances-Ending	$ **8,464,101**	**8,589,287**	**8,272,028**	**(317,259)**

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.

HOME INVESTMENT AFFORDABLE HOUSING – to account for the proceeds from the dissolution of the Laredo Affordable Housing Corporation as HOME Program Income to be used for the construction of the La Terraza project which will serve low to moderate income families.

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

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

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.

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.

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.

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.

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

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.

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

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.

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

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.

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.

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.

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

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

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.

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.

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

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

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.

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.

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

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.

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

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

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.

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 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.

CERTIFICATE OF OBLIGATION 2010 ISSUE – to account for $10,244,797 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.

BASEBALL STADIUM FUND - to account for the construction of the City's new baseball stadium. Major funding sources include funds used from the Sports and Community Venue Fund and $10,385,250 from the 2011 Bond proceeds.

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.

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.

PERMANENT FUND

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

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011

	SPECIAL REVENUE				
	BLOCK GRANTS	**HOUSING REHAB**	**HOME INVESTMENT**	**EMERGENCY SHELTER**	**HOME INV. AFFORDABLE HOUSING**
ASSETS					
Cash and Cash Equivalents:					
Cash	$ 100	-	-	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	26,035	43,291	-	1,171,720
Receivables, net of allowances:					
Accrued Interest	-	28	47	-	1,266
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	2,671	-	-	-	-
Notes	-	1,726,928	12,203,643	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	283,471	-	4,256	16,586	-
Inventory	-	-	-	-	-
TOTAL ASSETS	**286,242**	**1,752,991**	**12,251,237**	**16,586**	**1,172,986**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	8,962	16	912	2,928	69
Retainage Payable	72,629	-	-	-	-
Accrued Wages and Employee Benefits	35,604	685	2,879	-	-
Contracts Payable	151,600	-	-	-	-
Customer Deposits	-	-	-	-	-
Due To Other Funds	14,627	-	-	13,658	-
Due To Other Governments	-	-	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	2,665	1,726,928	12,203,643	-	-
TOTAL LIABILITIES	**286,087**	**1,727,629**	**12,207,434**	**16,586**	**69**
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	155	25,362	43,803	-	1,172,917
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
TOTAL FUND BALANCES	**155**	**25,362**	**43,803**	**-**	**1,172,917**
TOTAL LIABILITIES AND FUND BALANCES	$ **286,242**	**1,752,991**	**12,251,237**	**16,586**	**1,172,986**

(Continued)

SPECIAL REVENUE						
COMMUNITY DEV. ARRA	H.U.D. SEC. 108	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 EMERGENCY COMM. FUND	HEALTH FUND
-	-	-	5,000	-	100	3,200
-	-	-	-	-	-	-
-	-	260,557	1,441,102	-	58,177	-
-	1,370,589	281	1,557	-	63	-
-	-	-	-	-	-	-
1,095	-	-	2,862	-	-	731
-	765,000	-	-	-	-	-
-	-	-	-	-	-	-
673,588	-	82,098	175,489	320,690	23,133	2,007,831
-	-	-	-	-	-	1,593
674,683	**2,135,589**	**342,936**	**1,626,010**	**320,690**	**81,473**	**2,013,355**
42,266	-	10,011	14,636	14,643	52,338	302,243
-	-	-	-	-	-	-
9,195	-	20,131	16,840	48,986	8,511	343,754
-	-	-	-	-	-	-
-	-	-	-	-	-	-
623,222	-	-	-	241,367	-	450,640
-	-	10,163	78,741	-	-	-
-	-	-	-	-	-	-
-	2,135,589	-	-	2,228	19,917	259,478
674,683	**2,135,589**	**40,305**	**110,217**	**307,224**	**80,766**	**1,356,115**
-	-	-	-	-	-	1,593
-	-	302,631	1,515,793	13,466	707	10,240
-	-	-	-	-	-	635,317
-	-	-	-	-	-	10,090
-	-	-	-	-	-	-
-	**-**	**302,631**	**1,515,793**	**13,466**	**707**	**657,240**
674,683	**2,135,589**	**342,936**	**1,626,010**	**320,690**	**81,473**	**2,013,355**

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011 **(Continued)**

	SPECIAL REVENUE				
	SPECIAL FIRE GRANTS	INT'L. AIRPORT	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	VETERANS FIELD
ASSETS					
Cash and Cash Equivalents:					
Cash	$ -	200	900	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	180,761	93,758	1,786,871	-
Receivables, net of allowances:					
Accrued Interest	-	195	101	1,930	-
Hotel-Motel Tax, Penalty and Interest	-	-	-	46,824	-
Accounts	-	245,657	60	-	-
Notes	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	201,221	53,540	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	**201,221**	**480,353**	**94,819**	**1,835,625**	**-**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	1	74,689	26,681	52,637	5,175
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	116,392	73,095	23,293	-	125
Contracts Payable	-	-	-	-	-
Customer Deposits	-	34,540	28,914	-	-
Due To Other Funds	63,748	-	-	-	32,941
Due To Other Governments	-	899	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	-	128,428	-	46,844	-
TOTAL LIABILITIES	**180,141**	**311,651**	**78,888**	**99,481**	**38,241**
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	21,080	168,702	-	1,736,144	-
Committed	-	-	15,931	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(38,241)
TOTAL FUND BALANCES	**21,080**	**168,702**	**15,931**	**1,736,144**	**(38,241)**
TOTAL LIABILITIES AND FUND BALANCES	**$ 201,221**	**480,353**	**94,819**	**1,835,625**	**-**

(Continued)

SPECIAL REVENUE						
PUBLIC ACCESS CHANNEL	**MERCADO MGMT.**	**LAREDO CONVENT. & VISITORS**	**RECREATION FUND**	**PARKING METERS**	**HAZARDOUS MATERIALS**	**ENVIRONMENTAL SERVICES**
-	-	850	-	825	-	350
-	-	-	-	-	-	-
472,853	238,873	206,199	324,648	852,612	30,594	3,954,327
511	258	223	351	921	33	4,271
-	-	-	-	-	-	-
66,409	6,283	617	-	666,294	-	294,407
-	-	-	-	-	-	64,820
-	-	-	-	-	-	-
-	-	-	-	-	-	370,234
-	-	-	-	-	-	-
539,773	**245,414**	**207,889**	**324,999**	**1,520,652**	**30,627**	**4,688,409**
23,894	6,789	81,090	43,509	55,173	61	144,867
-	-	-	-	-	-	138,153
12,918	3,624	21,823	-	37,415	6,272	62,212
-	-	-	-	-	-	116,272
-	-	-	-	-	-	-
-	-	-	-	-	-	2,950
-	-	67	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	714,030	-	71,143
36,812	**10,413**	**102,980**	**43,509**	**806,618**	**6,333**	**535,597**
-	-	-	-	-	-	-
289,532	-	104,909	-	-	-	-
213,429	11,261	-	34,281	56,653	24,294	3,380,195
-	223,740	-	247,209	657,381	-	772,617
-	-	-	-	-	-	-
502,961	**235,001**	**104,909**	**281,490**	**714,034**	**24,294**	**4,152,812**
539,773	**245,414**	**207,889**	**324,999**	**1,520,652**	**30,627**	**4,688,409**

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011 **(Continued)**

	SPECIAL REVENUE				
	KEEP LAREDO BEAUTIFUL	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	LAREDO ENERGY ARENA	FRIENDS OF THE LIBRARY
ASSETS					
Cash and Cash Equivalents:					
Cash	$ -	-	-	24,121	-
Cash with Fiscal Agent	-	-	-	448,785	-
Investments	5,557	1,148,048	19,386,687	-	121,831
Receivables, net of allowances:					
Accrued Interest	6	1,240	16,784	-	132
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	39,341	-	414,596	2,130
Notes	-	-	-	-	-
Due From Other Funds	2,950	-	-	-	-
Due From Other Governments	-	-	-	-	-
Inventory	-	-	-	67,568	-
TOTAL ASSETS	**8,513**	**1,188,629**	**19,403,471**	**955,070**	**124,093**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	4,893	24,247	15,541	465,384	7,973
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	2,626	9,150	-	-	-
Contracts Payable	-	-	-	-	-
Customer Deposits	-	92,270	-	-	-
Due To Other Funds	-	-	-	-	-
Due To Other Governments	-	-	-	-	2,130
Due To Developers	-	-	-	-	-
Deferred Revenue	-	12,012	-	509,618	337
TOTAL LIABILITIES	**7,519**	**137,679**	**15,541**	**975,002**	**10,440**
Fund Balances:					
Nonspendable	-	-	-	67,568	-
Restricted	-	1,050,950	19,387,930	-	337
Committed	994	-	-	-	838
Assigned	-	-	-	-	112,478
Unassigned (Deficit)	-	-	-	(87,500)	-
TOTAL FUND BALANCES	**994**	**1,050,950**	**19,387,930**	**(19,932)**	**113,653**
TOTAL LIABILITIES AND FUND BALANCES	**$ 8,513**	**1,188,629**	**19,403,471**	**955,070**	**124,093**

(Continued)

(Continued)

SPECIAL REVENUE		CAPITAL PROJECTS				
POLICE TRUST FUND	SUBDIVISION TRUST FUND	WEBB COUNTY COLONIAS PROJECT	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 00 ISSUE
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,327,899	336,849	480,013	109,640	-	822,152	-
5,755	364	518	118	-	-	-
-	-	-	-	-	-	-
3,765	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	215,566	81,092	954,224	-	-
-	-	-	-	-	-	-
5,337,419	**337,213**	**696,097**	**190,850**	**954,224**	**822,152**	**-**
116,307	26	35	4	118,800	14,828	-
-	-	21,899	30,309	80,967	-	-
-	-	2,231	-	-	-	-
-	-	123,470	7,134	21,166	-	-
-	-	-	-	-	-	-
-	-	-	-	733,291	-	-
-	-	-	-	-	-	-
-	337,187	-	-	-	-	-
-	-	-	-	-	-	-
116,307	**337,213**	**147,635**	**37,447**	**954,224**	**14,828**	**-**
-	-	-	-	-	-	-
5,221,112	-	548,462	153,403	-	807,324	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,221,112	**-**	**548,462**	**153,403**	**-**	**807,324**	**-**
5,337,419	**337,213**	**696,097**	**190,850**	**954,224**	**822,152**	**-**

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011 **(Continued)**

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 02 ISSUE	CERTIFICATE OF OBLIGATION 05 ISSUE	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE
ASSETS					
Cash and Cash Equivalents:					
Cash	$ -	-	-	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	371,163	1,319,559	12,840,821	13,020,193
Receivables, net of allowances:					
Accrued Interest	-	-	-	2,412	3,038
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	-	-	35,858	-
Notes	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	**-**	**371,163**	**1,319,559**	**12,879,091**	**13,023,231**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	8	70,134	247,257	5,786
Retainage Payable	-	2,358	120,311	375,294	472,723
Accrued Wages and Employee Benefits	-	-	21,146	8,059	1,028
Contracts Payable	-	1,860	117,011	668,959	254,919
Customer Deposits	-	-	-	-	-
Due To Other Funds	-	-	37,116	954,279	2,272
Due To Other Governments	-	-	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	**-**	**4,226**	**365,718**	**2,253,848**	**736,728**
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	366,937	953,841	10,625,243	12,286,503
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
TOTAL FUND BALANCES	**-**	**366,937**	**953,841**	**10,625,243**	**12,286,503**
TOTAL LIABILITIES AND FUND BALANCES	$ **-**	**371,163**	**1,319,559**	**12,879,091**	**13,023,231**

(Continued)

(Continued)

CAPITAL PROJECTS					PERMANENT FUND	
CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 10 ISSUE	BASEBALL STADIUM FUND	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
-	-	-	-	-	-	35,646
-	-	-	-	-	-	448,785
16,056,673	4,894,499	15,399,528	5,355,391	12,800,175	72,293	121,011,349
16,508	2,147	5,791	525	13,826	78	1,451,867
-	-	-	-	-	-	46,824
-	-	-	1,989	-	-	1,784,765
-	-	-	-	-	-	14,760,391
-	-	-	-	-	-	2,950
-	-	-	1,024,793	55,483	-	6,543,295
-	-	-	-	-	-	69,161
16,073,181	**4,896,646**	**15,405,319**	**6,382,698**	**12,869,484**	**72,371**	**146,155,033**
155,017	14,849	4	179,478	150,956	6	2,555,123
350,000	6,867	75,367	534,396	62,922	-	2,344,195
15,401	-	-	6,966	6,196	-	916,557
979,995	85,824	944,341	323,639	348,281	-	4,144,471
-	-	-	-	-	-	155,724
1,694	-	-	-	-	-	3,171,805
-	-	-	-	-	-	92,000
-	-	-	-	-	-	337,187
-	-	-	-	157,967	-	17,990,827
1,502,107	**107,540**	**1,019,712**	**1,044,479**	**726,322**	**6**	**31,707,889**
-	-	-	-	-	50,000	119,161
14,571,074	4,789,106	14,385,607	5,338,219	73,967	22,365	95,987,821
-	-	-	-	2,383,377	-	6,756,570
-	-	-	-	9,685,818	-	11,709,333
-	-	-	-	-	-	(125,741)
14,571,074	**4,789,106**	**14,385,607**	**5,338,219**	**12,143,162**	**72,365**	**114,447,144**
16,073,181	**4,896,646**	**15,405,319**	**6,382,698**	**12,869,484**	**72,371**	**146,155,033**

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended September 30, 2011

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	AUTO THEFT TASK FORCE
REVENUES:					
Taxes	$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	3,808,599	-	445,616	135,721	-
State	-	-	-	-	428,110
Other	-	-	-	-	43,000
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	-	76	-	717
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	105,245	74,690	33,710	-	-
Other	-	-	-	-	-
TOTAL REVENUES	3,913,844	74,690	479,402	135,721	471,827
EXPENDITURES:					
Public Safety	413,000	-	-	-	716,632
Public Works	-	-	-	-	-
Health and Welfare	502,860	38,746	563,663	135,721	-
Cultural and Recreational	1,614,342	-	-	-	-
General Government	758,361	29,125	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	3,288,563	67,871	563,663	135,721	716,632
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	625,281	-	-	-	-
TOTAL EXPENDITURES	3,913,844	67,871	563,663	135,721	716,632
Excess (Deficiency) of Revenues Over Expenditures	-	6,819	(84,261)	-	(244,805)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	72,261	-	235,507
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Costs	-	-	-	-	-
Transfers Out	-	-	-	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	72,261	-	235,507
Net Change in Fund Balance	-	6,819	(12,000)	-	(9,298)
Fund Balances at Beginning of Year	155	18,543	55,803	-	311,929
FUND BALANCE AT END OF YEAR	$ 155	25,362	43,803	-	302,631

(Continued)

(Continued)

SPECIAL REVENUE					
FINANCIAL TASK FORCE	HEALTH FUND	SPECIAL POLICE PROGRAM	INT'L. AIRPORT	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX
-	-	-	-	-	4,055,510
-	382,523	-	-	-	-
916,890	181,829	1,245,923	69,880	-	-
-	8,374,234	449,000	2,924	-	-
-	1,005,532	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	729,230	-	11,825	-	84
4,418	-	144	2,775	107	6,040
-	2,002	-	4,129,984	232,162	-
-	-	-	-	19	-
-	48,983	-	-	-	-
14,120	32,222	-	444,628	154	100
408,911	574,201	-	-	-	-
1,344,339	11,330,756	1,695,067	4,662,016	232,442	4,061,734
744,305	-	1,576,876	-	-	-
-	-	-	-	-	-
-	13,730,071	-	-	-	-
-	-	-	-	780,559	492,063
-	-	-	-	-	-
-	-	-	4,651,685	-	-
744,305	13,730,071	1,576,876	4,651,685	780,559	492,063
-	-	-	-	-	-
-	-	-	-	-	-
247,491	623,323	169,483	70,491	-	-
991,796	14,353,394	1,746,359	4,722,176	780,559	492,063
352,543	(3,022,638)	(51,292)	(60,160)	(548,117)	3,569,671
-	3,058,484	50,401	-	518,949	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(542,983)	-	(2,560,022)
-	-	-	-	-	-
-	-	-	18,314	-	-
-	3,058,484	50,401	(524,669)	518,949	(2,560,022)
352,543	35,846	(891)	(584,829)	(29,168)	1,009,649
1,163,250	621,394	14,357	753,531	45,099	726,495
1,515,793	657,240	13,466	168,702	15,931	1,736,144

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended September 30, 2011

(Continued)

	SPECIAL REVENUE				
	VETERANS FIELD	PUBLIC ACCESS CHANNEL	MERCADO MGMT.	RECREATION FUND	ENVIRO. SERVICES
REVENUES:					
Taxes	$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	1,614,471
State	-	-	-	-	370,342
Other	-	-	-	-	10,333
Charges for Services	-	22,813	-	-	6,153,134
Fines	-	-	-	-	-
Fees and Collections	-	267,434	-	213,421	-
Investment Income:					
Interest Earnings	12	1,542	1,054	1,087	18,951
Rents and Royalties	2,976	-	118,045	-	-
Discount Earnings	-	9	-	-	1,512
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	-	500	19,983
Other	-	-	-	-	-
TOTAL REVENUES	2,988	291,798	119,099	215,008	8,188,726
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	3,580,902
Cultural and Recreational	92,475	431,524	123,694	124,774	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	92,475	431,524	123,694	124,774	3,580,902
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	-	157,160	-	-	4,105,858
TOTAL EXPENDITURES	92,475	588,684	123,694	124,774	7,686,760
Excess (Deficiency) of Revenues Over Expenditures	(89,487)	(296,886)	(4,595)	90,234	501,966
OTHER FINANCING SOURCES (USES):					
Transfers In	-	410,527	-	-	2,166,552
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Costs	-	-	-	-	-
Transfers Out	-	-	-	-	(2,056,712)
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	410,527	-	-	109,840
Net Change in Fund Balance	(89,487)	113,641	(4,595)	90,234	611,806
Fund Balances at Beginning of Year	51,246	389,320	239,596	191,256	3,541,006
FUND BALANCE AT END OF YEAR	$ (38,241)	502,961	235,001	281,490	4,152,812

(Continued)

(Continued)

SPECIAL REVENUE					
LAREDO CONVENT. & VISITORS	PARKING METERS	HAZARDOUS MATERIALS	SPORTS & COMMUNITY VENUE	NOISE ABATE. LEASE PROGRAM	911 REGIONAL COMM. FUND
-	-	-	6,733,805	-	-
-	5,424	304,600	-	-	-
-	8,823	-	-	-	-
-	-	-	-	-	1,054,383
-	-	-	-	-	-
-	-	-	-	-	-
-	514,066	-	-	-	-
12,108	1,482,929	-	-	39,775	-
38	6,060	86	109,679	3,814	707
-	-	-	-	1,245,863	-
-	-	-	-	-	-
-	-	-	150,000	-	-
145,031	904	25	-	8,184	-
-	-	-	-	-	-
157,177	2,018,206	304,711	6,993,484	1,297,636	1,055,090
-	1,325,054	186,250	-	-	1,013,963
-	-	-	-	-	-
-	-	-	-	762,792	-
1,990,826	-	-	232,730	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,990,826	1,325,054	186,250	232,730	762,792	1,013,963
-	-	-	-	-	-
-	-	-	-	-	-
57,445	47,783	-	52,688	-	40,420
2,048,271	1,372,837	186,250	285,418	762,792	1,054,383
(1,891,094)	645,369	118,461	6,708,066	534,844	707
1,927,295	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(1,284,029)	(121,113)	(11,052,728)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,927,295	(1,284,029)	(121,113)	(11,052,728)	-	-
36,201	(638,660)	(2,652)	(4,344,662)	534,844	707
68,708	1,352,694	26,946	23,732,592	516,106	-
104,909	714,034	24,294	19,387,930	1,050,950	707

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended September 30, 2011

(Continued)

	SPECIAL REVENUE				
	KEEP LAREDO BEAUTIFUL, INC. FUND	**SPECIAL FIRE GRANTS**	**LAREDO ENERGY ARENA**	**COMMUNITY DEV. ARRA**	**HOME INV. AFFORDABLE HOUSING**
REVENUES:					
Taxes	$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	444,704	-	1,878,314	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	3,491,106	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	13,267	8	-	-	707
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	9	-	-	-	-
Reimbursements	-	-	-	-	1,251,455
Other	-	-	-	-	-
TOTAL REVENUES	13,276	444,712	3,491,106	1,878,314	1,252,162
EXPENDITURES:					
Public Safety	-	1,534,964	-	-	-
Public Works	121,076	-	-	-	-
Health and Welfare	-	-	-	-	6,984
Cultural and Recreational	-	-	4,390,559	1,878,314	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	121,076	1,534,964	4,390,559	1,878,314	6,984
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	121,076	1,534,964	4,390,559	1,878,314	6,984
Excess (Deficiency) of Revenues Over Expenditures	(107,800)	(1,090,252)	(899,453)	-	1,245,178
OTHER FINANCING SOURCES (USES):					
Transfers In	99,047	1,090,260	938,534	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Costs	-	-	-	-	-
Transfers Out	-	-	-	-	(72,261)
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	99,047	1,090,260	938,534	-	(72,261)
Net Change in Fund Balance	(8,753)	8	39,081	-	1,172,917
Fund Balances at Beginning of Year	9,747	21,072	(59,013)	-	-
FUND BALANCE AT END OF YEAR	$ 994	21,080	(19,932)	-	1,172,917

(Continued)

(Continued)

SPECIAL REVENUE			CAPTIAL PROJECTS		
FRIENDS OF THE LIBRARY	SUBDIVISION TRUST FUND	POLICE TRUST FUND	CONTRACTUAL OBLIGATIONS	CAPITAL IMPROVEMENT	AIRPORT CONSTRUCTION FUND
-	-	-	-	-	-
-	-	-	-	-	-
296,902	-	-	-	35,880	15,222,804
34,928	-	-	-	214,385	47,286
-	-	100	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
630	-	24,155	2,160	48,890	10,814
-	-	-	-	-	-
-	-	-	-	450	-
-	-	-	-	509,750	-
-	-	99,181	-	-	-
100	-	2,631,778	4,377	12,037	101,679
332,560	-	2,755,214	6,537	821,392	15,382,583
-	-	742,504	-	-	-
-	-	-	170,052	619,242	1,517,445
-	-	-	-	-	-
349,588	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
349,588	-	742,504	170,052	619,242	1,517,445
-	-	570,009	-	-	-
-	-	50,550	-	-	-
-	-	3,351,542	711,898	4,743,214	16,424,697
349,588	-	4,714,605	881,950	5,362,456	17,942,142
(17,028)	-	(1,959,391)	(875,413)	(4,541,064)	(2,559,559)
-	-	-	-	8,816,905	47,286
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(86,220)	(288)	(4,010,299)	-
-	-	807,653	-	-	-
-	-	-	-	-	1,230,332
-	-	721,433	(288)	4,806,606	1,277,618
(17,028)	-	(1,237,958)	(875,701)	265,542	(1,281,941)
130,681	-	6,459,070	1,683,025	11,877,620	6,620,160
113,653	-	5,221,112	807,324	12,143,162	5,338,219

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended September 30, 2011

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 00 ISSUE	**WEBB COUNTY COLONIAS PROJECT**	**CERTIFICATE OF OBLIGATION 02 ISSUE**	**PARKS CAPITAL GRANTS**	**CAPITAL GRANTS**
REVENUES:	$				
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	422,198	-	916,973	8,491,494
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	58	2,020	898	222	-
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	-	-	-
Other	-	-	-	-	-
TOTAL REVENUES	58	424,218	898	917,195	8,491,494
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	5	422,198	73	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	5	422,198	73	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	33,285	-	812,810	946,614	9,061,957
TOTAL EXPENDITURES	33,290	422,198	812,883	946,614	9,061,957
Excess (Deficiency) of Revenues Over Expenditures	(33,232)	2,020	(811,985)	(29,419)	(570,463)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	29,641	570,463
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Costs	-	-	-	-	-
Transfers Out	(21,971)	-	(441)	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(21,971)	-	(441)	29,641	570,463
Net Change in Fund Balance	(55,203)	2,020	(812,426)	222	-
Fund Balances at Beginning of Year	55,203	546,442	812,426	153,181	-
FUND BALANCE AT END OF YEAR	$ -	548,462	-	153,403	-

(Continued)

(Continued)

CAPITAL PROJECTS					
CERTIFICATE OF OBLIGATION 05 ISSUE	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	BASEBALL STADIUM FUND
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
567	3,327	56,961	51,987	41,872	38,102
-	-	-	-	-	-
-	-	-	-	-	-
-	-	493,381	-	-	-
-	-	-	-	-	-
-	23	2,641	196,883	5,617	-
567	3,350	552,983	248,870	47,489	38,102
-	-	-	-	-	-
48	296	73,409	207,816	3,693	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
48	296	73,409	207,816	3,693	-
-	-	-	-	-	-
-	-	-	-	-	-
101,012	2,106,257	10,728,636	6,700,342	9,569,420	2,652,495
101,060	2,106,553	10,802,045	6,908,158	9,573,113	2,652,495
(100,493)	(2,103,203)	(10,249,062)	(6,659,288)	(9,525,624)	(2,614,393)
-	-	750,000	1,500,000	2,000,000	7,000,000
-	-	-	-	-	10,445,000
-	-	-	-	-	-
-	-	-	-	-	(445,000)
-	(29,153)	(2,465,803)	(30,038)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(29,153)	(1,715,803)	1,469,962	2,000,000	17,000,000
(100,493)	(2,132,356)	(11,964,865)	(5,189,326)	(7,525,624)	14,385,607
467,430	3,086,197	22,590,108	17,475,829	22,096,698	-
366,937	953,841	10,625,243	12,286,503	14,571,074	14,385,607

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year ended September 30, 2011

(Continued)

	CAPTIAL PROJECTS	PERMANENT FUND	
	CERTIFICATE OF OBLIGATION 10 ISSUE	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:	$		
Taxes	-	-	10,789,315
Licenses and Permits	-	-	692,547
Intergovernmental:			
Federal	-	-	26,306,356
State	-	-	20,806,257
Other	-	-	1,058,965
Charges for Services	-	-	9,667,053
Fines	-	-	514,066
Fees and Collections	-	-	2,756,806
Investment Income:			
Interest Earnings	56,737	285	510,974
Rents and Royalties	-	-	5,731,032
Discount Earnings	-	-	1,990
Miscellaneous:			
Local Contributions	-	-	1,202,123
Reimbursements	11,903	-	2,242,035
Other	-	-	3,938,247
TOTAL REVENUES	68,640	285	86,217,766
EXPENDITURES:			
Public Safety	-	-	8,253,548
Public Works	654	-	3,136,007
Health and Welfare	-	-	19,321,739
Cultural and Recreational	-	-	12,501,448
General Government	-	-	787,486
Air Transportation Services	-	-	4,651,685
Total Operating Expenditures	654	-	48,651,913
Debt Service:			
Principal	-	-	570,009
Interest	-	-	50,550
Capital Outlay	278,880	-	74,420,482
TOTAL EXPENDITURES	279,534	-	123,692,954
Excess (Deficiency) of Revenues Over Expenditures	(210,894)	285	(37,475,188)
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	31,282,112
Proceeds - Long Term Debt	9,545,000	-	19,990,000
Bond Premiums	650,403	-	650,403
Bond Costs	(195,403)	-	(640,403)
Transfers Out	(5,000,000)	-	(29,334,061)
Capital Leases	-	-	807,653
Sale of Assets	-	-	1,248,646
TOTAL OTHER FINANCING SOURCES (USES)	5,000,000	-	24,004,350
Net Change in Fund Balance	4,789,106	285	(13,470,838)
Fund Balances at Beginning of Year	-	72,080	127,917,982
FUND BALANCE AT END OF YEAR	$ 4,789,106	72,365	114,447,144

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
CDBG Grants	$ 27,881,467	3,808,599	31,690,066	36,046,206
Miscellaneous:				
Reimbursements	753,861	105,245	859,106	835,954
TOTAL REVENUES	**28,635,328**	**3,913,844**	**32,549,172**	**36,882,160**
EXPENDITURES:				
Public Safety	2,965,330	413,000	3,378,330	3,456,908
Public Works	1,351,349	-	1,351,349	1,701,457
Health and Welfare	4,617,566	502,860	5,120,426	5,547,920
Cultural and Recreational	2,576,439	1,614,342	4,190,781	4,391,947
General Government	6,249,785	758,361	7,008,146	7,124,291
Capital Outlay	11,008,417	625,281	11,633,698	14,804,099
TOTAL EXPENDITURES	**28,768,886**	**3,913,844**	**32,682,730**	**37,026,622**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(133,558)**	**-**	**(133,558)**	**(144,462)**
OTHER FINANCING SOURCES (USES):				
Transfer In:				
General Fund	133,713	-	133,713	144,462
				-
TOTAL OTHER FINANCING SOURCES:	**133,713**	**-**	**133,713**	**144,462**
Net Change in Fund Balances	$ **155**	**-**	**155**	**-**
Fund Balances-Beginning		155		
Fund Balances-Ending		$ **155**		

CITY OF LAREDO, TEXAS
HOUSING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 100	100	-	-	-	(100)
Miscellaneous:						
Reimbursements	70,000	70,000	74,690	-	74,690	4,690
TOTAL REVENUES	**70,100**	**70,100**	**74,690**	**-**	**74,690**	**4,590**
EXPENDITURES:						
Administration:						
Personnel Services	40,493	40,493	29,125	-	29,125	11,368
Contractual Services	38,803	38,803	38,746	-	38,746	57
Total Administration	79,296	79,296	67,871	-	67,871	11,425
TOTAL EXPENDITURES	**79,296**	**79,296**	**67,871**	**-**	**67,871**	**11,425**
Excess (Deficiency) of Revenues Over Expenditures	(9,196)	(9,196)	6,819	-	6,819	16,015
Fund Balances at Beginning of Year	9,196	18,543	18,543	-	18,543	-
FUND BALANCE AT END OF YEAR	$ **-**	**9,347**	**25,362**	**-**	**25,362**	**16,015**

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
HOME Grants	$ 2,060,162	445,616	2,505,778	4,019,663
Investment Income:				
Interest Earnings	2,507	76	2,583	2,513
Miscellaneous:				
Reimbursements	548,790	33,710	582,500	524,387
TOTAL REVENUES	**2,611,459**	**479,402**	**3,090,861**	**4,546,563**
EXPENDITURES:				
Personnel Services	224,039	89,656	313,695	348,850
Materials and Supplies	5,042	2,386	7,428	7,459
Contractual Services	2,326,575	471,621	2,798,196	4,190,254
TOTAL EXPENDITURES	**2,555,656**	**563,663**	**3,119,319**	**4,546,563**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**55,803**	**(84,261)**	**(28,458)**	**-**
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Inv. Afford. Housing	-	72,261	72,261	-
TOTAL OTHER FINANCING SOURCES:	**-**	**72,261**	**72,261**	**-**
Net Change in Fund Balances	**$ 55,803**	**(12,000)**	**43,803**	**-**
Fund Balances-Beginning		55,803		
Fund Balances-Ending		**$ 43,803**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	$ 290,794	135,721	426,515	479,378
TOTAL REVENUES	**290,794**	**135,721**	**426,515**	**479,378**
EXPENDITURES:				
Materials and Supplies	2,061	1,100	3,161	4,158
Contractual Services	288,733	134,621	423,354	475,220
TOTAL EXPENDITURES	**290,794**	**135,721**	**426,515**	**479,378**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**$ -**	**-**	**-**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ -**		

CITY OF LAREDO, TEXAS
HOME INVESTMENT AFFORDABLE HOUSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ -	707	707	-
Miscellaneous:				
Reimbursements	-	1,251,455	1,251,455	1,251,455
TOTAL REVENUES	**-**	**1,252,162**	**1,252,162**	**1,251,455**
EXPENDITURES:				
Contractual Services	-	69	69	-
Other	-	6,915	6,915	51,455
Capital Outlay	-	-	-	1,200,000
TOTAL EXPENDITURES	**-**	**6,984**	**6,984**	**1,251,455**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**-**	**1,245,178**	**1,245,178**	**-**
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
Home Investment Fund	-	(72,261)	(72,261)	-
TOTAL OTHER FINANCING SOURCES:	**-**	**(72,261)**	**(72,261)**	**-**
Net Change in Fund Balances	**$ -**	**1,172,917**	**1,172,917**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ 1,172,917**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
Weatherization Assistance	$ 277,273	584,085	861,358	3,395,441
Neighborhood Assistance	766,949	675,080	1,442,029	2,127,102
CDBG Assistance	975,026	-	975,026	975,026
HPRP	707,103	619,149	1,326,252	1,490,976
TOTAL REVENUES	**2,726,351**	**1,878,314**	**4,604,665**	**7,988,545**
EXPENDITURES:				
Personnel Services	168,072	241,823	409,895	489,359
Materials and Supplies	42,931	18,892	61,823	70,816
Contractual Services	1,540,322	1,617,599	3,157,921	4,537,604
Other	-	-	-	1,915,740
Capital Outlay	975,026	-	975,026	975,026
TOTAL EXPENDITURES	**2,726,351**	**1,878,314**	**4,604,665**	**7,988,545**
Net Change in Fund Balances	**$ -**	**-**	**-**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ -**		

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
State	$ 433,000	829,700	428,110	-	428,110	(401,590)
Other	45,000	79,417	43,000	-	43,000	(36,417)
Investment Income:						
Interest Earnings	1,200	-	717	-	717	717
TOTAL REVENUES	**479,200**	**909,117**	**471,827**	**-**	**471,827**	**(437,290)**
EXPENDITURES:						
Personnel Services	526,165	1,134,859	590,980	-	590,980	543,879
Materials and Supplies	12,000	13,638	6,237	1,269	7,506	6,132
Contractual Services	134,000	240,339	119,415	-	119,415	120,924
Other	102,835	6,794	-	-	-	6,794
Total Operating Expenditures	775,000	1,395,630	716,632	1,269	717,901	677,729
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	**775,000**	**1,395,630**	**716,632**	**1,269**	**717,901**	**677,729**
Excess (Deficiency) of Revenues Over Expenditures	(295,800)	(486,513)	(244,805)	(1,269)	(246,074)	240,439
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	241,646	235,507	235,507	-	235,507	-
TOTAL OTHER FINANCING SOURCES (USES)	**241,646**	**235,507**	**235,507**	**-**	**235,507**	**-**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(54,154)	(251,006)	(9,298)	(1,269)	(10,567)	240,439
Fund Balances at Beginning of Year	54,154	311,929	311,929	-	311,929	-
FUND BALANCES AT END OF YEAR	$ **-**	**60,923**	**302,631**	**(1,269)**	**301,362**	**240,439**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	$ 908,754	1,664,727	916,890	-	916,890	(747,837)
Investment Income:						
Interest Earnings	2,500	2,500	4,418	-	4,418	1,918
Miscellaneous:						
Reimbursements	-	-	14,120	-	14,120	14,120
Forfeitures	320,000	320,000	408,911	-	408,911	88,911
TOTAL REVENUES	**1,231,254**	**1,987,227**	**1,344,339**	**-**	**1,344,339**	**(642,888)**
EXPENDITURES:						
Personnel Services	726,076	1,211,272	623,993	-	623,993	587,279
Material and Supplies	40,660	50,606	18,573	1,500	20,073	30,533
Contractual Services	92,696	142,429	101,739	2,980	104,719	37,710
Other	150,000	96,227	-	-	-	96,227
Total Operating Expenditures	1,009,432	1,500,534	744,305	4,480	748,785	751,749
Capital Outlay	-	264,871	247,491	-	247,491	17,380
TOTAL EXPENDITURES	**1,009,432**	**1,765,405**	**991,796**	**4,480**	**996,276**	**769,129**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	221,822	221,822	352,543	(4,480)	348,063	126,241
Fund Balances at Beginning of Year	1,024,089	1,163,250	1,163,250	-	1,163,250	-
FUND BALANCES AT END OF YEAR	$ **1,245,911**	**1,385,072**	**1,515,793**	**(4,480)**	**1,511,313**	**126,241**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	$ 477,606	6,837,712	1,245,923	-	1,245,923	(5,591,789)
State	239,110	730,850	449,000	-	449,000	(281,850)
Investment Income:						
Interest Earnings	-	-	144	-	144	144
TOTAL REVENUES	**716,716**	**7,568,562**	**1,695,067**	**-**	**1,695,067**	**(5,873,495)**
EXPENDITURES:						
Police Grants:						
Click It or Ticket	25,460	9,000	8,311	-	8,311	689
Tobacco	188,272	196,472	5,694	-	5,694	190,778
DWI	63,650	63,650	-	-	-	63,650
Alcohol Tobacco Firearms	101,840	101,840	32,540	-	32,540	69,300
Customs Narcotics	115,844	115,844	48,255	-	48,255	67,589
Bulletproof Vest Partnership	40,000	36,076	11,943	-	11,943	24,133
Justice Assistance Grant	180,000	301,163	134,456	36,524	170,980	130,183
Safe Neighborhood	-	5,044	2,304	-	2,304	2,740
Laredo Recovery Act	-	281,320	277,018	-	277,018	4,302
Fugitive Apprehension	42,494	35,931	28,497	-	28,497	7,434
Ldo. Joint Terrorism TF	21,898	21,898	22,340	-	22,340	(442)
Cops Progam	-	4,369,266	244,392	-	244,392	4,124,874
OCDETF	21,898	44,198	21,578	-	21,578	22,620
FBI-Safe Streets	43,796	43,796	38,456	-	38,456	5,340
Stonegarden Grant	-	1,154,802	266,098	7,364	273,462	881,340
Gang Initiative	-	200,000	184,589	-	184,589	15,411
GDEM	-	300,000	250,405	-	250,405	49,595
Other	76,777	76,777	-	-	-	76,777
Total Operating Expenditures	921,929	7,357,077	1,576,876	43,888	1,620,764	5,736,313
Capital Outlay	-	416,896	169,483	235,098	404,581	12,315
TOTAL EXPENDITURES	**921,929**	**7,773,973**	**1,746,359**	**278,986**	**2,025,345**	**5,748,628**
Excess (Deficiency) of Revenues Over Expenditures	(205,213)	(205,411)	(51,292)	(278,986)	(330,278)	(124,867)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	190,112	190,112	50,401	-	50,401	(139,711)
TOTAL OTHER FINANCING SOURCES (USES)	**190,112**	**190,112**	**50,401**	**-**	**50,401**	**(139,711)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(15,101)	(15,299)	(891)	(278,986)	(279,877)	(264,578)
Fund Balances at Beginning of Year	15,101	14,357	14,357	-	14,357	-
FUND BALANCES AT END OF YEAR	$ **-**	**(942)**	**13,466**	**(278,986)**	**(265,520)**	**(264,578)**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
State Emergency Commission	$ 1,294,373	4,689,257	1,054,383	-	1,054,383	(3,634,874)
Investment Income:						
Interest Earnings	100	1,200	707	-	707	(493)
TOTAL REVENUES	**1,294,473**	**4,690,457**	**1,055,090**	**-**	**1,055,090**	**(3,635,367)**
EXPENDITURES:						
Personnel Services	269,522	656,505	270,995	-	270,995	385,510
Materials and Supplies	22,500	99,346	15,028	7,789	22,817	76,529
Contractual Services	1,002,451	3,536,894	727,940	248,461	976,401	2,560,493
Other	-	1,200	-	-	-	1,200
Total Operating Expenditures	1,294,473	4,293,945	1,013,963	256,250	1,270,213	3,023,732
Capital Outlay	-	396,512	40,420	666,466	706,886	(310,374)
TOTAL EXPENDITURES	**1,294,473**	**4,690,457**	**1,054,383**	**922,716**	**1,977,099**	**2,713,358**
Excess (Deficiency) of Revenues Over Expenditures	-	-	707	(922,716)	(922,009)	(922,009)
Fund Balances at Beginning of Year	-	-	-	-	-	-
FUND BALANCES AT END OF YEAR	$ **-**	**-**	**707**	**(922,716)**	**(922,009)**	**(922,009)**

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CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal Grants	$ 62,667	262,667	181,829	-	181,829	(80,838)
State Grants	10,558,638	12,927,336	8,374,234	-	8,374,234	(4,553,102)
Other	1,104,975	1,793,686	1,005,532	-	1,005,532	(788,154)
Licenses and Permits	348,600	348,600	382,523	-	382,523	33,923
Fees and Collections	1,124,676	1,183,496	729,230	-	729,230	(454,266)
Rents and Royalties	1,921	1,921	2,002	-	2,002	81
Miscellaneous:						
Contributions	235,000	187,492	48,983	-	48,983	(138,509)
Reimbursements	5,782	57,732	32,222	-	32,222	(25,510)
Other	499,454	958,505	574,201	-	574,201	(384,304)
TOTAL REVENUES	**13,941,713**	**17,721,435**	**11,330,756**	**-**	**11,330,756**	**(6,390,679)**
EXPENDITURES:						
Administrative Divisions:						
Administration	1,308,432	1,316,178	1,254,967	5,171	1,260,138	56,040
Health Education	100,069	80,283	76,621	1,092	77,713	2,570
Vital Statistics	214,698	212,659	195,632	-	195,632	17,027
E.M.S. Billing	337,337	310,077	247,836	2,046	249,882	60,195
STD Clinic	81,865	77,405	69,049	81	69,130	8,275
Maternity	49,015	81,360	55,117	6,320	61,437	19,923
Immunization	222,704	220,137	203,022	6,770	209,792	10,345
Tuberculosis	173,674	147,754	136,639	405	137,044	10,710
Adult Health	52,876	53,141	51,266	218	51,484	1,657
Laboratory	467,735	470,399	526,522	4,798	531,320	(60,921)
Personal Health Services	56,471	79,080	78,239	62	78,301	779
Budget and Grant Management	282,631	285,948	261,985	3,629	265,614	20,334
Environmental	730,504	714,692	673,315	1,068	674,383	40,309
Animal Control	813,807	970,081	842,165	1,392	843,557	126,524
Total Administrative Divisions	4,891,818	5,019,194	4,672,375	33,052	4,705,427	313,767
State Grants:						
T.N.R.C.C. - Continuous Air Monitoring Station	70,000	135,029	63,084	-	63,084	71,945
H.I.V. - Prevention	388,218	519,987	435,391	276	435,667	84,320
Immunization Action Plan	312,546	599,835	307,690	4,546	312,236	287,599
Enviromental Protection Agency	62,667	62,667	247	-	247	62,420
T.B. Federal - Tuberculosis	171,081	215,323	131,125	5,855	136,980	78,343
H.I.V. - Consortia (Ryan White)	413,189	654,773	394,857	122,776	517,633	137,140
H.I.V. - Housing Project (H.O.P.W.A.)	79,249	139,996	94,160	19,824	113,984	26,012
Associateship for Community Health and Resource Development - Title V	2,500	78,500	1,328	-	1,328	77,172
Associateship for Community Health and Resource Development - Family Planning	60,000	77,778	46,344	-	46,344	31,434
Associateship for Community Health and Resource Development - Prenatal	$ 179,234	84,940	45,752	-	45,752	39,188

(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, 2011

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
State Grants (Continued)						
Primary Care	$ 159,058	313,167	184,288	200	184,488	128,679
HIV Social Services	135,805	210,396	137,995	-	137,995	72,401
Bureau of Regional/Local Health Operations	538,363	1,190,591	641,560	-	641,560	549,031
Associateship for Community Health and Resource Development - Dental	85,140	75,000	-	-	-	75,000
Tuberculosis Elimination	229,436	406,854	212,707	-	212,707	194,147
Women Infant and Children (W.I.C.)	4,150,625	4,292,963	3,878,154	9,800	3,887,954	405,009
W.I.C. Counties Expansion	479,537	461,143	443,343	-	443,343	17,800
Bio-Terrorism Preparedness	367,702	672,491	381,295	-	381,295	291,196
Early Warning Preparedness	179,000	246,009	174,667	-	174,667	71,342
Border Health - Surveillance	19,250	40,000	2,266	-	2,266	37,734
CPS - Emergency Response	279,421	432,388	132,084	-	132,084	300,304
CHS - Title XX	-	1,657	-	-	-	1,657
CVD & Stroke Prevention	30,000	47,186	17,115	-	17,115	30,071
Community Diabetes Program	-	80,000	817	-	817	79,183
CPRIT - Cancer Screening	2,497,500	2,485,409	643,001	516,693	1,159,694	1,325,715
Women and Children Health Program	232,890	236,706	206,749	2,274	209,023	27,683
Special Projects	235,000	152,389	-	-	-	152,389
Hepatitis B Program	21,000	21,000	-	-	-	21,000
SCAN - HIV Testing	45,000	40,133	39,809	-	39,809	324
Ventanilla de Salud Program	35,000	43,511	33,272	7,413	40,685	2,826
Tex-Mex Binational Program	40,000	24,276	20,542	-	20,542	3,734
CDC-Laredo Needs Assessment		198,620	180,355	-	180,355	18,265
CHIP Perinate	47,015	177,310	40,516	511	41,027	136,283
UTHSCSA - Bienestar	192,000	288,191	3,009	-	3,009	285,182
UTHSCSA - STX Family Aids Network	25,000	44,970	23,718	-	23,718	21,252
UTHSCSA - Dental School	300,000	419,646	140,456	-	140,456	279,190
Total State Grant Expenses	12,062,426	15,170,834	9,057,696	690,168	9,747,864	5,422,970
Total Operating Expenses	16,954,244	20,190,028	13,730,071	723,220	14,453,291	5,736,737
Capital Outlay	-	645,764	623,323	-	623,323	22,441
TOTAL EXPENDITURES	**16,954,244**	**20,835,792**	**14,353,394**	**723,220**	**15,076,614**	**5,759,178**
Excess (Deficiency) of Revenues Over Expenditures	(3,012,531)	(3,114,357)	(3,022,638)	(723,220)	(3,745,858)	(631,501)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	2,985,441	2,985,441	3,058,484	-	3,058,484	73,043
TOTAL OTHER FINANCING SOURCES (USES)	**2,985,441**	**2,985,441**	**3,058,484**	**-**	**3,058,484**	**73,043**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(27,090)	(128,916)	35,846	(723,220)	(687,374)	(558,458)
Fund Balances at Beginning of Year	27,090	621,394	621,394	(1,045)	620,349	(1,045)
FUND BALANCE AT END OF YEAR	$ **-**	**492,478**	**657,240**	**(724,265)**	**(67,025)**	**(559,503)**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	$ 143,914	4,031,878	444,704	-	444,704	(3,587,174)
State	300,000	300,000	-	-	-	(300,000)
Investment Income:						
Interest Earnings	-	-	8	-	8	8
TOTAL REVENUES	**443,914**	**4,331,878**	**444,712**	**-**	**444,712**	**(3,887,166)**
EXPENDITURES:						
DHS/Fire Prevention & Safety	35,000	35,000	-	-	-	35,000
SAFER Grant	1,168,183	5,056,147	1,534,964	-	1,534,964	3,521,183
Other	300,000	300,000	-	-	-	300,000
TOTAL EXPENDITURES	**1,503,183**	**5,391,147**	**1,534,964**	**-**	**1,534,964**	**3,856,183**
Excess (Deficiency) of Revenues Over Expenditures	(1,059,269)	(1,059,269)	(1,090,252)	-	(1,090,252)	(30,983)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	1,059,269	1,059,269	1,090,260	-	1,090,260	30,991
TOTAL OTHER FINANCING SOURCES (USES)	**1,059,269**	**1,059,269**	**1,090,260**	**-**	**1,090,260**	**30,991**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	8	-	8	8
Fund Balances at Beginning of Year	-	21,072	21,072	-	21,072	-
FUND BALANCES AT END OF YEAR	$ **-**	**21,072**	**21,080**	**-**	**21,080**	**8**

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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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	$ 97,455	97,455	69,880	-	69,880	(27,575)
State	1,600	1,600	2,924	-	2,924	1,324
Fees and Collections	4,000	4,000	11,825	-	11,825	7,825
Investment Income:						
Interest Earnings	-	400	2,775	-	2,775	2,375
Rents and Royalties	4,917,171	4,916,771	4,129,984	-	4,129,984	(786,787)
Miscellaneous:						
Reimbursements	488,625	488,625	444,628	-	444,628	(43,997)
TOTAL REVENUES	**5,508,851**	**5,508,851**	**4,662,016**	**-**	**4,662,016**	**(846,835)**
EXPENDITURES:						
Administration:						
Personnel Services	541,614	541,614	525,728	-	525,728	15,886
Materials and Supplies	25,981	40,879	51,125	34	51,159	(10,280)
Contractual Services	1,857,908	1,907,087	1,861,155	14,553	1,875,708	31,379
Other	233,912	145,265	22,483	(22,483)	-	145,265
Total Administration	2,659,415	2,634,845	2,460,491	(7,896)	2,452,595	182,250
Building Maintenance:						
Personnel Services	493,324	450,824	346,656	-	346,656	104,168
Materials and Supplies	97,475	99,231	81,175	5,051	86,226	13,005
Contractual Services	257,368	338,827	295,987	16,251	312,238	26,589
Total Building Maintenance	848,167	888,882	723,818	21,302	745,120	143,762
Ground Maintenance:						
Personnel Services	301,687	301,687	290,849	-	290,849	10,838
Materials and Supplies	43,514	43,668	35,248	44	35,292	8,376
Contractual Services	87,059	87,059	83,221	-	83,221	3,838
Total Ground Maintenance	$ 432,260	432,414	409,318	44	409,362	23,052

(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, 2011

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
Airport Police:						
Personnel Services	$ 808,944	808,944	824,333	-	824,333	(15,389)
Materials and Supplies	14,875	15,750	14,803	-	14,803	947
Contractual Services	199,626	209,951	195,683	5,821	201,504	8,447
Total Airport Police	1,023,445	1,034,645	1,034,819	5,821	1,040,640	(5,995)
Foreign Trade Zone:						
Personnel Services	12,525	12,525	13,092	-	13,092	(567)
Materials and Supplies	5,929	5,929	1,863	-	1,863	4,066
Contractual Services	8,384	8,384	8,284	-	8,284	100
Total Foreign Trade Zone	26,838	26,838	23,239	-	23,239	3,599
Total Operating Expenditures	4,990,125	5,017,624	4,651,685	19,271	4,670,956	346,668
Capital Outlay	50,000	75,957	70,491	-	70,491	5,466
TOTAL EXPENDITURES	**5,040,125**	**5,093,581**	**4,722,176**	**19,271**	**4,741,447**	**352,134**
Excess (Deficiency) of Revenues Over Expenditures	468,726	415,270	(60,160)	(19,271)	(79,431)	(494,701)
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Airport Construction Fund	(50,000)	(50,000)	(47,286)	-	(47,286)	2,714
Debt Service	(495,697)	(495,697)	(495,697)	-	(495,697)	-
Sale of Assets	-	-	18,314	-	18,314	18,314
TOTAL OTHER FINANCING SOURCES (USES)	**(545,697)**	**(545,697)**	**(524,669)**	**-**	**(524,669)**	**21,028**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(76,971)	(130,427)	(584,829)	(19,271)	(604,100)	(473,673)
Fund Balances at Beginning of Year	903,907	753,531	753,531	(22,483)	731,048	(22,483)
FUND BALANCE AT END OF YEAR	$ **826,936**	**623,104**	**168,702**	**(41,754)**	**126,948**	**(496,156)**

CITY OF LAREDO, TEXAS
CIVIC CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 200	200	107	-	107	(93)
Discount Earnings	-	-	19	-	19	19
Rents and Royalties	370,200	370,200	232,162	-	232,162	(138,038)
Miscellaneous:						
Reimbursements	-	-	154	-	154	154
TOTAL REVENUES	**370,400**	**370,400**	**232,442**	**-**	**232,442**	**(137,958)**
EXPENDITURES:						
Personnel Services	442,075	442,075	453,179	-	453,179	(11,104)
Materials and Supplies	85,441	88,413	82,290	3,665	85,955	2,458
Contractual Services	277,037	272,815	242,990	12,266	255,256	17,559
Other	360	1,610	2,100	(950)	1,150	460
TOTAL EXPENDITURES	**804,913**	**804,913**	**780,559**	**14,981**	**795,540**	**9,373**
Excess (Deficiency) of Revenues Over Expenditures	(434,513)	(434,513)	(548,117)	(14,981)	(563,098)	(128,585)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel - Motel Occupancy Tax	389,414	389,414	518,949	-	518,949	129,535
TOTAL OTHER FINANCING SOURCES (USES)	**389,414**	**389,414**	**518,949**	**-**	**518,949**	**129,535**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(45,099)	(45,099)	(29,168)	(14,981)	(44,149)	950
Fund Balances at Beginning of Year	-	45,099	45,099	(950)	44,149	(950)
FUND BALANCE AT END OF YEAR	$ **(45,099)**	**-**	**15,931**	**(15,931)**	**-**	**-**

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, 2011

	Original Budget	Final Budget	Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Taxes:						
Hotel-Motel Occupancy Tax	$ 2,543,982	2,543,982	4,029,301	-	4,029,301	1,485,319
Penalty and Interest	12,057	12,057	26,209	-	26,209	14,152
Fees and Collections	-	-	84	-	84	84
Investment Income:						
Interest Earnings	4,000	4,000	6,040	-	6,040	2,040
Miscellaneous:						
Reimbursements	-	-	100	-	100	100
TOTAL REVENUES	**2,560,039**	**2,560,039**	**4,061,734**	**-**	**4,061,734**	**1,501,695**
EXPENDITURES:						
Contractual Services:						
Administration	-	-	533	-	533	(533)
Tourism and Promotion	223,554	223,554	223,535	19	223,554	-
Historical and Arts	248,400	268,400	267,995	405	268,400	-
TOTAL EXPENDITURES	**471,954**	**491,954**	**492,063**	**424**	**492,487**	**(533)**
Excess (Deficiency) of Revenues Over Expenditures	2,088,085	2,068,085	3,569,671	(424)	3,569,247	1,501,162
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Civic Center	(389,414)	(429,414)	(518,949)	-	(518,949)	(89,535)
General Fund	(19,807)	(9,807)	(7,538)	-	(7,538)	2,269
Convention and Visitors Bureau	(1,743,223)	(1,923,223)	(1,927,295)	-	(1,927,295)	(4,072)
Public Access Channel	(108,975)	(108,975)	(106,240)	-	(106,240)	2,735
TOTAL OTHER FINANCING SOURCES (USES)	**(2,261,419)**	**(2,471,419)**	**(2,560,022)**	**-**	**(2,560,022)**	**(88,603)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(173,334)	(403,334)	1,009,649	(424)	1,009,225	1,412,559
Fund Balances at Beginning of Year	173,315	726,495	726,495	-	726,495	-
FUND BALANCES AT END OF YEAR	$ **(19)**	**323,161**	**1,736,144**	**(424)**	**1,735,720**	**1,412,559**

CITY OF LAREDO, TEXAS
VETERANS FIELD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ -	-	12	-	12	12
Rents and Royalties	43,000	43,000	2,976	-	2,976	(40,024)
Miscellaneous:						
Reimbursements	22,051	22,051	-	-	-	(22,051)
TOTAL REVENUES	**65,051**	**65,051**	**2,988**	**-**	**2,988**	**(62,063)**
EXPENDITURES:						
Personnel Services	10,184	10,184	1,064	-	1,064	9,120
Materials and Supplies	6,900	10,000	6,318	-	6,318	3,682
Contractual Services	61,404	58,304	42,083	-	42,083	16,221
Other	-	-	43,010	(43,010)	-	-
Total Operating Expenditures	78,488	78,488	92,475	(43,010)	49,465	29,023
TOTAL EXPENDITURES	**78,488**	**78,488**	**92,475**	**(43,010)**	**49,465**	**29,023**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(13,437)	(13,437)	(89,487)	43,010	(46,477)	(33,040)
Fund Balances at Beginning of Year	9,786	51,246	51,246	(43,010)	8,236	(43,010)
FUND BALANCES AT END OF YEAR	$ **(3,651)**	**37,809**	**(38,241)**	**-**	**(38,241)**	**(76,050)**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Production and Transmission	$ 25,647	25,647	22,813	-	22,813	(2,834)
Peg Funds	260,000	260,000	267,434	-	267,434	7,434
Investment Income:						
Interest Earnings	1,500	1,500	1,542	-	1,542	42
Discount Earnings	12	12	9	-	9	(3)
Miscellaneous:						
Reimbursements	55	55	-	-	-	(55)
TOTAL REVENUES	**287,214**	**287,214**	**291,798**	**-**	**291,798**	**4,584**
EXPENDITURES:						
Administration						
Personnel Services	343,150	343,150	334,737	-	334,737	8,413
Materials and Supplies	32,124	35,624	32,490	1,395	33,885	1,739
Contractual Services	75,531	72,031	64,297	4,465	68,762	3,269
Total Operating Expenditures	450,805	450,805	431,524	5,860	437,384	13,421
Capital Outlay	418,944	418,944	157,160	207,569	364,729	54,215
TOTAL EXPENDITURES	**869,749**	**869,749**	**588,684**	**213,429**	**802,113**	**67,636**
Excess (Deficiency) of Revenues Over Expenditures	(582,535)	(582,535)	(296,886)	(213,429)	(510,315)	72,220
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	312,121	312,121	304,287	-	304,287	(7,834)
Hotel-Motel Occupancy Tax	108,975	108,975	106,240	-	106,240	(2,735)
TOTAL OTHER FINANCING SOURCES (USES)	**421,096**	**421,096**	**410,527**	**-**	**410,527**	**(10,569)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(161,439)	(161,439)	113,641	(213,429)	(99,788)	61,651
Fund Balances at Beginning of Year	255,563	389,320	389,320	-	389,320	-
FUND BALANCE AT END OF YEAR	$ **94,124**	**227,881**	**502,961**	**(213,429)**	**289,532**	**61,651**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 1,000	1,000	1,054	-	1,054	54
Rents and Royalties	118,411	118,411	118,045	-	118,045	(366)
TOTAL REVENUES	**119,411**	**119,411**	**119,099**	**-**	**119,099**	**(312)**
EXPENDITURES:						
Personnel Services	6,364	6,364	58,375	-	58,375	(52,011)
Materials and Supplies	22,327	24,327	11,319	1,370	12,689	11,638
Contractual Services	100,179	98,179	54,000	9,891	63,891	34,288
Total Operating Expenditures	128,870	128,870	123,694	11,261	134,955	(6,085)
TOTAL EXPENDITURES	**128,870**	**128,870**	**123,694**	**11,261**	**134,955**	**(6,085)**
Excess (Deficiency) of Revenues Over Expenditures	(9,459)	(9,459)	(4,595)	(11,261)	(15,856)	(6,397)
Fund Balances at Beginning of Year	266,054	239,596	239,596	-	239,596	-
FUND BALANCE AT END OF YEAR	$ **256,595**	**230,137**	**235,001**	**(11,261)**	**223,740**	**(6,397)**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Fees and Collections	$ 90,850	15,850	12,108	-	12,108	(3,742)
Investment Income:						
Interest Earnings	-	-	38	-	38	38
Miscellaneous:						
Reimbursements	16,600	91,600	145,031	-	145,031	53,431
TOTAL REVENUES	**107,450**	**107,450**	**157,177**	**-**	**157,177**	**49,727**
EXPENDITURES:						
Personnel Services	578,365	578,565	514,790	-	514,790	63,775
Materials and Supplies	86,298	141,208	136,179	1,727	137,906	3,302
Contractual Services	1,254,718	1,319,773	1,339,857	36,030	1,375,887	(56,114)
Total Operating Expenditures	1,919,381	2,039,546	1,990,826	37,757	2,028,583	10,963
Capital Outlay	-	59,835	57,445	-	57,445	2,390
TOTAL EXPENDITURES	**1,919,381**	**2,099,381**	**2,048,271**	**37,757**	**2,086,028**	**13,353**
Excess (Deficiency) of Revenues Over Expenditures	(1,811,931)	(1,991,931)	(1,891,094)	(37,757)	(1,928,851)	63,080
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	1,743,223	1,923,223	1,927,295	-	1,927,295	4,072
TOTAL OTHER FINANCING SOURCES (USES)	**1,743,223**	**1,923,223**	**1,927,295**	**-**	**1,927,295**	**4,072**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(68,708)	(68,708)	36,201	(37,757)	(1,556)	67,152
Fund Balances at Beginning of Year	-	68,708	68,708	-	68,708	-
FUND BALANCE AT END OF YEAR	$ **(68,708)**	**-**	**104,909**	**(37,757)**	**67,152**	**67,152**

CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 1,500	1,500	1,087	-	1,087	(413)
Fees and Collections	146,000	176,000	213,421	-	213,421	37,421
Miscellaneous:						
Reimbursements	-	-	500	-	500	500
TOTAL REVENUES	**147,500**	**177,500**	**215,008**	**-**	**215,008**	**37,508**
EXPENDITURES:						
Materials and Supplies	27,439	83,830	54,624	11,084	65,708	18,122
Contractual Services	68,791	74,541	70,164	-	70,164	4,377
Other	15,000	15,000	(14)	-	(14)	15,014
Total Operating Expenditures	111,230	173,371	124,774	11,084	135,858	37,513
Capital Outlay	-	24,250	-	23,197	23,197	1,053
TOTAL EXPENDITURES	**111,230**	**197,621**	**124,774**	**34,281**	**159,055**	**38,566**
Excess (Deficiency) of Revenues Over Expenditures	36,270	(20,121)	90,234	(34,281)	55,953	76,074
Excess (Deficiency) of Revenues Over Expenditures	36,270	(20,121)	90,234	(34,281)	55,953	76,074
Fund Balances at Beginning of Year	150,192	191,256	191,256	-	191,256	-
FUND BALANCES AT END OF YEAR	$ **186,462**	**171,135**	**281,490**	**(34,281)**	**247,209**	**76,074**

CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal Emergency Management Agency	$ -	56,730	8,823	-	8,823	(47,907)
Licenses and Permits	10,000	10,000	5,424	-	5,424	(4,576)
Fines	620,200	620,200	514,066	-	514,066	(106,134)
Fees and Collections	1,480,000	1,480,000	1,482,929	-	1,482,929	2,929
Investment Income:						
Interest Earnings	7,000	7,000	6,060	-	6,060	(940)
Miscellaneous:						
Reimbursements	-	-	904	-	904	904
TOTAL REVENUES	**2,117,200**	**2,173,930**	**2,018,206**	**-**	**2,018,206**	**(155,724)**
EXPENDITURES:						
Personnel Services	1,185,201	1,185,846	1,014,894	-	1,014,894	170,952
Materials and Supplies	68,254	98,360	68,656	18,745	87,401	10,959
Contractual Services	235,553	283,132	242,125	10,746	252,871	30,261
Other	600	600	(621)	-	(621)	1,221
Total Operating Expenditures	1,489,608	1,567,938	1,325,054	29,491	1,354,545	213,393
Capital Outlay	322,060	300,460	47,783	27,162	74,945	225,515
TOTAL EXPENDITURES	**1,811,668**	**1,868,398**	**1,372,837**	**56,653**	**1,429,490**	**438,908**
Excess (Deficiency) of Revenues Over Expenditures	305,532	305,532	645,369	(56,653)	588,716	283,184
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Debt Service Fund	(284,029)	(284,029)	(284,029)	-	(284,029)	-
General Fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(1,284,029)**	**(1,284,029)**	**(1,284,029)**	**-**	**(1,284,029)**	**-**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(978,497)	(978,497)	(638,660)	(56,653)	(695,313)	283,184
Fund Balances at Beginning of Year	1,495,248	1,352,694	1,352,694	-	1,352,694	-
FUND BALANCE AT END OF YEAR	$ **516,751**	**374,197**	**714,034**	**(56,653)**	**657,381**	**283,184**

CITY OF LAREDO, TEXAS
HAZARDOUS MATERIALS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Licenses and Permits	$ 285,000	285,000	304,600	-	304,600	19,600
Investment Income:						
Interest Earnings	600	600	86	-	86	(514)
Miscellaneous:						
Reimbursements	-	-	25	-	25	25
TOTAL REVENUES	**285,600**	**285,600**	**304,711**	**-**	**304,711**	**19,111**
EXPENDITURES:						
Personnel Services	174,093	174,093	163,963	-	163,963	10,130
Materials and Supplies	7,690	7,690	7,054	318	7,372	318
Contractual Services	28,354	28,354	15,233	8,400	23,633	4,721
TOTAL EXPENDITURES	**210,137**	**210,137**	**186,250**	**8,718**	**194,968**	**15,169**
Excess (Deficiency) of Revenues Over Expenditures	75,463	75,463	118,461	(8,718)	109,743	34,280
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Environmental Services	(121,113)	(121,113)	(121,113)	-	(121,113)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(121,113)**	**(121,113)**	**(121,113)**	**-**	**(121,113)**	**-**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(45,650)	(45,650)	(2,652)	(8,718)	(11,370)	34,280
Fund Balances at Beginning of Year	45,646	26,946	26,946	-	26,946	-
FUND BALANCE AT END OF YEAR	$ **(4)**	**(18,704)**	**24,294**	**(8,718)**	**15,576**	**34,280**

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CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Storm Water Fees	$ 6,026,811	6,026,811	6,153,134	-	6,153,134	126,323
Intergovernmental:						
Department of Energy	-	2,083,600	1,435,140	-	1,435,140	(648,460)
Economic Development Agency	-	1,000,000	179,331	-	179,331	(820,669)
State Energy Conservation Office	-	175,000	175,000	-	175,000	-
BECC	-	45,000	-	-	-	(45,000)
HMGP Grant-Canal Drainage	-	3,768,107	151,342	-	151,342	(3,616,765)
STDC-Regional Solid Waste Mgmt	40,000	40,000	-	-	-	(40,000)
Texas Department of Transportation	44,000	362,546	44,000	-	44,000	(318,546)
Universities and Colleges	10,000	10,000	10,333	-	10,333	333
Investment Income:						
Interest Earnings	24,900	24,900	18,951	-	18,951	(5,949)
Discount Earnings	-	-	1,512	-	1,512	1,512
Miscellaneous:						
Reimbursements	145,790	145,790	19,983	-	19,983	(125,807)
TOTAL REVENUES	**6,291,501**	**13,681,754**	**8,188,726**	**-**	**8,188,726**	**(5,493,028)**
EXPENDITURES:						
Administration:						
Personnel Services	246,041	246,041	247,528	-	247,528	(1,487)
Materials and Supplies	-	-	52	-	52	(52)
Contractual Services	82,040	82,040	66,282	-	66,282	15,758
Other	-	-	23,551	(23,551)	-	-
Total Administration	328,081	328,081	337,413	(23,551)	313,862	14,219
Creek Cleaning:						
Personnel Services	911,570	718,484	715,800	-	715,800	2,684
Materials and Supplies	159,007	160,594	133,353	123	133,476	27,118
Contractual Services	218,505	458,191	400,265	74,424	474,689	(16,498)
Total Creek Cleaning	1,289,082	1,337,269	1,249,418	74,547	1,323,965	13,304
Stormwater:						
Personnel	683,365	683,365	575,377	-	575,377	107,988
Materials and Supplies	68,069	83,519	53,078	1,919	54,997	28,522
Contractual Services	1,366,642	1,699,559	1,199,685	172,266	1,371,951	327,608
Other	19,768	-	-	-	-	-
Total Stormwater	2,137,844	2,466,443	1,828,140	174,185	2,002,325	464,118
CD Code Enforcement:						
Personnel Services	42,952	42,952	42,571	-	42,571	381
Materials and Supplies	279	279	279	-	279	-
Contractual Services	763	763	-	-	-	763
Total CD Code Enforcement	43,994	43,994	42,850	-	42,850	1,144
BECC-Border Environment						
Personnel	-	3,000	-	-	-	3,000
Materials and Supplies	-	2,000	-	-	-	2,000
Contractual Services	-	40,000	-	28,000	28,000	12,000
Total BECC-Border Environment	$ -	45,000	-	28,000	28,000	17,000

(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, 2011

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
STDC - Regional Management:						
Materials and Supplies	20,000	20,000	-	-	-	20,000
Contractual Services	20,000	20,000	-	-	-	20,000
Total STDC - Regional Management	40,000	40,000	-	-	-	40,000
Department of Energy:						
Personnel	-	50,000	30,058	-	30,058	19,942
Contractual Services	-	471,720	93,023	-	93,023	378,697
Total Department of Energy	-	521,720	123,081	-	123,081	398,639
Storm Water Improvements:						
Contractual Services	100,000	100,000	-	-	-	100,000
Reserve Appropriation	823,373	573,373	-	-	-	573,373
Total Storm Water Improvements	923,373	673,373	-	-	-	673,373
Total Operating Expenditures	4,762,374	5,455,880	3,580,902	253,181	3,834,083	1,621,797
Capital Outlay	17,708,865	25,171,823	4,105,858	1,815,372	5,921,230	19,250,593
TOTAL EXPENDITURES	**22,471,239**	**30,627,703**	**7,686,760**	**2,068,553**	**9,755,313**	**20,872,390**
Excess (Deficiency) of Revenues Over Expenditures	(16,179,738)	(16,945,949)	501,966	(2,068,553)	(1,566,587)	15,379,362
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hazardous Materials	121,113	121,113	121,113	-	121,113	-
2007 C.O. Issue	17,441,075	17,441,075	2,045,439	-	2,045,439	(15,395,636)
Transfers Out:						
Debt Service	(1,957,665)	(1,957,665)	(1,957,665)	-	(1,957,665)	-
Keep Laredo Beautiful	(100,000)	(100,000)	(99,047)	-	(99,047)	953
TOTAL OTHER FINANCING SOURCES (USES)	**15,504,523**	**15,504,523**	**109,840**	**-**	**109,840**	**(15,394,683)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(675,215)	(1,441,426)	611,806	(2,068,553)	(1,456,747)	(15,321)
Fund Balances at Beginning of Year	2,917,941	3,541,006	3,541,006	(23,551)	3,517,455	(23,551)
FUND BALANCE AT END OF YEAR	$ **2,242,726**	**2,099,580**	**4,152,812**	**(2,092,104)**	**2,060,708**	**(38,872)**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 30,000	30,000	13,267	-	13,267	(16,733)
Miscellaneous:						
Contributions	-	-	9	-	9	9
TOTAL REVENUES	**30,000**	**30,000**	**13,276**	**-**	**13,276**	**(16,724)**
EXPENDITURES:						
Personnel Services	68,303	68,303	68,180	-	68,180	123
Materials and Supplies	31,011	44,088	42,088	994	43,082	1,006
Contractual Services	10,433	10,947	10,808	-	10,808	139
Other	30,000	16,409	-	-	-	16,409
TOTAL EXPENDITURES	**139,747**	**139,747**	**121,076**	**994**	**122,070**	**17,677**
Excess (Deficiency) of Revenues Over Expenditures	(109,747)	(109,747)	(107,800)	(994)	(108,794)	953
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	100,000	100,000	99,047	-	99,047	(953)
TOTAL OTHER FINANCING SOURCES (USES)	**100,000**	**100,000**	**99,047**	**-**	**99,047**	**(953)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(9,747)	(9,747)	(8,753)	(994)	(9,747)	-
Fund Balances at Beginning of Year	-	9,747	9,747	-	9,747	-
FUND BALANCE AT END OF YEAR	$ **(9,747)**	**-**	**994**	**(994)**	**-**	**-**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	$ 4,900	4,900	3,814	-	3,814	(1,086)
Fees and Collections	22,000	22,000	39,775	-	39,775	17,775
Rents and Royalties	1,158,000	1,158,000	1,245,863	-	1,245,863	87,863
Miscellaneous:						
Reimbursements	3,292	3,292	8,184	-	8,184	4,892
TOTAL REVENUES	**1,188,192**	**1,188,192**	**1,297,636**	**-**	**1,297,636**	**109,444**
EXPENDITURES:						
Personnel Services	288,892	291,365	239,693	-	239,693	51,672
Materials and Supplies	83,526	127,126	106,371	4,199	110,570	16,556
Contractual Services	523,960	527,877	393,075	21,232	414,307	113,570
Other	69,824	19,834	23,653	(23,643)	10	19,824
TOTAL EXPENDITURES	**966,202**	**966,202**	**762,792**	**1,788**	**764,580**	**201,622**
Excess (Deficiency) of Revenues Over Expenditures	221,990	221,990	534,844	(1,788)	533,056	311,066
Excess (Deficiency) of Revenues Over Expenditures	221,990	221,990	534,844	(1,788)	533,056	311,066
Fund Balances at Beginning of Year	660,045	516,106	516,106	(23,643)	492,463	(23,643)
FUND BALANCES AT END OF YEAR	$ **882,035**	**738,096**	**1,050,950**	**(25,431)**	**1,025,519**	**287,423**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Taxes:						
General Sales & Use Tax	$ 5,820,153	5,820,153	6,733,805	-	6,733,805	913,652
Investment Income:						
Interest Earnings	159,600	159,600	109,679	-	109,679	(49,921)
Miscellaneous:						
Contributions	-	-	150,000	-	150,000	150,000
TOTAL REVENUES	**5,979,753**	**5,979,753**	**6,993,484**	**-**	**6,993,484**	**1,013,731**
EXPENDITURES:						
Materials and Supplies	60,000	102,317	36,966	7,350	44,316	58,001
Contractual Services	167,947	367,941	195,764	143,046	338,810	29,131
Other	730,000	435,000	-	-	-	435,000
Total Operating Expenditures	957,947	905,258	232,730	150,396	383,126	522,132
Capital Outlay	-	52,689	52,688	-	52,688	1
TOTAL EXPENDITURES	**957,947**	**957,947**	**285,418**	**150,396**	**435,814**	**522,133**
Excess (Deficiency) of Revenues Over Expenditures	5,021,806	5,021,806	6,708,066	(150,396)	6,557,670	1,535,864
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	2,882,955	2,882,955	-	-	-	(2,882,955)
Transfers Out:						
Sports & Community Debt Service	(2,882,955)	(2,882,955)	-	-	-	2,882,955
Laredo Entertainment Center Oerations	(938,616)	(938,616)	(938,534)	-	(938,534)	82
Debt Service	(3,114,194)	(3,114,194)	(3,114,194)	-	(3,114,194)	-
Baseball Stadium	-	(7,000,000)	(7,000,000)	-	(7,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(4,052,810)**	**(11,052,810)**	**(11,052,728)**	**-**	**(11,052,728)**	**82**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	968,996	(6,031,004)	(4,344,662)	(150,396)	(4,495,058)	1,535,946
Fund Balances at Beginning of Year	24,137,304	23,732,592	23,732,592	-	23,732,592	-
FUND BALANCES AT END OF YEAR	$ **25,106,300**	**17,701,588**	**19,387,930**	**(150,396)**	**19,237,534**	**1,535,946**

CITY OF LAREDO, TEXAS
LAREDO ENERGY ARENA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Charges for Services	$ 3,407,974	3,407,974	3,491,106	-	3,491,106	83,132
TOTAL REVENUES	**3,407,974**	**3,407,974**	**3,491,106**	**-**	**3,491,106**	**83,132**
EXPENDITURES:						
Contractual Services	4,346,590	4,346,590	4,390,559	-	4,390,559	(43,969)
TOTAL EXPENDITURES	**4,346,590**	**4,346,590**	**4,390,559**	**-**	**4,390,559**	**(43,969)**
Excess (Deficiency) of Revenues Over Expenditures	(938,616)	(938,616)	(899,453)	-	(899,453)	39,163
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	938,616	938,616	938,534	-	938,534	(82)
TOTAL OTHER FINANCING SOURCES (USES)	**938,616**	**938,616**	**938,534**	**-**	**938,534**	**(82)**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	39,081	-	39,081	39,081
Fund Balances at Beginning of Year	-	(59,013)	(59,013)	-	(59,013)	-
FUND BALANCES AT END OF YEAR	$ **-**	**(59,013)**	**(19,932)**	**-**	**(19,932)**	**39,081**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
Intergovernmental:						
Federal Operating Grant	$ 337,500	758,831	296,902	-	296,902	(461,929)
State Operating Grants	46,000	35,265	34,928	-	34,928	(337)
Charges for Services	1,900	1,900	-	-	-	(1,900)
Investment Income:						
Interest Earnings	600	600	630	-	630	30
Miscellaneous:						
Other	15,000	15,000	100	-	100	(14,900)
TOTAL REVENUES	**401,000**	**811,596**	**332,560**	**-**	**332,560**	**(479,036)**
Library:						
Materials and Supplies	10,800	10,800	-	-	-	10,800
Contractual Services	3,202	12,419	228	-	228	12,191
Total Library	14,002	23,219	228	-	228	22,991
FOTL-Loan Star Library Grant:						
Materials and Supplies	41,000	26,774	26,437	-	26,437	337
Materials and Supplies	5,000	8,491	8,491	-	8,491	-
Total FOTL-Loan Star Library Grant	46,000	35,265	34,928	-	34,928	337
FCC-Universal Service Program:						
Contractual Services	375,848	800,500	314,432	838	315,270	485,230
Total FCC-Universal Service Program	375,848	800,500	314,432	838	315,270	485,230
TOTAL EXPENDITURES	**435,850**	**858,984**	**349,588**	**838**	**350,426**	**508,558**
Excess (Deficiency) of Revenues Over Expenditures	(34,850)	(47,388)	(17,028)	(838)	(17,866)	29,522
Excess (Deficiency) of Revenues Over Expenditures	(34,850)	(47,388)	(17,028)	(838)	(17,866)	29,522
Fund Balances at Beginning of Year	100,958	130,681	130,681	-	130,681	-
FUND BALANCES AT END OF YEAR	$ **66,108**	**83,293**	**113,653**	**(838)**	**112,815**	**29,522**

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Other	$ -	-	100	-	100	100
Investment Income:						
Interest Earnings	12,000	12,000	24,155	-	24,155	12,155
Miscellaneous:						
Forfeitures	1,020,000	1,020,000	2,631,778	-	2,631,778	1,611,778
Reimbursements	67,000	67,000	99,181	-	99,181	32,181
TOTAL REVENUES	**1,099,000**	**1,099,000**	**2,755,214**	**-**	**2,755,214**	**1,656,214**
EXPENDITURES:						
Personnel Services	344,885	344,885	-	-	-	344,885
Materials and Supplies	612,367	822,215	563,177	66,939	630,116	192,099
Contractual Services	244,512	354,558	160,749	33,920	194,669	159,889
Other	200,000	-	18,578	-	18,578	(18,578)
Total Operating Expenditures	1,401,764	1,521,658	742,504	100,859	843,363	678,295
Debt Service:						
Principal	415,684	670,011	570,009	-	570,009	100,002
Interest	4,877	50,550	50,550	-	50,550	-
Capital Outlay	1,901,781	4,089,240	3,351,542	573,112	3,924,654	164,586
TOTAL EXPENDITURES	**3,724,106**	**6,331,459**	**4,714,605**	**673,971**	**5,388,576**	**942,883**
OTHER FINANCING SOURCES (USES):						
Bond / Capital Lease Proceeds	-	807,353	807,653	-	807,653	300
Transfers Out:						
Debt Service	(86,220)	(86,220)	(86,220)	-	(86,220)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(86,220)**	**721,133**	**721,433**	**-**	**721,433**	**300**
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(2,711,326)	(4,511,326)	(1,237,958)	(673,971)	(1,911,929)	2,599,397
Fund Balances at Beginning of Year	1,828,362	6,459,070	6,459,070	-	6,459,070	-
FUND BALANCES AT END OF YEAR	$ **(882,964)**	**1,947,744**	**5,221,112**	**(673,971)**	**4,547,141**	**2,599,397**

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
State	$ 27,836,764	422,198	28,258,962	32,288,564
Webb County	539,750	-	539,750	539,750
Fees and Collections	330,851	-	330,851	330,851
Investment Income:				
Interest Earnings	89,877	2,020	91,897	89,213
Miscellaneous:				
Contributions	62,535	-	62,535	915,000
TOTAL REVENUES	**28,859,777**	**424,218**	**29,283,995**	**34,163,378**
EXPENDITURES:				
Other	31,501,283	422,198	31,923,481	36,753,449
TOTAL EXPENDITURES	**31,501,283**	**422,198**	**31,923,481**	**36,753,449**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(2,641,506)**	**2,020**	**(2,639,486)**	**(2,590,071)**
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Waterworks System	1,831,908	-	1,831,908	1,299,350
Sewer System	1,356,040	-	1,356,040	1,290,721
	-			
TOTAL OTHER FINANCING SOURCES:	**3,187,948**	**-**	**3,187,948**	**2,590,071**
Net Change in Fund Balances	**$ 546,442**	**2,020**	**548,462**	**-**
Fund Balances-Beginning		546,442		
Fund Balances-Ending		**$ 548,462**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
State	$ 226,921	916,973	1,143,894	4,229,361
Webb County	360,654	-	360,654	375,000
Investment Income:				
Interest Earnings	12,581	222	12,803	12,727
Miscellaneous:				
Contributions and Donations	498,762	-	498,762	4,267,987
TOTAL REVENUES	**1,098,918**	**917,195**	**2,016,113**	**8,885,075**
EXPENDITURES:				
Contractual Services	28,101	-	28,101	28,101
Other	-	-	-	1,713,282
Capital Outlay	1,167,180	946,614	2,113,794	7,615,046
TOTAL EXPENDITURES	**1,195,281**	**946,614**	**2,141,895**	**9,356,429**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(96,363)**	**(29,419)**	**(125,782)**	**(471,354)**
OTHER FINANCING SOURCES (USES):				
Transfers In:				
2007 C.O. Bond	101,003	29,641	130,644	322,813
General Fund	148,541	-	148,541	148,541
	-			
TOTAL OTHER FINANCING SOURCES:	**249,544**	**29,641**	**279,185**	**471,354**
Net Change in Fund Balances	**$ 153,181**	**222**	**153,403**	**-**
Fund Balances-Beginning		153,181		
Fund Balances-Ending		**$ 153,403**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
Federal	$ 198,400	-	198,400	922,939
State	12,475,400	8,491,494	20,966,894	36,201,652
TOTAL REVENUES	**12,673,800**	**8,491,494**	**21,165,294**	**37,124,591**
EXPENDITURES:				
Other	-	-	-	650,000
Capital Outlay	13,852,412	9,061,957	22,914,369	40,607,065
TOTAL EXPENDITURES	**13,852,412**	**9,061,957**	**22,914,369**	**41,257,065**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,178,612)**	**(570,463)**	**(1,749,075)**	**(4,132,474)**
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	433,515	120,548	554,063	811,126
2006 C.O. Bond	53,992	29,153	83,145	177,984
2007 C.O. Bond	691,105	420,365	1,111,470	2,481,497
2008 C.O. Bond	-	397	397	661,867
TOTAL OTHER FINANCING SOURCES:	**1,178,612**	**570,463**	**1,749,075**	**4,132,474**
Net Change in Fund Balances	**$ -**	**-**	**-**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ -**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 270,331	2,160	272,491	286,582
Miscellaneous:				
Other	72,635	4,377	77,012	66,066
TOTAL REVENUES	**342,966**	**6,537**	**349,503**	**352,648**
EXPENDITURES:				
Materials and Supplies	1,058,663	169,868	1,228,531	1,231,713
Contractual Services	2,140	184	2,324	2,402
Other	-	-	-	22,649
Capital Outlay	9,396,946	711,898	10,108,844	10,893,404
TOTAL EXPENDITURES	**10,457,749**	**881,950**	**11,339,699**	**12,150,168**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(10,114,783)**	**(875,413)**	**(10,990,196)**	**(11,797,520)**
OTHER FINANCING SOURCES (USES):				
Bond Issues	15,635,629	-	15,635,629	15,635,629
Bond Premium	32,636	-	32,636	32,636
Bond Costs	(325,444)	-	(325,444)	(325,444)
Transfer In:				
General Fund	640,000	-	640,000	640,000
Transfers Out:				
General Fund	(640,000)	-	(640,000)	(640,000)
Transit System	(3,572,828)	(288)	(3,573,116)	(3,573,116)
Debt Service Fund	(2,185)	-	(2,185)	(2,185)
Sale of Assets	30,000	-	30,000	30,000
TOTAL OTHER FINANCING SOURCES:	**11,797,808**	**(288)**	**11,797,520**	**11,797,520**
Net Change in Fund Balances	**$ 1,683,025**	**(875,701)**	**807,324**	**-**
Fund Balances-Beginning		1,683,025		
Fund Balances-Ending		**$ 807,324**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 652,278	58	652,336	652,165
Miscellaneous:				
Local Contributions	2,000,000	-	2,000,000	2,000,000
Reimbursements	12,918	-	12,918	12,918
TOTAL REVENUES	**2,665,196**	**58**	**2,665,254**	**2,665,083**
EXPENDITURES:				
Contractual Services	6,359	5	6,364	6,364
Debt Service	68,890	-	68,890	68,890
Capital Outlay	12,233,091	33,285	12,266,376	12,266,376
TOTAL EXPENDITURES	**12,308,340**	**33,290**	**12,341,630**	**12,341,630**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(9,643,144)**	**(33,232)**	**(9,676,376)**	**(9,676,547)**
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
Transfers Out:				
General Fund	(2,165,000)	-	(2,165,000)	(2,165,000)
Debt Service	-	(21,971)	(21,971)	(21,800)
TOTAL OTHER FINANCING SOURCES:	**9,698,347**	**(21,971)**	**9,676,376**	**9,676,547**
Net Change in Fund Balances	**$ 55,203**	**(55,203)**	**-**	**-**
Fund Balances-Beginning		55,203		
Fund Balances-Ending		**$ -**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 285,544	898	286,442	287,805
Miscellaneous:				
Reimbursements	19,433	-	19,433	19,433
TOTAL REVENUES	**304,977**	**898**	**305,875**	**307,238**
EXPENDITURES:				
Contractual Services	3,008	73	3,081	3,081
Debt Service	225,000	-	225,000	225,000
Other	-	-	-	1,363
Capital Outlay	4,567,114	812,810	5,379,924	5,379,924
TOTAL EXPENDITURES	**4,795,122**	**812,883**	**5,608,005**	**5,609,368**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(4,490,145)**	**(811,985)**	**(5,302,130)**	**(5,302,130)**
OTHER FINANCING SOURCES (USES):				
Bond Issues	9,925,000	-	9,925,000	9,925,000
Transfers Out:				
Debt Service Fund	-	(441)	(441)	(441)
Fire Training Facility	(982,636)	-	(982,636)	(982,636)
Solid Waste Fund	(3,639,793)	-	(3,639,793)	(3,639,793)
TOTAL OTHER FINANCING SOURCES:	**5,302,571**	**(441)**	**5,302,130**	**5,302,130**
Net Change in Fund Balances	**$ 812,426**	**(812,426)**	**-**	**-**
Fund Balances-Beginning		812,426		
Fund Balances-Ending		**$ -**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 1,476,611	567	1,477,178	1,478,847
Other	472,429	-	472,429	472,430
TOTAL REVENUES	**1,949,040**	**567**	**1,949,607**	**1,951,277**
EXPENDITURES:				
Materials and Supplies	156,485	-	156,485	156,486
Contractual Services	1,723	48	1,771	1,968
Other	256,525	-	256,525	259,046
Capital Outlay	14,044,751	101,012	14,145,763	14,511,651
TOTAL EXPENDITURES	**14,459,484**	**101,060**	**14,560,544**	**14,929,151**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(12,510,444)**	**(100,493)**	**(12,610,937)**	**(12,977,874)**
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	(3,000,000)	-	(3,000,000)	(3,000,000)
TOTAL OTHER FINANCING SOURCES:	**12,977,874**	**-**	12,977,874	**12,977,874**
Net Change in Fund Balances	**$ 467,430**	**(100,493)**	**366,937**	**-**
Fund Balances-Beginning		467,430		
Fund Balances-Ending		**$ 366,937**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovermental:				
UTHSC - Dental Clinic	$ 758,869	-	758,869	758,869
Investment Income:				
Interest Earnings	1,942,124	3,327	1,945,451	1,964,194
Discount Earnings	105	-	105	105
Other	43,778	23	43,801	43,778
TOTAL REVENUES	**2,744,876**	**3,350**	**2,748,226**	**2,766,946**
EXPENDITURES:				
Materials and Supplies	37,552	-	37,552	37,552
Contractual Services	8,320	281	8,601	10,568
Other	758,869	15	758,884	783,042
Capital Outlay	15,719,383	2,106,257	17,825,640	18,423,337
TOTAL EXPENDITURES	**16,524,124**	**2,106,553**	**18,630,677**	**19,254,499**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(13,779,248)**	**(2,103,203)**	**(15,882,451)**	**(16,487,553)**
OTHER FINANCING SOURCES (USES):				
Bond Issues	17,320,000	-	17,320,000	17,320,000
Transfer In:				
Capital Improvements Fund	11,168	-	11,168	-
Bond Costs	(327,891)	-	(327,891)	(327,891)
Transfer Out:				
Capital Grants Fund	(53,992)	(29,153)	(83,145)	(177,984)
Capital Improvements Fund	(83,840)	-	(83,840)	(326,572)
TOTAL OTHER FINANCING SOURCES:	**16,865,445**	**(29,153)**	16,836,292	**16,487,553**
Net Change in Fund Balances	**$ 3,086,197**	**(2,132,356)**	**953,841**	**-**
Fund Balances-Beginning		3,086,197		
Fund Balances-Ending		**$ 953,841**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
School Districts	$ 27,200	-	27,200	27,200
Investment Income:				
Interest Earnings	6,456,640	56,961	6,513,601	6,612,551
Miscellaneous:				
Contributions and Donations	-	493,381	493,381	1,200,000
Other	786,110	2,641	788,751	32,201
TOTAL REVENUES	**7,269,950**	**552,983**	**7,822,933**	**7,871,952**
EXPENDITURES:				
Materials and Supplies	618,204	18,435	636,639	715,680
Contractual Services	74,841	54,974	129,815	49,384
Other	27,200	-	27,200	455,161
Capital Outlay	34,755,156	10,728,636	45,483,792	51,338,099
TOTAL EXPENDITURES	**35,475,401**	**10,802,045**	**46,277,446**	**52,558,324**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(28,205,451)**	**(10,249,062)**	**(38,454,513)**	**(44,686,372)**
OTHER FINANCING SOURCES (USES):				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Bond Costs	(938,978)	-	(938,978)	(938,978)
Transfers In:				
2010 C.O. Bond Issue	-	750,000	750,000	750,000
Transfers Out:				
Environmental Services Fund	(12,593,891)	(2,045,439)	(14,639,330)	(17,441,075)
Capital Grants Fund	(691,106)	(420,364)	(1,111,470)	(2,481,497)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(26,985)	-	(26,985)	(248,597)
Sale of Assets	27,105	-	27,105	27,105
TOTAL OTHER FINANCING SOURCES:	**50,795,559**	**(1,715,803)**	49,079,756	**44,686,372**
Net Change in Fund Balances	**$ 22,590,108**	**(11,964,865)**	**10,625,243**	**-**
Fund Balances-Beginning		22,590,108		
Fund Balances-Ending		**$ 10,625,243**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 1,214,971	51,987	1,266,958	1,322,179
Other	20,541	196,883	217,424	198,111
TOTAL REVENUES	**1,235,512**	**248,870**	**1,484,382**	**1,520,290**
EXPENDITURES:				
Materials and Supplies	-	49,537	49,537	50,068
Contractual Services	22,210	158,279	180,489	243,153
Other	-	-	-	328,757
Capital Outlay	13,636,470	6,700,342	20,336,812	30,657,870
TOTAL EXPENDITURES	**13,658,680**	**6,908,158**	**20,566,838**	**31,279,848**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(12,423,168)**	**(6,659,288)**	**(19,082,456)**	**(29,759,558)**
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 In:				
2010 C.O. Bond Issue	-	1,500,000	1,500,000	1,500,000
Bond Costs	(520,293)	-	(520,293)	(520,293)
Transfers Out:				
Capital Improvements Fund	-	-	-	(755,575)
Parks Capital Grant	(101,003)	(29,641)	(130,644)	(323,000)
Capital Grants Fund	-	(397)	(397)	(661,867)
TOTAL OTHER FINANCING SOURCES:	**29,898,997**	**1,469,962**	31,368,959	**29,759,558**
Net Change in Fund Balances	**$ 17,475,829**	**(5,189,326)**	**12,286,503**	**-**
Fund Balances-Beginning		17,475,829		
Fund Balances-Ending		**$ 12,286,503**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ 135,800	41,872	177,672	228,188
Other	2,466	5,617	8,083	-
TOTAL REVENUES	**138,266**	**47,489**	**185,755**	**228,188**
EXPENDITURES:				
Contractual Services	2,664	3,693	6,357	8,524
Other	-	-	-	171,442
Debt Service	480,247	-	480,247	480,247
Capital Outlay	3,038,904	9,569,420	12,608,324	27,048,222
TOTAL EXPENDITURES	**3,521,815**	**9,573,113**	**13,094,928**	**27,708,435**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(3,383,549)**	**(9,525,624)**	**(12,909,173)**	**(27,480,247)**
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	24,735,000	-	24,735,000	24,735,000
Bond Premium	745,247	-	745,247	745,247
Transfers In:				
2010 C.O. Bond Issue	-	2,000,000	2,000,000	2,000,000
TOTAL OTHER FINANCING SOURCES:	**25,480,247**	**2,000,000**	27,480,247	**27,480,247**
Net Change in Fund Balances	**$ 22,096,698**	**(7,525,624)**	**14,571,074**	**-**
Fund Balances-Beginning		22,096,698		
Fund Balances-Ending		**$ 14,571,074**		

CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 2010 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ -	56,737	56,737	49,394
Miscellaneous:				
Reimbursements	-	11,903	11,903	-
TOTAL REVENUES	**-**	**68,640**	**68,640**	**49,394**
EXPENDITURES:				
Contractual Services	-	654	654	1,000
Other	-	-	-	1,841,110
Capital Outlay	-	278,880	278,880	3,207,284
TOTAL EXPENDITURES	**-**	**279,534**	**279,534**	**5,049,394**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**-**	**(210,894)**	**(210,894)**	**(5,000,000)**
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	9,545,000	9,545,000	9,545,000
Bond Premium	-	650,403	650,403	650,403
Bond Costs	-	(195,403)	(195,403)	(195,403)
Transfers Out:				
Capital Improvements Fund	-	(750,000)	(750,000)	(750,000)
2007 C.O. Bond Fund	-	(750,000)	(750,000)	(750,000)
2008 C.O. Bond Fund	-	(1,500,000)	(1,500,000)	(1,500,000)
2009 C.O. Bond Fund	-	(2,000,000)	(2,000,000)	(2,000,000)
TOTAL OTHER FINANCING SOURCES:	**-**	**5,000,000**	5,000,000	**5,000,000**
Net Change in Fund Balances	**$ -**	**4,789,106**	**4,789,106**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ 4,789,106**		

CITY OF LAREDO, TEXAS
BASEBALL STADIUM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Investment Income:				
Interest Earnings	$ -	38,102	38,102	38,062
Miscellaneous:				
Contributions and Donations	-	-	-	1,000,000
TOTAL REVENUES	**-**	**38,102**	**38,102**	**1,038,062**
EXPENDITURES:				
Other	-	-	-	600,709
Capital Outlay	-	2,652,495	2,652,495	17,437,353
TOTAL EXPENDITURES	**-**	**2,652,495**	**2,652,495**	**18,038,062**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**-**	**(2,614,393)**	**(2,614,393)**	**(17,000,000)**
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	10,445,000	10,445,000	10,445,000
Bond Discount	-	(97,812)	(97,812)	(97,812)
Bond Costs	-	(347,188)	(347,188)	(347,188)
Transfer In:				
Sports and Community Venue	-	7,000,000	7,000,000	7,000,000
TOTAL OTHER FINANCING SOURCES:	**-**	**17,000,000**	17,000,000	**17,000,000**
Net Change in Fund Balances	**$ -**	**14,385,607**	**14,385,607**	**-**
Fund Balances-Beginning		-		
Fund Balances-Ending		**$ 14,385,607**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
FAA Grants	$ 53,902,691	15,222,804	69,125,495	80,031,653
Texas Department of Transportation	99,056	47,286	146,342	150,000
Investment Income:				
Interest Earnings	168,474	10,814	179,288	189,403
Miscellaneous:				
Other	288,313	101,679	389,992	341,324
TOTAL REVENUES	**54,458,534**	**15,382,583**	**69,841,117**	**80,712,380**
EXPENDITURES:				
Personnel	305,822	180,495	486,317	705,885
Materials and Supplies	244,216	80,073	324,289	332,752
Contractual Services	6,871,336	1,256,877	8,128,213	10,509,181
Other	753,908	-	753,908	1,271,050
Capital Outlay	47,495,507	16,424,697	63,920,204	77,776,048
TOTAL EXPENDITURES	**55,670,789**	**17,942,142**	**73,612,931**	**90,594,916**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,212,255)**	**(2,559,559)**	**(3,771,814)**	**(9,882,536)**
OTHER FINANCING SOURCES (USES):				
Proceeds - Bond Issues	6,135,000	-	6,135,000	6,135,000
Sale of Land	-	1,230,332	1,230,332	2,000,000
Transfers In:				
International Airport	1,725,990	47,286	1,773,276	1,776,112
Noise Abatement Lease Program	2,250,000	-	2,250,000	2,250,000
Bond Cost	(135,000)	-	(135,000)	(135,000)
Transfers Out:				
International Airport	(623,014)	-	(623,014)	(623,014)
Debt Service	(1,520,561)	-	(1,520,561)	(1,520,562)
TOTAL OTHER FINANCING SOURCES:	**7,832,415**	**1,277,618**	**9,110,033**	**9,882,536**
Net Change in Fund Balances	**$ 6,620,160**	**(1,281,941)**	**5,338,219**	**-**
Fund Balances-Beginning		6,620,160		
Fund Balances-Ending		**$ 5,338,219**		

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, 2011

	Prior Years	Current Year	Total To Date	Project Authorization
REVENUES:				
Intergovernmental:				
Federal	$ 150,390	35,880	186,270	1,496,295
State	1,398,560	214,385	1,612,945	10,848,411
Other	3,188	-	3,188	3,188
Investment Income:				
Interest Earnings	5,107,009	48,890	5,155,899	5,126,950
Discount Earnings	567	450	1,017	567
Miscellaneous:				
Local Contributions	1,156,650	509,750	1,666,400	1,198,816
Other	1,810,042	12,037	1,822,079	1,420,291
TOTAL REVENUES	**9,626,406**	**821,392**	**10,447,798**	**20,094,518**
EXPENDITURES:				
Materials and Supplies	1,146,386	45,144	1,191,530	1,800,383
Contractual Services	712,900	574,098	1,286,998	2,301,367
Other	105,942	-	105,942	1,328,132
Capital Outlay	9,898,871	4,743,214	14,642,085	29,413,715
TOTAL EXPENDITURES	**11,864,099**	**5,362,456**	**17,226,555**	**34,843,597**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(2,237,693)**	**(4,541,064)**	**(6,778,757)**	**(14,749,079)**
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	400,000	3,000,000	3,400,000	400,000
Civic Center	3,000,000	-	3,000,000	3,000,000
Hotel-Motel Occupancy Tax	368,000	-	368,000	368,000
1998 C.O. Issue	324,498	-	324,498	324,498
2006 C.O. Issue	83,840	-	83,840	326,572
2007 C.O. Issue	26,985	-	26,985	225,582
2008 C.O. Issue	-	-	-	1,200,000
2010 C.O. Issue	-	750,000	750,000	750,000
Bridge System	13,779,606	3,691,761	17,471,367	14,963,141
Waterworks System	-	1,375,144	1,375,144	1,375,144
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, 2011

(Continued)

	Prior Years	Current Year	Total To Date	Project Authorization
Transfers Out:				
General Fund	$ (3,780,000)	(3,889,751)	(7,669,751)	(7,669,751)
Civic Center	(54,101)	-	(54,101)	(54,101)
Capital Grants Fund	(433,515)	(120,548)	(554,063)	(860,006)
TOTAL OTHER FINANCING SOURCES:	**14,115,313**	**4,806,606**	**18,921,919**	**14,749,079**
Net Change in Fund Balances	**$ 11,877,620**	**265,542**	**12,143,162**	**-**
Fund Balances-Beginning		11,877,620		
Fund Balances-Ending		**$ 12,143,162**		

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, 2011

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Interest Earnings	$ 500	500	285	-	285	(215)
TOTAL REVENUES	**500**	**500**	**285**	**-**	**285**	**(215)**
EXPENDITURES:						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	2,000	2,000	-	-	-	2,000
TOTAL EXPENDITURES	**2,500**	**2,500**	**-**	**-**	**-**	**2,500**
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	285	-	285	2,285
Fund Balances at Beginning of Year	19,485	72,080	72,080	-	72,080	-
FUND BALANCES AT END OF YEAR	$ **17,485**	**70,080**	**72,365**	**-**	**72,365**	**2,285**

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, 2011

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECH.	TOTAL
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash	$ 50	-	400	-	450
Investments	3,062,797	-	1,546,468	661,955	5,271,220
Accounts Receivable	1,190	461,434	8,114	125	470,863
Accrued Interest Receivable	3,308	-	1,670	715	5,693
Inventory	-	-	405,216	-	405,216
Prepaid items	288,000	75,869	-	-	363,869
Total Current Assets	3,355,345	537,303	1,961,868	662,795	6,517,311
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	400,000	-	401,188
Improvements	-	-	11,391	-	11,391
Machinery and Equipment	-	-	267,281	-	267,281
Transportation Vehicles and Equipment	62,843	17,217	655,964	631,345	1,367,369
Less Accumulated Depreciation	(60,282)	(17,217)	(740,908)	(317,891)	(1,136,298)
Total Capital Assets (Net of Accumulated Depreciation)	3,749	-	593,728	313,454	910,931
TOTAL ASSETS	**3,359,094**	**537,303**	**2,555,596**	**976,249**	**7,428,242**
LIABILITIES					
Current Liabilities:					
Accounts Payable	367,389	603,771	477,417	36,597	1,485,174
Claims and Judgments Payable	1,852,106	2,431,242	-	-	4,283,348
Due to Other Funds	-	714,509	-	-	714,509
Accrued Wages and Employee Benefits	29,982	10,058	72,540	46,075	158,655
Compensated Absences	20,900	1,142	46,108	34,730	102,880
Deferred Revenue	-	79,509	-	-	79,509
Total Current Liabilities	2,270,377	3,840,231	596,065	117,402	6,824,075
Noncurrent Liabilities:					
Compensated Absences	35,337	628	83,511	91,277	210,753
Total Noncurrent Liabilities	35,337	628	83,511	91,277	210,753
TOTAL LIABILITIES	**2,305,714**	**3,840,859**	**679,576**	**208,679**	**7,034,828**
NET ASSETS					
Invested in Capital Assets	3,749	-	593,728	313,454	910,931
Unrestricted	1,049,631	(3,303,556)	1,282,292	454,116	(517,517)
TOTAL NET ASSETS	**$ 1,053,380**	**(3,303,556)**	**1,876,020**	**767,570**	**393,414**

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
OPERATING REVENUES:					
Charges for Services	$ 4,307,774	19,652,051	9,893,545	2,675,978	36,529,348
Reimbursements	176,733	642,356	186,264	22,496	1,027,849
TOTAL OPERATING REVENUES	**4,484,507**	**20,294,407**	**10,079,809**	**2,698,474**	**37,557,197**
OPERATING EXPENSES:					
Cost of Services	3,992,021	18,708,165	6,581,852	624,582	29,906,620
Personnel Services	815,960	220,056	2,068,650	1,217,331	4,321,997
Materials and Supplies	88,440	5,820	79,906	119,083	293,249
Contractual Services	409,382	1,432,472	818,147	273,392	2,933,393
Other	-	741	97	2	840
Depreciation	5,394	-	76,426	111,992	193,812
TOTAL OPERATING EXPENSES	**5,311,197**	**20,367,254**	**9,625,078**	**2,346,382**	**37,649,911**
Operating Income (Loss)	(826,690)	(72,847)	454,731	352,092	(92,714)
NON-OPERATING REVENUES (EXPENSES):					
Intergovernmental	-	-	-	125	125
Investment Income:					
Interest Earnings	12,218	-	5,047	2,144	19,409
Discount Earnings	27	-	95	-	122
Gain/(Loss) on Sale of Assets	-	-	(47,907)	-	(47,907)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**12,245**	**-**	**(42,765)**	**2,269**	**(28,251)**
Income Before Contributions and Transfers	(814,445)	(72,847)	411,966	354,361	(120,965)
OPERATING TRANSFERS IN/(OUT):					
Transfers In	186,637	-	-	-	186,637
Transfers Out	(1,026,387)	(186,637)	(457,591)	(300,000)	(1,970,615)
Change in Net Assets	(1,654,195)	(259,484)	(45,625)	54,361	(1,904,943)
Total Net Assets - Beginning	2,707,575	(3,044,072)	1,921,645	713,209	2,298,357
TOTAL NET ASSETS- ENDING	**$ 1,053,380**	**(3,303,556)**	**1,876,020**	**767,570**	**393,414**

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2011

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	$ 175,767	540,677	201,662	23,626	941,732
Receipts from interfund services provided	4,307,774	19,652,051	9,893,545	2,675,978	36,529,348
Payment to suppliers	(4,020,002)	(19,768,269)	(7,142,917)	(929,317)	(31,860,505)
Payment to employees	(797,337)	(217,359)	(2,099,214)	(1,209,883)	(4,323,793)
Payment for interfund services used	(179,927)	(86,939)	(338,849)	(112,943)	(718,658)
Net cash provided (used) by operating activities	**(513,725)**	**120,161**	**514,227**	**447,461**	**568,124**
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	186,637	66,476	-	-	253,113
Transfer to Other Funds	(1,026,387)	(186,637)	(457,591)	(300,000)	(1,970,615)
Subsidy from federal and state grants	-	-	-	125	125
Net cash provided (used) by noncapital and related financing activities	**(839,750)**	**(120,161)**	**(457,591)**	**(299,875)**	**(1,717,377)**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	-	-	(128,254)	(174,796)	(303,050)
Proceeds from sales of capital assets	-	-	23,488	-	23,488
Net cash provided (used) by capital and related financing activities	**-**	**-**	**(104,766)**	**(174,796)**	**(279,562)**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	1,335,944	-	41,538	24,431	1,401,913
Interest and dividends received	17,581	-	6,592	2,779	26,952
Net cash provided (used) by investing activities	**1,353,525**	**-**	**48,130**	**27,210**	**1,428,865**
Net increase (decrease) in cash and cash equivalents	**50**	**-**	**-**	**-**	**50**
Cash and cash equivalents - October 1	**-**	**-**	**400**	**-**	**400**
Cash and cash equivalents - September 30	**$ 50**	**-**	**400**	**-**	**450**
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	$ (826,690)	(72,847)	454,733	352,092	(92,712)
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	5,394	-	76,426	111,992	193,812
(Increase) decrease in accounts receivable	(966)	(181,188)	15,302	1,130	(165,722)
Increase (decrease) in allowable for uncollectible accounts	-	-	97	-	97
(Increase) decrease in inventories	-	-	(12,207)	-	(12,207)
(Increase) decrease in prepaid items	(12,000)	(9,394)	-	-	(21,394)
Increase (decrease) in accounts payable	(22)	189,570	10,442	(25,201)	174,789
Increase (decrease) in compensated absences payable	12,652	1,770	(29,305)	2,058	(12,825)
Increase (decrease) in accrued wages and employee benefits	5,971	927	(1,261)	5,390	11,027
Increase (decrease) in claims and judgements payable	301,936	111,814	-	-	413,750
Increase (decrease) in deferred revenues	-	79,509	-	-	79,509
Total adjustments	**312,965**	**193,008**	**59,494**	**95,369**	**660,836**
Net cash provided by operating activities	**$ (513,725)**	**120,161**	**514,227**	**447,461**	**568,124**

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Budget	Actual	Adjustment		
OPERATING REVENUES:						
Charges for Services	$ 5,285,950	5,285,950	4,307,774	-	4,307,774	(978,176)
Reimbursements	-	-	176,733	-	176,733	176,733
TOTAL OPERATING REVENUES	**5,285,950**	**5,285,950**	**4,484,507**	**-**	**4,484,507**	**(801,443)**
OPERATING EXPENSES:						
Cost of Services	5,007,291	5,007,291	3,992,021	-	3,992,021	1,015,270
Personnel Services	834,014	849,051	815,960	(12,652)	803,308	45,743
Materials and Supplies	157,230	152,205	88,440	-	88,440	63,765
Contractual Services	587,231	577,219	409,382	-	409,382	167,837
Other	200,000	200,000	-	-	-	200,000
Depreciation	-	-	5,394	(5,394)	-	-
TOTAL OPERATING EXPENSES	**6,785,766**	**6,785,766**	**5,311,197**	**(18,046)**	**5,293,151**	**1,492,615**
Operating Income (Loss)	(1,499,816)	(1,499,816)	(826,690)	18,046	(808,644)	691,172
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	20,000	20,000	12,218	-	12,218	(7,782)
Discount Earnings	-	-	27	-	27	27
TOTAL NON-OPERATING REVENUES (EXPENSES)	**20,000**	**20,000**	**12,245**	**-**	**12,245**	**(7,755)**
Income (Loss) Before Contributions and Transfers	(1,479,816)	(1,479,816)	(814,445)	18,046	(796,399)	683,417
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	186,637	186,637	186,637	-	186,637	-
Transfers Out:						
General Fund	(1,026,387)	(1,026,387)	(1,026,387)	-	(1,026,387)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	**(839,750)**	**(839,750)**	**(839,750)**	**-**	**(839,750)**	**-**
Change in Net Assets	(2,319,566)	(2,319,566)	(1,654,195)	18,046	(1,636,149)	683,417
Total Net Assets - Beginning	2,707,575	2,707,575	2,707,575	-	2,707,575	-
TOTAL NET ASSETS - ENDING	**$ 388,009**	**388,009**	**1,053,380**	**18,046**	**1,071,426**	**683,417**

CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	175,767
Receipts from interfund services provided		4,307,774
Payment to suppliers		(4,020,002)
Payment to employees		(797,337)
Payment for interfund services used		(179,927)
Net cash provided (used) by operating activities		**(513,725)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from other funds		186,637
Transfer to other funds		(1,026,387)
Net cash provided (used) by noncapital and related financing activities		**(839,750)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturity of investments		1,335,944
Interest and dividends received		17,581
Net cash provided (used) by investing activities		**1,353,525**
Net increase (decrease) in cash and cash equivalents		**50**
Cash and cash equivalents - October 1		**-**
Cash and cash equivalents - September 30	**$**	**50**
Reconciliation of Operating income to net cash provided (used) by operating activities:		
Operating income	$	(826,690)
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		5,394
(Increase) decrease in accounts receivable		(966)
(Increase) decrease in prepaid items		(12,000)
Increase (decrease) in accounts payable		(22)
Increase (decrease) in compensated absences payable		12,652
Increase (decrease) in accrued wages and employee benefits		5,971
Increase (decrease) in claims and judgments payable		301,936
Total adjustments		312,965
Net cash provided by operating activities	**$**	**(513,725)**

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustment		
OPERATING REVENUES:						
Charges for Services	$ 19,245,830	19,245,830	19,652,051	-	19,652,051	406,221
Reimbursements	740,000	740,000	642,356	-	642,356	(97,644)
TOTAL OPERATING REVENUES	**19,985,830**	**19,985,830**	**20,294,407**	**-**	**20,294,407**	**308,577**
OPERATING EXPENSES:						
Cost of Services	17,454,809	17,454,809	18,708,165	-	18,708,165	(1,253,356)
Personnel Services	226,447	226,447	220,056	(1,770)	218,286	8,161
Materials and Supplies	10,749	10,749	5,820	-	5,820	4,929
Contractual Services	1,454,629	1,454,629	1,432,472	-	1,432,472	22,157
Other	-	-	741	-	741	(741)
TOTAL OPERATING EXPENSES	**19,146,634**	**19,146,634**	**20,367,254**	**(1,770)**	**20,365,484**	**(1,218,850)**
Operating Income (Loss)	839,196	839,196	(72,847)	1,770	(71,077)	(910,273)
Income Before Contributions and Transfers	839,196	839,196	(72,847)	1,770	(71,077)	(910,273)
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
Risk Management Fund	(186,637)	(186,637)	(186,637)	-	(186,637)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	**(186,637)**	**(186,637)**	**(186,637)**	**-**	**(186,637)**	**-**
Change in Net Assets	652,559	652,559	(259,484)	1,770	(257,714)	(910,273)
Total Net Assets - Beginning	(3,044,072)	(3,044,072)	(3,044,072)	-	(3,044,072)	-
TOTAL NET ASSETS-ENDING	**$ (2,391,513)**	**(2,391,513)**	**(3,303,556)**	**1,770**	**(3,301,786)**	**(910,273)**

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	540,677
Receipts from interfund services provided		19,652,051
Payment to suppliers		(19,768,269)
Payment to employees		(217,359)
Payment for interfund services used		(86,939)
Net cash provided (used) by operating activities		**120,161**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from other funds		66,476
Transfer to other funds		(186,637)
Net cash provided (used) by noncapital and related financing activities		**(120,161)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturity of investments		-
Interest and dividends received		-
Net cash provided (used) by investing activities		**-**
Net increase (decrease) in cash and cash equivalents		**-**
Cash and cash equivalents - October 1		**-**
Cash and cash equivalents - September 30	**$**	**-**
Reconciliation of Operating income to net cash provided (used) by operating activities:		
Operating income	$	(72,847)
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		-
(Increase) decrease in accounts receivable		(181,188)
(Increase) decrease in prepaid items		(9,394)
Increase (decrease) in accounts payable		189,570
Increase (decrease) in compensated absences payable		1,770
Increase (decrease) in accrued wages and employee benefits		927
Increase (decrease) in claims and judgements payable		111,814
Increase (decrease) in deferred revenues		79,509
Total adjustments		193,008
Net cash provided by operating activities	**$**	**120,161**

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustment		
OPERATING REVENUES:						
Charges for Services	$ 9,968,009	9,968,009	9,893,545	-	9,893,545	(74,464)
Reimbursements	200,000	322,209	186,264	-	186,264	(135,945)
TOTAL OPERATING REVENUES	**10,168,009**	**10,290,218**	**10,079,809**	**-**	**10,079,809**	**(210,409)**
OPERATING EXPENSES:						
Cost of Services	6,982,827	7,134,827	6,581,852	-	6,581,852	552,975
Personnel Services	2,291,778	2,211,778	2,068,650	(29,304)	2,039,346	172,432
Materials and Supplies	92,143	89,043	79,906	-	79,906	9,137
Contractual Services	772,375	955,684	818,147	-	818,147	137,537
Other	135,000	65,000	97	(97)	-	65,000
Capital Outlay	328,254	268,254	-	128,254	128,254	140,000
Depreciation	-	-	76,426	(76,426)	-	-
TOTAL OPERATING EXPENSES	**10,602,377**	**10,724,586**	**9,625,078**	**22,427**	**9,647,505**	**1,077,081**
Operating Income (Loss)	(434,368)	(434,368)	454,731	(22,427)	432,304	866,672
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	5,000	5,000	5,047	-	5,047	47
Discount Earnings	-	-	95	-	95	95
Gain/(Loss) on Sale of Assets	-	-	(47,907)	71,395	23,488	(47,907)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**5,000**	**5,000**	**(42,765)**	**71,395**	**28,630**	**(47,765)**
Income Before Contributions and Transfers	(429,368)	(429,368)	411,966	48,968	460,934	818,907
Transfers Out:						
General Fund	(457,591)	(457,591)	(457,591)	-	(457,591)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	**(457,591)**	**(457,591)**	**(457,591)**	**-**	**(457,591)**	**-**
Change in Net Assets	(886,959)	(886,959)	(45,625)	48,968	3,343	818,907
Total Net Assets - Beginning	1,921,645	1,921,645	1,921,645	-	1,921,645	-
TOTAL NET ASSETS- ENDING	**$ 1,034,686**	**1,034,686**	**1,876,020**	**48,968**	**1,924,988**	**818,907**

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	201,662
Receipts from interfund services provided		9,893,545
Payment to suppliers		(7,142,917)
Payment to employees		(2,099,214)
Payment for interfund services used		(338,849)
Net cash provided (used) by operating activities		**514,227**
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(457,591)
Net cash provided (used) by noncapital and related financing activities		**(457,591)**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets		(128,254)
Proceeds from sales of capital assets		23,488
Net cash provided (used) by capital and related financing activities		**(104,766)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturity of investments		41,538
Interest and dividends received		6,592
Net cash provided (used) by investing activities		**48,130**
Net increase (decrease) in cash and cash equivalents		**-**
Cash and cash equivalents - October 1		**400**
Cash and cash equivalents - September 30	**$**	**400**
Reconciliation of Operating income to net cash provided (used) by operating activities:		
Operating income	$	454,733
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		76,426
(Increase) decrease in accounts receivable		15,302
Increase (decrease) in allowable for uncollectible accounts		97
(Increase) decrease in inventories		(12,207)
Increase (decrease) in accounts payable		10,442
Increase (decrease) in compensated absences payable		(29,305)
Increase (decrease) in accrued wages and employee benefits		(1,261)
Total adjustments		**59,494**
Net cash provided by operating activities	**$**	**514,227**

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Budget	Actual	Adjustment		
OPERATING REVENUES:						
Charges for Services	$ 2,671,922	2,671,922	2,675,978	-	2,675,978	4,056
Reimbursements	-	-	22,496	-	22,496	22,496
TOTAL OPERATING REVENUES	**2,671,922**	**2,671,922**	**2,698,474**	**-**	**2,698,474**	**26,552**
OPERATING EXPENSES:						
Cost of Services	724,858	734,660	624,582	-	624,582	110,078
Personnel Services	1,212,229	1,217,389	1,217,331	(2,059)	1,215,272	2,117
Materials and Supplies	189,906	171,266	119,083	-	119,083	52,183
Contractual Services	442,399	418,441	273,392	-	273,392	145,049
Other	-	5	2	-	2	3
Capital Outlay	218,509	246,140	-	174,796	174,796	71,344
Depreciation	-	-	111,992	(111,992)	-	-
TOTAL OPERATING EXPENSES	**2,787,901**	**2,787,901**	**2,346,382**	**60,745**	**2,407,127**	**380,774**
Operating Income (Loss)	(115,979)	(115,979)	352,092	(60,745)	291,347	407,326
NON-OPERATING REVENUES (EXPENSES):						
Intergovernmental	-	**-**	125	-	125	125
Investment Income:						
Interest Earnings	2,300	2,300	2,144	-	2,144	(156)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**2,300**	**2,300**	**2,269**	**-**	**2,269**	**(31)**
Income (Loss) Before Contributions and Transfers	(113,679)	(113,679)	354,361	(60,745)	293,616	407,295
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
General Fund	(300,000)	(300,000)	(300,000)	-	(300,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	**(300,000)**	**(300,000)**	**(300,000)**	**-**	**(300,000)**	**-**
Change in Net Assets	(413,679)	(413,679)	54,361	(60,745)	(6,384)	407,295
Total Net Assets - Beginning	713,209	713,209	713,209	-	713,209	-
TOTAL NET ASSETS - ENDING	**$ 299,530**	**299,530**	**767,570**	**(60,745)**	**706,825**	**407,295**

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	23,626
Receipts from interfund services provided		2,675,978
Payment to suppliers		(929,317)
Payment to employees		(1,209,883)
Payment for interfund services used		(112,943)
Net cash provided (used) by operating activities		**447,461**
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(300,000)
Subsidy from federal and state grants		125
Net cash provided (used) by noncapital and related financing activities		**(299,875)**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets		(174,796)
Net cash provided (used) by capital and related financing activities		**(174,796)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturity of investments		24,431
Interest and dividends received		2,779
Net cash provided (used) by investing activities		**27,210**
Net increase (decrease) in cash and cash equivalents		**-**
Cash and cash equivalents - October 1		**-**
Cash and cash equivalents - September 30	**$**	**-**
Reconciliation of Operating income to net cash provided (used) by operating activities:		
Operating income	$	352,092
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		111,992
(Increase) decrease in accounts receivable		1,130
Increase (decrease) in accounts payable		(25,201)
Increase (decrease) in compensated absences payable		2,058
Increase (decrease) in accrued wages and employee benefits		5,390
Total adjustments		**95,369**
Net cash provided by operating activities	**$**	**447,461**

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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, 2011 and 2010

		2011	2010
Governmental Funds Capital Assets:			
Land	$	76,466,440	70,500,680
Buildings		161,492,611	148,099,410
Improvements Other Than Buildings		530,407,019	483,009,704
Vehicles		58,535,897	56,717,490
Machinery & Equipment		32,231,179	31,033,499
Construction in Progress		19,810,403	5,266,212
Total Governmental Funds Capital Assets		**878,943,549**	**794,626,995**
Investments in Governmental Funds Capital Assets by Source:			
General Fund		304,727,543	290,665,754
Special Revenue Funds		192,468,166	185,872,318
Capital Projects Funds		381,747,840	318,088,923
Total Investments in Governmental Funds	$	**878,943,549**	**794,626,995**

(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, 2011

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
General Government:						
Mayor and City Council	$ 9,908	-	-	-	9,908	-
City Manager	5,003	-	-	-	-	5,003
Municipal Court	324,329	39,981	31,900	-	-	252,448
Building	166,140	-	-	-	144,140	22,000
City Attorney	125	-	-	125	-	-
City Secretary	58,134	-	-	-	14,643	43,491
Tax Office	105,264	-	-	-	-	105,264
City Planning	92,442	-	-	-	15,125	77,317
Finance	254,479	18,575	-	-	-	235,904
Real Estate	7,351,313	5,812,313	1,539,000	-	-	-
City Hall Maintenance	3,292,772	3,095,274	112,093	-	-	85,405
Engineering	282,197	-	-	-	188,201	93,996
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	22,973,052	6,259,659	2,931,599	11,842,411	1,802,110	137,273
Telecommunications	322,422	-	-	27,808	-	294,614
General Government	35,860,011	15,225,802	4,614,592	11,870,344	2,188,095	1,961,178
Public Safety:						
Police	7,666,821	-	6,133,672	-	843,093	690,056
Police Trust Fund	14,812,064	-	920,960	-	11,124,706	2,766,398
Auto Theft Task Force	190,661	-	-	-	89,669	100,992
Narcotics	691,234	-	-	-	483,454	207,780
Financial Task Force	450,349	-	-	-	237,906	212,443
Special Police	2,186,913	-	-	-	7,134	2,179,779
Laredo Border Violence	198,147	-	-	-	171,217	26,930
Homeland Security Grant	2,212,928	-	-	-	382,984	1,829,944
Fire	7,839,458	767,503	1,268,158	-	4,978,338	825,459
Hazardous Materials	62,690	-	9,085	-	53,605	-
Parking Meters	3,983,999	1,247,535	60,342	2,230,959	196,841	248,322
911 Administration	606,345	-	-	-	-	606,345
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,192,736	-	47,015	-	850,000	295,721
Traffic Safety	7,801,557	-	13,524	7,461,924	185,592	140,517
Public Safety	56,827,521	2,015,038	8,452,756	9,692,883	19,638,129	17,028,715
Public Works:						
Capital Improvements Projects	71,526,356	883,555	5,949,054	62,494,053	1,115,493	1,084,201
1998 C.O. Issue	1,859,890	108,232	864,429	626,445	260,784	-
Infrastructure Maint.	164,542	-	-	105,993	43,569	14,980
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,835,790	455,769	1,184,184	-	28,287	167,550
2000 CO Issue	7,980,197	933,003	3,278,920	3,768,274	-	-
LEC Construction Project	33,348,399	258,500	33,089,899	-	-	-
2002 CO Issue	5,361,405	4,548,595	812,810	-	-	-
2003 CO Issue	3,725,268	31,022	1,584,737	2,109,509	-	-
2005 CO Issue	14,044,346	1,493,130	1,011,981	10,004,895	1,393,309	141,031
2006 CO Issue	15,458,075	-	5,348,880	9,664,535	444,660	-
2007 CO Issue	38,067,298	296,343	7,832,559	20,426,093	8,529,978	982,325
2008 CO Issue	18,217,743	500,233	7,813,402	7,186,330	2,709,095	8,683
2009 CO Issue	9,836,046	-	2,602,315	6,265,699	968,032	-
2010 CO Issue	278,880	38,253	-	240,627	-	-
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	83,060,494	9,956,304	1,546,465	67,719,097	1,533,518	2,305,110
Ryan Street Railroad Bridge	668,019	-	-	668,019	-	-
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524	-	-
Contractual Obligations	13,650,108	-	61,528	-	11,179,501	2,409,079
Parks Capital Grants	2,113,793	498,762	-	1,615,031	-	-
Capital Grants	22,914,369	-	198,400	22,715,969	-	-
Public Works	251,218,808	3,930,255	3,769,001	239,480,603	3,949,703	89,246
Public Works	$ 626,150,751	41,537,210	88,392,395	456,249,696	32,769,245	7,202,205

(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, 2011

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
Health & Welfare:						
Health	$ 7,755,184	421,278	4,400,991	171,500	272,147	2,489,268
Noise Abtm. Lease	95,864	-	-	-	95,864	-
Emergency Shelter Grant	416	-	-	-	-	416
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	24,369,524	3,488,604	1,358,380	17,765,647	1,388,739	368,154
Health & Welfare	33,196,014	3,909,882	5,759,371	18,912,173	1,756,750	2,857,838
Cultural & Recreational:						
Parks & Recreation	8,015,709	4,078,991	2,548,793	9,850	1,149,811	228,264
Library	6,918,390	-	6,268,902	33,000	69,770	546,718
New Public Library	56,167	-	22,346	-	-	33,821
Cemetery	92,839	-	7,900	-	57,689	27,250
Friends of the Library	801,866	-	-	-	-	801,866
Civic Center	1,644,832	-	1,407,123	6,118	66,810	164,781
Public Access Channel	2,666,307	-	1,406,518	14,624	50,204	1,194,961
Mercado	1,166,850	-	1,162,235	-	4,615	-
Convention & Visitor's Bureau	99,132	-	17,300	-	81,832	-
Sports & Community Venue	4,703,101	4,604,852	75,561	-	-	22,688
Recreation Fund	139,467	-	-	-	139,467	-
Veterans Field	446,958	-	340,396	-	68,117	38,445
Cultural & Recreational	26,751,618	8,683,843	13,257,074	63,592	1,688,315	3,058,794
Air Transportation Services:						
Airport	80,347,231	5,094,665	41,016,423	33,618,331	495,363	122,449
Air Transportation Services	80,347,231	5,094,665	41,016,423	33,618,331	495,363	122,449
Total Assets in service	859,133,146	**76,466,440**	**161,492,611**	**530,407,019**	**58,535,897**	**32,231,179**
Construction in Progress	19,810,403					
Total Governmental Funds Capital Assets	$ **878,943,549**					

(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, 2011

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	316,334	7,995	-	324,329
Building Inspections	202,552	30,390	(66,802)	166,140
City Attorney	125	-	-	125
City Secretary	58,134	-	-	58,134
Tax Office	105,264	-	-	105,264
City Planning	92,442	-	-	92,442
Finance	254,479	-	-	254,479
Real Estate	2,496,997	6,084,648	(1,230,332)	7,351,313
City Hall Maintenance	3,292,772	-	-	3,292,772
Engineering	304,063	-	(21,866)	282,197
Information Technology	573,999	-	-	573,999
Communications and Support	48,432	-	-	48,432
Community Development	22,408,047	625,281	(60,276)	22,973,052
Telecommunications	338,162	-	(15,740)	322,422
General Government	30,506,713	6,748,314	(1,395,016)	35,860,011
Public Safety:				
Police	8,065,197	10,214	(408,590)	7,666,821
Police Trust Fund	12,886,890	3,351,542	(1,426,368)	14,812,064
Auto Theft Task Force	190,661	-	-	190,661
Narcotics	691,234	-	-	691,234
Financial Task Force	202,858	247,491	-	450,349
Special Police	2,017,430	169,483	-	2,186,913
Laredo Border Violence	248,777	-	(50,630)	198,147
Homeland Security Grant	1,953,445	259,483	-	2,212,928
Fire	7,839,458	-	-	7,839,458
Hazardous Materials	62,690	-	-	62,690
Parking Meters	3,936,217	47,782	-	3,983,999
911 Administration	565,925	40,420	-	606,345
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	1,192,736	-	-	1,192,736
Traffic Safety	7,837,267	5,826	(41,536)	7,801,557
Public Safety	54,622,404	4,132,241	(1,927,124)	56,827,521
Public Works:				
Capital Improvements Project	67,077,188	4,317,470	131,698	71,526,356
1998 CO Issue	1,859,890	-	-	1,859,890
Infrastructure Maint.	164,542	-	-	164,542
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	-	1,835,790
2000 CO Issue	7,946,912	33,285	-	7,980,197
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	4,548,595	812,810	-	5,361,405
2003 CO Issue	3,725,268	-	-	3,725,268
2005 CO Issue	13,943,334	101,012	-	14,044,346
2006 CO Issue	14,545,716	818,880	93,479	15,458,075
2007 CO Issue	33,684,799	4,138,132	244,367	38,067,298
2008 CO Issue	12,669,809	4,799,214	748,720	18,217,743
2009 CO Issue	2,913,236	4,619,924	2,302,886	9,836,046
2010 CO Issue	-	278,880	-	278,880
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	67,277,138	15,783,356	-	83,060,494
Ryan Street Railroad Bridge	668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	14,150,811	711,898	(1,212,601)	13,650,108
Parks Capital Grants	1,167,179	946,614	-	2,113,793
Capital Grants	13,852,412	9,061,957	-	22,914,369
Public Works	242,021,265	9,433,894	(236,351)	251,218,808
Public Works	$ 568,221,227	55,857,326	2,072,198	626,150,751

(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, 2011

(Continued)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Health & Welfare:				
Health	$ 7,131,860	623,324	-	7,755,184
Noise Abatement Lease	95,864	-	-	95,864
Emergency Shelter Grant	416	-	-	416
A.R.R.A.- C.D.	975,026	-	-	975,026
Environmental Services	19,866,883	3,694,883	807,758	24,369,524
Health & Welfare	28,070,049	4,318,207	807,758	33,196,014
Cultural & Recreational:				
Parks & Recreation	7,787,173	6,083	222,453	8,015,709
Library	6,918,390	-	-	6,918,390
New Public Library	56,167	-	-	56,167
Cemetery	92,839	-	-	92,839
Friends of the Library	801,866	-	-	801,866
Civic Center	1,644,832	-	-	1,644,832
Public Access Channel	2,509,147	157,160	-	2,666,307
Mercado	1,166,850	-	-	1,166,850
Convention & Visitors Bureau	41,687	57,445	-	99,132
Sports & Community Venue	4,680,413	22,688	-	4,703,101
Recreation Fund	139,467	-	-	139,467
Veterans Field	446,958	-	-	446,958
Cultural & Recreational	26,285,789	243,376	222,453	26,751,618
Air Transportation Services:				
Airport	81,654,601	70,491	(1,377,861)	80,347,231
Air Transportation Services	81,654,601	70,491	(1,377,861)	80,347,231
Total Assets In Service	789,360,783	71,369,955	(1,597,592)	859,133,146
Construction in Progress	5,266,212	18,911,079	(4,366,888)	19,810,403
Total Governmental Funds Capital Assets	**$ 794,626,995**	**90,281,034**	**(5,964,480)**	**878,943,549**

(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 62,195 customers.

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

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

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET ASSETS
September 30, 2011

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash	$ 2,350	200	1,900	4,450
Investments	3,166,670	1,696,166	7,988,278	12,851,114
Receivables, net of allowances:				
Accrued Interest	3,115	1,832	5,896	10,843
Accounts	12,657	20,613	1,183,677	1,216,947
Due From Other Funds	-	-	3,020,974	3,020,974
Due From Other Governments	867,247	-	-	867,247
Inventory, at cost	530,223	-	2,883	533,106
Total Current Assets	4,582,262	1,718,811	12,203,608	18,504,681
Noncurrent Assets:				
Restricted Assets:				
Investments	242,243	-	9,482,474	9,724,717
Accrued Interest Receivable	-	-	117	117
Due From Other Funds	-	-	1,405,067	1,405,067
Total Restricted Assets	242,243	-	10,887,658	11,129,901
Capital Assets:				
Transportation Vehicles and Equipment	25,979,725	157,988	22,680,653	48,818,366
Buildings	14,350,868	3,623,431	1,069,795	19,044,094
Improvements	9,072,908	131,362	3,597,929	12,802,199
Land and Improvements	9,521,557	278,885	624,668	10,425,110
Construction in Progress	1,145,820	-	-	1,145,820
Less Accumulated Depreciation	(21,619,439)	(3,439,316)	(17,461,691)	(42,520,446)
Total Capital Assets (net of accumulated depreciation)	38,451,439	752,350	10,511,354	49,715,143
Other Assets:				
Unamortized Bond Issuance Costs	-	-	117,790	117,790
Total Noncurrent Assets	38,693,682	752,350	21,516,802	60,962,834
TOTAL ASSETS	**$ 43,275,944**	**2,471,161**	**33,720,410**	**79,467,515**
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 293,270	24,894	215,061	533,225
Retainage Payable	12,989	-	-	12,989
Contracts Payable	116,904	5,369	-	122,273
Due to Other Funds	-	-	1,947,427	1,947,427
Accrued Interest Payable	43,070	-	91,800	134,870
Accrued Wages and Employee Benefits	326,110	17,513	207,991	551,614
Compensated Absences	131,106	10,458	125,705	267,269
Customer Deposits	7,960	78,931	-	86,891
Deferred Revenue	-	50,779	1,763	52,542
General Obligation Bonds	411,535	-	50,219	461,754
Certificates of Obligation	530,000	-	899,060	1,429,060
Total Current Liabilities	1,872,944	187,944	3,539,026	5,599,914
Noncurrent Liabilities:				
General Obligation Bonds	435,531	-	3,426,802	3,862,333
Certificates of Obligation	6,860,000	-	8,686,103	15,546,103
Closure and Post Closure	-	-	10,449,569	10,449,569
Compensated Absences	78,826	12,038	274,959	365,823
Total Noncurrent Liabilities	7,374,357	12,038	22,837,433	30,223,828
TOTAL LIABILITIES	**9,247,301**	**199,982**	**26,376,459**	**35,823,742**
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	30,695,834	752,350	324,983	31,773,167
Unrestricted	3,332,809	1,518,829	7,018,968	11,870,606
TOTAL NET ASSETS	**$ 34,028,643**	**2,271,179**	**7,343,951**	**43,643,773**

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year ended September 30, 2011

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
OPERATING REVENUES:				
Charges for Services	$ 3,348,940	123,084	16,588,836	20,060,860
Rental of Facilities	519,379	1,256,422	-	1,775,801
Miscellaneous	103,389	33,468	43,088	179,945
TOTAL OPERATING REVENUES	**3,971,708**	**1,412,974**	**16,631,924**	**22,016,606**
OPERATING EXPENSES:				
Personnel Services	8,749,732	513,787	5,425,940	14,689,459
Materials and Supplies	2,143,718	134,948	1,817,255	4,095,921
Contractual Services	1,399,287	595,003	5,208,511	7,202,801
Other	82,606	74,529	497,445	654,580
Total Operating Expenses Before Depreciation	12,375,343	1,318,267	12,949,151	26,642,761
Depreciation Expense	2,254,232	109,308	2,196,316	4,559,856
TOTAL OPERATING EXPENSES	**14,629,575**	**1,427,575**	**15,145,467**	**31,202,617**
Operating Income (Loss)	(10,657,867)	(14,601)	1,486,457	(9,186,011)
NONOPERATING REVENUES (EXPENSES):				
Investment Income:				
Interest Earnings	11,363	7,335	17,767	36,465
Interest Earnings - Restricted	717	-	67,713	68,430
Premiums	-	-	187,452	187,452
Discount Earnings	118	-	6,513	6,631
Miscellaneous	-	-	16,355	16,355
Sales Tax	6,311,745	-	-	6,311,745
Gain (Loss) on Sale of Assets	6,724	-	14,600	21,324
Interest Expense	(363,842)	-	(595,437)	(959,279)
Federal Operating Grant	3,588,224	-	-	3,588,224
Fiscal Agent Fees	-	-	(125)	(125)
Bond Issuance Cost Amortized	-	-	(37,745)	(37,745)
State Dept. of Highways	671,417	-	-	671,417
Construction	(16,880)	-	-	(16,880)
Other	(645)	-	-	(645)
TOTAL NONOPERATING REVENUES (EXPENSES)	**10,208,941**	**7,335**	**(322,907)**	**9,893,369**
Income (Loss) Before Contributions and Transfers	(448,926)	(7,266)	1,163,550	707,358
Capital Contributions-Grants	4,990,418	-	-	4,990,418
Transfers In:				
Contractual Obligations Fund	288	-	-	288
Change in Net Assets	4,541,780	(7,266)	1,163,550	5,698,064
Total Net Assets-Beginning	29,486,863	2,278,445	6,180,401	37,945,709
Total Net Assets-Ending	**$ 34,028,643**	**2,271,179**	**7,343,951**	**43,643,773**

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2011

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 3,972,926	1,448,137	16,734,410	22,155,473
Receipts from interfund services provided	-	-	177,180	177,180
Payments to suppliers	(3,642,068)	(348,076)	(8,140,254)	(12,130,398)
Payments to employees	(8,726,945)	(512,396)	(1,330,326)	(10,569,667)
Payments for interfund services used	(90,820)	(456,625)	(4,053,687)	(4,601,132)
Net cash provided (used) by operating activities	**(8,486,907)**	**131,040**	**3,387,323**	**(4,968,544)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	-	-	1,839,678	1,839,678
Subsidy from federal and state grants	3,700,152	-	-	3,700,152
Sales Tax	6,311,745	-	-	6,311,745
Transfer from other funds	248,516	-	321,416	569,932
Net cash provided (used) by noncapital and related financing activities	**10,260,413**	**-**	**2,161,094**	**12,421,507**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Capital Debt	-	-	3,156,553	3,156,553
Subsidy from federal and state grants	4,990,418	-	14,206	5,004,624
Purchases of capital assets	-	(37,138)	(2,303,017)	(2,340,155)
Acquisition and construction of capital assets	(5,602,884)	-	-	(5,602,884)
Principal paid on capital debt	(902,436)	-	(4,098,080)	(5,000,516)
Interest paid on capital debt	(368,587)	-	(582,653)	(951,240)
Proceeds from sales of capital assets	6,724	-	14,600	21,324
Net cash provided (used) by capital and related financing activities	**(1,876,765)**	**(37,138)**	**(3,798,391)**	**(5,712,294)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	79,200	(102,537)	(1,843,302)	(1,866,639)
Interest and dividends received	14,801	8,635	93,426	116,862
Net cash provided (used) by investing activities	**94,001**	**(93,902)**	**(1,749,876)**	**(1,749,777)**
Net increase (decrease) in cash and cash equivalents	**(9,258)**	**-**	**150**	**(9,108)**
Cash and cash equivalents, October 1	**11,608**	**200**	**1,750**	**13,558**
Cash and cash equivalents, September 30	**$ 2,350**	**200**	**1,900**	**4,450**
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ (10,657,867)	(14,601)	1,486,457	(9,186,011)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,254,232	109,308	2,196,316	4,559,856
(Increase) decrease in landfill closure and post closure costs	-	-	462,989	462,989
(Increase) decrease in accounts receivable	(11,874)	(212)	258,538	246,452
Increase in allowance for uncollectible accounts	12,639	31,430	22,381	66,450
(Increase) decrease in inventories	23,725	-	(865)	22,860
Increase in customer deposits	475	652	-	1,127
Increase (decrease) in accounts payable	(131,002)	(221)	(1,079,167)	(1,210,390)
Increase (decrease) in deferred revenues	(22)	3,293	(1,253)	2,018
Increase (decrease) in compensated absences payable	3,257	(234)	9,659	12,682
Increase (decrease) in accrued wages and employee benefits	19,530	1,625	32,268	53,423
Total adjustments	2,170,960	145,641	1,900,866	4,217,467
Net cash provided (used) by operating activities	**$ (8,486,907)**	**131,040**	**3,387,323**	**(4,968,544)**
Noncash investing, capital, and financing activities:				
Current closure and post closure costs	-	-	462,989	462,989
Bond issuance cost amortized	-	-	29,870	29,870
Accrued Interest Payable	4,745	-	12,909	17,654

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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, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	$ 3,663,566	3,663,566	3,348,940	-	3,348,940	(314,626)
Miscellaneous	88,612	88,612	103,389	-	103,389	14,777
Rental of Facilities	542,089	542,089	519,379	-	519,379	(22,710)
TOTAL OPERATING REVENUES	**4,294,267**	**4,294,267**	**3,971,708**	**-**	**3,971,708**	**(322,559)**
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	6,298,673	6,016,209	5,386,609	(690)	5,385,919	630,290
Materials and Supplies	1,054,448	905,622	903,773	-	903,773	1,849
Contractual Services	260,791	289,447	259,080	-	259,080	30,367
Other	42,296	64,101	58,091	-	58,091	6,010
Total Opt-Fixed Route	7,656,208	7,275,379	6,607,553	(690)	6,606,863	668,516
Opt-Para Transit:						
Personnel Services	1,071,337	1,107,579	1,022,124	(1,118)	1,021,006	86,573
Materials and Supplies	155,338	170,738	166,374	-	166,374	4,364
Contractual Services	97,750	104,584	93,784	-	93,784	10,800
Other	10,579	12,344	11,817	-	11,817	527
Total Opt-Para Transit	1,335,004	1,395,245	1,294,099	(1,118)	1,292,981	102,264
Maint-Fixed Route:						
Personnel Services	1,596,510	1,616,234	1,298,162	2,727	1,300,889	315,345
Materials and Supplies	892,060	842,965	887,044	-	887,044	(44,079)
Contractual Services	176,123	150,380	130,405	-	130,405	19,975
Total Maint-Fixed Route	2,664,693	2,609,579	2,315,611	2,727	2,318,338	291,241
Maint-Para Transit:						
Personnel Services	222,598	228,332	208,905	(400)	208,505	19,827
Materials and Supplies	59,786	55,172	94,651	-	94,651	(39,479)
Contractual Services	24,332	17,381	15,598	-	15,598	1,783
Total Maint-Para Transit	306,716	300,885	319,154	(400)	318,754	(17,869)
Training and Safety:						
Personnel Services	65,042	64,997	62,206	(1,552)	60,654	4,343
Materials and Supplies	2,334	457	421	-	421	36
Contractual Services	573	333	333	-	333	-
Total Training and Safety	67,949	65,787	62,960	(1,552)	61,408	4,379
Building/Grounds:						
Personnel Services	284,962	280,462	163,142	(540)	162,602	117,860
Materials and Supplies	46,718	59,535	46,155	-	46,155	13,380
Contractual Services	273,208	310,181	171,704	-	171,704	138,477
Total Building/Grounds	$ 604,888	650,178	381,001	(540)	380,461	269,717

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
Bus Stop/Shelters:						
Personnel Services	$ 110,836	109,336	100,601	(4,099)	96,502	12,834
Materials and Supplies	43	-	-	-	-	-
Contractual Services	4,272	4,731	4,730	-	4,730	1
Total Bus Stop/Shelters	115,151	114,067	105,331	(4,099)	101,232	12,835
General Administration:						
Personnel Services	113,766	70,766	44,928	(942)	43,986	26,780
Materials and Supplies	7,999	11,776	9,869	-	9,869	1,907
Contractual Services	464,993	841,159	510,668	-	510,668	330,491
Other	260	260	12,518	-	12,518	(12,258)
Total General Administration	587,018	923,961	577,983	(942)	577,041	346,920
Planning:						
Personnel Services	58,701	58,996	53,530	(1,431)	52,099	6,897
Contractual Services	1,663	1,731	1,726	-	1,726	5
Total Planning	60,364	60,727	55,256	(1,431)	53,825	6,902
Marketing:						
Personnel Services	80,477	85,704	76,762	(527)	76,235	9,469
Materials and Supplies	10,741	7,998	892	-	892	7,106
Contractual Services	22,109	24,479	21,684	-	21,684	2,795
Total Marketing	113,327	118,181	99,338	(527)	98,811	19,370
Customer Service:						
Personnel Services	97,040	95,540	80,746	2,412	83,158	12,382
Materials and Supplies	6,773	5,615	4,464	-	4,464	1,151
Contractual Services	4,451	4,438	4,410	-	4,410	28
Total Customer Service	108,264	105,593	89,620	2,412	92,032	13,561
Transit Center Building:						
Personnel Services	260,646	260,646	186,468	(228)	186,240	74,406
Materials and Supplies	28,376	33,696	27,794	-	27,794	5,902
Contractual Services	201,003	191,395	146,442	-	146,442	44,953
Total General Administration	490,025	485,737	360,704	(228)	360,476	125,261
Transit Center Facility:						
Personnel Services	73,610	73,610	65,549	(968)	64,581	9,029
Materials and Supplies	2,353	2,353	2,281	-	2,281	72
Contractual Services	34,259	38,547	38,723	-	38,723	(176)
Other	-	-	180	-	180	(180)
Total Transit Center Facility	110,222	114,510	106,733	(968)	105,765	8,745
Total Operating Expenses Before Depreciation	14,219,829	14,219,829	12,375,343	(7,356)	12,367,987	1,851,842
Depreciation	-	-	2,254,232	(2,254,232)	-	-
TOTAL OPERATING EXPENSES	**14,219,829**	**14,219,829**	**14,629,575**	**(2,261,588)**	**12,367,987**	**1,851,842**
Operating Income (Loss)	$ (9,925,562)	(9,925,562)	(10,657,867)	2,261,588	(8,396,279)	1,529,283

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	$ 16,550	16,550	11,363	-	11,363	(5,187)
Interest Earnings-Restricted	15,409	15,409	717	-	717	(14,692)
Discount Earnings	97	97	118	-	118	21
Sales Tax	5,834,645	5,834,645	6,311,745	-	6,311,745	477,100
Loss on Sale of Equipment	5,000	5,000	6,724	-	6,724	1,724
Interest Expense	(368,589)	(368,589)	(363,842)	(4,745)	(368,587)	2
Principal Paid Revenue Bonds	(902,436)	(902,436)	-	(902,436)	(902,436)	-
FTA Operating Grant	4,299,663	5,704,808	3,588,224	-	3,588,224	(2,116,584)
State Dept. of Highways	667,509	671,226	671,417	-	671,417	191
Construction	(360,834)	(14,675,760)	(16,880)	(5,585,359)	(5,602,239)	9,073,521
Other Non-Operating Expenses	(818,619)	(1,421,499)	(645)	-	(645)	1,420,854
TOTAL NONOPERATING REVENUES AND (EXPENSES)	**8,388,395**	**(5,120,549)**	**10,208,941**	**(6,492,540)**	**3,716,401**	**8,836,950**
Income (Loss) Before Contributions and Transfers	(1,537,167)	(15,046,111)	(448,926)	(4,230,952)	(4,679,878)	10,366,233
Capital Contributions:						
Federal Capital Grant	-	11,038,258	4,675,901	-	4,675,901	(6,362,357)
State Capital Grant	-	535,942	314,517	-	314,517	(221,425)
Transfer In:						
Transit Sales Tax	4,775,581	3,809,969	-	4,661,642	4,661,642	851,673
Contractual Obligations Fund	-	175,400	288	-	288	(175,112)
Transfers Out:						
Transit Operations	(4,775,581)	(3,366,719)	-	(4,218,392)	(4,218,392)	(851,673)
Capital and Planning	-	(443,250)	-	(443,250)	(443,250)	-
Change in Net Assets	(1,537,167)	(3,296,511)	4,541,780	(4,230,952)	310,828	3,607,339
Total Net Assets-Beginning	29,486,863	29,486,863	29,486,863	-	29,486,863	-
Total Net Assets-Ending	$ **27,949,696**	**26,190,352**	**34,028,643**	**(4,230,952)**	**29,797,691**	**3,607,339**

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CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	3,972,926
Payments to suppliers		(3,642,068)
Payments to employees		(8,726,945)
Payments for interfund services used		(90,820)
Net cash provided (used) by operating activities		**(8,486,907)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances from other funds		248,516
Subsidy from federal and state grants		3,700,152
Sales Tax		6,311,745
Net cash provided (used) by noncapital and related financing activities		**10,260,413**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Subsidy from federal and state grants		4,990,418
Acquisition and construction of capital assets		(5,602,884)
Principal paid on capital debt		(902,436)
Interest paid on capital debt		(368,587)
Proceeds from sales of capital assets		6,724
Net cash provided (used) by capital and related financing activities		**(1,876,765)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		79,200
Interest and dividends received		14,801
Net cash provided (used) by investing activities		**94,001**
Net increase (decrease) in cash and cash equivalents		**(9,258)**
Cash and cash equivalents, October 1		**11,608**
Cash and cash equivalents, September 30	**$**	**2,350**

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	(10,657,867)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,254,232
(Increase) decrease in accounts receivable		(11,874)
Increase in allowance for uncollectible accounts		12,639
(Increase) decrease in inventories		23,725
Increase in customer deposits		475
Increase (decrease) in accounts payable		(131,002)
Increase (decrease) in deferred revenues		(22)
Increase (decrease) in compensated absences payable		3,257
Increase (decrease) in accrued wages and employee benefits		19,530
Total adjustments		**2,170,960**
Net cash provided (used) by operating activities	**$**	**(8,486,907)**
Noncash investing, capital and financing activities:		
Accrued Interest Payable		4,745

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Rental of Facilities	$ 2,659,822	2,659,822	2,734,637	-	2,734,637	74,815
Toll Receipts	43,507,565	43,507,565	43,638,202	-	43,638,202	130,637
Miscellaneous	77,086	77,086	59,631	-	59,631	(17,455)
TOTAL OPERATING REVENUES	**46,244,473**	**46,244,473**	**46,432,470**	**-**	**46,432,470**	**187,997**
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,202,100	2,205,231	1,954,599	(12,512)	1,942,087	263,144
Materials and Supplies	333,671	387,271	360,230	-	360,230	27,041
Contractual Services	24,293,507	24,474,749	24,166,205	-	24,166,205	308,544
Other	289,232	41,728	25,688	(258)	25,430	16,298
Capital Outlay	8,787	40,787	-	38,837	38,837	1,950
Total Laredo Bridge Operations	27,127,297	27,149,766	26,506,722	26,067	26,532,789	616,977
Bridge II Operations:						
Personnel Services	2,279,422	2,279,422	2,191,771	(4,691)	2,187,080	92,342
Materials and Supplies	91,795	93,095	70,094	-	70,094	23,001
Contractual Services	466,482	480,482	356,808	-	356,808	123,674
Capital Outlay	-	44,000	-	38,934	38,934	5,066
Total Bridge II Operations	2,837,699	2,896,999	2,618,673	34,243	2,652,916	244,083
Colombia Bridge Operations:						
Personnel Services	1,265,317	1,265,317	1,217,596	(13,191)	1,204,405	60,912
Materials and Supplies	28,864	28,964	26,621	-	26,621	2,343
Contractual Services	238,791	243,841	218,342	-	218,342	25,499
Capital Outlay	-	17,000	-	9,877	9,877	7,123
Total Colombia Bridge Operations	1,532,972	1,555,122	1,462,559	(3,314)	1,459,245	95,877
Central America Convention:						
Contractual Services	50,384	50,384	3	-	3	50,381
Total Central America Convention	50,384	50,384	3	-	3	50,381
Fourth Bridge Operations:						
Personnel Services	2,223,687	2,223,687	2,087,607	(19,829)	2,067,778	155,909
Materials and Supplies	135,537	141,037	109,432	-	109,432	31,605
Contractual Services	532,080	577,704	635,824	-	635,824	(58,120)
Capital Outlay	-	74,000	-	38,700	38,700	35,300
Total Fourth Bridge Operations	2,891,304	3,016,428	2,832,863	18,871	2,851,734	164,694
Fifth Bridge:						
Contractual Services	106,807	106,807	-	-	-	106,807
Total Fifth Bridge	106,807	106,807	-	-	-	106,807
Total Operating Expenses Before Depreciation	34,546,463	34,775,506	33,420,820	75,867	33,496,687	1,278,819
Depreciation	-	-	4,192,722	(4,192,722)	-	-
			-			
TOTAL OPERATING EXPENSES	**34,546,463**	**34,775,506**	**37,613,542**	**(4,116,855)**	**33,496,687**	**1,278,819**
Operating Income (Loss)	$ 11,698,010	11,468,967	8,818,928	4,116,855	12,935,783	1,466,816

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental	$ -	229,043	13,727	-	13,727	(215,316)
Investment Income:						
Interest Earnings	50,580	50,580	23,032	-	23,032	(27,548)
Interest Earnings - Restricted	123,020	123,020	55,901	-	55,901	(67,119)
Gain/(Loss) On Sale of Assets	-	-	2,608	-	2,608	2,608
Interest Expense	(3,697,162)	(3,697,162)	(3,697,171)	-	(3,697,171)	(9)
Principal Paid Revenue Bonds	(5,087,444)	(5,087,444)	-	(5,087,435)	(5,087,435)	9
Fiscal Agent Fees	-	-	(1,300)	-	(1,300)	(1,300)
Bond Issuance Cost Amortized	-	-	(137,365)	137,365	-	-
Construction	(30,491)	(8,221,541)	(103,709)	(3,203,636)	(3,307,345)	4,914,196
TOTAL NONOPERATING REVENUES (EXPENSES)	**(8,641,497)**	**(16,603,504)**	**(3,844,277)**	**(8,153,706)**	**(11,997,983)**	**4,605,521**
Income (Loss) Before Contributions and Transfers	3,056,513	(5,134,537)	4,974,651	(4,036,851)	937,800	6,072,337
Transfers In:						
Bridge Operating Fund	6,618,760	6,618,760	-	7,155,815	7,155,815	537,055
Transfers Out:						
Capital Improvements Fund	(2,500,347)	(2,500,347)	(3,691,761)	-	(3,691,761)	(1,191,414)
Debt Service	(776,347)	(776,347)	(776,347)	-	(776,347)	-
Bridge Construction Projects	-	-	-	(500,000)	(500,000)	(500,000)
Bridge Debt Service	(6,618,760)	(6,618,760)	-	(6,655,815)	(6,655,815)	(37,055)
Change in Net Assets	(220,181)	(8,411,231)	506,543	(4,036,851)	(3,530,308)	4,880,923
Total Net Assets-Beginning	33,251,152	33,251,152	33,251,152	-	33,251,152	-
Total Net Assets-Ending	**$ 33,030,971**	**24,839,921**	**33,757,695**	**(4,036,851)**	**29,720,844**	**4,880,923**

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	47,146,776
Payments to suppliers		(3,312,544)
Payments to employees		(7,358,465)
Payments for interfund services used		(22,311,962)
Net cash provided by operating activities		**14,163,805**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(4,468,108)
Subsidy from federal and state grants		25,139
Net cash provided (used) by noncapital and related financing activities		**(4,442,969)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets		(3,433,693)
Principal paid on capital debt		(5,087,435)
Interest paid on capital debt		(3,698,470)
Proceeds from sales of capital assets		2,608
Net cash provided (used) by capital and related financing activities		**(12,216,990)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		2,402,443
Interest and dividends received		82,311
Net cash provided (used) by investing activities		**2,484,754**
Net increase (decrease) in cash and cash equivalents		**(11,400)**
Cash and cash equivalents, October 1		**21,400**
Cash and cash equivalents, September 30	**$**	**10,000**

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	8,818,928
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		4,192,722
(Increase) decrease in accounts receivable		628,474
Increase (decrease) in allowance for uncollectible accounts		(373)
Increase in customer deposits		(36,435)
Increase (decrease) in accounts payable		344,741
Increase (decrease) in deferred revenues		122,640
Increase (decrease) in compensated absences payable		50,224
Increase (decrease) in accrued wages and employee benefits		42,884
Total adjustments		**5,344,877**
Net cash provided by operating activities	**$**	**14,163,805**
Noncash investing, capital, and financing activities:		
Bond issuance cost amortized		137,365

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Rental of Facilities	$ 1,229,623	1,229,623	1,256,422	-	1,256,422	26,799
Charges for Services	100,000	100,000	123,084	-	123,084	23,084
Miscellaneous	24,661	24,661	33,468	-	33,468	8,807
TOTAL OPERATING REVENUES	**1,354,284**	**1,354,284**	**1,412,974**	**-**	**1,412,974**	**58,690**
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	469,674	459,674	414,043	2,860	416,903	42,771
Materials and Supplies	165,166	127,166	104,342	-	104,342	22,824
Contractual Services	435,114	459,842	435,200	-	435,200	24,642
Other	76,157	53,876	61,929	(31,430)	30,499	23,377
Capital Outlay	-	40,000	-	37,138	37,138	2,862
Total Airport Housing	1,146,111	1,140,558	1,015,514	8,568	1,024,082	116,476
West Laredo Housing:						
Personnel Services	97,491	98,716	99,744	(2,626)	97,118	1,598
Materials and Supplies	44,941	44,941	30,606	-	30,606	14,335
Contractual Services	165,813	170,141	159,803	-	159,803	10,338
Other	12,600	12,600	12,600	-	12,600	-
Total West Laredo Housing	320,845	326,398	302,753	(2,626)	300,127	26,271
Total Operating Expenses Before Depreciation	1,466,956	1,466,956	1,318,267	5,942	1,324,209	142,747
Depreciation Expense	-	-	109,308	(109,308)	-	-
TOTAL OPERATING EXPENSES	**1,466,956**	**1,466,956**	**1,427,575**	**(103,366)**	**1,324,209**	**142,747**
Operating Income (Loss)	(112,672)	(112,672)	(14,601)	103,366	88,765	201,437
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	7,200	7,200	7,335	-	7,335	135
TOTAL NONOPERATING REVENUES (EXPENSES)	**7,200**	**7,200**	**7,335**	**-**	**7,335**	**135**
Change in Net Assets	(105,472)	(105,472)	(7,266)	103,366	96,100	201,572
Total Net Assets-Beginning	2,278,445	2,278,445	2,278,445	-	2,278,445	-
Total Net Assets-Ending	**$ 2,172,973**	**2,172,973**	**2,271,179**	**103,366**	**2,374,545**	**201,572**

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CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	1,448,137
Payments to suppliers		(348,076)
Payments to employees		(512,396)
Payments for interfund services used		(456,625)
Net cash provided by operating activities		**131,040**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets		(37,138)
Net cash provided (used) by capital and related financing activities		**(37,138)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		(102,537)
Interest and dividends received		8,635
Net cash provided (used) by investing activities		**(93,902)**
Net increase (decrease) in cash and cash equivalents		**-**
Cash and cash equivalents, October 1		**200**
Cash and cash equivalents, September 30	**$**	**200**

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	(14,601)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		109,308
(Increase) decrease in accounts receivable		(212)
Increase in allowance for uncollectible accounts		31,430
Increase (decrease) in customer deposits		652
Increase (decrease) in accounts payable		(221)
Increase (decrease) in deferred revenues		3,293
Increase (decrease) in compensated absences payable		(234)
Increase (decrease) in accrued wages and employee benefits		1,625
Total adjustments		**145,641**
Net cash provided by operating activities	**$**	**131,040**

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	$ 28,239,250	28,239,250	31,431,680	-	31,431,680	3,192,430
Miscellaneous	3,479,197	3,479,197	3,625,787	-	3,625,787	146,590
TOTAL OPERATING REVENUES	**31,718,447**	**31,718,447**	**35,057,467**	**-**	**35,057,467**	**3,339,020**
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,036,028	1,036,027	980,770	(18,512)	962,258	73,769
Materials and Supplies	77,734	60,234	32,263	-	32,263	27,971
Contractual Services	1,818,311	1,835,812	1,751,764	-	1,751,764	84,048
Other	71,230	71,230	85,621	(71,831)	13,790	57,440
Total General and Administrative	3,003,303	3,003,303	2,850,418	(90,343)	2,760,075	243,228
Utility Engineering:						
Personnel Services	1,056,844	1,056,844	754,224	(13,803)	740,421	316,423
Materials and Supplies	45,710	67,883	45,792	-	45,792	22,091
Contractual Services	87,462	89,694	76,211	-	76,211	13,483
Other	-	400	400	-	400	-
Capital Outlay	209,976	185,171	-	144,212	144,212	40,959
Total Utility Engineering	1,399,992	1,399,992	876,627	130,409	1,007,036	392,956
Utility Billing:						
Personnel Services	1,873,519	1,873,519	1,841,716	954	1,842,670	30,849
Materials and Supplies	927,766	839,117	568,409	-	568,409	270,708
Contractual Services	730,395	801,287	620,649	-	620,649	180,638
Capital Outlay	65,190	82,947	-	79,023	79,023	3,924
Total Utility Billing	3,596,870	3,596,870	3,030,774	79,977	3,110,751	486,119
Asset Management:						
Personnel Services	257,971	257,971	252,144	(1,065)	251,079	6,892
Materials and Supplies	7,248	6,648	4,400	-	4,400	2,248
Contractual Services	28,556	29,156	21,373	-	21,373	7,783
Total Asset Management	293,775	293,775	277,917	(1,065)	276,852	16,923
Water Treatment:						
Personnel Services	1,712,626	1,807,195	1,805,672	(10,922)	1,794,750	12,445
Materials and Supplies	1,526,978	1,504,204	1,174,224	-	1,174,224	329,980
Contractual Services	4,662,583	4,579,812	4,093,413	-	4,093,413	486,399
Capital Outlay	99,000	86,000	-	85,944	85,944	56
Total Water Treatment	8,001,187	7,977,211	7,073,309	75,022	7,148,331	828,880
Transmission and Distribution:						
Personnel Services	1,807,971	1,807,971	1,294,622	(10,345)	1,284,277	523,694
Materials and Supplies	931,250	933,058	786,529	-	786,529	146,529
Contractual Services	1,001,459	1,005,716	584,299	-	584,299	421,417
Other	-	-	34,782	-	34,782	(34,782)
Capital Outlay	35,000	28,935	-	-	-	28,935
Total Transmission and Distribution	$ 3,775,680	3,775,680	2,700,232	(10,345)	2,689,887	1,085,793

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
Water Pollution Control:						
Personnel Services	$ 340,187	376,433	370,390	3,149	373,539	2,894
Materials and Supplies	42,597	43,153	21,831	-	21,831	21,322
Contractual Services	64,736	51,910	35,609	-	35,609	16,301
Capital Outlay	14,500	14,500	-	14,919	14,919	(419)
Total Water Pollution Control	462,020	485,996	427,830	18,068	445,898	40,098
Total Operating Expenses Before Depreciation	20,532,827	20,532,827	17,237,107	201,723	17,438,830	3,093,997
Depreciation Expense	-	-	7,260,095	(7,260,095)	-	-
TOTAL OPERATING EXPENSES	**20,532,827**	**20,532,827**	**24,497,202**	**(7,058,372)**	**17,438,830**	**3,093,997**
Operating Income (Loss)	11,185,620	11,185,620	10,560,265	7,058,372	17,618,637	6,433,017
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	100,000	100,000	79,399	-	79,399	(20,601)
Interest Earnings Restricted	163,060	798,078	800,957	-	800,957	2,879
Discount Earnings	-	-	4,205	-	4,205	4,205
Interest Rebate	872,014	872,014	872,014	-	872,014	-
Premiums	-	4,550,647	4,550,647	-	4,550,647	-
Miscellaneous	-	225,556	366,374	-	366,374	140,818
Gain on Sale of Assets	-	-	29,293	33,306	62,599	62,599
Bond Issues	-	73,633,405	-	73,633,405	73,633,405	-
Intergovernmental Revenue	-	11,081	-	-	-	(11,081)
Interest Expense	(5,774,215)	(6,856,145)	(8,737,268)	267,096	(8,470,172)	(1,614,027)
Principal Paid Revenue Bond / Capital Leases	(5,157,513)	(9,505,479)	-	(9,544,541)	(9,544,541)	(39,062)
Fiscal Agent Fees	(5,000)	(5,000)	(3,425)	-	(3,425)	1,575
Bond Issuance Cost Amortized	-	(52,251)	(93,927)	41,676	(52,251)	-
Loss on Advance Funding	-	(246,857)	(18,271)	(228,586)	(246,857)	-
Water Availability	(1,504,719)	(1,504,719)	(343,824)	-	(343,824)	1,160,895
Other Non-Operating Expenses	(1,635,423)	(171,658,731)	(9,139,482)	(38,501,299)	(47,640,781)	124,017,950
TOTAL NONOPERATING REVENUES (EXPENSES)	**(12,941,796)**	**(109,638,401)**	**(11,633,308)**	**25,701,057**	**14,067,749**	**123,706,150**
Income (Loss) Before Contributions and Transfers	(1,756,176)	(98,452,781)	(1,073,043)	32,759,429	31,686,386	130,139,167
Capital Contributions:						
Intergovernmental Revenue	-	37,854,641	26,942,569	-	26,942,569	(10,912,072)
Contributions - Waterrights	1,000,000	1,000,000	1,035,367	-	1,035,367	35,367
Contributions - Developers	-	-	1,145,598	(1,145,598)	-	-
Contributions - Other	-	-	144,210	(144,210)	-	-
Transfer In:						
Waterworks System	11,413,703	19,392,934	-	19,305,056	19,305,056	(87,878)
Transfers Out:						
Debt Service Fund	-	(1,375,144)	(1,375,144)	-	(1,375,144)	-
Water Construction Fund	(1,286,000)	(6,670,646)	-	(436,964)	(436,964)	6,233,682
Water Debt Service	(10,127,703)	(9,743,057)	-	(18,868,092)	(18,868,092)	(9,125,035)
Change in Net Assets	(756,176)	(57,994,053)	26,819,557	31,469,621	58,289,178	116,283,231
Total Net Assets-Beginning	133,831,867	133,831,867	133,831,867	-	133,831,867	-
Total Net Assets-Ending	$ **133,075,691**	**75,837,814**	**160,651,424**	**31,469,621**	**192,121,045**	**116,283,231**

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	33,369,541
Receipts from interfund services provided		531,540
Payments to suppliers		(8,735,599)
Payments to employees		(7,155,952)
Payments for interfund services used		(2,177,852)
Net cash provided by operating activities		**15,831,678**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(1,758,247)
Subsidiary from federal and state grants		21,214
Net cash provided (used) by noncapital and related financing activities		**(1,737,033)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from capital debt		77,884,944
Capital contributions		1,035,367
Subsidy from federal and state grants		30,078,510
Purchases of capital assets		(47,942,329)
Principal paid on capital debt		(9,544,541)
Interest paid on capital debt		(8,473,597)
Proceeds from sales of capital assets		62,599
Net cash provided (used) by capital and related financing activities		**43,100,953**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		(58,822,903)
Interest and dividends received		1,614,437
Issuance of Notes Receivable		12,668
Net cash provided (used) by investing activities		**(57,195,798)**
Net increase (decrease) in cash and cash equivalents		**(200)**
Cash and cash equivalents, October 1		**2,150**
Cash and cash equivalents, September 30	**$**	**1,950**

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	10,560,265
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		7,260,095
(Increase) decrease in accounts receivable		(1,150,329)
Increase (decrease) in allowance for uncollectible accounts		64,324
(Increase) decrease in inventories		(213,309)
Increase (decrease) in customer deposits		208,170
Increase (decrease) in accounts payable		(762,573)
Increase (decrease) in deferred revenues		(278,551)
Increase (decrease) in compensated absences payable		51,243
Increase (decrease) in accrued wages and employee benefits		92,343
Total adjustments		**5,271,413**
Net cash provided by operating activities	**$**	**15,831,678**
Noncash investing, capital, and financing activities:		
Bond issuance cost amortized		41,676
Contributions of capital assets from developers		1,145,598
Contributions of capital assets from other		144,210
Increase (Decrease) in Accrued Interest Payable		267,096
Loss on Advance Refunds		228,586

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	$ 26,770,053	26,770,053	27,438,365	-	27,438,365	668,312
Miscellaneous	50,000	50,000	100,640	-	100,640	50,640
TOTAL OPERATING REVENUES	**26,820,053**	**26,820,053**	**27,539,005**	**-**	**27,539,005**	**718,952**
OPERATING EXPENSES:						
Administrative:						
Contractual Services	4,179,768	4,179,768	4,169,535	-	4,169,535	10,233
Other	-	-	91,225	(91,225)	-	-
Total Administrative	4,179,768	4,179,768	4,260,760	(91,225)	4,169,535	10,233
Wastewater Treatment:						
Personnel Services	1,879,859	1,952,671	1,950,588	(15,731)	1,934,857	17,814
Materials and Supplies	847,626	847,626	644,933	-	644,933	202,693
Contractual Services	3,353,879	3,304,779	2,756,455	-	2,756,455	548,324
Capital Outlay	342,000	342,000	-	133,456	133,456	208,544
Total Wastewater Treatment	6,423,364	6,447,076	5,351,976	117,725	5,469,701	977,375
Wastewater Collection:						
Personnel Services	1,329,592	1,472,913	1,454,260	(10,087)	1,444,173	28,740
Materials and Supplies	706,068	809,661	765,308	-	765,308	44,353
Contractual Services	1,213,593	1,223,014	766,823	-	766,823	456,191
Other	-	-	15,965	-	15,965	(15,965)
Capital Outlay	1,200,000	933,602	-	713,494	713,494	220,108
Total Wastewater Collection	4,449,253	4,439,190	3,002,356	703,407	3,705,763	733,427
Total Operating Expenses Before Depreciation	15,052,385	15,066,034	12,615,092	729,907	13,344,999	1,721,035
Depreciation Expense	-	-	6,095,297	(6,095,297)	-	-
TOTAL OPERATING EXPENSES	**15,052,385**	**15,066,034**	**18,710,389**	**(5,365,390)**	**13,344,999**	**1,721,035**
Operating Income (Loss)	$ 11,767,668	11,754,019	8,828,616	5,365,390	14,194,006	2,439,987

(Continued)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	$ 70,800	70,800	64,847	-	64,847	(5,953)
Interest Earnings Restricted	103,020	171,559	171,246	-	171,246	(313)
Gain/Loss On Sale of Equipment	-	-	99,668	-	99,668	99,668
Discount Earnings	4,000	4,000	8,983	-	8,983	4,983
Bond Issues	-	11,332,060	-	11,332,060	11,332,060	-
Miscellaneous	-	-	162,762	-	162,762	162,762
Intergovernmental Revenue	-	20,378	6,354	-	6,354	(14,024)
Premium	-	701,569	701,569	-	701,569	-
Interest Expense	(2,592,484)	(2,814,896)	(3,083,142)	22,943	(3,060,199)	(245,303)
Principal Paid Revenue Bond / Capital Leases	(4,738,500)	(5,168,500)	-	(5,176,563)	(5,176,563)	(8,063)
Fiscal Agent Fees	(6,550)	(6,550)	(3,725)	-	(3,725)	2,825
Bond Issuance Cost Amortized	-	(128,925)	(65,587)	(63,338)	(128,925)	-
Loss on Advance Refunding	-	(19,523)	-	(19,523)	(19,523)	-
Other Non Operating Expenses	(1,017,784)	(37,139,304)	(2,402,968)	(6,359,992)	(8,762,960)	28,376,344
TOTAL NONOPERATING REVENUES (EXPENSES)	**(8,177,498)**	**(32,977,332)**	**(4,339,993)**	**(264,413)**	**(4,604,406)**	**28,372,926**
Income (Loss) Before Contributions and Transfers	3,590,170	(21,223,313)	4,488,623	5,100,977	9,589,600	30,812,913
Capital Contributions:						
State Capital Grant	-	6,628	-	-	-	(6,628)
Contributions - Others	-	-	290,602	(277,988)	12,614	12,614
Contributions - Developers	-	-	963,727	(963,727)	-	-
Transfers In:						
Sewer Operating Fund	8,079,858	8,546,817	-	8,352,375	8,352,375	(194,442)
Transfers Outs:						
Sewer Operations	(7,302,858)	(7,769,817)	-	(7,769,811)	(7,769,811)	6
Sewer Construction Fund	(777,000)	(777,000)	-	(582,564)	(582,564)	194,436
Change in Net Assets	3,590,170	(21,216,685)	5,742,952	3,859,262	9,602,214	30,818,899
Total Net Assets-Beginning	99,144,945	99,144,945	99,144,945	-	99,144,945	-
Total Net Assets-Ending	**$ 102,735,115**	**77,928,260**	**104,887,897**	**3,859,262**	**108,747,159**	**30,818,899**

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	26,439,088
Receipts from interfund services provided		493,573
Payments to suppliers		(9,383,788)
Payments to employees		(3,329,338)
Payments for interfund services used		(1,638,102)
Net cash provided by operating activities		**12,581,433**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Subsidy from federal and state grants		310,920
Proceeds from capital debt		11,885,181
Capital contribution		12,614
Purchases of capital assets		(9,447,148)
Principal paid on capital debt		(5,176,563)
Interest paid on capital debt		(3,063,924)
Proceeds from sales of capital assets		99,668
Net cash provided (used) by capital and related financing activities		**(5,379,252)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		(7,453,907)
Interest and dividends received		248,071
Issuance of Notes Receivable		3,655
Net cash provided (used) by investing activities		**(7,202,181)**
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, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	8,828,616
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		6,095,297
(Increase) decrease in accounts receivable		(737,603)
Increase (decrease) in allowance for uncollectible accounts		88,736
(Increase) decrease in inventories		9,272
Increase (decrease) in accounts payable		(1,820,918)
Increase (decrease) in deferred revenues		42,523
Increase (decrease) in compensated absences payable		25,817
Increase (decrease) in accrued wages and employee benefits		49,693
Total adjustments		**3,752,817**
Net cash provided by operating activities	**$**	**12,581,433**
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers & others		1,241,715
Bond issuance cost amortized		63,338
Increase (Decrease) in Accrued Interest Payable		(22,943)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	$ 15,586,797	15,586,797	16,588,836	-	16,588,836	1,002,039
Miscellaneous	276,940	56,940	43,088	-	43,088	(13,852)
TOTAL OPERATING REVENUES	**15,863,737**	**15,643,737**	**16,631,924**	**-**	**16,631,924**	**988,187**
OPERATING EXPENSES:						
Administration:						
Personnel Services	264,344	264,344	303,142	(13,433)	289,709	(25,365)
Materials and Supplies	23,310	24,110	12,442	-	12,442	11,668
Contractual Services	68,343	79,435	58,292	-	58,292	21,143
Capital Outlay	37,410	-	-	-	-	-
Total Administration	393,407	367,889	373,876	(13,433)	360,443	7,446
Branch Division:						
Personnel Services	-	-	32,075	(19,663)	12,412	(12,412)
Total Branch Division	-	-	32,075	(19,663)	12,412	(12,412)
Recycling:						
Personnel Services	796,428	821,428	749,770	(6,976)	742,794	78,634
Materials and Supplies	349,149	349,149	206,408	-	206,408	142,741
Contractual Services	721,692	986,692	738,720	-	738,720	247,972
Total Recycling	1,867,269	2,157,269	1,694,898	(6,976)	1,687,922	469,347
Sanitation						
Personnel Services	3,561,385	3,586,385	3,463,709	37,026	3,500,735	85,650
Materials and Supplies	1,159,209	1,231,359	1,163,310	-	1,163,310	68,049
Contractual Services	1,911,413	2,261,663	1,749,463	-	1,749,463	512,200
Other	730,723	197,948	34,408	(34,408)	-	197,948
Capital Outlay	18,726	18,728	-	18,728	18,728	-
Total Sanitation	7,381,456	7,296,083	6,410,890	21,346	6,432,236	863,847
Landfill:						
Personnel Services	1,005,006	1,015,006	877,244	(6,612)	870,632	144,374
Materials and Supplies	911,470	832,770	435,095	-	435,095	397,675
Contractual Services	3,855,756	3,698,260	2,662,036	-	2,662,036	1,036,224
Other	311,000	311,000	463,037	(462,989)	48	310,952
Capital Outlay	8,500	15,200	-	6,700	6,700	8,500
Total Landfill	6,091,732	5,872,236	4,437,412	(462,901)	3,974,511	1,897,725
Total Operating Expenses Before Depreciation	15,733,864	15,693,477	12,949,151	(481,627)	12,467,524	3,225,953
Depreciation Expense	-	-	2,196,316	(2,196,316)	-	-
TOTAL OPERATING EXPENSES	**15,733,864**	**15,693,477**	**15,145,467**	**(2,677,943)**	**12,467,524**	**3,225,953**
Operating Income (Loss)	$ 129,873	(49,740)	1,486,457	2,677,943	4,164,400	4,214,140

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2011

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	$ 22,000	22,000	17,767	-	17,767	(4,233)
Interest Earnings-Restricted	120,062	134,958	67,713	-	67,713	(67,245)
Premiums	-	187,452	187,452	-	187,452	-
Discount Earnings	2,600	2,600	6,513	-	6,513	3,913
Miscellaneous	-	-	16,355	-	16,355	16,355
Gain (Loss) From Sale of Assets	-	220,000	14,600	-	14,600	(205,400)
Bond Issues	-	3,355,458	-	3,355,458	3,355,458	-
Interest Expense	(626,309)	(626,309)	(595,437)	12,909	(582,528)	43,781
Gain (Loss) on Advance Refunding	-	-	-	(318,742)	(318,742)	(318,742)
Principal Paid Revenue Bond	(900,658)	(4,062,694)	-	(4,098,080)	(4,098,080)	(35,386)
Fiscal Agent Fees	-	(125)	(125)	-	(125)	-
Bond Issuance Cost Amortized	-	(67,615)	(37,745)	(29,870)	(67,615)	-
Other Non-Operating Expenses	-	(9,415)	-	-	-	9,415
Construction	-	(3,754,235)	-	(2,293,944)	(2,293,944)	1,460,291
TOTAL NONOPERATING REVENUES (EXPENSES)	**(1,382,305)**	**(4,597,925)**	**(322,907)**	**(3,372,269)**	**(3,695,176)**	**902,749**
Change in Net Assets	(1,252,432)	(4,647,665)	1,163,550	(694,326)	469,224	5,116,889
Total Net Assets-Beginning	6,180,401	6,180,401	6,180,401	-	6,180,401	-
Total Net Assets-Ending	**$ 4,927,969**	**1,532,736**	**7,343,951**	**(694,326)**	**6,649,625**	**5,116,889**

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$	16,734,410
Receipts from interfund services provided		177,180
Payments to suppliers		(8,140,254)
Payments to employees		(1,330,326)
Payments for interfund services used		(4,053,687)
Net cash provided by operating activities		**3,387,323**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		1,839,678
Transfer from other funds		321,416
Net cash provided (used) by noncapital and related financing activities		**2,161,094**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Capital Debt		3,156,553
Subsidy from federal and state grants		14,206
Purchases of capital assets		(2,303,017)
Principal paid on capital debt		(4,098,080)
Interest paid on capital debt		(582,653)
Proceeds from sales of capital assets		14,600
Net cash provided (used) by capital and related financing activities		**(3,798,391)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		(1,843,302)
Interest and dividends received		93,426
Net cash provided (used) by investing activities		**(1,749,876)**
Net increase (decrease) in cash and cash equivalents		**150**
Cash and cash equivalents, October 1		**1,750**
Cash and cash equivalents, September 30	**$**	**1,900**

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2011

(Continued)

Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$	1,486,457
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,196,316
(Increase) decrease in landfill closure and post closure costs		462,989
(Increase) decrease in accounts receivable		258,538
Increase (decrease) in allowance for uncollectible accounts		22,381
(Increase) decrease in inventories		(865)
Increase (decrease) in accounts payable		(1,079,167)
Increase (decrease) in deferred revenues		(1,253)
Increase (decrease) in compensated absences payable		9,659
Increase (decrease) in accrued wages and employee benefits		32,268
Total adjustments		**1,900,866**
Net cash provided by operating activities	**$**	**3,387,323**
Noncash investing, capital, and financing activities:		
Current closure and post closure costs		462,989
Bond issuance cost amortized		29,870
Accrued Interest Payable		12,909

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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.

Agency Funds include:

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

FIRE RETIREE DEPENDENTS – to account for contributions made by city fire fighters and the City for expenses associated with health benefits premiums for retired fire fighters' dependants.

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.

Pension Trust Funds include:

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

CITY OF LAREDO, TEXAS
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	AGENCY FUNDS				PENSION TRUST FUND
	POLICE RETIREE DEPENDENTS FUND	FIRE RETIREE DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS	CITY ANNUITY FUND
ASSETS					
Accrued Interest Receivable	$ 140	-	1,893	2,033	-
Investments, at Fair Market Value	129,195	-	1,752,513	1,881,708	-
Accounts Receivable	-	18,280	2,694	20,974	-
TOTAL ASSETS	**129,335**	**18,280**	**1,757,100**	**1,904,715**	**-**
LIABILITIES					
Accounts Payable	11	-	1,747,229	1,747,240	-
Accrued Wages and Employee Benefits	-	-	9,871	9,871	-
Deferred Revenues	129,324	-	-	129,324	-
Due To Other Funds	-	18,280	-	18,280	-
TOTAL LIABILITIES	**129,335**	**18,280**	**1,757,100**	**1,904,715**	**-**
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, 2011

	AGENCY FUNDS				PENSION TRUST FUND
	POLICE RETIREES DEPENDENTS FUND	FIRE RETIREES DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS	CITY ANNUITY FUND
ADDITIONS:					
Contributions:					
Employer contributions	$ 291,429	68,900	-	360,329	831,928
Plan members	45,823	12,700	-	58,523	129,615
Other contributions	-	18,280	-	18,280	30,427
Total Contributions	337,252	99,880	-	437,132	991,970
Investment Earnings:					
Interest earnings and dividends	675	-	-	675	-
Total investment earnings	675	-	-	675	-
TOTAL ADDITIONS	**337,927**	**99,880**	**-**	**437,807**	**991,970**
DEDUCTIONS:					
Benefits	-	-	-	-	920,426
Administrative expenses	337,927	99,880	-	437,807	71,544
TOTAL DEDUCTIONS	**337,927**	**99,880**	**-**	**437,807**	**991,970**
Change in Net Assets	-	-	-	-	-
Net Assets - Beginning	-	-	-	-	-
NET ASSETS - ENDING	$ **-**	**-**	**-**	**-**	**-**

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2011

POLICE RETIREES DEPENDENTS FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents				
Cash	$ -	467,905	467,905	-
Accrued Interest Receivable	288	140	288	140
Investments, at Fair Market Value	146,477	129,195	146,477	129,195
TOTAL ASSETS	**146,765**	**597,240**	**614,670**	**129,335**
LIABILITIES				
Accounts Payable	12	58	59	11
Deferred Revenue	146,753	-	17,429	129,324
TOTAL LIABILITIES	$ **146,765**	**58**	**17,488**	**129,335**

FIRE RETIREES DEPENDENTS FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents				
Cash	$ -	99,880	99,880	-
Accounts Receivable	-	18,280	-	18,280
TOTAL ASSETS	**-**	**118,160**	**99,880**	**18,280**
LIABILITIES				
Due to other Funds	-	18,280	-	18,280
TOTAL LIABILITIES	$ **-**	**18,280**	**-**	**18,280**

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2011

(Continued)

PAYROLL CLEARING FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents				
Cash	$ -	92,596,890	92,596,890	-
Accrued Interest Receivable	3,120	1,893	3,120	1,893
Investments, at Fair Market Value	1,587,703	1,756,343	1,591,533	1,752,513
Accounts Receivable	2,615	85	6	2,694
TOTAL ASSETS	**1,593,438**	**94,355,211**	**94,191,549**	**1,757,100**
LIABILITIES				
Accounts Payable	1,575,662	73,599,776	73,428,209	1,747,229
Accrued Wages and Benefits	17,776	45,687,228	45,695,133	9,871
TOTAL LIABILITIES	$ **1,593,438**	**119,287,004**	**119,123,342**	**1,757,100**

TOTALS-ALL AGENCY FUNDS

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Cash	$ -	93,164,675	93,164,675	-
Accrued Interest Receivable	3,408	2,033	3,408	2,033
Accounts Receivable	2,615	18,365	6	20,974
Investments, at Fair Market Value	1,734,180	1,885,538	1,738,010	1,881,708
TOTAL ASSETS	**1,740,203**	**95,070,611**	**94,906,099**	**1,904,715**
LIABILITIES				
Accounts Payable	1,575,674	73,599,834	73,428,268	1,747,240
Accrued Wages and Benefits	17,776	45,687,228	45,695,133	9,871
Due to other Funds	-	18,280	-	18,280
Deffered Revenue	146,753	-	17,429	129,324
TOTAL LIABILITIES	$ **1,740,203**	**119,305,342**	**119,140,830**	**1,904,715**

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STATISTICAL SECTION

CITY OF LAREDO, TEXAS

NET ASSETS BY COMPONENT
LAST TEN FISCAL PERIODS (1)
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 1

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in capital assets, net of related debt	$ 102,334,257	$ 188,872,775	$ 187,385,351	$ 198,694,918	$ 215,439,510	$ 241,151,427	$ 226,128,108	$ 327,113,377	$ 371,030,290	$ 404,332,329
Restricted	25,676,105	29,412,088	20,473,785	34,889,245	42,590,216	13,422,271	18,974,742	21,193,295	23,051,240	24,098,965
Unrestricted	39,205,713	44,505,877	37,683,170	42,979,049	44,842,955	81,277,357	72,424,497	71,981,867	36,509,233	26,981,198
Total governmental activities net assets	$ 167,216,075	262,790,740	245,542,306	276,563,212	302,872,681	335,851,055	317,527,347	420,288,539	430,590,763	455,412,492
Business-type activities										
Invested in capital assets, net of related debt	$ 213,370,881	$ 214,214,786	$ 225,414,099	$ 234,602,168	$ 228,622,897	$ 182,101,727	$ 289,915,339	$ 241,824,056	$ 251,995,464	$ 273,496,354
Restricted	9,070,370	7,954,794	8,618,508	11,147,151	10,970,742	11,615,850	24,336,104	17,621,503	16,695,175	25,879,932
Unrestricted	37,610,331	40,368,093	44,261,791	33,987,911	53,992,988	112,203,891	40,616,292	38,022,700	36,287,912	44,344,017
Total business-type activities net assets	$ 260,051,582	262,537,673	278,294,398	279,737,230	293,586,627	305,921,468	354,867,735	297,468,259	304,978,551	343,720,303
Primary government										
Invested in capital assets, net of related debt	$ 315,705,138	$ 403,087,561	$ 412,799,450	$ 433,297,086	$ 444,062,407	$ 423,253,154	$ 516,043,447	$ 568,937,433	$ 623,025,754	$ 677,828,683
Restricted	34,746,475	37,366,882	29,092,293	46,036,396	53,560,958	25,038,121	43,310,846	38,814,798	39,746,415	49,978,897
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	72,797,145	71,325,215
Total primary government net assets	$ 427,267,657	$ 525,328,413	$ 523,836,704	$ 556,300,442	$ 596,459,308	$ 641,772,523	$ 672,395,082	$ 717,756,798	$ 735,569,314	$ 799,132,795

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

CITY OF LAREDO, TEXAS

TABLE 2

CHANGES IN NET ASSETS
LAST TEN FISCAL PERIODS (10)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 33,057,032	$ 33,212,469
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	96,731,529	108,220,849
Public Works	36,409,755	7,018,369	18,914,550	27,601,104	22,544,287	22,524,297	26,609,686	33,983,968	31,945,598	28,971,676
Health and Welfare	14,783,388	15,095,426	16,146,114	16,076,928	15,734,517	17,053,474	18,974,496	19,374,716	21,408,808	21,559,624
Culture and Recreation	12,244,217	12,631,869	14,283,487	19,304,006	14,770,220	14,838,677	16,311,284	19,137,914	21,989,636	24,351,217
Air Transportation	5,135,446	4,399,578	7,476,744	6,827,442	6,487,313	7,157,616	5,709,233	6,014,102	5,592,799	8,337,337
Interest on Long Term Debt	10,116,381	10,021,002	9,583,425	12,003,612	9,337,731	9,809,368	60,052,703	29,610,058	11,170,771	11,330,317
Total Governmental Activities Expenses	152,634,346	127,436,476	172,075,588	174,852,939	168,505,275	176,247,680	242,198,677	229,841,697	221,896,173	235,983,489
Business-Type Activities										
Bridge System	30,677,776	32,848,606	33,328,290	34,643,592	38,315,376	38,421,137	42,734,185	39,335,750	40,917,048	41,558,090
Solid Waste Management System	9,402,560	11,215,440	12,620,242	14,685,053	13,559,190	15,000,574	-	18,828,910	14,516,888	15,794,014
Water System	15,645,483	14,878,004	15,729,159	16,888,416	20,607,390	22,213,666	28,212,391	28,536,428	40,110,255	42,840,185
Sewer System	10,158,939	11,285,160	10,840,161	10,903,372	12,733,207	14,251,997	16,765,662	18,235,772	25,526,830	24,269,283
Other Business-Type Activities	12,699,704	13,157,048	14,304,763	15,428,595	15,077,621	15,744,459	33,051,340	15,734,541	17,278,725	16,439,140
Total Business-Type Activities Expenses	78,584,462	83,384,258	86,822,615	92,549,028	100,292,784	105,631,833	120,763,578	120,671,401	138,349,746	140,900,712
Total Primary Government Expenses	$ 231,218,808	$ 210,820,734	$ 258,898,203	$ 267,401,967	$ 268,798,059	$ 281,879,513	$ 362,962,255	$ 350,513,098	$ 360,245,919	$ 376,884,201
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	$ 26,402,564	$ 27,747,717	$ 29,034,241	$ 30,349,336	$ 34,295,011	$ 32,910,354	$ 37,689,581	$ 33,923,642	$ 36,183,314	$ 40,374,802
Public Safety	5,625,697	5,121,972	7,207,564	5,786,216	6,638,370	8,172,180	5,778,145	10,016,804	12,060,974	8,589,950
Public Works	1,677,516	3,030,954	1,011,853	1,429,722	2,535,760	5,465,043	5,397,891	3,675,472	4,528,772	2,158,284
Health and Welfare	5,875,532	5,977,562	5,029,827	9,739,625	8,564,712	9,392,593	12,351,506	10,452,002	9,832,614	11,998,683
Culture and Recreation	965,379	1,341,474	1,445,751	1,245,478	1,784,371	1,775,372	1,570,822	4,029,673	5,157,950	5,412,318
Air Transportation	3,530,883	4,261,466	3,741,185	3,851,003	4,066,353	4,838,526	4,828,695	4,624,053	5,516,704	4,586,437
Operating Grants and Contributions	9,960,418	13,576,179	13,072,709	14,751,179	11,946,958	12,987,606	13,930,222	18,369,080	21,833,031	23,499,860
Capital Grants and Contributions	7,013,550	29,903,003	13,094,915	14,271,496	16,859,762	18,236,216	15,342,851	30,660,626	48,006,390	36,020,500
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	143,119,749	132,640,834
Business-Type Activities:										
Charges for Services										
Bridge System	34,408,912	34,836,756	35,574,197	39,308,141	42,757,164	41,642,985	48,757,093	43,736,439	45,913,716	46,433,396
Solid Waste Management System	13,009,371	13,894,945	14,531,305	15,000,859	15,802,217	16,645,845	-	15,570,572	16,014,354	16,657,612
Water System	16,773,484	15,429,092	15,902,648	18,736,507	25,215,914	28,217,432	28,832,337	30,032,089	29,859,060	36,301,316
Sewer System	13,158,360	12,969,437	13,296,851	14,409,247	15,606,262	15,157,406	15,820,522	21,401,432	22,884,626	27,711,393
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	5,447,624	5,384,915
Operating Grants and Contributions	12,153,814	13,296,318	12,514,706	7,244,365	4,564,435	4,732,614	4,519,591	4,433,244	5,439,854	4,279,722
Capital Grants and Contributions	1,710,991	1,344,286	13,011,433	7,463,200	13,062,195	9,447,512	57,024,886	41,035,105	26,282,072	36,609,025
Total Business-Type Activities Program Revenues	95,676,285	95,802,559	109,245,859	106,931,245	122,391,022	121,603,806	177,176,538	161,602,139	151,841,306	173,377,379
Total Primary Government Program Revenues	$ 156,727,824	$ 186,762,886	$ 182,883,904	$ 188,355,300	$ 209,082,319	$ 215,381,696	$ 274,066,251	$ 277,353,491	$ 294,961,055	$ 306,018,213

(Continued)

CHANGES IN NET ASSETS
LAST TEN FISCAL PERIODS (10)
(ACCRUAL BASIS OF ACCOUNTING)

(Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)	$ (78,776,424)	$ (103,342,655)
Business-Type Activities	17,091,823	12,418,301	22,423,244	14,382,217	22,098,238	15,971,973	56,412,960	40,930,738	13,491,560	32,476,667
Total Primary Government Net Expense	$ (74,490,984)	$ (24,057,848)	$ (76,014,299)	$ (79,046,667)	$ (59,715,740)	$ (66,497,817)	$ (88,896,004)	$ (73,159,607)	$ (65,284,864)	$ (70,865,988)
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	$ 69,155,582	$ 69,142,902
Sales Tax	21,384,306	22,807,995	24,553,316	26,628,764	30,151,183	31,476,528	32,648,289	29,801,861	29,790,610	39,050,113
Franchise Taxes	6,562,834	5,580,351	5,726,701	6,197,623	6,595,084	6,528,053	6,835,933	6,714,232	6,681,712	7,018,602
Hotel Motel Tax	2,643,862	2,965,282	2,849,026	2,718,679	3,054,454	3,392,027	3,331,021	2,718,253	3,087,561	4,117,956
Alcoholic Beverage Taxes	216,212	233,288	266,345	279,198	318,415	341,440	334,273	323,349	308,966	329,521
Grants and Contributions Not Restricted to Specific Programs	4,546,517	4,602,769	5,027,736	4,497,007	5,235,856	4,095,598	4,845,731	-	-	-
Investment Earnings	1,874,481	1,147,142	800,882	5,489,823	3,324,727	3,866,276	3,478,262	1,980,307	703,433	505,944
Gain on Sale of Capital Assets	63,430	3,340,946	4,444,005	755,759	54,052	344,958	409,102	122,890	36,680	1,327,296
Bond Premium	-	-	-	-	-	-	1,227,777	1,893,419	-	829,086
Transfers	7,272,667	14,694,355	11,253,312	17,978,754	15,406,004	9,651,953	13,622,444	8,108,009	4,683,701	5,842,964
Total Governmental Activities	75,271,555	91,923,508	96,439,744	109,565,249	113,611,846	115,541,500	129,065,036	120,355,882	114,448,245	128,164,384
Business-Type Activities:										
Sales Tax	4,092,648	4,331,368	4,690,014	5,026,869	5,658,730	5,881,063	6,122,978	5,760,681	5,512,908	6,311,745
Investment Earnings	-	-	-	-	53,537	-	-	-	288,222	203,743
Gain/(Loss) on Sale of Capital Assets	256,064	430,777	(103,221)	12,500	143,756	133,758	393,328	512,769	(533,697)	152,893
Bond Premium	-	-	-	-	-	-	-	-	-	5,439,668
Transfers	(7,272,667)	(14,694,355)	(11,253,312)	(17,978,754)	(15,406,004)	(9,651,953)	(13,622,444)	(8,108,009)	(4,683,701)	(5,842,964)
Total Business-Type Activities	(2,923,955)	(9,932,210)	(6,666,519)	(12,939,385)	(9,549,981)	(3,637,132)	(7,106,138)	(1,834,559)	583,732	6,265,085
Total Primary Government	$ 72,347,600	$ 81,991,298	$ 89,773,225	$ 96,625,864	$ 104,061,865	$ 111,904,368	$ 121,958,898	$ 118,521,323	$ 115,031,977	$ 134,429,469
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	$ 35,671,821	$ 24,821,729
Business-Type Activities	14,167,868	2,486,091	15,756,725	1,442,832	12,548,257	12,334,841	49,306,822	39,096,179	14,075,292	38,741,752
Total Primary Government	$ (2,143,384)	$ 57,933,450	$ 13,758,926	$ 17,579,197	$ 44,346,125	$ 45,406,551	$ 33,062,894	$ 45,361,716	$ 49,747,113	$ 63,563,481

SOURCE:

City of Laredo, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 68,870,491	$ 68,998,291
Sales	21,447,813	22,547,235	24,374,768	26,433,198	29,894,463	31,384,048	32,518,723	30,308,403	29,339,115	33,669,024
Franchise Fees	6,542,640	5,539,242	5,700,834	6,173,160	6,569,349	6,506,014	6,793,268	6,788,837	6,668,731	6,995,838
Bingo Tax	48,056	48,058	49,852	51,516	63,010	65,524	68,268	68,274	68,235	74,345
Alcoholic Beverage	215,022	231,114	260,277	272,500	307,270	341,130	337,545	325,611	304,894	341,545
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	3,077,683	4,055,510
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	6,496,534	6,487,718
Intergovernmental	21,532,884	31,340,394	28,932,417	33,289,585	33,894,211	33,877,881	35,693,757	39,882,049	52,709,235	49,801,150
Charges for Services	23,802,222	24,703,403	26,623,867	27,654,715	31,502,211	31,310,068	37,045,771	37,636,101	41,954,138	41,728,421
Fines	2,083,427	2,303,065	2,726,372	2,930,319	2,901,019	3,147,555	3,646,728	3,392,829	3,734,101	3,762,977
Fees and Collections	1,754,100	2,246,309	2,270,772	2,481,061	3,004,802	3,386,329	3,492,841	3,837,470	3,592,488	3,547,545
Rents	4,401,311	5,116,014	4,922,493	5,068,865	5,679,488	6,314,430	6,545,628	5,714,968	6,482,548	5,731,032
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	1,933,321	1,511,880
Miscellaneous	3,136,435	3,758,090	3,554,741	1,493,862	2,313,099	2,264,974	643,499	4,923,082	8,441,665	4,722,829
Contributions & Donations	23,666	728,198	2,356,387	871,866	924,530	1,008,606	988,331	95,240	18,271,618	10,951,450
Reimbursements	1,041,506	2,339,578	1,349,408	1,627,354	1,398,698	1,585,062	1,729,311	1,913,607	1,322,816	2,280,613
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	253,267,613	244,660,168
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	18,688,270	19,098,129
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	97,621,453	101,057,294
Public Works	11,284,056	11,408,863	9,530,599	9,487,014	10,129,429	12,274,330	11,967,902	18,923,375	13,683,613	10,185,108
Health and Welfare	14,195,664	15,303,051	15,683,517	15,802,606	15,377,413	16,703,368	18,507,725	18,734,227	20,447,413	20,160,803
Cultural and Recreational	11,728,523	13,154,156	13,764,181	14,844,259	15,415,751	15,921,447	15,658,222	18,337,167	21,478,230	23,640,666
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	4,439,025	4,651,685
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	82,767,916	85,712,034
Contributions	-	3,620,000	11,914,519	-	-	-	-	-	-	-
Debt Service:										
Bond Costs	-	-	-	-	-	-	766,853	27,799,429	235,629	704,855
Principal Retirement	11,925,613	13,475,623	14,374,770	15,677,894	16,693,119	16,986,948	17,398,209	18,626,220	12,945,169	10,246,364
Interest and Fiscal Expenditures	10,108,045	9,773,987	9,393,084	9,119,608	8,639,131	9,250,941	12,691,697	15,621,180	10,711,226	10,866,914
TOTAL EXPENDITURES	183,459,807	177,707,134	188,026,176	184,891,173	201,627,935	210,990,640	234,598,750	291,572,439	283,017,944	286,323,852
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)	(26,946,452)	(75,411,749)	(29,750,331)	(41,663,684)
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	29,605,450	46,699,942
Issuance of Debt	-	15,928,240	-	75,154,978	35,185,000	76,160,000	79,855,000	56,980,000	8,715,629	23,189,078
Bond Premium	-	-	-	-	-	-	1,227,777	1,860,783	-	829,086
Payment to refunded bond escrow agent	-	(4,629,841)	-	(62,639,409)	(18,796,378)	-	-	-	(9,230)	(3,317,933)
Transfers Out	(25,329,302)	(31,469,194)	(14,023,498)	(21,272,956)	(20,405,531)	(16,463,011)	(23,493,174)	(31,697,149)	(24,521,749)	(39,073,000)
Contributions	-	-	-	-	-	-	(46,471,173)	9,340,787	-	-
Capital Leases	12,897,850	-	14,307,219	-	1,600,000	4,349,665	(102,232)	(102,232)	1,330,425	807,653
Sale of Assets	204,349	3,542,655	4,546,896	754,683	52,673	334,354	194,959	121,669	33,461	1,375,078
TOTAL OTHER FINANCING SOURCES (USES)	20,893,244	29,556,692	30,130,575	28,171,715	33,517,176	90,603,236	48,744,714	77,126,244	15,153,986	30,509,904
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	$ (14,596,345)	$ (11,153,780)
Debt Service as a Percentage of non-capital expenditures	16.36%	15.51%	14.38%	15.50%	15.27%	14.83%	16.20%	26.45%	11.93%	10.88%

SOURCE:

City of Laredo, Texas

FUND BALANCE, GOVERNMENTAL FUNDS
LAST NINE YEARS (9)
(Modified Accrual Basis of Accounting)

CITY OF LAREDO, TEXAS

TABLE 4

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011*
GENERAL FUND									
Nonspendable	$ -	-	-	-	-	-	-	-	14,937
Restricted	-	-	-	-	-	-	-	-	786,681
Commited	-	-	-	-	-	-	-	-	22,393,198
Assigned	-	-	-	-	-	-	-	-	1,613,435
Unassigned	-	-	-	-	-	-	-	-	10,712,189
Reserved	868,913	1,216,553	1,461,135	1,663,551	1,376,988	1,297,655	1,516,661	2,122,655	-
Unreserved	9,151,113	9,110,554	12,860,386	19,425,653	21,769,926	25,322,950	29,175,762	32,823,677	-
Total General Fund	$ 10,020,026	10,327,107	14,321,521	21,089,204	23,146,914	26,620,605	30,692,423	34,946,332	35,520,440
ALL OTHER GOVERNMENTAL FUNDS									
Nonspendable	$ -	-	-	-	-	-	-	-	119,161
Restricted	-	-	-	-	-	-	-	-	104,259,849
Commited	-	-	-	-	-	-	-	-	6,756,570
Assigned	-	-	-	-	-	-	-	-	11,709,333
Unassigned (Deficit)	-	-	-	-	-	-	-	-	(125,741)
Reserved	29,210,173	19,129,472	20,376,787	16,551,117	29,244,789	26,694,766	36,478,312	81,538,217	-
Unreserved, reported in:									
Special Revenue Funds	15,041,595	8,196,925	447,743	6,866,441	7,725,320	12,831,254	25,473,486	27,153,981	-
Debt Service Funds	5,537,538	4,592,744	5,634,547	6,508,489	5,946,381	9,293,964	6,636,000	-	-
Capital Project Funds	1,059,628	14,573,251	28,053,310	34,329,414	94,204,775	106,834,652	84,709,516	25,754,862	-
Total all other governmental funds	$ 50,848,934	46,492,392	54,512,387	64,255,461	137,121,265	155,654,636	153,297,314	134,447,060	122,719,172

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.

* GASB Statement No. 54 was implemented in fiscal year 2011

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
2002	$ 30,147,195	$ 21,447,813	$ 215,022	$ 48,056	$ 2,672,236	$ 6,542,640	$ 61,072,962
2003	35,876,444	22,547,235	231,114	48,058	2,692,876	5,539,242	66,934,969
2004	40,705,401	24,111,061	260,277	49,852	3,298,899	5,700,834	74,126,324
2005	45,239,189	26,433,198	272,500	51,516	2,959,077	6,173,160	81,128,640
2006	49,303,836	29,894,463	307,270	63,010	3,024,062	6,569,349	89,161,990
2007	55,681,122	31,384,048	341,130	65,524	3,330,740	6,506,014	97,308,578
2008	61,553,183	32,518,723	337,545	68,268	3,327,146	6,793,268	104,598,133
2009	67,284,934	30,308,403	325,611	68,274	2,775,027	6,788,837	107,551,086
2010	68,870,491	29,339,115	304,894	68,235	3,077,683	6,668,731	108,329,149
2011	$ 68,998,291	$ 33,669,024	$ 341,545	$ 74,345	$ 4,055,510	$ 6,995,838	$ 114,134,553

NOTES:

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

SOURCE:

City of Laredo, Texas

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 6

FISCAL PERIODS	TOTAL TAX LEVY (1)	ADJUSTMENTS	TOTAL ADJUSTED LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	PERCENT OF TOTAL TAX COLLECTIONS TO ADJUSTED TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO ADJUSTED TAX LEVY
2002	$ 29,221,694	$ 355,226	$ 29,576,920	$ 28,028,927	95.92%	$ 29,362,774	99.28%	$ 214,068	0.72%
2003	33,435,345	1,948,687	35,384,032	33,426,302	99.97%	35,142,758	99.32%	241,274	0.68%
2004	38,455,159	941,645	39,396,804	37,461,655	97.42%	39,114,288	99.28%	282,517	0.72%
2005	43,209,681	168,597	43,378,278	41,693,911	96.49%	43,139,092	99.45%	239,186	0.55%
2006	47,451,046	275,847	47,726,893	45,951,954	96.84%	47,495,720	99.52%	231,173	0.48%
2007	53,559,195	288,381	53,847,576	52,024,898	97.14%	53,564,203	99.47%	283,373	0.53%
2008	59,584,704	105,632	59,690,336	57,843,306	97.08%	59,352,142	99.43%	338,193	0.57%
2009	65,642,287	(222,293)	65,419,994	63,194,853	96.27%	64,927,173	99.25%	492,821	0.75%
2010	66,926,927	(274,420)	66,652,507	64,379,305	96.19%	65,864,622	98.82%	787,885	1.18%
2011	$ 67,184,974	$ (168,888)	$ 67,016,086	$ 65,241,316	97.11%	$ -	-	$ 1,774,769	2.65%

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

	-------RESIDENTIAL PROPERTY-------		----------COMMERCIAL PROPERTY---------			----------TOTALS----------			
FISCAL PERIODS	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	EXEMPTIONS (2)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	TOTAL DIRECT TAX RATE	RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
2002	3,503,561,473	3,503,561,473	2,408,624,610	2,408,624,610	445,602,625	5,466,583,458	5,466,583,458	0.576360	100%
2003	3,606,409,537	3,606,409,537	2,479,330,480	2,479,330,480	519,598,749	5,566,141,268	5,566,141,268	0.630530	100%
2004	3,844,014,790	3,844,014,790	2,704,140,692	2,704,140,692	529,716,818	6,018,438,664	6,018,438,664	0.641760	100%
2005	4,270,523,001	4,270,523,001	3,040,120,071	3,040,120,071	537,507,869	6,773,135,203	6,773,135,203	0.637000	100%
2006	4,713,754,396	4,713,754,396	3,285,932,811	3,285,932,811	550,543,393	7,449,143,814	7,449,143,814	0.637000	100%
2007	5,411,082,137	5,411,082,137	3,582,097,472	3,582,097,472	585,142,683	8,408,036,926	8,408,036,926	0.637000	100%
2008	6,069,242,179	6,069,242,179	3,971,864,502	3,971,864,502	647,577,934	9,393,528,747	9,393,528,747	0.637000	100%
2009	6,654,553,665	6,654,553,665	4,402,760,384	4,402,760,384	671,339,004	10,385,975,045	10,385,975,045	0.637000	100%
2010	6,825,803,972	6,825,803,972	4,571,159,052	4,571,159,052	773,831,223	10,623,131,801	10,623,131,810	0.637000	100%
2011	$ 6,938,223,832	$ 6,938,223,832	$ 4,460,292,962	$ 4,460,292,962	$ 761,010,658	$ 10,637,506,136	$ 10,637,506,136	0.637000	100%

NOTES:

(1) This estimated valuation is for tax purposes only.

(2) Total exemptions include Homestead, Veteran, Agricultural exemptions. Homestead valuations increased in 1983 from $3,000 to $7,500, to $10,000 in 1986, and to $20,000 in 1987. Veteran exemptions range from $1,500 to $3,000, based on disability percentage. Agriculture valuations represent land used for ranching and farming.

SOURCE:

City of Laredo, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 8

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)				
2002	0.57636	0.43634	1.42600	1.42687	0.21665
2003	0.63053	0.44446	1.50271	1.47687	0.22650
2004	0.64176	0.45792	1.50271	1.47687	0.23600
2005	0.63700	0.43792	1.47411	1.52687	0.23600
2006	0.63700	0.43792	1.55411	1.60687	0.23371
2007	0.63700	0.42006	1.49551	1.47436	0.23050
2008	0.63700	0.42006	1.27400	1.18487	0.22220
2009	0.63700	0.42006	1.27400	1.18487	0.22110
2010	0.63700	0.42006	1.27400	1.19486	0.22720
2011	0.63700	0.42005	1.27400	1.19486	0.23812
	TAX LEVIES				
2002	$ 29,221,694	$ 28,877,392	$ 18,828,678	$ 57,959,460	$ 11,215,837
2003	33,435,345	33,424,545	20,378,959	66,951,115	12,892,422
2004	38,455,159	35,073,016	21,344,510	72,156,593	14,540,002
2005	43,209,681	38,284,553	24,426,783	83,821,422	16,320,700
2006	47,466,862	42,351,341	26,644,992	100,665,114	17,727,308
2007	53,559,195	50,623,052	27,671,836	113,168,711	19,720,017
2008	59,584,704	51,752,884	25,966,124	95,866,850	21,192,705
2009	65,642,009	55,559,866	27,408,723	108,147,626	23,297,634
2010	66,926,927	56,069,370	27,210,755	111,038,081	24,304,862
2011	$ 67,184,974	$ 57,474,928	$ 27,078,969	$ 112,407,770	$ 25,422,145

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
2002	$ 427,081	38,836	194,697	41.79%	271,220
2003	271,220	46,992	135,058	42.44%	183,154
2004	183,154	142,202	170,888	52.52%	154,468
2005	154,468	359,276	441,257	85.89%	72,487
2006	72,487	528,851	574,196	95.49%	27,142
2007	27,142	165,224	178,014	92.54%	14,352
2008	14,352	99,592	106,800	93.73%	7,144
2009	7,144	41,084	38,462	79.75%	9,766
2010	9,766	16,420	17,142	65.46%	9,044
2011	$ 9,044	$ 37,404	$ 38,578	83.06%	$ 7,870

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 2011

City Of Laredo, Texas

Table 10

TAXPAYER	TYPE OF BUSINESS	2011 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	$103,826,630	0.98%
AEP Texas Central Company	Electricity	53,470,930	0.51%
Mall Del Norte LLC	Real Estate	51,752,510	0.49%
The GEO Group	Jail	49,979,180	0.47%
Laredo Regional Medical Ctr. LP	Medical Center	41,405,090	0.39%
Electric Transmission of Texas	Electricity	40,634,910	0.38%
International Bank of Commerce	Bank	39,034,053	0.37%
Halliburton Energy Service	Oil and Gas	37,396,790	0.35%
Killam Ind Dev. Partnership LTD	Partnership	30,492,340	0.29%
H.E. Butt Grocery Company	Real Estate	28,283,840	0.27%
TOTAL		$476,276,273	4.50%

PRINCIPAL TAXPAYERS
SEPTEMBER 30,2001

TAXPAYER	TYPE OF BUSINESS	2001 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 2011 and 10 yrs ago.

SOURCE:

City of Laredo, Texas

CITY OF LAREDO, TEXAS

TABLE 11

COMPUTATION OF LEGAL DEBT MARGIN AND AUTHORIZED AND UNISSUED BONDS

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 $.124696 of the total tax rate.

Assessed value based on 2010 tax roll		$10,634,156,096
Maximum amount of bonded indebtedness based on such assessed value (10%).....		$1,063,415,610
Amount of debt applicable to said maximum debt limit:		
Total General Obligation Bonds and Certificates of Obligations …	$193,993,899	
(Percentage of G. O. and C. O. debt to assessed value)	1.82%	
Less: Debt Service Fund Balance as of September 30, 2011.....	$8,272,028	
Total Amount of debt applicable to debt limit		$185,721,871
The Debt Margin between current indebtedness and maximum allowable indebtedness		$877,693,739

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
2002	201,292	$ 5,558,982,217	$ 153,675,000	$ 5,455,502	$ 148,219,498	2.6663%	736.34
2003	207,611	6,018,438,664	151,940,000	5,537,538	146,402,462	2.4326%	705.18
2004	214,000	5,992,130,874	152,500,000	4,592,744	147,907,256	2.4684%	691.16
2005	215,375	6,783,309,499	153,725,000	5,634,547	148,090,453	2.1832%	687.59
2006	224,695	7,449,143,814	158,972,282	6,508,489	152,463,793	2.0467%	678.54
2007	231,470	8,408,036,926	221,132,050	5,946,381	215,185,669	2.5593%	929.65
2008	237,396	9,393,528,747	286,235,467	5,990,320	280,245,147	2.9834%	1,180.50
2009	233,152	10,385,975,045	358,833,263	6,636,000	352,197,263	3.3911%	1,510.59
2010	244,580	10,634,156,096	342,955,001	6,529,078	336,425,923	3.1636%	1,375.53
2011	236,091	$ 10,576,729,269	$ 334,374,769	$ 8,272,028	$ 326,102,741	3.0832%	1,381.26

NOTES:

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

SOURCES:

City of Laredo, Texas

(A) Information was obtained from City of Laredo Planning and Zoning Department

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENT EXPENDITURES (1) LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 13

FISCAL PERIODS	PRINCIPAL	INTEREST & FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2002	10,700,000	10,027,116	20,727,116	183,342,422	11.31%
2003	12,255,000	9,857,015	22,112,015	174,087,134	12.70%
2004	13,500,000	9,412,153	22,912,153	188,026,176	12.19%
2005	14,395,000	9,138,859	23,533,859	184,891,173	12.73%
2006	15,685,000	8,663,891	24,348,891	201,201,456	12.10%
2007	15,195,000	9,242,752	24,437,752	210,990,264	11.58%
2008	16,024,319	12,558,327	28,582,646	233,623,097	12.23%
2009	17,490,000	15,990,496	33,480,496	263,773,010	12.69%
2010	11,228,852	10,717,973	21,946,825	282,782,315	7.76%
2011	10,246,364	10,866,914	21,113,278	286,323,852	7.37%

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, 2011

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	$236,009,880	100.00%	$236,009,880
Overlapping:			
Webb County	69,149,000	70.750%	48,922,918
Laredo Independent School District	210,439,211	100.00%	210,439,211
United Independent School District	280,651,007	75.692%	212,430,360
Laredo Community College	169,351,069	100.00%	169,351,069
Total Overlapping	729,590,287		641,143,558
Total	$965,600,167		$877,153,438

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	34,408,912	8,413,669	25,995,243	3,525,000	3,697,409	7,222,409	3.60
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	24,247,080	44,618,322	9,135,000	6,457,828	15,592,828	2.86
Bridge	34,836,756	8,728,556	26,108,200	4,110,000	2,768,415	6,878,415	3.80
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	25,296,546	42,674,540	6,135,000	5,432,756	11,567,756	3.69
Bridge	35,574,197	9,210,546	26,363,651	4,320,000	2,476,347	6,796,347	3.88
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	69,962,545	25,728,650	44,233,895	12,375,000	5,175,212	17,550,212	2.52
Bridge	39,231,949	10,020,392	29,211,557	5,482,228	4,039,577	9,521,805	3.07
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	27,862,839	50,684,111	7,777,228	6,784,507	14,561,735	3.48
Bridge	42,757,164	10,851,262	31,905,902	3,866,378	4,482,527	8,348,905	3.82
Water	24,047,927	14,010,809	10,037,118	1,263,000	704,275	1,967,275	5.10
Sewer	14,010,809	8,486,409	5,524,400	839,000	458,565	1,297,565	4.26
Sports Venue	6,614,948	173,785	6,441,163	930,000	1,818,838	2,748,838	2.34
Total 2006	87,430,848	33,522,265	53,908,583	6,898,378	7,464,205	14,362,583	3.75

(Continued)

SCHEDULE OF REVENUE BOND COVERAGE BRIDGE, WATER, SEWER SYSTEM AND SPORTS VENUE LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

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	41,642,971	11,426,566	30,216,405	3,940,134	4,313,536	8,253,670	3.66
Water	26,483,082	15,098,280	11,384,802	1,558,000	986,146	2,544,146	4.47
Sewer	14,149,488	9,533,193	4,616,295	951,000	629,571	1,580,571	2.92
Sports Venue	7,344,091	240,967	7,103,124	1,040,000	1,777,551	2,817,551	2.52
Total 2007	89,619,632	36,299,006	53,320,626	7,489,134	7,706,804	15,195,938	3.51
Bridge	48,757,080	12,003,151	36,753,929	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	38,836,465	59,166,480	8,051,070	8,081,201	16,132,271	3.67
Bridge	43,724,135	11,499,210	32,224,925	4,171,233	4,151,127	8,322,360	3.87
Water	28,883,564	17,782,323	11,101,241	2,158,000	1,121,489	3,279,489	3.39
Sewer	20,362,272	9,431,314	10,930,958	1,364,000	890,814	2,254,814	4.85
Sports Venue	6,509,630	469,113	6,040,517	1,285,000	1,679,338	2,964,338	2.04
Total 2009	99,479,601	39,181,960	60,297,641	8,978,233	7,842,768	16,821,001	3.58
Bridge	46,097,657	11,365,703	34,731,954	4,863,665	3,923,865	8,787,530	3.95
Water	29,152,173	17,217,851	11,934,322	6,505,300	6,019,456	12,524,756	0.95
Sewer	22,808,510	12,091,058	10,717,452	4,944,669	2,958,338	7,903,007	1.36
Sports Venue	6,193,405	541,473	5,651,932	1,430,000	1,616,288	3,046,288	1.86
Total 2010	104,251,745	41,216,085	63,035,660	17,743,634	14,517,947	32,261,581	1.95
Bridge	46,511,403	11,577,331	34,934,072	5,087,435	3,697,171	8,784,606	3.98
Water	35,136,866	17,237,107	17,899,759	9,544,541	8,737,268	18,281,809	0.98
Sewer	27,603,852	12,615,092	14,988,760	5,176,563	3,083,142	8,259,705	1.81
Sports Venue	6,993,484	285,418	6,708,066	1,575,000	1,539,194	3,114,194	2.15
Total 2011	116,245,605	41,714,948	74,530,657	21,383,539	17,056,775	38,440,314	1.94

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

	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES				
FISCAL YEAR	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
2002	$ 83,630,000	$ 70,045,000	$ 39,315,000	$ 1,302,201	$ 1,445,000	$ 60,733,150	$ 35,435,119	$ 24,767	$ -	$ -
2003	87,705,000	77,210,000	39,410,000	2,023,643	1,445,000	60,471,080	35,760,468	-	-	-
2004	74,435,000	78,065,000	38,360,000	1,482,916	1,275,000	70,500,273	37,233,251	-	-	-
2005	88,040,000	65,685,000	37,135,000	1,960,619	1,190,000	95,751,703	25,519,803	-	-	-
2006	79,690,000	76,250,000	36,205,000	2,629,868	1,105,000	104,293,969	24,513,658	-	-	-
2007	72,200,000	145,745,000	35,165,000	5,165,702	1,020,000	116,533,053	23,478,758	-	-	-
2008	64,585,000	218,255,000	34,005,000	3,297,905	935,000	114,675,138	22,413,922	-	-	-
2009	27,989,344	172,020,000	32,720,000	1,730,061	850,000	108,065,223	21,317,923	-	32,100,655	115,815,000
2010	24,945,491	167,815,685	31,290,000	938,307	765,000	107,656,600	20,494,474	-	26,894,509	123,299,316
2011	$ 25,154,037	$ 168,839,892	$ 40,160,000	$ 1,175,951	$ 680,000	$ 181,297,000	$ 19,637,040	$ -	$ 26,835,731	$ 113,545,109

	TOTAL PRIMARY GOVERNMENT	PERSONAL INCOME	PER CAPITA	PERCENTAGE OF PERSONAL INCOME
2002	$ 291,930,237	$ 3,576,468,000	$ 1,450	8.16%
2003	304,025,191	3,793,956,000	1,464	8.01%
2004	301,351,440	4,041,613,000	1,477	7.46%
2005	315,282,125	4,454,781,000	1,464	7.08%
2006	324,687,495	4,748,324,000	1,445	6.84%
2007	399,307,513	5,077,310,000	1,725	7.86%
2008	458,166,965	5,567,524,000	1,930	8.23%
2009	512,608,206	5,624,141,000	2,199	9.11%
2010	504,098,782	5,977,993,000	2,061	8.43%
2011	$ 577,324,760	$ not available	$ 2,445	$ not available

NOTES:

(1) Median income data for calculation of Percentage of Personal Income calculation for 2011 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

	1990 CENSUS	2000 CENSUS	2010 CENSUS
TOTAL POPULATION BY RACE:			
WHITE	87,048	145,267	207,067
BLACK	144	652	1,110
OTHER	35,707	31,524	27,914
HISPANIC PERCENTAGE	93.86%	94.10%	95.62%
TOTAL HOUSEHOLDS	33,998	46,852	68,610
HOUSEHOLD POPULATION	122,899	173,532	214,484
AVERAGE HOUSEHOLD SIZE	3.61	3.70	3.64
TOTAL POPULATION BY AGE:			
0-5	17,081	18,516	24,424
6-13	20,316	18,620	49,273
14-17	10,093	16,054	14,461
18-24	17,987	29,608	27,275
25-34	20,316	28,489	35,156
34-44	14,752	23,657	34,332
44-54	9,964	17,104	27,235
54-64	8,541	10,746	18,641
65+	10,223	13,782	19,507
MEDIAN AGE TOTAL POPULATION	24.7	26.9	27.8
MEDIAN AGE ADULT POPULATION	36.8	36.8	38.6
HOUSEHOLD INCOME:			
$ 0 - $ 7,499	7,639	5,398	N/A
$ 7,500 - $ 9,999	3,074	1,799	N/A
$ 10,000 - $ 14,999	4,169	4,996	10,504
$ 15,000 - $ 24,999	5,600	8,208	7,332
$ 25,000 - $ 34,999	3,865	6,814	7,628
$ 35,000 - $ 49,999	3,226	7,078	9,130
$ 50,000 - $ 74,999	1,765	6,780	9,947
$ 75,000	1,096	5,835	14,036
MEDIAN HOUSEHOLD INCOME	$15,610	$29,108	$36,784
AVERAGE HOUSEHOLD INCOME	N/A	N/A	57,545
MEDIAN FAMILY INCOME	17,532	30,449	38,029
AGGREGATE HOUSEHOLD INCOME	$708,920	N/A	$2,247,434
PERSONAL INCOME	$1,264,416,000	$2,933,682,000	$5,624,141,000

SOURCE:

(Continued)

Laredo Chamber of Commerce

DEMOGRAPHIC STATISTICS
SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

FISCAL PERIODS	CIVILIAN LABOR FORCE	UNEMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT
2002	75,639	5,028	6.60%	70,611
2003	76,985	4,998	6.50%	71,987
2004	81,839	4,655	6.52%	77,184
2005	81,721	4,103	5.00%	77,618
2006	86,447	3,938	4.60%	82,509
2007	84,800	3,680	4.30%	81,120
2008	86,187	4,647	5.40%	81,540
2009	91,457	7,756	8.50%	83,701
2010	90,396	6,776	7.50%	83,620
2011	93,034	7,230	7.80%	85,804

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	
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	23,852	55,252	52,565	15,510,000
2006	70,083	24,102	57,489	54,568	16,420,000
2007	72,624	28,486	59,409	56,065	17,120,000
2008	78,080	28,477	60,519	57,851	18,142,000
2009	75,042	28,680	61,171	57,903	19,132,000
2010	75,497	28,862	62,195	58,726	18,500,644
2011	77,141	28,942	63,703	59,955	18,186,133

NOTES:

(1) Electric increase was estimated by 4.00% for 2002 - 2004. For 2008, the total is as of December 31, 2008

(2) Amount represents number of active customer accounts.

(3) Represents total revenue collected.

*** Legislation prohibits disclosure of telephone accounts information.**

SOURCES:

Finance Department of respective entities

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL PERIODS (10)

CITY OF LAREDO, TEXAS

TABLE 18

FISCAL PERIODS	COMMERCIAL CONSTRUCTION (A) NUMBER OF UNITS	COMMERCIAL CONSTRUCTION (A) VALUE	RESIDENTIAL CONSTRUCTION (A) NUMBER OF UNITS	RESIDENTIAL CONSTRUCTION (A) VALUE	BANK (B) DEPOSITS	PROPERTY VALUE (A) COMMERCIAL	PROPERTY VALUE (A) RESIDENTIAL	PROPERTY VALUE (A) VACANT PROPERTY	PROPERTY VALUE (A) EXEMPTIONS (1)
2002	698	$ 182,767,445	1424	$ 123,932,146	$ 6,390,861,000	$ 2,049,091,128	$ 2,851,889,227	$ 258,396,087	$ 896,821,868
2003	860	71,199,808	1495	128,619,147	6,671,288,000	2,216,703,462	3,075,832,429	297,613,702	519,598,749
2004	1020	150,716,661	1342	126,225,481	9,050,235,000	2,665,287,322	3,214,021,140	298,947,650	623,203,260
2005	1132	178,001,202	1847	198,367,334	9,080,074,000	3,003,777,851	3,643,413,881	284,434,270	575,505,390
2006	721	166,713,553	2281	221,625,892	9,871,067,000	3,251,967,681	4,022,266,136	307,462,870	605,370,550
2007	520	180,125,787	2024	198,450,164	10,830,093,000	3,538,252,162	4,689,485,109	342,911,010	670,387,610
2008	278	152,367,779	1250	132,572,308	7,606,202,000	3,971,864,502	5,699,588,209	369,653,970	647,577,934
2009	148	52,017,727	709	96,056,087	7,592,090,000	4,402,760,384	6,257,490,215	397,063,450	671,339,004
2010	110	70,266,920	622	96,580,902	8,183,979,000	4,571,159,052	6,448,188,579	377,615,393	773,831,223
2011	85	$ 94,785,851	641	$ 108,466,180	$ 8,478,675,000	$ 4,460,292,962	$ 6,488,371,519	$ 374,194,726	$ 761,010,658

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, 2011

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	6,179	7.39%
Laredo Independent School District	4,500	5.38%
City of Laredo	2,371	2.84%
U.S. Border Patrol	2,000	2.39%
H.E.B. Grocery	1,626	1.94%
Webb County	1,500	1.79%
Laredo Medical Center	1,300	1.55%
McDonald's Restaurants	1,200	1.44%
Texas A & M International University	1,215	1.45%
Wal-Mart	937	1.12%

PRINCIPAL EMPLOYERS SEPTEMBER 30, 2001

United Independent School District	3,675	5.49%
Laredo Independent School District	3,349	5.00%
City of Laredo	2,100	3.14%
Mercy Regional Medical Center	3,000	4.48%
H.E.B Grocery Store	1,247	1.86%
Webb County	1,165	1.74%
Laredo Community College	1,012	1.51%
U.S. Border Patrol	1,007	1.50%
McDonald's Restaurants	800	1.19%
Texas A&M Int'l University	696	1.04%

Principal Employers numbers as of September 2011 and 10 years ago.

SOURCE:

Laredo Development Foundation

PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	142,255,100
Texas A&M International University	Education	81,455,400
Laredo Community College	Education	43,159,500
United High School	Education	32,806,200
Laredo Municipal Housing Corp.	Housing	31,427,500
New Webb County Jail	County Jail	22,542,900
Laredo Regional Medical Center	Hospital	21,576,900
La Bota Ranch Owner Association	Housing	16,452,500
Towne North Mobil Homes	Housing	14,606,300
Winfield Community Association	Housing	12,434,200

PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2001

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Mercy Health Center	Hospital	84,256,000
Texas A&M International University	School	38,841,300
Webb County Jail	County	20,946,700
Bovis Construction Company	Industry	19,089,400
CP&L Power Plant	Electricity	16,319,600
City of Laredo	Government	15,249,300
Laredo Regional Medical Center	Hospital	14,554,900
Holiday Inn-Laredo	Storage	14,183,900
United High School	School	13,836,301
Landa Property Management	Service	13,259,000

(1) Total consumption by gallon.

Numbers show total comparison for principal water consumers as of fiscal year 2011 and 10 years ago.

SOURCE:

City of Laredo, Texas

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

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 30,2011	2,308
Number of City Departments as of September 30, 2011	21

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

YEAR	LAND AREA	INCREASE	TOTAL
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	4.57	38.07
2000	38.07	1.13	79.95
2001	79.95	4.48	81.37
2002	81.37	1.12	81.71
2003	81.71	1.42	83.97
2004	83.97	0.34	84.40
2005	84.40	2.26	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.36	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.66	92.06

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

continued

Elections	
Number of Registered Voters:	105,422
Number of Votes cast in	
Last Municipal Election: Nov 10	28,873
% of Registered Voter voting in	
Last Municipal Election:	28.06%

TRANSPORTATION

AIRPORTS

Number of Airports:	1
Name of Airport:	Laredo International Airport Flights daily to/from Houston, Dallas, Las Vegas, & Orlando
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:	104,688 per year
Passengers Deplaned:	103,485 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:	4,401,849
Number of crossing Commercial Vehicles:	1,725,335
Number of crossing Pedestrian (includes bicycles):	3,161,627
Total Tolls	$43,638,202

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

continued

RAILROADS

Number of Railroads:	4
Names of Railroads:	Texas-Mexican Railroad Union Pacific Railroad American President Lines Pacer Stacktrain

HIGHWAYS

Number of Highways:	4
Name of Major Highways	IH 35, To San Antonio, Dallas & North to The Candian Border Hwy. 59 - To Houston, New Orleans & East Hwy. 359 - To Corpus Christi Hwy. 83 - To Brownsville (east) & El Paso (west)

BUS LINES

Name of Local Bus line:	Laredo Transportation Management Inc. (El Metro) El Aguila Rural Transportation (Webb County)
Number of Adult Passengers:	1,754,508
Number of Elderly & Handicapped Paid:	222,634
Number of Elderly & Handicapped Free:	516,452
Number of Students:	190,553
Number of Children Paid:	101,030
Number of Children Free:	73,075
Number of Transfers:	306,308
Number of I.D. cards for elderly	4,144
Number of Medical Cards	1,577
Number of Service Miles:	1,953,600
Number of Charter Miles:	n/a
Number of Employees:	178
Name of Interstate Bus Lines:	Autobuses Latinos de Greyhound El Conejo Americanos USA Valley Transit Sendor Kerrville Bus Company

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

continued

FIRE PROTECTION

Number of Stations:	14
Number of Hydrants:	3,257
Number of Fire Pumpers:	14
Number of Aerial Trucks:	3
Number of Ambulances:	10
Number of Crash Trucks:	1
Number of Brush Trucks	7
Number of Haz-Mat Trucks:	1
Number of Firefighters:	357
Number of EMS Paramedics:	223
Employees per 1,000 population:	1.4

POLICE PROTECTION

Number of Stations:	1 Police Headquarters
Number of Neighborhood Policing Stations:	18
Number of Sworn Officers:	426
Number of Vehicular Patrol Units:	381
Employees per 1,000 Population:	1.804
Number of Law Violations:	32,735
Number of Physical Arrests:	7,827
Number of Traffic Violations:	29,655
Number of 911 Calls:	120,567
Number of Non-911 Calls:	271,832

MEDICAL FACILITIES

Number of Hospitals:	4
Number of Clinics:	59
Number of Nursing Homes:	3
Number of Ambulance Services:	12

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

PUBLIC WORKS

continued

WATERWORKS SYSTEM

Miles of Water Mains:	711
Daily Average Consumption:	40 Million GDP
Plant Capacity:	65 M.G.D.
Storage Capacity:	45.162 M.G.
Water Rights Owned:	52,701 A.C./F.T.
Source of Water:	Rio Grande
Number of Service Connections:	63,703

SEWER SYSTEM

Mile of Sanitary Sewer:	498
Number of Lift Stations:	72
Daily Average Treatment:	17.9 MGD
Maximum Capacity of Treatment Plants:	24.7 MGD
Number of Disposal Plants:	6
Number of Service Connections:	59,955

SOLID WASTE

Number of Garbage Connections:	55,839
Solid Waste Disposal Type:	Landfill

STREETS

Number of Paved Streets:	10,622
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	663 Miles
Miles of Unpaved Streets:	16 Blocks

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

EDUCATIONAL

continued

LAREDO INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	4
Number Of Magnet Schools:	3
Number of Classrooms:	467
Number of Administrative Personnel:	20
Number of Teachers	408
Number of Students:	5,395
Annual Budget:	$38,495,348
Number of Middle Schools:	4
Number of Classrooms:	277
Number of Administrative Personnel:	15
Number of Teachers:	329
Number of Students:	4,550
Annual Budget	$26,629,407
Number of Elementary Schools:	20
Number of Classrooms:	835
Number of Administrative Personnel:	45
Number of Teachers:	809
Number of Students:	13,697
Annual Budget:	$69,052,448

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

UNITED INDEPENDENT SCHOOL DISTRICT continued

Number of Senior High Schools:	4
Number Of Magnet Schools:	3
Number of Classrooms:	590
Number of Administrative Personnel:	103
Number of Teachers:	719
Number of Students:	12,096
Annual Budget:	$65,750,280
Number of Middle Schools:	9
Number of Classrooms:	431
Number of Administrative Personnel:	82
Number of Teachers:	582
Number of Students:	9,587
Annual Budget:	$49,058,968
Number of Elementary Schools:	27
Number of Classrooms:	1,182
Number of Administrative Personnel:	157
Number of Teachers:	1,205
Number of Students:	20,511
Annual Budget:	$100,785,733

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

continued

LIBRARIES	
Number of Public Libraries:	1
Number of Volumes:	277,924
Circulation transactions:	477,868
Circulation per Capita:	2.02
New Library Cards Issued:	22,036
Library Cards in Force:	158,813
Number of Subscriptions:	249
Number of Titles:	214,881
Number of Library Visits:	335,396
Number of Materials Used:	109,894
Library Programs Presented:	1,374
Number Attending Library Programs:	53,729
Bookmobiles:	1
Branches and Outlets:	1

PRIVATE SCHOOLS	
Number of Parochial Schools:	38
Vocational Training Centers:	14

COMMUNICATIONS	
Number of Daily Newspapers	1
Major Newspaper:	Laredo Morning Times
Number of Radio Stations:	8
Number of TV Stations:	7
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

TEXAS A&M INTERNATIONAL UNIVERSITY continued

Date Established:	Established in 1970 as a division of Texas A & I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M U. System on September 1, 1989.
Programs Offered:	Undergraduate & Graduate, and Doctoral degrees are offered by the Colleges of Business Administration, Education, Arts & Humanities & Science & Tech.
Population served:	Undergraduate/Graduate level college students seeking Liberal Arts, Education, Psycology, Business, International Trade, Science and Technology Degrees
Region Served:	South Texas Region
Number of Classrooms/Labs:	119
Number of Administrators:	145
Number of Full-Time Faculty:	192
Number of Part-Time Faculty:	82
Number of Full-Time Students:	4,023
Number of Part-Time Students:	3,015

LAREDO COMMUNITY COLLEGE

Date Founded:	1947
Programs Offered:	Asociates of Art , Degrees in Engineering Education, Medicine, Dentistry, Nursing, Law, Business Administration, Computer Science and Vocational Education.
Number of Classrooms (Inc. labs):	331
Total Gross Square Footage:	1,054,327 Sq. Ft.
Number of Administrative Personnel:	154
Number of Full Time Faculty:	196
Number of Part Time Faculty:	130
Number of Full Time Students:	3,777
Number of Part Time Students:	6,302
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	$48,314,684

MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

RECREATIONAL

continued

PARKS

Number of Acres Maintained:	877.9
Number of Parks:	72
Number of Plazas:	4
Baseball & Softball Fields:	47
Number of Swimming Pools:	6
Number of Soccer Fields:	22
Number of Tennis Court Facilities:	18 courts in 5 facilities
Number of Raquetball Facilities:	5 courts in 2 facilities
Number of Recreational Centers:	7
Number of Splash Parks	6
Number of Skate Parks	8

CEMETERY

City:	1
Catholic:	1
Private:	1
Burials Served:	204
Cemetery Lots Sold:	106

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	42 with 4,012 rooms
Meeting Facilities:	67

MISCELLANEOUS STATISTICS SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

continued

MAJOR ATTRACTIONS

Number of Rodeo Arenas:	2
Number of Museums:	5
Number of Golf Courses:	2
Number of Tennis Courts:	20
Number of Tennis Court Facilities:	5
Number of Malls:	1
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Laredo International Sister Cities Festival Washington Birthday Celebration in February Jamboozie Miss Laredo Pageant Founder's Day in May Miss Texas USA Pageant 4th of July Celebration SOS Concert Autmus Fest 16 de Septiembre Navidadfest Border Olympics Int.'l Cycling Circuit Race

CIVIC CENTER

Auditorium:	1 with 1,979 Seats
Banquet & Exibit Hall:	20,440.8 sq ft (1,400 seats)
Meeting Rooms:	4 Meeting Rooms with capacity of 64 Per Room
Parking Spaces:	962

CHURCHES

Number of Catholic Churches:	20, including 5 Missions
Number of Synagogues:	1
Other Churches:	63

MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2011

CITY OF LAREDO, TEXAS

TABLE 21

SPORTS ARENA

continued

Square Feet:	178,000
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	6
Food Courts:	8
Team Stores:	1
Parking Spaces	2,000
Major Attraction	CFL Hockey Team: The Laredo Bucks Indoor Football: Laredo Rattlesnakes

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

CITY OF LAREDO, TEXAS

INSURANCE IN FORCE FOR THE CITY OF LAREDO INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM LAREDO WATERWORKS SYSTEM, AND THE LAREDO SEWER SYSTEM SEPTEMBER 30, 2011

TABLE 22

DESCRIPTION	TYPE OF COVERAGE		POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)		$364,747,333
ALL PREMISES	General Liability		1,000,000
VEHICLES	Automobile Liability		1,000,000
	Auto Physical Damage	PER SCHEDULE, ACTUAL CASH VALUE	
LIABILITY	Errors & Ommissions		1,000,000
	Public Employee Dishonesty		1,000,000
PROPERTY	Mobile Equipment		15,561,782
	Boiler & Machinery	Per Accident	5,000,000
AIRPORT LIABILITY	Comprehensive General Liability,	Primary Policy	20,000,000
	Personal Injury Liability Coverage	Excess Policy	50,000,000
	Airport Control Tower Operations		PER OCCURANCE
LAW ENFORCEMENT	Law Enforcement Liability		1,000,000
PUBLIC OFFICIALS	Personal Injury and errors and ommissions		1,000,000
WORKER'S COMPENSATION	All City employees for all funds-		STANDARD POLICY/
	Employer's Liability (2)		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 SIX FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 23

	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30					
FUNCTION	2011	2010	2009	2008	2007	2006
General Government	349.10	347.10	339.10	332.10	323.29	316.99
Public Safety						
Police						
Officers	482.00	455.00	455.00	455.00	399.00	411.00
Civilians	89.00	89.00	89.00	89.00	105.00	84.00
Fire						
Firefighters and Officers	357.00	357.00	357.00	350.00	333.00	333.00
Civilians	10.00	10.00	10.00	9.00	9.00	8.00
Other Civilians	62.00	62.00	62.00	62.00	61.00	60.00
Public Works	118.00	118.00	118.00	119.00	113.50	83.50
Health and Welfare	289.88	279.88	251.88	250.55	248.88	257.60
Culture and Recreation	245.93	245.93	245.93	241.93	238.68	231.28
Air Transportation	48.00	47.00	42.00	37.00	43.00	41.00
Bridge System	207.00	207.00	218.00	212.00	212.00	213.00
Solid Waste Management System	128.00	132.00	168.00	168.00	169.00	169.00
Water System	188.00	188.00	179.00	169.00	179.00	146.00
Sewer System	72.00	72.00	69.00	69.00	69.00	48.00
Transit System	185.10	184.70	184.70	179.31	179.31	179.31
Municipal Housing	11.00	11.00	11.00	11.00	11.25	10.25
Total	2,842.01	2,805.61	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 2009	FISCAL YEAR 2010	FISCAL YEAR 2011
Police			
Physical arrests	8,319	7,832	7,827
Vehicle inspections (Used Dealerships	818	29	34
Bridge operations conducted	134	115	63
Emergency calls	189,312	158,922	120,567
Non-emergency calls	288,998	222,698	271,832
Dispatched calls	478,310	381,620	392,399
Public awareness/training/education	65	63	108
Fire			
Fire department responses	8,002	9,333	9,092
Inspections	3,067	1,873	1,712
Arson cases investigated	84	80	87
Public education presentations	65	77	81
Public Works			
Street resurfaced	600	490	462
Potholes repaired	23,733	23,967	22,247
Bridge			
Pedestrian crossings	4,124,272	3,746,170	3,161,627
Gateway passes sold	4,010,461	3,638,851	3,110,189
Non-commercial vehicle crossings	3,644,695	4,669,024	4,401,849
Commercial vehicle crossings	1,400,969	1,575,893	1,725,335
Non-commercial AVI accounts	13,000	14,033	10,448
Commercial AVI accounts	2,150	2,819	3,388
Culture and recreation			
Community center admissions	294,342	365,265	345,442
Community service special events	74	63	71
After school programs	11	14	7
Transit System			
Passenger ridership	3,369,008	3,365,661	2,858,252
Miles driven	1,980,520	1,968,004	1,953,600
Sanitation			
Household customers	54,588	54,850	55,839
Refuse collected (tons)	100,083	95,384	104,680
Recyclables collected (tons)	3,385	4,200	3,684
Water			
Average daily consumption (millions of gallons)	37.96	32.60	40.00
Meters read	60,880	61,675	63,031
Service calls	6,973	6,943	7,561
Wastewater			
Average daily sewage treatment (millions of gallons)	17.45	18.00	17.90
Airport			
Commercial Service Airlines	3	3	3
Land/Building Leases	90	89	83
Inbound/Outbound Passengers serviced	203,854	221,558	208,173
Scheduled Flights per day	8	8	8

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

SOURCE:

City of Laredo, Texas

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST FIVE FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 25

FUNCTION	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008	FISCAL YEAR 2007
Public Safety					
Police:					
Stations	18	18	18	18	18
Patrol Units	381	468	413	433	470
Fire:					
Stations	14	14	14	14	14
EMS Units	10	9	13	13	9
Ladder Trucks	3	3	3	3	3
Pumper Trucks	14	14	17	18	14
Highways and Streets					
Public Works:					
Streets - lane miles	663	660	656	641	631
Traffic:					
Traffic Signals	243	246	243	241	239
Street Lights	13,649	13,261	13,087	13,035	12,800
Other Traffic Control Signs	34,209	33,775	33,475	32,500	31,500
Bridge System					
International Bridges	4	4	4	4	4
Culture and Recreation					
Parks Acreage	882	878	838	1,035	738
Parks	72	71	70	64	71
Swimming Pools	6	6	6	6	6
Community Centers	8	10	8	8	7
Convention Centers	1	1	1	1	1
Transit System					
Buses	47	48	47	47	47
Trolleys	2	3	2	2	2
Sanitation					
Collection Trucks - Rear Loaders	23	20	21	21	25
Collection Trucks - Automated	41	41	31	29	29
Collection Trucks - Dump Trucks	0	3	3	4	4
Collection Trucks - Grapplers	5	6	6	6	2
Water					
Water Mains (miles)	711	702	702	681	660
Fire Hydrants	3,257	3,221	3,155	2,920	2,740
Maximum Daily Capacity (millions of gallons)	65	65	65	65	65
Wastewater					
Sanitary Sewer (miles)	498	450	491	473	426
Maximum Daily Treatment Capacity (millions of gallons)	24.7	22.70	21.10	21.00	21.05
Environmental Services					
Storm Drainage (miles)	183	230	202	121	113
Air Transportation					
Airports	1	1	1	1	1

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

SOURCE:

City of Laredo, Texas

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 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, and 2011. The tables apply to the following issues:

Tax and Revenue Certificate of Obligation, Series 2002	$	9,925,000
International Toll Bridge System Revenue Bond, Series 2002		12,105,000
Waterworks System Revenue Bond, Series 2002		741,000
Sewer System Revenue Bond, Series 2002		710,000
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 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
Waterworks & Sewer Systems Subordinated Revenue Bond, Series 2009		7,500,000
Combination Tax and Revenue Certificate of Obligation, Series 2009D (BAB)		37,945,000
Public Property Finance Contractual Obligations, Series 2010		5,080,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2010		4,095,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010		2,070,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010B		2,040,000
General Obligation Refunding Bond, Series 2010		9,345,000
Combination Tax and Revenue Certificate of Obligation, Series 2010		9,545,000
Waterworks & Sewer Systems Revenue Bond, Series 2010		82,175,000
Sports Venue Sales Tax Revenue Bonds, Series 2011	$	10,445,000

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2010 Market Valuation Established by Webb County Appraisal District (as of September 2010)		11,398,516,794
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	230,680,706	
Disabled Veterans Exemptions	23,737,325	
Agricultural and Open Space Land Use Reductions	207,094,889	
Free Port Exemptions	181,769,899	
Property Redevelopment and Tax Abatement	100,868,643	
Pollution Control	13,136,540	
Other Exemptions	3,722,656	761,010,658
2010 Taxable Assessed Valuation		10,637,506,136
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	25,154,007	
Certificates of Obligation	168,839,892	
Funded Debt Payable from Ad Valorem Taxes		193,993,899
Less: Self-supporting Debt		
Bridge System General Obligation Debt	6,077,451	
Airport System Certificates of Obligation	5,935,000	
Enviromental Services Certificates of Obligation	21,184,892	
Parking System General Obligation Debt	915,485	
Parking System Certificates of Obligation	1,115,000	35,227,828
General Purpose Funded Debt Payable from Ad Valorem Taxes		158,766,071
Interest and Sinking Fund		8,272,028
Ratio Funded Debt to Taxable Assessed Valuation		1.82%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.49%

2010 Estimated Population-	240,135
Per Capita Taxable Assessed Valuation-	$44,298
Per Capita Funded Debt-	$808
Per Capita General Purpose Funded Debt-	$661

(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: $176,831,654 Waterworks System Revenue Bonds; $68,797,050 Sewer System Revenue Bonds; $74,622,040 International Toll Bridge System Revenue Bonds; $8,237,066 Transit System Revenue Bonds; $16,519,366 Solid Waste Revenue Bonds; and $40,160,000 Sports Venue Sales Tax Revenue Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2011		2010		2009	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,758,393,175	50.52%	5,642,149,175	49.50%	5,512,603,199	48.37%
Real, Residential, Multifamily	363,783,782	3.19%	350,283,403	3.07%	334,225,503	2.93%
Real, Vacant Lots/Tracts	374,194,726	3.28%	377,615,393	3.31%	397,063,450	3.48%
Real, Acreage (Land Only)	364,100,202	3.19%	377,971,484	3.32%	331,543,882	2.91%
Real, Farm and Ranch Improvements	2,094,360	0.02%	2,104,590	0.02%	2,539,350	0.02%
Real, Commercial/Industrial	3,013,478,258	26.44%	3,005,989,286	26.37%	2,862,878,623	25.12%
Real, Oil, Gas, and Other Mineral Reserves	20,194,565	0.18%	20,606,845	0.18%	33,697,085	0.30%
Real and Tangible Personal, Utilities	217,971,470	1.91%	196,643,590	1.73%	230,761,250	2.02%
Tangible Personal, Commercial/Industrial	1,135,466,249	9.96%	1,264,466,251	11.09%	1,210,511,686	10.62%
Tangible Personal, Other	75,657,587	0.66%	75,679,927	0.66%	76,578,281	0.67%
Real Property, Inventory (1)	52,822,580	0.46%	63,248,160	0.55%	39,264,150	0.34%
Special Inventory	20,359,840	0.18%	20,204,920	0.18%	25,647,590	0.23%
Total Appraised Value Before Exemptions	11,398,516,794	100.00%	11,396,963,024	99.99%	11,057,314,049	97.02%
Less: Total Exemptions/Reductions	761,010,658		773,831,223		671,339,004	
Taxable Assessed Value	10,637,506,136		10,623,131,801		10,385,975,045	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2008		2007	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	4,953,719,865	49.33%	4,405,051,162	48.98%
Real, Residential, Multifamily	314,091,897	3.13%	284,433,947	3.16%
Real, Vacant Lots/Tracts	369,653,970	3.68%	342,911,010	3.81%
Real, Acreage (Land Only)	349,849,007	3.48%	293,240,703	3.26%
Real, Farm and Ranch Improvements	1,404,310	0.01%	1,125,845	0.01%
Real, Commercial/Industrial	2,623,142,905	26.12%	2,357,953,648	26.22%
Real, Oil, Gas, and Other Mineral Reserves	27,148,765	0.27%	29,016,290	0.32%
Real and Tangible Personal, Utilities	172,801,560	1.72%	165,448,100	1.84%
Tangible Personal, Commercial/Industrial	1,102,980,512	10.98%	985,834,124	10.96%
Tangible Personal, Other	80,523,130	0.80%	84,319,470	0.94%
Real Property, Inventory (1)	18,066,770	0.18%	13,407,900	0.15%
Special Inventory	27,723,990	0.24%	30,437,410	0.34%
Total Appraised Value Before Exemptions	10,041,106,681	100.00%	8,993,179,609	100.00%
Less: Total Exemptions/Reductions	647,577,934		585,142,683	
Taxable Assessed Value	9,393,528,747		8,408,036,926	

NOTE: Valuations shown are certified taxable assessed values reported by the Webb County Appraisal District to the State Controller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

(1) Real inventory properties in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9-30	Estimated Population (1)	Taxable Assessed Valuations (2)	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2002	201,292	4,713,792,517	23,418	153,675,000	3.26%	763
2003	207,611	5,070,586,594	24,423	151,940,000	3.00%	732
2004	214,000	6,018,438,664	28,124	152,500,000	2.53%	713
2005	215,375	6,773,135,203	31,448	153,725,000	2.27%	714
2006	224,695	7,449,143,814	33,152	155,940,000	2.09%	694
2007	231,470	8,408,036,926	36,325	217,945,000	2.59%	942
2008	237,396	9,393,528,747	39,569	282,840,000	3.01%	1,191
2009	233,152	10,385,975,045	44,546	200,009,344	1.93%	858
2010	244,580	10,623,131,801	43,434	192,761,176	1.81%	788
2011	240,135	10,637,506,136	44,298	193,993,899	1.82%	808

(1) Source: City of Laredo and Laredo Development Foundation.
(2) As reported by the Webb County Appraisal District on City's annual State Property Tax Board Reports.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9-30	Tax Rate	Distribution General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2002	0.576358	0.435878	0.140480	32,039,639	95.92%	103.11%
2003	0.630534	0.484758	0.145776	33,435,345	99.97%	107.29%
2004	0.641761	0.500648	0.141113	38,455,159	97.42%	105.58%
2005	0.637000	0.508677	0.128323	43,209,681	96.49%	104.70%
2006	0.637000	0.512019	0.124981	47,451,046	96.84%	103.73%
2007	0.637000	0.513745	0.123255	53,559,195	87.31%	93.31%
2008	0.637000	0.511426	0.125574	59,584,704	97.08%	103.17%
2009	0.637000	0.512737	0.124263	65,642,287	96.27%	102.37%
2010	0.637000	0.512772	0.124228	66,926,927	96.58%	102.05%
2011	0.637000	0.512304	0.124696	67,184,974	96.52%	101.43%

Tax collections as of September 30, 2011

TABLE 5 – TEN LARGEST TAXPAYERS

Taxpayer	Type of Business	2010 Assessed Valuation Real & Personal Property	Percentage of Total Assessed Valuation
Laredo Texas Hospital Co., LP	Medical	102,045,830	0.96%
AEP Texas Central Company	Electricity	58,798,630	0.55%
The Geo Group, Inc.	Corrections	53,004,830	0.50%
Mall Del Norte, LLC	Retail	52,646,610	0.49%
Laredo Regional Medical Center, LP	Medical	42,262,660	0.40%
Electric Transmission of Texas, LLC	Electricity	40,720,760	0.38%
International Bank of Commerce	Banking	34,635,050	0.33%
Killam Ind. Dev. Partnership, Ltd.	Development	31,116,490	0.29%
H.E. Butt Grocery Company	Grocery Store	28,807,740	0.27%
Farias Development, Ltd.	Development	28,035,060	0.26%
		472,073,660	4.44%

NOTE: As of February 29, 2012, the following taxpayer is not current on their taxes: INTERNATIONAL BANK OF COMMERCE.

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.

Taxing Jurisdiction	2010 Taxable Assessed Valuation	2010 Tax Rate	Total Funded Debt	Estimated % Applicable	City's Overlapping Funded Debt As of 09-30-11
City of Laredo	10,637,506,136	0.637000	193,993,899	100.00%	193,993,899
Laredo Independent School District	2,208,434,168	1.274000	210,439,211	100.00%	210,439,211
Laredo Community College District	10,614,922,560	0.238120	169,351,069	100.00%	169,351,069
United Independent School District	10,296,645,310	1.194860	280,651,007	75.69%	212,424,747
Webb County	14,187,900,118	0.420050	69,149,000	70.75%	48,922,918
				Total Direct and Overlapping G.O. Tax Debt	835,131,844
				Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation	1.74%
				Per Capita Overlapping G. O. Tax Debt	3,477.76

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2012		$ 24,208,839
Interest and Sinking Fund, 9-30-2011	8,272,028	
Property Taxes for Interest and Sinking Fund	13,021,955	
Paving Assessments	27,998	
Budgeted Transfers	8,403,551	
Estimated Investment Income	43,700	29,769,232
Estimated Balance, 9-30-2012		$ 5,560,393

TABLE 8A – GENERAL OBLIGATION DEBT SERVICE

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2010 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2012	9,934,977	1,217,912	11,152,889	6,578,523	4,574,366	15.21%
2013	10,320,000	1,456,562	11,776,562	7,029,918	4,746,644	
2014	8,958,289	1,455,162	10,413,451	5,652,411	4,761,040	
2015	4,849,211	923,825	5,773,036	2,200,561	3,572,475	
2016	4,669,450	918,800	5,588,250	2,228,316	3,359,934	
2017	4,736,951	925,913	5,662,864	2,229,855	3,433,009	81.27%
2018	3,531,200	924,913	4,456,113	1,794,862	2,661,251	
2019	1,460,199	922,713	2,382,912	1,359,544	1,023,368	
2020	1,149,696	924,213	2,073,909	1,042,485	1,031,424	
2021	771,453	745,656	1,517,109	672,907	844,202	
2022	-	744,600	744,600	671,376	73,224	100.00%
Total	50,381,426	11,160,269	61,541,695	31,460,758	30,080,937	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2010A	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2012	24,668,660	329,656	24,998,316	9,965,836	15,032,480	6.10%
2013	24,563,933	327,650	24,891,583	9,792,117	15,099,466	
2014	25,132,559	325,406	25,457,965	9,804,858	15,653,107	18.57%
2015	24,527,730	327,806	24,855,536	9,798,243	15,057,293	
2016	24,532,296	324,850	24,857,146	9,803,678	15,053,468	
2017	24,526,059	326,538	24,852,597	9,807,889	15,044,708	
2018	24,538,695	327,750	24,866,445	9,812,689	15,053,756	
2019	23,946,665	328,488	24,275,153	9,146,861	15,128,292	49.12%
2020	23,956,209	328,750	24,284,959	9,149,679	15,135,280	
2021	23,577,609	328,537	23,906,146	8,777,649	15,128,497	
2022	23,546,237	327,850	23,874,087	8,758,466	15,115,621	
2023	23,092,329	326,687	23,419,016	8,335,919	15,083,097	
2024	22,472,419	325,050	22,797,469	8,024,026	14,773,443	79.63%
2025	21,816,741	327,819	22,144,560	7,512,060	14,632,500	
2026	20,535,934	324,994	20,860,928	7,475,189	13,385,739	
2027	19,138,873	326,575	19,465,448	7,431,808	12,033,640	
2028	12,530,803	327,444	12,858,247	6,822,126	6,036,121	
2029	9,843,622	327,600	10,171,222	6,775,441	3,395,781	99.70%
2030	7,466,177	-	7,466,177	6,731,177	735,000	
2031	6,679,706	-	6,679,706	6,679,706	-	
2032	6,635,327	-	6,635,327	6,635,327	-	
2033	6,582,334	-	6,582,334	6,582,334	-	
2034	3,361,440	-	3,361,440	3,361,440	-	100.00%
2035	3,306,065	-	3,306,065	3,306,065	-	
2036	3,243,796	-	3,243,796	3,243,796	-	
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
Total	443,580,632	5,889,450	449,470,082	202,892,793	246,577,289	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Airport Revenue from Fiscal Year Ended 9-30-11	(60,160)
Less: Airport Revenue Bond Requirements, 2012 Fiscal Year Ended	500,537
Balance Available for Other Purposes	(560,697)
Airport General Obligation Bond Requirements, 2012 Fiscal Year Ended	-
Balance	(560,697)
Percentage of Airport General Obligation Bonds Self-supporting	0%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-11	4,488,623
Less: Sewer System Revenue Bond Requirements, 2012 Fiscal Year Ended	2,953,840
Balance Available for Other Purposes	1,534,783
Sewer System General Obligation Bond Requirements, 2012 Fiscal Year Ended	2,524,434
Balance	(989,651)
Percentage of Sewer System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Waterworks System	
Net Revenues from Fiscal Year Ended 9-30-11	(1,073,043)
Less: Waterworks Revenue Bond Requirements, 2012 Fiscal Year Ended	4,721,384
Balance Available for Other Purposes	(5,794,427)
Waterworks System General Obligation Bond Requirements, 2012 Fiscal Year Ended	3,413,992
Balance Available for Other Purposes	(9,208,419)
Percentage of Waterworks System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Mass Transit	
Net Revenue from Fiscal Year Ended 9-30-11	(448,926)
Less: Mass Transit Revenue Bond Requirements, 2012 Fiscal Year Ended	827,187
Balance Available for Other Purposes	(1,276,113)
Mass Transit General Obligation Bond Requirements, 2012 Fiscal Year Ended	443,600
Balance	(1,719,713)
Percentage of Mass Transit General Obligation Bonds Self -supporting	100%

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

Computation of Self-supporting Debt-Solid Waste Fund (Landfill Fund)	
Net Revenue from Fiscal Year Ended 9-30-11	1,163,550
Less: Solid Waste Revenue Bond Requirements, 2012 Fiscal Year Ended	1,319,906
Balance Available for Other Purposes	(156,356)
Solid Waste General Obligation Bond Requirements, 2012 Fiscal Year Ended	196,502
Balance	(352,858)
Percentage of Solid Waste General Obligation Bonds Self-supporting	100%

TABLE 10 - OTHER OBLIGATIONS

Fiscal Year Ended September 30	Lease Payments
2012	522,756
2013	522,756
2014	214,956
Total Minimum Lease Payments	1,260,468

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,				
	2011	2010	2009	2008	2007
Revenues:					
Taxes	82,825,288	79,720,751	79,205,602	76,258,746	70,690,523
Franchises	6,995,838	6,668,731	6,788,837	6,793,268	6,506,014
Licenses & Permits	5,795,171	5,833,700	5,804,115	5,423,364	6,148,720
Intergovernmental	1,629,571	1,581,037	506,126	880,661	1,351,157
Charges for Services	32,061,368	32,533,435	30,572,648	32,406,865	28,275,249
Fine and Special Assessment	3,248,911	3,230,565	2,819,186	3,006,348	2,629,702
Interest and Other	931,281	921,017	1,568,003	1,758,899	1,889,840
Other	1,687,095	1,390,982	1,578,719	1,990,745	1,750,572
Total Revenues	135,174,523	131,880,218	128,843,236	128,518,896	119,241,777
Expenditures:					
General Government	18,295,821	17,864,806	17,603,178	16,708,796	16,548,260
Public Safety	92,803,746	89,777,961	86,642,904	84,875,344	75,891,973
Public Works	7,049,101	6,838,476	6,603,736	7,261,913	7,465,068
Health and Welfare	839,064	870,349	958,764	920,952	560,866
Culture and Recreation	11,139,218	10,499,519	10,162,597	11,114,135	10,551,572
Capital Outlay	11,291,552	18,458,452	9,539,344	114,517	-
Total Expenditures	141,418,502	144,309,563	131,510,523	120,995,657	111,017,739
Excess (Deficiency) of Revenues Over Expenditures	(6,243,979)	(12,429,345)	(2,667,287)	7,523,239	8,224,038
Transfers In	6,681,267	2,608,800	1,969,695	12,685	733,997
Bond/Capital Lease Proceeds	-	2,070,000	-	46,235,000	144,235
Captial Lease Payments	-	-	(102,232)	(102,232)	(400,000)
Bond Costs	-	(70,000)	-	(766,853)	-
Bond Premium	-	-	-	772,484	-
Transfers Out	(9,738,939)	(5,326,814)	(4,527,830)	(3,885,302)	(6,836,898)
Contributions	9,749,327	17,394,912	9,340,787	(46,471,173)	-
Sale of Assets	126,432	6,356	58,685	155,843	192,338
Total Transfers In/(Out)	6,818,087	16,683,254	6,739,105	(4,049,548)	(6,166,328)
Net Increase (Decrease)	574,108	4,253,909	4,071,818	3,473,691	2,057,710
Beginning Fund Balance	34,946,332	30,692,423	26,620,605	23,146,914	21,089,204
Ending Fund Balance	35,520,440	34,946,332	30,692,423	26,620,605	23,146,914

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)
2002	21,447,813	67%	0.3858	106.55
2003	22,547,235	67%	0.4252	108.60
2004	24,374,768	63%	0.4050	113.90
2005	26,433,198	61%	0.3902	122.73
2006	29,894,463	63%	0.4013	133.04
2007	31,384,048	59%	0.3733	135.59
2008	32,518,723	55%	0.3476	136.98
2009	30,308,403	46%	0.2941	129.99
2010	29,339,115	44%	0.2792	119.96
2011	33,669,024	50%	0.3192	140.21

(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	6.25%
Total	8.25%

TABLE 13 - CURRENT INVESTMENTS

As of September 30, 2011, 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 185 days to its final maturity. The City's funds are invested as follows:

Investment Pools	$	110,099,928
Certificates of Deposit		292,514,953
Total	$	402,614,881

LAREDO BRIDGE SYSTEM

The system presently consists of the Gateway to the Americas Bridge (Bridge No. 1), the Juarez/Lincoln International Bridge (Bridge No. 2), the Columbia Solidarity Bridge (Bridge No. 3), and the World Trade Bridge (Bridge No. 4). Bridge No. 1 was built in 1956 and was enlarged to a 40-foot width. It has four vehicular traffic lanes with 8-foot covered pedestrian sidewalks on each side and aluminum outside railings. Bridge No. 2 was built in 1976. Total width of Bridge No. 2 is 98.4 feet and accommodates up to eight vehicular traffic lanes with a sidewalk and includes protective barriers and high curbs to separate the sidewalk from the roadway. Bridge No. 3 was built in 1991. This bridge structure is a simple plan structure consisting of six 12' wide vehicular lanes. Bridge No. 4 was built in 2000 and has eight vehicle lanes.

The system presently has 25 toll lanes, all of which are equipped with an automated toll collection system which counts truck axles and charges accordingly. The toll collection process was recently restructured and upgraded to include a weight-in-motion system for truck toll collections for the Laredo Bridge System. The bridge system employs a staff of 207 employees, approximately 78 of which are directly involved in toll collection operations. Another 129 employees are involved in various aspects of administration, including maintenance, toll technicians, accounting, customer service, traffic control, and general administration.

LAREDO BRIDGE SYSTEM
CURRENT AND HISTORICAL INFORMATION

TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC

CALENDAR YEAR	NON-COMMERCIAL VEHICLES	COMMERCIAL VEHICLES	TOTAL VEHICLES	PEDESTRIANS
2001	7,744,421	1,398,064	9,142,485	4,281,313
2002	7,023,501	1,454,517	8,478,018	4,101,208
2003	7,020,005	1,397,421	8,417,426	4,028,299
2004	7,025,709	1,453,807	8,479,516	4,133,170
2005	6,655,426	1,485,435	8,140,861	3,993,263
2006	6,056,829	1,704,727	7,761,556	4,148,359
2007	5,718,799	1,662,549	7,381,348	4,161,523
2008	5,539,281	1,608,566	7,147,847	4,362,476
2009	5,045,664	1,400,969	6,446,633	4,124,272
2010	4,669,024	1,575,893	6,244,917	3,746,170
2011	4,401,849	1,725,335	6,127,184	3,161,627

TABLE 2 - TOLL RATES FOR THE SYSTEM

<u>New Rate Schedule (Southbound only) Effective October 24, 2008:</u>	
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
<u>Old Rate Schedule (Southbound only) Effective April 25, 2008</u>:	
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

MONTH	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008	FISCAL YEAR 2007
OCT	3,627,234	3,638,421	3,672,960	3,931,482	3,260,281
NOV	3,591,235	3,490,378	3,432,820	3,853,868	3,294,600
DEC	3,788,623	3,832,483	3,748,609	3,985,808	3,420,517
JAN	3,454,475	3,322,648	3,118,442	3,658,372	2,960,412
FEB	3,373,217	3,252,861	3,105,349	3,669,850	2,904,326
MAR	3,790,362	3,751,600	3,391,086	3,745,655	3,289,547
APR	3,702,584	3,583,838	3,322,093	3,817,597	3,076,696
MAY	3,712,938	3,632,644	3,242,775	3,792,909	3,209,794
JUN	3,775,125	3,685,688	3,328,502	3,794,493	3,244,151
JUL	3,518,264	3,327,520	3,514,620	3,866,801	3,161,768
AUG	3,720,401	3,705,904	3,465,722	3,750,195	3,251,761
SEP	3,583,744	3,596,149	3,473,276	3,709,228	2,977,709
TOTAL	43,638,202	42,820,134	40,816,254	45,576,258	38,051,562

TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM

Fiscal Year Ended 9-30	Bond Principal	Bond Interest	Bond Total	SIB Loan Total	Total Outstanding Debt	% of Total Debt Service Retired
2012	4,390,000	2,679,132	7,069,132	1,697,709	8,766,841	8.76%
2013	4,605,000	2,499,951	7,104,951	1,697,708	8,802,659	
2014	4,815,000	2,284,965	7,099,965	1,697,709	8,797,674	
2015	5,055,000	2,062,228	7,117,228	1,697,708	8,814,936	
2016	5,310,000	1,811,790	7,121,790	1,697,708	8,819,498	43.94%
2017	5,585,000	1,547,941	7,132,941	1,697,708	8,830,649	
2018	5,870,000	1,269,742	7,139,742	1,697,708	8,837,450	
2019	3,270,000	976,544	4,246,544	1,697,708	5,944,252	
2020	2,770,000	818,398	3,588,398	1,697,709	5,286,107	
2021	2,905,000	678,132	3,583,132	1,697,708	5,280,840	78.08%
2022	3,055,000	530,161	3,585,161	1,697,708	5,282,869	
2023	2,285,000	373,618	2,658,618	1,697,708	4,356,326	
2024	2,400,000	255,306	2,655,306	1,697,708	4,353,014	
2025	2,010,000	131,006	2,141,006	1,697,708	3,838,714	
2026	210,000	31,086	241,086	1,697,708	1,938,794	97.82%
2027	220,000	21,195	241,195	1,697,666	1,938,861	
2028	230,000	10,833	240,833	-	240,833	100.00%
TOTAL	54,985,000	17,982,028	72,967,028	27,163,289	100,130,317	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	2011	2010	2009	2008	2007
REVENUES					
Toll Receipts	43,638,202	42,820,134	40,816,254	45,576,258	38,051,562
Rental of Facilities	2,734,637	2,700,169	2,417,709	2,182,015	2,120,862
Miscellaneous	59,631	377,044	29,871	61,891	14,811
Total	46,432,470	45,897,347	43,263,834	47,820,164	40,187,235
EXPENSES					
Personnel Services	7,451,573	6,950,196	7,759,920	7,646,420	7,474,294
Materials and Supplies	566,377	494,239	403,344	749,864	677,734
Contractual Services (1)	3,558,081	3,867,475	3,316,797	3,589,207	3,250,608
Other	1,300	53,793	19,149	17,660	23,930
Total	11,577,331	11,365,703	11,499,210	12,003,151	11,426,566
NON-OPERATING REVENUE					
Interest Earnings-Restricted	55,901	163,246	103,219	762,427	1,114,714
Interest Earnings-Unrestricted	23,032	37,064	369,021	204,796	259,386
Unrealized Gain/(Loss) on Investments	-	-	(11,939)	(30,307)	81,636
Net Revenues Available for for Debt Service	34,934,072	34,731,954	32,224,925	36,753,929	30,216,405
Debt Service	8,784,606	8,787,530	8,322,360	8,144,751	8,253,670
Surplus Revenues	26,149,466	25,944,424	23,902,565	28,609,178	21,962,735

(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, 2012 through 2028	$	4,292,178
Coverage of Average Requirements by 9-30-11 Net Income		6.09
Maximum Annual Principal and Interest Requirements, after FYE 2012 through 2028	$	7,139,742
Coverage of Maximum Requirements by 9-30-11 Net Income		3.66
Reserve Fund	$	4,292,178
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, 2012 through 2028	$	5,890,019
Coverage of Average Requirements by 9-30-11 Net Income		4.44
Maximum Annual Principal and Interest Requirements, after FYE 2012 through 2028	$	8,837,450
Coverage of Maximum Requirements by 9-30-10 Net Income		2.96

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
2002	34,408,912	8,413,669	25,995,243	7,222,409	4
2003	34,836,756	8,728,556	26,108,200	6,878,415	4
2004	35,574,197	9,210,546	26,363,651	6,796,347	4
2005	39,231,949	10,020,392	29,211,557	9,521,805	3
2006	42,757,164	10,851,262	31,905,902	8,348,905	4
2007	41,642,971	11,426,566	30,216,405	8,253,670	4
2008	48,757,080	12,003,151	36,753,929	8,144,751	5
2009	43,724,135	11,499,210	32,224,925	8,322,360	4
2010	46,097,657	11,365,703	34,731,954	8,787,530	4
2011	46,511,403	11,577,331	34,934,072	8,784,606	4

(1) Operating expenses do not include depreciation expense and non-operating expenses.

LAREDO INTERNATIONAL AIRPORT DISCLOSURES

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 Airlines to Dallas/Fort Worth, United Express to Houston Bush Intercontinental and Allegiant Air to Las Vegas, Nevada and Orlando, Florida. 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, Federal Inspection Facility with 24/7 services, and Transportation Security Administration.

In the area of commercial passenger enplanement activity for 2011 decreased by 9.69% compared to 2010. Allegiant Air has added additional summer time flights including new scheduled flight service to Orlando, Florida 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 (25) 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., National Air Cargo, Northern Air Cargo, Lynden Air, and Contract Air. Cargo increased during 2011 by approximately 9.37% as a result of the improved 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 avigation easement, or
- Offer to acquire the avigation 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 2011 included the Extension of Runway 17R, Rehabilitate GA Apron Phase 5, Airport Wildlife Hazardous Study, installation & upgrade of Airport Security Access System, architectural / engineering work of a Federal Inspection Facility. The Federal Aviation Administration paid 95% of the cost.

Projects for 2012 include construct a Federal Inspection Facility, Airport Geographic Information System "AGIS" Survey, FAR Part 150 Airport Noise Contour Update Study, Rehabilitate GA Apron Phase 6 realignment of a portion of Taxiway F, construction for realignment of a portion of Taxiway F & J, rehabilitation and upgrade of EMAS, construction of Airport Rescue and Fire Fighting Station, Mexican Customs, Application to the Foreign Trade Zone's Board of the Alternative Site Framework "ASF", and FAA Contract Tower 24/7 Services.

During the past eighteen (18) years, the City and the Federal Aviation Administration have invested over $185 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue in 2012 and into the future.

The airport leases facilities and land to non-aviation and aviation service providers, retailers, medical institutions, and public entities. New leases in 2011 included aeronautical land lease agreements with Uni-Trade and Air Trade Laredo for construction of new cargo warehouse facilities along the GA Apron West Side.

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. Forthcoming is a new Veteran's Administration Clinic partnered with the UT Health and Science Center.

Calendar Year	Passengers Enplaned	Passengers Deplaned	Air Cargo 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
(3)2010	110,615	113,219	419,323,814
2011	99,893	98,213	458,595,636

(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.
(3) An improved global economy is reason for the significant increase in both passenger and air cargo activity.

TABLE 1- SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	Fiscal Years Ended September 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:								
FAA	$ 69,880	$ -	$ -	$ -	$ 388,321	$ 391,895	$ 349,076	$ 287,124
State Operating Grants	2,924	106,939	109,807	82,190	100,235	102,045	98,363	94,710
Rents	4,129,984	5,002,207	4,281,154	4,448,507	4,399,983	3,844,104	3,525,829	3,489,304
Interest Earnings	2,775	2,354	55	(59)	9,019	47,672	87,095	34,837
Discount Earnings	-	-	-	-	28			
Proceeds from Asset Dispositior	-	-	-	-	-	-	329,689	3,898,840
Miscellaneous	456,453	514,497	343,539	370,831	404,714	202,542	325,174	251,881
Total Revenues	4,662,016	5,625,997	4,734,555	4,901,469	5,302,300	4,588,258	4,715,226	8,056,696
Expenditures:								
Administration	2,460,491	2,530,733	2,433,606	2,192,701	2,318,266	2,389,787	2,686,745	3,655,870
Building Maintenance	723,818	638,191	618,010	568,963	654,188	389,809	427,045	370,364
Ground Maintenance	409,318	340,024	385,009	379,262	454,977	436,528	498,610	418,625
Control Tower	-	-	-	-	684,924	491,684	461,614	392,096
Airport Police	1,034,819	910,926	861,261	950,347	1,033,311	766,494	584,732	586,887
Foreign Trade Zone	23,239	19,151	19,900	18,540	14,952	14,552	14,558	13,769
Total Expenditures	4,651,685	4,439,025	4,317,786	4,109,813	5,160,618	4,488,854	4,673,304	5,437,611
Net Operating Revenues	10,331	1,186,972	416,769	791,656	141,682	99,404	41,922	2,619,085
Other Sources (Uses):								
Debt Service	(495,697)	(542,210)	(729,105)	(734,444)	(407,640)	(645,942)	(786,131)	(790,914)
Capital Outlay	(70,491)	(81,556)	-	(35,361)	(302,285)	(1,872,588)	(115,980)	-
Airport Construction Fund	(47,286)	(49,993)	(49,887)	(50,000)	-	-	-	-
Communication System Fund	-	-	-	-	(270,000)	(81,411)	-	-
General Fund	-	-	-	-	-	-	-	25,000
Noise Abatement	-	403,071	649,682	89,431	-	-	-	(315,790)
New Airport Terminal	-	-	-	-	306,641	316,373	(1,500,000)	(511,889)
Sale of Assets	18,314	-	1,518	1,496	4,800	-	-	-
Total Other Sources (Uses)	(595,160)	(270,688)	(127,792)	(728,878)	(668,484)	(2,283,568)	(2,402,111)	(1,593,593)
Excess (Deficiency) of Revenues Over Expenditures	(584,829)	916,284	288,977	62,778	(526,802)	(2,184,164)	(2,360,189)	1,025,492
Beginning Fund Balance	753,531	(162,753)	(451,730)	(514,508)	12,294	2,131,789	4,491,978	3,466,486
Prior Period Adjustment	-	-	-	-	-	64,669	-	-
Ending Fund Balance	$ 168,702	$ 753,531	$ (162,753)	$ (451,730)	$ (514,508)	$ 12,294	$ 2,131,789	$ 4,491,978

TABLE 2 - DEBT SERVICE REQUIREMENT

Fiscal Year Ended 9-30	Debt Requirement	Principal	Interest	Total	Total Outstanding Debt	% of Principal Retired
2012	$ 170,880	145,000	184,656	329,656	500,536	5.61%
2013	167,240	150,000	177,650	327,650	494,890	
2014	168,470	155,000	170,406	325,406	493,876	
2015	169,440	165,000	162,806	327,806	497,246	
2016	170,150	170,000	154,850	324,850	495,000	
2017	170,600	180,000	146,538	326,538	497,138	33.36%
2018	170,790	190,000	137,750	327,750	498,540	
2019	165,850	200,000	128,488	328,488	494,338	
2020	165,780	210,000	118,750	328,750	494,530	
2021	170,320	220,000	108,537	328,537	498,857	
2022	169,470	230,000	97,850	327,850	497,320	
2023	168,360	240,000	86,687	326,687	495,047	66.71%
2024	166,990	250,000	75,050	325,050	492,040	
2025	170,230	265,000	62,819	327,819	498,049	
2026	168,080	275,000	49,994	324,994	493,074	
2027	170,540	290,000	36,575	326,575	497,115	
2028	167,610	305,000	22,444	327,444	495,054	
2029	169,290	320,000	7,600	327,600	496,890	100.00%
	$ 3,040,090	3,960,000	1,929,450	5,889,450	8,929,540	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2012-2029	$	496,086
Coverage of Average Requirements by 9-30-11 Net Income		0.02
Maximum Annual Principal and Interest Requirements, after FYE 2012 through 2029	$	498,857
Coverage of Maximum Requirements by 9-30-11 Net Income		0.02

THE UTILITY SYSTEM

WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande as its source of raw water. Water is diverted directly from the river to the immediately adjacent water treatment plant facilities by two separate river intakes, two separate river pump structures and related multiple pump units. The City of Laredo's water allotment is approximately 59,366 acre-feet of water rights.

The first "modern" design rapid sand filter plant for the City of Laredo was constructed in the years 1928-1929. The original plant was constructed on a land elevation of 400 feet and has been periodically shut down due to high levels of flood waters from the river. Due to this flooding experience, it was decided by the Waterworks Board to purchase sufficient land immediately East of the original plant site to construct a new plant. The acquired land has an elevation of 420 feet, which is above any historically recorded flood level of the Rio Grande at this location. This second plant has a capacity of one million gallons per day.

The combined pumpage capacity of the City's Upper and Lower Treatment Plants is 65 million gallons per day. The average daily demand during 2011 was approximately 32.4 million gallons per day and peak demand for 2011 was 44.7 million gallons per day. Connections to the water system as of September 30, 2011 were 62,195.

WASTEWATER SYSTEM

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 24.713 million gallons per day ("MGD"). The Sewer System includes approximately 519 miles of sewer lines and 71 lift stations. The average daily treatment is 18.78 MGD with 58,726 connections as of September 30, 2011.

TABLE 1 - WATER STORAGE AND DISTRIBUTION

At the present time the system incorporates the following treated water storage facilities:

Location	No. Tanks	No. Clear Wells	Storage Capacity
"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	2		3,000,000 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
Nixon	1 (elevated)		3,000,000 gallons
Total Treated Water Storage			50,161,000 gallons

In conjunction with the existing storage, automatic booster or pumping stations serve the system. These stations are located at the tanks listed above. Two pumping stations are served by two clear wells. Currently, the system consists of approximately 708 miles of transmission and distribution lines.

In 1957, the City of Laredo entered into an agreement with Webb County to use Lake Casa Blanca Reservoir as off-channel storage for emergency use. This reservoir has an impoundment capacity of 77,800 acre feet at top of the Dam, 58,600 acre feet at maximum pool, (PMF – Probable Maximum Feet) of which 20,000 acre feet are reserved for emergency use. This agreement is still in effect.

TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)

Historical water usage for the City is as follows:

Fiscal Year Ended 9/30	Average Day Pumpage (1,000 Gallons)	Peak Day Pumpage (1,000 Gallons)	Total Yearly Pumpage (1,000 Gallons)
2002	37,254	61,120	13,654,310
2003	31,288	59,754	11,420,232
2004	32,231	50,231	11,764,315
2005	34,675	55,034	12,820,865
2006	40,918	58,940	14,086,761
2007	33,550	49,000	12,245,329
2008	36,720	53,640	13,345,812
2009	35,900	51,810	13,047,594
2010	32,565	47,470	11,900,196
2011	32,600	47,470	11,726,000

TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)

Fiscal Year Ended 9-30	Daily Average Sewage Flow (1,000 Gallons)	Total Yearly Flow (1,000 Gallons)
2002	15,435,000	5,634,655
2003	16,767,000	6,120,027
2004	17,015,000	6,210,520
2005	16,776,000	6,123,186
2006	16,796,000	6,130,409
2007	18,215,000	6,648,535
2008	17,948,000	6,551,082
2009	17,572,000	6,413,631
2010	18,256,000	6,663,368
2011	18,783,000	6,855,795

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

TYPE OF BUSINESS	CONSUMPTION (1)
Laredo Medical Center	142,255,100
Texas A&M International University	81,455,400
Laredo Community College	43,159,500
United High School	32,806,200
Laredo Municipal Housing Corp.	31,427,500
New Webb County Jail	22,542,900
Laredo Regional Medical Center	21,576,900
La Bota Ranch Owner Association	16,452,500
Towne North Mobile Homes	14,606,300
Winfield Community Association	12,434,200

(1) Source: City of Laredo, Texas.

TABLE 5 - MONTHLY WATER RATES

Water Rates
(Effective January 1, 2011)

Inside City Limits	
Residential:	
Monthly minimum, including use of 2,000 gallons per month	7.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.45
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.55
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.62
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.72
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	1.82
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	1.90
Per 1,000 gallons per month in excess of 50,000 gallons per month	3.80
Multi-Family and Commercial:	
Monthly minimum, including use of 2,000 gallons per month	28.11
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.55
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.58
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	1.84
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.10
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	2.37
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	2.90
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.59
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	3.68
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

TABLE 5 - MONTHLY WATER RATES (CONTINUED)

Old Rates
(Effective January 1, 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 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)

Sewer Rates
(Effective January 1, 2011)

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	$8.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	$2.29
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	$2.33
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	$2.45
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	$2.63
The maximum charge will be up to 30,000 gallons and the equivalent of $36.89.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	$18.35
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	$1.69
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	$1.89
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	$1.98
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	$2.16
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	$2.24
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	$2.49
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	$2.75
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	$3.27
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	$3.96

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

The rates for sewer outside the City Limits shall be two times those established for commercial rates.

Old Rates
(Effective January 1, 2010)

Inside City Limits	
Residential:	
Monthly minimum, including use of 4,000 gallons per month	$8.50
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	$1.03
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	$1.08
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	$1.14
The maximum charge will be up to 30,000 gallons and the equivalent of $30.89.	
TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION) (CONTINUED)	
Commercial:	
Monthly minimum, including use of 4,000 gallons per month	$13.00
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	$1.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	$1.31
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	$1.37
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	$1.43
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	$1.48
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 50,000 gallons per month	$1.54
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 100,000 gallons per month	$1.60
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 150,000 gallons per month	$1.65
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 200,000 gallons per month	$1.71
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 250,000 gallons per month	$1.77
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 300,000 gallons per month	$1.82
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 350,000 gallons per month	$1.88
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 400,000 gallons per month	$1.94
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 450,000 gallons per month	$2.00

Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 500,000 gallons per month	$2.05
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 550,000 gallons per month	$2.11
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 600,000 gallons per month	$2.16
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 650,000 gallons per month	$2.22
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 700,000 gallons per month	$2.28
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 750,000 gallons per month	$2.34
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 800,000 gallons per month	$2.39
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 850,000 gallons per month	$2.45
Per 1,00 gallons (for the next 50,000 gallons) per month in excess of 900,000 gallons per month	$2.51
Per 1,000 gallons (for the next 50,000 gallons) per month in excess of 950,000 gallons per month	$2.57
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	$2.62
There shall be no maximum monthly charges for commercial users.	
Outside City Limits	
The rates for water outside the City limits shall be two times those established for commercial rates	

TABLE 7

VALUE OF SYSTEM-CITY OF LAREDO UTILITIES

	2011			2010			2009		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	154,422,056	121,178,164	275,600,220	153,166,635	114,484,049	267,650,684	145,432,603	112,466,222	257,898,825
Vehicles and Equipment	8,417,463	8,090,771	16,508,234	7,512,781	7,649,439	15,162,220	6,914,288	7,322,401	14,236,689
Buildings	23,917,848	27,403,618	51,321,466	22,206,391	21,224,034	43,430,425	13,395,112	21,209,597	34,604,709
Land and Improvements	44,686,054	4,531,525	49,217,579	34,482,381	4,531,525	39,013,906	29,811,988	4,531,525	34,343,513
Easements	170,534	201,395	371,929	121,934	201,395	323,329	-	-	-
Construction In Progress	60,961,884	19,498,038	80,459,922	36,186,936	24,817,915	61,004,851	28,722,303	11,528,447	40,250,750
Less: Total Depreciation	(92,880,401)	(61,020,411)	(153,900,812)	(86,006,220)	(55,378,617)	(141,384,837)	(79,123,908)	(49,705,564)	(128,829,472)
Value After Depreciation	199,695,438	119,883,100	319,578,538	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014

	2008			2007			2006		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	120,792,897	93,917,054	214,709,951	113,881,674	89,431,498	203,313,172	110,303,883	74,321,403	184,625,286
Vehicles and Equipment	6,811,377	7,494,843	14,306,220	5,449,703	5,865,521	11,315,224	4,464,891	5,443,216	9,908,107
Buildings	13,245,692	18,308,734	31,554,426	13,245,692	18,308,734	31,554,426	13,245,692	17,759,212	31,004,904
Land and Improvements	21,617,530	4,531,525	26,149,055	19,792,793	4,531,525	24,324,318	18,012,171	4,531,252	22,543,696
Construction in Progress	16,385,573	7,948,202	24,333,775	10,870,641	4,769,294	15,639,935	5,782,543	15,180,078	20,962,621
Less: Total Depreciation	(73,120,032)	(44,615,508)	(117,735,540)	(68,006,208)	(39,990,212)	(107,996,220)	(62,790,899)	(35,956,413)	(98,747,312)
Value After Depreciation	105,733,037	87,584,850	193,317,887	95,124,295	82,916,560	178,040,855	89,018,281	81,279,021	170,297,302

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

Fiscal Year Ended Sept. 30,		2011			2010			2009		
		Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:										
Net System Value	$	199,695,438	119,883,100	319,578,538	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014
Cash and Investments		140,604,318	51,560,635	192,164,953	81,639,476	44,109,722	125,749,198	91,353,207	56,418,094	147,771,301
Other Sources		12,143,781	4,514,104	16,657,885	13,201,529	4,155,250	17,356,779	5,665,612	3,520,180	9,185,792
Total Resources		352,443,537	175,957,839	528,401,376	262,511,843	165,794,712	428,306,555	242,171,205	167,290,902	409,462,107
Obligations:										
Bonds Payable		176,603,068	68,790,522	245,393,590	112,753,816	62,641,553	175,395,369	107,802,522	66,627,155	174,429,677
Less: Bond Funds		(6,236,122)	(1,568,062)	(7,804,184)	(2,370,132)	(1,531,444)	(3,901,576)	(2,060,373)	(1,546,107)	(3,606,480)
		170,366,946	67,222,460	237,589,406	110,383,684	61,110,109	171,493,793	105,742,149	65,081,048	170,823,197
Other Obligations		21,425,167	3,847,482	25,272,649	18,296,292	5,539,658	23,835,950	14,185,069	3,167,643	17,352,682
Total Obligations		191,792,113	71,069,942	262,862,055	128,679,976	66,649,767	195,329,743	119,327,218	68,248,691	188,175,879
City's Equity In System	$	160,651,424	104,887,897	265,539,321	133,831,867	100,144,945	232,976,812	122,843,987	99,042,211	221,286,228
Percentage City's Equity In System		45.58%	59.61%	50.25%	50.98%	60.40%	54.39%	50.73%	59.20%	54.40%

Fiscal Year Ended Sept. 30,		2008			2007			2006		
		Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:										
Net System Value	$	105,733,037	87,584,850	193,317,887	95,124,295	82,916,560	178,040,855	89,018,281	81,279,021	170,297,302
Cash and Investments		73,341,316	50,294,270	123,635,586	57,112,032	34,294,373	91,406,405	46,788,214	25,619,286	72,407,500
Other Sources		5,241,840	4,000,808	9,242,648	4,701,477	2,513,872	7,215,349	4,380,439	2,420,388	6,800,827
Total Resources		184,316,193	141,879,928	326,196,121	156,937,804	119,724,805	276,662,609	140,186,934	109,318,695	249,505,629
Obligations:										
Bonds Payable		72,779,717	59,144,593	131,924,310	51,247,410	41,006,234	92,253,644	46,758,244	34,686,718	81,444,962
Less: Bond Funds		(2,128,548)	(1,583,837)	(3,712,385)	(2,145,992)	(1,624,617)	(3,770,609)	(1,612,118)	(980,733)	(2,592,851)
		70,651,169	57,560,756	128,211,925	49,101,418	39,381,617	88,483,035	45,146,126	33,705,985	78,852,111
Other Obligations		11,215,993	3,793,936	15,009,929	10,178,418	2,978,020	13,156,438	8,590,035	2,056,101	10,646,136
Total Obligations		81,867,162	61,354,692	143,221,854	59,279,836	42,359,637	101,639,473	53,736,161	35,762,086	89,498,247
City's Equity In System	$	102,449,031	80,525,236	182,974,267	97,657,968	77,365,168	175,023,136	86,450,773	73,556,609	160,007,382
Percentage City's Equity In System		55.58%	56.76%	56.09%	62.23%	64.62%	63.26%	61.67%	67.29%	64.13%

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

For Fiscal Year Ended September 30,	2011			2010			2009		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Revenues									
Charges for Services	$ 31,391,552	27,438,365	58,829,917	25,455,038	22,612,937	48,067,975	26,937,378	19,819,164	46,756,542
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	40,128	-	40,128
Interest	79,399	64,847	144,246	121,919	84,664	206,583	350,531	273,926	624,457
Miscellaneous	3,625,787	100,640	3,726,427	3,535,088	110,909	3,645,997	1,555,527	269,182	1,824,709
Total Revenues	35,136,866	27,603,852	62,740,718	29,152,173	22,808,510	51,960,683	28,883,564	20,362,272	49,245,836
Expenses									
Administrative	2,850,418	4,260,760	7,111,178	2,793,650	4,038,665	6,832,315	2,991,019	2,000,407	4,991,426
Utility Engineering	876,627	-	876,627	826,978	-	826,978	690,694	-	690,694
Utility Billing	3,030,774	-	3,030,774	2,929,649	-	2,929,649	2,818,275	-	2,818,275
Asset Management	277,917	-	277,917	260,108	-	260,108	234,988	-	234,988
Water Treatment Plant	7,073,309	-	7,073,309	6,414,438	-	6,414,438	6,819,136	-	6,819,136
Transmission and Distribution	2,700,232	-	2,700,232	3,600,821	-	3,600,821	3,835,000	-	3,835,000
Water Pollution Control	427,830	-	427,830	392,207	-	392,207	393,211	-	393,211
Wastewater Treatment	-	5,351,976	5,351,976	-	5,319,244	5,319,244	-	4,765,446	4,765,446
Wastewater Collection	-	3,002,356	3,002,356	-	2,733,149	2,733,149	-	2,665,461	2,665,461
Total Expenses	17,237,107	12,615,092	29,852,199	17,217,851	12,091,058	29,308,909	17,782,323	9,431,314	27,213,637
Net Available for Debt Service	$ 17,899,759	14,988,760	32,888,519	11,934,322	10,717,452	22,651,774	11,101,241	10,930,958	22,032,199
Number of Customers	63,703	59,995		62,195	58,726		61,171	57,903	

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended September 30,	2008			2007			2006		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Revenues									
Charges for Services	$ 26,265,698	14,006,232	40,271,930	24,977,835	13,055,433	38,033,268	23,129,698	14,006,232	40,271,930
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	38,122	-	38,122
Interest	711,991	265,542	977,533	1,001,877	506,934	1,508,811	585,645	389,384	975,029
Miscellaneous	339,801	369,861	709,662	463,192	587,121	1,050,313	294,506	429,905	724,411
Total Revenues	27,357,618	14,641,635	41,999,253	26,483,032	14,149,488	40,632,520	24,047,927	14,927,662	38,975,589
Expenses									
Administrative	2,583,385	2,097,387	4,680,772	2,076,626	2,872,599	4,949,225	1,779,174	2,543,621	4,322,795
Utility Engineering	799,864	-	799,864	752,441	-	752,441	638,979	-	638,979
Utility Billing	2,724,036	-	2,724,036	2,368,785	-	2,368,785	1,950,102	-	1,950,102
Asset Management	247,660	-	247,660	270,448	-	270,448	246,510	-	246,510
Water Treatment Plant	6,742,276	-	6,742,276	5,956,680	-	5,956,680	6,090,084	-	6.090,084
Transmission and Distribution	3,495,224	-	3,495,224	3,144,501	-	3,144,501	2,803,090	-	2,803,090
Water Pollution Control	437,807	-	437,807	528,799	-	528,799	502,870	-	502,870
Wastewater Treatment	-	4,792,566	4,792,566	-	4,133,862	4,133,862	-	3,662,090	3,662,090
Wastewater Collection	-	2,620,294	2,620,294	-	2,526,732	2,526,732	-	2,280,698	2,280,698
Total Expenses	17,030,252	9,510,247	26,540,499	15,098,280	9,533,193	24,631,473	14,010,809	8,846,090	22,497,218
Net Available for Debt Service	$ 10,327,366	5,131,388	15,458,754	11,384,752	4,616,295	16,001,047	10,037,118	6,441,253	16,478,371
Number of Customers	60,519	57,851		59,409	56,065		57,489	54,568	

TABLE 10 Debt Service Requirements

Fiscal Year Ended 9-30	Water Revenue Debt Requirement	Plus Contractual & General Obligation Water System Debt Service Requirements	Water Total	Sewer Revenue Debt	Plus Contractual & General Obligation Sewer System Debt Service Requirements	Sewer Total	Utilty Grand Total	% of Grand Total Retired
2012	7,082,776	8,135,370	15,218,146	2,263,463	5,478,269	5,478,269	20,696,415	
2013	7,078,324	8,152,942	15,231,266	2,269,221	5,476,305	5,476,305	20,707,571	
2014	7,072,755	7,587,468	14,660,223	2,272,081	5,114,526	5,114,526	19,774,749	
2015	7,072,213	5,600,140	12,672,353	2,265,905	3,626,500	3,626,500	16,298,853	
2016	7,078,119	5,602,413	12,680,532	2,263,403	3,631,183	3,631,183	16,311,715	20.70%
2017	7,074,415	5,609,668	12,684,083	2,265,843	3,628,557	3,628,557	16,312,640	
2018	7,071,201	5,355,117	12,426,318	2,272,032	3,463,151	3,463,151	15,889,469	
2019	7,061,234	5,315,250	12,376,484	2,269,848	2,979,892	2,979,892	15,356,376	
2020	7,071,515	5,001,276	12,072,791	2,263,147	2,981,137	2,981,137	15,053,928	
2021	7,070,735	4,788,630	11,859,365	2,268,798	2,820,338	2,820,338	14,679,703	45.71%
2022	7,072,683	5,887,068	12,959,751	2,267,474	1,704,200	1,704,200	14,663,951	
2023	7,070,889	5,583,013	12,653,902	2,275,870	1,701,693	1,701,693	14,355,595	
2024	7,070,414	5,546,667	12,617,081	2,266,450	1,427,878	1,427,878	14,044,959	
2025	6,709,504	5,504,760	12,214,264	1,926,513	1,429,800	1,429,800	13,644,064	
2026	6,385,159	5,467,264	11,852,423	1,781,419	1,431,550	1,431,550	13,283,973	64.40%
2027	5,697,018	5,431,883	11,128,901	1,434,482	1,425,925	1,425,925	12,554,826	
2028	5,055,058	5,391,601	10,446,659	733,190	1,430,525	1,430,525	11,877,184	
2029	5,014,462	5,347,941	10,362,403	705,769	1,427,500	1,427,500	11,789,903	
2030	4,628,225	5,302,177	9,930,402	708,850	1,429,000	1,429,000	11,359,402	
2031	4,629,769	5,252,206	9,881,975	710,619	1,427,500	1,427,500	11,309,475	80.14%
2032	4,633,437	5,207,452	9,840,889	706,206	1,427,875	1,427,875	11,268,764	
2033	4,628,969	5,152,459	9,781,428	710,481	1,429,875	1,429,875	11,211,303	
2034	4,630,969	3,361,440	7,992,409	708,313	-	-	7,992,409	
2035	4,628,913	3,306,065	7,934,978	709,700	-	-	7,934,978	
2036	4,676,094	3,243,796	7,919,890	662,850	-	-	7,919,890	92.51%
2037	4,671,987	3,184,304	7,856,291	667,875	-	-	7,856,291	
2038	4,667,381	3,122,098	7,789,479	671,550	-	-	7,789,479	
2039	4,661,750	3,052,012	7,713,762	673,875	-	-	7,713,762	
2040	4,664,306	-	4,664,306	674,850	-	-	4,664,306	100.00%
Total	171,930,274	145,492,480	317,422,754	43,670,077	56,893,179	56,893,179	374,315,933	

TABLE 11: COVERAGE AND FUND BALANCES

Waterworks:		
Average Annual Principal and Interest Requirements	$	6,236,122
Coverage of Average Requirements by 2011 Net Income		2.87
Maximum Principal and Interest Revenue Bond Requirements After Fiscal Year Ended September 30, 2011	$	7,082,776
Coverage of Maximum Requirements by 2011 Net Income		2.53
Outstanding New Series Water Revenue Bonds	$	171,930,274
Interest and Sinking Fund as of September 30, 2011	$	902,500
Reserve Fund as of September 30, 2011	$	6,236,122
Contingency Fund as of September 30, 2011	$	1,812,626
Sewer:		
Average Annual Principal and Interest Requirements	$	1,568,062
Coverage of Average Requirements by 2011 Net Income		9.55
Maximum Principal and Interest Revenue Bond Requirements After Fiscal Year Ended September 30, 2011	$	2,275,870
Coverage of Maximum Requirements by 2011 Net Income		6.59
Outstanding New Series Sewer Revenue Bonds	$	43,670,077
Interest and Sinking Fund as of September 30, 2011	$	321,21263
Reserve Fund as of September 30, 2011	$	1,568,062
Contingency Fund as of September 30, 2011	$	1,385,803

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

Utility System

		Waterworks	Sewer	Total
Net Funds Available for Debt Service	$	17,899,759	14,988,760	32,888,519
Average Annual Principal and Interest Requirements		6,236,122	1,568,062	7,804,184
Coverage of Average Annual Requirements by Funds Available for Debt Service		2.87	9.55	4.21
Maximum Principal and Interest Revenue Bond Requirements		7,082,776	2,275,870	9,358,646
Coverage of Maximum Requirement by Funds Available for Debt Service		2.53	6.59	3.51
Outstanding Revenue Bonds as of 09/30/2011		171,930,274	43,670,077	215,600,351
Interest & Sinking Fund as of 09/30/2011		902,500	321,212	1,223,712
Reserve Funds as of 09/30/2011		6,236,122	1,568,062	7,804,184
Contingency Fund as of 09/30/2011	$	1,812,626	1,385,803	3,198,429

SPORTS VENUE SALES TAX REVENUE BONDS

LAREDO ENERGY ARENA

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue Improvement and Refunding Bonds, Series 2005, to acquire and construct additional parking facilities for the Laredo Energy Arena, to achieve a debt service savings by partially refunding outstanding Sports Venue Tax Revenue Bonds, Series 2001, used to construct a sports venue project for a multipurpose entertainment arena and related infrastructure, and to pay for the issuance costs of the Bonds. The principal and interest due on the Sports Venue Tax Revenue Bonds, Series 2001 and 2005, are to be paid on the scheduled interest payment dates from funds deposited with an escrow agent until discharged.

The bonds constitute special and limited obligations of the City and are payable solely from, and secured solely by a first lien on and pledge of the Sales Tax Revenues, as approved by the citizens on a special election on August 12, 2000. The Sales Tax Revenues consist of the gross receipts from a π 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. On March 18, 2010 the City of Laredo, along with the Laredo Bucks officially announced that the Laredo Entertainment Center name will change to the Laredo Energy Arena. Laredo Energy signed a four-year naming rights agreement with options for extension with the City of Laredo.

The Arena itself offers a diverse mixture of world-class entertainment, with a 10,000 seating capacity, over 2,000 parking spaces and a team store. The 178,000 square foot, $36.5 million facility opened in October 2002. Each year the Laredo Energy Arena hosts more than 100 events including major concerts by artists such as Mana, Shakira, Vicente Fernandez, Ludacris, Lil Wayne, Rihanna, Alan Jackson, Jason Aldean, George Lopez and Staind to name a few.

After the construction of the Arena was completed, approximately 220 new jobs were created for the operation of the facility. Furthermore, contracts were awarded to local businesses whose products are required for the Laredo Energy Arena's daily operations.

BASEBALL STADIUM

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue, Taxable Series 2011, for the purpose of acquiring, constructing and equipping a baseball stadium (Laredo Ballpark) and related infrastructure and to pay costs of issuance. The Laredo Ballpark was approved by the voters of the City at an election held on November 4, 008as a related venue project to a previously approved and constructed multi-purpose entertainment arena. The Laredo Ballpark located in the Laredo, Texas will have over 3,940 seats which include ten suites, a party suite, club seating and fixed general admission seating. Grass berm areas will accommodate an additional 1,700 spectators and picnic tables another 370. Restrooms, typical fan amenities and cooking concession stands will be distributed throughout the 10 acre ballpark. A club with bar, press box, team offices, clubhouses, and maintenance areas will also be included. The remaining 29 acres of the site will be utilized to park approximately 985 vehicles with an area for future parking expansion; the construction cost for the project will be approximately $21 million.

TABLE 1 – SALES TAX RECEIPTS

Fiscal Year Ending 9/30	Actual 1% Sales & Use Tax Receipts		1/4 of 1% Sales Tax Receipts	Maximum Annual Debt Service	Estimated Coverage
2002	$ 17,158,252	*	4,289,561	3,121,125	1.37
2003	18,037,788		4,509,447	3,121,125	1.44
2004	19,288,849		4,822,212	3,121,125	1.55
2005	21,075,124		5,268,781	3,121,125	1.69
2006	23,862,993		5,965,748	3,121,125	1.91
2007	25,426,235		6,356,559	3,121,125	2.04
2008	25,962,164		6,490,541	3,121,125	2.08
2009	24,315,518		6,078,880	3,121,125	1.95
2010	23,471,292		5,867,823	3,121,125	1.88
2011	26,935,219		6,733,805	3,871,463	1.74

(*) 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, 2011-2036	2,420,047
Fiscal Year 2011 Sales Tax Revenues	6,733,805
Coverage of Average Requirements by Fiscal Year 2011	2.78
Maximum Principal and Interest Requirements 2024	3,871,463
Fiscal Year 2011 Sales Tax Revenues	6,733,805
Coverage of Maximum Requirements by Fiscal 2011	1.74

.

TABLE 3 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Outstanding Debt	2011 Sports Venue Sales Tax Revenue Bonds, Taxable Series Principal	Interest	Total Outstanding Debt	% of Debt Service Retired
2012	3,116,350	240,000	507,093	3,863,443	6.52%
2013	3,116,225	265,000	485,050	3,866,275	
2014	3,116,725	270,000	481,101	3,867,826	
2015	3,117,600	275,000	476,217	3,868,817	
2016	3,118,600	280,000	470,327	3,868,927	32.65%
2017	3,114,600	285,000	463,213	3,862,813	
2018	3,115,350	295,000	454,684	3,865,034	
2019	3,112,531	305,000	443,954	3,861,485	
2020	3,115,481	315,000	431,386	3,861,867	58.73%
2021	3,114,875	330,000	417,743	3,862,618	
2022	3,115,750	345,000	402,963	3,863,713	
2023	3,119,625	360,000	387,225	3,866,850	
2024	3,121,125	380,000	370,338	3,871,463	84.84%
2025	-	395,000	352,268	747,268	
2026	-	415,000	333,025	748,025	
2027	-	440,000	311,075	751,075	
2028	-	460,000	286,550	746,550	89.90%
2029	-	490,000	260,662	750,662	
2030	-	515,000	233,276	748,276	
2031	-	545,000	204,391	749,391	
2032	-	575,000	172,721	747,721	94.95%
2033	-	610,000	138,060	748,060	
2034	-	645,000	101,351	746,351	
2035	-	685,000	62,449	747,449	
2036	-	725,000	21,206	746,206	100.00%
	$ 40,514,837	10,445,000	$ 8,268,328	$ 59,228,165	

SINGLE AUDIT

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

CG&B
Canales, Garza & Baum, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Honorable Mayor and Members of the City Council
City of Laredo, Texas

Compliance

We have audited the compliance of the City of Laredo, Texas, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended September 30, 2011. The City of Laredo, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City of Laredo, Texas' management. Our responsibility is to express an opinion on the City of Laredo, Texas' compliance based on our audit.

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

In our opinion, the City of Laredo, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2011.

707 E. Calton Rd., Suite 201, Laredo, TX 78041 MAIL: P.O. Box 3627, Laredo, TX 78044-3627 T: 956.724.1111 F: 956.724.1350
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Internal Control Over Compliance

Management of the City of Laredo, Texas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Laredo, Texas' internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas', internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Carabe, Garza & Bann, PLLC

Laredo, Texas
February 17, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
U.S. Department of Health and Human Services							
Center for Disease Control and Prevention							
National Center for Chrinic Disease Prevention and							
Health Promotion -							
Laredo Health Care Needs Assessment	93.283	1H75DP002741-01	$ 200,000	-	181,581	169,041	12,540
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
TB Prevention & Control & Lab Program - '10	93.116	2010-034138-001	171,081	13,491	29,587	43,078	-
TB Prevention & Control & Lab Program - '11	93.116	2011-037502-001	165,968	-	101,537	83,777	17,760
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 10	93.268	2010-031606-001	230,491	9,191	-	9,191	-
Immunization Locals 11	93.268	2011-036323-001	230,491	12,840	217,446	208,470	21,816
Immunization Locals 12	93.268	2012-039107-001	230,491	-	17,269	-	17,269
Center for Disease Control and Prevention							
Investigations and Technical Assistance - Bureau of Clinical and							
Nutrition Services -							
Public Health Emergency Preparedness - 09-10	93.069	2009-031946-001	317,727	6,909	76,243	36,791	46,361
Public Health Emergency Preparedness - 10-11	93.069	2010-035740-001	318,285	37,125	254,830	291,955	-
Public Health Emergency Preparedness - 11-12	93.018	2011-038859-001	267,077	-	46,210	-	46,210
Public Health Emergency Response - 10-11	93.018	2010-034773-001	120,912	63,386	-	63,386	-
Bioterrorism Pandemic - 07-08	93.283	2008-022927-001	59,527	2,880	-	-	2,880
Early Warning Infectious Disease Surveillance 2008	93.283	2008-024694-001	172,239	13,231	-	-	13,231
Early Warning Infectious Disease Surveillance 2010	93.069	2009-031669-001	150,000	3,637	13,641	4,344	12,934
Early Warning Infectious Disease Surveillance 2011	93.069	2010-035558-001	179,000	23,517	136,790	154,845	5,462
Early Warning Infectious Disease Surveillance 2012	93.069	2011-038682-001	75,000	-	12,744	-	12,744
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 - 10-11	93.917	019-01-10	413,189	96,162	192,735	288,897	-
H.I.V. Care Formula Grant - 11-12	93.917	019-01-11	455,438	-	202,122	130,148	71,974
H. I. V. Prevention Activities - Health Department Based							
Epidemologic Research Studies of AIDS & HIV in Selected Population Groups							
Epidemologic Research Studies of AIDS & HIV '10	93.943	2010-034567-001	388,217	40,856	123,255	164,111	-
Epidemologic Research Studies of AIDS & HIV '11	93.943	2011-037623-001	392,217	-	312,487	232,525	79,962
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 - 08-09 / O.P.H.P.	93.991	2009-028162-001	306,835	5,548	-	-	5,548
Office of Regional Administrative Services - 09-10 / O.P.H.P.	93.991	2010-032824-001	306,835	165,481	1,226	166,707	-
Office of Regional Administrative Services - 10-11 / O.P.H.P.	93.991	2011-035586-001	306,835	-	285,422	237,467	47,955
Office of Regional Administrative Services - 11-12 / O.P.H.P.	93.991	2012-039489-001	248,536	-	28,841	-	28,841
Preventive Health & Health Services '01-02 - Border Health	93.991	N/A	5,000	892	-	-	892
Center for Disease Control and Prevention							
Investigations and Technical Assistance							
Community Diabertes Project - 11-12	93.283	2012-039709-001	80,000	-	817	-	817
Total U. S. Department of Health and Human Services			$ 6,242,912	509,815	2,234,783	2,284,733	459,865

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
U.S. Department of Housing and Urban Development (HUD)							
Direct Programs:							
Community Planning and Development:							
Community Development Block Grant / Entitlement Grants 08	14.218	N/A	$ 3,589,985	-	1,346,871	1,346,871	-
Community Development Block Grant / Entitlement Grants 09	14.218	N/A	3,634,339	-	762,748	762,748	-
Community Development Block Grant / Entitlement Grants 10	14.218	N/A	3,936,450	70,308	1,698,980	1,485,817	283,471
Emergency Shelter Grant Program 2009	14.231	N/A	159,838	11,941	28,967	40,908	-
Emergency Shelter Grant Program 2010	14.231	N/A	159,618	-	106,755	90,169	16,586
Housing Oportunities for Persons with Aids - 09-10	14.241	019-3-09	83,700	4,220	49,752	53,972	-
Housing Oportunities for Persons with Aids - 10-11	14.241	019-3-11	88,000	-	44,408	33,649	10,759
HOME Investment Partnership Program 2008GRANT	14.239	N/A	1,248,285	-	112,011	112,011	-
HOME Investment Partnership Program 2009 GRANT	14.239	N/A	1,389,582	-	2,620	2,620	-
HOME Investment Partnership Program 2010 GRANT	14.239	N/A	1,381,796	58,327	331,287	385,358	4,256
EDI-SP Neighborhood Initiative and Miscellaneous Grants	14.251	B-10-SP-TX-0114	200,000	-	-	-	-
Total U. S. Department of HUD			15,871,593	144,796	4,484,399	4,314,123	315,072
U. S. Department of Transportation							
Direct Programs:							
Federal Transit Administration:							
Federal Transit Capital Investment Grants:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX03X274	2,546,681	-	114,026	10,112	103,914
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030299	1,943,557	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040040	680,130	10,659	11,360	22,019	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	714,000	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	776,000	-	-	-	-
Federal Transit Formula Grants:							
Urbanized Area Formula Program	20.507	TX904934	3,996,131	-	1,879,547	1,577,888	301,659
Urbanized Area Formula Program	20.507	TX904891	4,040,202	277,158	1,708,677	1,985,835	-
Federal Aviation Administration:							
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-52-08	2,000,000	(26,233)	26,237	4	-
Airport Improvement Program (Rehab Apron, Rehab Runway 14/31)	20.106	3-48-0136-53-09	4,416,530	15,975	363,176	379,151	-
Airport Improvement Program (Rehab Apron, Rehab Runway 17/35)	20.106	3-48-0136-57-10	3,092,510	325,708	733,045	863,995	194,758
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-58-10	2,000,000	59,402	234,529	293,931	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-60-10	2,000,000	(48,333)	878,845	830,512	-
Airport Improvement Program (Rehab General Apron)	20.106	3-48-0136-61-10	2,803,152	326,640	1,601,529	1,928,169	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-62-10	4,000,000	9,565	2,567,671	2,276,254	300,982
Airport Improvement Program (Wildlife Hazard Study and Assessment)	20.106	3-48-0136-63-10	145,629	-	106,039	96,539	9,500
Airport Improvement Program (Geographic Information System "AGIS" Survey)	20.106	3-48-0136-64-10	300,000	-	2,869	2,583	286
Airport Improvement Program (Runway 17/35 Extension)	20.106	3-48-0136-65-10	8,843,166	-	8,567,463	8,142,984	424,479
Airport Improvement Program (Rehab Apron, EMAS & Realign Taxiway)	20.106	3-48-0136-68-11	6,347,019	-	83,935	-	83,935
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090	HSTS0208HSLR197	97,455	14,711	69,879	31,050	53,540
Pass Through Texas Department of Transportation:							
Federal Transit Administration:							
New Freedom Program	20.521	51022F7311	157,368	12,351	95,893	108,244	-
New Freedom Program	20.521	51022F7072	218,624	-	218,624	218,624	-
New Freedom Program	20.521	51122F7087	221,425	-	-	-	-
Capital Assistance Program for Elderly Persons W/Disabilities	20.513	51122F7259	10,000	-	10,000	10,000	-
Formula Grants for Other Than Urbanized Areas	20.509	51122F7062	661,226	-	661,226	661,226	-
Formula Grants for Other Than Urbanized Areas	20.509	51122F7050	617,525	-	-	-	-
National Highway Traffic Safety - State & Community Highway Safety							
Texas Department of Transportation							
Comprehensive Commercial Vehicle STEP	20.600	2010-LAREDOPD-S-SYG-0146	40,000	8,466	-	8,466	-
Comprehensive Commercial Vehicle STEP	20.600	2009-LAREDOPD-S-SYG-0282	40,000	8,972	-	-	8,972
Comprehensive STEP	20.600	2010-LAREDOPD-S-SYG-0135	94,442	10,547	-	10,547	-
Step - CIOT	20.600	2011-LAREDOPD-CIOT-00012	$ 9,000	-	8,311	8,311	-

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
U. S. Department of Transportation								
Direct Programs:								
Highway Planning and Construction-Industrial Streets El Portal Industrial Park	*	20.205	CSJ-0922-33-116	$ 4,767,840	1,294,936	1,115,306	2,410,242	-
Highway Planning and Construction-Industrial Streets InterAmerica Park	*	20.205	CSJ-0922-33-130	3,723,720	612,875	451,151	1,064,026	-
Highway Planning and Construction-Industrial Streets Modern, O. Salinas	*	20.205	CSJ-0922-33-131	4,047,120	880,912	1,868,742	2,749,654	-
Highway Planning and Construction-Industrial Streets Unitec Industrial Park	*	20.205	CSJ-0922-33-132	3,215,520	658,232	1,657,150	2,133,917	181,465
Highway Planning and Construction-Industrial Streets Laredo Int'l Airport	*	20.205	CSJ-0922-33-138	77,522	-	-	-	-
Highway Planning and Construction-Industrial Streets Laredo Int'l Airport	*	20.205	CSJ-0922-33-141	2,070,678	15,349	1,187,082	988,537	213,894
Highway Planning and Construction-Arkansas St.Railroad Grade Separation	*	20.205	CSJ-0922-33-099	1,122,016	35,924	262,374	245,477	52,821
Highway Planning and Construction-Scott Sanchez RR Grade Separation	*	20.205	CSJ-0922-33-105	393,873	-	-	-	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	*	20.205	50-72-2-10-1113-70-806	314,665	157,782	-	157,782	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	*	20.205	50-72-2-11-1113-70-806	463,393	-	202,491	28,920	173,571
Federal Transit Metropolitan Planning Grants-Metropolitan Planning		20.505	51-74-108-0122-11-810	81,435	-	81,435	81,435	-
Total U. S. Department of Transportation				73,089,554	4,661,598	26,768,612	29,326,434	2,103,776
U. S. Department of Agriculture								
Passed Through Texas Department of State Health Services:								
Food & Nutrition Service - Special Supplemental Nutrition Program								
Women, Infants and Children 09-10	*	10.557	2010-033379-001	4,133,295	729,195	25,403	754,598	-
Women, Infants and Children 10-11	*	10.557	2011-037188-001	4,630,162	12,049	3,850,704	3,144,730	718,023
Women, Infants and Children 11-12	*	10.557	2012-039949-001	2,281,795	-	632	-	632
Women, Infants and Children Dietary Intern 10-11	*	10.557	2011-037188-001	33,522	-	9,183	-	9,183
Women, Infants and Children Counties 09-10	*	10.557	2010-033379-001	-	95,850	1,622	97,472	-
Women, Infants and Children Counties 10-11	*	10.557	2011-037188-001	-	1,073	461,710	354,432	108,351
Total U. S. Department of Agriculture				11,078,774	838,167	4,349,254	4,351,232	836,189
U. S. Department of Justice								
Passed Through State Department of Criminal Justice:								
Criminal Justice Discretionary Grant Program								
Office of Justice Program - Bureau of Justice Assistance -								
Edward Byrne Memorial Justice Assistance Grant Program:								
FY11 Justice Assistance Grant		16.738	2011-DJ-BX-3199	119,881	-	-	-	-
FY10 Justice Assistance Grant		16.738	2010-DJ-BX0494	142,603	-	51,035	43,717	7,318
FY09 Justice Assistance Grant		16.738	2009-DJ-BX1331	139,813	-	29,778	29,778	-
FY07 City of Laredo Justice Assistance Grant		16.738	2007-DJ-BX-0784	125,687	-	179	179	-
FY08 Justice Assistance Grant		16.738	2008-DJ-BX-0579	40,343	-	192	192	-
2009 Project Safe Neighborhood- Southern District of Texas		16.609	2009-GP-BX-0068	7,451	1,907	1,797	3,704	-
Bulletproof Vest Partnership Program								
Bulletproof Vest Partnership 2010		16.607	N/A	11,548	-	5,774	-	5,774
Bulletproof Vest Partnership 2009		16.607	N/A	37,500	-	198	-	198
Total U. S. Department of Justice				624,826	1,907	88,953	77,570	13,290
Executive Office of the President								
Financial Task Force 05		95.001	I5PSSP571Z	630,665	30	-	-	30
Financial Task Force 06		95.001	I6PSSP571Z	652,250	1,241	101	1,342	-
Financial Task Force 07		95.001	I7PSSP571Z	680,465	33,805	25,466	43,433	15,838
Financial Task Force 08		95.001	I8PSSP571Z	806,747	12,559	95,647	35,617	72,589
Financial Task Force 09		95.001	G09SS0001A	788,090	102,940	179,968	282,908	-
Financial Task Force 10		95.001	G10SS0001A	598,907	171,095	391,657	492,640	70,112
Financial Task Force 11		95.001	G11SS0001A	736,104	-	135,188	124,956	10,232
South Texas Public Corruption Task Force 06		95.001	I6PSSP571Z	99,916	7,190	-	7,182	8
South Texas Public Corruption Task Force 07		95.001	I7PSSP571Z	98,581	1,531	1,230	2,683	78
South Texas Public Corruption Task Force 08		95.001	I8PSSP571Z	98,273	14,105	1,023	15,128	-
South Texas Public Corruption Task Force 09		95.001	G09SS0001A	72,930	19,235	12,953	31,852	336
South Texas Public Corruption Task Force 10		95.001	G10SS0001A	37,113	2,620	37,499	37,113	3,006
South Texas Public Corruption Task Force 11		95.001	G11SS0001A	99,916	-	36,156	32,889	3,267
Total Executive of the President				$ 5,399,957	366,351	916,888	1,107,743	175,496

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
U.S. Department of Homeland Security								
Federal Emergency Management Agency								
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		97.036	FEMA-1931-DR-PA	$ -	483,101	67,361	679,365	(128,903)
Pre-disaster Mitigation Planning Grant		97.017	PDM05-004	73,230	3,070	-	-	3,070
Staffing for Adequate Fire and Emergency Response (SAFER)		97.083	2006-FF-04283	1,552,500	28,661	111,064	139,725	-
Assistance to Firefighters Grant (SAFER 2011)		97.044	EMW-2010-FH-00490	3,887,964	-	333,640	132,419	201,221
Assistance to Firefighters Grant (AFG)		97.044	EMW-2008-FO-06946	400,000	86,130	-	86,130	-
Passed Through GDEM:								
State Homeland Security Program (SHSGP)		97.067	2004 HSGP-41464	1,462,934	12,122	-	-	12,122
Homeland Security Grant Program (SHSP)		97.073	2009-SS-T9-0064	856,327	-	139,981	135,639	4,342
Homeland Security Grant Program (SHSP-LEAP)		97.073	2009-SS-T9-0064	434,024	891,654	93,578	891,654	93,578
Homeland Security Grant Program (SHSP)		97.073	2010-SS-T0-0008	315,000	-	53,424	-	53,424
Passed Through HMGP:								
Hazard Mitigation Grant Program - Canal Street Channel Improvements		97.039	FEMA-1791-DR-TX	3,768,107	-	151,342	21,021	130,321
Total U. S. Department of Homeland Security				12,750,086	1,504,738	950,390	2,085,953	369,175
U. S. Department of Environmental Protection Agency								
Survey, Studies, Investigations & Special Purpose Grants								
EPA - Jefferson & Chacon Water and Wastewater Improvements		66.606	C-481961-01-0	8,200,000	107,589	-	107,589	-
EPA - Health		66.035	RE-96654801-0	300,000	13,421	247	13,668	-
Air Pollution Control Program Support:								
Passed Through Texas Commission on Environmental Quality								
Continuous Air Monitoring Station - Air Pollution Control Prog 06-09		66.001	582-7-72662	210,000	13,885	-	13,885	-
Continuous Air Monitoring Station - Air Pollution Control Prog		66.001	581-11-86431	70,000	3,468	58,980	35,123	27,325
Continuous Air Monitoring Station - Air Pollution Control Prog		66.001	581-11-86431	70,000	-	4,104	-	4,104
Passed Through Texas Water Development Board: Surveys, studies, investigations, and special purpose grants.								
NADB - Colonia Water & Wastewater Treatment		66.606	BEIF23-48/00	7,885,314	-	52,091	-	52,091
Colonia Water & Waste Water Treatment		66.606	G13500/13600	24,020,000	7,571	370,108	214,204	163,475
Total U. S. of Environmental Protection Agency				40,755,314	145,934	485,530	384,469	246,995
American Recovery and Reinvestment Act								
ARRA-Federal Transit Formula Grants-Urbanized Area Formula Grant		20.507	TX-96-X001	4,757,091	-	4,081,382	4,081,382	-
ARRA-State Energy Program-SECO Grant		81.041	CS0023	924,000	7,590	469,133	15,049	461,674
ARRA-State Energy Program-SECO Grant		81.041	CM1124	145,000	-	145,000	113,399	31,601
ARRA-State Energy Program-SECO Grant		81.041	CM1125	30,000	-	30,000	30,000	-
ARRA- Edward Byrne Memorial Justice Assistance Grant to units of Local Government- Laredo JAG Recovery		16.804	2009-SB-B9-1063	602,748	14,065	128,464	142,529	-
ARRA- Edward Byrne Memorial Justice Assistance Grant to states- Laredo Recovery Act		16.803	SU-09-A10-2329601-01	499,840	87,210	321,264	408,474	-
ARRA- Edward Byrne Memorial Justice Assistance Grant to states- State JAG Grant		16.803	SU-09-A10-22246-01	298,400	156,922	50,045	206,967	-
ARRA- Community Policing Services								
2010 COPS Hiring Program		16.71	2010ULWX0025	4,369,266	-	244,392	205,634	38,758
ARRA-Dept. of Energy-Energy Efficiency and Conservation Block Grant		81.128	DE-EE0000967	2,083,600	(210,159)	1,435,139	1,075,421	149,559
ARRA-HUD-Homeless Prevention & Rapid Re-Housing Program		14.257	S09-48-MY-0505	1,490,976	60,543	619,150	636,476	43,217
ARRA-HUD-Neighborhood Stabilization Program		14.256	77090000107	2,127,102	627,338	675,080	787,294	515,124
ARRA-HUD-Weatherization Assistance Program		81.042	16090000707	3,271,636	51,865	584,084	520,702	115,247
ARRA-HUD- CDBG ARRA Entitlement Grants (CDBG-R) Ejido Ext. Prj.		14.253	B-09-MY-48-0505	975,026	-	-	-	-
ARRA-HRSA - Health Care and Other Facilities		93.887	C76HF15325	188,100	86,014	-	86,014	-
ARRA-Capitalization Grants For Drinking Water State Revolving Funds	*	66.468	2F-96692301-0	48,196,000	7,537,461	21,840,733	24,976,801	4,401,393
ARRA-Highway Planning & Construction-Industrial St Laredo In'tl Airport	*	20.205	CSJ-0922-33-138	524,539	-	-	-	-
ARRA-Highway Planning and Construction-Manadas Crk Hike/Bike Trail	*	20.205	CSJ-0922-33-139	318,546	-	-	-	-
ARRA-Investmts. for Public Works and Eco. Develop. Facilities-River Vega		11.300	N/A	1,000,000	-	179,331	126,901	52,430
Total American Recovery and Reinvestment Act				71,801,870	8,418,849	30,803,197	33,413,043	5,809,003
Total Federal Assistance				$ 237,614,886	16,592,155	71,082,006	77,345,300	10,328,861

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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
STATE AWARDS								
Texas Department of State Health Services:								
Primary Health Care Program 09-10		N/A	2010-031863-001	$ 134,342	14,126	-	14,126	-
Primary Health Care Program 10-11		N/A	2011-036689-001	140,236	8,737	158,043	128,578	38,202
Primary Health Care Program 11-12		N/A	2012-039405-001	100,000	-	9,608	-	9,608
Tuberculosis Prevention and Control 07-08		N/A	2008-023216-001	140,125	107	-	-	107
Tuberculosis Prevention and Control 09-10		N/A	2010-032854-001	187,752	24,053	-	24,053	-
Tuberculosis Prevention and Control 10-11		N/A	2011-035291-001	199,863	12,193	175,314	173,360	14,147
Tuberculosis Prevention and Control 11-12		N/A	2012-039041-001	170,859	-	15,067	-	15,067
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. - 10		N/A	2010-031683-001	-	1,222	-	1,222	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. - 11		N/A	2011-036931-001	87,640	4,969	69,624	74,593	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. - 12		N/A	2012-039350-001	75,000	-	7,300	-	7,300
Family Planning - 02		N/A	74-60015732B02-01	93,550	11,595	-	-	11,595
Family Planning - 04		N/A	74-60015732A04-03	101,751	32,017	-	-	32,017
Family Planning - 07		N/A	2007-02365-002	61,068	28,685	-	-	28,685
Family Planning - 08		N/A	2008-024154-001	34,883	20,638	-	-	20,638
Family Planning - 09		N/A	2009-029220-001	56,671	339	-	-	339
Family Planning - 10		N/A	2010-032523-001	9,445	9,382	-	-	9,382
Family Planning - 10		N/A	2010-034124-001	60,000	26,679	-	-	26,679
Family Planning - 11		N/A	2011-036931-001	87,640	9,282	98,843	96,839	11,286
Family Planning - 12		N/A	2012-039819-001	6,566	-	6,300	-	6,300
Child Health Services Prenatal - 09		N/A	2009-029486-001	90,811	1,757	-	-	1,757
Child Health Services Prenatal - 10		N/A	2009-031713-001	92,000	1,815	-	1,815	-
Child Health Services Prenatal - 11		N/A	2011-036661-001	46,000	2,273	28,585	30,858	-
Child Health Services Prenatal - 12		N/A	2012-039646-001	41,000	-	2,462	-	2,462
Local City CVD & Stroke Prevention Plan		N/A	2010-034654-001	30,000	8,547	-	8,547	-
Local City CVD & Stroke Prevention Plan		N/A	2011-035575-001	30,000	3,064	26,863	29,927	-
Cancer Prevention & Research Institute of Texas (CPRIT)	**	N/A	PP100228	2,497,500	5,107	649,885	378,588	276,404
Public Health Emergency Response		N/A	2010-033283-001	829,566	76,350	179,202	248,814	6,738
Border Binational Health Week		N/A	1X408TXUSMEXBRD	2,100	-	600	600	-
Office of Border Health - Border Health		N/A	2012-039746-001	40,000	-	2,266	-	2,266
Passed Through South Texas Development Council:								
H. I. V. Social Services 09-10		N/A	19-2-09 (10)	135,807	-	6,984	6,984	-
H. I. V. Social Services 10-11		N/A	19-2-10 (11)	136,022	5,223	129,875	125,754	9,344
H. I. V. Social Services 11-12		N/A	19-2-10 (12)	81,290	-	8,268	-	8,268
Total - Texas Department of State Health Services				6,169,100	309,313	1,575,089	1,344,658	539,744
Commission on Law Enforcement Officers Standards and Education								
Law Enforcement Officer Standards and Education		N/A	N/A	32,844	(20,316)	38,529	30,089	(11,876)
Law Enforcement Officer Standards and Education 2007		N/A	N/A	1,600	(122)	122	-	-
Law Enforcement Officer Standards and Education 2008		N/A	N/A	1,600	(1,462)	1,462	-	-
Law Enforcement Officer Standards and Education 2009		N/A	N/A	1,324	(1,324)	1,324	-	-
Law Enforcement Officer Standards and Education 2010		N/A	N/A	1,249	(53)	16	-	(37)
Law Enforcement Officer Standards and Education 2011		N/A	N/A	1,600	-	-	1,566	(1,566)
Total - Commission on Law Enforcement Officers Standards and Education				40,217	(23,277)	41,453	31,655	(13,479)
Texas Parks and Wildlife:								
Laredo Independence Hills Park	**	N/A	50-000405	499,981	-	501,200	463,748	37,452
Total - Texas Parks and Wildlife				499,981	-	501,200	463,748	37,452
Texas State Library and Archives Commission								
Seven Flags Regional Advisory Council		N/A	N/A	14,000	-	5,276	-	5,276
Texas State Library and Archives Commission		N/A	N/A	5,110	-	800	800	-
Loan Star Libraries Grant		N/A	442-44653	35,265	-	34,928	35,265	(337)
Total-Texas State Library and Archives Commission				$ 54,375	-	41,004	36,065	4,939

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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
State Department of Transportation:								
Auto Theft Task Force		N/A	SA-T01-10057-10	$ 458,405	65,897	-	65,897	-
Auto Theft Task Force		N/A	SA-T01-10057-11	426,720	37,328	389,392	383,340	43,380
Auto Theft Task Force		N/A	SA-T01-10057-12	433,514	-	38,718	-	38,718
TXDOT-Transit Scholarship		N/A	N/A	-	-	191	191	-
TXDOT-IH 35 Maintenance Agreement		N/A	N/A	300,000	-	12,811	-	12,811
TXDOT-Interlocal Agreement for TPDES Permit Program		N/A	N/A	44,000	3,667	44,000	25,667	22,000
TXDOT -Laredo Signal Integration Project	**	N/A	CSJ-0922-33-094	1,750,000	9,881	884,300	552,316	341,865
TXDOT -Federal Inspection Booths at World Trade Bridge		N/A	CSJ-0922-33-114	3,731,774	1,062,567	1,065,389	1,963,777	164,179
TX Dept. of Transportation-Routine Airport Maintenance Program '11		N/A	CSJ-M122LREDO	50,000	-	47,286	36,432	10,854
TX. Dept of Transportation- Chacon Creek Hike and Bike Trail	**	N/A	CSJ-0922-33-100	3,300,000	11,316	415,773	383,449	43,640
TX. Dept of Transportation- West Laredo CPL Road		N/A	CSJ-0922-33-071	4,797,810	-	-	-	-
TX. Dept of Transportation- West Laredo CPL Road Phase II		N/A	CSJ-0922-33-076	2,597,272	-	214,385	191,916	22,469
TX. Dept of Transportation- West Laredo CPL Road Phase III		N/A	CSJ-0922-33-093	11,301,589	-	-	-	-
Total - State Department of Transportation				29,191,084	1,190,656	3,112,245	3,602,985	699,916
Texas Commission on Environmental Quality								
Passed Through STDC:								
T.C.E.Q.-Regional Solid Waste Management		N/A	08-19-g02/04	40,000	-	-	-	-
Total - Texas Commission on Evironmental Quality				40,000	-	-	-	-
Texas Water Development Board								
Water Rights Grant-Economic Distressed Areas		N/A	PROJECT #10409	7,500,000	14,608	5,101,836	5,101,709	14,735
Total - Texas Water Development Board				7,500,000	14,608	5,101,836	5,101,709	14,735
Total State Assistance				43,494,757	1,491,300	10,372,827	10,580,820	1,283,307
OTHER ASSISTANCE								
Co-Operator and Chauffeurs Funding								
Laredo Gang Initiative		N/A	CO-11-A10-24297-01	200,000	-	184,589	173,572	11,017
2009 Stone Garden Grant		N/A	NA	700,000	-	266,098	155,171	110,927
2010 Stone Garden Grant		N/A	NA	700,000	-	-	-	-
Tobacco Compliance FY 10/11		N/A	N/A	8,200	-	4,422	4,422	-
Tobacco Compliance FY 11/12		N/A	N/A	3,500	-	1,272	3,500	(2,228)
Local Border Security FY 10/11		N/A	LBSP-10/11	300,000	-	250,405	150,000	100,405
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 2010		N/A	N/A	91,000	3,108	-	3,108	-
Custom-Narcotics 2011		N/A	N/A	91,000	-	36,608	29,404	7,204
Custom-Narcotics 2012		N/A	N/A	91,000	-	644	-	644
OCEDETF-DEA 2011		N/A	N/A	17,202	-	9,563	8,921	642
OCEDETF-FBI 2011		N/A	N/A	20,000	-	7,040	-	7,040
Laredo Joint Terrorism TF 2010		N/A	N/A	15,573	2,426	-	2,426	-
Laredo Joint Terrorism TF 2011		N/A	N/A	17,202	-	16,704	15,271	1,433
Safe Streets Task Force 2010		N/A	N/A	33,807	8,053	-	8,053	-
Safe Streets Task Force 2011		N/A	N/A	34,404	-	29,328	24,982	4,346
Fugitive Apprehension Task Force 10		N/A	N/A	99,000	18,392	-	18,392	-
Fugitive Apprehension Task Force 11		N/A	N/A	99,000	-	21,861	17,864	3,997
Bureau of Alcohol and Tobacco 08		N/A	N/A	21,000	232	-	-	232
Bureau of Alcohol and Tobacco 09		N/A	N/A	21,000	4,457	-	4,457	-
Bureau of Alcohol and Tobacco 10		N/A	N/A	28,500	4,660	-	4,660	-
Bureau of Alcohol and Tobacco 11		N/A	N/A	22,449	-	24,959	19,074	5,885
Webb County - Auto Theft Task Force 10/11		N/A	N/A	43,000	-	39,417	39,417	-
Webb County - Auto Theft Task Force 11/12		N/A	N/A	43,000	-	3,583	3,583	-
Dept. of Public Safety-Travel Reimbursement		N/A	N/A	$ -	-	64	64	-

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS **CITY OF LAREDO, TEXAS**
PERIOD ENDED SEPTEMBER 30, 2011

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, 2010	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2011
OTHER ASSISTANCE							
Department of Information Resources	N/A	N/A	$ -	-	5,702	5,702	-
911 Regional Communications Grant - FY2009	N/A	N/A	1,603,374	269,329	-	269,329	-
911 Regional Communications Grant - FY2010	N/A	N/A	1,357,921	(53,944)	2,956	(50,988)	-
911 Regional Communications Grant - FY2011	N/A	N/A	1,937,479	(275,234)	1,028,206	772,888	(19,916)
911 Regional Communications Grant - FY2012	N/A	N/A	1,226,600	-	23,133	-	23,133
UTHCSA - Proyecto Bienestar 10-11	N/A	N/A	90,000	-	3,009	3,009	-
UTHCSA - South Texas AIDS Network	N/A	N/A	25,000	3,400	19,950	23,350	-
UTHCSA - South Texas AIDS Network	N/A	N/A	25,000	-	3,769	-	3,769
UTHCSA - Dental Clinic Construction (deferred)	N/A	N/A	1,300,000	(459,474)	459,474	-	-
UTHCSA - Dental Clinic Operations	N/A	N/A	300,000	12,296	-	12,296	-
UTHCSA - Dental Clinic Operations	N/A	N/A	300,000	5,353	137,343	142,696	-
UTHCSA - Dental Clinic Operations	N/A	N/A	125,000	-	2,994	-	2,994
Laredo Community College-Interlocal Agreement for TPDES Permit Prgrm.	N/A	N/A	10,000	-	10,000	5,000	5,000
Webb County-Interlocal Agreeement-Health	N/A	N/A	200,000	-	210,000	210,000	-
Mercy Hospital - CHIP Perinate	N/A	N/A	-	114,191	75,502	(58,472)	248,165
SCAN - HIV Testing	N/A	N/A	33,882	5,697	-	5,697	-
SCAN - HIV Testing	N/A	N/A	45,000	135	39,677	35,264	4,548
Webb County-311 Agreement	N/A	N/A	34,500	-	34,500	34,500	-
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	-	-	-	-
Universal Service Fund (USF)-E-Rate Program (Round 12)	N/A	N/A	411,137	-	240,532	240,532	-
Universal Service Fund (USF)-E-Rate Program (Round 13)	N/A	N/A	367,394	-	56,370	56,370	-
911 Regional Communications Grant - FY2011 Use of Revenue	N/A	N/A	-	-	929,213	929,213	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	28,180	(13,512)	33,272	30,000	(10,240)
BECC - Tex-Mex Binational Solid Waste Reduction	N/A	TAA09-046	40,000	8,735	20,542	29,277	-
BECC - Colonias Household Hazardouz Waste Collection	N/A	TAA11-008	45,000	-	-	-	-
City of Nuevo Laredo-Water Weir Project	N/A	N/A	50,000	44,012	-	-	44,012
Total - Other Assistance			12,928,884	(291,789)	4,232,701	3,382,004	558,908
Total Federal, State and Other Assistance			$ 294,038,527	17,791,666	85,687,534	91,308,124	12,171,076

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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Aaron Canales, CPA
Juan José Garza, CPA
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CG&B
Canales, Garza & Baum, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2011, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated February 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Laredo, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Laredo, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

707 E. Calton Rd., Suite 201, Laredo, TX 78041 MAIL: P.O. Box 3627, Laredo, TX 78044-3627 T: 956.724.1111 F: 956.724.1350
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Laredo, Texas, in a separate letter dated February 17, 2012.

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.

Canales, Garza & Baum, PLLC

Laredo, Texas
February 17, 2012

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes __X__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	_____ yes __X__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes __X__ none reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Women, Infants and Children
20.205	Highway Planning and Construction
66.468	ARRA Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: $ 2,132,460

Auditee qualified as low-risk auditee? __X__ yes _____ no

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	__X__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	__X__ none reported
Noncompliance material to financial statements noted?	_____ yes	__X__ no

State Awards

Internal Control over major programs:		
Material weakness(es) identified?	_____ yes	__X__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	__X__ none reported
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____ yes	__X__ no

Identification of major programs:

Number(s)	Name of State Program or Cluster
	Texas Department of State Health Services
None	Cancer Prevention & Research Institute of Texas
	Texas Parks and Wildlife
None	Laredo Independence Hills Park
	Texas Department of Transportation
None	Laredo Signal Integration Project
None	Chacon Creek Hike and Bike Trail

Dollar threshold used to distinguish between Type A and Type B programs: $ 311,185

Auditee qualified as low-risk auditee? __X__ yes _____ no

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

Section II - Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

City of Laredo, Texas
Federal Summary Schedule of Prior Audit Findings
Year Ended September 30, 2011

Summary of Prior Audit Findings

Federal Award Findings and Questioned Costs

None.

City of Laredo, Texas
State Summary Schedule of Prior Audit Findings
Year Ended September 30, 2011

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.

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