# CITY OF LAREDO, TEXAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED**
**SEPTEMBER 30, 2003**

# CITY OF LAREDO, TEXAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## SEPTEMBER 30, 2003

PREPARED BY:

CITY OF LAREDO
FINANCIAL SERVICES DEPARTMENT
ACCOUNTING DIVISION

# INTRODUCTION SECTION

**CITY OF LAREDO, TEXAS**
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**
**Year Ended September 30, 2003**

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LAREDO, TEXAS
1755

February 6, 2004

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, 2003. 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 and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City of Laredo's financial statements have been audited by Garza, Martinez & Co., 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, 2003, 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, 2003 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

**Profile of the Government**

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City presently maintains four border crossings, three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is one of the fastest growing cities in the State of Texas and ninth fastest growing city in the United States as per the 2000 Census with a current estimated population of over 191,500.

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 other 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 heads of the various departments. The council is elected on a non-partisan basis. Council members may serve up to two (2) four (4) year terms. The mayor is elected to serve a four-year term with a limit of two (2) terms. All council members are elected by district. The mayor is elected at large.

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

The annual budget serves as the foundation for the City of Laredo's financial planning and control. The City Manager presents a proposed balanced budget to the City Council for review 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 though 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.** The City of Laredo currently has enjoyed a favorable economic environment and local indicators point to continued stability. The region has a varied retail, international trade, manufacturing and transportation base that adds to the relative stability of the unemployment rate. The increase in demand for transportation services, trucking and warehousing as well as business services and construction is due to the increase in trade between the United States and Mexico. Laredo is the largest inland port in the Country. Employment grew by 2 percent and the unemployment rate fell by .1 percent to 6.5 percent. Residential construction increased by 5% to 1,495 units at a value of $128.6 million.

The City has two major hospital presences within the area with combined licensed bed capacity of 434 beds. Both hospitals are state of the art facilities with ancillary and support services.

In the current year nationally known companies decided to make their home in Laredo and they range from retail, new entertainment venues, hotels, and restaurants industries. Also, a national retail company opened its second super center during the year. The new stores, hotels, and restaurants have created jobs that have assisted in decreasing the unemployment rate for the City.

The region (which includes the City of Laredo and the surrounding unincorporated area within the same county) has employed labor force of approximately 76,985, which is anticipated to grow at a rate of between 2 percent and 3 percent each year for the next several years.

## MAJOR INITIATIVES

### For the Year 2002-2003

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. These projects reflect the City's commitment to building a better Laredo.

- The new Laredo Municipal Court Building opened for business on August 2003. The state of the art facility had a cost of $ 3.2 million.

- Phase II of the Laredo International Fire and Law Enforcement Training Center was completed. A new Fire Station Alerting System was implemented, two new Fire Academies were completed and a new Fire Station was opened. A new EMS Reporting and Billing Program were

implemented and received a Homeland Security Grant in the amount of $1.2 million dollars.

- The Police Department completed the Mobile Command Unit Center for the 911 System. Created a new police precinct and COP workstations for various precincts. Complete installation of mobile data communications systems terminals for sixty (60) patrol units and fifteen (15) for non-uniform personnel.

- The Laredo International Airport secured various grants in the amount of $4,714,480 for airport improvements and noise abatement program. Received a state-of-the-art airport rescue and fire fighting vehicle value at over $600,000. Federal Express introduced daily Boeing 727 cargo service. American Eagle upgraded their service to regional jets. Among the various projects completed include the construction of Taxiway "J", the construction of Airport Perimeter Access Road and Northeast Cargo Apron Phase I.

- Plans and specifications for El Portal Bridge Project were completed. This is a $16 million project to revitalizations and conservation of the historic downtown area. Construction is expected to begin in fiscal year 2004.

- Parks and Recreation Department undertook several new projects the following is a partial list of those projects:
  Zacate Creek Linear Park at an estimated cost of $ 490,000
  Initiated construction of El Cuatro Park and Santa Rita Park
  Inner City Park a $2.9 million project that will include an indoor pool and other facilities.
  Eastwoods Park $175,000
  Santa Rita Park at an approximate cost of $ 450,000

**Future Major Initiatives**

- Among the Airport Improvement Project funded from discretionary grants include the following:
  Construct Phase II of Northeast Cargo Apron $3 million
  Reconstruct Taxiways $2.8 million
  Rehabilitate Cargo Apron $3 million
  Improve Runway 35L Safety Area $3 million
  Partially reconstruct Runway 17L $3 million
  Noise mitigation measures for residences within the proximity of airport totaling $4.7 million.
- The Laredo Bridge system will commence construction of El Portal Project, a $15 million project and resurface and widen International Bridge II for $700 thousand. International Bridge III will be going through a rehabilitation of its span and erosion areas.

- Parks and Recreations Centers:
  Seven Flags Park rehabilitation project at an estimated cost of $433,700.
  Completion of the Zacate Creek Linear Park
  Completion and opening of the Inner City Park.
  Chacon Creek Hike and Bike Trail Phase II
- The City continues to work on extending the water and sewer improvements to provide these basic needs to residents of Webb County through a $15.7 million dollar grant from the Texas Water Development Board, Economic Distressed Areas Program, and the Border Environmental Cooperative Commission.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in obligations of the U.S. Treasury and its agencies and instrumentalities and the Local Government Investment pools. The maturities of the investments range from daily to three years with an average day to maturity of 200 days. The average yield on investments was 1.90 percent overall. The City has continued to experience low interest rates.

**Risk management.** January 1990, the City established a partial self-insurance plan to provide medical coverage for its employees. On October 1, 1996, the City converted its Worker's Compensation Plan to a self-funded plan. Claims in excess of the self-insured retention amounts are covered through third party limited-coverage insurance policies. The City has accruals for claims that have been incurred but not yet disbursed. The total net assets as of September 30, 2003, for the Health & Benefits Fund were $1,021,426, which represents a decrease of $321,460 from the prior year. The total net assets for Risk Management were $748,982, an increase of $230,287 from the previous year.

**Pension and other postemployment benefits**. The City of Laredo sponsors a non-traditional, joint contributory, hybrid defined single-employer (TMRS) defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City of Laredo must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Laredo fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the City of Laredo's conservative funding policy, the City of Laredo has partially funded 71.20 percent as of December 30, 2002. The remaining un-funded amount is being systematically funded over 25 years as part of the annual required contribution calculated by the actuary.

The City of Laredo also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 138 retired employees receiving these benefits, which are financed on a pay-as-you-go-basis. GAAP does not require governments to report a liability

in the financial statements in connection with an employer's obligation to provide these benefits.

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

**Awards and Acknowledgements**

The Government Finance Officers Association (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, 2002. This was the fifteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 twelfth 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,
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Laredo, Texas

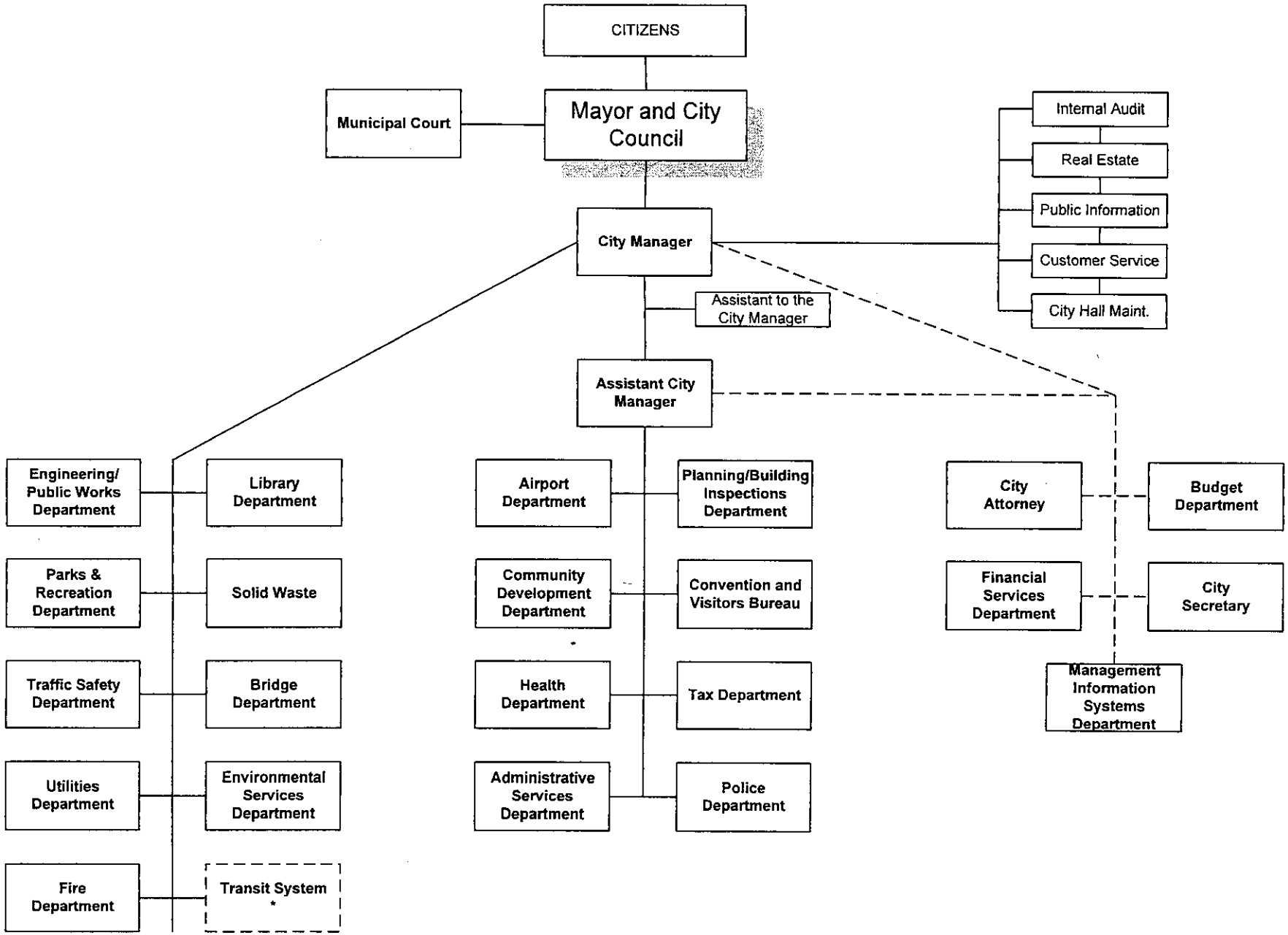
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

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

President

Executive Director

# CITY OF LAREDO, TEXAS




* Transit System is a non-profit organization; not a department of the city.

**CITY OF LAREDO, TEXAS**
**ADMINISTRATIVE OFFICIALS**

**CITY COUNCIL**

**Elizabeth G. Flores, Mayor**

| COUNCIL MEMBER | DISTRICT | COUNCIL MEMBER | DISTRICT |
|---|---|---|---|
| Alfredo Agredano | I | Eliseo Valdez, Jr. | V |
| Hector J. Garcia | II | Gene Belmares | VI |
| John C. Galo, Mayor Pro Tem | III | Jose A. Valdez, Jr. | VII |
| John Amaya | IV | Juan Ramirez | VIII |

**CITY STAFF**

Larry Dovalina Jr., City Manager

Cynthia Collazo, Assistant City Manager

Jaime L. Flores, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

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# FINANCIAL SECTION

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# INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2003, 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 an opinion 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; the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the State of Texas *Uniform Grant and Contract Management Standards (UGCMS).* Those standards, OMB Circular A-133 and UGCMS, require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

In accordance with *Government Auditing Standards* and *UGCMS*, we have also issued our report dated February 6, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and *UGCMS* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Laredo, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund and account group financial statements and schedules listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and UGCMS, and is also not a required part of the basic financial statements of the City of Laredo, Texas. The combining and individual nonmajor fund and account group financial statements as well as the schedule of federal and state awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and schedules listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Garza, Martinez & Co., P.L.L.C.*

February 6, 2004



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

## FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of this fiscal year by $525 million (net assets). Of this amount, $85 million (unrestricted net assets) may be used to meet the Government's ongoing obligations to citizens and creditors.
- The Government's total net assets increased by $96 million. This increase is attributed various construction in progress projects (Airport and Inner City Park), Infrastructure and the Depreciation of Buildings I.e.: Arena.
- As of the close of the current fiscal year, the City's Governmental funds reported combined ending fund balances of $60.9 million; a decrease of $1.9 million from prior year due to expected revenues not meeting current expenditures.
- At the end of the current fiscal year, total fund balance for the general fund was $10 million.
- The City's total long-term debt was $203 million, a decrease of $2 million as compared to prior year.
- Due to its revenue shortfall in general fund, the City implemented a variety of cost-cutting measures (partial hiring freeze, capital expenditure freeze, and reduction of supply and materials expenses) in FY 2003.

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

| | | Fund Statements | | |
|---|---|---|---|---|
| | Government –Wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| SCOPE | **Entire City Government (except fiduciary funds) and the City's component units** | **The activities of the City that are not proprietary, such as police, fire, and parks** | **Activities the City operates similar to private businesses: Bridge, Water, Sewer** | **Instances in which the City is the trustee or agent for someone else's resources i.e.: the retirement plan for City employees** |
| Required Financial Statements | • Statement of net assets<br>• Statement of activities | • Balance sheet<br>• Statement of Revenues and Expenditures, and changes in fund balances | • Statement of net assets<br>• Statement of Revenues expenses, and changes in net assets<br>• Statement of Cash Flows | • Statement of fiduciary net assets<br>• 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 the required parts of this annual report are arranged and relate to one another. In addition these required elements, we have included a section with combining statements that provide details about our non-major Governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

**Figure A-1**

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

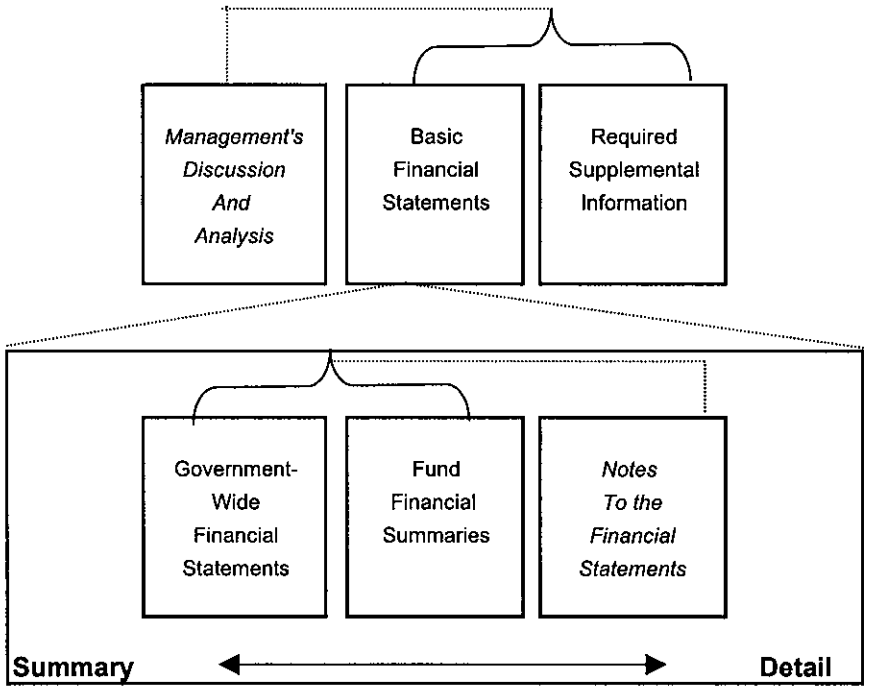



Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City Government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of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

**Government-wide Statements**

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

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

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

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

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

- Business-type activities – The City charges fees to customers to help it cover its cost of certain services it provides. The City's Municipal Court operations and a portion of the Bridge revenues are included here.
- Discretely Presented Component units – The City includes five other entities in its report. These entities are: Laredo Municipal Housing Corp., Laredo Municipal Transit System, Laredo Convention and Visitors' Bureau, Laredo Firefighters' Retirement System, and the Laredo Water Corporation. Although legally separate, these "component units" are important because the City is financially accountable for them.

**Fund Financial Statements**

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

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

The City has three kinds of funds:

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

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

## Financial Analysis of the City as a Whole

**Net Assets.** The City's *combined* net assets totaled $525 million. This amount is largely due in the form of capital assets where there was $44.7 million in additions of capital assets net of depreciation and retirements (See Table A-1). Governmental Activities' net assets increased by $60.1 million while business Activities' net assets increased by $3.4 million.

**Table A-1** **City of Laredo's Net Assets**
**September 30, 2002 and 2003**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Current and other assets | $ 105,225,097 | $ 111,505,999 | $ 94,350,055 | $ 93,455,607 | $ 199,575,152 | $ 204,961,606 |
| Capital assets | 367,261,617 | 322,531,134 | 283,585,410 | 283,585,410 | 650,847,027 | 606,116,544 |
| Total assets | 472,486,714 | 434,037,133 | 377,935,465 | 377,041,017 | 850,422,179 | 811,078,150 |
| Current liabilities | 30,135,277 | 39,394,056 | 17,296,610 | 16,432,572 | 47,431,887 | 55,826,628 |
| Long-term liabilities | 179,560,697 | 191,937,866 | 98,101,182 | 101,443,005 | 277,661,879 | 293,380,871 |
| Total liabilities | 209,695,974 | 231,331,922 | 115,397,792 | 117,875,577 | 325,093,766 | 349,207,499 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 188,872,775 | 137,823,393 | 214,214,786 | 212,484,739 | 403,087,561 | 350,308,132 |
| Restricted | 29,412,088 | 25,676,105 | 7,954,794 | 9,070,370 | 37,366,882 | 34,746,475 |
| Unrestricted | 44,505,877 | 39,205,713 | 40,368,093 | 37,610,331 | 84,873,970 | 76,816,044 |
| Total net assets | $ 262,790,740 | $ 202,705,211 | $ 262,537,673 | $ 259,165,440 | $ 525,328,413 | $ 461,870,651 |

Most of the Governmental Activities' net assets either are restricted as to the purposes they can be used for (e.g. grants) or are invested in capital assets (building, roads, etc.). Nevertheless, unrestricted net assets amounted to $44.5 million at the end of this year. While this represents a $5.3 million increase from the previous year, the positive balance, indicates that the City has prudently allocated its resources, managing to pay the full economic costs of its services and programs in the current year. 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 even in the face of a declining economy.

The total net assets of our Business – Type Activities increased by 1.3% to $262 million in Fiscal Year 2003 from $259 million in Fiscal Year 2002. Of that total only $40.4 million and

$37.6 million of these net assets were unrestricted at September 30, 2003 and 2002, respectively.

**Changes in net assets.** The City's total revenues increase by 17.3% to $269 million in Fiscal Year 2003 (See Table A-2). The largest revenue category is charges for services, which is composed for the most part of Administrative Fees from all departments. Total charges for services was $128.6 in Fiscal Year 2003 compared to $125.9 million in Fiscal Year 2002. The second largest category is taxes, which was $72.56 million in Fiscal Year 2003 compared to $65.6 million in prior year. There was a 19% increase in property taxes from prior year or $5.8 million and a 6.5% increase in sales tax as compared to prior year or $1.7 million.

Total cost of all programs decreased by 8.8% from $231 million in Fiscal Year 2002 to $211 million in Fiscal Year 2003. This decrease is due to an overstatement in FY 2002 where the Arena was expensed and not capitalized. Additional information is covered under Note 21-Prior Period Adjustments. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social, health and economic programs.

**Table A-2**

**City of Laredo's Changes in Net Assets**
**September 30, 2003 and 2002**

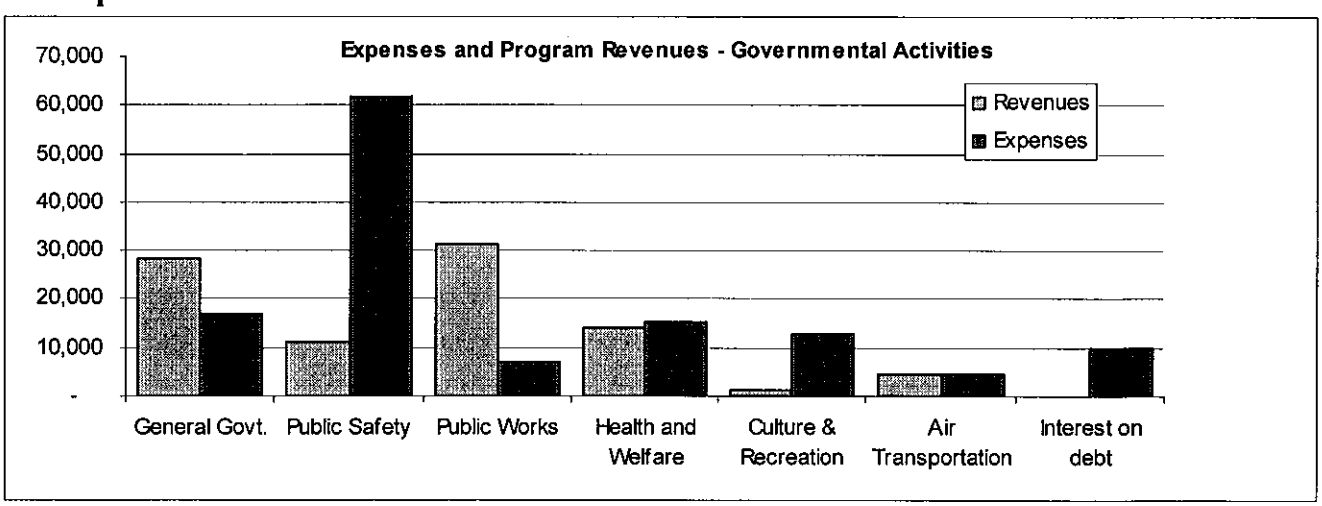
| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 47,481,145 | $ 44,077,571 | $ 81,161,955 | $ 81,811,480 | $ 128,643,100 | $ 125,889,051 |
| Operating grants and contributions | 13,576,179 | 9,960,418 | 13,296,318 | 12,153,814 | - 26,872,497 | 22,114,232 |
| Capital grants and contributions | 29,903,003 | 7,013,550 | 1,344,286 | 1,710,991 | 31,247,289 | 8,724,541 |
| General revenues: | | | | | | |
| Sales tax | 22,807,995 | 21,384,306 | 4,331,368 | 4,092,648 | 27,139,363 | 25,476,954 |
| Property taxes | 36,551,380 | 30,707,246 | - | - | 36,551,380 | 30,707,246 |
| Other taxes | 8,778,921 | 9,422,908 | | | 8,778,921 | 9,422,908 |
| Grants and contributions not restricted | 4,602,769 | 4,546,517 | | | 4,602,769 | 4,546,517 |
| Other | 4,488,088 | 1,937,911 | 430,777 | 256,064 | 4,918,865 | 2,193,975 |
| Total revenue | $ 168,189,480 | $ 129,050,427 | $ 100,564,704 | $ 100,024,997 | $ 268,754,184 | $ 229,075,424 |

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Expenses: | | | | | | |
| General Government | $ 16,693,444 | $ 15,557,179 | | | $ 16,693,444 | $ 15,557,179 |
| Public Safety | 61,576,788 | 58,387,980 | | | 61,576,788 | 58,387,980 |
| Public Works | 7,018,369 | 36,409,755 | | | 7,018,369 | 36,409,755 |
| Health & Welfare | 15,095,426 | 14,783,388 | | | 15,095,426 | 14,783,388 |
| Culture & Recreation | 12,631,869 | 12,244,217 | | | 12,631,869 | 12,244,217 |
| Air Transportation | 4,399,578 | 5,135,446 | | | 4,399,578 | 5,135,446 |
| Interest & Other long - | | | | | - | - |
| term debt | 10,021,002 | 10,116,381 | | | 10,021,002 | 10,116,381 |
| Transit System | | | 12,092,166 | 11,296,895 | 12,092,166 | 11,296,895 |
| Bridge System | | | 32,577,075 | 30,677,776 | 32,577,075 | 30,677,776 |
| Solid Waste | | | 11,058,161 | 9,402,560 | 11,058,161 | 9,402,560 |
| Water System | | | 14,581,048 | 15,645,483 | 14,581,048 | 15,645,483 |
| Sewer System | | | 11,137,506 | 10,158,939 | 11,137,506 | 10,158,939 |
| Other Business -Types | | | 1,052,158 | 1,402,809 | 1,052,158 | 1,402,809 |
| Total expenses | 127,436,476 | 152,634,346 | 82,498,114 | 78,584,462 | 209,934,590 | 231,218,808 |
| Inc (dec) in net assets | | | | | | |
| before transfers | 40,753,004 | (23,583,919) | 18,066,590 | 21,440,535 | 58,819,594 | (2,143,384) |
| Transfers | 14,694,355 | 7,272,667 | (14,694,355) | (7,272,667) | - | - |
| Increase in net assets | 55,447,359 | (16,311,252) | 3,372,235 | 14,167,868 | 58,819,594 | (2,143,384) |
| Net assets, beginning | 167,216,075 | 183,527,327 | 260,051,582 | 245,883,714 | 427,267,657 | 429,411,041 |
| Prior Period Adj. | 40,127,306 | | (886,144) | | 39,241,162 | - |
| Net assets, ending | $ 262,790,740 | $ 167,216,075 | $ 262,537,673 | $ 260,051,582 | $ 525,328,413 | $ 427,267,657 |

## Governmental Activities

Revenues from the City's Governmental activities increased 49%, while total expenses decreased 16.5%. For revenues, growth was in the area of capital where $28 million in the Arena was expensed prior year and not capitalized. A change was made to reflect said figures. In terms of expenses, the $127 million was largely composed of expenses in Public Safety for $62 million, Health & Welfare for $15.1 million and General Government for $16.7 million. There was a $25 million decrease in expenses from prior year which was due to the re-statement of expenses (decrease) for the Arena in the Public Works area.

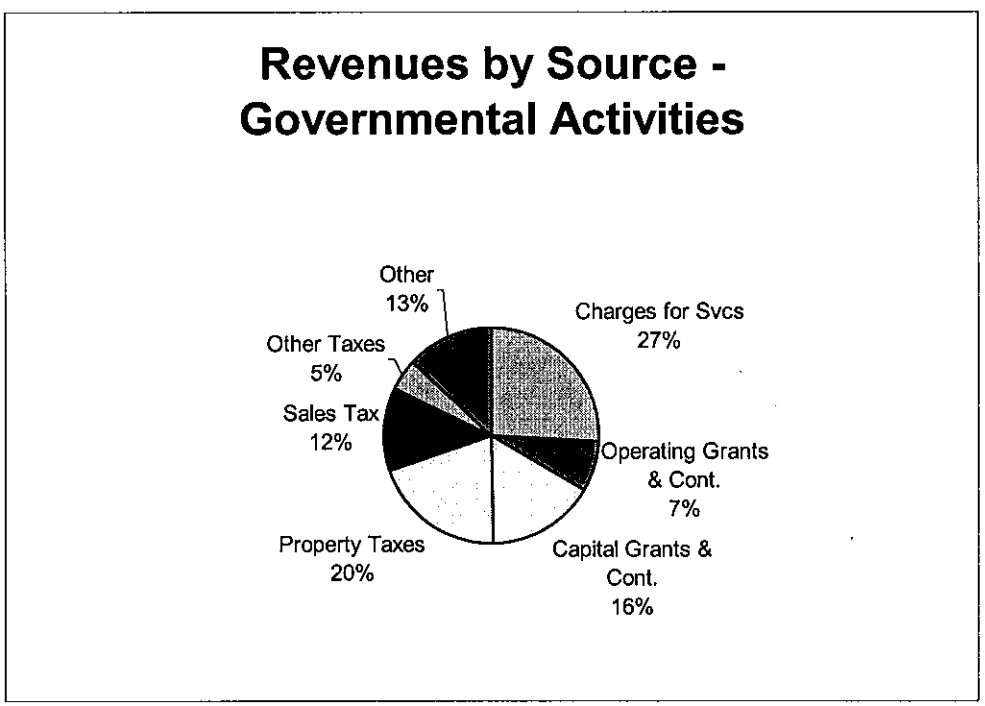
## Graph 1



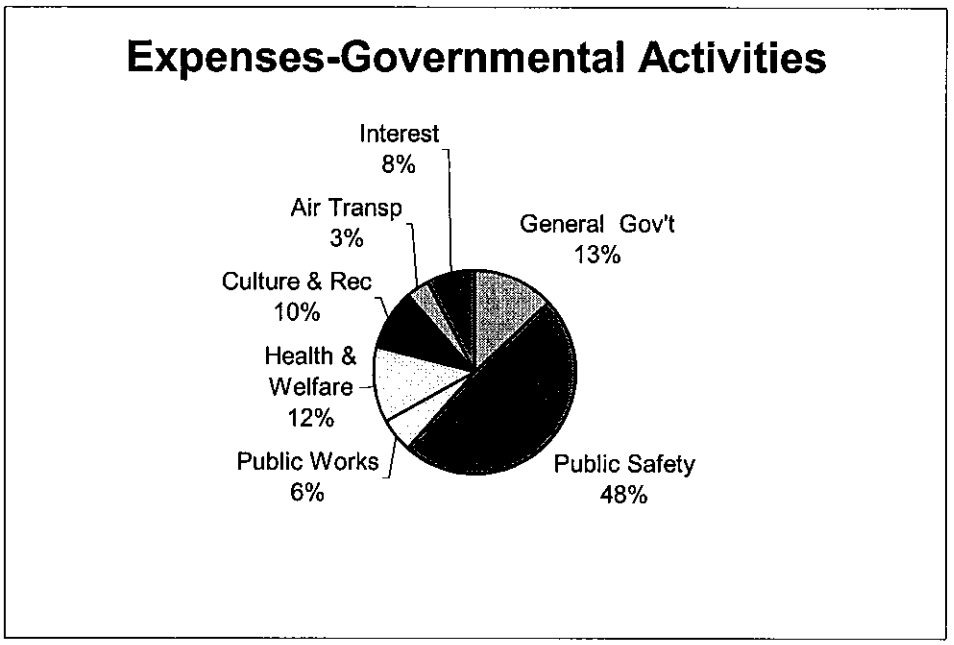
Graph 1 represents the cost of each of the City's 7 largest programs as well as each programs revenues. Net cost (total cost less fees generated by the activities and intergovernmental aid) is also reflected for each program. The net cost is the financial burden that was placed on the City's taxpayers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

- The cost of all *Governmental* activities this year was $127.4 million.
- The amount that our citizens paid for these activities through City taxes/services was $91 million.
  Costs were also offset by some of the following revenue streams:
  - ❖ Those who directly benefited from the programs ($47.5 million) I.e., operating grants and other contributions and
  - ❖ Other Government and organizations that subsidized certain programs with capital grants and contributions ($43.5 million).
- The City paid for the $127.4 million "public benefit" portion with $91 million in taxes and other revenues such as interest earnings, bond proceeds, and unrestricted grants.
- After subtracting program revenue and grants and contributions, Public Safety required the largest net amount of public funds. The total subsidy was $50.5 million in Fiscal Year 2003.
- General Government (support services) comprised approximately 13% of total expenses in Fiscal Year 2003; a growth of 3% from prior year.
- All except $1.2 million of the $15.1 million, in Health and Welfare expenses were subsidized by general revenues.
- Business – Type Activities transferred to Governmental Activities $14.7 million.
- 27 % of all Governmental Activities revenue came from charges for services and 20% came from property taxes (see Graph 2).
- 48% of all Governmental Activities expenses were from public safety, 13% by General Government, and 6% went for public works (see Graph 3).

**Graph 2**



**Graph 3**




**Business-type Activities**

Revenues of the City's business-type activities remained stable with $96 million while expenses increased by 6.1% from $78.6 million to $83.4 (Refer to Table A-2). Factors contributing to these results included:

- Bridge operating expenses increased by $2.2 million from prior year which include $1.2 million in various operating expenses, an increase of $534 thousand in additional administrative charges, and $479 thousand in interest increase.
- A 17.6% increase in Solid Waste System or $1.8 million as compared to prior year. This increase is largely due to various increases in operating expenses which include the payroll expenses for which a creek cleaning crew was transferred to Solid Waste from General Fund totaling $ 556 thousand, a $213 thousand in contractual services and $453K in depreciations expenses.

**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 $262.8 million, 57.15% increase from prior year. Of the $262.8 million combined fund balance, $44.5 million is unreserved, $5.54 million debt

service, and $23.8 million for capital projects, and $60,295 in restricted for endowment fund; the difference is invested in capital assets net of related debt.

The general fund is the chief operating fund of the City of Laredo. At the end of the current fiscal year, unreserved fund balance of the general fund was $9.15 million while total fund balance $10.02 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.9% total general fund expenditures, while total fund balance represents 11.93% of the same amount.

The General Fund decreased by $1.76 million during the current fiscal year. Key factors for this decrease are the following:

- A revenue shortfall in the amount of $2.127 million mainly in the areas of Franchise fees ($1.6 million) and Charges for Services ($1.3 million). Revenues collected in excess of budgeted revenues contributed in reducing the overall shortfall to $2.127 million.
- Cost savings measures were implemented during the year that resulted in saving in some areas and contributed in offsetting budget overruns in various department such as Police Department $1.066 million, Fire Department $855,701 and Traffic Department $383,298. As noted earlier in this document, the City Management implemented a plan to reduce costs due to revenue shortfalls.

The debt service fund has a total fund balance of $5.5 million, all of which is reserved for the payment of debt service. The net increase fund balance during the current year in the debt service fund was $82,036.

***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.

Unrestricted net assets of the Business – Type Activities at the end of the year amounted to $40.36 million. The total growth in net assets was $2.48 million.

**General Fund Budgetary Highlights**

Differences between the original budget and final amended budget can be briefly summarized as follows:

Revenues:

- General Fund revenues increased due to an additional appropriation of $659,696 for reimbursement agreements between the City of Laredo and the local school district for School Resource Officers Program. An additional $196,400 was appropriated for Tax attorney fees, donations and contributions.
- Revenues for Transfer In were also increased by $3,989,300 for a reimbursement from the 2003 Personal Property Finance Contractual Obligation (PPFCO). The City, earlier during the year, approved a reimbursement resolution to advance funding the PPFCO Program until the bonds were sold and reimbursed to the General Fund.

Expenditures:

- General Fund expenditures, transfers out, were increased $7,489,300 during the year to advance fund various projects including $3,989,300 for a PPFCO bond issue and $3,500,000 bond issue for Bridge System improvements.
- Expenditures were also increased $659,696 to fund the School Resource Officers Program in a local school district. Revenues collected for donations and contributions were also appropriated. Fees for Tax attorneys were also appropriated as well as Technology fund fees for the Municipal Court were appropriated in order to use the funds.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal year 2003, the City had invested $652 million in a broad range of capital assets an overall $46 million increase from prior year. In this year, infrastructure increased by $23 (including depreciation), $17 million on paving projects (including depreciation), $6 for drainage improvement, and $5 million for curbing. Construction in progress increased by $9 million (net of depreciation) which include, various Airport improvements and an Inner City Park for the Governmental Type Activities. Bridge II renovations and El Portal were the major construction in progress projects for Business Type Activities. The capital increases for land in the Governmental Type include the purchase of various parking lots while in the Business Type the largest acquisition was for the future transit center. (See Table A-3). This amount below represents a net increase after additions, deductions and depreciation note #9 provides additional detail on capital assets.

**Table A-3**
**City of Laredo**
**(net of depreciation)**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Land | $ 33,951,099 | $ 29,522,562 | $ 25,135,851 | $ 22,087,603 | $ 59,086,950 | $ 51,610,165 |
| Buildings | 105,524,195 | 100,888,942 | 42,550,378 | 44,458,112 | 148,074,573 | 145,347,054 |
| Machinery & Equipment | 15,650,243 | 15,098,393 | 28,505,179 | 26,346,133 | 44,155,422 | 41,444,526 |
| Water Rights | 0 | 0 | 14,416,178 | 13,887,496 | 14,416,178 | 13,887,496 |
| Infrastructure | 199,417,611 | 176,759,874 | 155,646,863 | 155,257,651 | 355,064,474 | 332,017,525 |
| Construction in Progress | 12,718,469 | 261,363 | 18,331,045 | 21,548,415 | 31,049,514 | 21,809,778 |
| Total | $ 367,261,617 | $ 322,531,134 | $ 284,585,494 | $ 283,585,410 | $ 651,847,111 | $ 606,116,544 |

### Long-term Debt

At year-end, the City had $291.9 million in outstanding bonds and other long term debt; a decrease of .01% over last year (See Table A-4). More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

**Bond Ratings**

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

| | |
|---|---|
| Standard & Poor's | A |
| Moody's | A2 |
| Fitch | A+ |

New debt resulted mainly from a $4.59 million General Obligation Refunding Bond issue, a $3.62 Combination Tax and Sewer System Revenue Certificate of Obligation Bond issue, a $2.795 million Personal Property Finance Contractual Obligation (PPFCO) Bond issue, a $3.51 million Combination Tax and Water System Revenue Certificate of Obligation. The issuance of long term debt was to finance various projects including, construction and improvements, pilot channel and construction and equipment of a fire station in South Laredo. The PPFCO include the purchase of vehicles, heavy equipment and machinery and equipment.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| General obligation bonds | $ 81,070,000 | $ 83,630,000 | $ - | $ - | $ 81,070,000 | $ 83,630,000 |
| Certificates of obligation | 70,870,000 | 70,045,000 | - | - | 70,870,000 | 70,045,000 |
| Revenue bonds | 38,885,000 | 39,315,000 | 62,461,080 | 60,733,150 | 101,346,080 | 100,048,150 |
| Capital lease obligations | 1,492,170 | 1,302,201 | - | 24,767 | 1,492,170 | 1,326,968 |
| Notes payable | 1,360,000 | 1,445,000 | 35,760,468 | 35,435,119 | 37,120,468 | 36,880,119 |
| Total | $ 193,677,170 | $ 195,737,201 | $ 98,221,548 | $ 96,193,036 | $ 291,898,718 | $ 291,930,237 |

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

The City Council considered many factors when setting the fiscal year 2004 budget. Increased tax rates and program services will enhance revenues for Governmental activities. The trade economy plays a major role in Laredo. It has and will continue to enhance local businesses and development activities. This growth has caused additional demands on the City to enhance services provided to the general population. The unemployment rate for the City is currently 6.5 percent, which is a slight decrease from prior year of 6.6 percent and the state average of 6.6 percent. Current economic conditions have contributed to declines in other major categories of revenues such as bridge tolls, court fees, and franchise fees. These trends were taken into account when adopting the General Fund budget for fiscal year 2004.

The total 2003-2004 combined budget appropriation is $309 million. This represents an increase of $25 million or 21.5% over the 2002-2003 Budget. The property tax rate for 2004 is .641761 per $100 valuation, an increase of $.01123 or 1.78% percent from prior year with assessed valuations of $5,992,130,874 and a tax levy of $38,455,159. Of this tax rate, 78% or .500648 is utilized for General Fund Activities, the remaining 22% or .141113 is used for debt service. The General Fund's portion of property tax revenue for FY 2004 is estimated to be $38.6 million up $3 million or 8.5% compared to last year. Sales tax revenues for the General Fund for fiscal year 2004 are estimated at $19.2 million, an increase of $1.2 million from prior year.

The General Fund's largest revenue source in fiscal year 2003-04 is property tax receipts $ 29 million and an increase of 11% from prior year. The second largest revenue source for general fund is sales tax with $ 19 million. Budget expenditures in the General Fund are expected to rise by $ 4 million or 4.5 % over the 2002-2003 Budget. Increase wages due to merit increases and cost of living adjustments of 1.6% are factors along with increase in work force in the public safety areas. A large change of retirement benefits from a 5% employee contribution with a 10% City match to a 7% employee contribution with a 14% City match, and increased health insurance costs also contributed to the budget increases.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Director, 1110 Houston Street, City of Laredo, Texas, 78042.

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# BASIC FINANCIAL STATEMENTS

**CITY OF LAREDO, TEXAS**
**STATEMENT OF NET ASSETS**
**September 30, 2003**

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Cash and Cash Equivalents: | | | |
| Cash | $ 32,953 | $ 43,979 | $ 76,932 |
| Equity in Investment Pool | 36,554 | 43,924 | 80,478 |
| Investments | 64,620,013 | 30,785,700 | 95,405,713 |
| Receivable, net of allowances: | | | |
| Accrued Interest | 691,269 | 57,251 | 748,520 |
| Property Taxes, Penalty and Interest | 5,680,310 | - | 5,680,310 |
| Hotel-Motel Tax, Penalty and Interest | 922,661 | - | 922,661 |
| Accounts | 14,186,434 | 5,780,167 | 19,966,601 |
| Notes | 9,600,437 | 753,416 | 10,353,853 |
| Paving Assessments | 183,154 | - | 183,154 |
| Internal Balances | 2,623,864 | (2,623,864) | - |
| Due From Other Governments | 5,723,366 | 369,466 | 6,092,832 |
| Inventory, at cost | 229,413 | 392,662 | 622,075 |
| Prepaid Items | 270,000 | - | 270,000 |
| Restricted Assets: | | | |
| Investments | - | 56,295,001 | 56,295,001 |
| Accrued Interest | - | 44,250 | 44,250 |
| Accounts | - | 75,264 | 75,264 |
| Notes | - | 6,611 | 6,611 |
| Due From Other Governments | - | 38,645 | 38,645 |
| Capital Assets: (Note 9) | | | |
| Nondepreciable Assets: | | | |
| Land and Improvements | 33,951,099 | 39,552,029 | 73,503,128 |
| Construction in Progress | 12,718,469 | 18,331,045 | 31,049,514 |
| Depreciable Assets: | | | |
| Buildings | 120,056,018 | 56,645,362 | 176,701,380 |
| Machinery and Equipment | 41,869,819 | 50,473,592 | 92,343,411 |
| Infrastructure | 309,829,021 | 229,534,931 | 539,363,952 |
| Accumulated Depreciation | (151,162,808) | (109,951,465) | (261,114,273) |
| Unamortized Bond Issuance Costs | 424,668 | 1,287,499 | 1,712,167 |
| **TOTAL ASSETS** | $ **472,486,714** | $ **377,935,465** | $ **850,422,179** |

(Continued)

**CITY OF LAREDO, TEXAS**
**STATEMENT OF NET ASSETS**
**September 30, 2003**

**(Continued)**

| | Primary Government | | |
|---|---|---|---|
| | **Governmental Activities** | **Business-type Activities** | **Total** |
| **LIABILITIES** | | | |
| Accounts Payable | $ 2,840,687 | $ 814,479 | $ 3,655,166 |
| Claims and Judgements Payable | 3,103,456 | - | 3,103,456 |
| Retainage Payable | 1,005,154 | 55,004 | 1,060,158 |
| Accrued Wages and Employee Benefits | 3,293,811 | 1,008,268 | 4,302,079 |
| Accrued Interest Payable | 1,095,662 | - | 1,095,662 |
| Compensated Absences | - | 430,963 | 430,963 |
| Contracts Payable | 1,481,325 | 1,785,384 | 3,266,709 |
| Customer and Tenant Deposits | 133,325 | - | 133,325 |
| Due To Other Governments | 515,293 | - | 515,293 |
| Due to Developers | 1,707,706 | 745,396 | 2,453,102 |
| Deferred Revenue | 842,385 | 488,717 | 1,331,102 |
| General Obligation Bonds (Note 12) | 6,635,000 | - | 6,635,000 |
| Certificates of Obligation (Note 12) | 6,156,846 | - | 6,156,846 |
| Special Assessment Debt With Government Commitment (Note 12) | 183,154 | - | 183,154 |
| Revenue Bond Payable (Note 12) | 525,000 | - | 525,000 |
| Notes Payable (Note 12 & 13) | 85,000 | - | 85,000 |
| Capital Lease Obligation (Note 12) | 531,473 | - | 531,473 |
| Liabilities Payable from Restricted Assets: | | | |
| Contracts Payable | - | 221,013 | 221,013 |
| Retainage Payable | - | 147,684 | 147,684 |
| Customer Deposits | - | 3,396,011 | 3,396,011 |
| Accrued Interest | - | 17,804 | 17,804 |
| Deferred Revenue | - | 2,165,887 | 2,165,887 |
| Revenue Bonds Payable | - | 6,020,000 | 6,020,000 |
| Long-Term Debt, net of current portion: | | | |
| General Obligation Bonds (Note 12) | 74,435,000 | - | 74,435,000 |
| Certificates of Obligation (Note 12) | 64,530,000 | - | 64,530,000 |
| Revenue Bonds Payable (Note 12 & 13) | 38,360,000 | 56,441,080 | 94,801,080 |
| Notes Payable (Note 12 & 13) | 1,275,000 | 35,760,468 | 37,035,468 |
| Capital Lease Obligations (Note 12 & 13) | 960,697 | - | 960,697 |
| Compensated Absences | - | 529,854 | 529,854 |
| Landfill Closure & Postclosure Costs (Note 13) | - | 5,369,780 | 5,369,780 |
| **TOTAL LIABILITIES** | $ **209,695,974** | $ **115,397,792** | $ **325,093,766** |
| **NET ASSETS** | | | |
| Investments in Capital Assets, net of related debt | $ 188,872,775 | 214,214,786 | 403,087,561 |
| Restricted for: | | | |
| Debt Service | 5,537,538 | 7,954,794 | 13,492,332 |
| Capital Projects | 23,814,255 | - | 23,814,255 |
| Canseco Endowment Fund | | | |
| Nonexpendable | 10,295 | - | 10,295 |
| Expendable | 50,000 | - | 50,000 |
| Unrestricted | 44,505,877 | 40,368,093 | 84,873,970 |
| **TOTAL NET ASSETS** | $ **262,790,740** | $ **262,537,673** | $ **525,328,413** |

**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, 2003

| 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 | Primary Government: Business-Type Activites | Primary Government: Total |
|---|---|---|---|---|---|---|---|
| **Primary Government:** | | | | | | | |
| **Governmental Activities:** | | | | | | | |
| **General Government** | $ 16,693,444 | 27,747,717 | 853,820 | - | 11,908,093 | - | 11,908,093 |
| **Public Safety** | 61,576,788 | 5,121,972 | 5,971,263 | - | (50,483,553) | - | (50,483,553) |
| **Public Works** | 7,018,369 | 3,030,954 | 9,495 | 28,259,762 | 24,281,842 | - | 24,281,842 |
| **Health and Welfare** | 15,095,426 | 5,977,562 | 6,319,133 | 1,643,241 | (1,155,490) | - | (1,155,490) |
| **Culture and Recreation** | 12,631,869 | 1,341,474 | - | - | (11,290,395) | - | (11,290,395) |
| **Air Transportation** | 4,399,578 | 4,261,466 | 422,468 | - | 284,356 | - | 284,356 |
| **Interest and Other on Long-Term Debt** | 10,021,002 | - | - | - | (10,021,002) | - | (10,021,002) |
| **Total Governmental Activities** | 127,436,476 | 47,481,145 | 13,576,179 | 29,903,003 | (36,476,149) | - | (36,476,149) |
| **Business-Type Activities:** | | | | | | | |
| **Transit System** | 12,092,166 | 2,680,334 | 4,360,082 | 1,229,286 | - | (3,822,464) | (3,822,464) |
| **Bridge System** | 32,848,606 | 34,836,756 | - | - | - | 1,988,150 | 1,988,150 |
| **Solid Waste Management System** | 11,215,440 | 13,894,945 | - | - | - | 2,679,505 | 2,679,505 |
| **Water System** | 14,878,004 | 15,429,092 | 3,868,593 | 115,000 | - | 4,534,681 | 4,534,681 |
| **Sewer System** | 11,285,160 | 12,969,437 | 5,067,643 | - | - | 6,751,920 | 6,751,920 |
| **Other Business-Type Activities** | 1,064,882 | 1,351,391 | - | - | - | 286,509 | 286,509 |
| **Total Business-Type Activities** | 83,384,258 | 81,161,955 | 13,296,318 | 1,344,286 | - | 12,418,301 | 12,418,301 |
| **Total Primary Government** | $ 210,820,734 | 128,643,100 | 26,872,497 | 31,247,289 | (36,476,149) | 12,418,301 | (24,057,848) |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 36,551,380 | - | 36,551,380 |
| Sales Tax | | | | | 22,807,995 | 4,331,368 | 27,139,363 |
| Franchise Tax | | | | | 5,580,351 | - | 5,580,351 |
| Hotel Motel Tax | | | | | 2,965,282 | - | 2,965,282 |
| Alcoholic Beverage Tax | | | | | 233,288 | - | 233,288 |
| Grants and contributions not restricted to specific programs | | | | | 4,602,769 | - | 4,602,769 |
| Unrestricted investment earnings | | | | | 1,147,142 | - | 1,147,142 |
| Gain on sale of capital assets | | | | | 3,340,946 | 430,777 | 3,771,723 |
| Transfers | | | | | 14,694,355 | (14,694,355) | - |
| Total general revenues and transfers | | | | | 91,923,508 | (9,932,210) | 81,991,298 |
| Change in net assets | | | | | 55,447,359 | 2,486,091 | 57,933,450 |
| Net assets-beginning | | | | | 167,216,075 | 260,051,582 | 427,267,657 |
| Prior Period Adjustment | | | | | 40,127,306 | - | 40,127,306 |
| **Net assets-ending** | | | | | $ 262,790,740 | 262,537,673 | 525,328,413 |

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

**CITY OF LAREDO, TEXAS**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**September 30, 2003**

| | GENERAL | DEBT SERVICE | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Cash Equivalents: | | | | |
| Cash | $ 9,188 | - | 23,365 | 32,553 |
| Equity in Investment Pool | 5,899 | 3,551 | 23,903 | 33,353 |
| Investments | 10,153,281 | 5,526,872 | 43,827,343 | 59,507,496 |
| Receivable, net of allowances: | | | | |
| Accrued Interest | 14,852 | 8,085 | 660,852 | 683,789 |
| Property Taxes, Penalty and Interest (Note 7) | 4,543,412 | 1,090,034 | - | 5,633,446 |
| Accounts (Note 7) | 3,111,955 | - | 5,341,906 | 8,453,861 |
| Notes (Note 7) | - | - | 9,600,437 | 9,600,437 |
| Paving Assessments (Note 7) | - | 183,154 | - | 183,154 |
| Due From Other Funds | 5,496,548 | - | 70,989 | 5,567,537 |
| Due From Other Governments | 97,313 | - | 5,626,053 | 5,723,366 |
| Inventory, at cost | 1,377 | - | 11,511 | 12,888 |
| **TOTAL ASSETS** | 23,433,825 | 6,811,696 | 65,186,359 | 95,431,880 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts Payable | 1,384,698 | 970 | 1,940,178 | 3,325,846 |
| Accrued Wages and Employee Benefits | 2,528,176 | - | 682,276 | 3,210,452 |
| Escrow Taxes & Insurance | - | - | 1,241 | 1,241 |
| Compensated Absences | 2,188,685 | - | 218,397 | 2,407,082 |
| Contracts Payable | - | - | 1,481,325 | 1,481,325 |
| Customer and Tenant Deposits | 525 | - | 131,559 | 132,084 |
| Due To Other Funds | - | - | 2,024,239 | 2,024,239 |
| Due To Other Governments | 174,567 | - | 340,726 | 515,293 |
| Due to Developers | - | - | 1,707,706 | 1,707,706 |
| Deferred Revenue | 7,137,148 | 1,273,188 | 11,347,316 | 19,757,652 |
| **TOTAL LIABILITIES** | 13,413,799 | 1,274,158 | 19,874,963 | 34,562,920 |
| **FUND BALANCES** | | | | |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for Encumbrances | 732,139 | - | 13,742,335 | 14,474,474 |
| Reserved for Capital Acquisition | 136,774 | - | 15,407,543 | 15,544,317 |
| Reserved for Children's Programming | - | - | 10,295 | 10,295 |
| Reserved for Endowment Corpus | - | - | 50,000 | 50,000 |
| Unreserved Reported in: | | | | |
| General Fund | 9,151,113 | - | - | 9,151,113 |
| Debt Service Fund | - | 5,537,538 | - | 5,537,538 |
| Capital Projects | - | - | 1,059,628 | 1,059,628 |
| Special Revenue Fund | - | - | 15,041,595 | 15,041,595 |
| **TOTAL FUND BALANCES** | 10,020,026 | 5,537,538 | 45,311,396 | 60,868,960 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ 23,433,825 | 6,811,696 | 65,186,359 | |

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. | 366,524,169 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 5,078,574 |
| Internal service funds are used by management to charge the costs of fleet management, risk management, and health benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. | 1,745,281 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (Note 3) | (171,426,244) |
| **Net assets of governmental activities** | $ 262,790,740 |

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, 2003**

| | GENERAL | DEBT SERVICE | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Taxes: | $ | | | |
| Property | 27,475,986 | 8,400,458 | - | 35,876,444 |
| Sales | 18,037,788 | - | 4,509,447 | 22,547,235 |
| Franchise Fees | 5,539,242 | - | - | 5,539,242 |
| Bingo Tax | 48,058 | - | - | 48,058 |
| Alcoholic Beverage | 231,114 | - | - | 231,114 |
| Hotel Motel | - | - | 2,692,876 | 2,692,876 |
| Licenses and Permits | 4,932,961 | - | 503,876 | 5,436,837 |
| Intergovernmental Revenues | 825,502 | - | 30,514,892 | 31,340,394 |
| Charges for Services | 22,738,802 | - | 1,964,601 | 24,703,403 |
| Fines | 2,075,063 | - | 228,002 | 2,303,065 |
| Fees and Collections | 506,342 | - | 1,739,967 | 2,246,309 |
| Rents | 297,140 | - | 4,818,874 | 5,116,014 |
| Interest and Other | 382,482 | 254,380 | 687,743 | 1,324,605 |
| Miscellaneous | 10,875 | - | 3,747,215 | 3,758,090 |
| Contributions & Donations | 593,140 | 135,058 | - | 728,198 |
| Reimbursements | 1,216,253 | - | 1,123,325 | 2,339,578 |
| **TOTAL REVENUES** | **84,910,748** | **8,789,896** | **52,530,818** | **146,231,462** |
| **EXPENDITURES:** | | | | |
| Current: | | | | |
| General Government | 14,633,691 | 150,245 | 967,299 | 15,751,235 |
| Public Safety | 56,025,311 | - | 7,881,656 | 63,906,967 |
| Public Works | 3,608,986 | - | 7,799,877 | 11,408,863 |
| Health and Welfare | 961,834 | - | 14,341,217 | 15,303,051 |
| Cultural and Recreational | 8,361,917 | - | 4,792,239 | 13,154,156 |
| Air Transportation Services | - | - | 3,519,733 | 3,519,733 |
| Capital Outlay | - | - | 27,793,519 | 27,793,519 |
| Debt Service: | | | | |
| Principal Retirement | 355,395 | 12,255,000 | 865,228 | 13,475,623 |
| Interest and Fiscal Expenditures | 18,965 | 9,706,770 | 48,252 | 9,773,987 |
| **TOTAL EXPENDITURES** | **83,966,099** | **22,112,015** | **68,009,020** | **174,087,134** |
| Excess (Deficiency) of Revenues Over Expenditures | 944,649 | (13,322,119) | (15,478,202) | (27,855,672) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 8,273,349 | 13,443,996 | 24,467,487 | 46,184,832 |
| Bond / Capital Lease Proceeds | 3,620,000 | 4,590,000 | 7,718,240 | 15,928,240 |
| Transfers Out | (11,098,086) | - | (20,371,108) | (31,469,194) |
| Sale of Assets | 118,005 | - | 3,424,650 | 3,542,655 |
| Payment to Refunded Bond Escrow Agent | - | (4,629,841) | - | (4,629,841) |
| Contributions | (3,620,000) | - | - | (3,620,000) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **(2,706,732)** | **13,404,155** | **15,239,269** | **25,936,692** |
| Net Change in Fund Balances | (1,762,083) | 82,036 | (238,933) | (1,918,980) |
| Fund Balances-Beginning | 11,782,109 | 5,455,502 | 45,550,329 | 62,787,940 |
| **FUND BALANCES-ENDING** | $ **10,020,026** | **5,537,538** | **45,311,396** | **60,868,960** |

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

## CITY OF LAREDO, TEXAS
## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
### For The Year Ended September 30, 2003

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

| | | |
|---|---|---|
| **Net change in fund balances-total governmental funds** | $ | (1,918,980) |
| 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 3) | | 44,728,239 |
| The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, and donations) is to increase net assets. | | 3,340,946 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 15,003,761 |
| 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 3) | | (2,449,969) |
| Accrued interest expense recorded for entity-wide statements. | | (216,851) |
| 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. | | (2,909,564) |
| 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. | | (130,223) |
| **Change in net assets of governmental activities** | $ | **55,447,359** |

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

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2003

| | Budgeted Amounts | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **REVENUES:** | | | | | | |
| Taxes | | | | | | |
| Property Taxes | $ 26,293,944 | 26,293,944 | 26,157,261 | - | 26,157,261 | (136,683) |
| Penalty and Interest | 958,000 | 1,133,000 | 1,318,725 | - | 1,318,725 | 185,725 |
| Alcoholic Beverage | 198,110 | 198,110 | 231,114 | - | 231,114 | 33,004 |
| Bingo Tax | 51,987 | 51,987 | 48,058 | - | 48,058 | (3,929) |
| Sales and Use | 18,007,683 | 18,007,683 | 18,037,788 | - | 18,037,788 | 30,105 |
| Franchise Fees | 7,173,046 | 7,173,046 | 5,539,242 | - | 5,539,242 | (1,633,804) |
| Licenses and Permits | 4,857,433 | 4,857,433 | 4,932,961 | - | 4,932,961 | 75,528 |
| Intergovernmental Revenues | 448,389 | 1,108,085 | 825,502 | - | 825,502 | (282,583) |
| Charges for Services | 24,074,209 | 24,074,209 | 22,738,802 | - | 22,738,802 | (1,335,407) |
| Fines | 2,356,032 | 2,356,032 | 2,075,063 | - | 2,075,063 | (280,969) |
| Fees and Collections | 521,303 | 521,303 | 506,342 | - | 506,342 | (14,961) |
| Rents | 228,109 | 228,109 | 297,140 | - | 297,140 | 69,031 |
| Interest | 708,200 | 708,200 | 382,482 | - | 382,482 | (325,718) |
| Other | 14,788 | 14,788 | 10,875 | - | 10,875 | (3,913) |
| Contributions and Donations | 10,000 | 31,400 | 593,140 | - | 593,140 | 561,740 |
| Reimbursements | 280,485 | 280,485 | 1,216,253 | - | 1,216,253 | 935,768 |
| **TOTAL REVENUES** | **86,181,718** | **87,037,814** | **84,910,748** | **-** | **84,910,748** | **(2,127,066)** |
| **EXPENDITURES:** | | | | | | |
| General Government | | | | | | |
| Mayor and City Council | 506,751 | 506,751 | 493,045 | 6,336 | 499,381 | 7,370 |
| City Manager | 813,740 | 803,626 | 740,377 | 194 | 740,571 | 63,055 |
| Internal Audit | 181,998 | 181,998 | 158,361 | 2,263 | 160,624 | 21,374 |
| Public Information Office | 117,693 | 116,711 | 112,654 | 7,811 | 120,465 | (3,754) |
| Customer Service | 96,766 | 87,755 | 65,725 | (860) | 64,865 | 22,890 |
| Budget | 265,260 | 245,303 | 205,470 | (2,292) | 203,178 | 42,125 |
| Municipal Court | 1,083,773 | 1,264,068 | 956,482 | 179,465 | 1,135,947 | 128,121 |
| City Attorney | 763,678 | 763,455 | 755,842 | 1,635 | 757,477 | 5,978 |
| City Secretary | 332,604 | 359,505 | 333,904 | 2,302 | 336,206 | 23,299 |
| Elections | 60,946 | 41,011 | 1,887 | - | 1,887 | 39,124 |
| Tax Office | 810,691 | 804,594 | 790,709 | 26,321 | 817,030 | (12,436) |
| Accounting | 1,214,148 | 1,202,771 | 1,091,401 | 39,859 | 1,131,260 | 71,511 |
| Purchasing | 291,138 | 290,622 | 289,211 | 7 | 289,218 | 1,404 |
| Accounts Payable | 243,309 | 242,263 | 237,301 | 80 | 237,381 | 4,882 |
| Personnel and Civil Service | 452,399 | 445,177 | 407,831 | 1,150 | 408,981 | 36,196 |
| Retirees | 468 | 468 | - | - | - | 468 |
| Training | 209,932 | 207,564 | 174,257 | 1,366 | 175,623 | 31,941 |
| Planning | 931,551 | 941,708 | 855,551 | (276) | 855,275 | 86,433 |
| Section 112 | 235,000 | 235,000 | 233,787 | - | 233,787 | 1,213 |
| Building Inspections | 1,229,123 | 1,157,346 | 1,039,783 | 10,568 | 1,050,351 | 106,995 |
| Engineering | 369,947 | 390,575 | 386,650 | 3,300 | 389,950 | 625 |
| Design and Surveying | 986,754 | 970,002 | 968,123 | (294) | 967,829 | 2,173 |
| Construction and Inspection | 457,657 | 487,166 | 480,739 | (587) | 480,152 | 7,014 |
| Telecommunications | 345,120 | 336,773 | 207,195 | 42,726 | 249,921 | 86,852 |
| Data Processing | 778,048 | 756,342 | 690,537 | 2,590 | 693,127 | 63,215 |
| Public Safety | | | | | | |
| Police | 24,331,888 | 25,099,793 | 26,052,548 | 42,653 | 26,095,201 | (995,408) |
| Police Civilians | 2,431,181 | 2,395,599 | 2,442,800 | 3,742 | 2,446,542 | (50,943) |
| Autotheft Grant Match | 201,564 | 196,564 | 241,298 | (9,003) | 232,295 | (35,731) |
| LISD SRO Program | $ - | 35,656 | 10,679 | - | 10,679 | 24,977 |

(Continued)

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2003

| | Budgeted Amounts | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| Public Safety - (Continued) | | | | | | |
| Crime Prevention | $ 3,855 | - | - | - | - | - |
| Truck Route Division | 330,952 | 325,861 | 332,753 | 2,835 | 335,588 | (9,727) |
| Fire | 15,515,762 | 16,169,703 | 16,867,438 | (74,766) | 16,792,672 | (622,969) |
| Fire - EMS Division | 3,869,866 | 3,896,647 | 3,955,403 | (22,599) | 3,932,804 | (36,157) |
| Fire - EMS Trauma (Webb Co.) | 12,000 | 12,000 | 11,175 | - | 11,175 | 825 |
| Fire Civilians | 325,416 | 325,416 | 330,308 | (1,579) | 328,729 | (3,313) |
| Fire - Prevention & Arson | 908,487 | 914,657 | 1,057,453 | (11,050) | 1,046,403 | (131,746) |
| Fire Airport | 625,935 | 626,785 | 625,809 | 11,610 | 637,419 | (10,634) |
| Fire - Training | 680,940 | 666,002 | 715,594 | 16,854 | 732,448 | (66,446) |
| Fire Emergency Management | 26,771 | 26,771 | 12,032 | - | 12,032 | 14,739 |
| Traffic | 1,829,180 | 1,889,257 | 1,819,919 | 14,239 | 1,834,158 | 55,099 |
| Street Lighting | 1,511,098 | 1,438,679 | 1,850,131 | 26,945 | 1,877,076 | (438,397) |
| Public Works | | | | | | |
| Administration | 391,334 | 374,129 | 269,624 | 1,586 | 271,210 | 102,919 |
| Street Maintenance | 998,712 | 977,787 | 895,355 | (5,150) | 890,205 | 87,582 |
| Street Construction | 906,578 | 882,098 | 693,705 | (1,523) | 692,182 | 189,916 |
| Street Cleaning | 847,787 | 832,794 | 788,926 | 319 | 789,245 | 43,549 |
| Building Rehabilitation | 560,635 | 543,551 | 480,198 | 362 | 480,560 | 62,991 |
| Warehouse | 120,848 | 112,985 | 90,237 | 1,008 | 91,245 | 21,740 |
| City Hall Maintenance | 420,816 | 419,771 | 390,941 | 5,191 | 396,132 | 23,639 |
| Welfare | 982,549 | 981,299 | 961,834 | 419 | 962,253 | 19,046 |
| Cultural and Recreational | | | | | | |
| Parks | 3,422,732 | 3,451,007 | 3,814,542 | 31,430 | 3,845,972 | (394,965) |
| Recreation | 980,523 | 948,879 | 549,705 | 5,657 | 555,362 | 393,517 |
| Recreation Centers | 1,157,670 | 1,121,160 | 941,624 | 6,301 | 947,925 | 173,235 |
| Cemetery | 364,023 | 349,924 | 287,919 | 1,595 | 289,514 | 60,410 |
| Library | 3,005,082 | 2,975,426 | 2,635,245 | 19,686 | 2,654,931 | 320,495 |
| Center For Non-Profit Management | 142,625 | 138,735 | 132,882 | (1,579) | 131,303 | 7,432 |
| Other | 4,190,639 | 3,391,312 | 3,031,200 | 135,058 | 3,166,258 | 225,054 |
| **TOTAL EXPENDITURES** | **83,875,942** | **84,358,801** | **83,966,099** | **523,905** | **84,490,004** | **(131,203)** |
| Excess (Deficiency) of Revenues Over Expenditures | 2,305,776 | 2,679,013 | 944,649 | (523,905) | 420,744 | (2,258,269) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In | 962,042 | 4,951,342 | 8,273,349 | - | 8,273,349 | 3,322,007 |
| Bond Proceeds | - | - | 3,620,000 | - | 3,620,000 | 3,620,000 |
| Transfers Out | (3,987,626) | (11,414,761) | (11,098,086) | - | (11,098,086) | 316,675 |
| Sale of Assets | 192,720 | 192,720 | 118,005 | - | 118,005 | (74,715) |
| Contributions | - | - | (3,620,000) | - | (3,620,000) | (3,620,000) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **(2,832,864)** | **(6,270,699)** | **(2,706,732)** | **-** | **(2,706,732)** | **3,563,967** |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | (527,088) | (3,591,686) | (1,762,083) | (523,905) | (2,285,988) | 1,305,698 |
| Fund Balances at Beginning of Year | 13,451,415 | 11,782,109 | 11,782,109 | (208,234) | 11,573,875 | (208,234) |
| **FUND BALANCES AT END OF YEAR** | **$ 12,924,327** | **8,190,423** | **10,020,026** | **(732,139)** | **9,287,887** | **1,097,464** |

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

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**CITY OF LAREDO, TEXAS**
**STATEMENT OF NET ASSETS**
**PROPRIETARY FUNDS**
**September 30, 2003**

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | MUNICIPAL TRANSIT SYSTEM | BRIDGE SYSTEM | WATERWORKS SYSTEM | SEWER SYSTEM | SOLID WASTE MANAGEMENT | OTHER ENTERPRISE FUNDS | TOTALS | INTERNAL SERVICE FUNDS |
| **ASSETS** | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and Cash Equivalents: | | | | | | | | |
| Cash | $ 17,679 | 23,400 | 1,500 | - | 1,200 | 200 | 43,979 | 400 |
| Equity in Investment Pool | 2,572 | 7,116 | 14,099 | 12,303 | 6,790 | 1,044 | 43,924 | 3,201 |
| Investments | 4,066,485 | 4,682,753 | 3,952,295 | 5,829,493 | 10,647,345 | 1,607,329 | 30,785,700 | 5,112,517 |
| Receivable: | | | | | | | | |
| Accrued Interest | 5,953 | 16,462 | 8,258 | 8,557 | 15,575 | 2,446 | 57,251 | 7,480 |
| Accounts (Note 7) | 41,582 | 3,758 | 2,219,137 | 1,630,390 | 1,865,590 | 19,710 | 5,780,167 | 23,500 |
| Notes (Note 7) | - | - | 549,899 | 203,517 | - | - | 753,416 | - |
| Prepaid Items | - | - | - | - | - | - | - | 270,000 |
| Due From Other Governments | 369,466 | - | - | - | - | - | 369,466 | - |
| Due From Other Funds | - | 723,996 | - | - | - | - | 723,996 | - |
| Inventory, at Cost | 391,921 | - | - | - | 741 | - | 392,662 | 216,525 |
| Total Current Assets | 4,895,658 | 5,457,485 | 6,745,188 | 7,684,260 | 12,537,241 | 1,630,729 | 38,950,561 | 5,633,623 |
| Noncurrent Assets: | | | | | | | | |
| Restricted Assets: | | | | | | | | |
| Investments | 3,150 | 24,264,802 | 18,294,039 | 13,667,905 | - | 65,105 | 56,295,001 | - |
| Accrued Interest Receivable | - | - | 24,285 | 19,965 | - | - | 44,250 | - |
| Accounts Receivable (Note 7) | - | - | 75,264 | - | - | - | 75,264 | - |
| Notes Receivable (Note 7) | - | - | 6,611 | - | - | - | 6,611 | - |
| Due From Other Governments | - | - | 38,645 | - | - | - | 38,645 | - |
| Total Restricted Assets (Note 8) | 3,150 | 24,264,802 | 18,438,844 | 13,687,870 | - | 65,105 | 56,459,771 | - |
| Capital Assets: (Note 9) | | | | | | | | |
| Transportation Vehicles and Equipment | 17,768,072 | 11,338,675 | 4,575,726 | 5,288,549 | 11,339,920 | 162,650 | 50,473,592 | 833,564 |
| Buildings | 13,951,290 | 11,304,256 | 12,881,428 | 13,912,873 | 972,084 | 3,623,431 | 56,645,362 | 656,136 |
| Improvements | 1,323,436 | 69,913,602 | 95,818,825 | 62,327,972 | 19,734 | 131,362 | 229,534,931 | - |
| Land and Improvements | 7,551,731 | 8,058,716 | 15,108,728 | 4,289,508 | 4,264,461 | 278,885 | 39,552,029 | - |
| Construction in Progress | - | 1,140,237 | 4,372,449 | 12,818,359 | - | - | 18,331,045 | - |
| Less Accumulated Depreciation | (11,716,595) | (17,056,305) | (48,137,783) | (25,667,258) | (4,758,977) | (2,614,547) | (109,951,465) | (752,251) |
| Total Capital Assets (net of accumulated depreciation) | 28,877,934 | 84,699,181 | 84,619,373 | 72,970,003 | 11,837,222 | 1,581,781 | 284,585,494 | 737,449 |
| Other Assets: | | | | | | | | |
| Unamortized Bond Issuance Costs | - | 1,024,272 | 118,029 | 145,198 | - | - | 1,287,499 | - |
| Total Noncurrent Assets | 28,881,084 | 109,988,255 | 103,176,246 | 86,803,071 | 11,837,222 | 1,646,886 | 342,332,764 | 737,449 |
| **TOTAL ASSETS** | $ 33,776,742 | 115,445,740 | 109,921,434 | 94,487,331 | 24,374,463 | 3,277,615 | 381,283,325 | 6,371,072 |

(Continued)

**CITY OF LAREDO, TEXAS**
**STATEMENT OF NET ASSETS**
**PROPRIETARY FUNDS**
**September 30, 2003**

(Continued)

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | MUNICIPAL TRANSIT SYSTEM | BRIDGE SYSTEM | WATERWORKS SYSTEM | SEWER SYSTEM | SOLID WASTE MANAGEMENT | OTHER ENTERPRISE FUNDS | TOTALS | INTERNAL SERVICE FUNDS |
| **LIABILITIES** | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable | $ 201,284 | 128,573 | 142,451 | 66,000 | 257,721 | 18,450 | 814,479 | 519,995 |
| Retainage Payable | - | 35,949 | 1,984 | 1,400 | 9,967 | 5,704 | 55,004 | - |
| Contracts Payable | - | 122,799 | 785,965 | 850,456 | 26,164 | - | 1,785,384 | - |
| Due To Other Funds | - | 3,500,000 | - | 42,845 | - | - | 3,542,845 | - |
| Accrued Wages & Employee Benefits | 540,892 | 196,639 | 47,750 | 10,092 | 198,075 | 14,820 | 1,008,268 | 83,359 |
| Claims and Judgements Payable | - | - | - | - | - | - | - | 3,103,456 |
| Compensated Absences | 99,264 | 160,329 | 36,589 | 6,648 | 119,621 | 8,512 | 430,963 | 55,426 |
| Due to Developers | - | - | 546,691 | 198,705 | - | - | 745,396 | - |
| Deferred Revenue | 9,564 | - | 449,729 | 2,637 | 16,816 | 9,971 | 488,717 | - |
| Total Current Liabilities | 851,004 | 4,144,289 | 2,011,159 | 1,178,783 | 628,364 | 57,457 | 8,871,056 | 3,762,236 |
| Current Liabilities Payable from Restricted Assets: | | | | | | | | |
| Contracts Payable | - | 11,724 | 112,950 | 96,339 | - | - | 221,013 | - |
| Retainage Payable | - | - | 70,162 | 77,522 | - | - | 147,684 | - |
| Due to other funds | - | 723,996 | - | - | - | - | 723,996 | - |
| Customer Deposits | 3,150 | 279,909 | 3,047,847 | - | - | 65,105 | 3,396,011 | - |
| Accrued Interest | - | - | - | 17,804 | - | - | 17,804 | - |
| Deferred Revenue | - | 1,259,286 | 906,601 | - | - | - | 2,165,887 | - |
| Revenue Bonds Payable | - | 4,320,000 | 815,000 | 885,000 | - | - | 6,020,000 | - |
| Total Current Liabilities Payable from Restricted Assets | 3,150 | 6,594,915 | 4,952,560 | 1,076,665 | - | 65,105 | 12,692,395 | - |
| Noncurrent Liabilities: | | | | | | | | |
| Revenue Bonds Payable | - | 45,664,348 | 6,311,679 | 4,465,053 | - | - | 56,441,080 | - |
| Notes Payable | - | 35,760,468 | - | - | - | - | 35,760,468 | - |
| Capital Lease Obligations | - | - | - | - | - | - | - | - |
| Compensated Absences | 63,403 | 196,270 | 59,299 | 11,261 | 198,201 | 1,420 | 529,854 | 66,858 |
| Closure and Postclosure Cost | - | - | - | - | 5,369,780 | - | 5,369,780 | - |
| Total Noncurrent Liabilities | 63,403 | 81,621,086 | 6,370,978 | 4,476,314 | 5,567,981 | 1,420 | 98,101,182 | 66,858 |
| **TOTAL LIABILITIES** | 917,557 | 92,360,290 | 13,334,697 | 6,731,762 | 6,196,345 | 123,982 | 119,664,633 | 3,829,094 |
| **NET ASSETS** | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 28,877,934 | 16,648,633 | 81,216,133 | 74,053,083 | 11,837,222 | 1,581,781 | 214,214,786 | 737,449 |
| Restricted for Debt Service | - | 4,517,952 | 2,097,003 | 1,339,839 | - | - | 7,954,794 | - |
| Unrestricted | 3,981,251 | 1,918,865 | 13,273,601 | 12,362,647 | 6,340,896 | 1,571,852 | 39,449,112 | 1,804,529 |
| **TOTAL NET ASSETS** | $ 32,859,185 | 23,085,450 | 96,586,737 | 87,755,569 | 18,178,118 | 3,153,633 | 261,618,692 | 2,541,978 |
| | | Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | | 918,981 | |
| | | **Net assets of business-type activites** | | | | | $ 262,537,673 | |

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, 2003**

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | MUNICIPAL TRANSIT SYSTEM | BRIDGE SYSTEM | WATERWORKS SYSTEM | SEWER SYSTEM | SOLID WASTE MANAGEMENT | OTHER ENTERPRISE FUNDS | TOTALS | INTERNAL SERVICE FUNDS |
| **OPERATING REVENUES:** | | | | | | | | |
| Charges for Services | $ 2,053,057 | - | 14,444,856 | 12,104,460 | 13,495,896 | 43,848 | 42,142,117 | 18,653,195 |
| Rental of Facilities | 464,649 | 1,971,204 | 20,982 | - | 6,683 | 1,077,785 | 3,541,303 | - |
| Toll Receipts | - | 32,437,505 | - | - | - | - | 32,437,505 | - |
| Miscellaneous | 82,624 | 18,837 | 605,714 | 565,430 | 209,400 | 26,033 | 1,508,038 | 711,250 |
| **TOTAL OPERATING REVENUES** | 2,600,330 | 34,427,546 | 15,071,552 | 12,669,890 | 13,711,979 | 1,147,666 | 79,628,963 | 19,364,445 |
| **OPERATING EXPENSES:** | | | | | | | | |
| Personnel Services | 7,666,667 | 5,432,493 | 1,427,766 | 483,124 | 5,374,764 | 380,335 | 20,765,149 | 2,133,490 |
| Materials and Supplies | 1,532,403 | 296,066 | 512,252 | 104,894 | 725,814 | 51,172 | 3,222,601 | 130,475 |
| Contractual Services | 1,281,197 | 19,184,722 | 7,025,635 | 6,654,394 | 2,709,919 | 282,201 | 37,138,068 | 780,962 |
| Other | (99,191) | 31,166 | 156,500 | 157,144 | 956,652 | 48,049 | 1,250,320 | 16,482,757 |
| Total Operating Expenses Before Depreciation | 10,381,076 | 24,944,447 | 9,122,153 | 7,399,556 | 9,767,149 | 761,757 | 62,376,138 | 19,527,684 |
| Depreciation Expense (Note 9) | 1,684,485 | 3,136,616 | 4,579,437 | 3,142,743 | 1,291,012 | 151,366 | 13,985,659 | 84,837 |
| **TOTAL OPERATING EXPENSES** | 12,065,561 | 28,081,063 | 13,701,590 | 10,542,299 | 11,058,161 | 913,123 | 76,361,797 | 19,612,521 |
| Operating Income (Loss) | (9,465,231) | 6,346,483 | 1,369,962 | 2,127,591 | 2,653,818 | 234,543 | 3,267,166 | (248,076) |
| **NON-OPERATING REVENUES (EXPENSES):** | | | | | | | | |
| Intergovernmental | 5,589,368 | - | 115,000 | - | - | - | 5,704,368 | - |
| Sales Tax | 4,331,368 | - | - | - | - | - | 4,331,368 | - |
| Interest Earnings | 96,864 | 441,075 | 427,483 | 349,776 | 210,394 | 99,305 | 1,624,897 | 106,120 |
| Net Increase (Decrease) In Fair Value Of Investment | (16,860) | (31,865) | (71,345) | (50,229) | (29,572) | (6,029) | (205,900) | (16,682) |
| Discount Earnings | - | - | - | - | 2,144 | - | 2,144 | - |
| Contributions | - | - | 3,868,593 | 5,067,643 | - | 42,846 | 8,979,082 | - |
| Gain (Loss) On Sale of Assets | (887) | - | 9,064 | 1,700 | 420,900 | 48,821 | 479,598 | - |
| Loss on Changes in Accounting Estimates | - | (271,531) | (296,956) | (147,654) | (157,279) | (12,724) | (886,144) | (205,251) |
| Interest Expense | (649) | (4,176,848) | (408,121) | (216,629) | - | (32,010) | (4,834,257) | - |
| Construction | (25,956) | (82,386) | (400,939) | (223,409) | - | (54,581) | (787,271) | - |
| Fiscal Agent Fees | - | (2,862) | (556) | (1,655) | - | - | (5,073) | - |
| Bond Issuance Cost Amortized | - | (233,916) | (69,842) | (153,514) | - | - | (457,272) | - |
| Other | - | - | 1,402 | - | - | - | 1,402 | - |
| **TOTAL NON-OPERATING REVENUES (EXPENSES)** | 9,973,248 | (4,358,333) | 3,173,783 | 4,626,029 | 446,587 | 85,628 | 13,946,942 | (115,813) |
| Income Before Contributions and Transfers | 508,017 | 1,988,150 | 4,543,745 | 6,753,620 | 3,100,405 | 320,171 | 17,214,108 | (363,889) |
| Transfers In | - | 3,500,000 | 9,694 | 2,295 | - | - | 3,511,989 | 2,295 |
| Transfers Out | (473,149) | (6,542,952) | (4,866,579) | (4,296,230) | (1,162,434) | (865,000) | (18,206,344) | (23,578) |
| Change in Net Assets | 34,868 | (1,054,802) | (313,140) | 2,459,685 | 1,937,971 | (544,829) | 2,519,753 | (385,172) |
| Total Net Assets-Beginning | 32,824,317 | 24,140,252 | 96,899,877 | 85,295,884 | 16,240,147 | 3,698,462 | | 2,927,150 |
| **Total Net Assets-Ending** | $ 32,859,185 | 23,085,450 | 96,586,737 | 87,755,569 | 18,178,118 | 3,153,633 | | 2,541,978 |

| | |
|---|---|
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | (33,662) |
| Change in net assets of business-type activities | $ 2,486,091 |

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

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CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2003

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | MUNICIPAL TRANSIT SYSTEM | BRIDGE SYSTEM | WATERWORKS SYSTEM | SEWER SYSTEM | SOLID WASTE MANAGEMENT | OTHER ENTERPRISE FUNDS | TOTALS | INTERNAL SERVICE FUNDS |
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | | | | | |
| Receipts from customers and users | $ 2,603,373 | 34,426,295 | 14,871,137 | 12,378,239 | 13,342,076 | 984,112 | 78,605,232 | 736,783 |
| Receipts from interfund services provided | - | - | 224,817 | 272,147 | 169,528 | - | 666,492 | 18,653,195 |
| Payments to suppliers | (2,346,017) | (18,417,017) | (6,484,605) | (5,689,431) | (1,907,484) | (132,172) | (34,976,726) | (17,317,160) |
| Payments to employees | (7,398,449) | (5,487,881) | (1,756,291) | (709,996) | (5,305,742) | (380,829) | (21,039,188) | (2,111,025) |
| Payments for interfund services used | (374,992) | (1,192,577) | (699,636) | (570,385) | (1,610,724) | (259,544) | (4,707,858) | (495,036) |
| **Net cash provided (used) by operating activities** | (7,516,085) | 9,328,820 | 6,155,422 | 5,680,574 | 4,687,654 | 211,567 | 18,547,952 | (533,243) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | | | | | | |
| Transfer to other funds | (592,074) | 457,048 | (4,866,579) | (4,296,230) | (1,162,434) | (865,000) | (11,325,269) | (21,283) |
| Transfer from other funds | - | - | 9,694 | 2,295 | - | - | 11,989 | - |
| Advances from other funds | - | - | - | - | - | 11,735 | 11,735 | - |
| Subsidy from federal and state grants | 6,972,900 | - | - | - | - | - | 6,972,900 | - |
| Sales Tax | 4,331,368 | - | - | - | - | - | 4,331,368 | - |
| **Net cash provided (used) by noncapital and related financing activities** | 10,712,194 | 457,048 | (4,856,885) | (4,293,935) | (1,162,434) | (853,265) | 2,723 | (21,283) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | | | | | | |
| Proceeds from capital debt | - | - | 741,000 | 4,330,000 | - | - | 5,071,000 | - |
| Capital contributions | - | - | 1,889,273 | - | - | - | 1,889,273 | - |
| Subsidy from federal and state grants | 1,229,286 | - | 797,578 | 833 | 750 | 42,846 | 2,071,293 | - |
| Purchases of capital assets | (4,848,372) | (1,244,239) | (2,493,503) | (1,008,693) | (2,955,666) | (112,503) | (12,662,976) | (170,785) |
| Acquisition and construction of capital assets | (25,956) | (82,386) | (400,939) | (223,407) | - | - | (732,688) | - |
| Principal paid on capital debt | (24,767) | (4,110,000) | (725,000) | (870,000) | - | (3,733) | (5,733,500) | - |
| Interest paid on capital debt | (649) | (2,771,278) | (408,676) | (228,727) | - | (32,010) | (3,441,340) | - |
| Proceeds from sales of capital assets | - | - | 18,181 | 1,700 | 420,900 | - | 440,781 | - |
| **Net cash provided (used) by capital and related financing activities** | (3,670,458) | (8,207,903) | (582,086) | 2,001,706 | (2,534,016) | (105,400) | (13,098,157) | (170,785) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | | | | | |
| Proceeds from sales and maturities of investments | 232,131 | (2,060,883) | (1,191,517) | (3,877,224) | (1,275,640) | 457,539 | (7,715,594) | 572,783 |
| Interest and dividends received | 119,735 | 488,109 | 535,946 | 425,844 | 259,712 | 111,116 | 1,940,462 | 136,698 |
| Issuance of Notes Receivable | - | - | (102,806) | 13,148 | - | - | (89,658) | - |
| **Net cash provided (used) by investing activities** | 351,866 | (1,572,774) | (758,377) | (3,438,232) | (1,015,928) | 568,655 | (5,864,790) | 709,481 |
| **Net increase (decrease) in cash and cash equivalents** | (122,483) | 5,191 | (41,926) | (49,887) | (24,724) | (178,443) | (412,272) | (15,830) |
| **Cash and cash equivalents, October 1** | 142,734 | 25,325 | 57,525 | 62,190 | 32,714 | 179,687 | 500,175 | 19,431 |
| **Cash and cash equivalents, September 30** | $ 20,251 | 30,516 | 15,599 | 12,303 | 7,990 | 1,244 | 87,903 | 3,601 |

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2003

(Continued)

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | MUNICIPAL TRANSIT SYSTEM | BRIDGE SYSTEM | WATERWORKS SYSTEM | SEWER SYSTEM | SOLID WASTE MANAGEMENT | OTHER ENTERPRISE FUNDS | TOTALS | INTERNAL SERVICE FUNDS |
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | | | | | | | |
| Operating income | $ (9,465,231) | 6,346,483 | 1,369,962 | 2,127,591 | 2,653,818 | 234,543 | 3,267,166 | (248,076) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation expense | 1,684,485 | 3,136,616 | 4,579,437 | 3,142,743 | 1,291,012 | 151,367 | 13,985,660 | 84,837 |
| (Increase) decrease in accounts receivable | (7,994) | 2,047 | (448,194) | (160,256) | (340,190) | 3,368 | (951,219) | (4,765) |
| (Increase) decrease in due from other funds | - | - | - | - | - | - | - | - |
| Increase in allowance for uncollectible accounts | 163 | 5,864 | 140,716 | 134,896 | 122,999 | 3,215 | 407,853 | 30,298 |
| (Increase) decrease in inventories | (23,117) | - | 434,140 | 72,825 | 1,130 | - | 484,978 | 29,860 |
| (Increase) decrease in prepaid items | - | - | - | - | - | - | - | (74,000) |
| Increase in customer deposits | 1,310 | 46,144 | 214,864 | - | - | (1,820) | 260,498 | - |
| Increase (decrease) in accounts payable | 16,517 | (97,639) | 76,008 | 583,791 | 873,047 | (10,295) | 1,441,429 | 64,419 |
| Increase (decrease) in deferred revenues | 9,564 | (55,276) | 117,015 | 5,856 | 16,816 | (168,317) | (74,342) | - |
| Increase (decrease) in compensated absences payable | 1,145 | (57,821) | (183,715) | (141,351) | 39,042 | (662) | (343,362) | 16,036 |
| Increase (decrease) in accrued wages and employee benefits | 267,073 | 2,432 | (144,811) | (85,521) | 29,980 | 168 | 69,321 | 11,371 |
| Increase (decrease) in claims & judgements payables | - | - | - | - | - | - | - | (443,223) |
| Increase (decrease) in due to other funds | - | - | - | - | - | - | - | - |
| Total adjustments | 1,949,146 | 2,982,367 | 4,785,460 | 3,552,983 | 2,033,836 | (22,976) | 15,280,816 | (285,167) |
| **Net cash provided (used) by operating activities** | $ (7,516,085) | 9,328,850 | 6,155,422 | 5,680,574 | 4,687,654 | 211,567 | 18,547,982 | (533,243) |
| **Noncash investing, capital, and financing activities:** | | | | | | | | |
| SIB loan accrued interest | - | 14,084,333 | - | - | - | - | 14,084,333 | - |
| Bond issuance cost amortized | - | 233,916 | 69,842 | 153,514 | - | - | 457,272 | - |
| Contributions of fixed assets from developers | - | - | 1,945,320 | 1,447,643 | - | - | 3,392,963 | - |
| Current Landfill Closure and Postclosure cost | - | - | - | - | 822,201 | - | 822,201 | - |
| Disposition of Assets | (887) | - | (9,117) | - | - | - | (10,004) | - |
| Loss on Changes in Accounting Estimates | - | (271,531) | (296,956) | (147,654) | (157,279) | (12,724) | (886,144) | (205,251) |
| Increase (Decrease) in fair value of investments | (16,860) | (31,865) | (71,345) | (50,229) | (29,572) | (6,029) | (205,900) | (16,862) |

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

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# FIDUCIARY FUNDS

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

Pension Trust funds:

**LAREDO FIREFIGHTERS RETIREMENT SYSTEM** - to account for contributions made by City firefighters and by the City used towards annuity payments and death / life insurance premiums for retired firemen.

Agency funds include:

**ANNUITY FUND** - to account for cash transfers received from other City funds, which are used towards insurance premium payments for various retired City employees.

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

# CITY OF LAREDO, TEXAS
# STATEMENT OF FIDUCIARY NET ASSETS
# FIDUCIARY FUNDS
# SEPTEMBER 30, 2003

| | LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND | AGENCY FUNDS |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 257,509 | - |
| Equity in Investment Pool | - | 582 |
| Accrued Interest Receivable | 72,452 | 1,242 |
| Investments, At Fair Market Value | - | 849,370 |
| Investment With Fiscal Agent, At Fair Market Value | 36,110,878 | - |
| Accounts Receivable (Note 7) | - | 3,986 |
| Notes Receivable (Note 7) | 200,377 | - |
| **TOTAL ASSETS** | **36,641,216** | **855,180** |
| **LIABILITIES** | | |
| Accounts Payable | 18,487 | 848,875 |
| Accrued Wages and Employee Benefits | 1,870 | 6,305 |
| Due to Other Funds | 453 | - |
| **TOTAL LIABILITIES** | **20,810** | **855,180** |
| **NET ASSETS** | | |
| Held In Trust for Pension Benefits, Plan Participants, and Other Purposes | $ **36,620,406** | - |

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, 2003

| | LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND |
|---|---|
| **ADDITIONS:** | |
| Contributions: | |
| Employer contributions | $ 2,421,308 |
| Plan members | 2,398,445 |
| Other contributions | 611 |
| Total Contributions | 4,820,364 |
| Investment Earnings: | |
| Interest earnings and dividends | 1,701,781 |
| Net increase (decrease) in the fair value of investments | 6,110,025 |
| Gains (Loss) on sale of investment | (3,457,826) |
| Total investment earnings | 4,353,980 |
| Less: investment expense | (145,588) |
| Net Investment Earnings | 4,208,392 |
| **TOTAL ADDITIONS** | **9,028,756** |
| **DEDUCTIONS:** | |
| Benefits | 2,376,339 |
| Administrative Expenses | 95,048 |
| Contractual Services | - |
| **TOTAL DEDUCTIONS** | **2,471,387** |
| Change in Net Assets | 6,557,369 |
| Net Assets - Beginning | 30,063,037 |
| **NET ASSETS - ENDING** | $ **36,620,406** |

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 generally 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 - 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 are 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 the Laredo Water Corporation.* 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. In 1986 the LMHC had 64 additional rental units constructed. The 211 rental properties (82 two-bedroom, 99 three-bedroom and 30 four-bedroom) must be maintained in a safe and habitable

condition. In addition to the rental units, one 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 enterprise fund.

In 1999, LMHC finalized the construction of 50 3-bedroom houses, which are included in the Lease-Purchase Program. This program allowed qualified families to purchase a home, after three years of leasing it from LMHC at or near cost.

*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 34 buses during a regular workday and Saturday peak period. The Laredo Transit Management, Inc. bus fleet is currently comprised of 47 buses, and 2 trolleys. Twenty-five buses operate using compressed natural gas. The El Lift program operates a total of 26 para-transit vans. Seventeen are utilized for a regular workday.

*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. In 2003, Laredo Convention and Visitor's Bureau contracted the Miss Texas Pageant to be performed in Laredo for the next 5 years. Laredo Convention and Visitors' Bureau operations are reported as special revenue funds.

*Laredo Firefighters' Retirement System* The Laredo Firefighters' Retirement System was created under the authority of Article 6243e - Texas Local Firefighters' Retirement Act enacted by the Legislature of the State of Texas. The act

established the membership, benefits, credits and administration of certain retirement systems for volunteer or paid firefighters. The Laredo Firefighters' Retirement System administers the retirement system for City of Laredo Firefighters employees and is included in the financial statements of the City as a component unit.

*Laredo Water Corporation* The Laredo Water Corporation was created under the Texas Transportation Code 431.101 with the approval of the Laredo City Council. The corporation was organized for the purpose of acquiring and providing water for the use and benefit of the City including, without limitation, contracting for water use rights, constructing appropriate water storage, retention, distribution, and transportation facilities, and arranging and providing for the payment and financing of all of the foregoing, in the fulfillment of its public proposes and for carrying out its duties to provide such water as may be approved by the City from time to time. The Laredo Water Corporation is reported as an enterprise fund.

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

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City as reflected in the accompanying general purpose 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.

### A. Basis of Accounting

#### 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 for 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. Direct Expense is an expense that 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 is revenue that 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 function or segment. Program revenues also include grants and contributions that are limited to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenue are reported as general revenue.

**Fund Accounting**

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

**Governmental Funds**

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

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

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital

projects) that are legally restricted or designated for specific functions and activities.

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

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

**Proprietary Funds**

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

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

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

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

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one 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.

**Pension Trust Fund** - This fund is accounted for in the same manner as proprietary funds with the measurement focus on determination of net income and capital maintenance.

**Agency Funds** - The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

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

The City reports the following as major governmental funds:

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

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

The City reports the following as major proprietary funds:

Municipal Transit System Fund is used to account for the proceeds from the City's Transit System and a grant from the U.S. Department of Transportation used for operating and maintaining the Transit System, which provides 33 bus routes. The fund also accounts the related operating loss.

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

Solid Waste Fund is used to account for operations and maintenance of the municipal landfill, recycling center and construction of a new municipal landfill site. The major source of revenues consists of Garbage Collection Fees, Landfill Fees and Federal and State mandates.

Water Works System Fund is used to account for the operations, maintenance, and debt service from three water treatment plants and fifteen booster stations and the related revenue received from 50,997 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 48,715 customers.

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

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

As a general rule, the effect of interfund 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 function 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 authority enterprise fund, 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.

**B. Budgets and Budgetary Accounting**

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

(1) Forty-five (45) 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 deem to be adopted.

(4) Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Fund, Proprietary Fund Type Funds, Laredo Transit System, Bridge System, Municipal Housing Corporation, Waterworks System, Sewer System, Solid Waste Fund, Risk Management, Health and Benefits Fund, Fleet Management Fund, and certain Trust and Agencies Funds including Friends of the Library, Canseco Endowment Fund and Police Trust Fund. A comparison of budget to actual is presented in the General Purpose Financial Statements for the General Fund, Special Revenue Funds, and Debt Service 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 must approve any transfer of 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.

**C. 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 for prior years to cover prior-year encumbrances.

**D. 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 month-end 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.

**E. 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.

**F. 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.

**G. 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.

**H. 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, 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 | 45-50 years |
| Machinery and equipment | 1 - 10 years |
| Vehicles | 6 years |
| Streets | 15-30 years |
| Bridges | 20-35 years |
| Airport runways | 10 years |
| Boat ramps | 30 years |
| Storm Drainage | 50 years |
| Landfill | 5 years |

When property, plant, and equipment are retired from service or otherwise disposed of, a gain or loss on disposal of assets is recognized.

**I. 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 depreciations, 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 though enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or regulations of other governments

**J. 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 obligations, 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 Account Group, 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 from municipalities & others.

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.

**K. 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.

Accumulated vacation leave expected to be paid with available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay

it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with available financial resources are accounted for in the general long-term debt account group 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.

**L. 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.

**M. 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.

**N. Unamortized Bond Issuance Costs**

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

### O. Statement of Cash Flows

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

## NOTE 3 - 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 a 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, are not due and payable in the current period and therefore are not reported in the funds." The details of this $171,426,244 difference are as follows:

| | |
|---|---|
| Bonds and notes payable | $193,677,170 |
| Accrued interest | 1,095,662 |
| Deferred revenue | (18,915,267) |
| Elimination of interfund activity | (4,431,321) |
| Net adjustment to reduce *fund balance-total governmental funds* to arrive at *net assets-governmental activities* | $171,426,244 |

### 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 $2,449,969 difference are as follows:

| | |
|---|---|
| Debt issued: | |
| Capital lease proceeds | $15,928,240 |
| Repayments: | |
| General obligation bond | (12,255,000) |
| Capital lease | ( 1,223,271) |
| Net adjustment to decrease *net changes in fund balances-total* governmental funds to arrive at *changes in net assets of governmental activities* | $ 2,449,969 |

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 that the capital outlays exceed depreciation in this fiscal year is $44,728,239. The details of this are as follows:

| | |
|---|---|
| Assets that were purchased and capitalized in the current year | $59,679,519 |
| Current year depreciation | (14,951,280) |
| Amount by which capital outlays exceed depreciation | $44,728,239 |

## NOTE 4 - FUND DEFICITS

The following is a list of the undesignated deficit fund balances in the Special Revenue Funds: Community Development $1,524,924; Home Investment $359,244; Emergency Shelter $125,222; Health Fund $500,270; Street Closing $8,635; Subdivision Trust Funds $761; and Capital Projects Funds: Webb County Colonias Project $2,427,643, Airport Construction Fund $46,566; Ryan Street Railroad Bridge $12,863; L.E.C. Construction Project $25,000; Streets of Laredo Urban Mall $638,662. The deficit fund balances are equal to or less than the Reserve for Encumbrances balance that does not constitute expenditures or liabilities. The Reserve for Encumbrances constitutes purchase orders, contracts and other commitments entered into during fiscal year ended September 30, 2003. The deficits will be recovered through grant cost reimbursements and other revenues.

Subdivision Trust Fund's deficit fund balance of $761 was due to a reduction in the fair market value. The deficit is expected to be recovered by next fiscal year.

## NOTE 5 - 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 general purpose 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. A third group of monetary assets is presented in the general purpose 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 $435,456 for the City of Laredo and a net increase of $6,110,025 for the Laredo Firefighters Retirement System.

As of September 30, 2003, cash and cash equivalents consisted of the following:

| | | |
|---|---|---|
| Petty Cash and Change Fund | $ | 65,628 |
| Equity in Investment Pool | | 81,064 |
| Cash in Other Bank Accounts | | 167,780 |
| Cash with Fiscal Agent | | 101,032 |
| | $ | 415,504 |

Total bank balances are insured and collateralized with securities held by the City's Agent in the City's name. Deposits were properly secured at all times during the fiscal year ended September 30, 2003.

## NOTE 6 - INVESTMENTS

The City's investments are categorized as either (1) insured or registered for which the securities are held by the City or its agent in the City's name; (2) uninsured and unregistered for which the securities are held by the counter party's agent but in the City's name; or (3) uninsured and unregistered for which the securities are held by the counter party in their own name.

| | | Risk Category 1 | Risk Category 3 | Carrying Amount | Fair Value |
|---|---|---|---|---|---|
| U. S. Government Securities | $ | 56,177,847 | - | 56,177,847 | 56,177,847 |
| Mutual Funds | | - | - | 2,078,781 | 2,078,781 |
| Equities | | - | 9,781,438 | 9,781,438 | 9,781,481 |
| | | 56,177,847 | 9,781,438 | 68,038,066 | 68,038,066 |
| Managed Pools * | | - | - | 120,656,993 | 120,656,993 |
| Total Investments | $ | 56,177,847 | 9,781,438 | 188,695,059 | 188,695,059 |

* The Lone Star Investment Pool is a Texas public funds investment pool created and organized pursuant to the Interlocal Cooperation Act, Chapter 791, as amended, of the

Texas Local Government Code, and the Public Funds Investment Act, Chapter 2256, as amended, of the Texas Government Code. Together they allow certain local governments and state agencies of the State of Texas to jointly invest their funds in permitted investments. The Board of Directors consists of eleven members consisting of individuals representing school districts that have adopted the Interlocal Investment Agreement, including school board members, school administrators, and school business officials. The fair value of the positions in the Lone Star Investment Pool is the same as the value of the pool's share.

* Texas Class Investment Pool is a Texas public funds investment pool created and organized pursuant to the Interlocal Cooperation Act, Chapter 791, as amended, of the Texas Local Government Code, and the Public Funds Investment Act, Chapter 2256, as amended, of the Texas Government Code. Together they allow certain local governments and state agencies of the State of Texas to jointly invest their funds in permitted investments. Texas Class is administered by MBIA Inc., a leading provider of financial guarantees and investment management services to the public sector. MBIA Inc., maintains AAA rating from Standard and Poor's, Moody's and Fitch IBC. The fair value of the positions in the Texas Class Investment Pool is the same as the value of the pool's share.
* TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act. TexPool currently provides investment services to over 1,700 communities throughout the State. The TexPool program offers a convenient and effective choice for the investment of local funds. As an AAAm rated local government investment pool, TexPool is committed to maintaining safety and stability.

Texas statutes authorize the City to invest in:

(1) Obligations of the United States or its agencies and instrumentalities;

(2) Direct obligations of the State of Texas or its agencies;

(3) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities;

(4) Obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent;

(5) Certificates of deposit issued by state and national banks domiciled in this state that are:

A. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or

B. Secured by obligations that are described by Subdivisions (1)-(4) of this subsection, which are intended to include all direct federal agency or instrumentally issued

mortgage backed securities that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided for by law for deposits of the investing entities;

(6) Certificates of deposit issued by savings and loan associations domiciled in this state that are:

A. Guaranteed or insured by the Federal Savings and Loan Insurance Corporation or its successor; or

B. Secured by obligations that are described by Subdivisions (1)-(4) of this subsection, which are intended to include all direct federal agency or instrumentally issued mortgage backed securities that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided for by law for deposits of the investing entities;

(7) Prime domestic bankers' acceptances;

(8) Commercial paper with a stated maturity of 270 days or less from the date of its issuance that either:

> A. Is rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies; and
>
> B. Is rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency and fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any State thereof; and

(9) Fully collateralized repurchase agreements having a defined termination date, secured by obligations described by Subdivision (1) of this subsection, pledged with a third party selected or approved by the political entity, and placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in this state.

In addition to the investments described above, the City, in accordance with Texas statutes, may purchase, sell, and invest its funds under its control in a no-load money market mutual fund that is regulated by the Federal Securities and Exchange Commission with a dollar-weighted average maturity of 90 days or less and whose investment objectives include seeking to maintain a stable net asset value of $1 per share.

## NOTE 7 - 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 provides the 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, 2002, upon which the 2002 levy was based, was $5,558,982,217. The appraisal of property within the City is the responsibility of the Webb County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its market value. The value of property within the Appraisal District must be reviewed every three years; however, the City may, at its own expense, require more frequent reviews of appraised value. The Webb County Appraisal District has chosen to review the value of property every year. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate exceeds the rate for the previous year by more than 8% qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services; including the payment of principal and interest on general obligation long-term debt. Under the 1981 City Charter, the City's power of taxation is restricted to State statutes. The City Council has considered $1.50 as the maximum tax per $100 assessed valuation. City Charter Section 6.13, as amended in November 1995, limits the total overall outstanding debt to 10% of the total assessed valuation of the City.

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2003 was $.630534 per $100 of assessed valuation ($.484758 for general government and $.145776 for debt service). Thus, the City has a tax margin of approximately $.869466 per $100, and could levy approximately $48,333,460 in additional taxes per year from the present assessed valuation of $5,558,982,217 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, 2003 are reflected in the following table:

| | General | Other Governmental Fund Types | Proprietary | Fiduciary | Total |
|---|---|---|---|---|---|
| Receivables: | | | | | |
| Property Taxes | $ 4,833,254 | 1,090,034 | - | - | 5,923,288 |
| Hotel Motel Taxes | - | 247,946 | - | - | 247,946 |
| Accounts | 6,343,027 | 7,304,738 | 7,518,815 | 19,516 | 21,186,096 |
| Notes | - | 9,845,569 | 1,103,751 | 200,377 | 11,149,697 |
| Paving Assessments | - | 1,590,414 | - | - | 1,590,414 |
| Gross Receivables | 11,176,281 | 20,078,701 | 8,622,566 | 219,893 | 40,097,441 |
| Less Allowance for Uncollectible | (3,520,913) | (3,863,170) | (1,983,608) | - | (9367,691) |
| Net Receivables | $ 7,655,368 | 16,215,531 | 6,638,958 | 219,893 | 30,729,750 |

## NOTE 8 - 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 debt service" is used to segregate resources accumulated for debt service payments over the next twelve months. 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 revenue bond issuance that are restricted for use in construction. The "notes" account is used to report the amount set aside to make the first SIB loan payment. The "customer deposits" account is used to segregate the amount paid by customers as a prerequisite to receiving goods and/or services. 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, 2003:

| | Transit System | Bridge System | Waterworks System | Sewer System | Other Enterprise | Total |
|---|---|---|---|---|---|---|
| Revenue Bond Debt Service | $ - | - | 2,097,003 | 1,353,517 | - | 3,450,520 |
| Revenue Bond Retirement Reserve | - | 3,872,580 | 1,222,640 | 704,316 | - | 5,799,536 |
| Revenue Bond Contingency | - | 500,000 | 874,363 | 635,523 | - | 2,009,886 |
| Notes | - | 145,372 | - | - | - | 145,372 |
| Construction Account | - | 19,466,941 | 3,000,981 | 10,994,514 | - | 33,462,436 |
| Customer Deposits | 3,150 | 279,909 | 3,047,847 | - | 65,105 | 3,396,011 |
| Water Rights | - | - | 8,196,010 | - | - | 8,196,010 |
| Total Restricted Assets | $ 3,150 | 24,264,802 | 18,438,844 | 13,687,870 | 65,105 | 56,459,771 |

## NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2003 was as follows:

### A – Governmental Activities:

A summary of changes in capital assets follows:

| | Balance as of September 30, 2002 | Additions | Deletions and Transfers | Balance as of September 30, 2003 |
|---|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 29,522,562 | 4,463,765 | (35,228) | 33,951,099 |
| Construction in Progress | 261,363 | 12,834,715 | (377,609) | 12,718,469 |
| Total Capital Assets, Not Being Depreciated | 29,783,925 | 17,298,480 | (412,837) | 46,669,568 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 113,198,702 | 6,479,706 | 377,609 | 120,056,017 |
| Improvements Other Than Buildings | 278,528,751 | 31,300,270 | - | 309,829,021 |
| Machinery & Equipment | 37,697,450 | 4,771,848 | (599,478) | 41,869,820 |
| Total Assets Being Depreciated | 429,424,903 | 42,551,824 | (221,869) | 471,754,858 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | (12,309,760) | (2,222,062) | - | (14,531,822) |
| Improvements Other Than Buildings | (101,768,877) | (8,642,533) | - | (110,411,410) |
| Machinery & Equipment | (22,599,057) | (4,171,522) | 551,002 | (26,219,577) |
| Total Accumulated Depreciation | (136,677,694) | (15,036,117) | 551,002 | (151,162,809) |
| Total Capital Assets, Being Depreciated, Net | 292,747,209 | 27,515,707 | 329,133 | 320,592,049 |
| Governmental Activities Capital Assets, Net | $ 322,531,134 | 44,814,187 | (83,704) | 367,261,617 |

## B – Business Type Activities:

| | | Balance as of 09/30/2002 | Additions | Deletions and Transfers | Balance as of 09/30/2003 |
|---|---|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | $ | 22,087,603 | 3,286,768 | (238,520) | 25,135,851 |
| Construction in Progress | | 21,548,415 | 4,263,232 | (7,480,602) | 18,331,045 |
| Waterrights | | 13,887,496 | - | 528,682 | 14,416,178 |
| Total Capital Assets, Not Being Depreciated | | 57,523,514 | 7,550,000 | (7,190,440) | 57,883,074 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | | 57,416,031 | 160,831 | (931,500) | 56,645,362 |
| Improvements Other Than Buildings | | 220,727,527 | 3,511,157 | 5,296,247 | 229,534,931 |
| Machinery & Equipment | | 45,232,858 | 6,328,890 | (1,088,156) | 50,473,592 |
| Total Assets Being Depreciated | | 323,376,416 | 10,000,878 | 3,276,591 | 336,653,885 |
| Less Accumulated Depreciation For: | | | | | |
| Buildings | | (12,957,919) | (1,267,475) | 130,410 | (14,094,984) |
| Improvements Other Than Buildings | | (65,469,876) | (8,418,192) | - | (73,888,068) |
| Machinery & Equipment | | (18,886,725) | (4,299,993) | 1,218,305 | (21,968,413) |
| Total Accumulated Depreciation | | (97,314,520) | (13,985,660) | 1,348,715 | (109,9551,465) |
| Total Capital Assets, Being Depreciated, Net | | 226,061,896 | (3,984,782) | 4,625,306 | 226,702,420 |
| Governmental Activities Capital Assets, Net | $ | 283,585,410 | 3,565,218 | (2,565,134) | 284,585,494 |

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

| | | |
|---|---|---|
| Government Activities: | | |
| General Government | $ | 188,926 |
| Public Health | | 393,620 |
| Culture & Recreational | | 425,422 |
| Public Works | | 9,597,970 |
| Public Safety | | 2,364,150 |
| Air Transportation | | 1,981,192 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | | 84,837 |
| Total depreciation expense-governmental activities | $ | 15,036,117 |
| Business-Type Activities | | |
| Municipal Transit System | $ | 1,684,485 |
| Bridge System | | 3,136,616 |
| Waterworks System | | 4,579,437 |
| Sewer System | | 3,142,743 |
| Other Enterprise Funds | | 1,445,378 |
| Total depreciation expense-business-type activities | $ | 13,988,659 |

## NOTE 10 - RETIREMENT PLANS

Plan Description

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 774 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 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: | 5% |
| 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.

Contributions

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 (overfunded) 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, 2002 valuation is effective for rate beginning January 2004.

## SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

| Actuarial Valuation Date | 12/31/97 | 12/31/98 | 12/31/99 | 12/31/00 | 12/31/01 | 12/31/02 |
|---|---|---|---|---|---|---|
| Actuarial Value of Assets | $ 34,499,884 | 41,288,288 | 49,788,030 | 57,214,578 | 65,263,038 | 71,378,360 |
| Actuarial Accrued Liability | 57,100,029 | 61,864,706 | 73,328,812 | 82,609,247 | 92,117,721 | 100,308,824 |
| Percentage Funded | 60.42% | 66.74% | 67.90% | 69.26% | 70.85% | 71.20% |
| Actuarial Valuation Date | 12/31/97 | 12/31/98 | 12/31/99 | 12/31/00 | 12/31/01 | 12/31/02 |
| Unfunded Actuarial Accrued Liability (UAAL) | 22,600,145 | 20,576,418 | 23,540,782 | 25,394,669 | 26,854,683 | 28,930,464 |
| Annual Covered Payroll | 33,916,854 | 39,307,507 | 45,923,006 | 48,412,432 | 52,328,408 | 53,281,587 |
| UAAL as a percentage of covered Payroll | 66.63% | 52.35% | 51.26% | 52.45% | 51.32% | 54.32% |
| Annual Pension Cost: | | | | | | |
| Annual Required Contribution ARC) | 3,602,615 | 3,589,867 | 4,423,989 | 4,613,519 | 5,130,863 | 5,573,578 |
| Less Contributions Made | 3,602,615 | 3,589,867 | 4,423,989 | 4,613,519 | 5,130,863 | 5,573,578 |
| At the end of the period | $ - | - | - | - | - | - |

Actuarial Assumptions

| | |
|---|---|
| Actuarial Cost Method - | Unit Credit |
| Amortization Method- | Level Percent of Payroll |
| Remaining Amortization Period- | 25 Years – Open Period |
| Asset Valuation Method- | Amortized Cost (To accurately reflect the requirements of the GASB Stmt, No. 25, paragraphs 36e and 138) |
| Investment Rate of Return- | 8% |
| Projected Salary Increases | None |
| Includes Inflation At | None |
| Cost-of-Living Adjustments- | None |

The City of Laredo is one of 774 municipalities having the benefit plan administered by TMRS. Each of the 774municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2002 valuations are contained in the 2002 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. 27 Actuarial Update as of March 31, 2002

### Basis of Accounting Used

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

### Plan Description

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, 2002, which is performed every two years.

| | | 03/31/02 |
|---|---|---|
| a. | Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 88 |
| b. | Current Employees: | |
| | i. Vested | 52 |
| | ii. Nonvested | 280 |
| c. | Total | 420 |

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 March 1, 2001 (in effect on the March 31, 2002 valuation date) provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit for firefighters hired prior to January 1, 1988 is equal to 3.03% of Final Average Monthly Salary for each year of service. The monthly benefit for firefighters hired on or after January 1, 1988 is equal to 2.88% of Final Average Monthly Salary for each year of service.

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

**Contributions Required and Contributions Made**

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city. While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopt 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 payrolls. 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 March 31, 2002, (Plan effective March 1, 2001), the funding policy of the Laredo Firefighters Retirement System requires contributions equal to 14% of pay

by the firefighters. Prior to April 1, 2002, required contributions by the City of Laredo were 14.02% of pay for each firefighter hired before January 1, 1988 and 12.57% of pay for each firefighter hired on or after January 1, 1988. Effective April 1, 2002, the city contribution rates will increase by 1% per year through April 1, 2004. Effective April 1, 2005, the city contribution rate will be 17.65% for firefighters hired before January 1, 1988 and 16.20% for firefighters hired on or after January 1, 1988.

**Annual Pension Cost**

For the fiscal year ending September 30, 2003, the City of Laredo's annual pension cost of $2,420,048 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 March 1,2001 has been approved by the Board's actuary as having an adequate financing arrangement. The fixed city contributions are 14.02% prior to April 1, 2002 and 15.02% effective April 1, 2002 for firefighters hired before January 1, 1988. For firefighters hired on or after January 1, 1988, the fixed percentage is 12.57% prior to April 1, 2002 and 13.57% effective April 1, 2002. The required contributions were reflected in the March 31, 2002 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 of assets was determined based on the market value with domestic equities smoothed based on the S&P 500 Stock Price Index. The actuarial assumptions included an investment return assumption of 7.75% per year (net of administrative expenses), projected salary increases averaging 6.2% per year and no postretirement cost-of-living adjustments. An inflation assumption of 4.5% per year is included in the investment return and salary increase assumptions. The unfunded actuarial accrued liability (UAAL) is amortized with the excess of the total contribution rate over the normal cost rate. The number of years needed to amortize the UAAL is determined using an open, level percentage of payroll method; assuming that the payroll will increase 4.5% per year, and was 29 years as of March 31, 2002 actuarial valuation based on the plan provisions effective March 1, 2001.

## Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 09/30/1997 | $ 1,132,840 | 100% | - |
| 09/30/1998 | 1,273,426 | 100% | - |
| 09/30/1999 | 1,417,590 | 100% | - |
| 09/30/2000 | 1,584,805 | 100% | - |
| 09/30/2001 | 1,714,980 | 100% | - |
| 09/30/2002 | 2,000,411 | 100% | - |
| 09/30/2003 | $ 2,420,048 | 100% | - |

## Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Entry Age Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/c) |
|---|---|---|---|---|---|---|
| 09/30/92 | $ 15,117,781 | 19,384,831 | 4,267,050 | 77.99% | 4,999,917 | 85% |
| 07/31/94 | 18,694,506 | 27,137,437 | 8,442,931 | 68.89% | 6,932,366 | 122% |
| 09/30/95 | 19,843,996 | 27,545,436 | 7,701,440 | 72.04% | 6,832,917 | 113% |
| 07/31/96 | 21,565,365 | 30,936,694 | 9,371,329 | 69.71% | 8,063,403 | 116% |
| 09/30/97 | 23,768,183 | 32,196,210 | 8,428,027 | 73.82% | 8,080,170 | 104% |
| 06/30/98 | 27,925,724 | 38,685,191 | 10,759,467 | 72.19% | 10,191,336 | 106% |
| 03/31/00 | 32,040,945 | 48,944,733 | 16,903,788 | 65.50% | 12,481,680 | 135% |
| 03/31/02 | $ 35,064,847 | 66,941,016 | 31,876,169 | 52.40% | 16,652,165 | 191% |

## Schedule of Employer Contributions

| Plan Year Ended | Annual Contribution As a Percentage of Payroll | Annual Required Contribution | Percentage of Required Contribution Contributed |
|---|---|---|---|
| 09/30/1995 | 14.02% & 12.57% | $ 1,007,760 | 100% |
| 09/30/1996 | 14.02% & 12.57% | 1,033,636 | 100% |
| 09/30/1997 | 14.02% & 12.57% | 1,132,840 | 100% |
| 09/30/1998 | 14.02% & 12.57% | 1,273,426 | 100% |
| 09/30/1999 | 14.02% & 12.57% | 1,417,590 | 100% |
| 09/30/2000 | 14.02% & 12.57% | 1,584,805 | 100% |
| 09/30/2001 | 14.02% & 12.57% | 1,714,980 | 100% |
| 09/30/2002 | 15.02% & 13.57% | 2,000,411 | 100% |
| 09/30/2003 | 15.02% & 13.57% | $ 2,420,048 | 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 11 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits, the City provides postretirement health care benefits in accordance with State statutes to all employees who retire from the City at age 60 and above with 5 years or more of service or with 20 or more years of service regardless of age. Currently, 138 retirees meet those eligibility requirements. The City reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependants. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City. During the year, expenditures of approximately $432,651 were recognized for postretirement health benefits of which $82,690 was received from the firemen's contribution.

## NOTE 12 - 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, 2003:

| | General Obligation Serial Bonds | Certificates of Obligation | Revenue Bonds | Compensated Absences | Capital Lease Obligations | Notes Payable |
|---|---|---|---|---|---|---|
| Balance as of 9-30-02 | $ 83,630,000 | 70,045,000 | 39,315,000 | 9,462,771 | 1,302,201 | 1,445,000 |
| Additions | 4,590,000 | 9,925,000 | - | 260,649 | 1,413,240 | - |
| Retirements | (7,150,000) | (9,100,000) | (430,000) | (604,330) | (1,223,271) | (85,000) |
| Balance as of 9-30-03 | $ 81,070,000 | 70,870,000 | 38,885,000 | 9,119,090 | 1,492,170 | 1,360,000 |
| Amount Due Within One Year | $ 6,635,000 | 6,340,000 | 525,000 | - | 531,473 | 85,000 |

Bonds payable as of September 30, 2003 are comprised of the following issues:

## A - General Obligation Serial Bonds

| | | |
|---|---|---|
| $13,050,000 1992 General Obligation Refunding Bonds issued to reduce the overall debt service requirements of the City. Principal is due in varying amounts through 2008 with interest varying between 3.5% and 6.55% per annum. | $ | 3,305,000 |
| $7,000,000 1994 General Obligations Bonds, Series 1994-A issued for the purpose of funding part of the cost of constructing a main library, fire station, fire training facility, police station, recreation centers and an overpass. Principal is due in varying amounts through 2015 with interest varying from 3.9% to 5.75%. | | 310,000 |
| $13,820,000 General Obligation Bonds, Series 1994-A issued for the purpose of making various public works improvements and for paying costs of professional services and issuance expenses. Principal is due in varying amounts through 2005 with interest varying from 4.05% to 5.65%. | | 625,000 |
| $30,080,000 General Obligation Refunding Bonds, Series 1996 issued to reduce the overall debt service requirements of the City. Principal is due in varying amounts through year 2011 with interest varying between 3.7% and 5.25 % per annum. | | 24,950,000 |
| $5,830,000 General Obligation Bonds, Series 1997 issued for the purpose of constructing and permanently equipping three fire stations; constructing, and installing and equipping a fire training tower and training facility, and other matters relating thereto. Principal is due in varying amounts through 2017 with interest varying from 4.75% to 7.75% per annum. | | 4,845,000 |
| $43,050,000 1998 General Obligation Refunding Bonds issued for the purpose of refunding a portion at the City's outstanding tax supported debt in order to lower the overall debt service requirements of the City, and to pay cost of issuance of the Bonds. Principal is due in varying amounts through 2015 with interest varying from 4.00% to 5.125% per annum. | | 42,445,000 |
| $4,590,000 General Obligation Refunding Bonds, Series 2003 issued to reduce the overall debt service requirements of the city. Principal is due in varying amounts through 2010 with interest varying from 2.00% to 3.00% interest per annum. | | 4,590,000 |
| Total General Obligation Bonds | $ | 81,070,000 |

**B – Certificates of Obligation**

| | | |
|---|---|---|
| $1,000,000 1992 Combination Tax and Airport Revenue Certificate of Obligation issued for the purpose of making airport improvements. Principal is due in varying amounts through 2013, with interest varying from 4.85% to 6.60% per annum. | $ | 635,000 |
| $13,880,000 Combination Tax and Sewer System Revenue Certificates of Obligation, Series 1994, issued for the purpose of constructing improvements and extensions to the City's sewer system and for paying the costs of professional services and issuance expenses. Principal is due in varying amount through 2014, with interest varying from 5.625% to 8.625% per annum. | | 630,000 |
| $14,020,000 Combination Tax and Water System Revenue Certificates of Obligation, Series 1994, issued for the purpose of constructing improvements and extensions to the City's waterworks system and for paying the costs of professional services and expenses. Principal is due in varying amount through 2014, with interest varying from 5.625% to 8.625% per annum. | | 635,000 |
| $2,040,000 1996 Combination Tax and Airport Revenues Certificates of Obligation issued for the purpose of acquiring Land for the Laredo Municipal Airport. Principal is due on varying amounts through year 2011, with interest rates varying from 4.4% to 6% per annum. | | 1,280,000 |
| $2,860,000 Combination Tax and Waterworks System Revenue Certificates of Obligation, Series 1997-A, issued for the purpose of paying all or a portion of the City's contractual obligations for improvements and extension to the City's Waterworks system, and for paying legal, fiscal, and engineering fees in connection with this project. Principal is due in varying amounts though 2017 with interest varying from 4.75% to 6.75% per annum. | | 2,370,000 |
| $3,660,000 Combination Tax and Revenue Certificates of Obligation, Series 1997-B, issued for the purpose of paying all or a portion of the city's contractual obligations for the acquisition of fire trucks and related equipment; acquisition of library equipment and construction of improvement at the new main library; purchase and acquisition of improvement at the new main library; purchase and acquisition of material recycling facility from Southern Sanitation Services, Inc.; and for paying legal, fiscal, architectural and engineering fees in connection with such projects. Principal is due in varying amounts through 2007 with interest varying from 4.25% to 7.25% per annum. | $ | 700,000 |

| | | |
|---|---|---|
| $1,430,000 1998 Combination Tax and Airport Revenue Certificates of Obligation, for the purpose of paying all or a portion of the City's Contractual Obligations for the purpose of acquiring land at the municipal airport in connection with the settlement of a Lawsuit in reference to noise abatement at the City's Airport and the payment of legal and fiscal fees in connection with this project, and other matters relating thereto. Principal is due in varying amounts through 2018 with interest from 4.60% to 7.00% per annum. | $ | 1,205,000 |
| $6,415,000 1998-A Combination Tax and Sewer Revenue Certificates of Obligations issued for the purpose of paying all or a portion of the City's Contractual Obligations for improvements and extensions to the City's Sewer System, and acquisition of land in connection therewith, and paying legal, fiscal, and engineering fees in connection with this projects. Principal is due in varying amounts through 2018 with interest from 4.400% to 7.375% per annum. | | 5,495,000 |
| $16,160,000 1998-B Combination Tax and Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's Contractual Obligations for the construction of drainage improvements; construction of street improvements and repairs; construction of a new Public Works Building, repairing and remolding the Canizalez Gym, Old Library Building, and Municipal Court Building; acquisition of Municipal Vehicles and Equipment for municipal departments, together with a Landfill Collection System, and the acquisition of land for a Municipal Landfill, and for paying legal, fiscal, architectural and engineering fees in connection with such projects. Principal is due in varying amounts through 2018 with interest from 4.40% to 7.25% per annum. | | 13,225,000 |
| $1,050,000 1999 Combination Tax and Parking System Certificates of Obligation issued for the purpose of purchasing land for a parking lot and to pay costs of issuance. Principal is due in varying amounts through 2014, with interest varying between 3.75% through 5.20% per annum. | | 835,000 |
| $3,850,000 1999 Combination Tax and Waterworks System Certificates of Obligation issued for expanding and improving the Waterworks System and to pay costs of issuance. Principal is due in varying amounts through 2019 with interest varying between 3.70% through 5.35% per annum. | | 3,355,000 |
| $2,830,000 1999 Combination Tax and Airport Revenue Refunding Bonds issued for the purpose of refunding $2,715,000 in principal amount of the City's current outstanding indebtedness. Principal is due in varying amounts through 2014 with interest varying between 4.25% through 5.40% per annum. | $ | 2,115,000 |

| | | |
|---|---|---|
| $2,060,000 2000 Combination Tax and Airport Revenue Refunding Bond issued for the purpose of refunding the Airport Indenture Obligation for release of land from indenture, and ordaining other matters relating thereto. Principal is due in varying amounts through 2020 with interest from 5.10% to 7.00% per annum. | $ | 1,935,000 |
| $1,820,000 2000 Combination Tax and Sewer System Revenue Certificates of Obligation for paying all or a portion of the City's Contractual Obligations for the purposes of improving and extending the City's Sewer System, and the payment of legal and fiscal fees in connection with this project. Principal is due in varying amounts through 2020 with interest from 5.10% to 7.00% per annum. | | 1,705,000 |
| $2,485,000 2000 Combination Tax and Waterworks System Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's Contractual Obligations for the purpose of improving and extending the City's Waterworks System, and the payment of legal and fiscal fees in connection with this project, and other matters relating thereto in connection with this project. Principal is due in varying amounts through 2020 with interest from 5.00% to 7.00% per annum. | | 2,330,000 |
| $2,135,000 2000 Public Property Finance Contractual Obligations for the purchase of automotive equipment, park equipment, cemetery equipment, street equipment, solid waste equipment together with other City equipment, and ordaining other matters relating to the subject. Principal is due in varying amounts through 2005 with interest from 4.70% to 6.625% per annum. | | 940,000 |
| $9,365,000 2000 Combination Tax and Revenue Certificates of Obligation issued for the purpose of constructing a new Municipal Court, constructing and improving the City's streets, the acquisition, design, and construction of Inner City Park, and issuance expenses. Principal is due in varying amounts through 2021 with interest varying from 5.25% to 5.375% per annum. | | 8,830,000 |
| $1,550,000 2000A Public Property Finance Contractual Obligations for the purchase of automotive equipment, trucks, fire engine, ambulance, sweepers, mowers, street equipment, computers, and issuance costs. Principal is due in varying amounts through 2006 with interest varying from 4.55% through 5.50% per annum. | | 985,000 |
| $9,925,000 2002 Combination Tax and Revenue Certificates of Obligation issued for the acquisition of 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. | $ | 9,610,000 |

| | | |
|---|---|---|
| $2,265,000 2002 Public Property Finance Contractual Obligations issued for the purpose of paying all or a portion of the issuer's contractual obligations to be incurred in connection with the acquisition or purchase of personal property. Principal is due in varying amounts through 2007 with interest varying from 2.0% to 2.9% per annum. | $ | 1,835,000 |
| $3,620,000 Combination Tax and Sewer System Revenue Certificates of Obligation, Series 2003 issued for the purpose of paying all or portion of the City's Contractual obligations for constructing, improving, and extending the City's Sewer System, and for paying 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. | | 3,620,000 |
| $2,795,000 Public Property Finance Contractual Obligations, Series 2003 issued for the purpose of the purchase of vehicle equipment, trucks, cars, trailers, fire department equipment, EMS equipment, boat ramps, sweepers, mowers, projector, studio lights, generators, testing equipment for toll system, street equipment, computers, related hardware and software, paint remover equipment, statement sorter and power sweepers, and issuance costs. Principal is due in varying amounts through 2008 with interest varying from 1.70% to 3.00% per annum. | | 2,795,000 |
| $3,510,000 Combination Tax and Waterworks System Revenue Certificates of Obligation, Series 2003 for paying all or a portion of the City's contractual obligations for the purpose of constructing drainage improvements, including pilot channel, and constructing and equipping a fire station, for the payment of legal, fiscal, architectural and engineering fees in connection with this. Principal is due in varying amounts through 2023 with interest from 3.40$ to 4.50% per annum. | | 3,510,000 |
| Subtotal - Certificates of Obligation | $ | 70,575,000 |

**Certificates of Obligation - Paving Assessments**

The City's Paving Assessment issues are special obligations of the City and are collateralized by a combination tax and paving assessment revenues. Revenues derived from the assessments are used to pay for the debt service related to the issue. The City is obligated to make any related debt service payments from its General Obligation Debt Service fund balance and or levy ad valorem taxes equal to the debt service payment in case the revenues derived from the assessments are not sufficient to satisfy the obligation.

Combination Tax and Special Assessment bonds as of September 30, 2003 consist of the following:

| | | |
|---|---|---|
| $1,000,000 1992 Combination Tax & Paving Assessment Revenue Certificates of Obligation issued for the purpose of street improvements. Principal is due in varying amounts through 2004 with interest varying from 4.25% to 6.45% per annum. | $ | 125,000 |
| $1,400,000 1994 Combination Tax & Paving Assessment Revenue Certificates of Obligation, issued for the purpose of paving the City's streets and for paying costs of professional services and issuance expenses. Principal is due in varying amounts through 2004 with interest varying from 5.125% to 8.125% | | 170,000 |
| **Total Paving Assessment** | | 295,000 |
| **Total Certificates of Obligation** | $ | 70,870,000 |

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

## C - Sales Tax Revenue Bonds

The City's Sales Tax Revenue Bonds are special obligations of the City and are collateralized by revenue from a ¼ of 1% sales and use tax collected within the City's boundaries. Sales Tax Revenue Bonds as of September 30, 2003 consist of the following:

| | | |
|---|---|---|
| $39,315,000 2001 Sports Venue Sales Tax Revenue Bonds issued to Finance a multipurpose sports and entertainment arena and related infrastructure, and issuance costs. Principal is due in varying amounts through 2018 with interest from 3.95% to 5.75% per annum. | $ | 38,885,000 |

## 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.

**General Fund**

| | | |
|---|---|---|
| $707,850 Ford Motor Credit Company for the purchase of thirty 2002 Ford Crown Victoria P71'2 for the Police Department. Payments are due in annual installments of $225,000.00 for the first year and $175,647.97 for the remaining years including principal and interest through December 2002. Interest is at 4.50% per annum. | $ | 328,930 |
| $1,413,240 Ford Motor Credit Company for the purchase of sixty 2003 Ford Crown Victorias for the Police Department. Payments are due in annual installments of $250,000 for the first year and $423,554,78 for the remaining years including principal and interest through April 2006. Interest is at 4.55% per annum. | | 1,163,240 |
| Total Present Value of Future Minimum Lease Payments | | 1,492,170 |
| Plus Amount Representing Interest | | 129,790 |
| Total Minimum Lease Payments | $ | 1,621,960 |

The assets acquired through capital leases are as follows:

| | | Governmental Activities |
|---|---|---|
| Asset: | | |
| Automotive Equipment | $ | 2,121,090 |
| Less: Accumulated Depreciation | | -707,235 |
| Total | $ | 1,413,855 |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2003, are as follows:

| Year Ending Sep. 30 | | Governmental Activities |
|---|---|---|
| 2004 | $ | 599,203 |
| 2005 | | 599,203 |
| 2006 | | 423,554 |
| Total minimum lease payments | | 1,621,960 |
| Less: amount representing interest | | -129,790 |
| Present value of minimum lease payments | $ | 1,492,170 |

**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%. | $ 1,360,000 |

**F - Refunding and Early Extinguishment**

On May 14, 2003, the City of Laredo issued $4,590,000 in General Obligation Refunding Bond, Series 2003 with an average interest rate of 2.52% to advance refund the following:

| Bond Issue | Average Interest Rate | | Principal Amount Refunded |
|---|---|---|---|
| General Obligations Refunding Bonds, Series 1992 | 6.517% | $ | 1,325,000 |
| Combination, Tax, & Sewer System Revenue Certificate of Obligation, Series 1993 | 4.900% | | 170,000 |
| General Obligations Refunding Bonds, Series 1993 | 4.900% | | 145,000 |
| Combination Tax, Waterworks System Revenue Certificate of Obligation, Series 1993 | 4.900% | | 455,000 |
| General Obligation Bonds, Series 1994-A | 5.625% | | 665,000 |
| General Obligation Bonds, Series 1994 | 5.200% | | 325,000 |
| Combination, Tax & Sewer System Revenue Certificate of Obligation, Series 1994 | 5.625% | | 665,000 |
| Combination Tax & Waterworks System Revenue Certificate of Obligation, Series 1994 | 5.625% | | 675,000 |
| Total | | $ | 4,425,000 |

The net proceeds of $4,557,769 (after payment of $100,873 in underwriting fees, insurance, and other issuance costs) plus an additional $87,258 for the 1992, 1993, and 1994 Series bonds sinking funds monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992, 1993, and 1994 Series bonds. As a result, the 1992, 1993, and 1994 Series bonds are considered to be defeased and the liability for those bonds has been removed.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $5,099,641. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2010 using the effective-interest method. The agency completed the advance refunding to reduce its total debt service payments over the next seven years by $134,986 and obtained an economic gain (difference between the present value of the old and the new debt service payments) of $194,350.

**G - 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, 2003, $28,860 million in bonds outstanding are considered defeased.

## NOTE 13 - 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, 2003:

| | Revenue Bonds | Note Payable | Capital Lease Obligations | Landfill Cost | Compensated Absences |
|---|---|---|---|---|---|
| Balance – September 30, 2002 | $ 60,733,150 | 35,435,119 | 24,767 | 4,547,579 | 753,555 |
| Additions | - | - | - | 822,201 | 157,890 |
| Amortization of Deferred Charges | 276,930 | 1,408,433 | - | - | - |
| Retirements | (4,569,000) | (1,083,084) | (24,767) | - | (314,733) |
| Net Long Term Obligations as of September 30, 2003 | 56,441,080 | 35,760,468 | - | 5,369,780 | 596,712 |
| Bonds Payable Due Within One Year | $ 4,030,000 | - | - | - | - |

**A - Bonds**

| | |
|---|---|
| $1,700,000 1991 Subordinate Sewer Revenue Bonds with principal due in varying amounts through 2011, including interest at 5.5% per annum. | $ 810,000 |

| | | |
|---|---|---|
| $4,470,000 1992 New series Waterworks System Revenue Refunding Bonds, with principal due in varying amounts through 2006, including interest at 3.5% to 6.10% per annum. | $ | 180,000 |
| $17,995,000 1996 International Toll Bridge System Revenue Refunding Bonds with principal due in varying amounts through year 2010, including interest at 4.00% to 5.70% per annum. | | 8,215,000 |
| $6,625,000 1996 Waterworks System Revenue Refunding Bonds with principal due in varying amounts through year 2010, including interest at 4.60% to 5.45% per annum. | | 5,650,000 |
| $21,300,000 1998A International Toll Bridge System Revenue Bond with principal due in varying amounts through year 2118, including interest at 3.5% to 5.125% per annum. | | 19,175,000 |
| $9,000,000 1999 International Toll Bridge System Revenue Bond with principal due in varying amounts through year 2019, including interest at 3.7% to 5.4% per annum. | | 7,615,000 |
| $12,105,000 2002 International Toll Bridge System Revenue Bond with principal due in varying amounts through year 2022, including interest at 4.0% to 5.0%. | | 11,280,000 |
| $2,095,000 2002A Sewer System Revenue Bond with principal due in varying amounts through year 2011, including interest at 2.0% to 3.75%. | | 1,320,000 |
| $2,620,000 2002B Sewer System Revenue Bond with principal due in varying amounts through year 2011, including interest at 1.85% to 4.95%. | | 1,820,000 |
| $741,000 2003 Waterworks System Revenue Bond with principal due in varying amounts through year 2024, including interest at 3.3 % to 5.9 % | | 741,000 |
| $710,000 2003 Sewer System Revenue Bond with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9%. | | 710,000 |
| Subtotal | | 57,516,000 |
| Deferred Charges for Various Revenue Refunding Bonds | | (1,074,920) |
| Total Revenue Bonds | $ | 56,441,080 |

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 - 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. During fiscal year 2003, a total of $1,408,433 was deferred. The note has a final maturity date of October 1, 2027. | $ | 35,760,468 |
| Total | $ | 35,760,468 |

**C - 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 | $ | 63,403 |
| Bridge System | | 196,270 |
| Municipal Housing | | 1,420 |
| Waterworks System | | 59,299 |
| Sewer System | | 11,261 |
| Risk Management | | 11,209 |
| Fleet Management | | 55,370 |
| Solid Waste Fund | | 198,201 |
| Health & Benefits Fund | | 279 |
| Total | $ | 596,712 |

**D - 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, 2003, $3.540 millions in bonds outstanding are considered defeased.

**E - 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, 2003 is $12,090,164 of which $5,369,780 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 $5,369,780 as of September 30, 2003 represents the cumulative amount for 109.3 acres of the landfill filled with solid waste for closure and 200 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2002 is 44%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 11 years. Based on the remaining life, the landfill will be filled to capacity by the year 2014. The estimated total current cost of the landfill closure and post closure care ($12,090,194) 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, 2003. 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 14 - 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, 2003 are as follows:

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| General Fund | $ 5,496,548 | $ - |
| Nonmajor Governmental | 70,989 | 2,024,239 |
| Major Business Type Funds: | | |
| Bridge System | 723,996 | 4,223,996 |
| Sewer System | - | 42,845 |
| Nonmajor Business Type Fund | | |
| Fiduciary Funds: | | |
| Laredo Firefighters Retirement System | - | 453 |
| Total | $ 6,291,533 | $ 6,291,533 |

## NOTE 15 - 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 |
|---|---|---|
| General Fund: | | |
| Nonmajor Govtl Funds | $ 4,739,002 | $ 7,598,086 |
| Major Business Type Funds: | | |
| Bridge System | 3,500,000 | 3,500,000 |
| Transit System | 34,347 | - |
| Nonmajor Funds: | | |
| General Fund | 7,598,086 | 4,739,002 |
| Nonmajor Govtl Funds | 11,186,399 | 11,186,399 |
| Major Business Type Funds: | | |
| Bridge System | 3,042,952 | - |
| Municipal Housing | 865,000 | - |
| Waterworks | 1,022,205 | 9,694 |
| Sewer | 752,845 | 2,295 |
| Debt Service Fund | - | 4,431,423 |
| Internal Service Fund | - | 2,295 |
| Debt Service Fund: | | |
| Nonmajor Govtl Funds | 4,431,423 | - |
| Major Business type Funds: | | |
| Transit | 438,802 | - |
| Solid Waste | 1,162,434 | - |
| Waterworks | 3,844,374 | - |
| Sewer | 3,543,385 | - |
| Internal Service Fund | 23,578 | - |
| Major Business Type Funds: | | |
| General Fund | 3,500,000 | 3,534,347 |
| Nonmajor Govtl Funds | 11,989 | 5,683,002 |
| Debt Service Fund | - | 8,988,995 |
| Internal Service Funds: | | |
| Nonmajor Govtl Funds | 2,295 | - |
| Debt Service Fund | - | 23,578 |
| Total | $ 49,699,116 | $ 49,699,116 |

CITY OF LAREDO, TEXAS
NOTES TO FINANCIAL STATEMENTS
NOTE 16 - Debt Service Requirements
The following is a summary of the City's debt service requirements for all funds as of September 30, 2003

| | 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 |
| 2004 | 6,545,000 | 5,063,989 | 11,608,989 | 616,473 | 170,227 | 786,700 | 6,340,000 | 3,457,217 | 9,797,217 | 6,635,000 | 3,917,766 | 10,552,766 | 20,136,473 | 12,609,199 | 32,745,672 |
| 2005 | 4,470,000 | 4,757,511 | 9,227,511 | 2,574,044 | 1,621,872 | 4,195,916 | 5,170,000 | 3,018,679 | 8,188,679 | 7,315,000 | 3,582,363 | 10,897,363 | 19,529,044 | 12,980,425 | 32,509,469 |
| 2006 | 4,507,000 | 4,548,962 | 9,055,962 | 2,518,506 | 1,495,693 | 4,014,199 | 4,870,000 | 2,762,446 | 7,632,446 | 8,000,000 | 3,255,757 | 11,255,757 | 19,895,506 | 12,062,858 | 31,958,364 |
| 2007 | 4,699,000 | 4,332,805 | 9,031,805 | 2,196,549 | 1,388,034 | 3,584,583 | 3,820,000 | 2,558,591 | 6,378,591 | 7,485,000 | 2,881,226 | 10,366,226 | 18,200,549 | 11,160,656 | 29,361,205 |
| 2008 | 4,856,000 | 4,109,021 | 8,965,021 | 2,283,122 | 1,295,324 | 3,578,446 | 3,305,000 | 2,401,101 | 5,706,101 | 8,070,000 | 2,511,485 | 10,581,485 | 18,514,122 | 10,316,931 | 28,831,053 |
| 2009 | 4,963,000 | 3,873,194 | 8,836,194 | 2,162,169 | 1,199,065 | 3,361,234 | 3,050,000 | 2,255,982 | 5,305,982 | 7,580,000 | 2,132,710 | 9,712,710 | 17,755,169 | 9,460,951 | 27,216,120 |
| 2010 | 5,730,000 | 3,625,958 | 9,355,958 | 1,265,594 | 1,107,785 | 2,373,379 | 3,095,000 | 2,106,411 | 5,201,411 | 7,595,000 | 1,783,688 | 9,378,688 | 17,685,594 | 8,623,842 | 26,309,436 |
| 2011 | 4,678,000 | 3,372,487 | 8,050,487 | 1,313,999 | 1,053,049 | 2,367,048 | 3,360,000 | 1,953,624 | 5,313,624 | 7,090,000 | 1,408,831 | 8,498,831 | 16,441,999 | 7,787,991 | 24,229,990 |
| 2012 | 4,546,000 | 3,155,728 | 7,701,728 | 1,364,388 | 996,286 | 2,360,674 | 3,305,000 | 1,789,258 | 5,094,258 | 7,130,000 | 1,047,249 | 8,177,249 | 16,345,388 | 6,988,521 | 23,333,909 |
| 2013 | 4,793,000 | 2,927,106 | 7,720,106 | 1,416,844 | 937,330 | 2,354,174 | 3,675,000 | 1,622,131 | 5,297,131 | 6,645,000 | 698,007 | 7,343,007 | 16,529,844 | 6,184,574 | 22,714,418 |
| 2014 | 5,042,000 | 2,683,004 | 7,725,004 | 1,471,449 | 876,164 | 2,347,613 | 3,750,000 | 1,439,775 | 5,189,775 | 5,590,000 | 389,850 | 5,979,850 | 15,853,449 | 5,388,793 | 21,242,242 |
| 2015 | 5,315,000 | 2,417,064 | 7,732,064 | 1,528,293 | 812,726 | 2,341,019 | 4,110,000 | 1,248,693 | 5,358,693 | 980,000 | 102,338 | 1,082,338 | 11,933,293 | 4,580,821 | 16,514,114 |
| 2016 | 5,594,000 | 2,140,945 | 7,734,945 | 1,587,469 | 746,913 | 2,334,382 | 4,735,000 | 1,042,387 | 5,777,387 | 465,000 | 52,524 | 517,524 | 12,381,469 | 3,982,769 | 16,364,238 |
| 2017 | 5,893,000 | 1,852,704 | 7,745,704 | 1,649,070 | 678,633 | 2,327,703 | 4,995,000 | 814,252 | 5,809,252 | 490,000 | 26,950 | 516,950 | 13,027,070 | 3,372,539 | 16,399,609 |
| 2018 | 6,197,000 | 1,554,051 | 7,751,051 | 1,713,197 | 607,783 | 2,320,980 | 4,715,000 | 578,354 | 5,293,354 | - | - | - | 12,625,197 | 2,740,188 | 15,365,385 |
| 2019 | 3,626,000 | 1,237,652 | 4,863,652 | 1,779,953 | 534,289 | 2,314,242 | 2,530,000 | 401,540 | 2,931,540 | - | - | - | 7,935,953 | 2,173,481 | 10,109,434 |
| 2020 | 3,072,000 | 1,047,003 | 4,119,003 | 1,764,445 | 458,033 | 2,222,478 | 2,355,000 | 271,992 | 2,626,992 | - | - | - | 7,191,445 | 1,777,028 | 8,968,473 |
| 2021 | 3,231,000 | 885,848 | 4,116,848 | 1,836,787 | 385,690 | 2,222,477 | 1,920,000 | 150,599 | 2,070,599 | - | - | - | 6,987,787 | 1,422,137 | 8,409,924 |
| 2022 | 3,402,000 | 713,809 | 4,115,809 | 1,912,097 | 310,381 | 2,222,478 | 1,240,000 | 53,575 | 1,293,575 | - | - | - | 6,554,097 | 1,077,765 | 7,631,862 |
| 2023 | 2,653,000 | 530,106 | 3,183,106 | 1,946,998 | 231,985 | 2,178,983 | 530,000 | 11,925 | 541,925 | - | - | - | 5,129,998 | 774,016 | 5,904,014 |
| 2024 | 2,799,000 | 384,115 | 3,183,115 | 1,930,953 | 152,158 | 2,083,111 | - | - | - | - | - | - | 4,729,953 | 536,273 | 5,266,226 |
| 2025 | 2,830,000 | 232,935 | 3,062,935 | 1,780,239 | 72,989 | 1,853,228 | - | - | - | - | - | - | 4,610,239 | 305,924 | 4,916,163 |
| 2026 | 2,980,000 | 78,970 | 3,058,970 | - | - | - | - | - | - | - | - | - | 2,980,000 | 78,970 | 3,058,970 |
| 2027 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2029 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 102,421,000 | 55,524,967 | 157,945,967 | 38,612,638 | 17,132,409 | 55,745,047 | 70,870,000 | 29,938,532 | 100,808,532 | 81,070,000 | 23,790,744 | 104,860,744 | 292,973,638 | 126,386,652 | 419,360,290 |

## NOTE 17 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2003, the City had contractual commitments of $6,486,115 various construction and improvement projects. The commitments are summarized as follows:

| Project Description | | Commitment | Financing Sources |
|---|---|---|---|
| General Fund | $ | 10,033 | Fund Revenues |
| Community Development | | 875,768 | Community Development Block Grants |
| Civic Center | | 42,722 | Fund Revenues |
| Capital Improvements Fund | | 125,929 | Fund Revenues |
| Airport Construction Fund | | 1,086,485 | Grant Proceeds |
| Fire Training Facility | | 47,613 | General Obligation Bonds |
| Certificate of Obligation 2001 | | 726,715 | Certificate of Obligation 2001 Series |
| Colonias Project | | 1,925,025 | Grant/Loan & Grant |
| St. of Laredo Urban Mall | | 624,102 | Federal Grant |
| Bridge System | | 77,805 | Bond Proceeds |
| Waterworks System | | 340,225 | Fund Revenues/C.O. Bond |
| Sewer System | | 583,732 | Fund Revenues/C.O. Bond |
| Fleet Management | | 19,961 | Fund Revenues |
| Total Commitments | $ | 6,486,115 | |

## NOTE 18 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the year ended September 30, 2003, expenditures in Special Revenue – Laredo Convention & Visitors' Bureau Fund and Hotel-Motel Occupancy Tax Fund, exceeded appropriations by $3,736 and $2,063 respectfully.

## NOTE 19 - 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 $11,267,273, and a minimum of $9,577,072. 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 $2,021,299 reported in the Fund as of September 30, 2003 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 2001, 2002, and 2003 were:

| Year | Balance at Beginning of Fiscal Year | Claims and Changes in Estimates | Current year Claims & Payments | Balance at Fiscal Year End |
|---|---|---|---|---|
| 2000-2001 | $1,614,619 | 7,919,202 | 7,334,316 | 2,199,505 |
| 2001-2002 | $2,199,505 | 6,512,473 | 6,734,531 | 1,977,447 |
| 2002-2003 | $1,977,447 | 8,129,049 | 8,085,197 | 2,021,299 |

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.

**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 $1,356,408 aggregate for FY 00-01 and a $1,752,622 aggregate for FY 00-02 and for FY 02-03 as well. A deductible reimbursement program was also established for claims with $5,000 retention per occurrence through Texas Municipal League Intergovernmental Risk Pool (TMLIRP). As of September 30, 2003, a liability was recorded based on fiscal year 2003 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 2001, 2002 and 2003 were:

| Year | Balance at Beginning of Fiscal Year | Claims and Changes in Estimates | Current year Claims & Payments | Balance at Fiscal Year End |
|---|---|---|---|---|
| 2000-2001 | $1,750,955 | 570,116 | 1,172,204 | 1,148,867 |
| 2001-2002 | $1,148,867 | 1,991,136 | 1,570,771 | 1,569,232 |
| 2002-2003 | $1,569,232 | 1,965,326 | 2,452,401 | 1,082,157 |

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.

## NOTE 20 – 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, 2003, significant amounts of grant expenditures have not been audited by the grantor agencies; however, the City believes it has substantially complied with applicable laws and regulations and that the results of subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is a Defendant in a number of lawsuits arising principally from claims against the City for alleged actions by City employees including alleged acts of negligence and discrimination. Total damages claimed are substantial; however, it has been the City's experience that such actions are resolved for amounts substantially less than the claimed amounts. The City Attorney estimates that the amount of potential claims against the City not covered by various insurance policies would not materially affect the financial condition of the City.

## NOTE 21 – PRIOR YEAR ADJUSTMENTS

The implementation of GASB 34 requires the capitalization of assets that exceeds the City's Capitalization thresholds. Construction costs in the amount of $27,127,802 were incurred in the prior year for the completion of the Laredo Entertainment Center that were inadvertently expensed rather than capitalized in accordance with new guidelines.

Certain accounts receivable and deferred revenues in the amount of $1,097,422 were inadvertently excluded from GASB 34 combining worksheets that carryover to the Statement of Net Assets. An adjustment is required in order to restore the true account balances in accordance with the new guidelines.

A liability for Compensated absences was reported last year under the Governmental Funds in the amount of $11,819,806. In order to comply with GASB 34 requirements, an adjustment was required in the same amount in order to correctly report beginning balances.

The beginning net assets for Governmental funds increased by $82,576 to include the net assets of the Library Trust fund that were reported as a Fiduciary fund and not as a Governmental fund in the previous year.

Finally, the beginning net assets were adjusted by a decrease of $300 in the net assets due to expenditures related to amortization of bond cost being overstated last year.

## NOTE 22 – 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, 2003, the amount of unspent interest to date was $10,295. This amount is report 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 23-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 | $ | (1,762,083) |
| Adjustments: | | |
| Timing Differences-Encumbrances | | (732,139) |
| Basis Differences: | | |
| Non Budgeted-Compensated Absences | | 164,334 |
| Non Budgeted-Allowance for Doubtful Accounts | | 43,900 |
| Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications | | (2,285,988) |
| Other adjustments-Excess of revenues and other financing sources over expenditures and other uses for non-budgeted funds-(Entity Differences) | | 11,573,875 |
| Excess (Deficiency) of revenues and other financing sources over expenditures and other uses-BUDGET BASIS | $ | 9,287,887 |

## NOTE 24 - SUBSEQUENT EVENTS

During the month of February 2004, the City Council of the City of Laredo approved a resolution expressing official intent to reimburse cost associated with demolition and construction improvements of a municipal parking lot in the downtown area. In order to expedite the project, fund balance of the Parking Meter fund was appropriated to initiate the project. It is the intent of the City to issue a Parking Revenue Certificate of Obligation to reimburse and reinstate the fund balance in the Parking Meter Fund.

The City Council of the City of Laredo also approved another resolution expressing official intent to reimburse cost associated with the purchase of twenty five automated refuse collection trucks and 45,000 trash cans. The fund balance of the Solid Waste Fund was appropriated to initiate the purchase of said equipment. It is the intent of the City to issue a Personal Property Finance Contractual Obligation to reimburse and reinstate the fund balance in the Solid Waste Fund.

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# 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:

**COMMUNITY DEVELOPMENT BLOCK GRANTS** - 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** - 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** - to account for the U.S. Department of Housing and Urban Development grant and the disbursement of such proceeds for a City shelter for the homeless.

**NOISE ABATEMENT** - to account for the Federal Aviation Administration grant for the implementation of a noise compatibility program by acquiring noise impacted residential properties, soundproofing and or acquiring aviation easements and for the construction of a portion of parallel taxiway.

**NARCOTICS TASK FORCE** - to account for the Criminal Justice Department grant and the disbursement of such for narcotic undercover arrests and seizures.

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

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

**SPECIAL POLICE PROGRAM** - to account for federal and state grants for auto theft prevention, driving while intoxicated/Selective Traffic Enforcement Program and Safety Belt Enforcement Program.

**LAREDO BORDER VIOLENCE** - to account for the U.S. Department of Treasury grant for the creation of a task force between Laredo Police Department and the U.S. Customs in conducting official treasury investigation.

**N.P.D.E.S.** - to account for the Environmental Protective Agency grant and the disbursements required by the storm water regulations.

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

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

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

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

**MINERAL LEASES** - to account for the rental revenue from mineral leases, drilling permits, royalties, bonus, and surface damages.

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

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

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

**STREET CLOSING** - to account for revenues received from the closing of unused streets for the operation of the Real Estate, Code Enforcement, and Street Closing divisions.

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

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

**MERCADO MANAGEMENT** - 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.

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

**NOISE ABATEMENT LEASE PURCHASE** – 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.

**INFRASTRUCTURE MAINTENANCE** – to account for the street maintenance and reconstruction project expenses for the City.

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

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

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

## 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:

**EDA – DEPARTMENT OF PUBLIC WORKS INFRASTRUCTURE** - to account for the Economic Development Administration grant for the construction of a public works facility that will house various City departments including Public Works, Utilities Administrative Division, and Risk Management Division.

**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 colonias.

**AIRPORT CONSTRUCTION FUND** - to account for the Federal Aviation Administration and the Texas Department of Transportation grants for the engineering design of runway and taxiway improvements.

**BENAVIDES HERRERA HOME PROJECT** - to account for Texas Department of Transportation grant for the acquisition and preservation of the historic Benavides Herrera House.

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

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

**CERTIFICATE OF OBLIGATION SERIES 2000** - 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.

**FIRE TRAINING FACILITY** - to account for $5,250,000 in bond proceeds for the construction of a new fire training facility.

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

**CERTIFICATE OF OBLIGATION SERIES 2002** – 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.

**RYAN STREET RAILROAD BRIDGE** – to account for the Texas Department of Transportation grant for the improvements related to the conversion of the Ryan St. railroad bridge, and the construction related to the Zacate Creek Pedestrian and Bicycle Facility project.

**NEW FIRE STATIONS** – to account for $2,800,000 in bond proceeds for the construction of three new fire stations.

**PASEO DEL ANTIGUO LAREDO PROJECT** – to account for the Texas Department of Transportation grant for improvements related to the construction of this project.

**LAREDO ENTERTAINMENT CENTER CONSTRUCTION** – to account for $39,315,000 in bond proceeds for the construction of a sports venue project for a multi-purpose entertainment arena and related infrastructure.

**STREETS OF LAREDO URBAN MALL** – to account for the Economic Development Administration grant for the conversion of a three block downtown area into the Streets of Laredo Urban Mall, which will include infrastructure improvements such as sidewalk widening, landscaping, decorative lighting, utility line relocation and improvements to water, wastewater and sewer drainage systems.

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

## PERMANENT FUND

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

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CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2003

| | SPECIAL REVENUE | | | | | |
|---|---|---|---|---|---|---|
| | BLOCK GRANTS | HOUSING REHAB | HOME INVESTMENT | EMERGENCY SHELTER | NOISE ABATEMENT | NARCOTICS TASK FORCE |
| **ASSETS** | | | | | | |
| Cash and Cash Equivalents: | | | | | | |
| Cash | $ 100 | - | - | - | - | 10,000 |
| Equity in Investment Pool | - | 84 | 86 | - | 278 | 140 |
| Investments | - | 53,382 | 134,483 | - | 385,611 | 242,017 |
| Receivables, net of allowances: | | | | | | |
| Accrued Interest | - | 78 | 197 | - | 564 | 354 |
| Accounts | 201,017 | - | - | - | - | 16,090 |
| Notes | - | 2,602,105 | 5,298,332 | - | - | - |
| Due From Other Governments | 453,461 | - | 10,918 | 7,098 | 52,116 | 195,902 |
| Due From Other Funds | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| **TOTAL ASSETS** | 654,578 | 2,655,649 | 5,444,016 | 7,098 | 438,569 | 464,503 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | 97,809 | 3,745 | 6,932 | 6,741 | 4,074 | 115,116 |
| Retainage Payable | 134,405 | - | - | - | - | - |
| Accrued Wages and Employee Benefits | 32,987 | 2,674 | 3,657 | - | 3,746 | 27,768 |
| Escrow Taxes & Insurance | - | - | 1,241 | - | - | - |
| Compensated Absences | - | 624 | - | - | - | - |
| Contracts Payable | 113,672 | - | - | - | - | - |
| Customer Deposits | - | - | - | - | - | - |
| Due To Other Funds | 74,988 | - | - | 357 | - | - |
| Due To Other Governments | - | - | - | - | - | 62,542 |
| Deferred Revenue | 200,717 | 2,602,105 | 5,298,332 | - | - | - |
| Due To Developers | - | - | - | - | - | - |
| **TOTAL LIABILITIES** | 654,578 | 2,609,148 | 5,310,162 | 7,098 | 7,820 | 205,426 |
| Fund Balances: | | | | | | |
| Reserved: | | | | | | |
| Reserved for Encumbrances | 1,524,924 | 179 | 493,098 | 125,222 | 352,620 | 9,761 |
| Reserved for Capital Acquisition | - | - | - | - | - | - |
| Reserved for Children's Programming | - | - | - | - | - | - |
| Reserved for Endowment Corpus | - | - | - | - | - | - |
| Unreserved: | | | | | | |
| Designated for Improvements | - | 46,322 | - | - | 78,129 | - |
| Undesignated (Deficit) | (1,524,924) | - | (359,244) | (125,222) | - | 249,316 |
| **TOTAL FUND BALANCES** | - | 46,501 | 133,854 | - | 430,749 | 259,077 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ 654,578 | 2,655,649 | 5,444,016 | 7,098 | 438,569 | 464,503 |

(Continued)

(Continued)

SPECIAL REVENUE

| FINANCIAL TASK FORCE | AUTO THEFT TASK FORCE | SPECIAL POLICE PROGRAM | LAREDO BORDER VIOLENCE | N.P.D.E.S. | HEALTH FUND | INT'L. AIRPORT | HAZARDOUS MATERIALS |
|---|---|---|---|---|---|---|---|
| 5,000 | - | - | - | 350 | 6,090 | 400 | - |
| 73 | 39 | 207 | - | 354 | - | 311 | 97 |
| 87,773 | 79,175 | 235,986 | - | 574,374 | - | 443,356 | 206,215 |
| 128 | 116 | 345 | - | 840 | - | 649 | 302 |
| - | - | 95,798 | - | 199,492 | 3,107 | 3,596,370 | 500 |
| - | - | - | - | - | - | - | - |
| 574,876 | 64,190 | 589,224 | 852 | 7,805 | 1,962,503 | 89,940 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 11,511 | - | - |
| **667,850** | **143,520** | **921,560** | **852** | **783,215** | **1,983,211** | **4,131,026** | **207,114** |
| 14,918 | 21,354 | 78,741 | - | 5,662 | 188,545 | 80,405 | 218 |
| - | - | - | - | 94,344 | - | - | - |
| 11,573 | 11,126 | 121,320 | - | 26,909 | 263,024 | 63,384 | 4,810 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 17,940 | 66,055 | 51,142 | 3,967 |
| - | - | - | - | 22,628 | - | - | - |
| - | - | - | - | - | 887 | 55,198 | - |
| - | - | - | 852 | - | 1,242,842 | - | - |
| 215,286 | 7,771 | 49,134 | - | - | - | - | - |
| - | - | 24,475 | - | - | 45,502 | 414,411 | - |
| - | - | - | - | - | - | - | - |
| **241,777** | **40,251** | **273,670** | **852** | **167,483** | **1,806,855** | **664,540** | **8,995** |
| 1,391 | 23,629 | - | - | 304,346 | 676,626 | 17,597 | 349 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 424,682 | 79,640 | 647,890 | - | 311,386 | (500,270) | 3,448,889 | 197,770 |
| **426,073** | **103,269** | **647,890** | **-** | **615,732** | **176,356** | **3,466,486** | **198,119** |
| **667,850** | **143,520** | **921,560** | **852** | **783,215** | **1,983,211** | **4,131,026** | **207,114** |

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2003

(Continued)

| | SPECIAL REVENUE | | | | | |
|---|---|---|---|---|---|---|
| | PARKING METERS | MINERAL LEASES FUND | RECREATION FUND | VETERAN'S FIELD | CIVIC CENTER | STREET CLOSING |
| **ASSETS** | | | | | | |
| Cash and Cash Equivalents: | | | | | | |
| Cash | $ 575 | - | 50 | - | 200 | - |
| Equity in Investment Pool | 489 | 79 | 77 | 29 | 128 | 20 |
| Investments | 808,178 | 162,585 | 146,160 | 128 | 132,173 | 20,403 |
| Receivables, net of allowances: | | | | | | |
| Accrued Interest | 1,182 | 238 | 214 | - | 193 | 30 |
| Accounts | 424,398 | - | - | - | 9,840 | 50 |
| Notes | - | - | - | - | - | - |
| Due From Other Governments | - | - | - | - | - | - |
| Due From Other Funds | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| **TOTAL ASSETS** | 1,234,822 | 162,902 | 146,501 | 157 | 142,534 | 20,503 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | 12,910 | - | 4,561 | - | 9,090 | 1,359 |
| Retainage Payable | 1,111 | - | - | - | - | - |
| Accrued Wages and Employee Benefits | 23,692 | - | - | - | 17,007 | 9,027 |
| Escrow Taxes & Insurance | - | - | - | - | - | - |
| Compensated Absences | 15,800 | - | - | - | 13,726 | 10,117 |
| Contracts Payable | 1,700 | - | - | - | - | - |
| Customer Deposits | - | - | - | - | 30,793 | - |
| Due To Other Funds | - | - | - | - | - | - |
| Due To Other Governments | - | - | - | - | - | - |
| Deferred Revenue | 424,510 | - | - | 157 | - | - |
| Due To Developers | - | - | - | - | - | - |
| **TOTAL LIABILITIES** | 479,723 | - | 4,561 | 157 | 70,616 | 20,503 |
| Fund Balances: | | | | | | |
| Reserved: | | | | | | |
| Reserved for Encumbrances | 82,136 | - | 5,928 | - | 71,918 | 8,635 |
| Reserved for Capital Acquisition | - | - | - | - | - | - |
| Reserved for Children's Programming | - | - | - | - | - | - |
| Reserved for Endowment Corpus | - | - | - | - | - | - |
| Unreserved: | | | | | | |
| Designated for Improvements | - | - | - | - | - | - |
| Undesignated (Deficit) | 672,963 | 162,902 | 136,012 | - | - | (8,635) |
| **TOTAL FUND BALANCES** | 755,099 | 162,902 | 141,940 | - | 71,918 | - |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ 1,234,822 | 162,902 | 146,501 | 157 | 142,534 | 20,503 |

(Continued)

(Continued)

| SPECIAL REVENUE | | | | | | |
|---|---|---|---|---|---|---|
| HOTEL/MOTEL OCCUPANCY TAX | PUBLIC ACCESS CHANNEL | MERCADO MGMT. | LAREDO CONVENT. & VISITORS | H.U.D. SEC. 108 | SPORTS & COMMUNITY VENUE | NOISE ABATE. LEASE PROGRAM |
| - | - | - | 400 | - | - | 200 |
| 690 | 268 | 81 | 259 | - | 5,420 | 441 |
| 1,002,844 | 367,774 | 53,254 | 393,182 | - | 8,564,278 | 701,285 |
| 1,467 | 538 | 78 | 575 | 606,346 | 12,528 | 1,026 |
| 8,186 | 585 | 1,821 | 37,628 | - | 95,274 | 9,750 |
| - | - | - | - | 1,700,000 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| **1,013,187** | **369,165** | **55,234** | **432,044** | **2,306,346** | **8,677,500** | **712,702** |
| 75,715 | 1,566 | 2,720 | 42,549 | - | - | 11,293 |
| - | - | - | - | - | 2,701 | - |
| - | 8,765 | 1,642 | 15,521 | - | - | 1,986 |
| - | - | - | - | - | - | - |
| - | 7,624 | 995 | 9,525 | - | - | - |
| - | - | - | 268,550 | - | - | - |
| - | - | - | - | - | - | 44,681 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 2,306,346 | - | 30,761 |
| - | - | - | - | - | - | - |
| **75,715** | **17,955** | **5,357** | **336,145** | **2,306,346** | **2,701** | **88,721** |
| - | 1,313 | 8,031 | 79,952 | - | 10,815 | 15,161 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 91,344 | - | - | - | - | - |
| 937,472 | 258,553 | 41,846 | 15,947 | - | 8,663,984 | 608,820 |
| **937,472** | **351,210** | **49,877** | **95,899** | **-** | **8,674,799** | **623,981** |
| **1,013,187** | **369,165** | **55,234** | **432,044** | **2,306,346** | **8,677,500** | **712,702** |

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2003

| | SPECIAL REVENUE | | | | (Continued) CAPITAL PROJECTS |
|---|---|---|---|---|---|
| | INFRASTR. MAINTENANCE | FRIENDS OF THE LIBRARY | SUBDIVISION TRUST FUND | POLICE TRUST FUND | WEBB COUNTY COLONIAS PROJECT |
| **ASSETS** | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash | $ - | - | - | - | - |
| Equity in Investment Pool | 396 | - | 1,083 | 1,622 | - |
| Investments | 547,939 | 29,513 | 1,711,187 | 2,617,661 | 941,404 |
| Receivables, net of allowances: | | | | | |
| Accrued Interest | 802 | 43 | 2,503 | 3,829 | - |
| Accounts | - | - | - | - | - |
| Notes | - | - | - | - | - |
| Due From Other Governments | - | - | - | - | 607,606 |
| Due From Other Funds | - | - | - | - | 42,845 |
| Inventory | - | - | - | - | - |
| **TOTAL ASSETS** | 549,137 | 29,556 | 1,714,773 | 2,623,112 | 1,591,855 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 6,988 | - | 7,828 | 73,753 | - |
| Retainage Payable | - | - | - | - | 59,812 |
| Accrued Wages and Employee Benefits | 31,658 | - | - | - | - |
| Escrow Taxes & Insurance | - | - | - | - | - |
| Compensated Absences | 20,882 | - | - | - | - |
| Contracts Payable | 120 | - | - | - | 294,613 |
| Customer Deposits | - | - | - | - | - |
| Due To Other Funds | - | - | - | - | 547,351 |
| Due To Other Governments | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - |
| Due To Developers | - | - | 1,707,706 | - | - |
| **TOTAL LIABILITIES** | 59,648 | - | 1,715,534 | 73,753 | 901,776 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Reserved for Encumbrances | 32,210 | 51 | - | 637,355 | 3,117,722 |
| Reserved for Capital Acquisition | - | - | - | 1,912,004 | - |
| Reserved for Children's Programming | - | - | - | - | - |
| Reserved for Endowment Corpus | - | - | - | - | - |
| Unreserved: | | | | | |
| Designated for Improvements | - | - | - | - | - |
| Undesignated (Deficit) | 457,279 | 29,505 | (761) | - | (2,427,643) |
| **TOTAL FUND BALANCES** | 489,489 | 29,556 | (761) | 2,549,359 | 690,079 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ 549,137 | 29,556 | 1,714,773 | 2,623,112 | 1,591,855 |

(Continued)

(Continued)

CAPITAL PROJECTS

| AIRPORT CONSTRUCTION FUND | CONTRACTUAL OBLIGATIONS | CERTIFICATE OF OBLIGATION 98 ISSUE | CERTIFICATE OF OBLIGATION 00 ISSUE | FIRE TRAINING FACILITY | CAPITAL IMPROVEMENT | CERTIFICATE OF OBLIGATION 02 ISSUE | RYAN STREET RAILROAD BRIDGE |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - |
| 829 | 1,973 | 778 | - | 72 | 5,277 | - | - |
| 1,335,201 | 3,223,684 | 1,188,014 | 1,871,361 | 159,890 | 8,307,632 | 3,579,855 | - |
| 1,953 | 4,460 | 1,738 | - | 234 | 12,153 | 1 | - |
| - | - | - | 620,000 | - | - | - | 22,000 |
| - | - | - | - | - | - | - | - |
| 697,711 | - | - | - | - | 19,210 | - | 24,631 |
| - | - | - | - | - | - | - | 18 |
| - | - | - | - | - | - | - | - |
| **2,035,694** | **3,230,117** | **1,190,530** | **2,491,361** | **160,196** | **8,344,272** | **3,579,856** | **46,649** |
| - | 60,340 | - | - | - | 10,180 | - | - |
| 498,359 | - | 11,498 | 116,703 | 10,818 | 22,795 | - | 91 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 195,571 | - | - | 428,490 | - | 10,739 | - | 3,864 |
| - | - | - | - | - | - | - | - |
| - | - | - | 2,826 | - | - | - | 42,694 |
| - | - | - | 5,993 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| **693,930** | **60,340** | **11,498** | **554,012** | **10,818** | **43,714** | **-** | **46,649** |
| 1,388,330 | 1,564,327 | 439,515 | 1,039,575 | 104,141 | 437,979 | - | 12,863 |
| - | 1,605,450 | - | 897,774 | - | 4,436,971 | 3,579,856 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| (46,566) | - | 739,517 | - | 45,237 | 3,425,608 | - | (12,863) |
| **1,341,764** | **3,169,777** | **1,179,032** | **1,937,349** | **149,378** | **8,300,558** | **3,579,856** | **-** |
| **2,035,694** | **3,230,117** | **1,190,530** | **2,491,361** | **160,196** | **8,344,272** | **3,579,856** | **46,649** |

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2003

(Continued)

| | CAPITAL PROJECTS | | | PERMANENT FUND | |
|---|---|---|---|---|---|
| | LEC CONSTRUCTION PROJECT | STREETS OF LAREDO URBAN MALL | CERTIFICATE OF OBLIGATION 03 ISSUE | CANSECO ENDOWMENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
| **ASSETS** | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash | $ - | - | - | - | 23,365 |
| Equity in Investment Pool | - | - | 2,199 | 24 | 23,903 |
| Investments | - | - | 3,459,203 | 60,183 | 43,827,343 |
| Receivables, net of allowances: | | | | | |
| Accrued Interest | - | - | 5,060 | 88 | 660,852 |
| Accounts | - | - | - | - | 5,341,906 |
| Notes | - | - | - | - | 9,600,437 |
| Due From Other Governments | - | 268,010 | - | - | 5,626,053 |
| Due From Other Funds | - | 28,126 | - | - | 70,989 |
| Inventory | - | - | - | - | 11,511 |
| **TOTAL ASSETS** | - | 296,136 | 3,466,462 | 60,295 | 65,186,359 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | - | - | - | - | 945,112 |
| Retainage Payable | - | 42,429 | - | - | 995,066 |
| Accrued Wages and Employee Benefits | - | - | - | - | 682,276 |
| Escrow Taxes & Insurance | - | - | - | - | 1,241 |
| Compensated Absences | - | - | - | - | 218,397 |
| Contracts Payable | - | 141,378 | - | - | 1,481,325 |
| Customer Deposits | - | - | - | - | 131,559 |
| Due To Other Funds | - | 112,329 | - | - | 2,024,239 |
| Due To Other Governments | - | - | - | - | 340,726 |
| Deferred Revenue | - | - | - | - | 11,347,316 |
| Due To Developers | - | - | - | - | 1,707,706 |
| **TOTAL LIABILITIES** | - | 296,136 | - | - | 19,874,963 |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| Reserved for Encumbrances | 25,000 | 638,662 | 490,974 | - | 13,742,335 |
| Reserved for Capital Acquisition | - | - | 2,975,488 | - | 15,407,543 |
| Reserved for Children's Programming | - | - | - | 10,295 | 10,295 |
| Reserved for Endowment Corpus | - | - | - | 50,000 | 50,000 |
| Unreserved: | | | | | |
| Designated for Improvements | - | - | - | - | 215,795 |
| Undesignated (Deficit) | (25,000) | (638,662) | - | - | 15,885,428 |
| **TOTAL FUND BALANCES** | - | - | 3,466,462 | 60,295 | 45,311,396 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ - | 296,136 | 3,466,462 | 60,295 | 65,186,359 |

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CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|---|---|---|---|---|---|---|---|
| | BLOCK GRANTS | HOUSING REHAB | HOME INVESTMENT | EMERGENCY SHELTER | NOISE ABATEMENT | NARCOTICS TASK FORCE | FINANCIAL TASK FORCE |
| **REVENUES:** | | | | | | | |
| Taxes | $ - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - |
| Intergovernmental Revenues: | | | | | | | |
| Federal | 4,465,944 | - | 1,643,241 | 136,825 | 1,713,645 | - | 652,440 |
| State | - | - | - | - | - | 1,020,143 | - |
| Other | - | - | - | - | - | 96,185 | - |
| Charges for Services | - | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - | - |
| Fees and Collections | - | - | - | - | - | - | - |
| Investment Income: | | | | | | | |
| Interest Earnings | - | 304 | 6,096 | - | (9,678) | 2,482 | 1,819 |
| Net increase (decrease) in the fair value of Investments | - | (168) | (2,026) | - | (636) | (388) | (249) |
| Rents and Royalties | - | - | - | - | - | - | - |
| Discount Earnings | - | - | - | - | - | - | - |
| Miscellaneous: | | | | | | | |
| Local Contributions | - | - | - | - | - | - | - |
| Reimbursements | 16,817 | 192,587 | 56,963 | - | - | - | - |
| Proceeds from Sale of Assets | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | 152,332 | 10,218 |
| **TOTAL REVENUES** | 4,482,761 | 192,723 | 1,704,274 | 136,825 | 1,703,331 | 1,270,754 | 664,228 |
| **EXPENDITURES:** | | | | | | | |
| Public Safety | 289,058 | - | - | - | - | 1,431,653 | 652,440 |
| Public Works | 1,535,714 | - | - | - | 471,924 | - | - |
| Health and Welfare | 448,854 | 114,911 | 2,514,516 | - | - | - | - |
| Cultural and Recreational | 1,329,131 | - | - | - | - | - | - |
| General Government | 763,976 | 66,498 | - | 136,825 | - | - | - |
| Air Transportation Services | - | - | - | - | - | - | - |
| Total Operating Expenditures | 4,366,733 | 181,409 | 2,514,516 | 136,825 | 471,924 | 1,431,653 | 652,440 |
| Debt Service | - | - | - | - | - | - | - |
| Capital Outlay | 116,028 | - | - | - | 1,420,800 | 32,732 | 26,700 |
| **TOTAL EXPENDITURES** | 4,482,761 | 181,409 | 2,514,516 | 136,825 | 1,892,724 | 1,464,385 | 679,140 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 11,314 | (810,242) | - | (189,393) | (193,631) | (14,912) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | | |
| Transfers In | - | - | - | - | 400,000 | 241,249 | - |
| Proceeds - Long Term Debt | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | - | - | - | - | 400,000 | 241,249 | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | - | 11,314 | (810,242) | - | 210,607 | 47,618 | (14,912) |
| Fund Balances at Beginning of Year | - | 35,187 | 944,096 | - | 220,142 | 211,459 | 440,985 |
| **FUND BALANCE AT END OF YEAR** | $ - | 46,501 | 133,854 | - | 430,749 | 259,077 | 426,073 |

(Continued)

(Continued)

| SPECIAL REVENUE | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| AUTO THEFT TASK FORCE | SPECIAL POLICE PROGRAM | LAREDO BORDER VIOLENCE | N.P.D.E.S. | HEALTH FUND | INT'L. AIRPORT | HAZARDOUS MATERIALS | PARKING METERS | MINERAL LEASES FUND |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 214,311 | - | 275,500 | 11,465 | 2,600 |
| - | 3,056,153 | - | 42,989 | - | 287,124 | - | - | - |
| 405,528 | 146,772 | - | 89,096 | 6,025,648 | 135,344 | - | - | - |
| 29,511 | 95,768 | - | 13,333 | 148,067 | - | - | - | - |
| - | - | - | 1,514,464 | 415,564 | - | - | - | - |
| - | - | - | - | - | - | - | 228,002 | - |
| - | - | - | - | 429,598 | 52,342 | - | 1,101,579 | - |
| 36 | 10,051 | 4,618 | 15,423 | - | 956 | 3,760 | 22,811 | 2,661 |
| (22) | (222) | (1,079) | (2,503) | - | (197) | (837) | (2,861) | (324) |
| - | - | - | - | 14,758 | 3,777,292 | - | 13,863 | 30,271 |
| - | - | - | - | - | - | - | 458 | - |
| - | - | - | - | - | - | - | - | - |
| - | 6 | - | 184 | 82,365 | 431,832 | 200 | 2,053 | 23,342 |
| - | - | - | - | - | 3,400,077 | - | - | - |
| - | - | - | - | 83,425 | - | - | - | - |
| **435,053** | **3,308,528** | **3,539** | **1,672,986** | **7,413,736** | **8,084,770** | **278,623** | **1,377,370** | **58,550** |
| 502,981 | 3,011,013 | - | - | - | - | 148,780 | 832,975 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 1,566,787 | 9,533,855 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 3,519,733 | - | - | - |
| 502,981 | 3,011,013 | - | 1,566,787 | 9,533,855 | 3,519,733 | 148,780 | 832,975 | - |
| - | - | - | - | - | - | - | - | - |
| 23,082 | 1,131,347 | - | 264,137 | 144,936 | - | 9,085 | 614,981 | - |
| **526,063** | **4,142,360** | **-** | **1,830,924** | **9,678,791** | **3,519,733** | **157,865** | **1,447,956** | **-** |
| (91,010) | (833,832) | 3,539 | (157,938) | (2,265,055) | 4,565,037 | 120,758 | (70,586) | 58,550 |
| 154,056 | 663,016 | - | 81,228 | 2,405,559 | 25,000 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | (372,468) | - | - | (785,744) | (81,228) | (182,831) | - |
| **154,056** | **663,016** | **(372,468)** | **81,228** | **2,405,559** | **(760,744)** | **(81,228)** | **(182,831)** | **-** |
| 63,046 | (170,816) | (368,929) | (76,710) | 140,504 | 3,804,293 | 39,530 | (253,417) | 58,550 |
| 40,223 | 818,706 | 368,929 | 692,442 | 35,852 | (337,807) | 158,589 | 1,008,516 | 104,352 |
| **103,269** | **647,890** | **-** | **615,732** | **176,356** | **3,466,486** | **198,119** | **755,099** | **162,902** |

(Continued)

CITY OF LAREDO , TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2003

(Continued)

| | SPECIAL REVENUE | | | | | | |
|---|---|---|---|---|---|---|---|
| | RECREATION FUND | VETERAN'S FIELD | CIVIC CENTER | STREET CLOSING | HOTEL/MOTEL OCCUPANCY TAX | PUBLIC ACCESS CHANNEL | MERCADO MGMT. |
| **REVENUES:** | | | | | | | |
| Taxes | $ - | - | - | - | 2,692,876 | - | - |
| Licenses and Permits | - | - | - | - | - | - | - |
| Intergovernmental Revenues: | | | | | | | |
| Federal | - | - | - | - | - | - | - |
| State | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Charges for Services | 3,629 | 1,560 | - | 600 | - | 28,047 | - |
| Fines | - | - | - | - | - | - | - |
| Fees and Collections | 94,850 | - | - | - | - | - | - |
| Investment Income: | | | | | | | |
| Interest Earnings | 2,339 | 80 | 1,604 | - | 31,436 | 3,822 | 953 |
| Net increase (decrease) in the fair value of Investments | (333) | (4) | (129) | (9) | (4,058) | (765) | (159) |
| Rents and Royalties | - | 550 | 283,684 | 28,881 | - | - | 103,074 |
| Discount Earnings | - | - | 352 | 186 | - | 1 | - |
| Miscellaneous: | | | | | | | |
| Local Contributions | - | - | - | - | - | - | - |
| Reimbursements | - | - | 8,755 | 5 | 125 | 191 | - |
| Proceeds from Sale of Assets | - | - | - | 24,573 | - | - | - |
| Other | - | - | - | - | - | 250,000 | - |
| **TOTAL REVENUES** | 100,485 | 2,186 | 294,266 | 54,236 | 2,720,379 | 281,296 | 103,868 |
| **EXPENDITURES:** | | | | | | | |
| Public Safety | - | - | - | - | - | - | - |
| Public Works | - | - | - | 259,258 | - | - | - |
| Health and Welfare | - | - | - | - | - | - | - |
| Cultural and Recreational | 65,386 | 930 | 668,327 | - | 455,285 | 273,304 | 96,737 |
| General Government | - | - | - | - | - | - | - |
| Air Transportation Services | - | - | - | - | - | - | - |
| Total Operating Expenditures | 65,386 | 930 | 668,327 | 259,258 | 455,285 | 273,304 | 96,737 |
| Debt Service | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 161,029 | - | - | 42,194 | - |
| **TOTAL EXPENDITURES** | 65,386 | 930 | 829,356 | 259,258 | 455,285 | 315,498 | 96,737 |
| Excess (Deficiency) of Revenues Over Expenditures | 35,099 | 1,256 | (535,090) | (205,022) | 2,265,094 | (34,202) | 7,131 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | | |
| Transfers In | - | - | 577,767 | 256,029 | 6,881 | 247,410 | - |
| Proceeds - Long Term Debt | - | - | - | - | - | - | - |
| Transfers Out | - | (12,847) | (122,675) | - | (2,382,421) | - | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | - | (12,847) | 455,092 | 256,029 | (2,375,540) | 247,410 | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 35,099 | (11,591) | (79,998) | 51,007 | (110,446) | 213,208 | 7,131 |
| Fund Balances at Beginning of Year | 106,841 | 11,591 | 151,916 | (51,007) | 1,047,918 | 138,002 | 42,746 |
| **FUND BALANCE AT END OF YEAR** | $ 141,940 | - | 71,918 | - | 937,472 | 351,210 | 49,877 |

(Continued)

(Continued)

| SPECIAL REVENUE | | | | | | | CAPITAL PROJECTS | |
|---|---|---|---|---|---|---|---|---|
| LAREDO CONVENT. & VISITORS | SPORTS & COMMUNITY VENUE | NOISE ABATE. LEASE PROGRAM | INFRASTR. MAINTENANCE | FRIENDS OF THE LIBRARY | SUBDIVISION TRUST FUND | POLICE TRUST FUND | EPA DPW INFRASTR. DEVELOPMENT | WEBB COUNTY COLONIAS PROJECT |
| - | 4,509,447 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 22,323 | - | - | - | 1,075,259 |
| 36,461 | - | - | - | - | - | - | - | - |
| 737 | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 53,847 | - | 7,751 | - | - | - | - | - | - |
| 458 | 152,118 | 10,026 | 9,652 | 1,347 | - | 74,606 | 493 | 14,307 |
| (174) | (19,636) | (875) | (1,652) | (398) | (5,457) | (16,103) | (68) | - |
| - | 95,274 | 471,227 | - | - | - | - | - | - |
| - | - | 17 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 12,015 | - | 6,168 | 272,062 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 5,071 | - | 1,254,763 | - | - |
| 103,344 | 4,737,203 | 494,314 | 280,062 | 28,343 | (5,457) | 1,313,266 | 425 | 1,089,566 |
| - | - | - | - | - | - | 1,012,756 | - | - |
| - | - | - | 1,926,935 | - | - | - | - | 984,116 |
| - | - | 162,294 | - | - | - | - | - | - |
| 1,798,031 | 46,281 | - | - | 58,827 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,798,031 | 46,281 | 162,294 | 1,926,935 | 58,827 | - | 1,012,756 | - | 984,116 |
| - | - | - | - | - | - | 913,480 | - | - |
| - | 355,287 | - | 8,575 | 22,536 | - | 2,053,105 | - | 1,196,245 |
| 1,798,031 | 401,568 | 162,294 | 1,935,510 | 81,363 | - | 3,979,341 | - | 2,180,361 |
| (1,694,687) | 4,335,635 | 332,020 | (1,655,448) | (53,020) | (5,457) | (2,666,075) | 425 | (1,090,795) |
| 1,668,350 | 6,393,320 | - | 3,651,269 | - | - | 372,468 | - | 1,775,050 |
| - | - | - | - | - | - | 1,413,240 | - | - |
| - | (8,862,911) | - | (1,533,698) | - | - | (319,773) | (175,943) | - |
| 1,668,350 | (2,469,591) | - | 2,117,571 | - | - | 1,465,935 | (175,943) | 1,775,050 |
| (26,337) | 1,866,044 | 332,020 | 462,123 | (53,020) | (5,457) | (1,200,140) | (175,518) | 684,255 |
| 122,236 | 6,808,755 | 291,961 | 27,366 | 82,576 | 4,696 | 3,749,499 | 175,518 | 5,824 |
| 95,899 | 8,674,799 | 623,981 | 489,489 | 29,556 | (761) | 2,549,359 | - | 690,079 |

(Continued)

CITY OF LAREDO , TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2003

(Continued)

| | CAPITAL PROJECTS | | | | | |
|---|---|---|---|---|---|---|
| | AIRPORT CONSTRUCTION FUND | BENAVIDES HERRERA HOME | CONTRACTUAL OBLIGATIONS | CERTIFICATE OF OBLIGATION 98 ISSUE | CERTIFICATE OF OBLIGATION 00 ISSUE | FIRE TRAINING FACILITY |
| **REVENUES:** | | | | | | |
| Taxes | $ - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenues: | | | | | | |
| Federal | 8,857,964 | - | - | - | - | - |
| State | - | (360) | - | - | - | - |
| Other | - | - | - | - | - | - |
| Charges for Services | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - |
| Fees and Collections | - | - | - | - | - | - |
| Investment Income: | | | | | | |
| Interest Earnings | 30,310 | 54 | 39,386 | 30,333 | 37,738 | 9,445 |
| Net increase (decrease) in the fair value of Investments | (8,744) | (71) | (1,939) | (7,791) | - | (8,402) |
| Rents and Royalties | - | - | - | - | - | - |
| Discount Earnings | - | - | - | - | - | - |
| Miscellaneous: | | | | | | |
| Local Contributions | - | - | - | - | 1,440,000 | - |
| Reimbursements | - | 1,860 | - | - | - | - |
| Proceeds from Sale of Assets | - | - | - | - | - | - |
| Other | - | - | 216 | - | - | - |
| **TOTAL REVENUES** | 8,879,530 | 1,483 | 37,663 | 22,542 | 1,477,738 | 1,043 |
| **EXPENDITURES:** | | | | | | |
| Public Safety | - | - | - | - | - | - |
| Public Works | 742,367 | 1,800 | 283,773 | 224,521 | - | 9,175 |
| Health and Welfare | - | - | - | - | - | - |
| Cultural and Recreational | - | - | - | - | - | - |
| General Government | - | - | - | - | - | - |
| Air Transportation Services | - | - | - | - | - | - |
| Total Operating Expenditures | 742,367 | 1,800 | 283,773 | 224,521 | - | 9,175 |
| Debt Service | - | - | - | - | - | - |
| Capital Outlay | 9,579,688 | - | 602,606 | 180,784 | 3,609,346 | 459,801 |
| **TOTAL EXPENDITURES** | 10,322,055 | 1,800 | 886,379 | 405,305 | 3,609,346 | 468,976 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,442,525) | (317) | (848,716) | (382,763) | (2,131,608) | (467,933) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In | - | - | 3,989,300 | 19,127 | 200,000 | - |
| Proceeds - Long Term Debt | - | - | 2,795,000 | - | - | - |
| Transfers Out | (400,000) | (11,468) | (3,989,300) | (275,975) | - | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (400,000) | (11,468) | 2,795,000 | (256,848) | 200,000 | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (1,842,525) | (11,785) | 1,946,284 | (639,611) | (1,931,608) | (467,933) |
| Fund Balances at Beginning of Year | 3,184,289 | 11,785 | 1,223,493 | 1,818,643 | 3,868,957 | 617,311 |
| **FUND BALANCE AT END OF YEAR** | $ 1,341,764 | - | 3,169,777 | 1,179,032 | 1,937,349 | 149,378 |

(Continued)

(Continued)

| CAPITAL PROJECTS | | | | | | | | PERMANENT FUND | |
|---|---|---|---|---|---|---|---|---|---|
| CAPITAL IMPROVEMENT | CERTIFICATE OF OBLIGATION 02 ISSUE | NEW FIRE STATIONS | PASEO DEL ANTIGUO LAREDO PROJECT | RYAN STREET RAILROAD BRIDGE | LEC CONSTRUCTION PROJECT | STREETS OF LAREDO URBAN MALL | CERTIFICATE OF OBLIGATION 03 ISSUE | CANSECO ENDOWMENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
| - | - | - | - | - | - | - | - | - | 7,202,323 |
| - | - | - | - | - | - | - | - | - | 503,876 |
| - | - | - | - | - | - | 268,010 | - | - | 21,124,335 |
| 19,210 | - | - | - | 22,774 | - | - | - | - | 8,961,737 |
| 9,495 | - | - | - | - | - | - | - | - | 428,820 |
| - | - | - | - | - | - | - | - | - | 1,964,601 |
| - | - | - | - | - | - | - | - | - | 228,002 |
| - | - | - | - | - | - | - | - | - | 1,739,967 |
| 168,598 | 60,684 | 508 | 170 | - | 35,957 | - | 28,389 | 1,191 | 807,343 |
| (29,459) | - | (77) | (64) | - | - | - | (1,538) | (183) | (119,600) |
| - | - | - | - | - | - | - | - | - | 4,818,874 |
| 360 | - | - | - | - | - | - | - | - | 1,374 |
| 93,809 | - | - | (1) | 5,694 | - | 450,000 | - | - | 1,989,502 |
| - | 15,795 | - | - | - | - | - | - | - | 1,123,325 |
| - | - | - | - | - | - | - | - | - | 3,424,650 |
| 314 | - | - | - | - | - | - | - | - | 1,756,339 |
| **262,327** | **76,479** | **431** | **105** | **28,468** | **35,957** | **718,010** | **26,851** | **1,008** | **55,955,468** |
| - | - | - | - | - | - | - | - | - | 7,881,656 |
| - | - | 262 | - | 28,468 | 1,106,859 | 154,705 | 70,000 | - | 7,799,877 |
| - | - | - | - | - | - | - | - | - | 14,341,217 |
| - | - | - | - | - | - | - | - | - | 4,792,239 |
| - | - | - | - | - | - | - | - | - | 967,299 |
| - | - | - | - | - | - | - | - | - | 3,519,733 |
| - | - | 262 | - | 28,468 | 1,106,859 | 154,705 | 70,000 | - | 39,302,021 |
| - | - | - | - | - | - | - | - | - | 913,480 |
| 1,046,003 | 1,626,032 | - | - | - | 2,502,766 | 563,305 | 389 | - | 27,793,519 |
| **1,046,003** | **1,626,032** | **262** | **-** | **28,468** | **3,609,625** | **718,010** | **70,389** | **-** | **68,009,020** |
| (783,676) | (1,549,553) | 169 | 105 | - | (3,573,668) | - | (43,538) | 1,008 | (12,053,552) |
| 1,340,408 | - | - | - | - | - | - | - | - | 24,467,487 |
| - | - | - | - | - | - | - | 3,510,000 | - | 7,718,240 |
| (808,317) | - | (26,874) | (26,635) | - | - | - | - | - | (20,371,108) |
| **532,091** | **-** | **(26,874)** | **(26,635)** | **-** | **-** | **-** | **3,510,000** | **-** | **11,814,619** |
| (251,585) | (1,549,553) | (26,705) | (26,530) | - | (3,573,668) | - | 3,466,462 | 1,008 | (238,933) |
| 8,552,143 | 5,129,409 | 26,705 | 26,530 | - | 3,573,668 | - | - | 59,287 | 45,550,329 |
| **8,300,558** | **3,579,856** | **-** | **-** | **-** | **-** | **-** | **3,466,462** | **60,295** | **45,311,396** |

**CITY OF LAREDO, TEXAS**
**DEBT SERVICE FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES-BUDGET AND ACTUAL**
**Year Ended September 30, 2003**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| **REVENUES:** | | | | |
| Taxes: | | | | |
| Current | $ 7,852,537 | 7,852,537 | 8,099,544 | 247,007 |
| Delinquent - Prior | 250,483 | 250,483 | 300,914 | 50,431 |
| Total Taxes | 8,103,020 | 8,103,020 | 8,400,458 | 297,438 |
| Investment Income: | | | | |
| Interest Earnings | 305,300 | 320,487 | 283,481 | (37,006) |
| Net Increase (Decrease) in the Fair Value of Investments | - | - | (29,101) | (29,101) |
| Total Investment Income | 305,300 | 320,487 | 254,380 | (66,107) |
| Special Assessments: | | | | |
| Paving Assessments | 190,000 | 190,000 | 135,058 | (54,942) |
| Total Special Assessments | 190,000 | 190,000 | 135,058 | (54,942) |
| **TOTAL REVENUES** | **8,598,320** | **8,613,507** | **8,789,896** | **176,389** |
| **EXPENDITURES:** | | | | |
| Principal Retirement: | | | | |
| Paving Principal | 451,758 | 451,758 | 451,758 | - |
| Airport Bond Principal | 480,000 | 480,000 | 480,000 | - |
| Tax Supported Bond Principal | 4,620,597 | 5,050,597 | 5,050,597 | - |
| Solid Waste Bond Principal | 672,922 | 712,922 | 712,921 | 1 |
| Water Bond Principal | 2,137,000 | 2,155,000 | 2,155,000 | - |
| Sewer Bond Principal | 2,171,939 | 2,171,939 | 2,171,939 | - |
| Transit Bond Principal | 255,000 | 255,000 | 255,000 | - |
| Parking Meters Bond Principal | 90,000 | 95,000 | 95,000 | - |
| Risk Management Bond Principal | 28,000 | 28,000 | 10,000 | 18,000 |
| Civic Center Bond Principal | 85,000 | 85,000 | 85,000 | - |
| Infrastructure Maintenance Principal | 357,784 | 357,785 | 357,785 | - |
| Sports and Community Venue | 430,000 | 430,000 | 430,000 | - |
| Total Principal Retirement | 11,780,000 | 12,273,001 | 12,255,000 | 18,001 |
| Interest: | | | | |
| Paving Bond Interest | 47,475 | 47,475 | 46,446 | 1,029 |
| Airport Bond Interest | 305,744 | 305,744 | 305,744 | - |
| Tax Supported Bond Interest | 3,482,423 | 3,035,226 | 2,995,846 | 39,380 |
| Solid Waste Bond Interest | 540,901 | 449,515 | 449,513 | 2 |
| Water & Tax Bond Interest | 1,689,202 | 1,710,727 | 1,689,374 | 21,353 |
| Sewer Bond Interest | 1,403,313 | 1,403,313 | 1,371,446 | 31,867 |
| Transit Bond Interest | 183,803 | 183,803 | 183,802 | 1 |
| Parking Meters Bond Interest | 98,410 | 87,832 | 87,832 | - |
| Risk Management Bond Interest | 35,102 | 35,102 | 13,577 | 21,525 |
| Civic Center Bond Interest | 37,675 | 37,675 | 37,675 | - |
| Infrastructure Maintenance Interest | 485,924 | 485,924 | 485,924 | - |
| Sports and Community Venue | 2,039,592 | 2,039,592 | 2,039,591 | 1 |
| Total Interest | $ 10,349,564 | 9,821,928 | 9,706,770 | 115,158 |

(Continued)

**CITY OF LAREDO, TEXAS**
**DEBT SERVICE FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES-BUDGET AND ACTUAL**
**Year Ended September 30, 2003**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| **EXPENDITURES (Continued)** | | | | |
| Other: | | | | |
| Refunding Bonds Issuance Costs | $ - | 128,459 | 128,459 | - |
| Fiscal Agent Fees | 28,000 | 38,000 | 21,764 | 16,236 |
| Other | 200,000 | 152,563 | 22 | 152,541 |
| Total Other | 228,000 | 319,022 | 150,245 | 168,777 |
| **TOTAL DEBT SERVICE EXPENDITURES** | **22,357,564** | **22,413,951** | **22,112,015** | **301,936** |
| Excess of Revenues Over (Under) Expenditures | (13,759,244) | (13,800,444) | (13,322,119) | 478,325 |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In: | | | | |
| Infrastructure Maintenance | 843,708 | 843,708 | 843,708 | - |
| Airport | 785,744 | 785,744 | 785,744 | - |
| Civic Center | 122,675 | 122,675 | 122,675 | - |
| Parking Meters Fund | 188,410 | 188,410 | 182,831 | (5,579) |
| Sports and Community Venue | 2,469,592 | 2,469,592 | 2,469,591 | (1) |
| Transit System | 438,803 | 438,803 | 438,802 | (1) |
| Solid Waste Fund | 1,213,823 | 1,213,823 | 1,162,434 | (51,389) |
| Water System | 3,826,202 | 3,826,202 | 3,844,374 | 18,172 |
| Sewer System | 3,575,252 | 3,575,252 | 3,543,385 | (31,867) |
| Risk Management Fund | 63,102 | 63,102 | 23,578 | (39,524) |
| New Fire Stations | - | - | 26,874 | 26,874 |
| Total Transfers In: | 13,527,311 | 13,527,311 | 13,443,996 | (83,315) |
| Refunding Bonds Issued | - | 4,671,041 | 4,590,000 | (81,041) |
| Payment to Refunded Bond Escrow Agent | - | (4,629,841) | (4,629,841) | - |
| **TOTAL OTHER FINANCING SOURCES (USES):** | **13,527,311** | **13,568,511** | **13,404,155** | **(164,356)** |
| Net Change in Fund Balances | (231,933) | (231,933) | 82,036 | 313,969 |
| Fund Balances-Beginning | 5,658,986 | 5,455,502 | 5,455,502 | - |
| **Fund Balances-Ending** | $ **5,427,053** | **5,223,569** | **5,537,538** | **313,969** |

**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, 2003**

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - CDBG Grants | $ 17,367,518 | 4,465,944 | 21,833,462 | 27,241,842 |
| Fees and Reimbursements | 323,749 | 16,817 | 340,566 | 498,682 |
| **TOTAL REVENUES** | **17,691,267** | **4,482,761** | **22,174,028** | **27,740,524** |
| **EXPENDITURES:** | | | | |
| Public Safety | 1,183,219 | 289,058 | 1,472,277 | 1,507,197 |
| Public Works | 4,993,792 | 1,535,714 | 6,529,506 | 9,078,238 |
| Health & Welfare | 2,284,705 | 448,854 | 2,733,559 | 2,898,156 |
| Cultural & Recreational | 2,067,391 | 1,329,131 | 3,396,522 | 5,633,945 |
| General Government | 3,342,420 | 763,976 | 4,106,396 | 4,215,507 |
| Capital Outlay | 3,819,740 | 116,028 | 3,935,768 | 4,407,481 |
| **TOTAL EXPENDITURES** | **17,691,267** | **4,482,761** | **22,174,028** | **27,740,524** |
| **Net Change in Fund Balances** | $ - | - | - | - |
| Fund Balances-Beginning | | - | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
HOUSING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 4,400 | 4,400 | 304 | - | 304 | (4,096) |
| Net increase (decrease) in the fair value of Investments | - | - | (168) | - | (168) | (168) |
| Miscellaneous: | | | | | | |
| Reimbursements | 180,000 | 180,000 | 192,587 | - | 192,587 | 12,587 |
| **TOTAL REVENUES** | **184,400** | **184,400** | **192,723** | **-** | **192,723** | **8,323** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 69,704 | 69,704 | 66,498 | 54 | 66,552 | 3,152 |
| Contractual Services | 180,353 | 180,353 | 114,911 | 179 | 115,090 | 65,263 |
| Total Operating Expenditures | 250,057 | 250,057 | 181,409 | 233 | 181,642 | 68,415 |
| **TOTAL EXPENDITURES** | **250,057** | **250,057** | **181,409** | **233** | **181,642** | **68,415** |
| Excess (Deficiency) of Revenues Over Expenditures | (65,657) | (65,657) | 11,314 | (233) | 11,081 | 76,738 |
| Fund Balances at Beginning of Year | 110,989 | 35,187 | 35,187 | 54 | 35,241 | 54 |
| **FUND BALANCE AT END OF YEAR** | $ **45,332** | **(30,470)** | **46,501** | **(179)** | **46,322** | **76,792** |

**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, 2003**

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - HOME Grants | $ 7,423,396 | 1,643,241 | 9,066,637 | 10,688,000 |
| Investment Income: | | | | |
| Interest Earnings | 162,744 | 6,096 | 168,840 | 194,976 |
| Net increase (decrease) in the fair value of Investments | 1,966 | (2,026) | (60) | - |
| Fees and Reimbursements | 1,279,386 | 56,963 | 1,336,349 | 1,192,500 |
| **TOTAL REVENUES** | **8,867,492** | **1,704,274** | **10,571,766** | **12,075,476** |
| **EXPENDITURES:** | | | | |
| Personnel | 681,746 | 138,978 | 820,724 | 871,016 |
| Materials & Supplies | 7,261 | 2,478 | 9,739 | 12,930 |
| Contractual Services | 7,230,985 | 2,373,060 | 9,604,045 | 11,186,730 |
| Capital Outlay | 3,404 | - | 3,404 | 4,800 |
| **TOTAL EXPENDITURES** | **7,923,396** | **2,514,516** | **10,437,912** | **12,075,476** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ **944,096** | **(810,242)** | **133,854** | **-** |
| Fund Balances - Beginning | | 944,096 | | |
| **Fund Balances - Ending** | | $ **133,854** | | |

**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, 2003**

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - ESG Grants | $ 192,967 | 136,825 | 329,792 | 457,000 |
| **TOTAL REVENUES** | **192,967** | **136,825** | **329,792** | **457,000** |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | 229 | 2,065 | 2,294 | 2,432 |
| Contractual Services | 192,038 | 134,760 | 326,798 | 453,868 |
| Capital Outlay | 700 | - | 700 | 700 |
| **TOTAL EXPENDITURES** | **192,967** | **136,825** | **329,792** | **457,000** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | - | - | - |
| Fund Balances-Beginning | | - | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
NOISE ABATEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - FAA Grants | $ 3,783,429 | 1,713,645 | 5,497,074 | 8,880,000 |
| Investment Income: | | | | |
| Interest Earnings | 117,377 | (9,678) | 107,699 | 114,879 |
| Net increase (decrease) in the fair value of Investments | 464 | (636) | (172) | - |
| Fees and Reimbursements | 31,615 | - | 31,615 | 31,609 |
| **TOTAL REVENUES** | **3,932,885** | **1,703,331** | **5,636,216** | **9,026,488** |
| **EXPENDITURES:** | | | | |
| Public Works | 504,465 | 471,924 | 976,389 | 1,931,673 |
| Capital Outlay | 3,783,616 | 1,420,800 | 5,204,416 | 8,070,153 |
| **TOTAL EXPENDITURES** | **4,288,081** | **1,892,724** | **6,180,805** | **10,001,826** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(355,196)** | **(189,393)** | **(544,589)** | **(975,338)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 575,338 | 400,000 | 975,338 | 975,338 |
| **TOTAL OTHER FINANCING SOURCES:** | **575,338** | **400,000** | **975,338** | **975,338** |
| **Net Change in Fund Balances** | $ **220,142** | **210,607** | **430,749** | **-** |
| Fund Balances-Beginning | | 220,142 | | |
| **Fund Balances-Ending** | | $ **430,749** | | |

CITY OF LAREDO, TEXAS
NARCOTICS TASK FORCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenue: | | | | | | |
| State | $ 998,115 | 1,946,480 | 1,020,143 | - | 1,020,143 | (926,337) |
| Other | - | 250,788 | 96,185 | - | 96,185 | (154,603) |
| Investment Income: | | | | | | |
| Interest Earnings | 17,000 | 17,000 | 2,482 | - | 2,482 | (14,518) |
| Net increase (decrease) in the fair value of investments | - | - | (388) | - | (388) | (388) |
| Miscellaneous: | | | | | | |
| Forfeitures | 290,000 | 290,000 | 152,332 | - | 152,332 | (137,668) |
| **TOTAL REVENUES** | 1,305,115 | 2,504,268 | 1,270,754 | - | 1,270,754 | (1,233,514) |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 835,764 | 2,218,055 | 1,244,069 | - | 1,244,069 | 973,986 |
| Materials and Supplies | 33,040 | 80,895 | 45,213 | 6,509 | 51,722 | 29,173 |
| Contractual Services | 134,904 | 291,440 | 142,371 | 3,252 | 145,623 | 145,817 |
| Other | 313,407 | - | - | - | - | - |
| Total Operating Expenditures | 1,317,115 | 2,590,390 | 1,431,653 | 9,761 | 1,441,414 | 1,148,976 |
| Capital Outlay | 15,000 | 69,838 | 32,732 | - | 32,732 | 37,106 |
| **TOTAL EXPENDITURES** | 1,332,115 | 2,660,228 | 1,464,385 | 9,761 | 1,474,146 | 1,186,082 |
| Excess (Deficiency) of Revenues Over Expenditures | (27,000) | (155,960) | (193,631) | (9,761) | (203,392) | (47,432) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 334,000 | 241,249 | 241,249 | - | 241,249 | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 334,000 | 241,249 | 241,249 | - | 241,249 | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 307,000 | 85,289 | 47,618 | (9,761) | 37,857 | (47,432) |
| Fund Balances at Beginning of Year | 134,586 | 211,459 | 211,459 | - | 211,459 | - |
| **FUND BALANCES AT END OF YEAR** | $ 441,586 | 296,748 | 259,077 | (9,761) | 249,316 | (47,432) |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenue: | | | | | | |
| Federal | $ 726,949 | 847,618 | 652,440 | - | 652,440 | (195,178) |
| Investment Income: | | | | | | |
| Interest Earnings | 8,800 | 8,800 | 1,819 | - | 1,819 | (6,981) |
| Net increase (decrease) in the fair value of investments | - | - | (249) | - | (249) | (249) |
| Miscellaneous: | | | | | | |
| Forfeitures | 50,000 | 50,000 | 10,218 | - | 10,218 | (39,782) |
| **TOTAL REVENUES** | 785,749 | 906,418 | 664,228 | - | 664,228 | (242,190) |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 378,491 | 573,526 | 464,605 | - | 464,605 | 108,921 |
| Material and Supplies | 14,900 | 19,062 | 13,072 | - | 13,072 | 5,990 |
| Contractual Services | 245,271 | 237,521 | 174,763 | 1,391 | 176,154 | 61,367 |
| Other | 138,287 | 72,969 | - | - | - | 72,969 |
| Total Operating Expenditures | 776,949 | 903,078 | 652,440 | 1,391 | 653,831 | 249,247 |
| Capital Outlay | - | 148,329 | 26,700 | - | 26,700 | 121,629 |
| **TOTAL EXPENDITURES** | 776,949 | 1,051,407 | 679,140 | 1,391 | 680,531 | 370,876 |
| Excess (Deficiency) of Revenues Over Expenditures | 8,800 | (144,989) | (14,912) | (1,391) | (16,303) | 128,686 |
| Fund Balances at Beginning of Year | 243,856 | 440,985 | 440,985 | - | 440,985 | - |
| **FUND BALANCES AT END OF YEAR** | $ 252,656 | 295,996 | 426,073 | (1,391) | 424,682 | 128,686 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenue: | | | | | | |
| State | $ 621,880 | 725,409 | 405,528 | - | 405,528 | (319,881) |
| Other | 32,000 | 52,685 | 29,511 | - | 29,511 | (23,174) |
| Investment Income: | | | | | | |
| Interest Earnings | 1,100 | 1,100 | 36 | - | 36 | (1,064) |
| Net increase (decrease) in the fair value of investments | - | - | (22) | - | (22) | (22) |
| **TOTAL REVENUES** | **654,980** | **779,194** | **435,053** | **-** | **435,053** | **(344,141)** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 416,875 | 633,655 | 398,061 | - | 398,061 | 235,594 |
| Materials and Supplies | - | 83,700 | 7,522 | 75 | 7,597 | 76,103 |
| Contractual Services | 107,054 | 201,910 | 97,398 | - | 97,398 | 104,512 |
| Other | 254,521 | - | - | - | - | - |
| Total Operating Expenditures | 778,450 | 919,265 | 502,981 | 75 | 503,056 | 416,209 |
| Capital Outlay | - | 52,008 | 23,082 | 23,554 | 46,636 | 5,372 |
| **TOTAL EXPENDITURES** | **778,450** | **971,273** | **526,063** | **23,629** | **549,692** | **421,581** |
| Excess (Deficiency) of Revenues Over Expenditures | (123,470) | (192,079) | (91,010) | (23,629) | (114,639) | 77,440 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 123,470 | 154,056 | 154,056 | - | 154,056 | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **123,470** | **154,056** | **154,056** | **-** | **154,056** | **-** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | - | (38,023) | 63,046 | (23,629) | 39,417 | 77,440 |
| Fund Balances at Beginning of Year | 16,414 | 40,223 | 40,223 | - | 40,223 | - |
| **FUND BALANCES AT END OF YEAR** | $ **16,414** | **2,200** | **103,269** | **(23,629)** | **79,640** | **77,440** |

**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, 2003**

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenues: | | | | | | |
| Federal | $ 2,131,013 | 7,888,110 | 3,056,153 | - | 3,056,153 | (4,831,957) |
| State | 127,500 | 286,250 | 146,772 | - | 146,772 | (139,478) |
| School Districts | - | - | 95,768 | - | 95,768 | 95,768 |
| Investment Income: | | | | | | |
| Interest Earnings | 15,600 | 15,600 | 10,051 | - | 10,051 | (5,549) |
| Net increase (decrease) in the fair value of Investments | - | - | (222) | - | (222) | (222) |
| Miscellaneous: | | | | | | |
| Reimbursements | 22,000 | 175,783 | 6 | - | 6 | (175,777) |
| **TOTAL REVENUES** | **2,296,113** | **8,365,743** | **3,308,528** | **-** | **3,308,528** | **(5,057,215)** |
| **EXPENDITURES:** | | | | | | |
| Police Grants | | | | | | |
| El Protector | - | 71,543 | 56,335 | - | 56,335 | 15,208 |
| Universal Hiring | 1,957,500 | 4,969,145 | 968,442 | - | 968,442 | 4,000,703 |
| Local Law Enforcement Block Grant | 246,819 | 416,344 | 240,285 | - | 240,285 | 176,059 |
| Violence Vs Woman Act | 131,890 | 134,246 | 134,246 | - | 134,246 | - |
| South Texas Drug Related Task Force | 35,129 | 133,161 | 81,200 | - | 81,200 | 51,961 |
| Memorial Day Click It | - | 65,000 | 36,173 | - | 36,173 | 28,827 |
| Safe Streets | 37,164 | 22,500 | - | - | - | 22,500 |
| S.T.O.M.P. | 74,329 | 130,441 | 130,441 | - | 130,441 | - |
| LBRVC Task Force | 22,000 | 20,609 | 9,067 | - | 9,067 | 11,542 |
| Operation Cooperation | 388,020 | 303,237 | 210,137 | - | 210,137 | 93,100 |
| Tobacco Compliance | 8,444 | 8,444 | 5,981 | - | 5,981 | 2,463 |
| Juvenile Incentive Block Grant | 42,832 | 84,217 | 39,437 | - | 39,437 | 44,780 |
| Save and Sober - S.T.E.P. | 117,341 | 75,000 | - | - | - | 75,000 |
| Cops More | - | 464,575 | 380,389 | - | 380,389 | 84,186 |
| Cops in School SRO 01-04 | 172,317 | 1,751,167 | 707,473 | - | 707,473 | 1,043,694 |
| OCDETF | - | 10,000 | 9,852 | - | 9,852 | 148 |
| Reserve | 50,359 | 226,783 | 1,555 | - | 1,555 | 225,228 |
| Total Operating Expenditures | 3,284,144 | 8,886,412 | 3,011,013 | - | 3,011,013 | 5,875,399 |
| Capital Outlay | 16,904 | 1,188,711 | 1,131,347 | - | 1,131,347 | 57,364 |
| **TOTAL EXPENDITURES** | **3,301,048** | **10,075,123** | **4,142,360** | **-** | **4,142,360** | **5,932,763** |
| Excess (Deficiency) of Revenues Over Expenditures | (1,004,935) | (1,709,380) | (833,832) | - | (833,832) | 875,548 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 343,243 | 343,243 | 343,243 | - | 343,243 | - |
| Police Trust | 529,741 | 529,741 | 319,773 | - | 319,773 | (209,968) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **872,984** | **872,984** | **663,016** | **-** | **663,016** | **(209,968)** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (131,951) | (836,396) | (170,816) | - | (170,816) | 665,580 |
| Fund Balances at Beginning of Year | 131,951 | 818,706 | 818,706 | - | 818,706 | - |
| **FUND BALANCES AT END OF YEAR** | $ - | **(17,690)** | **647,890** | **-** | **647,890** | **665,580** |

**CITY OF LAREDO, TEXAS**
**LAREDO BORDER VIOLENCE**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**
**Year ended September 30, 2003**

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ - | - | 4,618 | - | 4,618 | 4,618 |
| Net increase (decrease) in the fair value of Investments | - | - | (1,079) | - | (1,079) | (1,079) |
| **TOTAL REVENUES** | - | - | 3,539 | - | 3,539 | 3,539 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers Out: | | | | | | |
| Police Trust Fund | (236,170) | (236,170) | (372,468) | - | (372,468) | (136,298) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (236,170) | (236,170) | (372,468) | - | (372,468) | (136,298) |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (236,170) | (236,170) | (368,929) | - | (368,929) | (132,759) |
| Fund Balances at Beginning of Year | 236,170 | 368,929 | 368,929 | - | 368,929 | - |
| **FUND BALANCES AT END OF YEAR** | $ - | 132,759 | - | - | - | (132,759) |

CITY OF LAREDO, TEXAS
N.P.D.E.S.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| N.P.D.E.S. Storm Water Fees | $ 1,524,900 | 1,524,900 | 1,514,464 | - | 1,514,464 | (10,436) |
| Intergovernmental : | | | | | | |
| Environmental Protective Agency | - | 197,767 | 42,989 | - | 42,989 | (154,778) |
| T.N.R.C.C. | - | 45,100 | 45,096 | - | 45,096 | (4) |
| Texas Department of Transportation | 44,000 | 44,000 | 44,000 | - | 44,000 | - |
| Universities and Colleges | 20,000 | 20,000 | 13,333 | - | 13,333 | (6,667) |
| Investment Income: | | | | | | |
| Interest Earnings | 17,370 | 17,370 | 15,423 | - | 15,423 | (1,947) |
| Net increase (decrease) in the fair value of Investments | - | - | (2,503) | - | (2,503) | (2,503) |
| Miscellaneous: | | | | | | |
| Reimbursements | - | - | 184 | - | 184 | 184 |
| **TOTAL REVENUES** | 1,606,270 | 1,849,137 | 1,672,986 | - | 1,672,986 | (176,151) |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 771,129 | 750,667 | 685,143 | (3,665) | 681,478 | 69,189 |
| Materials and Supplies | 63,953 | 92,614 | 59,535 | 3,956 | 63,491 | 29,123 |
| Contractual Services | 1,254,046 | 1,438,169 | 803,312 | 280,675 | 1,083,987 | 354,182 |
| Other | 72,100 | 24,553 | 18,797 | - | 18,797 | 5,756 |
| Total Operating Expenditures | 2,161,228 | 2,306,003 | 1,566,787 | 280,966 | 1,847,753 | 458,250 |
| Capital Outlay | 35,448 | 327,711 | 264,137 | 19,715 | 283,852 | 43,859 |
| **TOTAL EXPENDITURES** | 2,196,676 | 2,633,714 | 1,830,924 | 300,681 | 2,131,605 | 502,109 |
| Excess (Deficiency) of Revenues Over Expenditures | (590,406) | (784,577) | (157,938) | (300,681) | (458,619) | 325,958 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Hazardous Materials | 92,135 | 92,135 | 81,228 | - | 81,228 | (10,907) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 92,135 | 92,135 | 81,228 | - | 81,228 | (10,907) |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (498,271) | (692,442) | (76,710) | (300,681) | (377,391) | 315,051 |
| Fund Balances at Beginning of Year | - | 692,442 | 692,442 | (3,665) | 688,777 | (3,665) |
| **FUND BALANCES AT END OF YEAR** | $ (498,271) | - | 615,732 | (304,346) | 311,386 | 311,386 |

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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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental: | | | | | | |
| State Grants | $ 5,323,025 | 7,441,048 | 6,025,648 | - | 6,025,648 | (1,415,400) |
| Other | 133,000 | 133,000 | 148,067 | - | 148,067 | 15,067 |
| Licenses and Permits | 196,915 | 196,915 | 214,311 | - | 214,311 | 17,396 |
| Charges for Services | 459,104 | 688,708 | 415,564 | - | 415,564 | (273,144) |
| Fees and Collections | 414,996 | 452,718 | 429,598 | - | 429,598 | (23,120) |
| Rents and Royalties | 4,600 | 4,600 | 14,758 | - | 14,758 | 10,158 |
| Miscellaneous: | | | | | | |
| Contributions | 10,000 | 10,000 | - | - | - | (10,000) |
| Reimbursements | 78,244 | 87,130 | 82,365 | - | 82,365 | (4,765) |
| Other | - | 118,150 | 83,425 | - | 83,425 | (34,725) |
| **TOTAL REVENUES** | 6,619,884 | 9,132,269 | 7,413,736 | - | 7,413,736 | (1,718,533) |
| **EXPENDITURES:** | | | | | | |
| Administrative Divisions | | | | | | |
| Administration | 1,273,926 | 1,256,543 | 1,026,019 | 26,931 | 1,052,950 | 203,593 |
| Health Education | 205,418 | 288,920 | 242,862 | 8,124 | 250,986 | 37,934 |
| Vital Statistics | 174,780 | 186,619 | 158,619 | (90) | 158,529 | 28,090 |
| E.M.S. Billing | 134,843 | 154,779 | 133,990 | 15,918 | 149,908 | 4,871 |
| Maternity | 135,046 | 179,757 | 134,006 | 1,259 | 135,265 | 44,492 |
| Immunization | 176,417 | 203,764 | 149,879 | 10,588 | 160,467 | 43,297 |
| Tuberculosis | 81,346 | 55,830 | 42,902 | 590 | 43,492 | 12,338 |
| Adult Health | 61,328 | 55,897 | 43,911 | 158 | 44,069 | 11,828 |
| Dental | 243,705 | 189,745 | 141,822 | 1,606 | 143,428 | 46,317 |
| Laboratory | 286,322 | 283,970 | 276,564 | 2,154 | 278,718 | 5,252 |
| Personal Health Services | 92,224 | 109,187 | 106,371 | (598) | 105,773 | 3,414 |
| Registration/Billing | 143,360 | 137,431 | 121,158 | 861 | 122,019 | 15,412 |
| Environmental | 538,541 | 449,622 | 417,235 | 361 | 417,596 | 32,026 |
| Animal Control | 438,083 | 483,379 | 470,128 | (986) | 469,142 | 14,237 |
| Total Administrative Divisions | 3,985,339 | 4,035,443 | 3,465,466 | 66,876 | 3,532,342 | 503,101 |
| State Grants | | | | | | |
| T.N.R.C.C. - Continuous Air Monitoring Station | 60,000 | 77,364 | 78,913 | - | 78,913 | (1,549) |
| H.I.V. - Prevention | 163,470 | 246,109 | 181,167 | 1,476 | 182,643 | 63,466 |
| Immunization Action Plan | 194,709 | 300,546 | 181,763 | 2,077 | 183,840 | 116,706 |
| T.B. Federal - Tuberculosis | 161,793 | 215,730 | 160,698 | 3,635 | 164,333 | 51,397 |
| H.I.V. - Consortia (Ryan White) | 153,764 | 576,546 | 317,186 | 166,341 | 483,527 | 93,019 |
| H.I.V. - Housing Project (H.O.P.W.A.) | 55,072 | 130,147 | 76,627 | 22,964 | 99,591 | 30,556 |
| Associateship for Community Health and Resource Development - Title V | 471,107 | 420,767 | 323,824 | - | 323,824 | 96,943 |
| Associateship for Community Health and Resource Development - Family Planning | - | 100,363 | 99,443 | - | 99,443 | 920 |
| MCH - Core of Public Health | 70,233 | 26,410 | 17,498 | 47 | 17,545 | 8,865 |
| Bureau of Women's Health-B.C.C.C.P. | 42,000 | 79,377 | 40,377 | 39,000 | 79,377 | - |
| B.C.C.C.P. Case Management | 50,000 | 103,448 | 50,609 | 5,905 | 56,514 | 46,934 |
| Children Health Insurance Project - Outreach Program | $ 125,707 | 191,397 | 53,065 | 81 | 53,146 | 138,251 |

(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, 2003

(Continued)

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| State Grants (Continued) | | | | | | |
| Primary Care | $ 184,900 | 184,059 | 173,692 | 5,892 | 179,584 | 4,475 |
| HIV Social Services | 58,570 | 111,720 | 107,382 | - | 107,382 | 4,338 |
| Bureau of Regional/Local Health Operations | 414,143 | 501,688 | 436,926 | 6,574 | 443,500 | 58,188 |
| Associateship for Community Health and Resource Development - Dental | 48,000 | 51,333 | - | - | - | 51,333 |
| Tuberculosis | 224,285 | 233,398 | 229,982 | 176 | 230,158 | 3,240 |
| Women Infant and Children (W.I.C.) | 2,654,860 | 2,595,521 | 2,568,605 | 23,594 | 2,592,199 | 3,322 |
| Abstinence Education Program | - | 354,448 | 222,037 | 85,286 | 307,323 | 47,125 |
| Border Health Project | 5,000 | 5,000 | 4,764 | - | 4,764 | 236 |
| Bureau of Regional/Local Health Operations - Mosquito Abatement | 177,197 | 208,627 | 156,008 | - | 156,008 | 52,619 |
| Hepatitis C Program | 20,000 | 37,290 | 35,569 | 184 | 35,753 | 1,537 |
| HIV Positive Clients Projects | 84,210 | 172,994 | 83,269 | 792 | 84,061 | 88,933 |
| Health Resource Services - Project Alcance | - | 22,618 | 18,360 | - | 18,360 | 4,258 |
| Bio-Terrorism | - | 375,251 | 326,050 | - | 326,050 | 49,201 |
| Binational NTD Project | - | 120,965 | 35,551 | 77,220 | 112,771 | 8,194 |
| Tuberculosis - Promotora | - | 17,430 | 10,670 | - | 10,670 | 6,760 |
| Border Health Conference | - | 28,298 | 26,400 | - | 26,400 | 1,898 |
| TALHO/Bio-Terrorism Pilot | - | 45,000 | 45,000 | - | 45,000 | - |
| Border Health Vector Control | - | 17,930 | 3,146 | 12,983 | 16,129 | 1,801 |
| Border Health Workshop | - | 4,900 | 3,808 | 46 | 3,854 | 1,046 |
| Total State Grant Expenses | 5,419,020 | 7,556,674 | 6,068,389 | 454,273 | 6,522,662 | 1,034,012 |
| Total Operating Expenses | 9,404,359 | 11,592,117 | 9,533,855 | 521,149 | 10,055,004 | 1,537,113 |
| Capital Outlay | 1,000 | 325,627 | 144,936 | 160,182 | 305,118 | 20,509 |
| **TOTAL EXPENDITURES** | **9,405,359** | **11,917,744** | **9,678,791** | **681,331** | **10,360,122** | **1,557,622** |
| Excess (Deficiency) of Revenues Over Expenditures | (2,785,475) | (2,785,475) | (2,265,055) | (681,331) | (2,946,386) | (160,911) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 2,762,703 | 2,762,703 | 2,405,559 | - | 2,405,559 | (357,144) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **2,762,703** | **2,762,703** | **2,405,559** | **-** | **2,405,559** | **(357,144)** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (22,772) | (22,772) | 140,504 | (681,331) | (540,827) | (518,055) |
| Fund Balances at Beginning of Year | - | 35,852 | 35,852 | 4,705 | 40,557 | 4,705 |
| **FUND BALANCES AT END OF YEAR** | $ **(22,772)** | **13,080** | **176,356** | **(676,626)** | **(500,270)** | **(513,350)** |

CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental: | | | | | | |
| Federal Aviation Administration - Control Tower | $ 291,240 | 291,240 | 287,124 | - | 287,124 | (4,116) |
| State Operating Grants | 126,604 | 222,363 | 135,344 | - | 135,344 | (87,019) |
| Fees and Collections | - | 3,100 | 52,342 | - | 52,342 | 49,242 |
| Investment Income: | | | | | | |
| Interest Earnings | - | - | 956 | - | 956 | 956 |
| Net increase (decrease) in the fair value of Investments | - | - | (197) | - | (197) | (197) |
| Rents and Royalties | 3,935,787 | 3,935,787 | 3,777,292 | - | 3,777,292 | (158,495) |
| Proceeds from sale of assets | - | - | 3,400,077 | - | 3,400,077 | 3,400,077 |
| Miscellaneous: | | | | | | |
| Reimbursements | 326,178 | 323,078 | 431,832 | - | 431,832 | 108,754 |
| **TOTAL REVENUES** | 4,679,809 | 4,775,568 | 8,084,770 | - | 8,084,770 | 3,309,202 |
| **EXPENDITURES:** | | | | | | |
| Administration | | | | | | |
| Personnel Services | 516,315 | 503,595 | 485,210 | 7,746 | 492,956 | 10,639 |
| Materials and Supplies | 46,968 | 63,532 | 55,214 | 1,114 | 56,328 | 7,204 |
| Contractual Services | 1,455,394 | 1,449,124 | 1,322,121 | 7,563 | 1,329,684 | 119,440 |
| Other | 13,430 | 16,780 | 26,366 | (530) | 25,836 | (9,056) |
| Total Administration | 2,032,107 | 2,033,031 | 1,888,911 | 15,893 | 1,904,804 | 128,227 |
| Building Maintenance | | | | | | |
| Personnel Services | 198,467 | 198,467 | 186,695 | 934 | 187,629 | 10,838 |
| Materials and Supplies | 41,884 | 45,034 | 43,957 | - | 43,957 | 1,077 |
| Contractual Services | 168,498 | 160,098 | 142,481 | 3,106 | 145,587 | 14,511 |
| Other | - | - | - | 3,788 | 3,788 | (3,788) |
| Total Building Maintenance | 408,849 | 403,599 | 373,133 | 7,828 | 380,961 | 22,638 |
| Ground Maintenance | | | | | | |
| Personnel Services | 264,238 | 265,370 | 249,461 | (505) | 248,956 | 16,414 |
| Materials and Supplies | 36,916 | 42,311 | 45,449 | 544 | 45,993 | (3,682) |
| Contractual Services | 99,210 | 97,218 | 95,955 | - | 95,955 | 1,263 |
| Total Ground Maintenance | 400,364 | 404,899 | 390,865 | 39 | 390,904 | 13,995 |
| Control Tower | | | | | | |
| Personnel Services | 340,768 | 340,768 | 355,800 | 1,681 | 357,481 | (16,713) |
| Materials and Supplies | 395 | 1,395 | 1,184 | - | 1,184 | 211 |
| Contractual Services | 3,834 | 2,834 | 1,511 | 32 | 1,543 | 1,291 |
| Total Control Tower | $ 344,997 | 344,997 | 358,495 | 1,713 | 360,208 | (15,211) |

(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, 2003

(Continued)

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | | |
| Airport Police | | | | | | |
| Personnel Services | $ 436,787 | 481,550 | 439,258 | (9,207) | 430,051 | 51,499 |
| Materials and Supplies | 5,240 | 9,650 | 8,719 | 112 | 8,831 | 819 |
| Contractual Services | 57,169 | 57,259 | 46,990 | 588 | 47,578 | 9,681 |
| Total Administration | 499,196 | 548,459 | 494,967 | (8,507) | 486,460 | 61,999 |
| Foreign Trade Zone | | | | | | |
| Personnel Services | 9,812 | 9,812 | 8,531 | - | 8,531 | 1,281 |
| Materials and Supplies | 150 | 150 | 149 | - | 149 | 1 |
| Contractual Services | 4,820 | 5,820 | 4,682 | 38 | 4,720 | 1,100 |
| Total Foreign Trade Zone | 14,782 | 15,782 | 13,362 | 38 | 13,400 | 2,382 |
| Total Operating Expenditures | 3,700,295 | 3,750,767 | 3,519,733 | 17,004 | 3,536,737 | 214,030 |
| Capital Outlay | 28,555 | - | - | - | - | - |
| **TOTAL EXPENDITURES** | 3,728,850 | 3,750,767 | 3,519,733 | 17,004 | 3,536,737 | 214,030 |
| Excess (Deficiency) of Revenues Over Expenditures | 950,959 | 1,024,801 | 4,565,037 | (17,004) | 4,548,033 | 3,523,232 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 25,000 | 25,000 | 25,000 | - | 25,000 | - |
| Transfers Out: | | | | | | |
| Debt Service | (785,744) | (785,744) | (785,744) | - | (785,744) | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (760,744) | (760,744) | (760,744) | - | (760,744) | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 190,215 | 264,057 | 3,804,293 | (17,004) | 3,787,289 | 3,523,232 |
| Fund Balances at Beginning of Year | - | (337,807) | (337,807) | (593) | (338,400) | (593) |
| **FUND BALANCES AT END OF YEAR** | $ 190,215 | (73,750) | 3,466,486 | (17,597) | 3,448,889 | 3,522,639 |

CITY OF LAREDO, TEXAS
HAZARDOUS MATERIALS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Licenses and Permits | $ 250,000 | 250,000 | 275,500 | - | 275,500 | 25,500 |
| Investment Income: | | | | | | |
| Interest Earnings | 5,900 | 5,900 | 3,760 | - | 3,760 | (2,140) |
| Net increase (decrease) in the fair value of Investments | - | - | (837) | - | (837) | (837) |
| Reimbursements | - | - | 200 | - | 200 | 200 |
| **TOTAL REVENUES** | **255,900** | **255,900** | **278,623** | **-** | **278,623** | **22,723** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 125,676 | 118,464 | 111,962 | 2,461 | 114,423 | 4,041 |
| Materials & Supplies | 8,077 | 25,912 | 20,890 | 285 | 21,175 | 4,737 |
| Contractual Services | 31,118 | 30,977 | 15,928 | 64 | 15,992 | 14,985 |
| Other | 36,500 | 18,018 | - | - | - | 18,018 |
| Total Operating Expenditures | 201,371 | 193,371 | 148,780 | 2,810 | 151,590 | 41,781 |
| Capital Outlay | 14,993 | 22,993 | 9,085 | - | 9,085 | 13,908 |
| **TOTAL EXPENDITURES** | **216,364** | **216,364** | **157,865** | **2,810** | **160,675** | **55,689** |
| Excess (Deficiency) of Revenues Over Expenditures | 39,536 | 39,536 | 120,758 | (2,810) | 117,948 | 78,412 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers Out: | | | | | | |
| N.P.D.E.S. | (92,135) | (92,135) | (81,228) | - | (81,228) | (10,907) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **(92,135)** | **(92,135)** | **(81,228)** | **-** | **(81,228)** | **(10,907)** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (52,599) | (52,599) | 39,530 | (2,810) | 36,720 | 89,319 |
| Fund Balances at Beginning of Year | 56,103 | 158,589 | 158,589 | 2,461 | 161,050 | 2,461 |
| **FUND BALANCES AT END OF YEAR** | $ **3,504** | **105,990** | **198,119** | **(349)** | **197,770** | **91,780** |

CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Licenses and Permits | $ 10,000 | 10,000 | 11,465 | - | 11,465 | 1,465 |
| Fines | 240,000 | 240,000 | 228,002 | - | 228,002 | (11,998) |
| Fees and Collections | 750,000 | 750,000 | 1,101,579 | - | 1,101,579 | 351,579 |
| Investment Income: | | | | | | |
| Interest Earnings | 32,700 | 32,700 | 22,811 | - | 22,811 | (9,889) |
| Net increase (decrease) in the fair value on Investments | 14,000 | 14,000 | (2,861) | - | (2,861) | (16,861) |
| Discount Earnings | 200 | 200 | 458 | - | 458 | 258 |
| Rents and Royalties | - | - | 13,863 | - | 13,863 | 13,863 |
| Reimbursements | 280 | 280 | 2,053 | - | 2,053 | 1,773 |
| **TOTAL REVENUES** | 1,047,180 | 1,047,180 | 1,377,370 | - | 1,377,370 | 330,190 |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 584,516 | 624,485 | 624,481 | (190) | 624,291 | 194 |
| Materials & Supplies | 61,434 | 86,220 | 85,718 | 1,648 | 87,366 | (1,146) |
| Contractual Services | 145,596 | 142,989 | 122,094 | 27,984 | 150,078 | (7,089) |
| Other | 40,000 | - | 682 | - | 682 | (682) |
| Total Operating Expenditures | 831,546 | 853,694 | 832,975 | 29,442 | 862,417 | (8,723) |
| Capital Outlay | 10,262 | 1,173,900 | 614,981 | 52,504 | 667,485 | 506,415 |
| **TOTAL EXPENDITURES** | 841,808 | 2,027,594 | 1,447,956 | 81,946 | 1,529,902 | 497,692 |
| Excess (Deficiency) of Revenues Over Expenditures | 205,372 | (980,414) | (70,586) | (81,946) | (152,532) | 827,882 |
| **OTHER FINANCING SOURCES (USED):** | | | | | | |
| Transfers Out: | | | | | | |
| Debt Service Fund | (188,410) | (182,832) | (182,831) | - | (182,831) | (1) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (188,410) | (182,832) | (182,831) | - | (182,831) | (1) |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 16,962 | (1,163,246) | (253,417) | (81,946) | (335,363) | 827,883 |
| Fund Balances at Beginning of Year | 702,603 | 1,008,516 | 1,008,516 | (190) | 1,008,326 | (190) |
| **FUND BALANCES AT END OF YEAR** | $ 719,565 | (154,730) | 755,099 | (82,136) | 672,963 | 827,693 |

CITY OF LAREDO, TEXAS
MINERAL LEASES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Licenses and Permits | $ 6,000 | 6,000 | 2,600 | - | 2,600 | (3,400) |
| Investment Income: | | | | | | |
| Interest Earnings | 3,200 | 3,200 | 2,661 | - | 2,661 | (539) |
| Net increase (decrease) in the fair value of Investments | - | - | (324) | - | (324) | (324) |
| Gas and Oil Royalties | - | - | 30,271 | - | 30,271 | 30,271 |
| Reimbursements | - | - | 23,342 | - | 23,342 | 23,342 |
| **TOTAL REVENUES** | 9,200 | 9,200 | 58,550 | - | 58,550 | 49,350 |
| **EXPENDITURES:** | | | | | | |
| Other | 106,651 | 106,651 | - | - | - | 106,651 |
| **TOTAL EXPENDITURES** | 106,651 | 106,651 | - | - | - | 106,651 |
| Excess (Deficiency) of Revenues Over Expenditures | (97,451) | (97,451) | 58,550 | - | 58,550 | 156,001 |
| Fund Balances at Beginning of Year | 97,451 | 104,352 | 104,352 | - | 104,352 | - |
| **FUND BALANCES AT END OF YEAR** | $ - | 6,901 | 162,902 | - | 162,902 | 156,001 |

CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 1,900 | 1,900 | 2,339 | - | 2,339 | 439 |
| Net increase (decrease) in the fair value of Investments | - | - | (333) | - | (333) | (333) |
| Charges for Services | 15,000 | 15,000 | 3,629 | - | 3,629 | (11,371) |
| Fees and Collections | 77,930 | 77,930 | 94,850 | - | 94,850 | 16,920 |
| **TOTAL REVENUES** | 94,830 | 94,830 | 100,485 | - | 100,485 | 5,655 |
| **EXPENDITURES:** | | | | | | |
| Materials and Supplies | 42,932 | 39,729 | 8,757 | 868 | 9,625 | 30,104 |
| Contractual Services | 72,870 | 76,073 | 56,654 | 5,060 | 61,714 | 14,359 |
| Other | - | - | (25) | - | (25) | 25 |
| **TOTAL EXPENDITURES** | 115,802 | 115,802 | 65,386 | 5,928 | 71,314 | 44,488 |
| Excess (Deficiency) of Revenues Over Expenditures | (20,972) | (20,972) | 35,099 | (5,928) | 29,171 | 50,143 |
| Fund Balances at Beginning of Year | 81,243 | 106,841 | 106,841 | - | 106,841 | - |
| **FUND BALANCES AT END OF YEAR** | $ 60,271 | 85,869 | 141,940 | (5,928) | 136,012 | 50,143 |

CITY OF LAREDO, TEXAS
VETERAN'S FIELD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ - | - | 80 | - | 80 | 80 |
| Net increase (decrease) in the fair value of Investments | - | - | (4) | - | (4) | (4) |
| Rents and Royalties | 2,000 | 2,000 | 550 | - | 550 | (1,450) |
| Charges for Services: | | | | | | |
| Concessions | 22,000 | 22,000 | 272 | - | 272 | (21,728) |
| Ticket Sales | 80,000 | 80,000 | 28 | - | 28 | (79,972) |
| Advertising Revenues | 25,000 | 25,000 | 1,200 | - | 1,200 | (23,800) |
| Novelty Sales | 9,500 | 9,500 | 60 | - | 60 | (9,440) |
| Miscellaneous: | | | | | | |
| Contributions | 4,000 | 4,000 | - | - | - | (4,000) |
| **TOTAL REVENUES** | **142,500** | **142,500** | **2,186** | - | **2,186** | **(140,314)** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 53,277 | 45,827 | - | - | - | 45,827 |
| Materials & Supplies | 18,952 | 18,952 | - | - | - | 18,952 |
| Contractual Services | 221,165 | 221,165 | - | - | - | 221,165 |
| Other | - | 7,450 | 930 | (930) | - | 7,450 |
| Total Operating Expenditures | 293,394 | 293,394 | 930 | (930) | - | 293,394 |
| **TOTAL EXPENDITURES** | **293,394** | **293,394** | **930** | **(930)** | - | **293,394** |
| Excess (Deficiency) of Revenues Over Expenditures | (150,894) | (150,894) | 1,256 | 930 | 2,186 | 153,080 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 125,642 | 125,642 | - | - | - | (125,642) |
| Transfers Out: | | | | | | |
| General Fund | - | - | (12,847) | - | (12,847) | (12,847) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **125,642** | **125,642** | **(12,847)** | - | **(12,847)** | **(138,489)** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (25,252) | (25,252) | (11,591) | 930 | (10,661) | 14,591 |
| Fund Balances at Beginning of Year | 13,661 | 11,591 | 11,591 | (930) | 10,661 | (930) |
| **FUND BALANCES AT END OF YEAR** | $ (11,591) | (13,661) | - | - | - | 13,661 |

CITY OF LAREDO, TEXAS
CIVIC CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 1,100 | 1,100 | 1,604 | - | 1,604 | 504 |
| Net increase (decrease) in the fair value of Investments | - | - | (129) | - | (129) | (129) |
| Discount Earnings | - | - | 352 | - | 352 | 352 |
| Rents and Royalties | 254,360 | 254,360 | 283,684 | - | 283,684 | 29,324 |
| Miscellaneous: | | | | | | |
| Reimbursements | 15,720 | 15,720 | 8,755 | - | 8,755 | (6,965) |
| **TOTAL REVENUES** | **271,180** | **271,180** | **294,266** | **-** | **294,266** | **23,086** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 435,476 | 432,076 | 437,220 | 3,340 | 440,560 | (8,484) |
| Materials and Supplies | 100,465 | 66,359 | 45,956 | 3,759 | 49,715 | 16,644 |
| Contractual Services | 248,249 | 256,229 | 185,078 | 16,568 | 201,646 | 54,583 |
| Other | 30,000 | 33,450 | 73 | (30) | 43 | 33,407 |
| Total Operating Expenditures | 814,190 | 788,114 | 668,327 | 23,637 | 691,964 | 96,150 |
| Capital Outlay | 198,900 | 224,976 | 161,029 | 51,591 | 212,620 | 12,356 |
| **TOTAL EXPENDITURES** | **1,013,090** | **1,013,090** | **829,356** | **75,228** | **904,584** | **108,506** |
| Excess (Deficiency) of Revenues Over Expenditures | (741,910) | (741,910) | (535,090) | (75,228) | (610,318) | 131,592 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Hotel - Motel Occupancy Tax | 712,669 | 712,669 | 577,767 | - | 577,767 | (134,902) |
| Transfers Out: | | | | | | |
| Debt Service | (122,675) | (122,675) | (122,675) | - | (122,675) | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **589,994** | **589,994** | **455,092** | **-** | **455,092** | **(134,902)** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (151,916) | (151,916) | (79,998) | (75,228) | (155,226) | (3,310) |
| Fund Balances at Beginning of Year | - | 151,916 | 151,916 | 3,310 | 155,226 | 3,310 |
| **FUND BALANCES AT END OF YEAR** | $ **(151,916)** | **-** | **71,918** | **(71,918)** | **-** | **-** |

CITY OF LAREDO, TEXAS
STREET CLOSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustment | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Charges for Services | $ 600 | 600 | 600 | - | 600 | - |
| Investment Income: | | | | | | |
| Net increase (decrease) in the fair value of Investments | - | - | (9) | - | (9) | (9) |
| Discount Earnings | - | - | 186 | - | 186 | 186 |
| Rents and Royalties | 28,116 | 28,116 | 28,881 | - | 28,881 | 765 |
| Miscellaneous: | | | | | | |
| Reimbursements | - | - | 5 | - | 5 | 5 |
| Proceeds from sale of assets | 121,000 | 121,000 | 24,573 | - | 24,573 | (96,427) |
| **TOTAL REVENUES** | **149,716** | **149,716** | **54,236** | - | **54,236** | **(95,480)** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 234,417 | 231,848 | 229,743 | (1,535) | 228,208 | 3,640 |
| Materials and Supplies | 2,529 | 4,784 | 4,647 | 135 | 4,782 | 2 |
| Contractual Services | 35,723 | 33,468 | 24,868 | 8,500 | 33,368 | 100 |
| Other | - | 2,569 | - | - | - | 2,569 |
| **TOTAL EXPENDITURES** | **272,669** | **272,669** | **259,258** | **7,100** | **266,358** | **6,311** |
| Excess (Deficiency) of Revenues Over Expenditures | (122,953) | (122,953) | (205,022) | (7,100) | (212,122) | (89,169) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| General Fund | 89,918 | 89,918 | 256,029 | - | 256,029 | 166,111 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **89,918** | **89,918** | **256,029** | - | **256,029** | **166,111** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (33,035) | (33,035) | 51,007 | (7,100) | 43,907 | 76,942 |
| Fund Balances at Beginning of Year | 23,545 | (51,007) | (51,007) | (1,535) | (52,542) | (1,535) |
| **FUND BALANCES AT END OF YEAR** | $ (9,490) | (84,042) | - | (8,635) | (8,635) | 75,407 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustment | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Taxes: | | | | | | |
| Hotel-Motel Occupancy Tax | $ 2,629,814 | 2,629,814 | 2,661,880 | - | 2,661,880 | 32,066 |
| Penalty and Interest | 33,010 | 33,010 | 30,996 | - | 30,996 | (2,014) |
| Investment Income: | | | | | | |
| Interest Earnings | 30,800 | 30,800 | 31,436 | - | 31,436 | 636 |
| Net increase (decrease) in the fair value of Investments | - | - | (4,058) | - | (4,058) | (4,058) |
| Miscellaneous: | | | | | | |
| Reimbursements | - | - | 125 | - | 125 | 125 |
| **TOTAL REVENUES** | 2,693,624 | 2,693,624 | 2,720,379 | - | 2,720,379 | 26,755 |
| **EXPENDITURES:** | | | | | | |
| Contractual Services: | | | | | | |
| Tourism and Promotion | 75,600 | 77,000 | 77,000 | - | 77,000 | - |
| Historical and Arts | 377,522 | 376,122 | 376,122 | - | 376,122 | - |
| Other | 100 | 100 | 2,163 | - | 2,163 | (2,063) |
| Total Operating Expenditures | 453,222 | 453,222 | 455,285 | - | 455,285 | (2,063) |
| **TOTAL EXPENDITURES** | 453,222 | 453,222 | 455,285 | - | 455,285 | (2,063) |
| Excess (Deficiency) of Revenues Over Expenditures | 2,240,402 | 2,240,402 | 2,265,094 | - | 2,265,094 | 24,692 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Benavides-Herrera | - | - | 6,881 | - | 6,881 | 6,881 |
| Transfers Out: | | | | | | |
| Civic Center | (712,669) | (712,669) | (577,767) | - | (577,767) | 134,902 |
| General Fund | (25,000) | (25,000) | (22,544) | - | (22,544) | 2,456 |
| Convention and Visitors Bureau | (1,669,181) | (1,669,181) | (1,668,350) | - | (1,668,350) | 831 |
| Capital Improvements Fund | (50,000) | (50,000) | (50,000) | - | (50,000) | - |
| Public Access Channel | (63,760) | (63,760) | (63,760) | - | (63,760) | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (2,520,610) | (2,520,610) | (2,375,540) | - | (2,375,540) | 145,070 |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (280,208) | (280,208) | (110,446) | - | (110,446) | 169,762 |
| Fund Balances at Beginning of Year | 749,822 | 1,047,918 | 1,047,918 | - | 1,047,918 | - |
| **FUND BALANCES AT END OF YEAR** | $ 469,614 | 767,710 | 937,472 | - | 937,472 | 169,762 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Production and Transmission | $ 28,900 | 28,900 | 28,047 | - | 28,047 | (853) |
| Investment Income: | | | | | | |
| Interest Earnings | 7,800 | 7,800 | 3,822 | - | 3,822 | (3,978) |
| Net increase (decrease) in the fair value of Investments | - | - | (765) | - | (765) | (765) |
| Discount Earnings | - | - | 1 | - | 1 | 1 |
| Miscellaneous: | | | | | | |
| Reimbursements | 145 | 145 | 191 | - | 191 | 46 |
| Settlement | - | - | 250,000 | - | 250,000 | 250,000 |
| **TOTAL REVENUES** | 36,845 | 36,845 | 281,296 | - | 281,296 | 244,451 |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 218,055 | 211,385 | 207,097 | (1,811) | 205,286 | 6,099 |
| Materials and Supplies | 17,521 | 33,134 | 26,173 | 206 | 26,379 | 6,755 |
| Contractual Services | 50,360 | 48,753 | 40,034 | 1,107 | 41,141 | 7,612 |
| Other | - | 9,156 | - | - | - | 9,156 |
| Total Operating Expenditures | 285,936 | 302,428 | 273,304 | (498) | 272,806 | 29,622 |
| Capital Outlay | 66,783 | 50,291 | 42,194 | - | 42,194 | 8,097 |
| **TOTAL EXPENDITURES** | 352,719 | 352,719 | 315,498 | (498) | 315,000 | 37,719 |
| Excess (Deficiency) of Revenues Over Expenditures | (315,874) | (315,874) | (34,202) | 498 | (33,704) | 282,170 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Hotel-Motel Occupancy Tax | 63,760 | 63,760 | 63,760 | - | 63,760 | - |
| General Fund | 183,650 | 183,650 | 183,650 | - | 183,650 | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 247,410 | 247,410 | 247,410 | - | 247,410 | - |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (68,464) | (68,464) | 213,208 | 498 | 213,706 | 282,170 |
| Fund Balances at Beginning of Year | 127,968 | 138,002 | 138,002 | (1,811) | 136,191 | (1,811) |
| **FUND BALANCES AT END OF YEAR** | $ 59,504 | 69,538 | 351,210 | (1,313) | 349,897 | 280,359 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 2,300 | 2,300 | 953 | - | 953 | (1,347) |
| Net increase (decrease) in the fair value of Investments | - | - | (159) | - | (159) | (159) |
| Rents and Royalties | 103,747 | 103,747 | 103,074 | - | 103,074 | (673) |
| Miscellaneous: | | | | | | |
| Reimbursements | 60 | 60 | - | - | - | (60) |
| **TOTAL REVENUES** | 106,107 | 106,107 | 103,868 | - | 103,868 | (2,239) |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 45,852 | 47,788 | 47,216 | (61) | 47,155 | 633 |
| Materials and Supplies | 17,176 | 13,605 | 9,366 | 467 | 9,833 | 3,772 |
| Contractual Services | 59,687 | 69,318 | 40,151 | 7,564 | 47,715 | 21,603 |
| Other | 10,000 | 2,004 | 4 | - | 4 | 2,000 |
| **TOTAL EXPENDITURES** | 132,715 | 132,715 | 96,737 | 7,970 | 104,707 | 28,008 |
| Excess (Deficiency) of Revenues Over Expenditures | (26,608) | (26,608) | 7,131 | (7,970) | (839) | 25,769 |
| Fund Balances at Beginning of Year | 27,483 | 42,746 | 42,746 | (61) | 42,685 | (61) |
| **FUND BALANCES AT END OF YEAR** | $ 875 | 16,138 | 49,877 | (8,031) | 41,846 | 25,708 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenue: | | | | | | |
| WBC Museum | $ - | 42,521 | 36,461 | - | 36,461 | (6,060) |
| Charges for Services | 1,140 | 1,140 | 737 | - | 737 | (403) |
| Fees and Collections | 50,000 | 50,000 | 53,847 | - | 53,847 | 3,847 |
| Investment Income: | | | | | | |
| Interest Earnings | - | - | 458 | - | 458 | 458 |
| Net increase (decrease) in the fair value of Investments | - | - | (174) | - | (174) | (174) |
| Miscellaneous: | | | | | | |
| Reimbursements | 3,400 | 3,400 | 12,015 | - | 12,015 | 8,615 |
| **TOTAL REVENUES** | 54,540 | 97,061 | 103,344 | - | 103,344 | 6,283 |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 401,186 | 394,652 | 393,258 | 534 | 393,792 | 860 |
| Materials and Supplies | 56,035 | 51,546 | 50,334 | 188 | 50,522 | 1,024 |
| Contractual Services | 1,295,054 | 1,406,057 | 1,352,189 | 61,738 | 1,413,927 | (7,870) |
| Other | 40,000 | 2,250 | 2,250 | (2,250) | - | 2,250 |
| Total Operating Expenditures | 1,792,275 | 1,854,505 | 1,798,031 | 60,210 | 1,858,241 | (3,736) |
| Capital Outlay | 37,736 | 18,026 | - | 18,026 | 18,026 | - |
| **TOTAL EXPENDITURES** | 1,830,011 | 1,872,531 | 1,798,031 | 78,236 | 1,876,267 | (3,736) |
| Excess (Deficiency) of Revenues Over Expenditures | (1,775,471) | (1,775,470) | (1,694,687) | (78,236) | (1,772,923) | 2,547 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Hotel-Motel Occupancy Tax | 1,669,181 | 1,669,181 | 1,668,350 | - | 1,668,350 | (831) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 1,669,181 | 1,669,181 | 1,668,350 | - | 1,668,350 | (831) |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (106,290) | (106,289) | (26,337) | (78,236) | (104,573) | 1,716 |
| Fund Balances at Beginning of Year | - | 122,236 | 122,236 | (1,716) | 120,520 | (1,716) |
| **FUND BALANCES AT END OF YEAR** | $ (106,290) | 15,947 | 95,899 | (79,952) | 15,947 | - |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Taxes: | | | | | | |
| General Sales & Use Tax | $ 4,501,921 | 4,501,921 | 4,509,447 | - | 4,509,447 | 7,526 |
| Investment Income: | | | | | | |
| Interest Earnings | 355,055 | 355,055 | 152,118 | - | 152,118 | (202,937) |
| Net increase (decrease) in the fair value of investments | - | - | (19,636) | - | (19,636) | (19,636) |
| Rents and Royalties | - | - | 95,274 | - | 95,274 | 95,274 |
| **TOTAL REVENUES** | 4,856,976 | 4,856,976 | 4,737,203 | - | 4,737,203 | (119,773) |
| **EXPENDITURES:** | | | | | | |
| Contractual Services | 43,496 | 63,046 | 45,459 | 10,815 | 56,274 | 6,772 |
| Other | 1,250,000 | 748,378 | 822 | - | 822 | 747,556 |
| Total Operating Expenditures | 1,293,496 | 811,424 | 46,281 | 10,815 | 57,096 | 754,328 |
| Capital Outlay | - | 582,551 | 355,287 | - | 355,287 | 227,264 |
| **TOTAL EXPENDITURES** | 1,293,496 | 1,393,975 | 401,568 | 10,815 | 412,383 | 981,592 |
| Excess (Deficiency) of Revenues Over Expenditures | 3,563,480 | 3,463,001 | 4,335,635 | (10,815) | 4,324,820 | 861,819 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Debt Service | 6,393,320 | 6,393,320 | 6,393,320 | - | 6,393,320 | - |
| Transfers Out: | | | | | | |
| Debt Service | (8,862,912) | (8,862,912) | (8,862,911) | - | (8,862,911) | 1 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (2,469,592) | (2,469,592) | (2,469,591) | - | (2,469,591) | 1 |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 1,093,888 | 993,409 | 1,866,044 | (10,815) | 1,855,229 | 861,820 |
| Fund Balances at Beginning of Year | 6,773,916 | 6,808,755 | 6,808,755 | - | 6,808,755 | - |
| **FUND BALANCES AT END OF YEAR** | $ 7,867,804 | 7,802,164 | 8,674,799 | (10,815) | 8,663,984 | 861,820 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 5,200 | 5,200 | 10,026 | - | 10,026 | 4,826 |
| Net increase (decrease) in the fair value of Investments | - | - | (875) | - | (875) | (875) |
| Discount Earnings | - | - | 17 | - | 17 | 17 |
| Fees and Collections | 1,200 | 1,200 | 7,751 | - | 7,751 | 6,551 |
| Rents and Royalties | 376,509 | 376,509 | 471,227 | - | 471,227 | 94,718 |
| Miscellaneous: | | | | | | |
| Reimbursements | 400 | 400 | 6,168 | - | 6,168 | 5,768 |
| **TOTAL REVENUES** | **383,309** | **383,309** | **494,314** | **-** | **494,314** | **111,005** |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 53,794 | 48,890 | 45,032 | - | 45,032 | 3,858 |
| Materials & Supplies | 39,967 | 44,722 | 26,193 | 932 | 27,125 | 17,597 |
| Contractual Services | 92,686 | 122,721 | 86,928 | 14,229 | 101,157 | 21,564 |
| Other | 50,000 | 54,904 | 4,141 | (4,141) | - | 54,904 |
| Total Operating Expenditures | 236,447 | 271,237 | 162,294 | 11,020 | 173,314 | 97,923 |
| Capital Outlay | 53,500 | 18,710 | - | - | - | 18,710 |
| **TOTAL EXPENDITURES** | **289,947** | **289,947** | **162,294** | **11,020** | **173,314** | **116,633** |
| Excess (Deficiency) of Revenues Over Expenditures | 93,362 | 93,362 | 332,020 | (11,020) | 321,000 | 227,638 |
| Fund Balances at Beginning of Year | 248,455 | 291,961 | 291,961 | (4,141) | 287,820 | (4,141) |
| **FUND BALANCES AT END OF YEAR** | $ **341,817** | **385,323** | **623,981** | **(15,161)** | **608,820** | **223,497** |

CITY OF LAREDO, TEXAS
INFRASTRUCTURE MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 8,400 | 8,400 | 9,652 | - | 9,652 | 1,252 |
| Net increase (decrease) in the fair value of Investments | - | - | (1,652) | - | (1,652) | (1,652) |
| Miscellaneous: | | | | | | |
| Reimbursements | - | - | 272,062 | - | 272,062 | 272,062 |
| **TOTAL REVENUES** | 8,400 | 8,400 | 280,062 | - | 280,062 | 271,662 |
| **EXPENDITURES:** | | | | | | |
| Personnel Services | 1,067,722 | 882,100 | 825,083 | (1,480) | 823,603 | 58,497 |
| Materials & Supplies | 927,481 | 1,113,534 | 1,055,820 | 13,363 | 1,069,183 | 44,351 |
| Contractual Services | 130,209 | 129,779 | 46,032 | 18,847 | 64,879 | 64,900 |
| Other | 12,500 | 12,500 | - | - | - | 12,500 |
| Total Operating Expenditures | 2,137,912 | 2,137,913 | 1,926,935 | 30,730 | 1,957,665 | 180,248 |
| Capital Outlay | 8,576 | 8,576 | 8,575 | - | 8,575 | 1 |
| **TOTAL EXPENDITURES** | 2,146,488 | 2,146,489 | 1,935,510 | 30,730 | 1,966,240 | 180,249 |
| Excess (Deficiency) of Revenues Over Expenditures | (2,138,088) | (2,138,089) | (1,655,448) | (30,730) | (1,686,178) | 451,911 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers In: | | | | | | |
| Capital Improvement Fund | 608,317 | 608,317 | 608,317 | - | 608,317 | - |
| Bridge System Fund | 3,521,799 | 3,521,799 | 3,042,952 | - | 3,042,952 | (478,847) |
| Transfers Out: | | | | | | |
| General Fund | (902,695) | (902,695) | (689,990) | - | (689,990) | 212,705 |
| Debt Service | (843,708) | (843,708) | (843,708) | - | (843,708) | - |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 2,383,713 | 2,383,713 | 2,117,571 | - | 2,117,571 | (266,142) |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | 245,625 | 245,624 | 462,123 | (30,730) | 431,393 | 185,769 |
| Fund Balances at Beginning of Year | (272,991) | 27,366 | 27,366 | (1,480) | 25,886 | (1,480) |
| **FUND BALANCES AT END OF YEAR** | $ (27,366) | 272,990 | 489,489 | (32,210) | 457,279 | 184,289 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Intergovernmental Revenues: | | | | | | |
| State Operating Grants | $ 25,000 | 22,323 | 22,323 | - | 22,323 | - |
| Investment Income: | | | | | | |
| Interest Earnings | 3,400 | 3,400 | 1,347 | - | 1,347 | (2,053) |
| Net increase (decrease) in the fair value of Investments | - | - | (398) | - | (398) | (398) |
| Miscellaneous: | | | | | | |
| Other | 10,000 | 10,000 | 5,071 | - | 5,071 | (4,929) |
| **TOTAL REVENUES** | 38,400 | 35,723 | 28,343 | - | 28,343 | (7,380) |
| **EXPENDITURES:** | | | | | | |
| Materials & Supplies | 15,440 | 63,099 | 47,804 | 51 | 47,855 | 15,244 |
| Contractual Services | 9,000 | 13,400 | 11,023 | - | 11,023 | 2,377 |
| Other | 72,638 | - | - | - | - | - |
| Total Operating Expenditures | 97,078 | 76,499 | 58,827 | 51 | 58,878 | 17,621 |
| Capital Outlay | 4,634 | 22,536 | 22,536 | - | 22,536 | - |
| **TOTAL EXPENDITURES** | 101,712 | 99,035 | 81,363 | 51 | 81,414 | 17,621 |
| Excess (Deficiency) of Revenues Over Expenditures | (63,312) | (63,312) | (53,020) | (51) | (53,071) | 10,241 |
| Fund Balances at Beginning of Year | 59,878 | 82,576 | 82,576 | - | 82,576 | - |
| **FUND BALANCES AT END OF YEAR** | $ (3,434) | 19,264 | 29,556 | (51) | 29,505 | 10,241 |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 167,900 | 167,900 | 74,606 | - | 74,606 | (93,294) |
| Net increase (decrease) in the fair value of Investments | - | - | (16,103) | - | (16,103) | (16,103) |
| Miscellaneous: | | | | | | |
| Forfeitures | 500,000 | 500,000 | 1,254,763 | - | 1,254,763 | 754,763 |
| **TOTAL REVENUES** | **667,900** | **667,900** | **1,313,266** | **-** | **1,313,266** | **645,366** |
| **EXPENDITURES:** | | | | | | |
| Materials & Supplies | 162,361 | 1,467,670 | 889,232 | 82,486 | 971,718 | 495,952 |
| Contractual Services | 97,206 | 145,871 | 123,524 | 20,628 | 144,152 | 1,719 |
| Other | 736,170 | 564,105 | - | - | - | 564,105 |
| Total Operating Expenditures | 995,737 | 2,177,646 | 1,012,756 | 103,114 | 1,115,870 | 1,061,776 |
| Debt Service | 664,881 | 914,881 | 913,480 | - | 913,480 | 1,401 |
| Capital Outlay | 4,105,124 | 4,113,215 | 2,053,105 | 534,241 | 2,587,346 | 1,525,869 |
| **TOTAL EXPENDITURES** | **5,765,742** | **7,205,742** | **3,979,341** | **637,355** | **4,616,696** | **2,589,046** |
| Excess (Deficiency) of Revenues Over Expenditures | (5,097,842) | (6,537,842) | (2,666,075) | (637,355) | (3,303,430) | 3,234,412 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Bond / Capital Lease Proceeds | - | 1,440,000 | 1,413,240 | - | 1,413,240 | (26,760) |
| Transfers In: | | | | | | |
| Laredo Border Violence | 236,170 | 236,170 | 372,468 | - | 372,468 | 136,298 |
| Transfers Out: | | | | | | |
| Special Police Program | (529,741) | (529,741) | (319,773) | - | (319,773) | 209,968 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **(293,571)** | **1,146,429** | **1,465,935** | **-** | **1,465,935** | **319,506** |
| Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses) | (5,391,413) | (5,391,413) | (1,200,140) | (637,355) | (1,837,495) | 3,553,918 |
| Fund Balances at Beginning of Year | 5,044,694 | 3,749,499 | 3,749,499 | - | 3,749,499 | - |
| **FUND BALANCES AT END OF YEAR** | $ **(346,719)** | **(1,641,914)** | **2,549,359** | **(637,355)** | **1,912,004** | **3,553,918** |

CITY OF LAREDO, TEXAS
EDA DPW INFRASTRUCTURE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - EDA Grants | $ 1,500,000 | - | 1,500,000 | 1,500,000 |
| Investment Income: | | | | |
| Interest Earnings | 87,019 | 493 | 87,512 | 87,512 |
| Net increase (decrease) in the fair value of Investments | 68 | (68) | - | - |
| **TOTAL REVENUES** | 1,587,087 | 425 | 1,587,512 | 1,587,512 |
| **EXPENDITURES:** | | | | |
| Contractual Services | 579,941 | - | 579,941 | 579,942 |
| Capital Outlay | 7,678,628 | - | 7,678,628 | 7,678,629 |
| **TOTAL EXPENDITURES** | 8,258,569 | - | 8,258,569 | 8,258,571 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (6,671,482) | 425 | (6,671,057) | (6,671,059) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 6,847,000 | - | 6,847,000 | 6,847,000 |
| Transfers Out | - | (175,943) | (175,943) | (175,941) |
| **TOTAL OTHER FINANCING SOURCES:** | 6,847,000 | (175,943) | 6,671,057 | 6,671,059 |
| **Net Change in Fund Balances** | $ 175,518 | (175,518) | - | - |
| Fund Balances-Beginning | | 175,518 | | |
| **Fund Balances-Ending** | | $ - | | |

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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - State Grants | $ 1,752,547 | 1,075,259 | 2,827,806 | 21,974,370 |
| Investment Income: | | | | |
| Interest Earnings | - | 14,307 | 14,307 | - |
| **TOTAL REVENUES** | **1,752,547** | **1,089,566** | **2,842,113** | **21,974,370** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 1,769,223 | 860,080 | 2,629,303 | 3,969,596 |
| Other | - | 124,036 | 124,036 | 200,158 |
| Capital Outlay | - | 1,196,245 | 1,196,245 | 19,559,321 |
| **TOTAL EXPENDITURES** | **1,769,223** | **2,180,361** | **3,949,584** | **23,729,075** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(16,676)** | **(1,090,795)** | **(1,107,471)** | **(1,754,705)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 22,500 | 1,775,050 | 1,797,550 | 1,754,705 |
| **TOTAL OTHER FINANCING SOURCES:** | **22,500** | **1,775,050** | **1,797,550** | **1,754,705** |
| **Net Change in Fund Balances** | **$ 5,824** | **684,255** | **690,079** | **-** |
| Fund Balances-Beginning | | 5,824 | | |
| **Fund Balances-Ending** | | **$ 690,079** | | |

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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - FAA Grants | $ 5,757,327 | 8,857,964 | 14,615,291 | 17,509,577 |
| Investment Income: | | | | |
| Interest Earnings | 613,351 | 30,310 | 643,661 | 627,255 |
| Net increase (decrease) in the fair value of Investments | 8,150 | (8,744) | (594) | - |
| Other | 3,300 | - | 3,300 | 3,300 |
| **TOTAL REVENUES** | 6,382,128 | 8,879,530 | 15,261,658 | 18,140,132 |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | 60,346 | 63,923 | 124,269 | 120,400 |
| Contractual Services | 1,194,146 | 678,445 | 1,872,591 | 2,412,331 |
| Other | 2,024 | (1) | 2,023 | 433,456 |
| Capital Outlay | 5,819,076 | 9,579,688 | 15,398,764 | 18,651,698 |
| **TOTAL EXPENDITURES** | 7,075,592 | 10,322,055 | 17,397,647 | 21,617,885 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (693,464) | (1,442,525) | (2,135,989) | (3,477,753) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 2,812,070 | - | 2,812,070 | 2,812,070 |
| Transfers In | 2,028,813 | - | 2,028,813 | 2,028,813 |
| Transfers Out | (963,130) | (400,000) | (1,363,130) | (1,363,130) |
| **TOTAL OTHER FINANCING SOURCES:** | 3,877,753 | (400,000) | 3,477,753 | 3,477,753 |
| **Net Change in Fund Balances** | $ 3,184,289 | (1,842,525) | 1,341,764 | - |
| Fund Balances-Beginning | | 3,184,289 | | |
| **Fund Balances-Ending** | | $ 1,341,764 | | |

CITY OF LAREDO, TEXAS
BENAVIDES HERRERA HOME
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - State Grant | $ 176,006 | (360) | 175,646 | 200,000 |
| Investment Income: | | | | |
| Interest Earnings | 6,716 | 54 | 6,770 | 6,700 |
| Net increase (decrease) in the fair value of Investments | 71 | (71) | - | - |
| Local contributions | 4,000 | - | 4,000 | 4,000 |
| Fees and Reimbursements | - | 1,860 | 1,860 | - |
| **TOTAL REVENUES** | **186,793** | **1,483** | **188,276** | **210,700** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 115,686 | 1,800 | 117,486 | 141,493 |
| Other | - | - | - | 9,885 |
| Capital Outlay | 109,322 | - | 109,322 | 109,322 |
| **TOTAL EXPENDITURES** | **225,008** | **1,800** | **226,808** | **260,700** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(38,215)** | **(317)** | **(38,532)** | **(50,000)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 50,000 | - | 50,000 | 50,000 |
| Transfers Out | - | (11,468) | (11,468) | - |
| **TOTAL OTHER FINANCING SOURCES:** | **50,000** | **(11,468)** | **38,532** | **50,000** |
| **Net Change in Fund Balances** | $ **11,785** | **(11,785)** | **-** | **-** |
| Fund Balances-Beginning | | 11,785 | | |
| **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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - Federal Grant | $ 22,480 | - | 22,480 | 22,480 |
| Investment Income: | | | | |
| Interest Earnings | 322,537 | 39,386 | 361,923 | 317,542 |
| Net increase (decrease) in the fair value of Investments | 583 | (1,939) | (1,356) | - |
| Other | 28,454 | 216 | 28,670 | 28,454 |
| **TOTAL REVENUES** | **374,054** | **37,663** | **411,717** | **368,476** |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | - | 222,623 | 222,623 | 411,226 |
| Contractual Services | 5,631 | - | 5,631 | 5,632 |
| Other | 189,519 | 61,150 | 250,669 | 250,669 |
| Capital Outlay | 5,206,326 | 602,606 | 5,808,932 | 8,746,864 |
| **TOTAL EXPENDITURES** | **5,401,476** | **886,379** | **6,287,855** | **9,414,391** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(5,027,422)** | **(848,716)** | **(5,876,138)** | **(9,045,915)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 9,610,000 | 2,795,000 | 12,405,000 | 12,405,000 |
| Transfers In | 2,452,940 | 3,989,300 | 6,442,240 | 6,442,240 |
| Transfers Out | (5,812,025) | (3,989,300) | (9,801,325) | (9,801,325) |
| **TOTAL OTHER FINANCING SOURCES:** | **6,250,915** | **2,795,000** | **9,045,915** | **9,045,915** |
| **Net Change in Fund Balances** | **$ 1,223,493** | **1,946,284** | **3,169,777** | **-** |
| Fund Balances-Beginning | | 1,223,493 | | |
| **Fund Balances-Ending** | | **$ 3,169,777** | | |

CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 1998 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - School District | $ 155,825 | - | 155,825 | 174,325 |
| Investment Income: | | | | |
| Interest Earnings | 2,194,529 | 30,333 | 2,224,862 | 2,209,719 |
| Net increase (decrease) in the fair value of Investments | 7,263 | (7,791) | (528) | - |
| Miscellaneous: | | | | |
| Local Contributions | 645,451 | - | 645,451 | 645,451 |
| Other | 43,151 | - | 43,151 | 43,151 |
| **TOTAL REVENUES** | 3,046,219 | 22,542 | 3,068,761 | 3,072,646 |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | 49,073 | - | 49,073 | 49,073 |
| Contractual Services | 10,762 | 224,521 | 235,283 | 235,283 |
| Other | 96,748 | - | 96,748 | 122,174 |
| Capital Outlay | 14,989,993 | 180,784 | 15,170,777 | 16,309,140 |
| **TOTAL EXPENDITURES** | 15,146,576 | 405,305 | 15,551,881 | 16,715,670 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (12,100,357) | (382,763) | (12,483,120) | (13,643,024) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 16,160,000 | - | 16,160,000 | 16,160,000 |
| Transfers In | 259,000 | 19,127 | 278,127 | 259,000 |
| Transfers Out | (2,500,000) | (275,975) | (2,775,975) | (2,775,976) |
| **TOTAL OTHER FINANCING SOURCES:** | 13,919,000 | (256,848) | 13,662,152 | 13,643,024 |
| **Net Change in Fund Balances** | $ 1,818,643 | (639,611) | 1,179,032 | - |
| Fund Balances-Beginning | | 1,818,643 | | |
| **Fund Balances-Ending** | | $ 1,179,032 | | |

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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ 524,570 | 37,738 | 562,308 | 518,690 |
| Miscellaneous: | | | | |
| Local Contributions | - | 1,440,000 | 1,440,000 | 2,000,000 |
| **TOTAL REVENUES** | **524,570** | **1,477,738** | **2,002,308** | **2,518,690** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 3,955 | - | 3,955 | 3,955 |
| Other | 68,890 | - | 68,890 | 68,891 |
| Capital Outlay | 6,081,115 | 3,609,346 | 9,690,461 | 12,144,191 |
| **TOTAL EXPENDITURES** | **6,153,960** | **3,609,346** | **9,763,306** | **12,217,037** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(5,629,390)** | **(2,131,608)** | **(7,760,998)** | **(9,698,347)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 9,365,000 | - | 9,365,000 | 9,365,000 |
| Transfers In | 2,298,347 | 200,000 | 2,498,347 | 2,498,347 |
| Transfers Out | (2,165,000) | - | (2,165,000) | (2,165,000) |
| **TOTAL OTHER FINANCING SOURCES:** | **9,498,347** | **200,000** | **9,698,347** | **9,698,347** |
| **Net Change in Fund Balances** | $ **3,868,957** | (1,931,608) | **1,937,349** | - |
| Fund Balances-Beginning | | 3,868,957 | | |
| **Fund Balances-Ending** | | $ **1,937,349** | | |

CITY OF LAREDO, TEXAS
FIRE TRAINING FACILITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ 1,528,372 | 9,445 | 1,537,817 | 1,560,757 |
| Net increase (decrease) in the fair value of Investments | 8,331 | (8,402) | (71) | - |
| Other | 624,668 | - | 624,668 | 624,668 |
| **TOTAL REVENUES** | **2,161,371** | **1,043** | **2,162,414** | **2,185,425** |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | 56 | - | 56 | 56 |
| Contractual Services | 800,038 | 9,175 | 809,213 | 874,169 |
| Other | 65,167 | - | 65,167 | 122,537 |
| Capital Outlay | 9,131,435 | 459,801 | 9,591,236 | 9,641,299 |
| **TOTAL EXPENDITURES** | **9,996,696** | **468,976** | **10,465,672** | **10,638,061** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(7,835,325)** | **(467,933)** | **(8,303,258)** | **(8,452,636)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 5,250,000 | - | 5,250,000 | 5,250,000 |
| Transfers In | 3,202,636 | - | 3,202,636 | 3,202,636 |
| **TOTAL OTHER FINANCING SOURCES:** | **8,452,636** | **-** | **8,452,636** | **8,452,636** |
| **Net Change in Fund Balances** | **$ 617,311** | **(467,933)** | **149,378** | **-** |
| Fund Balances-Beginning | | 617,311 | | |
| **Fund Balances-Ending** | | **$ 149,378** | | |

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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental Revenues | | | | |
| Federal | $ 174,899 | - | 174,899 | 560,099 |
| State | 448,603 | 19,210 | 467,813 | 3,821,953 |
| Other | 278,914 | 9,495 | 288,409 | 278,914 |
| Investment Income: | | | | |
| Interest Earnings | 3,388,754 | 168,598 | 3,557,352 | 3,597,662 |
| Net increase (decrease) in the fair value of Investments | 25,764 | (29,459) | (3,695) | - |
| Discount Earnings | - | 360 | 360 | - |
| Miscellaneous: | | | | |
| Local Contributions | 40,998 | 93,809 | 134,807 | 289,948 |
| Other | 113,422 | 314 | 113,736 | 100,361 |
| **TOTAL REVENUES** | **4,471,354** | **262,327** | **4,733,681** | **8,648,937** |
| **EXPENDITURES:** | | | | |
| Other | - | - | - | 354,347 |
| Capital Outlay | 9,906,096 | 1,046,003 | 10,952,099 | 22,691,361 |
| **TOTAL EXPENDITURES** | **9,906,096** | **1,046,003** | **10,952,099** | **23,045,708** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(5,434,742)** | **(783,676)** | **(6,218,418)** | **(14,396,771)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers In | 15,457,673 | 1,340,408 | 16,798,081 | 16,731,477 |
| Transfers Out | (1,470,788) | (808,317) | (2,279,105) | (2,304,105) |
| **TOTAL OTHER FINANCING SOURCES:** | **13,986,885** | **532,091** | **14,518,976** | **14,427,372** |
| **Net Change in Fund Balances** | **$ 8,552,143** | **(251,585)** | **8,300,558** | **30,601** |
| Fund Balances-Beginning | | 8,552,143 | | |
| **Fund Balances-Ending** | | **$ 8,300,558** | | |

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, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ 51,838 | 60,684 | 112,522 | 100,000 |
| Reimbursements | - | 15,795 | 15,795 | - |
| **TOTAL REVENUES** | 51,838 | 76,479 | 128,317 | 100,000 |
| **EXPENDITURES:** | | | | |
| Other | 225,000 | - | 225,000 | 292,364 |
| Capital Outlay | - | 1,626,032 | 1,626,032 | 5,000,000 |
| **TOTAL EXPENDITURES** | 225,000 | 1,626,032 | 1,851,032 | 5,292,364 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (173,162) | (1,549,553) | (1,722,715) | (5,192,364) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 9,925,000 | - | 9,925,000 | 9,925,000 |
| Transfers Out | (4,622,429) | - | (4,622,429) | (4,732,636) |
| **TOTAL OTHER FINANCING SOURCES:** | 5,302,571 | - | 5,302,571 | 5,192,364 |
| **Net Change in Fund Balances** | $ 5,129,409 | (1,549,553) | 3,579,856 | - |
| Fund Balances-Beginning | | 5,129,409 | | |
| **Fund Balances-Ending** | | $ 3,579,856 | | |

CITY OF LAREDO, TEXAS
RYAN STREET RAILROAD BRIDGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - Transportation Grant | $ 28,305 | 22,774 | 51,079 | 571,200 |
| Local Contributions | 7,076 | 5,694 | 12,770 | 142,800 |
| **TOTAL REVENUES** | **35,381** | **28,468** | **63,849** | **714,000** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 35,381 | 28,468 | 63,849 | 214,000 |
| Capital Outlay | - | - | - | 500,000 |
| **TOTAL EXPENDITURES** | **35,381** | **28,468** | **63,849** | **714,000** |
| **Net Change in Fund Balances** | $ - | - | - | - |
| Fund Balances-Beginning | | - | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
NEW FIRE STATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ 646,453 | 508 | 646,961 | 645,743 |
| Net increase (decrease) in the fair value of Investments | 77 | (77) | - | - |
| Other | 23,800 | - | 23,800 | 23,800 |
| **TOTAL REVENUES** | **670,330** | **431** | **670,761** | **669,543** |
| **EXPENDITURES:** | | | | |
| Materials & Supplies | 20,504 | - | 20,504 | 20,504 |
| Contractual Services | 186,376 | 262 | 186,638 | 186,642 |
| Other | 49,814 | - | 49,814 | 75,465 |
| Capital Outlay | 3,186,931 | - | 3,186,931 | 3,186,932 |
| **TOTAL EXPENDITURES** | **3,443,625** | **262** | **3,443,887** | **3,469,543** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(2,773,295)** | **169** | **(2,773,126)** | **(2,800,000)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 2,800,000 | - | 2,800,000 | 2,800,000 |
| Transfers Out | - | (26,874) | (26,874) | - |
| **TOTAL OTHER FINANCING SOURCES:** | **2,800,000** | **(26,874)** | **2,773,126** | **2,800,000** |
| **Net Change in Fund Balances** | $ **26,705** | **(26,705)** | **-** | **-** |
| Fund Balances-Beginning | | 26,705 | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
PASEO DEL ANTIGUO LAREDO PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - State Grants | $ 1,076,158 | - | 1,076,158 | 1,076,158 |
| Investment Income: | | | | |
| Interest Earnings | 6,105 | 170 | 6,275 | - |
| Net increase (decrease) in the fair value of Investments | 64 | (64) | - | - |
| Miscellaneous: | | | | |
| Local Contributions | 152,318 | (1) | 152,317 | 207,000 |
| Other | 295,726 | - | 295,726 | 294,040 |
| **TOTAL REVENUES** | **1,530,371** | **105** | **1,530,476** | **1,577,198** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 180,474 | - | 180,474 | 180,503 |
| Other | - | - | - | 46,692 |
| Capital Outlay | 1,323,367 | - | 1,323,367 | 1,323,367 |
| **TOTAL EXPENDITURES** | **1,503,841** | **-** | **1,503,841** | **1,550,562** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **26,530** | **105** | **26,635** | **26,636** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers Out | - | (26,635) | (26,635) | (26,636) |
| **TOTAL OTHER FINANCING SOURCES:** | **-** | **(26,635)** | **(26,635)** | **(26,636)** |
| **Net Change in Fund Balances** | $ **26,530** | **(26,530)** | **-** | **-** |
| Fund Balances-Beginning | | 26,530 | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
LEC CONSTRUCTION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ 1,072,317 | 35,957 | 1,108,274 | 1,065,009 |
| **TOTAL REVENUES** | **1,072,317** | **35,957** | **1,108,274** | **1,065,009** |
| **EXPENDITURES:** | | | | |
| Contractual Services | 3,385,814 | 1,106,859 | 4,492,673 | 4,517,674 |
| Other | 823,413 | - | 823,413 | 823,413 |
| Capital Outlay | 29,471,588 | 2,502,766 | 31,974,354 | 31,906,088 |
| **TOTAL EXPENDITURES** | **33,680,815** | **3,609,625** | **37,290,440** | **37,247,175** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | **(32,608,498)** | **(3,573,668)** | **(36,182,166)** | **(36,182,166)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | 39,315,000 | - | 39,315,000 | 39,315,000 |
| Transfers Out | (3,132,834) | - | (3,132,834) | (3,132,834) |
| **TOTAL OTHER FINANCING SOURCES:** | **36,182,166** | **-** | **36,182,166** | **36,182,166** |
| **Net Change in Fund Balances** | $ **3,573,668** | **(3,573,668)** | **-** | **-** |
| Fund Balances-Beginning | | 3,573,668 | | |
| **Fund Balances-Ending** | | $ - | | |

CITY OF LAREDO, TEXAS
STREETS OF LAREDO URBAN MALL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2003

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Intergovernmental - EDA Grant | $ - | 268,010 | 268,010 | 1,000,000 |
| Local Contributions | - | 450,000 | 450,000 | 450,000 |
| **TOTAL REVENUES** | - | 718,010 | 718,010 | 1,450,000 |
| **EXPENDITURES:** | | | | |
| Contractual Services | - | 154,705 | 154,705 | 207,800 |
| Other | - | - | - | 54,793 |
| Capital Outlay | - | 563,305 | 563,305 | 1,187,407 |
| **TOTAL EXPENDITURES** | - | 718,010 | 718,010 | 1,450,000 |
| **Net Change in Fund Balances** | $ - | - | - | - |
| Fund Balances-Beginning | | - | | |
| **Fund Balances-Ending** | | $ - | | |

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

| | Prior Years | Current Year | Total To Date | Project Authorization |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Investment Income: | | | | |
| Interest Earnings | $ - | 28,389 | 28,389 | 30,000 |
| Net increase (decrease) in the fair value of Investments | - | (1,538) | (1,538) | - |
| **TOTAL REVENUES** | - | **26,851** | **26,851** | **30,000** |
| **EXPENDITURES:** | | | | |
| Other | - | 70,000 | 70,000 | 70,000 |
| Capital Outlay | - | 389 | 389 | 3,470,000 |
| **TOTAL EXPENDITURES** | - | **70,389** | **70,389** | **3,540,000** |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | - | **(43,538)** | **(43,538)** | **(3,510,000)** |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Bond Issues | - | 3,510,000 | 3,510,000 | 3,510,000 |
| **TOTAL OTHER FINANCING SOURCES:** | - | **3,510,000** | **3,510,000** | **3,510,000** |
| **Net Change in Fund Balances** | $ - | **3,466,462** | **3,466,462** | - |
| Fund Balances-Beginning | | - | | |
| **Fund Balances-Ending** | | $ **3,466,462** | | |

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, 2003

| | Original Budget | Final Budget | Actual | Adjustments | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 1,700 | 1,700 | 1,191 | - | 1,191 | (509) |
| Net increase (decrease) in the fair value of Investments | - | - | (183) | - | (183) | (183) |
| **TOTAL REVENUES** | 1,700 | 1,700 | 1,008 | - | 1,008 | (692) |
| **EXPENDITURES:** | | | | | | |
| Materials & Supplies | 1,200 | 1,200 | - | - | - | 1,200 |
| Contractual Services | 800 | 800 | - | - | - | 800 |
| Other | 4,940 | 4,940 | - | - | - | 4,940 |
| **TOTAL EXPENDITURES** | 6,940 | 6,940 | - | - | - | 6,940 |
| Excess (Deficiency) of Revenues Over Expenditures | (5,240) | (5,240) | 1,008 | - | 1,008 | 6,248 |
| Fund Balances at Beginning of Year | 56,940 | 59,287 | 59,287 | - | 59,287 | - |
| **FUND BALANCES AT END OF YEAR** | $ 51,700 | 54,047 | 60,295 | - | 60,295 | 6,248 |

# INTERNAL SERVICE FUNDS

# INTERNAL SERVICE FUNDS

Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, 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 providing fuel and repair services to all city owned vehicles and machinery, on a cost reimbursement basis.

# CITY OF LAREDO, TEXAS
## INTERNAL SERVICE FUNDS
## COMBINING STATEMENT OF NET ASSETS
## September 30, 2003

| | RISK MANAGEMENT | HEALTH & BENEFITS | FLEET MANAGEMENT | TOTAL |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents: | | | | |
| Cash | $ - | - | 400 | 400 |
| Equity in Investment Pool | 1,250 | 1,948 | 3 | 3,201 |
| Investments | 1,939,089 | 3,121,072 | 52,356 | 5,112,517 |
| Accounts Receivable | - | - | 23,500 | 23,500 |
| Accrued Interest Receivable | 2,837 | 4,566 | 77 | 7,480 |
| Inventory | - | - | 216,525 | 216,525 |
| Prepaid items | 270,000 | - | - | 270,000 |
| Total Current Assets | 2,213,176 | 3,127,586 | 292,861 | 5,633,623 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Buildings | 1,188 | - | 654,948 | 656,136 |
| Transportation Vehicles and Equipment | 68,884 | 17,217 | 747,463 | 833,564 |
| Less Accumulated Depreciation | (44,062) | (13,046) | (695,143) | (752,251) |
| Total Capital Assets (Net of Accumulated Depreciation) | 26,010 | 4,171 | 707,268 | 737,449 |
| **TOTAL ASSETS** | 2,239,186 | 3,131,757 | 1,000,129 | 6,371,072 |
| **LIABILITIES** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 372,113 | 73,982 | 73,900 | 519,995 |
| Claims and Judgments Payable (Note 20) | 1,082,157 | 2,021,299 | - | 3,103,456 |
| Accrued Wages and Employee Benefits | 13,824 | 11,364 | 58,171 | 83,359 |
| Compensated Absences | 10,901 | 3,407 | 41,118 | 55,426 |
| Total Current Liabilities | 1,478,995 | 2,110,052 | 173,189 | 3,762,236 |
| Noncurrent Liabilities: | | | | |
| Compensated Absences | 11,209 | 279 | 55,370 | 66,858 |
| Total Noncurrent Liabilities | 11,209 | 279 | 55,370 | 66,858 |
| **TOTAL LIABILITIES** | 1,490,204 | 2,110,331 | 228,559 | 3,829,094 |
| **NET ASSETS** | | | | |
| Invested in Capital Assets | 26,010 | 4,171 | 707,268 | 737,449 |
| Unrestricted | 722,972 | 1,017,255 | 64,302 | 1,804,529 |
| **TOTAL NET ASSETS** | $ 748,982 | 1,021,426 | 771,570 | 2,541,978 |

**CITY OF LAREDO, TEXAS**
**INTERNAL SERVICE FUNDS**
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**
**Year ended September 30, 2003**

| | RISK MANAGEMENT | HEALTH & BENEFITS | FLEET MANAGEMENT | TOTAL |
|---|---|---|---|---|
| **OPERATING REVENUES:** | | | | |
| Charges for services | $ 4,540,980 | 10,114,751 | 3,997,464 | 18,653,195 |
| Reimbursements | 40 | 655,547 | 55,663 | 711,250 |
| **TOTAL OPERATING REVENUES** | **4,541,020** | **10,770,298** | **4,053,127** | **19,364,445** |
| **OPERATING EXPENSES:** | | | | |
| Cost of services | 3,684,391 | 10,465,454 | 2,297,806 | 16,447,651 |
| Personnel Services | 370,184 | 299,852 | 1,463,454 | 2,133,490 |
| Materials and Supplies | 31,286 | 24,980 | 74,209 | 130,475 |
| Contractual Services | 199,083 | 319,902 | 261,977 | 780,962 |
| Other | - | 773 | 34,333 | 35,106 |
| Depreciation | 7,622 | 642 | 76,573 | 84,837 |
| **TOTAL OPERATING EXPENSES** | **4,292,566** | **11,111,603** | **4,208,352** | **19,612,521** |
| Operating Income (Loss) | 248,454 | (341,305) | (155,225) | (248,076) |
| **NONOPERATING REVENUES (EXPENSES):** | | | | |
| **Investment Income:** | | | | |
| Intererest Earnings | 36,637 | 67,225 | 2,258 | 106,120 |
| Net (Decrease) in the Fair Value of Investments | (5,757) | (9,660) | (1,265) | (16,682) |
| Loss on Changes in Accounting Estimates | (27,764) | (37,720) | (139,767) | (205,251) |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | **3,116** | **19,845** | **(138,774)** | **(115,813)** |
| Income (Loss) Before Contributions and Transfer | 251,570 | (321,460) | (293,999) | (363,889) |
| **OPERATING TRANSFERS IN/(OUT):** | | | | |
| Transfers In | 2,295 | - | - | 2,295 |
| Transfers Out | (23,578) | - | - | (23,578) |
| **TOTAL OPERATING TRANSFERS IN/(OUT)** | **(21,283)** | **-** | **-** | **(21,283)** |
| Change In Net Assets | 230,287 | (321,460) | (293,999) | (385,172) |
| Total Net Assets-Beginning | 518,695 | 1,342,886 | 1,065,569 | 2,927,150 |
| **TOTAL NET ASSETS- ENDING** | **$ 748,982** | **1,021,426** | **771,570** | **2,541,978** |

**CITY OF LAREDO, TEXAS**
**INTERNAL SERVICE FUNDS**
**COMBINING STATEMENT OF CASH FLOWS**
**Year ended September 30, 2003**

| | RISK MANAGEMENT | HEALTH & BENEFITS | FLEET MANAGEMENT | TOTAL |
|---|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| Receipts from customers and users | $ 2,615 | 655,547 | 78,621 | 736,783 |
| Receipts from interfund services provided | 4,540,980 | 10,114,751 | 3,997,464 | 18,653,195 |
| Payment to suppliers | (4,152,627) | (10,551,949) | (2,612,584) | (17,317,160) |
| Payment to employees | (363,474) | (295,602) | (1,451,949) | (2,111,025) |
| Payment for interfund services used | (129,271) | (248,020) | (117,745) | (495,036) |
| **Net cash provided (used) by operating activities** | **(101,777)** | **(325,273)** | **(106,193)** | **(533,243)** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | | |
| Transfer to other funds | (21,283) | - | - | (21,283) |
| **Net cash provided (used) by noncapital and related financing activities** | **(21,283)** | **-** | **-** | **(21,283)** |
| **CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | | |
| Purchase of capital assets | - | - | (170,785) | (170,785) |
| **Net cash provided (used) by capital and related financing activities** | **-** | **-** | **(170,785)** | **(170,785)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | |
| Proceeds from sales and maturity of investments | 70,208 | 230,701 | 271,874 | 572,783 |
| Interest and dividends received | 47,249 | 85,095 | 4,354 | 136,698 |
| **Net cash provided (used) by investing activities** | **117,457** | **315,796** | **276,228** | **709,481** |
| **Net increase (decrease) in cash and cash equivalents** | **(5,603)** | **(9,477)** | **(750)** | **(15,830)** |
| **Cash and cash equivalents - October 1, 2002** | **6,853** | **11,425** | **1,153** | **19,431** |
| **Cash and cash equivalents - September 30, 2003** | **$ 1,250** | **1,948** | **403** | **3,601** |
| **Reconciliation of Operating income to net cash provided (used) by operating activities:** | | | | |
| Operating income | $ 248,454 | (341,305) | (155,225) | (248,076) |
| Adjustments to reconcile operating income to net cash provided (used) | | | | |
| Depreciation expense | 7,622 | 642 | 76,573 | 84,837 |
| (Increase) decrease in accounts receivable | 2,575 | - | (7,340) | (4,765) |
| Increase in allowable for uncollectible accounts | - | - | 30,298 | 30,298 |
| (Increase) decrease in inventories | - | - | 29,860 | 29,860 |
| (Increase) decrease in prepaid items | (74,000) | - | - | (74,000) |
| Increase (decrease) in accounts payable | 193,937 | (32,712) | (96,806) | 64,419 |
| Increase (decrease) in compensated absences payable | 5,755 | 1,149 | 9,132 | 16,036 |
| Increase (decrease) in accrued wages and employee benefits | 955 | 3,101 | 7,315 | 11,371 |
| Increase (decrease) in claims and judgments payable | (487,075) | 43,852 | - | (443,223) |
| Total adjustments | (350,231) | 16,032 | 49,032 | (285,167) |
| **Net cash provided by operating activities** | **$ (101,777)** | **(325,273)** | **(106,193)** | **(533,243)** |
| **Noncash investing, capital, and financing activities:** | | | | |
| Loss on Changes in Accounting Estimates | (27,764) | (37,720) | (139,767) | (205,251) |
| Increase (decrease) in the fair value of investments | (5,757) | (9,660) | (1,265) | (16,682) |

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Budget | Actual | Adjustment | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 4,609,928 | 4,909,928 | 4,540,980 | - | 4,540,980 | (368,948) |
| Reimbursements | - | - | 40 | - | 40 | 40 |
| **TOTAL OPERATING REVENUES** | 4,609,928 | 4,909,928 | 4,541,020 | - | 4,541,020 | (368,908) |
| **OPERATING EXPENSES:** | | | | | | |
| Cost of Services | 4,195,230 | 4,252,791 | 3,684,391 | - | 3,684,391 | 568,400 |
| Personnel Services | 377,780 | 377,736 | 370,184 | (5,754) | 364,430 | 13,306 |
| Materials and Supplies | 67,863 | 69,549 | 31,286 | - | 31,286 | 38,263 |
| Contractual Services | - | 234,247 | 199,083 | - | 199,083 | 35,164 |
| Other | - | 7,189 | - | - | - | 7,189 |
| Capital Outlay | 639 | - | - | - | - | - |
| Depreciation | - | - | 7,622 | (7,622) | - | - |
| **TOTAL OPERATING EXPENSES** | 4,641,512 | 4,941,512 | 4,292,566 | (13,376) | 4,279,190 | 662,322 |
| Operating Income (Loss) | (31,584) | (31,584) | 248,454 | 13,376 | 261,830 | 293,414 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | 43,300 | 43,300 | 36,637 | - | 36,637 | (6,663) |
| Net Increase (Decrease) in the Fair Value of Investments | - | - | (5,757) | - | (5,757) | (5,757) |
| Loss on Changes in Accounting Estimates | - | - | (27,764) | - | (27,764) | (27,764) |
| **TOTAL NON-OPERATING REVENUES** | 43,300 | 43,300 | 3,116 | - | 3,116 | (40,184) |
| Income Before Contributions and Transfers | 11,716 | 11,716 | 251,570 | 13,376 | 264,946 | 253,230 |
| **OPERATING TRANSFERS IN/(OUT):** | | | | | | |
| Transfers In | - | - | 2,295 | | 2,295 | 2,295 |
| Transfers Out | (63,102) | (63,102) | (23,578) | - | (23,578) | 39,524 |
| **TOTAL OPERATING TRANSFERS IN/(OUT)** | (63,102) | (63,102) | (21,283) | - | (21,283) | 41,819 |
| Change in Net Assets | (51,386) | (51,386) | 230,287 | 13,376 | 243,663 | 295,049 |
| Total Net Assets - Beginning | 518,695 | 518,695 | 518,695 | - | 518,695 | - |
| **TOTAL NET ASSETS - ENDING** | $ 467,309 | 467,309 | 748,982 | 13,376 | 762,358 | 295,049 |

**CITY OF LAREDO, TEXAS**
**RISK MANAGEMENT**
**STATEMENT OF CASH FLOWS**
**Year ended September 30, 2003**

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 2,615 |
| Receipts from interfund services provided | | 4,540,980 |
| Payment to suppliers | | (4,152,627) |
| Payment to employees | | (363,474) |
| Payment for interfund services used | | (129,271) |
| **Net cash provided (used) by operating activities** | | **(101,777)** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer to other funds | | (21,283) |
| **Net cash provided (used) by noncapital and related financing activities** | | **(21,283)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturity of investments | | 70,208 |
| Interest and dividends received | | 47,249 |
| **Net cash provided (used) by investing activities** | | **117,457** |
| **Net increase (decrease) in cash and cash equivalents** | | **(5,603)** |
| **Cash and cash equivalents - October 1, 2002** | | **6,853** |
| **Cash and cash equivalents - September 30, 2003** | $ | **1,250** |
| **Reconciliation of Operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 248,454 |
| Adjustments to reconcile operating income to net cash provided (used) | | |
| Depreciation expense | | 7,622 |
| (Increase) decrease in accounts receivable | | 2,575 |
| (Increase) decrease in prepaid items | | (74,000) |
| Increase (decrease) in accounts payable | | 193,937 |
| Increase (decrease) in compensated absences payable | | 5,755 |
| Increase (decrease) in accrued wages and employee benefits | | 955 |
| Increase (decrease) in claims and judgments payable | | (487,075) |
| Total adjustments | | (350,231) |
| **Net cash provided by operating activities** | $ | **(101,777)** |
| **Noncash investing, capital, and financing activities:** | | |
| Loss on Changes in Accounting Estimates | | (27,764) |
| Increase (decrease) in the fair value of investments | | (5,757) |

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustment | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 11,382,092 | 11,382,092 | 10,114,751 | - | 10,114,751 | (1,267,341) |
| Reimbursements | 475,000 | 475,000 | 655,547 | - | 655,547 | 180,547 |
| **TOTAL OPERATING REVENUES** | 11,857,092 | 11,857,092 | 10,770,298 | - | 10,770,298 | (1,086,794) |
| **OPERATING EXPENSES:** | | | | | | |
| Cost of Services | 11,088,438 | 10,994,613 | 10,465,454 | - | 10,465,454 | 529,159 |
| Personnel Services | 338,445 | 327,471 | 299,852 | (1,149) | 298,703 | 28,768 |
| Materials and Supplies | 50,137 | 51,801 | 24,980 | - | 24,980 | 26,821 |
| Contractual Services | 296,528 | 378,739 | 319,902 | - | 319,902 | 58,837 |
| Other | - | 20,924 | 773 | - | 773 | 20,151 |
| Capital Outlay | - | - | - | - | - | - |
| Depreciation | - | - | 642 | (642) | - | - |
| **TOTAL OPERATING EXPENSES** | 11,773,548 | 11,773,548 | 11,111,603 | (1,791) | 11,109,812 | 663,736 |
| Operating Income (Loss) | 83,544 | 83,544 | (341,305) | 1,791 | (339,514) | (423,058) |
| **NON-OPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | 70,000 | 70,000 | 67,225 | - | 67,225 | (2,775) |
| Net Increase (Decrease) in the Fair Value of Investments | - | - | (9,660) | - | (9,660) | (9,660) |
| Loss on Changes in Accounting Estimates | - | - | (37,720) | - | (37,720) | (37,720) |
| **TOTAL NON-OPERATING REVENUES** | 70,000 | 70,000 | 19,845 | - | 19,845 | (50,155) |
| Change in Net Assets | 153,544 | 153,544 | (321,460) | 1,791 | (319,669) | (473,213) |
| Total Net Assets - Beginning | 1,342,886 | 1,342,886 | 1,342,886 | - | 1,342,886 | - |
| **TOTAL NET ASSETS-ENDING** | $ 1,496,430 | 1,496,430 | 1,021,426 | 1,791 | 1,023,217 | (473,213) |

**CITY OF LAREDO, TEXAS**
**HEALTH AND BENEFITS**
**STATEMENT OF CASH FLOWS**
**Year ended September 30, 2003**

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 655,547 |
| Receipts from interfund services provided | | 10,114,751 |
| Payment to suppliers | | (10,551,949) |
| Payment to employees | | (295,602) |
| Payment for interfund services used | | (248,020) |
| **Net cash provided (used) by operating activities** | | **(325,273)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturity of investments | | 230,701 |
| Interest and dividends received | | 85,095 |
| **Net cash provided (used) by investing activities** | | **315,796** |
| **Net increase (decrease) in cash and cash equivalents** | | **(9,477)** |
| **Cash and cash equivalents - October 1, 2002** | | **11,425** |
| **Cash and cash equivalents - September 30, 2003** | $ | **1,948** |
| **Reconciliation of Operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | (341,305) |
| Adjustments to reconcile operating income to net cash provided (used) | | |
| Depreciation expense | | 642 |
| Increase (decrease) in accounts payable | | (32,712) |
| Increase (decrease) in compensated absences payable | | 1,149 |
| Increase (decrease) in accrued wages and employee benefits | | 3,101 |
| Increase (decrease) in claims and judgements payable | | 43,852 |
| Total adjustments | | 16,032 |
| **Net cash provided by operating activities** | $ | **(325,273)** |
| **Noncash investing, capital, and financing activities:** | | |
| Loss on Changes in Accounting Estimates | | (37,720) |
| Increase (decrease) in the fair value of investments | | (9,660) |

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustment | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 3,896,999 | 3,896,999 | 3,997,464 | - | 3,997,464 | 100,465 |
| Reimbursements | 800 | 800 | 55,663 | - | 55,663 | 54,863 |
| **TOTAL OPERATING REVENUES** | 3,897,799 | 3,897,799 | 4,053,127 | - | 4,053,127 | 155,328 |
| **OPERATING EXPENSES:** | | | | | | |
| Cost of Services | 2,370,591 | 2,370,591 | 2,297,806 | - | 2,297,806 | 72,785 |
| Personnel Services | 1,559,047 | 1,511,926 | 1,463,454 | (9,132) | 1,454,322 | 57,604 |
| Materials and Supplies | 76,428 | 87,859 | 74,209 | - | 74,209 | 13,650 |
| Contractual Services | 311,164 | 288,946 | 261,977 | - | 261,977 | 26,969 |
| Other | 2,477 | 49,598 | 34,333 | (30,298) | 4,035 | 45,563 |
| Capital Outlay | 179,959 | 190,746 | - | 170,785 | 170,785 | 19,961 |
| Depreciation | - | - | 76,573 | (76,573) | - | - |
| **TOTAL OPERATING EXPENSES** | 4,499,666 | 4,499,666 | 4,208,352 | 54,782 | 4,263,134 | 236,532 |
| Operating Income (Loss) | (601,867) | (601,867) | (155,225) | (54,782) | (210,007) | 391,860 |
| **NON-OPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Investment Income | 15,900 | 15,900 | 2,258 | - | 2,258 | (13,642) |
| Net Increase (Decrease) in the Fair Value of Investments | - | - | (1,265) | - | (1,265) | (1,265) |
| Loss on Changes Accounting Estimates | - | - | (139,767) | - | (139,767) | (139,767) |
| **TOTAL NON-OPERATING REVENUES** | 15,900 | 15,900 | (138,774) | - | (138,774) | (154,674) |
| Change in Net Assets | (585,967) | (585,967) | (293,999) | (54,782) | (348,781) | 237,186 |
| Total Net Assets - Beginning | 1,065,569 | 1,065,569 | 1,065,569 | - | 1,065,569 | - |
| **TOTAL NET ASSETS- ENDING** | $ 479,602 | 479,602 | 771,570 | (54,782) | 716,788 | 237,186 |

**CITY OF LAREDO, TEXAS**
**FLEET MANAGEMENT FUND**
**STATEMENT OF CASH FLOWS**
**Year ended September 30, 2003**

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 78,621 |
| Receipts from interfund services provided | | 3,997,464 |
| Payment to suppliers | | (2,612,584) |
| Payment to employees | | (1,451,949) |
| Payment for interfund services used | | (117,745) |
| **Net cash provided (used) by operating activities** | | **(106,193)** |
| **CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Purchase of capital assets | | (170,785) |
| **Net cash provided (used) by capital and related financing activities** | | **(170,785)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturity of investments | | 271,874 |
| Interest and dividends received | | 4,354 |
| **Net cash provided (used) by investing activities** | | **276,228** |
| **Net increase (decrease) in cash and cash equivalents** | | **(750)** |
| **Cash and cash equivalents - October 1, 2002** | | **1,153** |
| **Cash and cash equivalents - September 30, 2003** | $ | **403** |
| **Reconciliation of Operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | (155,225) |
| Adjustments to reconcile operating income to net cash provided (used) | | |
| Depreciation expense | | 76,573 |
| (Increase) decrease in accounts receivable | | (7,340) |
| Increase in allowable for uncollectible accounts | | 30,298 |
| (Increase) decrease in inventories | | 29,860 |
| Increase (decrease) in accounts payable | | (96,806) |
| Increase (decrease) in compensated absences payable | | 9,132 |
| Increase (decrease) in accrued wages and employee benefits | | 7,315 |
| **Total adjustments** | | **49,032** |
| **Net cash provided by operating activities** | $ | **(106,193)** |
| **Noncash investing, capital, and financing activities:** | | |
| Loss on Changes in Accounting Estimates | | (139,767) |
| Increase (decrease) in the fair value of investments | | (1,265) |

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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, 2003 and 2002**

| | | 2003 | 2002 |
|---|---|---|---|
| **Governmental Funds Capital Assets:** | | | |
| Land | $ | 33,951,099 | 29,522,562 |
| Buildings | | 119,399,882 | 112,713,352 |
| Improvements Other Than Buildings | | 309,829,021 | 278,528,751 |
| Vehicles | | 30,936,305 | 28,988,068 |
| Machinery & Equipment | | 10,099,950 | 7,910,592 |
| Construction in Progress | | 12,718,469 | 261,363 |
| **Total Governmental Funds Capital Assets** | | **516,934,726** | **457,924,688** |

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

| | | | |
|---|---|---|---|
| General Fund | | 271,707,891 | 263,253,989 |
| Special Revenue Funds | | 115,914,331 | 115,694,422 |
| Capital Projects Funds | | 129,312,504 | 78,976,277 |
| **Total Governmental Funds Capital Assets** | $ | **516,934,726** | **457,924,688** |

(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)**
**September 30, 2003**

| 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 | 14,703 | - | - | - | - | 14,703 |
| Municipal Court | 168,812 | 39,981 | 31,900 | - | - | 96,931 |
| Building | 205,369 | - | - | - | 183,369 | 22,000 |
| City Attorney | 125 | - | - | 125 | - | - |
| City Secretary | 37,441 | - | - | - | - | 37,441 |
| Tax Office | 61,324 | - | - | - | - | 61,324 |
| Personnel | 8,867 | - | - | - | - | 8,867 |
| City Planning | 103,137 | - | - | - | 25,819 | 77,318 |
| Finance | 257,213 | 18,574 | - | - | - | 238,639 |
| City Hall Maintenance | 3,803,070 | 3,614,853 | 112,092 | - | - | 76,125 |
| Engineering | 419,953 | - | - | - | 393,568 | 26,385 |
| Management Info. Systems | 332,011 | - | - | - | - | 332,011 |
| Community Development | 6,471,831 | 3,205,465 | 1,351,295 | 1,572,022 | 238,719 | 104,330 |
| Telecommunications | 276,674 | - | - | - | 15,740 | 260,934 |
| General Government | 12,170,438 | 6,878,873 | 1,495,287 | 1,572,147 | 867,123 | 1,357,008 |
| Public Safety: | | | | | | |
| Police | 9,161,967 | - | 6,128,576 | - | 2,688,268 | 345,123 |
| Police Trust Fund | 7,828,303 | - | 271,439 | - | 6,773,831 | 783,033 |
| Auto Theft Task Force | 72,143 | - | - | - | 7,375 | 64,768 |
| Narcotics | 729,799 | - | - | - | 483,454 | 246,345 |
| Financial Task Force | 223,661 | - | - | - | 10,204 | 213,457 |
| Special Police | 1,540,124 | - | - | - | - | 1,540,124 |
| Laredo Border Violence | 267,877 | - | - | - | 240,948 | 26,929 |
| Fire | 7,634,502 | 448,413 | 1,268,087 | - | 5,200,104 | 717,898 |
| Hazardous Materials | 62,690 | - | 9,085 | - | 53,605 | - |
| Parking Meters | 1,035,719 | 919,433 | 2,882 | - | 50,096 | 63,308 |
| Traffic Safety | 8,050,517 | - | 38,724 | 7,461,925 | 464,759 | 85,109 |
| Public Safety | 36,607,302 | 1,367,846 | 7,718,793 | 7,461,925 | 15,972,644 | 4,086,094 |
| Public Works: | | | | | | |
| Capital Improvements Projects | 57,018,546 | 15,605 | 849,064 | 55,706,461 | 301,988 | 145,428 |
| 1998 C.O. Issue | 934,416 | - | 864,429 | - | 69,987 | - |
| Infrastructure Maint. | 77,740 | - | - | - | 62,760 | 14,980 |
| DPW | 7,956,450 | - | 7,956,450 | - | - | - |
| New Fire Stations | 2,741,302 | - | 2,148,486 | - | 592,816 | - |
| Fire Training Facility | 1,752,436 | 455,769 | 1,129,117 | - | - | 167,550 |
| 2000 CO Issue | 3,231,352 | - | 3,231,352 | - | - | - |
| Colonias Project | 1,196,245 | - | - | 1,196,245 | - | - |
| LEC Construction Project | 33,348,400 | 258,500 | 33,089,900 | - | - | - |
| 2002 CO Issue | 1,626,032 | 1,626,032 | - | - | - | - |
| FAA-Noise Abatement | 8,947,256 | 8,945,191 | 2,065 | - | - | - |
| Airport Const. Fund. | 2,827,450 | 396,201 | - | - | 779,609 | 1,651,640 |
| Contractual Obligations | 4,615,806 | - | 776,528 | - | 3,344,595 | 494,683 |
| Public Works | 220,216,039 | 3,930,256 | 3,769,003 | 205,724,126 | 6,711,225 | 81,429 |
| Public Works | $ 346,489,470 | 15,627,554 | 53,816,394 | 262,626,832 | 11,862,980 | 2,555,710 |

(Continued)

**CITY OF LAREDO, TEXAS**
**Capital Assets Used in the Operations of Governmental Funds**
**Schedule by Function and Activity (1)**
**September 30, 2003**

(Continued)

| FUNCTION AND ACTIVITY | TOTAL | LAND | BUILDINGS | IMPROVEMENTS O/T BLDGS | TRANSPORTATION | MACHINERY & EQUIPMENT |
|---|---|---|---|---|---|---|
| Health & Welfare: | | | | | | |
| Health | $ 4,018,487 | 421,278 | 2,266,488 | - | 431,835 | 898,886 |
| Noise Abtm. Lease | 14,643 | - | - | - | 14,643 | - |
| N. P. D. E. S. | 5,981,009 | 511,000 | 107,853 | 4,818,117 | 442,400 | 101,639 |
| Health & Welfare | 10,014,139 | 932,278 | 2,374,341 | 4,818,117 | 888,878 | 1,000,525 |
| Cultural & Recreational: | | | | | | |
| Parks & Recreation | 6,082,892 | 3,110,486 | 2,445,516 | 2,000 | 473,033 | 51,857 |
| Library | 6,904,341 | - | 6,286,879 | 33,000 | 69,770 | 514,692 |
| Cemetery | 128,536 | - | 7,900 | - | 108,936 | 11,700 |
| Friends of the Library | 58,356 | - | - | - | - | 58,356 |
| Civic Center | 1,491,056 | - | 1,316,901 | - | 40,082 | 134,073 |
| Public Access Channel | 1,676,069 | - | 1,401,518 | - | 31,717 | 242,834 |
| Mercado | 1,166,850 | - | 1,162,235 | - | 4,615 | - |
| Convention & Visitor's Bureau | 52,851 | - | 17,300 | - | 35,551 | - |
| West Martin Stadium | 347,490 | - | 340,396 | - | - | 7,094 |
| Cultural & Recreational | 17,908,441 | 3,110,486 | 12,978,645 | 35,000 | 763,704 | 1,020,606 |
| Air Transportation Services: | | | | | | |
| Airport | 81,026,467 | 6,034,062 | 41,016,422 | 33,315,000 | 580,976 | 80,007 |
| Air Transportation Services | 81,026,467 | 6,034,062 | 41,016,422 | 33,315,000 | 580,976 | 80,007 |
| **Total Assets in service** | 504,216,257 | 33,951,099 | 119,399,882 | 309,829,021 | 30,936,305 | 10,099,950 |
| Construction in Progress | 12,718,469 | | | | | |
| **Total Governmental Funds Capital Assets** | $ 516,934,726 | | | | | |

(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 fudns 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)**
**September 30, 2003**

| 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 | 24,403 | - | (9,700) | 14,703 |
| Municipal Court | 71,881 | 96,931 | - | 168,812 |
| Building Inspections | 205,369 | - | - | 205,369 |
| City Attorney | 125 | - | - | 125 |
| City Secretary | 29,028 | 8,413 | - | 37,441 |
| Tax Office | 74,711 | - | (13,387) | 61,324 |
| Personnel | 8,867 | - | - | 8,867 |
| City Planning | 75,637 | 27,500 | - | 103,137 |
| Finance | 257,213 | - | - | 257,213 |
| City Hall Maintenance | 3,803,070 | - | - | 3,803,070 |
| Engineering | 453,421 | - | (33,468) | 419,953 |
| Management Info. Systems | 308,251 | 14,060 | 9,700 | 332,011 |
| Community Development | 4,901,272 | 1,602,916 | (32,357) | 6,471,831 |
| Telecommunications | 276,674 | - | - | 276,674 |
| General Government | 10,499,830 | 1,749,820 | (79,212) | 12,170,438 |
| Public Safety: | | | | |
| Police | 9,175,095 | - | (13,128) | 9,161,967 |
| Police Trust Fund | 5,627,591 | 2,053,104 | 147,608 | 7,828,303 |
| Auto Theft Task Force | 49,061 | 23,082 | - | 72,143 |
| Narcotics | 697,067 | 32,732 | - | 729,799 |
| Financial Task Force | 196,960 | 26,701 | - | 223,661 |
| Special Police | 408,779 | 1,131,345 | - | 1,540,124 |
| Laredo Border Violence | 267,877 | - | - | 267,877 |
| Fire | 7,645,121 | 12,500 | (23,119) | 7,634,502 |
| Hazardous Materials | 53,605 | 9,085 | - | 62,690 |
| Parking Meters | 500,130 | 535,589 | - | 1,035,719 |
| Traffic Safety | 7,689,946 | 360,571 | - | 8,050,517 |
| Public Safety | 32,311,232 | 4,184,709 | 111,361 | 36,607,302 |
| Public Works: | | | | |
| Capital Improvements Project | 28,690,417 | 28,328,129 | - | 57,018,546 |
| 1998 CO Issue | 934,416 | - | - | 934,416 |
| Infrastructure Maint. | 69,165 | 8,575 | - | 77,740 |
| DPW | 7,956,450 | - | - | 7,956,450 |
| New Fire Stations | 2,741,302 | - | - | 2,741,302 |
| Fire Training Facility | 1,296,610 | 455,826 | - | 1,752,436 |
| 2000 CO Issue | - | 3,117,597 | 113,755 | 3,231,352 |
| Colonias Project | - | 1,196,245 | - | 1,196,245 |
| LEC Construction Project | 30,845,634 | 2,502,766 | - | 33,348,400 |
| 2002 CO Issue | - | 1,626,032 | - | 1,626,032 |
| FAA-Noise Abatement | 7,527,469 | 1,419,787 | - | 8,947,256 |
| Airport Construction Fund | 2,328,326 | 499,125 | - | 2,827,451 |
| Contractual Obligation | 4,013,200 | 602,606 | - | 4,615,806 |
| Public Works | 220,889,505 | 29,940 | (703,406) | 220,216,039 |
| Public Works | $ 307,292,494 | 39,786,628 | (589,651) | 346,489,471 |

(Continued)

**CITY OF LAREDO, TEXAS**
**Capital Assets Used in the Operation of Governmental Funds**
**Schedule of Changes by Function and Activity (1)**
**September 30, 2003**

| FUNCTION AND ACTIVITY | BALANCE AT BEGINNING OF YEAR | ADDITIONS | DISPOSALS/ TRANSFERS | BALANCE AT END OF YEAR |
|---|---|---|---|---|
| Health & Welfare: | | | | |
| Health | $ 3,887,715 | 145,476 | (14,704) | 4,018,487 |
| Noise Abatement Lease Pch. | 14,643 | - | - | 14,643 |
| N. P. D. E. S. | 5,716,872 | 264,137 | - | 5,981,009 |
| Health & Welfare | 9,619,230 | 409,613 | (14,704) | 10,014,139 |
| Cultural & Recreational: | | | | |
| Parks & Recreation | 5,279,055 | 604,521 | 199,316 | 6,082,892 |
| Library | 6,904,341 | - | - | 6,904,341 |
| Cemetery | 128,536 | - | - | 128,536 |
| Friends of the Library | 35,820 | 22,536 | - | 58,356 |
| Civic Center | 1,330,027 | 161,029 | - | 1,491,056 |
| Public Access Channel | 1,633,875 | 42,194 | - | 1,676,069 |
| Mercado | 1,166,850 | - | - | 1,166,850 |
| Convention & Visitors Bureau | 52,851 | - | - | 52,851 |
| West Martin Stadium | 347,490 | - | - | 347,490 |
| Cultural & Recreational | 16,878,845 | 830,280 | 199,316 | 17,908,441 |
| Air Transportation Services: | | | | |
| Airport | 81,061,694 | - | (35,228) | 81,026,466 |
| Air Transportation Services | 81,061,694 | - | (35,228) | 81,026,466 |
| Total Assets In Service | 457,663,325 | 46,961,050 | (408,118) | 504,216,257 |
| Construction in Progress | 261,363 | 12,718,469 | (261,363) | 12,718,469 |
| **Total Governmental Funds Capital Assets** | **$ 457,924,688** | **59,679,519** | **(669,481)** | **516,934,726** |

(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, operations 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 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 33 bus routes, Monday thru Saturday, and 18 bus routes on Sunday.

**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 211 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 fifteen booster stations and the related revenue received from 50,997 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 48,715 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.

**LAREDO WATER CORPORATION** – to account for the costs of acquiring and providing a secondary water source alternative for the City.

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET ASSETS
September 30, 2003

| | MUNICIPAL HOUSING CORPORATION | LAREDO WATER CORPORATION | TOTALS |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents: | | | |
| Cash | $ 200 | - | 200 |
| Equity in Investment Pool | 1,044 | - | 1,044 |
| Investments | 1,607,329 | - | 1,607,329 |
| Receivable: | | | |
| Accrued Interest | 2,446 | - | 2,446 |
| Accounts | 19,710 | - | 19,710 |
| Total Current Assets | 1,630,729 | - | 1,630,729 |
| Noncurrent Assets: | | | |
| Restricted Assets: | | | |
| Investments | 65,105 | - | 65,105 |
| Total Restricted Assets | 65,105 | - | 65,105 |
| Capital Assets: | | | |
| Transportation Vehicles and Equipment | 162,650 | - | 162,650 |
| Buildings | 3,623,431 | - | 3,623,431 |
| Improvements | 131,362 | - | 131,362 |
| Land and Improvements | 278,885 | - | 278,885 |
| Less Accumulated Depreciation | (2,614,547) | - | (2,614,547) |
| Total Capital Assets (net of accumulated depreciation) | 1,581,781 | - | 1,581,781 |
| Total Noncurrent Assets | 1,646,886 | - | 1,646,886 |
| **TOTAL ASSETS** | $ **3,277,615** | - | **3,277,615** |

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET ASSETS
September 30, 2003

(Continued)

| | MUNICIPAL HOUSING CORPORATION | LAREDO WATER CORPORATION | TOTALS |
|---|---|---|---|
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts Payable | $ 18,450 | - | 18,450 |
| Retainage Payable | 5,704 | - | 5,704 |
| Accrued Wages & Employee Benefits | 14,820 | - | 14,820 |
| Compensated Absences | 8,512 | - | 8,512 |
| Deferred Revenue | 9,971 | - | 9,971 |
| Total Current Liabilities | 57,457 | - | 57,457 |
| Current Liabilities Payable from Restricted Assets: | | | |
| Customer Deposits | 65,105 | - | 65,105 |
| Total Current Liabilities Payable from Restricted Assets | 65,105 | - | 65,105 |
| Noncurrent Liabilities: | | | |
| Compensated Absences | 1,420 | - | 1,420 |
| Total Noncurrent Liabilities | 1,420 | - | 1,420 |
| **TOTAL LIABILITIES** | **123,982** | - | **123,982** |
| **NET ASSETS** | | | |
| Invested in Capital Assets, Net of Related Debt | 1,581,781 | - | 1,581,781 |
| Unrestricted | 1,571,852 | - | 1,571,852 |
| **TOTAL NET ASSETS** | $ **3,153,633** | - | **3,153,633** |

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
Year ended September 30, 2003

| | MUNICIPAL HOUSING CORPORATION | LAREDO WATER CORPORATION | TOTALS |
|---|---|---|---|
| **OPERATING REVENUES:** | | | |
| Charges for Services | $ 43,848 | - | 43,848 |
| Rental of Facilities | 1,077,785 | - | 1,077,785 |
| Miscellaneous | 26,033 | - | 26,033 |
| **TOTAL OPERATING REVENUES** | **1,147,666** | - | **1,147,666** |
| **OPERATING EXPENSES:** | | | |
| Personnel Services | 380,335 | - | 380,335 |
| Materials and Supplies | 51,172 | - | 51,172 |
| Contractual Services | 282,201 | - | 282,201 |
| Other | 48,049 | - | 48,049 |
| Total Operating Expenses Before Depreciation | 761,757 | - | 761,757 |
| Depreciation Expense | 151,366 | - | 151,366 |
| **TOTAL OPERATING EXPENSES** | **913,123** | - | **913,123** |
| Operating Income (Loss) | 234,543 | - | 234,543 |
| **NON-OPERATING REVENUES (EXPENSES):** | | | |
| Investment Income: | | | |
| Interest Earnings | 99,305 | - | 99,305 |
| Net Increase (Decrease) In Fair Value Of Investment | (6,029) | - | (6,029) |
| Contributions | - | 42,846 | 42,846 |
| Gain (Loss) On Sale of Assets | 48,821 | - | 48,821 |
| Loss on Changes in Accounting Estimates | (12,724) | - | (12,724) |
| Interest Expense | (32,010) | - | (32,010) |
| Construction | - | (54,581) | (54,581) |
| **TOTAL NON-OPERATING REVENUES (EXPENSES)** | **97,363** | **(11,735)** | **85,628** |
| Income (Loss) Before Contributions and Transfers | 331,906 | (11,735) | 320,171 |
| Transfers Out | (865,000) | - | (865,000) |
| Change in Net Assets | (533,094) | (11,735) | (544,829) |
| Total Net Assets-Beginning | 3,686,727 | 11,735 | 3,698,462 |
| **Total Net Assets-Ending** | $ **3,153,633** | - | **3,153,633** |

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | MUNICIPAL HOUSING CORPORATION | LAREDO WATER CORPORATION | TOTALS |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| Receipts from customers and users | $ 984,112 | - | 984,112 |
| Payments to suppliers | (132,172) | - | (132,172) |
| Payments to employees | (380,829) | - | (380,829) |
| Payments for interfund services used | (259,544) | - | (259,544) |
| **Net cash provided (used) by operating activities** | **211,567** | - | **211,567** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | |
| Transfer to other funds | (865,000) | - | (865,000) |
| Advances from other funds | - | 11,735 | 11,735 |
| **Net cash provided (used) by noncapital and related financing activities** | **(865,000)** | **11,735** | **(853,265)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | |
| Subsidy from federal and state grants | - | 42,846 | 42,846 |
| Purchases of capital assets | (57,922) | (54,581) | (112,503) |
| Principal paid on capital debt | (3,733) | - | (3,733) |
| Interest paid on capital debt | (32,010) | - | (32,010) |
| **Net cash provided (used) by capital and related financing activities** | **(93,665)** | **(11,735)** | **(105,400)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Proceeds from sales and maturities of investments | 457,539 | - | 457,539 |
| Interest and dividends received | 111,116 | - | 111,116 |
| **Net cash provided (used) by investing activities** | **568,655** | - | **568,655** |
| **Net increase (decrease) in cash and cash equivalents** | **(178,443)** | - | (178,443) |
| **Cash and cash equivalents, October 1** | **179,687** | - | 179,687 |
| **Cash and cash equivalents, September 30** | $ **1,244** | - | **1,244** |
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | | |
| Operating income | $ 234,543 | - | 234,543 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 151,367 | - | 151,367 |
| (Increase) decrease in accounts receivable | 3,368 | - | 3,368 |
| Increase in allowance for uncollectible accounts | 3,215 | - | 3,215 |
| Increase in customer deposits | (1,820) | - | (1,820) |
| Increase (decrease) in accounts payable | (10,295) | - | (10,295) |
| Increase (decrease) in deferred revenues | (168,317) | - | (168,317) |
| Increase (decrease) in compensated absences payable | (662) | - | (662) |
| Increase (decrease) in accrued wages and employee benefits | 168 | - | 168 |
| Total adjustments | (22,976) | - | (22,976) |
| **Net cash provided (used) by operating activities** | $ **211,567** | - | **211,567** |
| **Noncash investing, capital, and financing activities:** | | | |
| Increase (Decrease) in fair value of investments | (6,029) | - | (6,029) |

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 2,432,600 | 2,432,600 | 2,053,057 | - | 2,053,057 | (379,543) |
| Miscellaneous | 54,200 | 54,200 | 82,624 | - | 82,624 | 28,424 |
| Rental of Facilities | 406,100 | 406,100 | 464,649 | - | 464,649 | 58,549 |
| **TOTAL OPERATING REVENUES** | 2,892,900 | 2,892,900 | 2,600,330 | - | 2,600,330 | (292,570) |
| **OPERATING EXPENSES:** | | | | | | |
| Opt-Fixed Route | | | | | | |
| Personnel Services | 4,507,130 | 4,288,663 | 4,288,663 | (2,801) | 4,285,862 | 2,801 |
| Materials and Supplies | 546,530 | 706,142 | 667,286 | - | 667,286 | 38,856 |
| Contractual Services | 304,375 | 273,982 | 253,298 | - | 253,298 | 20,684 |
| Other | 46,960 | 49,960 | (114,526) | - | (114,526) | 164,486 |
| Total Opt-Fixed Route | 5,404,995 | 5,318,747 | 5,094,721 | (2,801) | 5,091,920 | 226,827 |
| Opt-Para Transit | | | | | | |
| Personnel Services | 910,991 | 903,296 | 900,371 | (1,432) | 898,939 | 4,357 |
| Materials and Supplies | 120,954 | 100,204 | 94,008 | - | 94,008 | 6,196 |
| Contractual Services | 99,725 | 100,228 | 85,236 | - | 85,236 | 14,992 |
| Other | 15,200 | 16,900 | 14,961 | - | 14,961 | 1,939 |
| Total Opt-Para Transit | 1,146,870 | 1,120,628 | 1,094,576 | (1,432) | 1,093,144 | 27,484 |
| Maint-Fixed Route | | | | | | |
| Personnel Services | 832,109 | 1,136,005 | 1,121,374 | (8,079) | 1,113,295 | 22,710 |
| Materials and Supplies | 514,807 | 589,048 | 577,921 | - | 577,921 | 11,127 |
| Contractual Services | 230,878 | 169,258 | 156,042 | - | 156,042 | 13,216 |
| Total Maint-Fixed Route | 1,577,794 | 1,894,311 | 1,855,337 | (8,079) | 1,847,258 | 47,053 |
| Maint-Para Transit | | | | | | |
| Personnel Services | 203,489 | 217,228 | 214,095 | (1,406) | 212,689 | 4,539 |
| Materials and Supplies | 52,783 | 89,383 | 82,544 | - | 82,544 | 6,839 |
| Contractual Services | 56,732 | 25,670 | 19,614 | - | 19,614 | 6,056 |
| Total Maint-Para Transit | 313,004 | 332,281 | 316,253 | (1,406) | 314,847 | 17,434 |
| Training & Safety | | | | | | |
| Personnel Services | 110,847 | 72,384 | 55,617 | 839 | 56,456 | 15,928 |
| Materials and Supplies | 3,861 | 4,411 | 2,877 | - | 2,877 | 1,534 |
| Contractual Services | 8,600 | 6,400 | 5,448 | - | 5,448 | 952 |
| Total Training & Safety | 123,308 | 83,195 | 63,942 | 839 | 64,781 | 18,414 |
| Building/Grounds | | | | | | |
| Personnel Services | 229,739 | 150,578 | 122,605 | (1,523) | 121,082 | 29,496 |
| Materials and Supplies | 31,788 | 32,494 | 26,075 | - | 26,075 | 6,419 |
| Contractual Services | 217,781 | 189,322 | 150,943 | - | 150,943 | 38,379 |
| Total Building/Grounds | $ 479,308 | 372,394 | 299,623 | (1,523) | 298,100 | 74,294 |

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| Bus Stop/Shelters | | | | | | |
| Personnel Services | $ 85,398 | 82,583 | 80,755 | - | 80,755 | 1,828 |
| Materials and Supplies | 9,246 | 8,146 | 6,374 | - | 6,374 | 1,772 |
| Contractual Services | 19,879 | 12,226 | 7,398 | - | 7,398 | 4,828 |
| Total Bus Stop/Shelters | 114,523 | 102,955 | 94,527 | - | 94,527 | 8,428 |
| General Administration | | | | | | |
| Personnel Services | 412,169 | 202,586 | 148,332 | 14,636 | 162,968 | 39,618 |
| Materials and Supplies | 16,738 | 11,848 | 8,321 | - | 8,321 | 3,527 |
| Contractual Services | 301,234 | 463,416 | 416,765 | - | 416,765 | 46,651 |
| Other | - | 250 | 391 | - | 391 | (141) |
| Total General Administration | 730,141 | 678,100 | 573,809 | 14,636 | 588,445 | 89,655 |
| Planning | | | | | | |
| Personnel Services | 112,702 | 81,197 | 66,442 | (1,014) | 65,428 | 15,769 |
| Materials and Supplies | 3,300 | 3,300 | 1,359 | - | 1,359 | 1,941 |
| Contractual Services | 20,605 | 20,605 | 3,111 | - | 3,111 | 17,494 |
| Total Planning | 136,607 | 105,102 | 70,912 | (1,014) | 69,898 | 35,204 |
| Marketing | | | | | | |
| Personnel Services | 81,331 | 77,598 | 66,431 | 260 | 66,691 | 10,907 |
| Materials and Supplies | 9,415 | 9,415 | 5,860 | - | 5,860 | 3,555 |
| Contractual Services | 62,435 | 35,635 | 18,419 | - | 18,419 | 17,216 |
| Total Marketing | 153,181 | 122,648 | 90,710 | 260 | 90,970 | 31,678 |
| Customer Service | | | | | | |
| Personnel Services | 180,460 | 242,330 | 241,879 | (483) | 241,396 | 934 |
| Materials and Supplies | 15,730 | 6,730 | 3,584 | - | 3,584 | 3,146 |
| Contractual Services | 21,673 | 18,173 | 7,559 | - | 7,559 | 10,614 |
| Total Customer Service | 217,863 | 267,233 | 253,022 | (483) | 252,539 | 14,694 |
| Transit Center Building | | | | | | |
| Personnel Services | 231,290 | 268,100 | 267,316 | (451) | 266,865 | 1,235 |
| Materials and Supplies | 53,324 | 57,484 | 52,267 | - | 52,267 | 5,217 |
| Contractual Services | 178,242 | 168,942 | 137,416 | - | 137,416 | 31,526 |
| Total General Administration | 462,856 | 494,526 | 456,999 | (451) | 456,548 | 37,978 |
| Transit Center Facility | | | | | | |
| Personnel Services | 146,511 | 114,951 | 92,787 | 309 | 93,096 | 21,855 |
| Materials and Supplies | 12,044 | 9,544 | 3,927 | - | 3,927 | 5,617 |
| Contractual Services | 66,786 | 69,176 | 19,948 | - | 19,948 | 49,228 |
| Other | 200 | 200 | (17) | - | (17) | 217 |
| Total Transit Center Facility | 225,541 | 193,871 | 116,645 | 309 | 116,954 | 76,917 |
| Total Operating Expenses Before Depreciation | 11,085,991 | 11,085,991 | 10,381,076 | (1,145) | 10,379,931 | 706,060 |
| Depreciation | - | - | 1,684,485 | (1,684,485) | - | - |
| **TOTAL OPERATING EXPENSES** | 11,085,991 | 11,085,991 | 12,065,561 | (1,685,630) | 10,379,931 | 706,060 |
| Operating Income (Loss) | $ (8,193,091) | (8,193,091) | (9,465,231) | 1,685,630 | (7,779,601) | 413,490 |

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 139,600 | 139,600 | 96,864 | - | 96,864 | (42,736) |
| Net Increase/(Decrease) In Fair Value of Investments | - | - | (16,860) | - | (16,860) | (16,860) |
| Sales Tax | 4,527,986 | 4,527,986 | 4,331,368 | - | 4,331,368 | (196,618) |
| Gain/(Loss) On Sale of Equipment | - | - | (887) | - | (887) | (887) |
| FTA Capital Grant | - | 2,589,556 | 234,201 | - | 234,201 | (2,355,355) |
| State Capital Grant | - | 1,966,685 | 995,085 | - | 995,085 | (971,600) |
| FTA Operating Grant | 3,500,000 | 4,143,012 | 3,830,173 | - | 3,830,173 | (312,839) |
| State Dept. of Highways | 500,000 | 529,909 | 529,909 | - | 529,909 | - |
| Interest Expense | (651) | (651) | (649) | - | (649) | 2 |
| Principal Paid on Capital Lease | (24,768) | (24,768) | - | (24,767) | (24,767) | 1 |
| Construction | - | (25,956) | (25,956) | - | (25,956) | - |
| Capital Outlay | (1,435,912) | (9,028,801) | - | (4,848,372) | (4,848,372) | 4,180,429 |
| Other | (5,169,700) | (3,795,935) | - | - | - | 3,795,935 |
| **TOTAL NONOPERATING REVENUES AND (EXPENSES)** | 2,036,555 | 1,020,637 | 9,973,248 | (4,873,139) | 5,100,109 | 4,079,472 |
| Income (Loss) Before Contributions and Transfers | (6,156,536) | (7,172,454) | 508,017 | (3,187,509) | (2,679,492) | 4,492,962 |
| Transfers In: | | | | | | |
| Transit Sales Tax | 4,068,127 | 3,519,206 | - | 3,544,663 | 3,544,663 | 25,457 |
| Transfers Out: | | | | | | |
| General Fund | (34,347) | (34,347) | (34,347) | - | (34,347) | - |
| Debt Service | (438,803) | (438,803) | (438,802) | - | (438,802) | 1 |
| Transit Operations | (3,825,955) | (3,153,034) | - | (3,354,501) | (3,354,501) | (201,467) |
| Transit Center Facility | (242,172) | (242,172) | - | (66,162) | (66,162) | 176,010 |
| Capital and Planning | - | (124,000) | - | (124,000) | (124,000) | - |
| Change in Net Assets | (6,629,686) | (7,645,604) | 34,868 | (3,187,509) | (3,152,641) | 4,492,963 |
| Total Net Assets-Beginning | 32,824,317 | 32,824,317 | 32,824,317 | - | 32,824,317 | - |
| **Total Net Assets-Ending** | $ 26,194,631 | 25,178,713 | 32,859,185 | (3,187,509) | 29,671,676 | 4,492,963 |

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CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 2,603,373 |
| Payments to suppliers | | (2,346,017) |
| Payments to employees | | (7,398,449) |
| Payments for interfund services used | | (374,992) |
| **Net cash provided (used) by operating activities** | | **(7,516,085)** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer to other funds | | (592,074) |
| Subsidy from federal and state grants | | 6,972,900 |
| Sales Tax | | 4,331,368 |
| **Net cash provided (used) by noncapital and related financing activities** | | **10,712,194** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Subsidy from federal and state grants | | 1,229,286 |
| Purchases of capital assets | | (4,848,372) |
| Acquisition and construction of capital assets | | (25,956) |
| Principal paid on capital debt | | (24,767) |
| Interest paid on capital debt | | (649) |
| **Net cash provided (used) by capital and related financing activities** | | **(3,670,458)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | 232,131 |
| Interest and dividends received | | 119,735 |
| **Net cash provided (used) by investing activities** | | **351,866** |
| **Net increase (decrease) in cash and cash equivalents** | | **(122,483)** |
| **Cash and cash equivalents, October 1** | | **142,734** |
| **Cash and cash equivalents, September 30** | $ | **20,251** |

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | (9,465,231) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 1,684,485 |
| (Increase) decrease in accounts receivable | | (7,994) |
| Increase in allowance for uncollectible accounts | | 163 |
| (Increase) decrease in inventories | | (23,117) |
| Increase in customer deposits | | 1,310 |
| Increase (decrease) in accounts payable | | 16,517 |
| Increase (decrease) in deferred revenues | | 9,564 |
| Increase (decrease) in compensated absences payable | | 1,145 |
| Increase (decrease) in accrued wages and employee benefits | | 267,073 |
| **Total adjustments** | | **1,949,146** |
| **Net cash provided (used) by operating activities** | $ | **(7,516,085)** |
| **Noncash investing, capital and financing activities:** | | |
| Disposition assets | | (887) |
| Increase (Decrease) in fair value of investements | | (16,860) |

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Rental of Facilities | $ 2,102,619 | 2,102,619 | 1,971,204 | - | 1,971,204 | (131,415) |
| Toll Receipts | 34,266,363 | 34,266,363 | 32,437,505 | - | 32,437,505 | (1,828,858) |
| Miscellaneous | 3,844 | 3,844 | 18,837 | - | 18,837 | 14,993 |
| **Total Operating Revenues** | 36,372,826 | 36,372,826 | 34,427,546 | - | 34,427,546 | (1,945,280) |
| **OPERATING EXPENSES:** | | | | | | |
| Laredo Bridge Operations | | | | | | |
| Personnel Services | 1,457,475 | 1,351,951 | 1,175,035 | 140,269 | 1,315,304 | 36,647 |
| Materials and Supplies | 114,454 | 50,509 | 44,494 | - | 44,494 | 6,015 |
| Contractual Services | 18,389,392 | 18,716,339 | 17,876,587 | - | 17,876,587 | 839,752 |
| Other | 74,539 | 86,333 | 31,154 | (7,833) | 23,321 | 63,012 |
| Capital Outlay | - | 3,000 | - | 2,685 | 2,685 | 315 |
| Total Laredo Bridge Operations | 20,035,860 | 20,208,132 | 19,127,270 | 135,121 | 19,262,391 | 945,741 |
| Bridge II Operations | | | | | | |
| Personnel Services | 1,724,942 | 1,761,678 | 1,657,931 | (103,734) | 1,554,197 | 207,481 |
| Materials and Supplies | 177,070 | 122,920 | 84,893 | - | 84,893 | 38,027 |
| Contractual Services | 726,516 | 728,266 | 514,479 | - | 514,479 | 213,787 |
| Other | - | 12 | 12 | - | 12 | - |
| Capital Outlay | - | 17,300 | - | - | - | 17,300 |
| Total Bridge II Operations | 2,628,528 | 2,630,176 | 2,257,315 | (103,734) | 2,153,581 | 476,595 |
| Colombia Bridge Operations | | | | | | |
| Personnel Services | 855,751 | 875,104 | 836,073 | 5,889 | 841,962 | 33,142 |
| Materials and Supplies | 42,265 | 35,420 | 29,999 | - | 29,999 | 5,421 |
| Contractual Services | 187,086 | 199,131 | 117,384 | - | 117,384 | 81,747 |
| Total Colombia Bridge Operations | 1,085,102 | 1,109,655 | 983,456 | 5,889 | 989,345 | 120,310 |
| Fourth Bridge Operations | | | | | | |
| Personnel Services | 1,953,936 | 1,929,970 | 1,763,454 | 15,398 | 1,778,852 | 151,118 |
| Materials and Supplies | 201,036 | 179,577 | 136,680 | - | 136,680 | 42,897 |
| Contractual Services | 343,479 | 368,521 | 321,096 | - | 321,096 | 47,425 |
| Capital Outlay | 6,586 | 6,586 | - | 6,586 | 6,586 | - |
| Total Fourth Bridge Operations | 2,505,037 | 2,484,654 | 2,221,230 | 21,984 | 2,243,214 | 241,440 |
| Fifth Bridge | | | | | | |
| Contractual Services | 415,136 | 415,136 | 355,176 | - | 355,176 | 59,960 |
| Total Fifth Bridge | 415,136 | 415,136 | 355,176 | - | 355,176 | 59,960 |
| Total Operating Expenses Before Depreciation | 26,669,663 | 26,847,753 | 24,944,447 | 59,260 | 25,003,707 | 1,844,046 |
| Depreciation | - | - | 3,136,616 | (3,136,616) | - | - |
| **TOTAL OPERATING EXPENSES** | 26,669,663 | 26,847,753 | 28,081,063 | (3,077,356) | 25,003,707 | 1,844,046 |
| Operating Income (Loss) | $ 9,703,163 | 9,525,073 | 6,346,483 | 3,077,356 | 9,423,839 | (101,234) |

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| **Investment Income:** | | | | | | |
| Interest Earnings | $ 66,185 | 66,185 | 79,339 | - | 79,339 | 13,154 |
| Interest Earnings - Restricted | 212,315 | 212,315 | 361,736 | - | 361,736 | 149,421 |
| Net Increase (Decrease) In Fair Value Of Investments | - | - | (31,865) | - | (31,865) | (31,865) |
| Loss on Changes in Accounting Estimates | - | - | (271,531) | - | (271,531) | (271,531) |
| Interest Expense | (2,165,657) | (2,165,895) | (4,176,848) | 1,408,433 | (2,768,415) | (602,520) |
| Principal Paid Revenue Bonds | (3,705,000) | (3,705,000) | - | (4,110,000) | (4,110,000) | (405,000) |
| Fiscal Agent Fees | (3,500) | (3,500) | (2,862) | - | (2,862) | 638 |
| Bond Issuance Cost Amortized | - | - | (233,916) | 233,916 | - | - |
| Construction | (68,187,460) | (87,559,713) | (82,386) | (1,234,968) | (1,317,354) | 86,242,359 |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | (73,783,117) | (93,155,608) | (4,358,333) | (3,702,619) | (8,060,952) | 85,094,656 |
| Income Before Contributions and Transfers | (64,079,954) | (83,630,535) | 1,988,150 | (625,263) | 1,362,887 | 84,993,422 |
| Transfers In: | | | | | | |
| Bridge Operating Fund | 4,592,450 | 4,592,450 | - | 5,092,576 | 5,092,576 | 500,126 |
| General Fund | - | 3,500,000 | 3,500,000 | - | 3,500,000 | - |
| Transfers Out: | | | | | | |
| Capital Improvement Fund | (3,521,799) | (3,343,471) | (3,042,952) | - | (3,042,952) | 300,519 |
| General Fund | - | - | (3,500,000) | - | (3,500,000) | (3,500,000) |
| Bridge Construction Projects | (455,958) | (455,958) | - | (455,958) | (455,958) | - |
| Bridge Debt Service | (4,136,492) | (4,136,492) | - | (4,636,618) | (4,636,618) | (500,126) |
| Change in Net Assets | (67,601,753) | (83,474,006) | (1,054,802) | (625,263) | (1,680,065) | 81,793,941 |
| Total Net Assets-Beginning | 24,140,252 | 24,140,252 | 24,140,252 | - | 24,140,252 | - |
| **Total Net Assets-Ending** | $ (43,461,501) | (59,333,754) | 23,085,450 | (625,263) | 22,460,187 | 81,793,941 |

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 34,426,295 |
| Payments to suppliers | | (18,417,017) |
| Payments to employees | | (5,487,881) |
| Payments for interfund services used | | (1,192,577) |
| **Net cash provided by operating activities** | | **9,328,820** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer from other funds | | 457,048 |
| **Net cash provided (used) by noncapital and related financing activities** | | **457,048** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Purchases of capital assets | | (1,244,239) |
| Acquisition and construction of capital assets | | (82,386) |
| Principal paid on capital debt | | (4,110,000) |
| Interest paid on capital debt | | (2,771,278) |
| **Net cash provided (used) by capital and related financing activities** | | **(8,207,903)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | (2,060,883) |
| Interest and dividends received | | 488,109 |
| **Net cash provided (used) by investing activities** | | **(1,572,774)** |
| **Net increase (decrease) in cash and cash equivalents** | | **5,191** |
| **Cash and cash equivalents, October 1** | | **25,325** |
| **Cash and cash equivalents, September 30** | $ | **30,516** |

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 6,346,483 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 3,136,616 |
| (Increase) decrease in accounts receivable | | 2,017 |
| Increase in allowance for uncollectible accounts | | 5,864 |
| Increase in customer deposits | | 46,144 |
| Increase (decrease) in accounts payable | | (97,639) |
| Increase (decrease) in deferred revenues | | (55,276) |
| Increase (decrease) in compensated absences payable | | (57,821) |
| Increase (decrease) in accrued wages and employee benefits | | 2,432 |
| **Total adjustments** | | **2,982,337** |
| **Net cash provided by operating activities** | $ | **9,328,820** |
| **Noncash investing, capital, and financing activities:** | | |
| SIB loan accrued interest | | 1,408,433 |
| Bond issuance cost amortized | | 233,916 |
| Loss on Changes in Accounting Estimates | | (271,531) |
| Increase (Decrease) in fair value of investments | | (31,865) |

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Rental of Facilities | $ 1,086,513 | 1,086,513 | 1,077,785 | - | 1,077,785 | (8,728) |
| Charges For Services | 37,650 | 37,650 | 43,848 | - | 43,848 | 6,198 |
| Miscellaneous | 24,847 | 24,847 | 26,033 | - | 26,033 | 1,186 |
| **TOTAL OPERATING REVENUES** | 1,149,010 | 1,149,010 | 1,147,666 | - | 1,147,666 | (1,344) |
| **OPERATING EXPENSES:** | | | | | | |
| Airport Housing | | | | | | |
| Personnel Services | 333,167 | 325,675 | 310,054 | 612 | 310,666 | 15,009 |
| Materials and Supplies | 58,919 | 74,032 | 37,400 | - | 37,400 | 36,632 |
| Contractual Services | 212,200 | 226,219 | 218,044 | - | 218,044 | 8,175 |
| Other | 31,762 | 48,022 | 35,449 | (1,583) | 33,866 | 14,156 |
| Capital Outlay | 64,660 | 61,500 | - | 43,491 | 43,491 | 18,009 |
| Total Airport Housing | 700,708 | 735,448 | 600,947 | 42,520 | 643,467 | 91,981 |
| West Laredo Housing | | | | | | |
| Personnel Services | 72,318 | 72,280 | 70,281 | 50 | 70,331 | 1,949 |
| Materials and Supplies | 20,524 | 25,071 | 13,179 | - | 13,179 | 11,892 |
| Contractual Services | 71,562 | 71,322 | 63,740 | - | 63,740 | 7,582 |
| Other | 12,600 | 12,600 | 12,600 | - | 12,600 | - |
| Capital Outlay | - | 14,686 | - | 14,431 | 14,431 | 255 |
| Total West Laredo Housing | 177,004 | 195,959 | 159,800 | 14,481 | 174,281 | 21,678 |
| Housing Construction | | | | | | |
| Materials & Supplies | 10,088 | 10,088 | 593 | - | 593 | 9,495 |
| Contractual Services | 10,142 | 10,142 | 20 | - | 20 | 10,122 |
| Capital Outlay | 28,368 | 335 | - | - | - | 335 |
| Total Housing Construction | 48,598 | 20,565 | 613 | - | 613 | 19,952 |
| Condominium Complex | | | | | | |
| Personnel | 26,150 | 17,420 | - | - | - | 17,420 |
| Materials & Supplies | 7,512 | 7,512 | - | - | - | 7,512 |
| Contractual Services | 11,100 | 11,100 | 397 | - | 397 | 10,703 |
| Total Condominium Complex | 44,762 | 36,032 | 397 | - | 397 | 35,635 |
| Total Operating Expenses Before Depreciation | 971,072 | 988,004 | 761,757 | 57,001 | 818,758 | 169,246 |
| Depreciation Expense | - | - | 151,366 | (151,366) | - | - |
| **TOTAL OPERATING EXPENSES** | 971,072 | 988,004 | 913,123 | (94,365) | 818,758 | 169,246 |
| Operating Income (Loss) | $ 177,938 | 161,006 | 234,543 | 94,365 | 328,908 | 167,902 |

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2002

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 54,100 | 54,100 | 46,239 | - | 46,239 | (7,861) |
| Interest Earnings Restricted | - | 53,065 | 53,066 | - | 53,066 | 1 |
| Net Increase (Decrease) In Fair Value Of Investments | - | - | (6,029) | - | (6,029) | (6,029) |
| Gain on Sale of Assets | - | - | 48,821 | - | 48,821 | 48,821 |
| Loss on Changes in Accounting Estimates | - | - | (12,724) | - | (12,724) | (12,724) |
| Interest Expense | - | (32,300) | (32,010) | - | (32,010) | 290 |
| Principal Paid On Notes | - | (3,833) | - | (3,733) | (3,733) | 100 |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | 54,100 | 71,032 | 97,363 | (3,733) | 93,630 | 22,598 |
| Income (Loss) Before Contributions and Transfers | 232,038 | 232,038 | 331,906 | 90,632 | 422,538 | 190,500 |
| Transfers Out: | | | | | | |
| Capital Improvements | - | (865,000) | (865,000) | - | (865,000) | - |
| Change in Net Assets | 232,038 | (632,962) | (533,094) | 90,632 | (442,462) | 190,500 |
| Total Net Assets-Beginning | 3,686,727 | 3,686,727 | 3,686,727 | - | 3,686,727 | - |
| **Total Net Assets-Ending** | $ 3,918,765 | 3,053,765 | 3,153,633 | 90,632 | 3,244,265 | 190,500 |

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 984,112 |
| Payments to suppliers | | (132,172) |
| Payments to employees | | (380,829) |
| Payments for interfund services used | | (259,544) |
| **Net cash provided by operating activities** | | **211,567** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer to other funds | | (865,000) |
| **Net cash provided (used) by noncapital and related financing activities** | | **(865,000)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Purchases of capital assets | | (57,922) |
| Principal paid on capital debt | | (3,733) |
| Interest paid on capital debt | | (32,010) |
| **Net cash provided (used) by capital and related financing activities** | | **(93,665)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | 457,539 |
| Interest and dividends received | | 111,116 |
| **Net cash provided (used) by investing activities** | | **568,655** |
| **Net increase (decrease) in cash and cash equivalents** | | **(178,443)** |
| **Cash and cash equivalents, October 1** | | **179,687** |
| **Cash and cash equivalents, September 30** | $ | **1,244** |

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 234,543 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 151,367 |
| (Increase) decrease in accounts receivable | | 3,368 |
| Increase in allowance for uncollectible accounts | | 3,215 |
| Increase in allowance for deferred revenue | | (168,317) |
| Increase in customer deposits | | (1,820) |
| Increase (decrease) in accounts payable | | (10,295) |
| Increase (decrease) in compensated absences payable | | (662) |
| Increase (decrease) in accrued wages and employee benefits | | 168 |
| **Total adjustments** | | **(22,976)** |
| **Net cash provided by operating activities** | $ | **211,567** |
| **Noncash investing, capital and financing activities:** | | |
| Loss on Changes in Accounting Estimates | | (12,724) |
| Increase (Decrease) in fair value of investements | | (6,029) |

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 15,793,266 | 15,793,266 | 14,444,856 | - | 14,444,856 | (1,348,410) |
| Rental of Facilities and Equipment | 20,982 | 20,982 | 20,982 | - | 20,982 | - |
| Miscellaneous | 680,590 | 680,590 | 605,714 | - | 605,714 | (74,876) |
| **TOTAL OPERATING REVENUES** | 16,494,838 | 16,494,838 | 15,071,552 | - | 15,071,552 | (1,423,286) |
| **OPERATING EXPENSES:** | | | | | | |
| General and Administrative | | | | | | |
| Personnel Services | 265,565 | 268,500 | 263,016 | 1,261 | 264,277 | 4,223 |
| Materials and Supplies | 26,229 | 67,185 | 23,644 | - | 23,644 | 43,541 |
| Contractual Services | 852,407 | 837,552 | 720,440 | - | 720,440 | 117,112 |
| Other | 234,720 | 145,580 | 156,350 | (135,243) | 21,107 | 124,473 |
| Capital Outlay | 8,768 | 28,500 | - | 28,498 | 28,498 | 2 |
| Total General and Administrative | 1,387,689 | 1,347,317 | 1,163,450 | (105,484) | 1,057,966 | 289,351 |
| Utility Engineering | | | | | | |
| Personnel Services | 475,780 | 481,380 | 470,973 | (4,644) | 466,329 | 15,051 |
| Materials and Supplies | 15,402 | 19,921 | 16,149 | - | 16,149 | 3,772 |
| Contractual Services | 42,464 | 32,895 | 29,963 | - | 29,963 | 2,932 |
| Other | - | 150 | 150 | - | 150 | - |
| Capital Outlay | 42,007 | 36,037 | - | 18,407 | 18,407 | 17,630 |
| Total Utility Engineering | 575,653 | 570,383 | 517,235 | 13,763 | 530,998 | 39,385 |
| Utility Compliance | | | | | | |
| Personnel Services | 239,135 | 195,281 | 212,526 | (17,246) | 195,280 | 1 |
| Materials and Supplies | 29,000 | 455,489 | 448,517 | - | 448,517 | 6,972 |
| Contractual Services | 6,020,200 | 6,207,462 | 6,208,974 | - | 6,208,974 | (1,512) |
| Other | 450,000 | - | - | - | - | - |
| Capital Outlay | 10,300 | - | - | - | - | - |
| Total Utility Compliance | 6,748,635 | 6,858,232 | 6,870,017 | (17,246) | 6,852,771 | 5,461 |
| City Managed Employees | | | | | | |
| Personnel Services | 585,237 | 542,405 | 365,098 | (15,605) | 349,493 | 192,912 |
| Other | 180,409 | 12,292 | - | - | - | 12,292 |
| Total City Managed Employees | 765,646 | 554,697 | 365,098 | (15,605) | 349,493 | 205,204 |
| Utility Billing | | | | | | |
| Personnel Services | - | 25,257 | 25,305 | 46,342 | 71,647 | (46,390) |
| Materials and Supplies | - | 21 | 21 | - | 21 | - |
| Contractual Services | 685 | 1,299 | 839 | - | 839 | 460 |
| Total Utility Billing | 685 | 26,577 | 26,165 | 46,342 | 72,507 | (45,930) |
| Water Treatment Plant | | | | | | |
| Personnel Services | - | 24,032 | 24,029 | 60,597 | 84,626 | (60,594) |
| Materials and Supplies | 14,027 | 22,482 | 10,779 | - | 10,779 | 11,703 |
| Contractual Services | 33,723 | 49,603 | 34,002 | - | 34,002 | 15,601 |
| Total Water Treatment Plant | 47,750 | 96,117 | 68,810 | 60,597 | 129,407 | (33,290) |
| Transmission and Distribution | | | | | | |
| Personnel Services | - | 46,182 | 46,176 | 84,344 | 130,520 | (84,338) |
| Materials and Supplies | 12,137 | 17,118 | 5,510 | - | 5,510 | 11,608 |
| Contractual Services | 626 | 1,022 | 395 | - | 395 | 627 |
| Total Transmission and Distribution | 12,763 | 64,322 | 52,081 | 84,344 | 136,425 | (72,103) |
| Water Pollution Control | | | | | | |
| Personnel Services | - | 20,642 | 20,643 | 28,665 | 49,308 | (28,666) |
| Materials and Supplies | 1,765 | 2,446 | 1,775 | - | 1,775 | 671 |
| Contractual Services | 678 | 706 | 430 | - | 430 | 276 |
| Capital Outlay | 175 | - | - | - | - | - |
| Total Water Pollution Control | $ 2,618 | 23,794 | 22,848 | 28,665 | 51,513 | (27,719) |

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| Corrective Maintenance | | | | | | |
| Materials and Supplies | $ 210,006 | 218,375 | 5,857 | - | 5,857 | 212,518 |
| Contractual Services | 187,500 | 179,131 | 30,592 | - | 30,592 | 148,539 |
| Total Corrective Maintenance | 397,506 | 397,506 | 36,449 | - | 36,449 | 361,057 |
| Total Operating Expenses Before Depreciation | 9,938,945 | 9,938,945 | 9,122,153 | 95,376 | 9,217,529 | 721,416 |
| Depreciation Expense | - | - | 4,579,437 | (4,579,437) | - | - |
| **TOTAL OPERATING EXPENSES** | 9,938,945 | 9,938,945 | 13,701,590 | (4,484,061) | 9,217,529 | 721,416 |
| Operating Income (Loss) | 6,555,893 | 6,555,893 | 1,369,962 | 4,484,061 | 5,854,023 | (701,870) |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | 259,500 | 259,500 | 146,336 | - | 146,336 | (113,164) |
| Interest Earnings Restricted | 478,300 | 478,300 | 281,147 | - | 281,147 | (197,153) |
| Net Increase/(Decrease) In Fair Value Of Investments | - | - | (71,345) | - | (71,345) | (71,345) |
| Contributions - Waterrights | 2,071,523 | 2,071,523 | 1,585,565 | - | 1,585,565 | (485,958) |
| Contributions - Rain Enhancement Prog. | 29,800 | 29,800 | 22,503 | - | 22,503 | (7,297) |
| Contributions - Developers | - | 281,205 | 2,226,525 | (1,945,320) | 281,205 | - |
| Contributions - Other | - | - | 34,000 | (34,000) | - | - |
| Miscellaneous | - | - | 1,402 | - | 1,402 | 1,402 |
| Sale of Asset | - | - | 9,064 | 9,117 | 18,181 | 18,181 |
| Bond Issues | 741,000 | 741,000 | - | 741,000 | 741,000 | - |
| Intergovernmental | - | 115,000 | 115,000 | - | 115,000 | - |
| Loss on Change in Accounting Estimates | - | - | (296,956) | - | (296,956) | (296,956) |
| Interest Expense | (432,444) | (432,444) | (408,121) | - | (408,121) | 24,323 |
| Principal Paid Revenue Bond / Capital Leases | (725,000) | (725,000) | - | (725,000) | (725,000) | - |
| Fiscal Agent Fees | (4,000) | (4,000) | (556) | - | (556) | 3,444 |
| Bond Issuance Cost Amortized | - | - | (69,842) | 69,842 | - | - |
| Water Availability | (2,784,565) | (5,684,565) | (161,019) | (528,682) | (689,701) | 4,994,864 |
| Construction | (29,810,292) | (30,118,191) | (239,920) | (1,917,916) | (2,157,836) | 27,960,355 |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | (30,176,178) | (32,987,872) | 3,173,783 | (4,330,959) | (1,157,176) | 31,830,696 |
| Income Before Contributions and Transfers | (23,620,285) | (26,431,979) | 4,543,745 | 153,102 | 4,696,847 | 31,128,826 |
| Transfers In: | | | | | | |
| Waterworks System | 2,882,166 | 2,882,166 | - | 2,882,166 | 2,882,166 | - |
| EDA-DPW Infrastructure Fund | - | - | 9,694 | - | 9,694 | 9,694 |
| Transfers Outs: | | | | | | |
| Debt Service Fund | (3,826,202) | (3,826,202) | (3,844,374) | - | (3,844,374) | (18,172) |
| Colonias TWDB Project | (741,000) | (1,022,205) | (1,022,205) | - | (1,022,205) | - |
| Water Construction Fund | (1,405,901) | (1,405,901) | - | (1,405,901) | (1,405,901) | - |
| Water Correcitve Maintenance | (393,512) | (393,512) | - | (393,512) | (393,512) | - |
| Water Debt Service | (1,082,753) | (1,082,753) | - | (1,082,753) | (1,082,753) | - |
| Change in Net Assets | (28,187,487) | (31,280,386) | (313,140) | 153,102 | (160,038) | 31,120,348 |
| Total Net Assets-Beginning | 96,899,877 | 96,899,877 | 96,899,877 | - | 96,899,877 | - |
| **Total Net Assets-Ending** | $ 68,712,390 | 65,619,491 | 96,586,737 | 153,102 | 96,739,839 | 31,120,348 |

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 14,871,137 |
| Receipts from interfund services provided | | 224,817 |
| Payments to suppliers | | (6,484,605) |
| Payments to employees | | (1,756,291) |
| Payments for interfund services used | | (699,636) |
| **Net cash provided by operating activities** | | **6,155,422** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer from other funds | | 9,694 |
| Transfer to other funds | | (4,866,579) |
| **Net cash provided (used) by noncapital and related financing activities** | | **(4,856,885)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Proceeds from capital debt | | 741,000 |
| Capital contributions | | 1,889,273 |
| Subsidy from federal and state grants | | 797,578 |
| Purchases of capital assets | | (2,493,503) |
| Acquisition and construction of capital assets | | (400,939) |
| Principal paid on capital debt | | (725,000) |
| Interest paid on capital debt | | (408,676) |
| Proceeds from sales of capital assets | | 18,181 |
| **Net cash provided (used) by capital and related financing activities** | | **(582,086)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | (1,191,517) |
| Interest and dividends received | | 535,946 |
| Issuance of Notes Receivable | | (102,806) |
| **Net cash provided (used) by investing activities** | | **(758,377)** |
| **Net increase (decrease) in cash and cash equivalents** | | **(41,926)** |
| **Cash and cash equivalents, October 1** | | **57,525** |
| **Cash and cash equivalents, September 30** | $ | **15,599** |

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 1,369,962 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 4,579,437 |
| (Increase) decrease in accounts receivable | | (448,194) |
| Increase (decrease) in allowance for uncollectible accounts | | 140,716 |
| (Increase) decrease in inventories | | 434,140 |
| Increase in customer deposits | | 214,864 |
| Increase (decrease) in accounts payable | | 76,008 |
| Increase (decrease) in deferred revenues | | 117,015 |
| Increase (decrease) in compensated absences payable | | (183,715) |
| Increase (decrease) in accrued wages and employee benefits | | (144,811) |
| **Total adjustments** | | **4,785,460** |
| **Net cash provided by operating activities** | $ | **6,155,422** |
| **Noncash investing, capital, and financing activities:** | | |
| Bond issuance cost amortized | | 69,842 |
| Contributions of capital assets from developers | | 1,945,320 |
| Disposition of asset | | (9,117) |
| Loss on Changes in Accounting Estimates | | (296,956) |
| Increase (Decrease) in fair value of investments | | (71,345) |

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 13,011,932 | 13,011,932 | 12,104,460 | - | 12,104,460 | (907,472) |
| Miscellaneous | 682,857 | 682,857 | 565,430 | - | 565,430 | (117,427) |
| **TOTAL OPERATING REVENUES** | 13,694,789 | 13,694,789 | 12,669,890 | - | 12,669,890 | (1,024,899) |
| **OPERATING EXPENSES:** | | | | | | |
| Administrative | | | | | | |
| Contractual Services | 1,211,802 | 1,210,020 | 1,120,423 | - | 1,120,423 | 89,597 |
| Other | 113,514 | 23,560 | 157,144 | (151,851) | 5,293 | 18,267 |
| Total Administrative | 1,325,316 | 1,233,580 | 1,277,567 | (151,851) | 1,125,716 | 107,864 |
| Utility Compliance | | | | | | |
| Materials and Supplies | - | 72,825 | 72,825 | - | 72,825 | - |
| Contractual Services | 5,548,950 | 5,569,950 | 5,426,659 | - | 5,426,659 | 143,291 |
| Other | 85,000 | 12,175 | - | - | - | 12,175 |
| Total Utility Compliance | 5,633,950 | 5,654,950 | 5,499,484 | - | 5,499,484 | 155,466 |
| City Managed Employees | | | | | | |
| Personnel Services | 473,057 | 487,047 | 405,422 | (17,909) | 387,513 | 99,534 |
| Other | 144,591 | 26,869 | - | - | - | 26,869 |
| Total City Managed Employees | 617,648 | 513,916 | 405,422 | (17,909) | 387,513 | 126,403 |
| Wastewater Treatment | | | | | | |
| Personnel Services | - | 43,832 | 43,831 | 75,229 | 119,060 | (75,228) |
| Materials and Supplies | 17,347 | 31,426 | 25,892 | - | 25,892 | 5,534 |
| Contractual Services | 37,030 | 102,179 | 87,293 | - | 87,293 | 14,886 |
| Capital Outlay | - | 11,590 | - | - | - | 11,590 |
| Total Wastewater Treatment | 54,377 | 189,027 | 157,016 | 75,229 | 232,245 | (43,218) |
| Wastewater Collection | | | | | | |
| Personnel Services | - | 33,897 | 33,871 | 84,030 | 117,901 | (84,004) |
| Materials and Supplies | 10,552 | 10,735 | 6,177 | - | 6,177 | 4,558 |
| Contractual Services | 5,452 | 11,190 | 8,304 | - | 8,304 | 2,886 |
| Total Wastewater Collection | 16,004 | 55,822 | 48,352 | 84,030 | 132,382 | (76,560) |
| Corrective Maintenance | | | | | | |
| Materials and Supplies | 190,000 | 190,543 | - | - | - | 190,543 |
| Contractual Services | 80,000 | 79,457 | 11,715 | - | 11,715 | 67,742 |
| Total Corrective Maintenance | 270,000 | 270,000 | 11,715 | - | 11,715 | 258,285 |
| Total Operating Expenses Before Depreciation | 7,917,295 | 7,917,295 | 7,399,556 | (10,501) | 7,389,055 | 528,240 |
| Depreciation Expense | - | - | 3,142,743 | (3,142,743) | - | - |
| **TOTAL OPERATING EXPENSES** | 7,917,295 | 7,917,295 | 10,542,299 | (3,153,244) | 7,389,055 | 528,240 |
| Operating Income (Loss) | $ 5,777,494 | 5,777,494 | 2,127,591 | 3,153,244 | 5,280,835 | (496,659) |

(Continued)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 223,000 | 223,000 | 110,537 | - | 110,537 | (112,463) |
| Interest Earnings Restricted | 525,401 | 525,401 | 239,239 | - | 239,239 | (286,162) |
| Net Increase / (Decrease) In Fair Value Of Investments | - | - | (50,229) | - | (50,229) | (50,229) |
| Gain/Loss On Sale of Equipment | - | - | 1,700 | - | 1,700 | 1,700 |
| Contributions - Developers & Other | - | 3,620,000 | 5,051,358 | (1,431,358) | 3,620,000 | - |
| Bond Issues | 710,000 | 710,000 | - | 710,000 | 710,000 | - |
| Contributions - Municipality & Others | 1,196,581 | 1,196,581 | 16,285 | (16,285) | - | (1,196,581) |
| Loss on Changes in Accounting Estimates | - | - | (147,654) | - | (147,654) | (147,654) |
| Interest Expense | (329,561) | (329,561) | (216,629) | (10,443) | (227,072) | 102,489 |
| Principal Paid Revenue Bond / Capital Leases | (745,000) | (745,000) | - | (870,000) | (870,000) | (125,000) |
| Fiscal Agent Fees | (3,000) | (3,000) | (1,655) | - | (1,655) | 1,345 |
| Bond Issuance Cost Amortized | - | - | (153,514) | 153,514 | - | - |
| Construction | (34,685,699) | (38,786,962) | (223,409) | (1,008,693) | (1,232,102) | 37,554,860 |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | (33,108,278) | (33,589,541) | 4,626,029 | (2,473,265) | 2,152,764 | 35,742,305 |
| Income Before Contributions and Transfers | (27,330,784) | (27,812,047) | 6,753,620 | 679,979 | 7,433,599 | 35,245,646 |
| Transfers In: | | | | | | |
| Sewer Operating Fund | 2,199,045 | 2,199,045 | - | 2,199,045 | 2,199,045 | - |
| EDA-DPW Infrastructure Fund | - | - | 2,295 | - | 2,295 | 2,295 |
| Transfers Outs: | | | | | | |
| Debt Service Fund | (3,575,252) | (3,575,252) | (3,543,385) | - | (3,543,385) | 31,867 |
| Sewer Debt Service | (979,075) | (979,075) | - | (979,075) | (979,075) | - |
| Sewer Construction Fund | (1,161,608) | (1,161,608) | - | (1,161,608) | (1,161,608) | - |
| Sewer Minor Corrective Maintenance | (58,362) | (58,362) | - | (58,362) | (58,362) | - |
| Colonias Fund | (710,000) | (710,000) | (752,845) | - | (752,845) | (42,845) |
| Change in Net Assets | (31,616,036) | (32,097,299) | 2,459,685 | 679,979 | 3,139,664 | 35,236,963 |
| Total Net Assets-Beginning | 85,295,884 | 85,295,884 | 85,295,884 | - | 85,295,884 | - |
| **Total Net Assets-Ending** | $ 53,679,848 | 53,198,585 | 87,755,569 | 679,979 | 88,435,548 | 35,236,963 |

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 12,378,239 |
| Receipts from interfund services provided | | 272,147 |
| Payments to suppliers | | (5,689,431) |
| Payments to employees | | (709,996) |
| Payments for interfund services used | | (570,385) |
| **Net cash provided by operating activities** | | **5,680,574** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer from other funds | | 2,295 |
| Transfer to other funds | | (4,296,230) |
| **Net cash provided (used) by noncapital and related financing activities** | | **(4,293,935)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Proceeds from capital debt | | 4,330,000 |
| Subsidy from federal and state grants | | 833 |
| Purchases of capital assets | | (1,008,693) |
| Acquisition and construction of capital assets | | (223,407) |
| Principal paid on capital debt | | (870,000) |
| Interest paid on capital debt | | (228,727) |
| Proceeds from sales of capital assets | | 1,700 |
| **Net cash provided (used) by capital and related financing activities** | | **2,001,706** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | (3,877,224) |
| Interest and dividends received | | 425,844 |
| Issuance of Notes Receivable | | 13,148 |
| **Net cash provided (used) by investing activities** | | **(3,438,232)** |
| **Net increase (decrease) in cash and cash equivalents** | | **(49,887)** |
| **Cash and cash equivalents, October 1** | | **62,190** |
| **Cash and cash equivalents, September 30** | $ | **12,303** |

(Continued)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 2,127,591 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 3,142,743 |
| (Increase) decrease in accounts receivable | | (160,256) |
| Increase (decrease) in allowance for uncollectible accounts | | 134,896 |
| (Increase) decrease in inventories | | 72,825 |
| Increase (decrease) in accounts payable | | 583,791 |
| Increase (decrease) in deferred revenues | | 5,856 |
| Increase (decrease) in compensated absences payable | | (141,351) |
| Increase (decrease) in accrued wages and employee benefits | | (85,521) |
| **Total adjustments** | | **3,552,983** |
| **Net cash provided by operating activities** | $ | **5,680,574** |
| **Noncash investing, capital, and financing activities:** | | |
| Contributions of capital assets from developers & others | | 1,447,643 |
| Bond issuance cost amortized | | 153,514 |
| Loss on Changes in Accounting Estimates | | (147,654) |
| Increase (Decrease) in fair value of investments | | (50,229) |

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **OPERATING REVENUES:** | | | | | | |
| Charges for Services | $ 12,477,767 | 12,477,767 | 13,495,896 | - | 13,495,896 | 1,018,129 |
| Rental of Facilities | - | - | 6,683 | - | 6,683 | 6,683 |
| Miscellaneous | - | - | 209,400 | - | 209,400 | 209,400 |
| **TOTAL OPERATING REVENUES** | 12,477,767 | 12,477,767 | 13,711,979 | - | 13,711,979 | 1,234,212 |
| **OPERATING EXPENSES:** | | | | | | |
| Administration | | | | | | |
| Personnel | 290,141 | 380,196 | 368,102 | 11,425 | 379,527 | 669 |
| Materials & Supplies | 9,813 | 23,881 | 16,208 | - | 16,208 | 7,673 |
| Contractual Services | 121,446 | 143,996 | 131,123 | - | 131,123 | 12,873 |
| Other | - | 51,728 | 13,411 | (2,100) | 11,311 | 40,417 |
| Capital Outlay | 11,068 | - | - | - | - | - |
| Total Administration | 432,468 | 599,801 | 528,844 | 9,325 | 538,169 | 61,632 |
| Creek Cleaning | | | | | | |
| Personnel Services | 620,749 | 600,668 | 558,609 | (26,047) | 532,562 | 68,106 |
| Materials and Supplies | 71,893 | 71,820 | 59,775 | - | 59,775 | 12,045 |
| Contractual Services | 65,521 | 80,194 | 71,339 | - | 71,339 | 8,855 |
| Total Creek Cleaning | 758,163 | 752,682 | 689,723 | (26,047) | 663,676 | 89,006 |
| Sanitation | | | | | | |
| Personnel Services | 3,806,261 | 3,789,718 | 3,715,945 | (12,629) | 3,703,316 | 86,402 |
| Materials and Supplies | 401,048 | 492,544 | 288,906 | - | 288,906 | 203,638 |
| Contractual Services | 503,003 | 580,182 | 564,513 | - | 564,513 | 15,669 |
| Other | - | - | 69,211 | (69,211) | - | - |
| Capital Outlay | 1,022,600 | 1,422,100 | - | 1,408,146 | 1,408,146 | 13,954 |
| Total Sanitation | 5,732,912 | 6,284,544 | 4,638,575 | 1,326,306 | 5,964,881 | 319,663 |
| Landfill | | | | | | |
| Personnel Services | 760,348 | 764,121 | 732,108 | (6,822) | 725,286 | 38,835 |
| Materials and Supplies | 427,567 | 629,271 | 360,925 | - | 360,925 | 268,346 |
| Contractual Services | 3,132,111 | 2,743,647 | 1,942,944 | - | 1,942,944 | 800,703 |
| Other | 850,000 | 851,500 | 874,030 | (873,889) | 141 | 851,359 |
| Capital Outlay | 3,389,173 | 2,857,176 | - | 1,547,520 | 1,547,520 | 1,309,656 |
| Total Landfill | 8,559,199 | 7,845,715 | 3,910,007 | 666,809 | 4,576,816 | 3,268,899 |
| Total Operating Expenses Before Depreciation | 15,482,742 | 15,482,742 | 9,767,149 | 1,976,393 | 11,743,542 | 3,739,200 |
| Depreciation Expense | - | - | 1,291,012 | (1,291,012) | - | - |
| **TOTAL OPERATING EXPENSES** | 15,482,742 | 15,482,742 | 11,058,161 | 685,381 | 11,743,542 | 3,739,200 |
| Operating Income (Loss) | $ (3,004,975) | (3,004,975) | 2,653,818 | (685,381) | 1,968,437 | 4,973,412 |

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year ended September 30, 2003

(Continued)

| | Budgeted Amount | | | | Actual Budget Basis | Variance Positive (Negative) |
|---|---|---|---|---|---|---|
| | Original | Final | Actual | Adjustments | | |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | | |
| Investment Income: | | | | | | |
| Interest Earnings | $ 35,000 | 35,000 | 210,394 | - | 210,394 | 175,394 |
| Net Increase (Decrease) In Fair Value Of Investments | - | - | (29,572) | - | (29,572) | (29,572) |
| Discount Earnings | 1,200 | 1,200 | 2,144 | - | 2,144 | 944 |
| Loss on Changes in Accounting Estimates | - | - | (157,279) | - | (157,279) | |
| Gain From Sale of Assets | 375,000 | 375,000 | 420,900 | - | 420,900 | 45,900 |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | 411,200 | 411,200 | 446,587 | - | 446,587 | 35,387 |
| Income Before Contributions and Transfers | (2,593,775) | (2,593,775) | 3,100,405 | (685,381) | 2,415,024 | 5,008,799 |
| Transfers Outs: | | | | | | |
| Debt Service Fund | (1,213,823) | (1,213,823) | (1,162,434) | - | (1,162,434) | 51,389 |
| Change in Net Assets | (3,807,598) | (3,807,598) | 1,937,971 | (685,381) | 1,252,590 | 5,060,188 |
| Total Net Assets-Beginning | 16,240,147 | 16,240,147 | 16,240,147 | - | 16,240,147 | - |
| **Total Net Assets-Ending** | $ 12,432,549 | 12,432,549 | 18,178,118 | (685,381) | 17,492,737 | 5,060,188 |

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

| | | |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers and users | $ | 13,342,076 |
| Receipts from interfund services provided | | 169,528 |
| Payments to suppliers | | (1,907,484) |
| Payments to employees | | (5,305,742) |
| Payments for interfund services used | | (1,610,724) |
| **Net cash provided by operating activities** | | **4,687,654** |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Transfer to other funds | | (1,162,434) |
| **Net cash provided (used) by noncapital and related financing activities** | | **(1,162,434)** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Subsidy from federal and state grants | | 750 |
| Purchases of capital assets | | (2,955,666) |
| Proceeds from sales of capital assets | | 420,900 |
| **Net cash provided (used) by capital and related financing activities** | | **(2,534,016)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Proceeds from sales and maturities of investments | | (1,275,640) |
| Interest and dividends received | | 259,712 |
| **Net cash provided (used) by investing activities** | | **(1,015,928)** |
| **Net increase (decrease) in cash and cash equivalents** | | **(24,724)** |
| **Cash and cash equivalents, October 1** | | **32,714** |
| **Cash and cash equivalents, September 30** | $ | **7,990** |

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2003

(Continued)

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided (used) by operating activities:** | | |
| Operating income | $ | 2,653,818 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 1,291,012 |
| (Increase) decrease in accounts receivable | | (340,190) |
| Increase in allowance for uncollectible accounts | | 122,999 |
| (Increase) decrease in inventories | | 1,130 |
| Increase (decrease) in accounts payable | | 873,047 |
| Increase (decrease) in deferred revenues | | 16,816 |
| Increase (decrease) in compensated absences payable | | 39,042 |
| Increase (decrease) in accrued wages and employee benefits | | 29,980 |
| **Total adjustments** | | **2,033,836** |
| **Net cash provided by operating activities** | $ | **4,687,654** |
| **Noncash investing, capital, and financing activities:** | | |
| Current closure and post closure costs | | 822,201 |
| Loss on Changes in Accounting Estimates | | |
| Increase (Decrease) in fair value of investments | | (29,572) |

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# STATISTICAL SECTION

# CITY OF LAREDO, TEXAS
# STATISTICAL SECTION
# SEPTEMBER 30, 2003

Principal presentations included in the Statistical Section provide data on the financial, physical, and economic characteristics of the City. These tables cover multiple fiscal periods and provide users with a broader and more complete understanding of the City and its financial affairs.


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## GOVERNMENT - WIDE EXPENSES BY FUNCTION
## LAST TEN FISCAL PERIODS (1)

CITY OF LAREDO, TEXAS

TABLE 1

| FISCAL PERIOD ENDED | GENERAL GOVERNMENT AND ADMINISTRATION | PUBLIC SAFETY | PUBLIC WORKS | HEALTH AND WELFARE | CULTURAL AND RECREATIONAL | AIR TRANSPORTATION SERVICES | INTEREST AND OTHER ON LONG-TERM DEBT |
|---|---|---|---|---|---|---|---|
| September 30, 2002 | $15,557,179 | $58,387,980 | $36,409,755 | $14,783,388 | $12,244,217 | $5,135,446 | $10,116,381 |
| September 30, 2003 | $16,627,749 | $62,898,912 | $12,418,736 | $15,315,554 | $12,869,781 | $5,507,537 | $9,988,191 |

| | TRANSIT SYSTEM | BRIDGE SYSTEM | SOLID WASTE | WATER SYSTEM | SEWER SYSTEM | OTHER BUSINESS | TOTAL |
|---|---|---|---|---|---|---|---|
| September 30, 2002 | $11,296,895 | $30,677,776 | $9,402,560 | $15,645,483 | $10,158,939 | $1,402,809 | $231,218,808 |
| September 30, 2003 | $12,092,166 | $32,577,075 | $11,058,161 | $14,581,048 | $11,137,506 | $1,052,158 | $218,124,574 |

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.

SOURCES:

City of Laredo, Texas

## GOVERNMENT - WIDE REVENUES
## LAST TEN FISCAL PERIODS (1)

CITY OF LAREDO, TEXAS

TABLE 2

| | PROGRAM REVENUES | | | GENERAL GOVERNMENT | | | | |
|---|---|---|---|---|---|---|---|---|
| FISCAL PERIOD ENDED | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | TAXES | NON-RESTRICTED GRANTS AND CONTRIBUTIONS | INVESTMENT EARNINGS | GAIN ON SALE OF CAPITAL ASSETS | TOTAL |
| September 30, 2002 | $125,889,051 | $22,114,232 | $8,724,541 | $65,607,108 | $4,546,517 | $1,874,481 | $319,494 | $229,075,424 |
| September 30, 2003 | $128,643,100 | $26,872,497 | $31,247,289 | $72,469,664 | $4,602,769 | $1,147,142 | $3,340,946 | $268,323,407 |

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.

SOURCES:

City of Laredo, Texas

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
## LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 3

| FISCAL PERIOD ENDED | GENERAL GOVERNMENT | PUBLIC SAFETY | PUBLIC WORKS | HEALTH AND WELFARE | CULTURAL AND RECREATIONAL | AIR TRANSPORTATION SERVICES | SOCIAL SERVICES (2) | OTHER (2) | CAPITAL OUTLAY | DEBT SERVICE | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| September 30, 1994 | $ 8,150,487.00 | $ 25,359,818.00 | $ 12,413,969.00 | $ 7,758,039.00 | $ 5,100,737.00 | $ 2,251,327.00 | $ 1,829,816.00 | $ 1,389,908.00 | $ 15,027,809.00 | $ 10,772,677.00 | $ 90,054,587.00 |
| September 30, 1995 | 8,633,291.00 | 27,241,145.00 | 7,823,924.00 | 7,434,873.00 | 4,653,813.00 | 2,800,775.00 | 1,000,464.00 | 2,594,777.00 | 32,391,192.00 | 16,654,097.00 | 111,228,351.00 |
| September 30, 1996 | 10,134,459.00 | 28,856,228.00 | 7,715,443.00 | 8,739,846.00 | 4,859,392.00 | 2,430,279.00 | 716,685.00 | 2,179,536.00 | 43,565,703.00 | 47,442,092.00 | 156,639,663.00 |
| September 30, 1997 | 9,149,988.00 | 32,040,509.00 | 12,219,650.00 | 8,405,661.00 | 5,883,946.00 | 2,758,457.00 | 485,488.00 | 2,050,972.00 | 31,189,415.00 | 17,005,102.00 | 121,189,188.00 |
| September 30, 1998 | 8,221,359.00 | 35,572,771.00 | 10,891,679.00 | 10,711,855.00 | 7,073,464.00 | 2,880,402.00 | 292,612.00 | 3,718,575.00 | 16,797,512.00 | 16,814,501.00 | 112,974,730.00 |
| September 30, 1999 | 9,474,756.00 | 41,283,710.00 | 8,038,899.00 | 11,437,500.00 | 8,121,349.00 | 3,174,629.00 | 316,419.00 | 4,979,329.00 | 20,565,134.00 | 17,560,144.00 | 124,951,869.00 |
| September 30, 2000 | 9,345,941.00 | 48,757,740.00 | 9,373,158.00 | 12,175,262.00 | 10,265,205.00 | 3,555,507.00 | 412,381.00 | 6,080,427.00 | 33,324,299.00 | 16,959,769.00 | 150,249,689.00 |
| September 30, 2001 | 9,918,770.00 | 50,353,531.00 | 12,667,527.00 | 13,081,029.00 | 10,249,314.00 | 3,535,543.00 | 561,870.00 | 5,280,014.00 | 21,232,994.00 | 19,363,298.00 | 146,243,890.00 |
| September 30, 2002 | 14,804,490.00 | 56,842,094.00 | 11,284,056.00 | 14,195,664.00 | 11,611,138.00 | 3,824,408.00 | - | - | 48,746,914.00 | 22,033,658.00 | 183,342,422.00 |
| September 30, 2003 | $ 15,751,235.00 | $ 63,906,967.00 | $ 11,408,863.00 | $ 15,303,051.00 | $ 13,154,156.00 | $ 3,519,733.00 | $ - | $ - | $ 27,793,519.00 | $ 23,249,610.00 | $ 174,087,134.00 |

NOTES:

(1) Expenditures of all governmental fund types of the City are included. These consist of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects and ExpendableTrust Funds.

(2) Expenditures classified under "Other" and "Social Services" are combined in existing totals under new classification system as of fiscal year 2002 within "General Government" and "Public Works".

SOURCES:

City of Laredo, Texas

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**
**LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 4**

| FISCAL PERIOD ENDED | TAXES | FRANCHISES | LICENSES & PERMITS | INTER GOVERNMENTAL REVENUES | CHARGES FOR SERVICES | FINES AND SPECIAL ASSESSMENTS | INTEREST AND OTHER | MISCELLANEOUS (2) | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| September 30, 1994 | $ 29,219,872 | $ 4,534,248 | $ 1,775,554 | $ 12,434,997 | $ 15,353,657 | $ 2,025,056 | $ 5,514,530 | $ 7,891,921 | $ 78,749,835 |
| September 30, 1995 | 31,110,358 | 4,512,577 | 1,721,615 | 17,770,375 | 15,657,241 | 2,232,194 | 6,496,535 | 13,375,752 | 92,876,647 |
| September 30, 1996 | 30,956,011 | 5,024,428 | 1,551,143 | 22,904,188 | 19,197,891 | 2,339,738 | 6,163,436 | 8,667,378 | 96,804,213 |
| September 30, 1997 | 33,843,830 | 5,061,313 | 1,597,814 | 25,039,453 | 23,937,461 | 1,919,901 | 6,151,392 | 5,576,756 | 103,127,920 |
| September 30, 1998 | 36,783,864 | 5,067,426 | 2,152,943 | 19,907,682 | 23,719,040 | 1,536,333 | 7,301,531 | 7,059,234 | 103,528,053 |
| September 30, 1999 | 38,811,455 | 6,522,613 | 2,303,631 | 25,324,254 | 18,537,690 | 3,832,048 | 6,654,261 | 7,119,262 | 109,105,214 |
| September 30, 2000 | 43,321,058 | 5,805,626 | 4,494,864 | 28,034,002 | 20,878,369 | 4,113,892 | 7,602,562 | 15,491,272 | 129,741,645 |
| September 30, 2001 | 49,211,604 | 7,046,343 | 5,045,941 | 20,718,419 | 21,645,810 | 4,450,017 | 9,798,356 | 4,075,741 | 121,992,231 |
| September 30, 2002 | 54,530,322 | 6,542,640 | 5,423,246 | 21,505,849 | 23,802,222 | 3,837,426 | 7,316,403 | 4,382,290 | 127,340,398 |
| September 30, 2003 | $ 61,395,727 | $ 5,539,242 | $ 5,436,837 | $ 31,340,394 | $ 24,703,403 | $ 4,549,374 | $ 6,440,619 | $ 10,368,521 | $ 149,774,117 |

**NOTES:**

(1) Revenues of all governmental fund types of the City are included. These consist of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Expendable Trusts.

(2) Miscellaneous revenues is comprised of Sale of General Fixed Assets, Administrative Charges, Local Contributions, Concession Sales, and other.

**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 |
|---|---|---|---|---|---|---|---|
| 1994 | $ 14,058,924 | $ 12,326,908 | $ 130,351 | $ 34,980 | $ 1,737,919 | $ 4,534,248 | $ 32,823,330 |
| 1995 | 16,650,890 | 11,431,265 | 110,554 | 60,979 | 1,745,440 | 4,512,577 | 34,511,705 |
| 1996 | 17,869,948 | 10,423,710 | 99,118 | 53,994 | 1,536,552 | 5,024,428 | 35,007,750 |
| 1997 | 19,177,152 | 11,665,798 | 106,334 | 52,496 | 1,746,066 | 5,061,313 | 37,809,159 |
| 1998 | 20,560,595 | 12,863,422 | 117,128 | 48,470 | 2,128,085 | 5,067,426 | 40,785,126 |
| 1999 | 21,821,366 | 13,665,869 | 135,552 | 47,892 | 2,228,873 | 6,522,613 | 44,422,165 |
| 2000 | 24,545,937 | 15,230,665 | 157,698 | 48,492 | 2,369,286 | 5,805,626 | 48,157,704 |
| 2001 | 26,605,213 | 18,461,783 | 176,675 | 48,011 | 2,934,480 | 7,046,343 | 55,272,505 |
| 2002 | 30,147,195 | 21,447,813 | 215,022 | 48,056 | 2,672,236 | 6,542,640 | 61,072,962 |
| 2003 | $ 35,876,444 | $ 22,547,235 | $ 231,114 | $ 48,058 | $ 2,692,876 | $ 5,539,242 | $ 66,934,969 |

NOTES:

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

SOURCE:

City of Laredo, Texas

**PROPERTY TAX LEVIES AND COLLECTIONS**
**LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 6**

| FISCAL PERIODS | TOTAL TAX LEVY (1) | CURRENT TAX COLLECTIONS | TAX RATE | PERCENT OF CURRENT TAXES COLLECTED | DELINQUENT TAX COLLECTIONS | PENALTY & INTEREST COLLECTED | TOTAL TAX COLLECTIONS | PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY | OUTSTANDING DELINQUENT TAXES | PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY |
|---|---|---|---|---|---|---|---|---|---|---|
| 1994 | $ 14,007,018 | $ 13,004,731 | 0.5101 | 92.84% | $ 1,054,193 | $ 930,780 | $ 14,340,420 | 107.01% | $ 2,766,501 | 19.75% |
| 1995 | 16,039,990 | 15,559,788 | 0.5516 | 97.01% | 1,091,102 | 1,104,180 | 16,992,865 | 105.94% | 2,665,342 | 16.62% |
| 1996 | 18,105,999 | 16,939,557 | 0.5516 | 93.56% | 930,390 | 972,690 | 18,186,711 | 100.45% | 2,831,254 | 15.64% |
| 1997 | 19,146,735 | 18,195,411 | 0.5267 | 95.03% | 981,742 | 1,095,983 | 19,541,012 | 102.06% | 2,570,520 | 13.43% |
| 1998 | 20,550,143 | 19,641,952 | 0.5399 | 95.58% | 918,643 | 1,066,164 | 20,900,139 | 101.70% | 2,400,113 | 11.68% |
| 1999 | 21,995,249 | 21,043,353 | 0.5399 | 95.67% | 710,641 | 911,902 | 22,665,896 | 103.05% | 2,531,904 | 11.51% |
| 2000 | 24,784,224 | 23,706,162 | 0.5692 | 95.65% | 743,860 | 968,980 | 25,419,002 | 102.56% | 2,697,782 | 10.89% |
| 2001 | 27,165,182 | 25,821,461 | 0.5764 | 95.05% | 783,752 | 985,442 | 27,590,655 | 101.57% | 3,037,683 | 11.18% |
| 2002 | 29,221,694 | 28,028,927 | 0.5764 | 95.92% | 926,267 | 1,174,015 | 30,129,209 | 103.11% | 3,487,860 | 11.94% |
| 2003 | $ 33,435,345 | $ 33,426,302 | 0.6305 | 99.97% | $ 1,126,888 | $ 1,318,725 | $ 35,871,915 | 107.29% | $ 4,069,391 | 12.17% |

**NOTES:**

(1) Original levy as filed with the State Comptroller Office

**SOURCE:**

City of Laredo, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 7

| FISCAL PERIODS | RESIDENTIAL PROPERTY ASSESSED VALUE | RESIDENTIAL PROPERTY ESTIMATED ACTUAL VALUE (1) | COMMERCIAL PROPERTY ASSESSED VALUE | COMMERCIAL PROPERTY ESTIMATED ACTUAL VALUE (1) | EXEMPTIONS (2) | TOTALS ASSESSED VALUE | TOTALS ESTIMATED ACTUAL VALUE (1) | RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE |
|---|---|---|---|---|---|---|---|---|
| 1994 | $ 389,135,229 | $ 389,135,229 | $ 2,528,248,200 | $ 2,528,248,200 | $ 172,057,282 | $ 2,745,326,147 | $ 2,745,326,147 | 100% |
| 1995 | 370,075,550 | 370,075,550 | 2,772,699,380 | 2,772,699,380 | 128,005,570 | 3,014,769,360 | 3,014,769,360 | 100% |
| 1996 | 494,128,794 | 494,128,794 | 3,018,697,790 | 3,018,697,790 | 230,381,621 | 3,282,444,963 | 3,282,444,963 | 100% |
| 1997 | 507,719,560 | 507,719,560 | 3,364,750,495 | 3,364,750,495 | 247,072,879 | 3,625,397,176 | 3,625,397,176 | 100% |
| 1998 | 665,492,265 | 665,492,265 | 3,431,864,302 | 3,431,864,302 | 291,281,333 | 3,806,075,234 | 3,806,075,234 | 100% |
| 1999 | 646,284,869 | 646,284,869 | 3,656,234,140 | 3,656,234,140 | 325,224,426 | 3,977,294,583 | 3,977,294,583 | 100% |
| 2000 | 848,072,261 | 848,072,261 | 4,363,266,690 | 4,363,266,690 | 418,707,728 | 4,792,631,223 | 4,792,631,223 | 100% |
| 2001 | 794,259,530 | 794,259,530 | 4,365,116,912 | 4,365,116,912 | 445,602,625 | 4,713,792,507 | 4,713,792,507 | 100% |
| 2002 | 872,321,790 | 872,321,790 | 5,039,864,293 | 5,039,864,293 | 519,598,749 | 5,070,586,594 | 5,070,586,594 | 100% |
| 2003 | $ 879,330,990 | $ 879,330,990 | $ 5,206,409,027 | $ 5,206,409,027 | $ 529,716,818 | $ 5,558,982,217 | $ 5,558,982,217 | 100% |

NOTES:

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

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

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 8

| FISCAL PERIODS | CITY OF LAREDO | WEBB COUNTY | LAREDO INDEPENDENT SCHOOL DISTRICT | UNITED INDEPENDENT SCHOOL DISTRICT | LAREDO COMMUNITY COLLEGE |
|---|---|---|---|---|---|
| | TAX RATES (per $100 of assessed value) | | | | |
| 1994 | 0.51010 | 0.31433 | 1.10020 | 1.87600 | 0.16910 |
| 1995 | 0.55160 | 0.34214 | 1.10020 | 1.38280 | 0.16479 |
| 1996 | 0.05516 | 0.34554 | 1.16520 | 1.38280 | 0.15986 |
| 1997 | 0.52677 | 0.36549 | 1.21500 | 1.38280 | 0.15290 |
| 1998 | 0.53993 | 0.38438 | 1.18500 | 1.37909 | 0.15660 |
| 1999 | 0.53993 | 0.38438 | 1.22500 | 1.41409 | 0.15800 |
| 2000 | 0.56922 | 0.41822 | 1.32600 | 1.43848 | 0.16420 |
| 2001 | 0.57636 | 0.44578 | 1.38600 | 1.42687 | 0.17000 |
| 2002 | 0.57636 | 0.43634 | 1.42600 | 1.42687 | 0.21665 |
| 2003 | 0.63053 | 0.44446 | 1.50271 | 1.47687 | 0.22650 |
| | TAX LEVIES | | | | |
| 1994 | $ 12,447,151 | $ 12,971,479 | $ 12,253,142 | $ 31,816,450 | $ 4,723,221 |
| 1995 | 16,039,990 | 15,047,564 | 13,239,812 | 34,533,211 | 5,046,858 |
| 1996 | 18,105,999 | 15,819,123 | 14,134,733 | 38,000,660 | 5,328,054 |
| 1997 | 19,090,616 | 17,015,633 | 15,597,658 | 39,451,743 | 5,676,550 |
| 1998 | 20,550,142 | 19,133,916 | 14,295,066 | 41,025,925 | 6,085,735 |
| 1999 | 21,995,250 | 20,194,005 | 15,224,088 | 44,271,136 | 6,568,987 |
| 2000 | 24,784,224 | 22,862,131 | 16,697,681 | 47,253,707 | 7,329,142 |
| 2001 | 27,165,182 | 26,098,416 | 17,854,904 | 51,042,026 | 8,185,875 |
| 2002 | 29,221,694 | 28,877,392 | 18,828,678 | 57,959,460 | 11,215,837 |
| 2003 | $ 33,435,345 | $ 33,424,545 | $ 20,378,959 | $ 66,951,115 | $ 12,892,422 |

SOURCE:

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 |
|---|---|---|---|---|---|
| 1994 | $ 1,569,501 | $ 1,581,898 | $ 1,093,661 | 34.70% | $ 2,057,738 |
| 1995 | 2,057,738 | 1,012,513 | 995,013 | 32.41% | 2,075,238 |
| 1996 | 2,075,238 | 417,879 | 1,038,634 | 41.66% | 1,454,483 |
| 1997 | 1,454,483 | 782,651 | 585,608 | 26.18% | 1,651,526 |
| 1998 | 1,651,526 | 136,000 | 566,297 | 31.68% | 1,221,229 |
| 1999 | 1,221,229 | 141,208 | 525,055 | 38.54% | 837,382 |
| 2000 | 837,382 | 102,379 | 371,158 | 39.49% | 622,603 |
| 2001 | 622,603 | 786,233 | 263,451 | 18.70% | 427,081 |
| 2002 | 427,081 | 503,604 | 194,697 | 20.92% | 271,220 |
| 2003 | $ 271,220 | $ 319,316 | $ 135,058 | 22.87% | $ 183,154 |

**NOTES:**

(1) The Charter of the City of Laredo allows the City Council to assess the costs of street paving and sidewalks 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 can be foreclosed upon default.

(2) Assessments beginning balance include Principal & Interest and are net of allowances for uncollectibles.

**SOURCE:**

City of Laredo, Texas

## COMPUTATION OF LEGAL DEBT MARGIN AND AUTHORIZED AND UNISSUED BONDS

CITY OF LAREDO, TEXAS

TABLE 10

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 $.141113 of the total tax rate.

| | | |
|---|---|---|
| Assessed value based on 2002 tax roll | | $5,552,568,287 |
| Maximum amount of bonded indebtedness based on such assessed value (10%) | | $555,256,829 |
| Amount of debt applicable to said maximum debt limit: | | |
| Total General Obligation Bonds and Certificates of Obligations | $151,940,000 | |
| (Percentage of G. O. and C. O. debt to assessed value) | 2.74% | |
| Less: Debt Service Fund Balance as of September 30, 2003 | $5,537,538 | |
| Total Amount of debt applicable to debt limit | | $146,402,462 |
| The Debt Margin between current indebtedness and maximum allowable indebtedness | | $408,854,367 |

## RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
## LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 11

| 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 |
|---|---|---|---|---|---|---|---|
| 1994 | 155,000 | $ 3,148,815,523 | $ 96,077,000 | $ 6,016,955 | $ 90,060,045 | 2.8601% | 581.03 |
| 1995 | 157,869 | 3,538,521,904 | 134,581,000 | 5,795,414 | 128,785,586 | 3.6395% | 815.78 |
| 1996 | 162,122 | 3,625,397,176 | 133,870,000 | 5,760,694 | 128,109,306 | 3.5337% | 790.20 |
| 1997 | 176,000 | 3,806,075,234 | 137,080,000 | 4,965,221 | 132,114,779 | 3.4712% | 750.65 |
| 1998 | 182,000 | 4,073,722,461 | 152,655,000 | 5,506,755 | 147,148,245 | 3.6121% | 808.51 |
| 1999 | 197,000 | 4,354,083,033 | 150,940,000 | 5,443,650 | 145,496,350 | 3.3416% | 738.56 |
| 2000 | 193,180 | 4,713,792,517 | 150,630,000 | 5,587,901 | 145,042,099 | 3.0770% | 750.81 |
| 2001 | 193,117 | 5,070,586,594 | 152,185,000 | 6,080,964 | 146,104,036 | 2.8814% | 756.56 |
| 2002 | 201,292 | 5,558,982,217 | 153,675,000 | 5,455,502 | 148,219,498 | 2.6663% | 736.34 |
| 2003 | 207,611 | $ 6,018,438,664 | $ 151,940,000 | $ 5,537,538 | $ 146,402,462 | 2.4326% | 705.18 |

NOTES:

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

SOURCE:

City of Laredo, Texas

(A) Information was obtained from FedStats.

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 12

| FISCAL PERIODS | PRINCIPAL | INTEREST & FISCAL CHARGES | TOTAL DEBT SERVICE | TOTAL GENERAL EXPENDITURES | RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES |
|---|---|---|---|---|---|
| 1994 | 4,975,000 | 5,570,530 | 10,545,530 | 90,054,586 | 11.71% |
| 1995 | 7,431,000 | 8,616,226 | 16,047,226 | 110,378,911 | 14.54% |
| 1996 | 8,636,000 | 38,696,661 | 47,332,661 | 156,639,663 | 30.22% |
| 1997 | 9,140,000 | 7,781,508 | 16,921,508 | 121,189,188 | 13.96% |
| 1998 | 8,430,000 | 8,242,034 | 16,672,034 | 112,974,730 | 14.76% |
| 1999 | 7,945,001 | 9,439,370 | 17,384,371 | 124,951,870 | 13.91% |
| 2000 | 8,725,000 | 8,095,218 | 16,820,218 | 150,249,689 | 11.19% |
| 2001 | 9,360,000 | 9,277,581 | 18,637,581 | 146,243,890 | 12.74% |
| 2002 | 10,700,000 | 10,027,116 | 20,727,116 | 183,342,422 | 11.31% |
| 2003 | 12,255,000 | 9,857,015 | 22,112,015 | 174,087,134 | 12.70% |

NOTES:

(1) Total general expenditures consist of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Expendable Trusts.

SOURCE:

City of Laredo, Texas

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT
## SEPTEMBER 30, 2003

CITY OF LAREDO, TEXAS

TABLE 13

| TAXING AUTHORITY | NET DEBT OUTSTANDING (A) | ESTIMATED % APPLICABLE TO CITY (B) | AMOUNT APPLICABLE TO CITY |
|---|---|---|---|
| Direct: | | | |
| City of Laredo | $151,940,000 | 100.00% | $151,940,000 |
| Overlapping: | | | |
| Webb County | 67,080,207 | 74.49% | 49,968,046 |
| Laredo Independent School District | 257,104,752 | 100.00% | 257,104,752 |
| United Independent School District | 204,071,079 | 69.65% | 142,135,507 |
| Laredo Community College | 80,704,000 | 100.00% | 80,704,000 |
| Total Overlapping | 608,960,038 | | 529,912,305 |
| Total | $760,900,038 | | $681,852,305 |

SOURCE:

(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 14

| 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 | 17,748,458 | 9,003,112 | 8,745,346 | 985,000 | 1,414,356 | 2,399,356 | 3.64 |
| Water | 9,194,198 | 5,988,234 | 3,205,964 | 547,718 | 795,782 | 1,343,500 | 2.39 |
| Sewer | 7,372,514 | 4,126,881 | 3,245,633 | 434,978 | 612,397 | 1,047,375 | 3.10 |
| Total 1994 | 34,315,170 | 19,118,227 | 15,196,943 | 1,967,696 | 2,822,535 | $4,790,231 | 3.17 |
| Bridge | 15,589,878 | 9,297,361 | 6,292,517 | 1,060,000 | 1,364,322 | 2,424,322 | 2.60 |
| Water | 11,286,444 | 6,299,849 | 4,986,595 | 623,477 | 751,058 | 1,374,535 | 3.63 |
| Sewer | 8,715,549 | 4,721,576 | 3,993,973 | 420,455 | 586,073 | 1,006,528 | 3.97 |
| Total 1995 | 35,591,871 | 20,318,786 | 15,273,085 | 2,103,932 | 2,701,453 | 4,805,385 | 3.18 |
| Bridge | 18,664,600 | 11,820,920 | 6,843,680 | - | 1,420,814 | 1,420,814 | 4.82 |
| Water | 12,377,508 | 6,592,636 | 5,784,872 | 570,529 | 697,678 | 1,268,207 | 4.56 |
| Sewer | 9,371,336 | 4,793,293 | 4,578,043 | 435,000 | 575,305 | 1,010,305 | 4.53 |
| Total 1996 | 40,413,444 | 23,206,849 | 17,206,595 | 1,005,529 | 2,693,797 | 3,699,326 | 4.65 |
| Bridge | 20,619,189 | 12,984,252 | 7,634,937 | 1,010,000 | 956,780 | 1,966,780 | 3.88 |
| Water | 11,927,523 | 6,768,364 | 5,159,159 | 312,680 | 625,140 | 937,820 | 5.50 |
| Sewer | 9,890,576 | 5,008,293 | 4,882,283 | 470,000 | 539,290 | 1,009,290 | 4.84 |
| Total 1997 | 42,437,288 | 24,760,909 | 17,676,379 | 1,792,680 | 2,121,210 | 3,913,890 | 4.52 |
| Bridge | 22,569,846 | 15,056,724 | 7,513,122 | 1,055,000 | 896,180 | 1,951,180 | 3.85 |
| Water | 13,985,646 | 7,946,922 | 6,038,724 | 500,000 | 559,952 | 1,059,952 | 5.70 |
| Sewer | 12,048,460 | 5,241,404 | 6,807,056 | 500,000 | 426,041 | 926,041 | 7.35 |
| Total 1998 | 48,603,952 | 28,245,050 | 20,358,902 | 2,055,000 | 1,882,173 | 3,937,173 | 5.17 |
| Bridge | 28,671,610 | 17,385,806 | 11,285,804 | 2,675,000 | 2,449,904 | 5,124,904 | 2.20 |
| Water | 13,738,018 | 7,856,511 | 5,881,507 | 535,000 | 526,696 | 1,061,696 | 5.54 |
| Sewer | 11,996,306 | 5,522,559 | 6,473,747 | 560,000 | 394,735 | 954,735 | 6.78 |
| Total 1999 | 54,405,934 | 30,764,876 | 23,641,058 | 3,770,000 | 3,371,335 | 7,141,335 | 3.31 |

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

CITY OF LAREDO, TEXAS

TABLE 14

| FISCAL PERIODS | TOTAL REVENUE (1) | OPERATING EXPENSE (2) | NET REVENUE AVAILABLE FOR DEBT SERVICE | -----DEBT SERVICE REQUIREMENTS----- | | | REVENUE BOND COVERAGE (3) |
|---|---|---|---|---|---|---|---|
| | | | | PRINCIPAL | INTEREST | TOTAL | |
| Bridge | 32,789,832 | 19,533,598 | 13,256,234 | 3,030,000 | 2,774,346 | 5,804,346 | 2.28 |
| Water | 16,360,173 | 9,413,042 | 6,947,131 | 605,000 | 494,210 | 1,099,210 | 6.32 |
| Sewer | 13,498,696 | 6,049,102 | 7,449,594 | 635,000 | 362,084 | 997,084 | 7.47 |
| Total 2000 | 62,648,701 | 34,995,742 | 27,652,959 | 4,270,000 | 3,630,640 | 7,900,640 | 3.50 |
| Bridge | 31,705,719 | 21,186,065 | 10,519,654 | 3,350,000 | 2,510,790 | 5,860,790 | 1.79 |
| Water | 17,102,442 | 10,074,813 | 7,027,629 | 690,000 | 456,915 | 1,146,915 | 6.13 |
| Sewer | 13,499,699 | 6,609,398 | 6,890,301 | 680,000 | 326,839 | 1,006,839 | 6.84 |
| Sports Venue | 2,387,246 | 268,005 | 2,119,241 | - | 683,088 | 683,088 | 3.10 |
| Total 2001 | 64,695,106 | 38,138,281 | 26,556,825 | 4,720,000 | 3,977,632 | 8,697,632 | 3.05 |
| Bridge | 34,408,912 | 24,093,889 | 10,315,023 | 12,105,000 | 3,697,409 | 15,802,409 | 0.65 |
| Water | 16,773,484 | 9,363,511 | 7,409,973 | 705,000 | 416,018 | 1,121,018 | 6.61 |
| Sewer | 13,158,360 | 6,389,656 | 6,768,704 | 4,905,000 | 295,135 | 5,200,135 | 1.30 |
| Sports Venue | 4,524,646 | 80,244 | 4,444,402 | - | 2,049,266 | 2,049,266 | 2.17 |
| Total 2002 | 68,865,402 | 39,927,300 | 28,938,102 | 17,715,000 | 6,457,828 | 24,172,828 | 1.20 |
| Bridge | $34,836,756 | $24,944,447 | $9,892,309 | $1,408,433 | $31,865 | 1,440,298 | 6.87 |
| Water | $15,427,690 | $9,122,153 | $6,305,537 | $725,000 | $408,121 | 1,133,121 | 5.56 |
| Sewer | $12,969,437 | $7,399,556 | $5,569,881 | $870,000 | $216,629 | 1,086,629 | 5.13 |
| Sports Venue | $4,737,203 | $46,281 | $4,690,922 | $430,000 | $2,039,591 | 2,469,591 | 1.90 |
| Total 2003 | $67,971,086 | $41,512,437 | $26,458,649 | $3,433,433 | $2,696,206 | $6,129,639 | 4.32 |

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

**DEMOGRAPHICS STATISTICS**
**LAST THREE CENSUS**

**CITY OF LAREDO, TEXAS**

**TABLE 15**

| | 1980 CENSUS | 1990 CENSUS | 2000 CENSUS |
|---|---|---|---|
| **TOTAL POPULATION BY RACE:** | | | |
| WHITE | 82,997 | 87,048 | 145,267 |
| BLACK | 89 | 144 | 652 |
| OTHER | 8,363 | 35,707 | 30,657 |
| HISPANIC PERCENTAGE | 93.03% | 93.86% | 94.10% |
| TOTAL HOUSEHOLDS | 23,903 | 33,998 | 46,852 |
| HOUSEHOLD POPULATION | 90,613 | 122,899 | 173,532 |
| AVERAGE HOUSEHOLD SIZE | 3.79 | 3.61 | 3.70 |
| **TOTAL POPULATION BY AGE:** | | | |
| 0-5 | 11,583 | 17,081 | 18,516 |
| 6-13 | 16,239 | 20,316 | 18,620 |
| 14-17 | 8,258 | 10,093 | 16,054 |
| 18-24 | 12,059 | 17,987 | 29,608 |
| 25-34 | 13,060 | 20,316 | 28,489 |
| 34-44 | 8,525 | 14,752 | 23,657 |
| 44-54 | 7,733 | 9,964 | 17,104 |
| 54-64 | 6,108 | 8,541 | 10,746 |
| 65+ | 7,884 | 10,223 | 13,782 |
| MEDIAN AGE TOTAL POPULATION | 23.6 | 24.7 | 26.9 |
| MEDIAN AGE ADULT POPULATION | 38 | 36.8 | 36.8 |
| **HOUSEHOLD INCOME:** | | | |
| $ 0 - $ 7,499 | 8,925 | 7,639 | 5,398 |
| $ 7,500 - $ 9,999 | 2,497 | 3,074 | 1,799 |
| $ 10,000 - $ 14,999 | 4,036 | 4,169 | 4,996 |
| $ 15,000 - $ 24,999 | 4,997 | 5,600 | 8,208 |
| $ 25,000 - $ 34,999 | 2,068 | 3,865 | 6,814 |
| $ 35,000 - $ 49,999 | 903 | 3,226 | 7,078 |
| $ 50,000 - $ 74,999 | 341 | 1,765 | 6,780 |
| $ 75,000 | 163 | 1,096 | 5,835 |
| MEDIAN HOUSEHOLD INCOME | $10,761 | $15,610 | $29,108 |
| AVERAGE HOUSEHOLD INCOME | 13,998 | N/A | N/A |
| MEDIAN FAMILY INCOME | 11,985 | 17,532 | 30,449 |
| AGGREGATE HOUSEHOLD INCOME | $334,980 | $708,920 | N/A |

**SOURCE:**

Laredo Chamber of Commerce

DEMOGRAPHIC STATISTICS
SEPTEMBER 30, 2003

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

| FISCAL PERIODS | CIVILIAN LABOR FORCE | UNEMPLOYMENT | UNEMPLOYMENT RATE | EMPLOYMENT |
|---|---|---|---|---|
| 1994 | 64,290 | 5,229 | 8.10% | 59,061 |
| 1995 | 65,206 | 10,079 | 15.50% | 55,127 |
| 1996 | 63,220 | 7,002 | 11.10% | 56,218 |
| 1997 | 64,952 | 6,114 | 9.40% | 58,838 |
| 1998 | 67,727 | 6,199 | 9.20% | 61,528 |
| 1999 | 66,939 | 5,034 | 7.50% | 61,905 |
| 2000 | 69,595 | 4,303 | 6.20% | 65,292 |
| 2001 | 71,508 | 4,551 | 6.40% | 66,957 |
| 2002 | 75,639 | 5,028 | 6.60% | 70,611 |
| 2003 | 76,985 | 4,998 | 6.50% | 71,987 |

SOURCE:

Texas Labor Market Information

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

| FISCAL PERIODS | GROWTH INDICATORS (1) | | | | | POSTAL RECEIPTS (2) |
|---|---|---|---|---|---|---|
| | ELECTRIC (4) | GAS | TELEPHONE (3) | WATER | SEWER | |
| 1994 | 49,290 | 22,155 | 63,447 | 35,083 | 33,929 | 5,878,719 |
| 1995 | 51,111 | 22,196 | 59,109 | 35,930 | 34,831 | 6,417,000 |
| 1996 | 50,305 | 22,358 | 70,587 | 36,633 | 35,595 | 6,800,000 |
| 1997 | 52,235 | 22,719 | 76,450 | 38,140 | 38,477 | 6,875,000 |
| 1998 | 53,558 | 23,339 | 83,231 | 42,053 | 40,753 | 8,550,000 |
| 1999 | 56,968 | 20,003 | - | 43,183 | 41,940 | 7,667,601 |
| 2000 | 59,122 | 23,474 | - | 45,700 | 44,802 | 8,270,103 |
| 2001 | 57,495 | 23,366 | - | 47,402 | 46,508 | 8,795,525 |
| 2002 | 58,076 | 23,543 | - | 49,158 | 47,041 | $8,955,000 |
| 2003 | 58,663 | 23,717 | - | 50,997 | 48,715 | $13,850,000 |

NOTES:

(1) Amount represents number of active customer accounts.

(2) Represents total revenue collected.

(3) Legislation prohibits disclosure of telephone accounts information.

(4) Electric increase was estimated by 1.01% for 2003.

SOURCE:

Finance Department of respective entities.

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL PERIODS (1)

CITY OF LAREDO, TEXAS

TABLE 16

| FISCAL PERIODS | COMMERCIAL CONSTRUCTION (A) | | RESIDENTIAL CONSTRUCTION (A) | | BANK (B) DEPOSITS | PROPERTY VALUE (A) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | NUMBER OF UNITS | VALUE | NUMBER OF UNITS | VALUE | | COMMERCIAL | RESIDENTIAL | VACANT PROPERTY | EXEMPTIONS (2) |
| 1994 | 408 | $ 64,921,340 | 2,212 | $ 79,639,141 | $ 2,469,233,000 | $ 1,368,112,118 | $ 1,367,174,770 | $ 182,096,541 | $ 172,057,282 |
| 1995 | 93 | 59,472,840 | 992 | 48,025,832 | 2,378,874,000 | 1,283,268,123 | 1,696,107,407 | 163,369,400 | 128,005,570 |
| 1996 | 124 | 42,394,754 | 1,375 | 57,373,240 | 2,568,470,000 | 1,452,767,384 | 1,864,835,470 | 195,223,730 | 230,381,621 |
| 1997 | 110 | 65,049,913 | 1,198 | 61,787,875 | 2,726,216,000 | 1,541,702,498 | 2,117,144,387 | 213,623,170 | 247,072,879 |
| 1998 | 136 | 51,684,355 | 1,389 | 74,891,810 | 3,108,234,000 | 1,591,014,231 | 2,292,083,266 | 214,259,070 | 291,281,333 |
| 1999 | 94 | 40,112,188 | 1,309 | 83,116,085 | 3,337,234,000 | 1,655,695,070 | 2,437,626,399 | 209,197,540 | 325,224,426 |
| 2000 | 87 | 68,818,362 | 1,407 | 89,886,823 | 5,313,356,000 | 2,283,642,411 | 2,691,339,590 | 236,351,860 | 417,619,788 |
| 2001 | 143 | 122,363,666 | 1,293 | 90,029,908 | 5,596,945,000 | 2,049,091,128 | 2,851,889,227 | 258,396,087 | 896,821,868 |
| 2002 | 698 | 182,767,445 | 1,424 | 123,932,146 | 6,390,861,000 | 2,216,703,462 | 3,075,832,429 | 297,613,702 | 519,598,749 |
| 2003 | 860 | $ 71,199,808 | 1,495 | $ 128,619,147 | $ 6,671,288,000 | $ 2,665,287,322 | $ 3,214,021,140 | $ 298,947,650 | $ 623,203,260 |

NOTES:

(1) Commercial, Residential & Vacant Property values are not available prior to 1983. Only total property values records were maintained.

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

SOURCE:

(A) City of Laredo, Texas

(B) Commerce Bank N.A.
Falcon National Bank
International Bank of Commerce
Laredo National Bank
South Texas National Bank

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2003

City Of Laredo , Texas

Table 17

| TAXPAYER | TYPE OF BUSINESS | 2002 ASSESSED VALUATION REAL & PERSONAL PROPERTY | PERCENTAGE OF TOTAL ASSESSED VALUATION |
|---|---|---|---|
| AEP Texas Central Company | Utility | $74,048,360 | 1.23% |
| Laredo Regional Medical ctr. Lp. | Medical | 32,421,130 | 0.54% |
| Enterprise Laredo Associates | Management | 32,283,250 | 0.54% |
| Southwestern Bell Telephone Lp. | Telephone Co. | 29,029,980 | 0.48% |
| Killam Ind. Dev. Partnership LTD | Development | 28,170,460 | 0.47% |
| HE Butt Grocery Co. | Grocery Store | 28,119,880 | 0.47% |
| BB County Correctional Center Public Facility | Correction Co. | 22,140,870 | 0.37% |
| United States Cold Storage | Cold Storage | 19,616,350 | 0.33% |
| Lowe's Home Center | Retail | 16,209,030 | 0.27% |
| Texas Cable Partners Lp. | Cable | 14,131,800 | 0.24% |
| TOTAL | | 296,171,110 | 4.92% |

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 1994

| TAXPAYER | TYPE OF BUSINESS | 1993 ASSESSED VALUATION REAL & PERSONAL PROPERTY | PERCENTAGE OF TOTAL ASSESSED VALUATION |
|---|---|---|---|
| Central Power & Light Company | Utility | $63,545,053 | 1.23% |
| Lone Star Mall Assoc. | Mall | 31,959,219 | 0.54% |
| Southwestern Bell | Telephone Co. | 30,178,489 | 0.54% |
| H.E.Butt Grocery co. | Grocery Store | 23,259,251 | 0.48% |
| Killam Ind. Dev. Partnership Ltd. | Development | 20,437,078 | 0.47% |
| Walmart Properties Ind. | Retail | 20,068,512 | 0.47% |
| Laredo National Bank | Bank | 18,939,107 | 0.37% |
| International Bank of Commerce | Bank | 15,554,889 | 0.33% |
| U.S. Cold Storage | Cold Storage | 14,691,290 | 0.27% |
| Union Pacific System | Railroad | 12,586,193 | 0.24% |
| Total | | $251,219,081 | 4.92% |

Numbers show total comparison for principal taxpayers as of 2003 and 9 yrs ago.

SOURCE:

Webb County Appraisal District

## PRINCIPAL EMPLOYERS
## SEPTEMBER 30, 2003

CITY OF LAREDO, TEXAS

TABLE 18

| EMPLOYER | NUMBER OF EMPLOYEES | PERCENTAGE OF TOTAL CITY EMPLOYMENT |
|---|---|---|
| United Independent School District | 4,500 | 6.25% |
| Laredo Independent School District | 3,349 | 4.65% |
| City of Laredo | 2,080 | 2.89% |
| Mercy Regional Medical Center | 2,000 | 2.78% |
| Webb County | 1,270 | 1.76% |
| H.E.B. Grocery Company | 1,184 | 1.64% |
| U.S. Border Patrol | 1,129 | 1.57% |
| McDonald's Restaurant | 1,113 | 1.55% |
| Laredo Community College | 991 | 1.38% |
| Texas A&M Int'l University | 696 | 0.97% |

## PRINCIPAL EMPLOYERS
## SEPTEMBER 30, 1994

| | | |
|---|---|---|
| Laredo Independent School District | 3,585 | 6.28% |
| United Independent School District | 2,474 | 4.33% |
| Transamerica Natural Gas Corp. | 1,800 | 3.15% |
| City of Laredo | 1,758 | 3.08% |
| Mercy Regional Medical Center | 1,700 | 2.98% |
| H.E.B. Grocery Store | 1,500 | 2.63% |
| Webb County | 769 | 1.35% |
| Laredo Junior College | 450 | 0.79% |
| Laredo National Bank | 450 | 0.79% |
| Laredo State Center | 425 | 0.74% |

Principal Employers numbers as of September 2003 and 9 years ago.

SOURCE:

Laredo Development Foundation
Data compiled as of January 2004.

**PRINCIPAL WATER CONSUMERS**
**SEPTEMBER 30, 2003**

**CITY OF LAREDO, TEXAS**

**TABLE 19**

| TYPE OF BUSINESS | PRODUCT OR SERVICE | CONSUMPTION (1) |
|---|---|---|
| Mercy Health Center | Hospital | 69,910,200 |
| Texas A & M International Univ. | School | 30,570,300 |
| New Webb County Jail | County | 23,040,200 |
| C P & L Power Plant | Electricity | 16,281,400 |
| Dellwood Del Norte Limited | Apartments | 13,854,700 |
| Corrections Corp. of America | Correction | 12,051,200 |
| Holiday Inn - Laredo | Hotel | 12,048,400 |
| Retama Manor Nursing Home | Nursing Home | 10,150,900 |
| United High School | School | 10,097,000 |
| International Bank of Commerce | Bank | 9,931,200 |

**PRINCIPAL WATER CONSUMERS**
**SEPTEMBER 30, 1994**

| TYPE OF BUSINESS | PRODUCT OR SERVICE | CONSUMPTION (1) |
|---|---|---|
| Comerce Bank | Bank | 84,808,300 |
| Ueta, Inc. | Duty Free | 54,933,900 |
| Colonia Guadalupe | Housing | 50,854,800 |
| Laredo Manor | Housing | 48,892,300 |
| Mercy Regional Center | Hospital | 42,103,000 |
| Housing Authority-Laredo | Housing | 34,355,500 |
| Housing Authority-City Of Laredo | Housing | 33,534,000 |
| Towne North Mobile Homes | Housing | 25,735,900 |
| LJC Chritian School | School | 20,813,000 |
| Delwood Del Norte | Housing | 20,762,500 |

(1) Total consumption by gallon.

Numbers show tota comparison for principal water consumers as of fiscal year 2003 and 9 years ago.

SOURCE:

United Water of Laredo

## General

| | |
|---|---|
| Form of Government: | City Manager & City Council |
| Terms of Office: | Mayor-4 Year Term (2 Terms Maximum)<br>Council-4 Year Staggered Terms (2 Terms Maximum)<br>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,<br>November 30, 1965, January 14, 1981, January 16, 1988, and November 7, 1995 |
| Number of City Employees as of September 30, 2003: | 2,024 Full-Time, 19 Part-Time & 44 Temporary |
| Number of City Departments as of September 30, 2003: | 24 |

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

| YEAR | LAND AREA | INCREASE | TOTAL |
|---|---|---|---|
| 1961 | 13.12 | 7.12 | 20.24 |
| 1971 | 20.24 | - | 20.24 |
| 1981 | 20.24 | - | 20.24 |
| 1991 | 20.24 | 17.00 | 37.24 |
| 1992 | 37.24 | 5.03 | 42.27 |
| 1993 | 42.27 | 1.73 | 44.00 |
| 1994 | 44.00 | 6.81 | 50.81 |
| 1995 | 50.81 | 4.18 | 54.99 |
| 1996 | 54.99 | 1.49 | 56.48 |
| 1997 | 56.48 | 1.49 | 57.97 |
| 1998 | 57.97 | 2.74 | 60.71 |
| 1999 | 60.71 | 12.07 | 72.78 |
| 2000 | 72.78 | 5.52 | 78.30 |
| 2001 | 78.30 | 1.12 | 79.42 |
| 2002 | 79.42 | 0.34 | 79.76 |
| 2003 | 79.76 | 2.30 | 82.06 |

## Elections

| | |
|---|---|
| Number of Registered Voters: | 88,640 |
| **Number of Votes cast in** | |
| Last Municipal Election: May 03 | 14,092 |
| **% of Registered Voter voting in** | |
| Last Municipal Election: | 16.16% |

## TRANSPORTATION

### AIRPORTS

| | |
|---|---|
| Number of Airports: | 1 |
| Name of Airport: | Laredo International Airport<br>Flights daily to/from<br>Houston, Dallas & Mexico D. F. |
| Scheduled Airplane Flights Per Day Departing: | Monday 7, Tuesday 8, Wednesday 7, Thursday 8; Friday 7; Saturday 4; & Sunday 8 |
| Scheduled Airplane Flights Per Day Arriving: | Monday 7, Tuesday 8, Wednesday 7, Thursday 8; Friday 7; Saturday 4; & Sunday 8 |
| Passengers Enplaning: | 66,487 per year |
| Passengers Deplaned: | 65,383 per year |

### BRIDGES

| | |
|---|---|
| Number of Bridges: | 4 |
| Name of Bridges: | Gateway to the Americas Bridge<br>Juarez - Lincoln International Bridge<br>Colombia Solidarity Bridge<br>World Trade Bridge |
| Number of crossing Pick-ups, Motorcycles, Autos & 2 Axle Vehicles: | 7,020,327 |
| Number of crossing Trailers, 3, 4, & 5 Axle: | 1,361,821 |
| Number of crossing Buses-Local: | N/A |
| Number of crossing Buses-Through: | 35,030 |
| Number of crossing Passenger (includes bicycles): | 4,028,299 |
| Total Tolls | $ 32,136,276.00 |

## RAILROADS

| | |
|---|---|
| Number of Railroads: | 2 |
| Names of Railroads: | Texas-Mexican Railroad<br>Union Pacific Railroad |

## HIGHWAYS

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

## BUS LINES

| | |
|---|---|
| Name of Local Bus line: | Laredo Municipal Transit<br>System |
| Number of Adult Passengers: | 2,125,143 |
| Number of Elderly & Handicapped Paid: | 193,717 |
| Number of Elderly & Handicapped Free: | 544,630 |
| Number of Students: | 79,305 |
| Number of Children Paid: | 332,947 |
| Number of Children Free: | 191,327 |
| Number of Transfers: | 337,551 |
| Number of I.D. cards for elderly | 2,560 |
| Number of Medical Cards | 160,008 |
| Number of Service Miles: | 1,893,324 |
| Number of Charter Miles: | 5,414 |
| Number of Employees: | 179 |
| Name of Interstate Bus Lines: | Greyhound Lines &<br>Autobusses Latinos de<br>Greyhound, El Conejo,<br>Americanos USA,<br>Cen-Tex Charter, El<br>Expreso Bus Co., Giros<br>El Paraiso |

## PUBLIC SAFETY

| | | | |
|---|---|---|---|
| Number of Stations: | 13 | | |
| Number of Hydrants: | 18,000 | | |
| Number of Fire Pumpers: | 13 | | |
| Number of Aerial Trucks: | 2 | Reserve: | 1 |
| Number of Ambulances: | 7 | Reserve: | 5 |
| Number of Crash Trucks: | 1 | Reserve: | 1 |
| Number of Haz-Mat Trucks: | 1 | | |
| Number of Firefighters: | 332 | | |
| Number of EMS Paramedics: | 150 | | |
| Employees per 1,000 population: | 1.88 | | |

## POLICE PROTECTION

| | |
|---|---|
| Number of Stations: | 1 |
| Number of Neighborhood Policing Stations: | 13 |
| Number of Sworn Officers: | 369 |
| Number of Vehicular Patrol Units: | 180 |
| Employees per 1,000 Population: | 1.9 |
| Number of Law Violations: | 29,966 |
| Number of Physical Arrests: | 7,305 |
| Number of Traffic Violations: | 38,903 |

## MEDICAL FACILITIES

| | |
|---|---|
| Number of Hospitals: | 2 |
| Number of Clinics: | 36 |
| Number of Nursing Homes: | 3 |

## PUBLIC WORKS

### WATERWORKS SYSTEM

| | |
|---|---|
| Miles of Water Mains: | 591.67 |
| Daily Average Consumption: | 32 M.G.D. |
| Plant Capacity: | 66 M.G.D. |
| Storage Capacity: | 37.021 M.G.D. |
| Water Rights Owned: | 46,130 A.C. F.T. |
| Source of Water: | Rio Grande/Carrizo-Wilcox |
| Number of Service Connections: | 49,158 |

### SEWER SYSTEM

| | |
|---|---|
| Mile of Sanitary Sewer: | 395.02 |
| Number of Lift Stations: | 80 |
| Daily Average Treatment: | 16.3 MGD |
| Maximum Capacity of Treatment Plants: | 21 MGD |
| Number of Disposal Plants: | 5 |
| Number of Service Connections: | 48,801 |
| Number of Garbage Connections: | 44,288 |

### STREETS

| | |
|---|---|
| Number of Paved Streets: | 9,073 Blocks |
| Number of Unpaved Streets: | 16 Blocks |
| Miles of Paved Streets: | 567 Miles |
| Miles of Unpaved Streets: | 1 Mile |

## EDUCATIONAL

### LAREDO INDEPENDENT SCHOOL DISTRICT

| | |
|---|---|
| **Number of Senior High Schools:** | 3 |
| Number Of Magnet Schools: | 2 |
| Number of Classrooms: | 300 |
| Number of Administrative Personnel: | 257 |
| Number of Teachers | 503 |
| Number of Students: | 5,361 |
| Annual Budget: | $61,378,464 |
| **Number of Middle Schools:** | 4 |
| Number of Classrooms: | 253 |
| Number of Administrative Personnel: | 167 |
| Number of Teachers: | 370 |
| Number of Students: | 4,831 |
| Annual Budget | $53,127,229 |
| **Number of Elementary Schools:** | 20 |
| Number of Classrooms: | 649 |
| Number of Administrative Personnel: | 499 |
| Number of Teachers: | 1,138 |
| Number of Students: | 13,877 |
| Annual Budget: | $106,495,723 |

**UNITED INDEPENDENT SCHOOL DISTRICT**

| | |
|---|---|
| **Number of Senior High Schools:** | 4 |
| Number of Classrooms: | 423 |
| Number of Administrative Personnel: | 69 |
| Number of Teachers: | 521 |
| Number of Students: | 7,767 |
| Annual Budget: | $33,771,815 |
| **Number of Middle Schools:** | 8 |
| Number of Classrooms: | 391 |
| Number of Administrative Personnel: | 56 |
| Number of Teachers: | 389 |
| Number of Students: | 7,000 |
| Annual Budget: | $27,421,823 |
| **Number of Elementary Schools:** | 22 |
| Number of Classrooms: | 1,083 |
| Number of Administrative Personnel: | 124 |
| Number of Teachers: | 1016 |
| Number of Students: | 17,225 |
| Annual Budget: | $61,783,352 |

## LIBRARIES

| | |
|---|---|
| Number of Public Libraries: | 1 |
| Number of Volumes: | 259,442 |
| Circulation transactions: | 462,899 |
| Circulation per Capita: | 2.6 (City) & 2.4 (County) |
| New Library Cards Issued: | 9,632 |
| Library Cards in Force: | 101,619 |
| Number of Suscriptions: | 360 |
| Number of Titles: | 124,338 |
| Number of Library Visits: | 395,227 |
| Number of Materials Used: | 123,565 |
| Library Programs Presented: | 1,596 |
| Number Attending Library Programs: | 40,014 |
| Bookmobiles: | 1 |
| Branches and Outlets: | 2 |

## PRIVATE SCHOOLS

| | |
|---|---|
| Number of Parochial Schools: | 10 |
| Number of Non-Parochial Schools: | 13 |
| Vocational Training Centers: | 9 |

## COMMUNICATIONS

| | |
|---|---|
| Number of Newspapers | 2 |
| Number of Radio Stations: | 11 |
| Number of TV Stations: | 5 |
| Number of Cable Television Companies: | 1 |
| Number of Satellite Companies: | 2 |

## TEXAS A&M INTERNATIONAL UNIVERSITY

| | |
|---|---|
| Date Established: | Established in 1970 as a division of Texas A & I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M U. System on September 1, 1989. |
| Programs Offered: | Undergraduate & Graduate degrees are offered by the Colleges of Business Administration, Education, Arts & Humanities & Science & Tech. |
| Population served: | Undergraduate/Graduate level college students seeking liberal arts/education/psychology & business/international trade & Science & Technology degrees. |
| Region Served: | South Texas Region |
| Number of Classrooms: | 47 |
| Number of Labs: | 49 |
| Number of Administrators: | 95 |
| Number of Full-Time Faculty: | 209 |
| Number of Part-Time Faculty: | 133 |
| Number of Full-Time Students: | 3,073 |
| Number of Part-Time Students: | 4,693 |

## LAREDO COMMUNITY COLLEGE

| | |
|---|---|
| Date Founded: | 1947 |
| Programs Offered: | 2 Years of Pre-Professional Courses in the Fields of Art, Business, Computer, Education, Engineering, Law, Medical, Nursing, Pre-Professional, Science & Vocational leading to an Assoicates of Arts Diploma |
| Number of Classrooms (Inc. labs): | 217 |
| Total Gross Square Footage: | 804,665 Sq. Ft. |
| Number of Administrative Personnel: | 98 |
| Number of Full Time Faculty: | 198 |
| Number of Part Time Faculty: | 149 |
| Number of Classified Staff: | 219 |
| Number of Full Time Students: | 3,015 |
| Number of Part Time Students: | 5,302 |
| Counties Served: | Webb, Jim Hogg, Zapata |

## RECREATIONAL

### PARKS

| | |
|---|---|
| Number of Acres Maintained: | 553.89 |
| Number of Parks: | 58 |
| Number of Plazas: | 4 |
| Baseball & Softball Fields: | 23 |
| Number of Swimming Pools: | 5 |
| Number of Soccer Fields: | 11 |
| Number of Tennis Court Facilities: | 24 |
| Number of Raquetball Facilities: | 6 |
| Number of Recreational Centers: | 6 |

### CEMETERY

| | |
|---|---|
| City: | 1 |
| Catholic: | 1 |
| Private: | 3 |
| Burials Served: | 259 |
| Cemetery Lots Sold: | 193 |

### LODGING/MEETING FACILITIES

| | |
|---|---|
| Number of Hotels/Motels: | 38 with 3,251 rooms |
| Meeting Facilities: | 24 |

## MAJOR ATTRACTIONS

| | |
|---|---|
| Number of Rodeo Arenas: | 2 |
| Number of Museums: | 3 |
| Number of Golf Courses: | 2 |
| Number of Tennis Courts Location: | 6 |
| Number of Malls: | 2 |
| Number of Bowling Alleys: | 1 |
| Number of Movie Theaters: | 2, with 22 indoor movie screens |
| Number of Country Clubs: | 1 |
| Annual Festivities: | Menudo Annual Cookoff in January<br>Washington Birthday Celebration in February<br>Border Olympics & Life International Fair & Exposition in March<br>Expomex of Nuevo Laredo In September<br>Diezysies de septiembre in September<br>Founder's Day in May<br>Christmas Tree Lighting Ceremony |

## CIVIC CENTER

| | |
|---|---|
| Auditorium: | 1 with 1,979 Seats |
| Banquet & Exibit Hall: | 24,470<br>(1,600 seats) |
| Meeting Rooms: | 4 Meeting Rooms<br>with capacity of<br>60 To 80 Per Room<br>or 1 Room of 250 persons.<br>(4,140 square footage) |

## CHURCHES

| | |
|---|---|
| Number of Catholic Churches: | 18, Including 7 Missions |
| Number of Synagogues: | 1 |
| Other Churches: | 55 |

## SPORTS ARENA

| | |
|---|---|
| Square Feet: | 178,000 |
| Seat Capacity: | 10,000 |
| Luxury Seats: | 14 |
| Meeting Rooms | 6 |
| Parking Spaces | 2,000 |
| Major Attraction | CFL Hockey Team: The Laredo Bucks |

**SOURCES:**

Finance Department, City of Laredo
Laredo Chamber of Commerce
Laredo Community College
Laredo Independent School District
Texas A&M International University
United Independent School District

**INSURANCE IN FORCE FOR THE CITY OF LAREDO INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM LAREDO WATERWORKS SYSTEM, AND THE LAREDO SEWER SYSTEM SEPTEMBER 30, 2003**

**CITY OF LAREDO, TEXAS**

**TABLE 21**

| DESCRIPTION | TYPE OF COVERAGE | POLICY LIMIT |
|---|---|---|
| BUILDINGS | Fire and Extended Coverage (1) | $214,478,384 |
| 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 | 7,720,262 |
| | Boiler & Machinery | 5,000,000 |
| AIRPORT LIABILITY | Comprehensive General Liability, | 50,000,000 |
| | Personal Injury Liability Coverage | PER OCCURANCE |
| | Airport Control Tower Operations | |
| 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

# 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 bond issued during fiscal year 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003. The tables apply to the following issues:

| | |
|---|---|
| General Obligation Refunding Bond, Series 1996 | $30,080,000 |
| International Toll Bridge System Revenue Refunding Bond, Series 1996 | 17,995,000 |
| Waterworks System Revenue Refunding Bond, New Series 1996 | 6,625,000 |
| Combination Tax and Airport Revenue Certificate of Obligation, Series 1996 | 2,040,000 |
| General Obligation Bond, Series 1997 | 5,830,000 |
| Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 1997-A | 2,860,000 |
| Combination Tax and Revenue Certificate of Obligation, Series 1997-B | 3,660,000 |
| Combination Tax and Airport Revenue Certificate of Obligation, Series 1998 | 1,430,000 |
| Combination Tax and Sewer Revenue Certificate of Obligation, Series 1998-A | 6,415,000 |
| Combination Tax and Revenue Certificate of Obligation Series 1998-B | 16,160,000 |
| International Toll Bridge System Revenue Bond, Series 1998A | 21,300,000 |
| General Obligation Refunding Bond, Series 1998 | 43,050,000 |
| Combination Tax and Airport Refunding Certificate of Obligation, Series 1999 | 2,830,000 |
| Combination Tax and Waterworks Revenue System Certificate of Obligation, Series 1999 | 3,850,000 |
| Combination Tax and Parking System Certificate of Obligation, Series 1999 | 1,050,000 |
| International Toll Bridge System Revenue Bond, Series 1999 | 9,000 000 |
| Combination Tax and Airport Refunding Certificate of Obligation, Series 2000 | 2,060,000 |
| Combination Tax and Sewer System Revenue Certificate of Obligation, Series 2000 | 1,820,000 |
| Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 2000 | 2,485,000 |
| Public Property Finance Contractual Obligation, Series 2000 | 2,135,000 |
| Public Property Finance Contractual Obligation, Series 2000A | 1,550,000 |
| Combination Tax and Revenue (CIF-Bridge) Certificate of Obligation, Series 2000 | 9,365,000 |
| Sports Venue Sales Tax Revenue Bond, Series 2001 | 39,315,000 |
| Tax and Revenue Certificate of Obligation, Series 2002 | 9,925,000 |
| Public Property Finance Contractual Obligation, Series 2002 | 2,265,000 |
| International Toll Bridge System Revenue Bond, Series 2002 | 12,105,000 |
| Sewer System Revenue Bond, Series 2002A | 2,095,000 |
| Sewer System Revenue Bond, Series 2002B | 2,620,000 |
| Waterworks System Revenue Bond, Series 2002 | 741,000 |
| Sewer System Revenue Bond, Series 2003 | 710,000 |
| General Obligation Refunding Bond, Series 2003 | 4,590,000 |
| Combination Tax and Sewer System Revenue Certificate of Obligation, Series 2003 | 3,620,000 |
| Public Property Finance Contractual Obligations, Series 2003 | 2,795,000 |
| Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 2003 | 3,510,000 |

# GENERAL OBLIGATION BOND

## TABLE 1-VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

| | | |
|---|---|---|
| 2002 Market Valuation Established by Webb County Appraisal District (as of August 2003) | | 6,548,155,482 |
| Less Exemptions/Reductions at 100% Market Value: | | |
| Residential Homestead Exemptions | 187,891,347 | |
| Disabled Veterans Exemptions | 4,571,360 | |
| Agricultural and Open Space Land Use Reductions | 160,658,360 | |
| Free port Exemptions | 154,117,600 | |
| Property Redevelopment and Tax Abatement | 15,988,990 | |
| Pollution Control | 452,760 | |
| Solar and Wind Power Exemptions | 1,207,731 | |
| Historical Exemption | 4,828,670 | 529,716,818 |
| 2002 Taxable Assessed Valuation | | 6,018,438,664 |
| General Obligation Debt Payable from Ad Valorem Taxes (1) | | |
| General Obligation Bonds | 81,070,000 | |
| Certificates of Obligation | 70,870,000 | |
| Funded Debt Payable from Ad Valorem Taxes | | 151,940,000 |
| Less: Self-supporting Debt | | |
| Sewer System General Obligation Debt | 17,007,071 | |
| Sewer System Certificates of Obligation | 11,450,000 | |
| Waterworks System General Obligation Debt | 22,630,000 | |
| Waterworks System Certificates of Obligation | 8,430,000 | |
| Bridge System Certificate of Obligation | 8,830,000 | |
| Risk Management Certificates of Obligation | 260,000 | |
| Airport System Certificates of Obligation | 5,235,000 | |
| Paving Assessments General Obligations Debt | 157,498 | |
| Paving Assessments Certificates of Obligation | 295,000 | |
| Civic Center General Obligation | 690,000 | |
| Landfill Certificates of Obligation | 9,485,262 | |
| Mass Transit General Obligation | 3,430,000 | |
| Capital Improvement Fund Certificates of Obligation | 2,795,000 | |
| Parking System Certificates of Obligation | 1,825,000 | 92,519,831 |
| General Purpose Funded Debt Payable from Ad Valorem Taxes | | 59,420,169 |
| Interest and Sinking Fund | | 5,537,538 |
| Ratio Funded Debt to Taxable Assessed Valuation | | 2.52% |
| Ratio General Purpose Funded Debt to Taxable Assessed Valuation | | 0.99% |

2003 Estimated Population- 207,611
Per Capita Taxable Assessed Valuation- $28,989
Per Capita Funded Debt- $732
Per Capita General Purposes Funded Debt- $286

(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: $6,571,000 Waterworks System Revenue Bonds; $4,60,000 Sewer System Revenue Bonds; and $46,285,000 International Toll Bridge System Revenue Bonds; $38,885,000 Sport Venue Sales Tax Revenue Bonds

## TABLE 2-TAXABLE ASSESSED VALUATIONS BY CATEGORY

| | Taxable Appraised Value for Fiscal Year Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2003 | | 2002 | | 2001 | |
| Category | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| Real, Residential, Single Family | 3,012,653,092 | 46.01% | 2,794,996,391 | 45.93% | 2,506,920,409 | 44.85% |
| Real, Residential, Multifamily | 201,368,048 | 3.08% | 160,508,170 | 2.64% | 141,520,050 | 2.53% |
| Real, Vacant Lots/Tracts | 298,947,650 | 4.57% | 299,026,670 | 4.91% | 297,613,702 | 5.32% |
| Real, Acreage (Land Only) | 237,544,790 | 3.63% | 226,133,290 | 3.72% | 194,372,340 | 3.48% |
| Real, Farm and Ranch Improvements | 1,391,730 | 0.02% | 2,076,540 | 0.03% | 2,323,890 | 0.04% |
| Real, Commercial/Industrial | 1,662,181,632 | 25.38% | 1,516,963,566 | 24.93% | 1,353,217,672 | 24.21% |
| Real, Oil, Gas, and Other Mineral Reserves | 25,864,910 | 0.39% | 27,848,440 | 0.46% | 19,609,250 | 0.35% |
| Real and Tangible Personal, Utilities | 152,566,130 | 2.33% | 139,266,140 | 2.29% | 134,604,550 | 2.41% |
| Tangible Personal, Commercial/Industrial | 824,674,650 | 12.59% | 784,570,110 | 12.89% | 803,306,670 | 14.37% |
| Tangible Personal, Other | 93,587,850 | 1.43% | 94,760,880 | 1.56% | 96,091,190 | 1.72% |
| Real Property, Inventory (1) | 12,634,900 | 0.19% | 15,573,120 | 0.26% | 16,750,960 | 0.30% |
| Special Inventory | 24,740,100 | 0.38% | 23,996,700 | 0.39% | 23,818,910 | 0.43% |
| Total Appraised Value Before Exemptions | 6,548,155,482 | 100.00% | 6,085,720,017 | 100.00% | 5,590,149,593 | 100.00% |
| Less: Total Exemptions/Reductions | 529,716,818 | | 526,737,800 | | 519,598,749 | |
| Taxable Assessed Value | 6,018,438,664 | | 5,558,982,217 | | 5,070,550,844 | |

| | Taxable Appraised Value for Fiscal Year Ended September 30, | | | |
|---|---|---|---|---|
| | 2000 | | 1999 | |
| Category | Amount | % of Total | Amount | % of Total |
| Real, Residential, Single Family | 2,246,214,480 | 43.54% | 2,118,977,210 | 40.66% |
| Real, Residential, Multifamily | 148,244,602 | 2.87% | 144,936,950 | 2.78% |
| Real, Vacant Lots/Tracts | 258,396,087 | 5.01% | 236,351,860 | 4.54% |
| Real, Acreage (Land Only) | 59,731,055 | 1.16% | 211,316,710 | 4.05% |
| Real, Farm and Ranch Improvements | 155,938,590 | 3.02% | 2,770,490 | 0.05% |
| Real, Commercial/Industrial | 1,325,762,518 | 25.70% | 1,622,722,670 | 31.14% |
| Real, Oil, Gas, and Other Mineral Reserves | 11,236,450 | 0.22% | 8,004,390 | 0.15% |
| Real and Tangible Personal, Utilities | 148,750,780 | 2.88% | 139,625,760 | 2.68% |
| Tangible Personal, Commercial/Industrial | 701,249,810 | 13.59% | 634,728,941 | 12.18% |
| Tangible Personal, Other | 93,009,720 | 1.80% | 73,712,470 | 1.41% |
| Real Property, Inventory (1) | 10,842,350 | 0.21% | 18,186,410 | 0.35% |
| Special Inventory | 0 | 0.00% | 5,090 | 0.00% |
| Total Appraised Value Before Exemptions | 5,159,376,442 | 100.00% | 5,211,338,951 | 100.00% |
| Less: Total Exemptions/Reductions | 44,558,635 | | 857,255,918 | |
| Taxable Assessed Value | 5,114,817,807 | | 4,354,083,033 | |

*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 |
|---|---|---|---|---|---|---|
| 1994 | 138,323 | 2,745,326,147 | 19,847 | 93,947,000 | 3.42% | 679 |
| 1995 | 142,472 | 3,014,769,573 | 21,160 | 134,661,000 | 4.47% | 945 |
| 1996 | 146,746 | 3,282,444,963 | 22,368 | 133,950,000 | 4.08% | 913 |
| 1997 | 176,000 | 3,625,397,176 | 20,599 | 137,080,000 | 3.78% | 779 |
| 1998 | 182,000 | 3,806,075,234 | 20,913 | 152,655,000 | 4.01% | 839 |
| 1999 | 197,000 | 4,073,722,461 | 20,679 | 150,855,000 | 3.70% | 766 |
| 2000 | 193,180 | 4,354,083,033 | 22,539 | 150,630,000 | 3.46% | 780 |
| 2001 | 193,117 | 4,713,792,517 | 24,409 | 152,185,000 | 3.23% | 788 |
| 2002 | 201,292 | 5,070,586,594 | 25,190 | 153,675,000 | 3.03% | 763 |
| 2003 | 207,611 | 6,018,438,664 | 28,989 | 151,940,000 | 2.52% | 732 |

(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 |
|---|---|---|---|---|---|---|
| 1994 | 0.510100 | 0.325900 | 0.184200 | 14,003,909 | 92.84% | 107.01% |
| 1995 | 0.551610 | 0.325900 | 0.225710 | 16,629,769 | 94.51% | 107.84% |
| 1996 | 0.551610 | 0.115500 | 0.240060 | 18,106,295 | 93.56% | 104.07% |
| 1997 | 0.526760 | 0.314030 | 0.212773 | 19,097,360 | 95.03% | 105.88% |
| 1998 | 0.539930 | 0.336790 | 0.203140 | 20,550,143 | 95.58% | 105.24% |
| 1999 | 0.539930 | 0.351860 | 0.188070 | 21,995,250 | 95.67% | 103.05% |
| 2000 | 0.569218 | 0.393256 | 0.175962 | 24,784,224 | 95.65% | 102.56% |
| 2001 | 0.576358 | 0.417750 | 0.158603 | 27,168,694 | 95.05% | 101.57% |
| 2002 | 0.576358 | 0.435878 | 0.140480 | 32,039,639 | 95.92% | 103.11% |
| 2003 | 0.630534 | 0.484758 | 0.145776 | 33,435,345 | 99.97% | 107.29% |

Tax collections as of September 30, 2003.

## TABLE 5-TEN LARGEST TAXPAYERS

| Taxpayer | Type of Business | 2002 Assessed Valuation Real & Personal Property | Percentage of Total Assessed Valuation |
|---|---|---|---|
| AEP Texas Central Company | Utility | 74,048,360 | 1.23% |
| Enterprise Laredo Associates | Mall | 32,283,250 | 0.54% |
| Southwestern Bell Telephone | Telephone Co. | 29,029,980 | 0.48% |
| Killam Industrial Develop. Partnership LTD | Development | 28,170,460 | 0.47% |
| HE Butt Grocery co. | Grocery Store | 28,119,880 | 0.47% |
| BB County Correctional Center | Correction co. | 22,140,870 | 0.37% |
| United States Cold Storage | Cold Storage | 19,616,350 | 0.33% |
| Laredo Regional Medical Center | Medical | 32,421,130 | 0.54% |
| Lowe's Home Center Inc. | Retail | 16,209,030 | 0.27% |
| Texas Cable Parterns LP | Cable | 14,131,800 | 0.23% |
| | | 296,171,110 | 4.92% |

NOTE: These taxpayers are current on all taxes.

**GENERAL OBLIGATION DEBT LIMITATION**...The City held a charter election on November 7, 1995. The voters approved Proposition 24 (2,093 in favor, 522 against), which stated that the total overall outstanding debt shall be limited to 10% of the total assessed value.

## TABLE 6-ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities may have issued additional debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

| Taxing Jurisdiction | 2002 Taxable Assessed Valuation | 2002 Tax Rate | Total Funded Debt | Estimated % Applicable | City's Overlapping Funded Debt As of 09-30-03 |
|---|---|---|---|---|---|
| City of Laredo | 6,018,438,664 | 0.63053 | 151,940,000 | 100.00% | 151,940,000 |
| Laredo Independent School District | 1,430,691,752 | 1.50271 | 257,104,752 | 100.00% | 257,104,752 |
| Laredo Community College District | 5,692,018,044 | 0.2265 | 80,704,000 | 100.00% | 80,704,000 |
| United Independent School District | 4,554,062,032 | 1.47687 | 204,071,079 | 69.65% | 142,135,507 |
| Webb County | 7,301,151,991 | 0.4446 | 67,080,207 | 74.49% | 49,968,046 |
| | | | | Total Direct and Overlapping G.O. Tax Debt | 681,852,305 |
| | | | | Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation | 2.73% |
| | | | | Per Capita Overlapping G. O. Tax Debt | 3,284.28 |

Source: Finance Departments of respective entities.

## TABLE 7-INTEREST AND SINKING FUND BUDGET PROTECTION

| | | |
|---|---|---|
| Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2004 | $ | 23,127,889 |
| Interest and Sinking Fund, 9-30-2003 | 5,537,538 | |
| Property Taxes for Interest and Sinking Fund | 8,492,533 | |
| Paving Assessments | 181,000 | |
| Budgeted Transfers | 13,039,507 | |
| Estimated Investment Income | 135,200 | 27,385,778 |
| Estimated Balance, 9-30-2004 | $ | 4,257,889 |

## TABLE 8 A-GENERAL OBLIGATION DEBT SERVICE

| Fiscal Year Ended 09-30 | Total Outstanding GO Debt | GO Refund Bond 03 Issue | Fund Debt Requirements | Less: Self Supporting GO Debt Service Requirements | General Purpose Funded Debt | % of Debt Retired |
|---|---|---|---|---|---|---|
| 2004 | 9,533,866 | 1,018,900 | 10,552,766 | 4,932,710 | 5,620,056 | 11.75% |
| 2005 | 9,251,565 | 1,645,800 | 10,897,365 | 6,222,426 | 4,674,939 | |
| 2006 | 10,331,458 | 924,300 | 11,255,758 | 5,973,117 | 5,282,641 | |
| 2007 | 10,114,426 | 251,800 | 10,366,226 | 5,491,850 | 4,874,376 | |
| 2008 | 10,064,085 | 517,400 | 10,581,485 | 5,462,163 | 5,119,322 | |
| 2009 | 9,427,562 | 285,150 | 9,712,712 | 5,279,409 | 4,433,303 | 62.71% |
| 2010 | 9,090,289 | 288,400 | 9,378,689 | 5,302,476 | 4,076,213 | |
| 2011 | 8,498,832 | 0 | 8,498,832 | 5,177,256 | 3,321,576 | |
| 2012 | 8,177,249 | 0 | 8,177,249 | 4,843,111 | 3,334,138 | |
| 2013 | 7,343,006 | 0 | 7,343,006 | 4,855,994 | 2,487,012 | 90.34% |
| 2014 | 5,979,848 | 0 | 5,979,848 | 3,474,381 | 2,505,467 | |
| 2015 | 1,082,335 | 0 | 1,082,335 | 0 | 1,082,335 | |
| 2016 | 517,525 | 0 | 517,525 | 0 | 517,525 | |
| 2017 | 516,950 | 0 | 516,950 | 0 | 516,950 | 100.00% |
| Total | 99,928,996 | 4,931,750 | 104,860,746 | 57,014,893 | 47,845,853 | |

## TABLE 8 B-CERTIFICATES OF OBLIGATIONS DEBT SERVICE

| Fiscal Year 9-30 | Outstanding Certificates of Obligation Debt | Public Prop. Finance Contractual Oblig, Series 2003 | Comb. Tax & Revenue 31.5 Million | Comb. Tax & Sewer 3.62 Million | Fund Debt Requirements | Less: Self Supporting CO Debt Service Requirements | General Purpose Funded Debt | % of Debt Retired |
|---|---|---|---|---|---|---|---|---|
| 2004 | 8,753,053 | 585,469 | 190,169 | 268,523 | 9,797,214 | 6,474,795 | 3,322,419 | 9.72% |
| 2005 | 7,053,496 | 594,910 | 269,733 | 270,540 | 8,188,679 | 4,832,920 | 3,355,759 | |
| 2006 | 6,496,476 | 596,858 | 268,995 | 270,121 | 7,632,450 | 4,825,821 | 2,806,629 | |
| 2007 | 5,240,186 | 600,965 | 268,032 | 269,406 | 6,378,589 | 4,743,325 | 1,635,264 | |
| 2008 | 4,563,630 | 602,437 | 266,845 | 273,190 | 5,706,102 | 4,692,877 | 1,013,225 | |
| 2009 | 4,764,109 | 0 | 270,320 | 271,553 | 5,305,982 | 4,105,498 | 1,200,484 | 42.66% |
| 2010 | 4,663,263 | 0 | 268,458 | 269,690 | 5,201,411 | 3,919,848 | 1,281,563 | |
| 2011 | 4,777,892 | 0 | 267,250 | 268,482 | 5,313,624 | 3,923,363 | 1,390,261 | |
| 2012 | 4,559,907 | 0 | 266,560 | 267,793 | 5,094,260 | 3,703,668 | 1,390,592 | |
| 2013 | 4,760,101 | 0 | 265,445 | 271,585 | 5,297,131 | 3,710,341 | 1,586,790 | |
| 2014 | 4,650,965 | 0 | 268,880 | 269,927 | 5,189,772 | 3,603,662 | 1,586,110 | 68.55% |
| 2015 | 4,819,040 | 0 | 266,853 | 272,803 | 5,358,696 | 3,440,597 | 1,918,099 | |
| 2016 | 5,237,846 | 0 | 269,345 | 270,197 | 5,777,388 | 3,464,585 | 2,312,803 | |
| 2017 | 5,270,812 | 0 | 266,345 | 272,095 | 5,809,252 | 3,470,476 | 2,338,776 | |
| 2018 | 4,752,144 | 0 | 267,835 | 273,378 | 5,293,357 | 3,212,063 | 2,081,294 | |
| 2019 | 2,393,713 | 0 | 268,695 | 269,132 | 2,931,540 | 2,484,070 | 447,470 | 93.52% |
| 2020 | 2,083,739 | 0 | 268,963 | 274,291 | 2,626,993 | 2,178,255 | 448,738 | |
| 2021 | 1,528,128 | 0 | 268,680 | 273,790 | 2,070,598 | 1,801,918 | 268,680 | |
| 2022 | 748,250 | 0 | 272,662 | 272,663 | 1,293,575 | 1,020,913 | 272,662 | |
| 2023 | 0 | 0 | 270,962 | 270,962 | 541,924 | 270,962 | 270,962 | 100.00% |
| Total | 87,116,750 | 2,980,639 | 5,291,027 | 5,420,121 | 100,808,537 | 69,879,957 | 30,928,580 | |

## TABLE 9-COMPUTATION OF SELF-SUPPORTING DEBT

| | |
|---|---|
| Computation of Self-supporting Debt-Airport | |
| Net Airport Revenue from Fiscal Year Ended 9-30-03 | 4,590,037 |
| Less: Airport Revenue Bond Requirements, 2004 Fiscal Year Ended | - |
| Balance Available for Other Purposes | 4,590,037 |
| Airport General Obligation Bond Requirements, 2004 Fiscal Year Ended | 782,345 |
| Balance | 3,807,692 |
| Percentage of Airport General Obligation Bonds Self-supporting | 100% |
| Computation of Self-supporting Debt-Sewer system | |
| Net Revenue from Fiscal Year Ended 9-30-03 | 5,881,143 |
| Less: Sewer System Revenue Bond Requirements, 2004 Fiscal Year Ended | 1,087,719 |
| Balance Available for Other Purposes | 4,793,424 |
| Sewer System General Obligation Bond Requirements, 2004 Fiscal Year Ended | 3,759,749 |
| Balance | 1,033,675 |
| Percentage of Sewer System General Obligation Bonds Self-supporting | 100% |
| Computation of Self-supporting Debt-Waterworks System | |
| Net Revenues from Fiscal Year Ended 9-30-03 | 6,305,537 |
| Less: Waterworks Revenue Bond Requirements, 2004 Fiscal Year Ended | 1,181,817 |
| Balance Available for Other Purposes | 5,123,720 |
| Waterworks System General Obligation Bond Requirements, 2004 Fiscal Year Ended | 3,709,433 |
| Balance Available for Other Purposes | 1,414,287 |
| Percentage of Waterworks System General Obligation Bonds Self-supporting | 100% |
| Computation of Self-supporting Debt-Paving Assessments | |
| Net Revenue from Fiscal Year Ended 9-30-03 | 135,058 |
| Less: Paving Assessment Revenue Bond Requirements, 2004 Fiscal Year Ended | - |
| Balance Available for Other Purposes | 135,058 |
| Paving Assessments General Obligation Bond Requirements, 2004 Fiscal Year Ended | 362,532 |
| Balance | (227,474) |
| Percentage of Paving Assessment General Obligation Bonds Self-supporting | 39% |

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

| | |
|---|---|
| Computation of Self-supporting Debt-Hotel Occupancy Tax | |
| Net Revenues from Fiscal Year Ended 9-30-03 | 12,229 |
| Less: Hotel Revenue Bond Requirements, 2004 Fiscal Year Ended | - |
| Balance Available for Other Purposes | 12,229 |
| Hotel General Obligation Bond Requirements, 2004 Fiscal Year Ended | 118,510 |
| Balance | (106,281) |
| Percentage of Hotel General Obligation Bonds Self-supporting | 100.00% |
| Computation of Self-supporting Debt-Mass Transit | |
| Net Revenue from Fiscal Year Ended 9-30-03 | 2,192,502 |
| Less: Mass Transit Revenue Bond Requirements, 2004 Fiscal Year Ended | - |
| Balance Available for Other Purposes | 2,192,502 |
| Mass Transit General Obligation Bond Requirements, 2004 Fiscal Year Ended | 445,555 |
| Balance | 1,746,947 |
| Percentage of Mass Transit General Obligation Bonds Self -supporting | 100.00% |
| Computation of Self-supporting Debt-Solid Waste Fund (Landfill Fund) | |
| Net Revenue from Fiscal Year Ended 9-30-03 | 4,548,696 |
| Less: Solid Waste Revenue Bond Requirements, 2004 Fiscal Year Ended | - |
| Balance Available for Other Purposes | 4,548,696 |
| Solid Waste General Obligation Bond Requirements, 2004 Fiscal Year Ended | 796,532 |
| Balance | 3,752,164 |
| Percentage of Solid Waste General Obligation Bonds Self-supporting | 100.00% |

## TABLE 10-OTHER OBLIGATIONS

| Fiscal Year Ended September 30 | Lease Payments |
|---|---|
| 2004 | 599,203 |
| 2005 | 599,203 |
| 2006 | 423,554 |
| Total Minimum Lease Payments | 1,621,960 |

***Other Obligations***

Pension Fund...The City provides 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.

## TABLE 11-GENERAL FUND REVENUES AND EXPENDITURES HISTORY

| | Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| Revenues: | | | | | |
| Taxes | 45,792,946 | 40,463,347 | 36,612,984 | 33,418,183 | 28,985,508 |
| Franchises | 5,539,242 | 6,542,640 | 7,046,343 | 5,805,626 | 6,522,613 |
| Licenses & Permits | 4,932,961 | 5,007,870 | 4,691,086 | 4,136,861 | 1,973,037 |
| Intergovernmental | 825,502 | 592,326 | 613,914 | 527,871 | 890,001 |
| Charges for Services | 22,738,802 | 21,728,811 | 19,632,991 | 19,040,305 | 17,273,040 |
| Fine and Special Assessments | 2,075,063 | 1,881,512 | 2,551,847 | 2,209,781 | 2,331,761 |
| Interest and Other | 382,482 | 1,003,356 | 1,676,744 | 1,357,839 | 1,034,050 |
| Other | 2,741,755 | 966,239 | 984,630 | 1,126,569 | 1,267,346 |
| Total Revenues | 85,028,753 | 78,186,101 | 73,810,539 | 67,623,035 | 60,277,356 |
| Expenditures: | | | | | |
| General Government | 11,602,491 | 10,661,703 | 9,918,770 | 9,345,941 | 9,474,756 |
| Public Safety | 56,025,310 | 50,088,426 | 43,409,621 | 41,404,952 | 35,614,750 |
| Public Works | 3,608,986 | 4,125,575 | 4,320,132 | 3,796,110 | 3,517,335 |
| Health and Welfare | 961,834 | 948,141 | 906,787 | 897,088 | 836,263 |
| Culture and Recreation | 8,361,917 | 7,311,822 | 7,016,479 | 6,041,693 | 5,150,473 |
| Capital Outlay | - | 741,194 | - | - | - |
| Miscellaneous | 3,405,561 | 2,977,874 | 2,869,487 | 4,428,405 | 2,249,768 |
| Total Expenditures | 83,966,099 | 76,854,735 | 68,441,276 | 65,914,189 | 56,843,345 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,062,654 | 1,331,366 | 5,369,263 | 1,708,846 | 3,434,011 |
| Transfers In | 8,273,349 | 4,152,822 | 3,844,446 | 1,423,045 | 1,156,523 |
| Bond/Capital Lease Proceeds | - | - | 283,800 | 7,175,817 | 3,850,000 |
| Transfers Out | (11,098,086) | (8,355,016) | (7,112,330) | (5,633,485) | (7,346,641) |
| Total Transfers In/(Out) | (2,824,737) | (4,202,194) | (2,984,084) | 2,965,377 | (2,340,118) |
| Net Increase (Decrease) | (1,762,083) | (2,870,828) | 2,385,179 | 4,674,223 | 1,093,893 |
| Adjustments | - | - | - | (4,305,000) | (3,548,453) |
| Beginning Fund Balance | 11,782,109 | 14,652,937 | 12,267,758 | 11,898,535 | 14,353,095 |
| Ending Fund Balance | 10,020,026 | 11,782,109 | 14,652,937 | 12,267,758 | 11,898,535 |

## 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) |
|---|---|---|---|---|
| 1994 | 12,326,908 | 88% | 0.4490 | 89.12 |
| 1995 | 11,431,265 | 69% | 0.3792 | 80.24 |
| 1996 | 10,423,709 | 58% | 0.3176 | 71.03 |
| 1997 | 11,665,798 | 61% | 0.3218 | 66.28 |
| 1998 | 12,863,422 | 63% | 0.3380 | 70.68 |
| 1999 | 13,665,869 | 62% | 0.3355 | 69.37 |
| 2000 | 15,230,665 | 61% | 0.3498 | 78.84 |
| 2001 | 18,461,983 | 68% | 0.3917 | 95.60 |
| 2002 | 21,447,813 | 67% | 0.3858 | 106.55 |
| 2003 | 22,547,235 | 67% | 0.4252 | 108.60 |

*(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 Laredo Entertainment Center.*

*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, 2003, all of the City's investments were guaranteed obligations of the US Government or its agencies and government investment pool. The City's investment portfolio had a weighted average maturity of 138 days to the call date and a weighted average maturity of 224 days to its final maturity. The market value of the investment portfolio was approximately 99.95% of its face value. The City's funds are invested as follows:*

| | | |
|---|---|---|
| Investment Pools | $ | 120,656,993 |
| Agency Securities | | 31,927,188 |
| Total | $ | 152,584,181 |

**Laredo Entertainment Center**

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue Bonds, Series 2001to finance a sports venue project for a multipurpose entertainment arena and related infrastructure that is planned for the use of one or more professional or amateur sports events and community events, including promotional and other civic or charitable events, and to pay for costs of issuance of the Bonds.

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 ¼% sale 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 form, 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 huge entertainment center will introduce inexpensive, family oriented entertainment services, such as concerts, rodeos, circuses, civic events, sporting events and more. Its major attraction will be the Laredo Bucks, hockey team, who will participate in the Central Hockey League.

The Arena itself will count with a diverse mixture of world-class entertainment, a 10,000 seating capacity, over 2000 parking spaces, and a team store. The 178,000 square foot, $36.5 million facility opened in October 2002. For the first year, the Laredo Entertainment Center hosted more than 100 events among them Shakira's, and Santana's concert.

After the construction of the Arena was completed, approximately 170 new full-time jobs were created for the operation of the facility. Furthermore, contracts were awarded to local businesses whose products are needed for the daily operations of the center. This will bring many new businesses to the City of Laredo, which will provide more job opportunities and City growth.

**TABLE 1 – SALES TAX RECEIPTS**

| Fiscal Year Ending 9/30 | | Actual 1% Sales & Use Tax Recipts | | 1/4 of 1% Sales Tax Receipts | Maximum Annual Debt Servcice | Estimated Coverage |
|---|---|---|---|---|---|---|
| 1993 | $ | 11,310,376 | * | 2,827,594 | 3,064,204 | 0.92 |
| 1994 | | 12,326,908 | * | 3,081,727 | 3,064,204 | 1.01 |
| 1995 | | 11,431,266 | * | 2,857,817 | 3,064,204 | 0.93 |
| 1996 | | 10,423,709 | * | 2,605,927 | 3,064,204 | 0.85 |
| 1997 | | 11,665,798 | * | 2,916,450 | 3,064,204 | 0.95 |
| 1998 | | 12,863,423 | * | 3,215,856 | 3,064,204 | 1.05 |
| 1999 | | 13,665,870 | * | 3,416,468 | 3,064,204 | 1.11 |
| 2000 | | 15,230,665 | * | 3,807,666 | 3,064,204 | 1.24 |
| 2001 | | 16,512,506 | | 4,128,126 | 3,064,204 | 1.35 |
| 2002 | | 17,158,252 | | 4,289,561 | 3,064,204 | 1.40 |
| 2003 | | 18,037,788 | | 4,509,447 | 3,064,204 | 1.47 |

(*) 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 purposed 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 estimated 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 1992.

**TABLE 2 – COVERAGE**

| | |
|---|---|
| Average Annual Principal and Interest Requirements, 2003-2026 | 2,951,081 |
| Fiscal Year 2003 Sales Tax Reveues | 4,509,447 |
| Coverage of Average Requirements by Fiscal Year 2003 | 1.53 |
| | |
| Maximum Principal and Interest Requirements 2011 | 3,064,204 |
| Fiscal Year 2003 Sales Tax Reveues | 4,509,447 |
| Coverage of Maximum Requirements by Fiscal 2003 | 1.47 |

**TABLE 3 – ANNUAL DEBT SERVICE REQUIREMENT**

| Fiscal Year Ended 9-30 | Principal | Interest | Total | % of Debt Service Retired |
|---|---|---|---|---|
| 2003 | 430,000 | 2,039,591 | 2,469,591 | 3.49% |
| 2004 | 525,000 | 2,018,104 | 2,543,104 | |
| 2005 | 625,000 | 1,993,948 | 2,618,948 | |
| 2006 | 730,000 | 1,965,179 | 2,695,179 | |
| 2007 | 835,000 | 1,929,966 | 2,764,966 | |
| 2008 | 950,000 | 1,889,804 | 2,839,804 | 22.49% |
| 2009 | 1,070,000 | 1,844,354 | 2,914,354 | |
| 2010 | 1,195,000 | 1,793,391 | 2,988,391 | |
| 2011 | 1,325,000 | 1,736,029 | 3,061,029 | |
| 2012 | 1,395,000 | 1,665,448 | 3,060,448 | |
| 2013 | 1,480,000 | 1,582,791 | 3,062,791 | 43.80% |
| 2014 | 1,565,000 | 1,495,248 | 3,060,248 | |
| 2015 | 1,660,000 | 1,402,529 | 3,062,529 | |
| 2016 | 1,760,000 | 1,304,204 | 3,064,204 | |
| 2017 | 1,855,000 | 1,206,069 | 3,061,069 | |
| 2018 | 1,955,000 | 1,108,438 | 3,063,438 | 65.41% |
| 2019 | 2,055,000 | 1,004,398 | 3,059,398 | |
| 2020 | 2,170,000 | 893,491 | 3,063,491 | |
| 2021 | 2,285,000 | 776,548 | 3,061,548 | |
| 2022 | 2,410,000 | 651,798 | 3,061,798 | |
| 2023 | 2,545,000 | 518,632 | 3,063,632 | 87.03% |
| 2024 | 2,685,000 | 379,083 | 3,064,083 | |
| 2025 | 2,830,000 | 232,935 | 3,062,935 | |
| 2026 | 2,980,000 | 78,970 | 3,058,970 | 100.00% |
| | $ 39,315,000 | 31,510,948 | $ 70,825,948 | |

## LAREDO INTERNATIONAL AIRPORT DESCRIPTION

The Airport consists of approximately 1,892 acres of which 900 acres are dedicated to aviation activities for passenger and air cargo terminals, hangars, navigational aids, runways, taxiways and aprons and 982 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by American Eagle to Dallas/Fort Worth, Continental Express to Houston Bush Intercontinental, Azteca Airlines to Mexico City. Cumulative, the airlines have eight daily scheduled flights. Furthermore, our passenger terminal also houses a full service restaurant, gift shop/duty free concession, ATM, five car rental companies and U.S. Custom Service.

Twelve scheduled air cargo companies are currently serving the Airport and as well as several unscheduled cargo carriers. During 2001, Laredo ranked 93rd in the nation in terms of all air cargo activity. On March 2003, Federal Express started daily B-727 air cargo service thus joining Emery Worldwide and BAX Global who provide daily DC-8 service to and from Laredo.

The airport leases facilities and land to manufacturers, retailers, institutions and public entities. In December 2002, the University of Texas Health Science Center (UTHSC) inaugurated the first building of its medical research and education campus in Laredo. UTHSC is located adjacent to the approximate $145.0 million new Mercy Regional Medical Center. This area of the airport is fast becoming a regional medical campus.

In July 2002 Mayor Flores declared the month of July as "FLY WORLD CLASS FROM LAREDO" providing jet service to Houston, to Dallas/Fort Worth, and Mexico City from an airport with world class facilities, such as, new state of the art $24.0 million passenger terminal, new air carrier apron, new runway and new taxiway. The passenger terminal counts with excess capacity. The total capacity of the passenger terminal is 600 domestic passengers per hour and the Federal Inspection Station has capacity for 300 international arriving passengers per hour.

During the past ten years the City and the Federal Aviation Administration have invested over $80.0 million in Laredo International Airport infrastructure and noise abatement program.

The passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges to twenty gates by the year 2025.

| Calendar Year | Enplaned Passengers | Deplaned Passengers | Gross Landed Weight (lbs.) |
|---|---|---|---|
| 1995 | 59,948 | (1) 56,915 | 265,195,338 |
| 1996 | 59,945 | 58,586 | 331,358,282 |
| 1997 | 70,445 | 67,149 | 392,601,348 |
| 1998 | 78,223 | 75,135 | 460,763,819 |
| 1999 | 89,306 | 87,017 | 374,202,303 |
| 2000 | 89,905 | 87,807 | 420,000,000 |
| 2001 | 69,049 | (2) 67,835 | 226,136,780 |
| 2002 | 74,286 | 73,719 | 261,473,820 |
| 2003 | 73,638 | 72,345 | (3) 270,000,000 |

**(1)** The December 1994 Peso devaluation which resulted in an economic crisis in the Republic of Mexico caused an approximate 40 percent decrease in passenger and cargo activity. The Mexican economy is recovering and growth trends and air cargo activity is growing.

**(2)** Because of the terrorists' attacks of September 11, 2001 and slow down of the U.S. economy, we experienced an 8.0 percent decline in passenger activity and air cargo declined by approximately 46 percent during CY 2001.

**(3)** Estimated Figure, Pending Final Review.

**TABLE 1-DEBT SERVICE REQUIREMENT**

| Fiscal Year Ended 9-30 | Debt Requirement | 99 Airport Refunding Issue Principal | Interest | Total | Total Outstanding Debt | % of Principal Retired |
|---|---|---|---|---|---|---|
| 2003 | 414,664 | 255,000 | 116,080 | 371,080 | 785,744 | 10.19% |
| 2004 | 412,740 | 265,000 | 104,605 | 369,605 | 782,345 | |
| 2005 | 415,010 | 270,000 | 92,415 | 362,415 | 777,425 | |
| 2006 | 411,215 | 285,000 | 79,725 | 364,725 | 775,940 | |
| 2007 | 411,566 | 255,000 | 66,045 | 321,045 | 732,611 | |
| 2008 | 415,894 | 265,000 | 53,550 | 318,550 | 734,444 | 59.53% |
| 2009 | 408,805 | 280,000 | 40,300 | 320,300 | 729,105 | |
| 2010 | 411,050 | 105,000 | 26,160 | 131,160 | 542,210 | |
| 2011 | 416,948 | 105,000 | 20,753 | 125,753 | 542,701 | |
| 2012 | 206,098 | 100,000 | 15,240 | 115,240 | 321,338 | |
| 2013 | 201,685 | 100,000 | 9,940 | 109,940 | 311,625 | 91.27% |
| 2014 | 116,857 | 85,000 | 4,590 | 89,590 | 206,447 | |
| 2015 | 117,042 | - | - | - | 117,042 | |
| 2016 | 116,960 | - | - | - | 116,960 | |
| 2017 | 116,610 | - | - | - | 116,610 | |
| 2018 | 115,940 | - | - | - | 115,940 | 100.00% |
| Total | 4,709,084 | 2,370,000 | 629,403 | 2,999,403 | 7,708,487 | |

**TABLE 2-SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

| | Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| Revenues: | | | | | |
| FAA | $ 287,124 | 279,240 | 262,072 | 227,547 | 227,547 |
| State Operating Grant | 135,344 | 80,354 | - | - | - |
| Rents | 3,777,292 | 3,291,239 | 3,494,805 | 3,062,435 | 3,112,106 |
| Interest Earnings | 759 | - | 2,375 | 38,135 | - |
| Proceeds from Asset Disposition | 3,400,077 | - | - | - | - |
| Miscellaneous | 484,174 | 239,644 | 238,717 | 2,733,659 | 593,195 |
| Total Revenues | 8,084,770 | 3,890,477 | 3,997,969 | 6,061,776 | 3,932,848 |
| Expenditures: | | | | | |
| Administration | 1,888,911 | 2,662,541 | 2,447,368 | 2,391,637 | 2,114,555 |
| Building Maintenance | 373,133 | 382,214 | 377,299 | 454,499 | 374,132 |
| Ground Maintenance | 390,865 | 364,801 | 365,871 | 381,181 | 355,595 |
| Capital Improvements | - | - | 26,500 | - | 20 |
| Control Tower | 358,495 | 336,383 | 307,061 | 315,570 | 305,721 |
| Airport Police | 494,967 | 66,808 | - | - | - |
| Foreign Trade Zone | 13,362 | 11,661 | 11,444 | 12,620 | 24,606 |
| Total Expenditures | 3,519,733 | 3,824,408 | 3,535,543 | 3,555,507 | 3,174,629 |
| Net Operating Revenues | 4,565,037 | 66,069 | 462,426 | 2,506,269 | 758,219 |
| Other Sources (Uses): | | | | | |
| Debt Service | (785,744) | (793,684) | (758,560) | (442,303) | (785,825) |
| Capital Outlay | - | (17,331) | (18,885) | (39,715) | (103,178) |
| FAA | - | - | - | - | 407,777 |
| EDA | - | - | - | 24,950 | - |
| General Fund | 25,000 | 25,000 | 107,072 | 25,000 | 28,000 |
| Airport Construction | - | 663,130 | (2,007,000) | - | 25,516 |
| Total Other Sources (Uses) | (760,744) | (122,885) | (2,677,373) | (432,068) | (427,710) |
| Excess (Deficiency) of Revenues Over Expenditures | 3,804,293 | (56,816) | (2,214,947) | 2,074,201 | 330,509 |
| Beginning Fund Balance | (337,807) | (280,991) | 1,933,956 | (140,245) | (470,754) |
| Ending Fund Balance | $ 3,466,486 | (337,807) | (280,991) | 1,933,956 | (140,245) |

## 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 Laredo-Columbia Bridge ("Bridge No. 3"), and the World Trade Bridge ("Bridge No. 4"). Bridge No. 1 was built in 1956 and it was enlarged to a 40-foot width, and it carries four vehicular traffic lanes with 8-foot pedestrian walks on each side, and aluminum outside railings. Bridge No. 2 was built in 1976. Total width of Bridge No. 2 is 98.4 feet and it accommodates up to six vehicular traffic lanes, and has 10-foot sidewalks with protective railings and high curbs separating roadways and sidewalks on each side. Bridge No. 3 was built in 1991. This bridge structure is a simple plan structure consisting of eight 12' wide travel lanes (four in each direction). Bridge No. 4 was built in 2000 and it is composed of eight-lanes.

The system presently has 15 toll lanes, all of which are equipped for a toll collection process 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 collection for the International Bridge System. To administer, operate, and maintain the System, the City has approximately 84 employees, approximately 46 of whom are directly involved in toll collection operations. Another 42 employees are involved in various aspects of administration, including maintenance, engineering, accounting, traffic control, and general administration.

## LAREDO BRIDGE SYSTEM
## CURRENT AND HISTORICAL INFORMATION

**TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC**

| Calendar Year | Loaded Trucks | Empty Trucks | Other Vehicles | Total Vehicles | Pedestrians |
|---|---|---|---|---|---|
| 1990 | 261,067 | 157,428 | 6,045,615 | 6,464,110 | 3,188,720 |
| 1991 | 346,524 | 179,140 | 6,189,937 | 6,715,601 | 3,217,944 |
| 1992 | 457,401 | 275,397 | 6,392,480 | 7,125,278 | 3,910,497 |
| 1993 | 478,458 | 327,045 | 6,453,284 | 7,258,787 | 3,871,503 |
| 1994 | 548,409 | 366,012 | 6,371,440 | 7,285,861 | 3,658,531 |
| 1995 | 416,263 | 336,716 | 5,854,046 | 6,607,025 | 3,141,985 |
| 1996 | 487,255 | 395,332 | 6,578,231 | 7,460,818 | 3,374,321 |
| 1997 | 650,781 | 427,728 | 6,909,266 | 7,987,775 | 3,956,251 |
| 1998 | 801,086 | 391,225 | 7,048,749 | 8,241,060 | 4,022,037 |
| 1999 | (1) | (1) | (1) | (1) | (1) |
| 2000 | (1) | (1) | (1) | (1) | (1) |
| 2001 | (1) | (1) | (1) | (1) | (1) |
| 2002 | (1) | (1) | (1) | (1) | (1) |
| 2003 | (1) | (1) | (1) | (1) | (1) |

(1) Due to changes in traffic data recording procedures, this information will no longer be available.

**TABLE 2 - TOLL RATES FOR THE SYSTEM**

New Rate Schedule (Southbound only) Effective December 1, 2002:

| | |
|---|---|
| Pedestrians | $0.50 |
| Motorcycle or Scooter, including Driver | 1.50 |
| Auto | 1.50 |
| Auto and Pickup Truck with Cargo | 2.00 |
| Pickup or Two-Axle Campers | 1.50 |
| Pickup Truck with Trailer | 1.75 |
| Bicycle, including Rider | 0.35 |
| Motor Bus, Local, empty or with normal occupancy | 1.50 |
| Pickup Truck or Auto with freight | 2.00 |
| Two-Axle Truck with freight | 4.00 |
| Commercial Rate (per axle) | 2.75 |

Old Rate Schedule (Southbound only) Effective December 1, 1998:

| | |
|---|---|
| Pedestrians | $0.35 |
| Motorcycle or Scooter, including Driver | 1.50 |
| Auto | 1.50 |
| Auto and Pickup Truck with Cargo | 2.00 |
| Pickup or Two-Axle Campers | 1.50 |
| Pickup Truck with Trailer | 1.75 |
| Bicycle, including Rider | 0.35 |
| Motor Bus, Local, empty or with normal occupancy | 1.50 |
| Pickup Truck or Auto with freight | 2.00 |
| Two-Axle Truck with freight | 4.00 |
| Commercial Rate (per axle) | 2.75 |

## TABLE 3-HISTORICAL REVENUES OF THE SYSTEM

| MONTH | FISCAL YEAR 2003 | FISCAL YEAR 2002 | FISCAL YEAR 2001 | FISCAL YEAR 2000 | FISCAL YEAR 1999 |
|---|---|---|---|---|---|
| OCT | 2,876,062 | 2,276,872 | 2,491,163 | 2,413,723 | 2,050,987 |
| NOV | 2,757,597 | 2,335,760 | 2,469,377 | 2,300,804 | 1,734,569 |
| DEC | 2,883,428 | 2,798,976 | 2,455,341 | 2,547,265 | 2,331,110 |
| JAN | 2,617,782 | 2,535,167 | 2,243,322 | 2,148,634 | 2,019,408 |
| FEB | 2,361,630 | 2,423,728 | 2,191,225 | 2,254,463 | 2,016,079 |
| MAR | 2,632,044 | 2,661,424 | 2,787,027 | 2,506,618 | 2,296,517 |
| APR | 2,650,137 | 2,743,116 | 2,232,977 | 2,293,218 | 2,196,263 |
| MAY | 2,754,437 | 2,811,950 | 2,393,230 | 2,399,477 | 2,282,181 |
| JUN | 2,682,476 | 2,653,834 | 2,403,932 | 2,468,129 | 2,286,998 |
| JUL | 2,841,483 | 2,767,532 | 2,414,118 | 2,372,444 | 2,355,798 |
| AUG | 2,714,605 | 2,792,379 | 2,656,895 | 2,575,417 | 2,264,649 |
| SEP | 2,665,824 | 2,562,561 | 1,809,335 | 2,468,285 | 2,312,644 |
| TOTAL | 32,437,505 | 31,363,299 | 28,547,942 | 28,748,477 | 26,147,203 |

# FINANCIAL INFORMATION

## TABLE 4-DEBT SERVICE REQUIREMENTS OF THE SYSTEM

| Fiscal Year Ended 9-30 | Series 1996 Bonds Total | The Bonds Principal | The Bonds Interest | The Bonds Total | SIB Loan Total | Total Outstanding Debt | % of Total Debt Service Retired |
|---|---|---|---|---|---|---|---|
| 2004 | 1,986,620 | 2,855,000 | 1,954,729 | 4,809,729 | - | 6,796,349 | 5.42% |
| 2005 | 1,986,905 | 790,000 | 1,810,501 | 2,600,501 | 3,415,292 | 8,002,698 | |
| 2006 | 1,761,825 | 825,000 | 1,777,326 | 2,602,326 | 3,415,292 | 7,779,443 | |
| 2007 | 1,657,890 | 860,000 | 1,742,291 | 2,602,291 | 3,415,292 | 7,675,473 | |
| 2008 | 1,554,180 | 895,000 | 1,710,138 | 2,605,138 | 3,415,292 | 7,574,610 | |
| 2009 | 1,450,755 | 930,000 | 1,674,731 | 2,604,731 | 3,204,215 | 7,259,701 | 35.93% |
| 2010 | 1,347,675 | 1,550,000 | 1,636,442 | 3,186,442 | 2,222,478 | 6,756,595 | |
| 2011 | - | 2,970,000 | 1,566,003 | 4,536,003 | 2,222,478 | 6,758,481 | |
| 2012 | - | 3,090,000 | 1,430,568 | 4,520,568 | 2,222,478 | 6,743,046 | |
| 2013 | - | 3,250,000 | 1,287,613 | 4,537,613 | 2,222,478 | 6,760,091 | |
| 2014 | - | 3,410,000 | 1,134,253 | 4,544,253 | 2,222,478 | 6,766,731 | 62.85% |
| 2015 | - | 3,585,000 | 964,497 | 4,549,497 | 2,222,478 | 6,771,975 | |
| 2016 | - | 3,760,000 | 790,402 | 4,550,402 | 2,222,478 | 6,772,880 | |
| 2017 | - | 3,960,000 | 604,305 | 4,564,305 | 2,222,478 | 6,786,783 | |
| 2018 | - | 4,160,000 | 407,590 | 4,567,590 | 2,222,478 | 6,790,068 | |
| 2019 | - | 1,485,000 | 199,830 | 1,684,830 | 2,222,478 | 3,907,308 | 87.58% |
| 2020 | - | 810,000 | 125,030 | 935,030 | 2,222,478 | 3,157,508 | |
| 2021 | - | 850,000 | 86,150 | 936,150 | 2,222,478 | 3,158,628 | |
| 2022 | - | 890,000 | 44,500 | 934,500 | 2,222,478 | 3,156,978 | |
| 2023 | - | - | - | - | 2,178,983 | 2,178,983 | |
| 2024 | - | - | - | - | 2,083,111 | 2,083,111 | |
| 2025 | - | - | - | - | 1,853,228 | 1,853,228 | 100.00% |
| TOTAL | 11,745,850 | 40,925,000 | 20,946,899 | 61,871,899 | 51,872,919 | 125,490,668 | |

**TABLE 5-INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS**

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Toll Receipts | 32,437,505 | 31,363,301 | 28,547,942 | 28,748,477 | 26,147,203 |
| Rental of Facilities | 1,971,204 | 1,967,033 | 1,963,891 | 1,976,804 | 32,566 |
| Miscellaneous | 18,837 | 507,626 | 49,067 | 80,093 | 35,532 |
| Total | 34,427,546 | 33,837,960 | 30,560,900 | 30,805,374 | 26,215,301 |
| EXPENSES | | | | | |
| Personnel Services | 5,432,493 | 5,142,793 | 4,518,818 | 3,253,070 | 2,710,912 |
| Materials and Supplies | 296,066 | 339,562 | 265,403 | 220,349 | 125,893 |
| Contractual Services (1) | 2,965,969 | 2,879,305 | 2,111,689 | 1,667,979 | 1,461,450 |
| Other | 31,166 | 50,578 | 16,184 | 17,962 | 13,949 |
| Total | 8,725,694 | 8,412,238 | 6,912,094 | 5,159,360 | 4,312,204 |
| NON-OPERATING REVENUE | | | | | |
| Interest Earnings-Restricted | 361,736 | 537,533 | 890,281 | 1,921,212 | 2,501,532 |
| Interest Earnings-Unrestricted | 79,339 | 123,642 | 110,486 | 56,242 | 34,162 |
| Unrealized Gain/(Loss) on Investments | (31,865) | (90,223) | 144,052 | 7,004 | (79,385) |
| Net Revenues Available for for Debt Service | 26,111,062 | 25,996,674 | 24,793,625 | 27,630,472 | 24,359,406 |
| Debt Service | 6,881,277 | 5,869,449 | 5,860,790 | 5,804,346 | 5,124,904 |
| Surplus Revenues | 19,229,785 | 20,127,225 | 18,932,835 | 21,826,126 | 19,234,502 |

(1) Contractual Services consists 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, 2004 through 2022 | $ 3,874,618 |
| Coverage of Average Requirements by 9-30-03 Net Income | 6.74 |
| Maximum Annual Principal and Interest Requirements, after FYE 2004 through 2022 | $ 6,796,349 |
| Coverage of Maximum Requirements by 9-30-03 Net Income | 3.84 |
| Reserve Fund | $ 3,872,580 |
| 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, 2004 through 2025 | $ 5,704,121 |
| Coverage of Average Requirements by 9-30-03 Net Income | 4.58 |
| Maximum Annual Principal and Interest Requirements, after FYE 2004 through 2025 | $ 8,002,698 |
| Coverage of Maximum Requirements by 9-30-03 Net Income | 3.26 |

**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 |
|---|---|---|---|---|---|
| 1998 | 22,569,846 | 4,098,155 | 18,471,691 | 1,951,180 | 9 |
| 1999 | 28,671,610 | 4,312,204 | 24,359,406 | 5,124,904 | 5 |
| 2000 | 32,789,832 | 5,159,360 | 27,630,472 | 5,804,346 | 5 |
| 2001 | 31,705,719 | 6,912,094 | 24,793,625 | 5,860,790 | 4 |
| 2002 | 34,408,912 | 8,412,238 | 25,996,674 | 5,869,449 | 4 |
| 2003 | 34,836,756 | 8,725,694 | 26,111,062 | 6,881,277 | 4 |

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

# THE WATERWORKS SYSTEM

## WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande as its source of raw water supply. Water is diverted directly from the river, and to the immediately adjacent water treatment plant facilities, by two separate river intakes and two separate rivers pump structures and related multiple pump units. The City of Laredo water allotment is approximately 46,043.7128 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 water floods 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  million gallons per day.

The combined pumpage capacity of the City's Upper and Lower Treatment Plants is 72 million gallons per day. The average daily demand during 2003 was approximately 34.5 million gallons per day and peak demand for 2003 was 54.3 million gallons per day.

**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 | | 2 | 3,000,000 gallons |
| Hendricks Avenue and Main Street | 2 | | 4,000,000 gallons |
| Lyon Street and Meadow Avenue | 2 | | 11,000,000 gallons |
| Texas Street and Milmo | 1 | | 1,000,000 gallons |
| Mines Road | 1 (elevated) | | 500,000 gallons |
| Airbase Storage | 1 (elevated) | | 500,000 gallons |
| Del Mar Plant | 1 (elevated) | | 250,000 gallons |
| Station H | 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 | 1 (elevated) | | 1,000,000 gallons |
| Northwest Laredo | 1 (elevated) | | 1,000,000 gallons |
| MHOC | 2 | | 10,000,000 gallons |
| Laredo-Columbia | 1 | | 200,000 gallons |
| Sierra Vista | 1 | | 5,000,000 gallons |
| Union Pacific | 1 | | 170,000 gallons |
| Pinto Valle | 2 | | 400,000 gallons |
| San Isidro | 1 | | 280,000 gallons |
| Millineum | 1 | | 280,000 gallons |
| Santa Isabel | 1 | | 200,000 gallons |
| Total Treated Water Storage | | | 41,403,000 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 450 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 a storage capacity of 6,800 million gallons of water. This agreement is still in effect.

**Table 2 - Water Pumpage (Gallons)**

Historical water usage for the City is as follows:

| Fiscal Year Ended 9/30 | Average Day Pumpage (000 Gallons) | Peak Day Pumpage (000 Gallons) | Total Pumpage (000 Gallons) |
|---|---|---|---|
| 1994 | 28,732 | 48,800 | 10,487,000 |
| 1995 | 27,948 | 40,057 | 10,201,000 |
| 1996 | 27,448 | 43,192 | 10,043,000 |
| 1997 | 25,520 | 39,177 | 9,353,869 |
| 1998 | 28,455 | 48,566 | 10,303,788 |
| 1999 | 31,030 | 49,429 | 11,325,950 |
| 2000 | 36,534 | 66,000 | 13,335,000 |
| 2001 | 36,467 | 61,003 | 13,198,319 |
| 2002 | 37,254 | 61,120 | 13,654,310 |
| 2003 | 31,288 | 59,754 | 11,420,232 |

**TABLE 3 - CONDENSED STATEMENT OF OPERATIONS**

| For Fiscal Year Ended September 30, | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Charges for Services | 14,444,856 | 15,650,517 | 15,088,639 | 14,474,825 | 12,604,906 |
| Rental of Facilities | 20,982 | 20,982 | 20,982 | 20,982 | 17,293 |
| Interest | 356,138 | 735,199 | 1,633,085 | 1,330,256 | 813,179 |
| Miscellaneous | 605,714 | 366,786 | 359,736 | 534,110 | 302,640 |
| Total Revenues | 15,427,690 | 16,773,484 | 17,102,442 | 16,360,173 | 13,738,018 |
| Expenses: | | | | | |
| General and Administrative | 1,163,450 | 1,277,798 | 1,127,865 | 1,373,221 | 1,174,997 |
| Utility Engineering | 517,235 | 474,467 | 351,802 | - | - |
| Utility Compliance | 6,870,017 | - | - | - | - |
| City Managed Employees | 365,098 | - | - | - | - |
| Utility Billing | 26,165 | 3,320,340 | 4,005,678 | 3,690,615 | 3,030,525 |
| Water Treatment Plant | 68,810 | 1,130,477 | 1,016,667 | 986,882 | 906,521 |
| Transmission and Distribution | 52,081 | 2,147,656 | 2,933,824 | 2,315,582 | 2,147,768 |
| Corrective Maint. | 36,449 | 416,393 | - | - | - |
| Construction | - | - | - | 444,962 | 241,041 |
| Water Pollution Control | 22,848 | 596,380 | 638,977 | 601,780 | 355,659 |
| Total Expenses | 9,122,153 | 9,363,511 | 10,074,813 | 9,413,042 | 7,856,511 |
| Net Available for Debt Service | 6,305,537 | 7,409,973 | 7,027,629 | 6,947,131 | 5,881,507 |
| Water Customers | 50,997 | 49,158 | 48,551 | 46,066 | 44,557 |

**TABLE 4 - COVERAGE AND FUND BALANCES**

| | |
|---|---|
| Average Annual Principal and Interest Requirements | $1,222,640 |
| Coverage of Average Requirements by 2003 Net Income | 5.16 Times |
| Maximum Principal and Interest Requirements, After FYE 2003 | $1,246,916 |
| Coverage of Maximum Requirements by 2003 Net Income | 5.06 Times |
| Interest and Sinking Fund, 9-30-03 | $407,500 |
| Reserve Fund, 9-30-03 | $1,222,640 |
| Contingency Fund, 9-30-03 | $874,363 |

AUTHORIZED BUT UNISSUED REVENUE BONDS

The City has no authorized but unissued waterworks system revenue debt.

**TABLE 5 - TEN LARGEST WATER USERS (GALLONS)(1)**

| User | 2003 Sewer Consumption |
|---|---|
| Mercy Regional Medical Center | 69,910,200 |
| Texas A & M International Univ. | 30,570,300 |
| Webb County Jail | 23,040,200 |
| CP&L Power Plant | 16,281,400 |
| Dellwood Del Norte Limited | 13,854,700 |
| Corrections Corp. Of America | 12,051,200 |
| Holiday Inn – Laredo | 12,048,400 |
| Retama Manor Nursing Home | 10,150,900 |
| United High School | 10,097,000 |
| International Bank Of Commerce | 9,931,200 |
| (1) Total consumption by gallon | 207,935,500 |

(1) Source: City of Laredo, Texas.

**TABLE 6 - MONTHLY WATER RATES**

New Rates
(Effective October 4, 1999)
Inside City Limits
Residential

$7.50 monthly minimum, including use of 4,000 gallons per month.
Next 6,000 Gallons @ $0.8976 per Thousand Gallons
Next 10,000 Gallons @ $0.9504 per Thousand Gallons
Next 20,000 Gallons @ $1.0032 per Thousand Gallons
Next 30,000 Gallons @ $1.056 per Thousand Gallons
Next 40,000 Gallons @ $1.1088 per Thousand Gallons
Over 50,000 Gallons @ $1.1616 per Thousand Gallons

Commercial
(Effective October 4, 1999)

Rates are 35% higher for commercial users on average versus residential users, and in some cases up to 50% higher when users use over 1,000,000 gallons per month.

Outside City Limits

The rates for water outside the City limits shall be two times the rate prescribed in section 31-138 for water furnished within the city limits.

Old Rates
(Effective January 1, 1996)

Inside City Limits

Residential

First 4,000 Gallons $7.00 (Minimum)
Next 6,000 Gallons @ $0.85 per Thousand Gallons
Next 10,000 Gallons @ $0.90 per Thousand Gallons
Next 20,000 Gallons @ $0.95 per Thousand Gallons
Next 30,000 Gallons @ $1.00 per Thousand Gallons
Next 40,000 Gallons @ $1.05 per Thousand Gallons
Over 50,000 Gallons @ $1.10 per Thousand Gallons

Commercial

Rates are 35% higher for commercial users on average versus residential users, and in some cases up to 50% higher when users use over 1,000,000 gallons per month.

Outside City Limits

The rates for water outside the City limits shall be two times the rate prescribed in section 31-138 for water furnished within the city limits.

**TABLE 7 - VALUE OF THE SYSTEM**

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| Waterworks System Improv. | 95,818,825 | 88,835,820 | 84,278,560 | 79,500,699 | 72,895,106 |
| Vehicles and Equipment | 4,575,726 | 5,681,313 | 5,566,544 | 5,070,373 | 4,650,148 |
| Buildings | 12,881,428 | 12,881,428 | 12,881,428 | 11,671,580 | 11,667,476 |
| Land and Improvements | 15,108,728 | 14,546,046 | 10,168,708 | 9,829,693 | 8,040,712 |
| Construction in Progress | 4,372,449 | 7,492,218 | 7,347,544 | 8,434,570 | 5,940,567 |
| | 132,757,156 | 129,436,825 | 120,242,784 | 114,506,910 | 103,194,009 |
| Less: Total Depreciation | (48,137,783) | (44,404,765) | (40,018,303) | (36,049,144) | (32,156,082) |
| Value After Depreciation | 84,619,373 | 85,032,060 | 80,224,481 | 78,457,766 | 71,037,927 |

**TABLE 8 - CITY'S EQUITY IN SYSTEM**

| For Fiscal Year Ended September 30, | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|
| Resources: | | | | | |
| Net System Value | 84,619,373 | 85,032,060 | 80,224,481 | 78,457,766 | 71,037,927 |
| Cash and Investments | 22,261,933 | 21,183,687 | 24,404,234 | 21,182,817 | 20,508,390 |
| Other Sources | 3,040,128 | 3,985,110 | 4,635,358 | 6,666,971 | 5,590,010 |
| | 109,921,434 | 110,200,857 | 109,264,073 | 106,307,554 | 97,136,327 |
| Obligations: | | | | | |
| Revenue Bonds Payable | 7,126,679 | 7,068,115 | 7,730,551 | 8,377,987 | 8,940,423 |
| Less: Bond Funds | 1,222,640 | 1,205,899 | 1,195,278 | 1,190,755 | 1,182,037 |
| | 5,904,039 | 5,862,216 | 6,535,273 | 7,187,232 | 7,758,386 |
| Other Obligations | 7,430,658 | 7,438,764 | 8,331,959 | 8,220,667 | 7,390,251 |
| | 13,334,697 | 13,300,980 | 14,867,232 | 15,407,899 | 15,148,637 |
| City's Equity in System | 96,586,737 | 96,899,877 | 94,396,841 | 90,899,655 | 81,987,690 |
| Percentage City's Equity in System | 87.87% | 87.93% | 86.39% | 85.51% | 84.40% |

## TABLE 9 - DEBT SERVICE REQUIREMENTS

| Fiscal Year Ended 9-30 | Revenue Debt After Refunding Issue Debt Requirement | 1996 WATER SYSTEM REVENUE REFUNDING ISSUE Principal | Interest | Total | Total Outstanding Debt | Plus General Obligation Water System Debt Service Requirements | Grand Total | % of Grand Total Retired |
|---|---|---|---|---|---|---|---|---|
| 2004 | 162,833 | 705,000 | 313,984 | 1,018,984 | 1,181,817 | 3,671,466 | 4,853,283 | |
| 2005 | 178,741 | 740,000 | 277,850 | 1,017,850 | 1,196,591 | 3,655,262 | 4,851,853 | |
| 2006 | 133,435 | 810,000 | 238,307 | 1,048,307 | 1,181,742 | 3,655,970 | 4,837,712 | |
| 2007 | 61,375 | 960,000 | 192,730 | 1,152,730 | 1,214,105 | 3,650,789 | 4,864,894 | |
| 2008 | 61,337 | 1,045,000 | 140,579 | 1,185,579 | 1,246,916 | 3,649,198 | 4,896,114 | 47.40% |
| 2009 | 61,191 | 1,030,000 | 85,595 | 1,115,595 | 1,176,786 | 3,647,083 | 4,823,869 | |
| 2010 | 60,948 | 1,065,000 | 29,021 | 1,094,021 | 1,154,969 | 3,655,837 | 4,810,806 | |
| 2011 | 61,586 | - | - | - | 61,586 | 3,655,248 | 3,716,834 | |
| 2012 | 61,115 | - | - | - | 61,115 | 3,291,508 | 3,352,623 | |
| 2013 | 60,565 | - | - | - | 60,565 | 3,309,354 | 3,369,919 | |
| 2014 | 60,908 | - | - | - | 60,908 | 2,734,423 | 2,795,331 | 92.00% |
| 2015 | 61,116 | - | - | - | 61,116 | 753,098 | 814,214 | |
| 2016 | 61,174 | - | - | - | 61,174 | 756,391 | 817,565 | |
| 2017 | 61,079 | - | - | - | 61,079 | 762,487 | 823,566 | |
| 2018 | 60,836 | - | - | - | 60,836 | 506,286 | 567,122 | |
| 2019 | 60,441 | - | - | - | 60,441 | 502,201 | 562,642 | 98.99% |
| 2020 | 60,860 | - | - | - | 60,860 | 216,788 | 277,648 | |
| 2021 | 60,102 | - | - | - | 60,102 | - | 60,102 | |
| 2022 | 60,175 | - | - | - | 60,175 | - | 60,175 | |
| 2023 | 60,048 | - | - | - | 60,048 | - | 60,048 | |
| 2024 | 59,717 | - | - | - | 59,717 | - | 59,717 | 100.00% |
| | | | | | | | | |
| Total | 1,569,582 | 6,355,000 | 1,278,066 | 7,633,066 | 9,202,648 | 42,073,389 | 51,276,037 | |

# THE WASTEWATER SYSTEM

## WASTEWATER SYSTEM

The City of Laredo owns and operates five wastewater treatment plants, which have a combined total design capacity of 21.051 million gallons per day ("MGD"). The Sewer System includes approximately 535 miles of sewer lines and 94 lift stations. The average daily treatment is 17.1 MGD with 48,715 connections as September 30, 2003.

### TABLE 1 - SEWAGE FLOW (THOUSAND GALLONS)

| Fiscal Year Ended 9-30 | Total Sewage Flow | Average Daily Flow |
|---|---|---|
| 1994 | 4,863,000 | 13,323 |
| 1995 | 5,044,000 | 13,819 |
| 1996 | 5,020,930 | 13,756 |
| 1997 | 4,944,979 | 13,548 |
| 1998 | 4,967,764 | 13,610 |
| 1999 | 5,227,190 | 14,321 |
| 2000 | 5,601,290 | 15,346 |
| 2001 | 5,823,361 | 16,212 |
| 2002 | 6,134,171 | 17,114 |
| 2003 | 6,120,034 | 16,767 |

### TABLE 2 - TEN LARGEST SEWER USERS (THOUSAND GALLONS)

| User | 2003 Sewer Consumption |
|---|---|
| Mercy Regional Medical Center | 69,910,200 |
| Texas A & M International Univ. | 30,570,300 |
| Webb County Jail | 23,040,200 |
| CP&L Power Plant | 16,281,400 |
| Dellwood Del Norte Limited | 13,854,700 |
| Corrections Corp. Of America | 12,051,200 |
| Holiday Inn – Laredo | 12,048,400 |
| Retama Manor Nursing Home | 10,150,900 |
| United High School | 10,097,000 |
| International Bank Of Commerce | 9,931,200 |
| (1) Total consumption by gallon | 207,935,500 |

**TABLE 3 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)**

Rates: (Effective April 1, 1997)

| | |
|---|---|
| First 4,000 Gallons - Residential | $ 8.50 (Minimum) |
| First 4,000 Gallons - Commercial | $13.00 (Minimum) |
| Next 6,000 Gallons - Residential | $1.03/M |
| Next 6,000 Gallons - Commercial | $1.25/M |
| Next 10,000 Gallons – Residential | $1.08/M |
| Next 10,000 Gallons - Commercial | $1.31/M |
| Next 10,000 Gallons – Residential | $1.14/M |
| Next 10,000 Gallons - Commercial | $1.37/M |
| Maximum Residential Bill - | $36.89 |

Outside City Limits - Two times the above rates for a maximum residential bill of $73.78.

Old Rates: (Effective January 1, 1996)

| | |
|---|---|
| First 4,000 Gallons - Residential | $ 5.50 (Minimum) |
| First 4,000 Gallons - Commercial | $10.00 (Minimum) |
| Next 6,000 Gallons - Residential | $0.90/M |
| Next 10,000 Gallons – Residential | $0.95/M |
| Next 10,000 Gallons – Residential | $1.00/M |
| Maximum Residential Bill - | $30.40 |

Outside City Limits - 2 times the above rates for a maximum residential bill of $60.80.

## TABLE 4 - DEBT SERVICE REQUIREMENTS

| Fiscal Year Ended 9-30 | Revenue Debt After Refunding Issue Debt Requirement | 2002 SEWER SYSTEM REVENUE REFUNDING ISSUE Principal | Interest | Total | Total Outstanding Debt | Plus General Obligation Sewer System Debt Service Requirements | Grand Total | % of Grand Total Retired |
|---|---|---|---|---|---|---|---|---|
| 2004 | 173,914 | 795,000 | 118,805 | 913,805 | 1,087,719 | 3,682,192 | 4,769,911 | |
| 2005 | 195,827 | 525,000 | 103,741 | 628,741 | 824,568 | 3,653,389 | 4,477,957 | |
| 2006 | 199,596 | 525,000 | 89,295 | 614,295 | 813,891 | 3,387,111 | 4,201,002 | |
| 2007 | 199,851 | 520,000 | 72,702 | 592,702 | 792,553 | 2,947,088 | 3,739,641 | |
| 2008 | 198,723 | 465,000 | 55,260 | 520,260 | 718,983 | 2,921,015 | 3,639,998 | 46.14% |
| 2009 | 197,205 | 455,000 | 37,363 | 492,363 | 689,568 | 2,771,682 | 3,461,250 | |
| 2010 | 200,181 | 460,000 | 18,298 | 478,298 | 678,479 | 2,781,948 | 3,460,427 | |
| 2011 | 197,646 | 190,000 | 4,223 | 194,223 | 391,869 | 2,759,666 | 3,151,535 | |
| 2012 | 59,598 | - | - | - | 59,598 | 2,792,222 | 2,851,820 | |
| 2013 | 59,137 | - | - | - | 59,137 | 2,792,735 | 2,851,872 | |
| 2014 | 59,596 | - | - | - | 59,596 | 2,427,195 | 2,486,791 | 86.60% |
| 2015 | 58,923 | - | - | - | 58,923 | 941,478 | 1,000,401 | |
| 2016 | 59,165 | - | - | - | 59,165 | 942,553 | 1,001,718 | |
| 2017 | 59,250 | - | - | - | 59,250 | 941,701 | 1,000,951 | |
| 2018 | 59,191 | - | - | - | 59,191 | 948,946 | 1,008,137 | |
| 2019 | 58,983 | - | - | - | 58,983 | 430,913 | 489,896 | 96.57% |
| 2020 | 59,622 | - | - | - | 59,622 | 432,916 | 492,538 | |
| 2021 | 59,048 | - | - | - | 59,048 | 273,790 | 332,838 | |
| 2022 | 59,336 | - | - | - | 59,336 | 272,663 | 331,999 | |
| 2023 | 59,426 | - | - | - | 59,426 | 270,962 | 330,388 | |
| 2024 | 59,316 | - | - | - | 59,316 | - | 59,316 | 100.00% |
| | | | | | | | | |
| Total | 2,333,534 | 3,935,000 | 499,687 | 4,434,687 | 6,768,221 | 38,372,165 | 45,140,386 | |

## FINANCIAL INFORMATION

### TABLE 5 - SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| REVENUES | | | | | |
| Sewer Services | 12,104,460 | 12,422,638 | 12,042,744 | 12,068,850 | 11,127,197 |
| Interest | 299,547 | 518,972 | 1,045,547 | 947,971 | 646,676 |
| Other | 565,430 | 216,750 | 411,408 | 481,875 | 222,433 |
| TOTAL | 13,268,984 | 13,158,360 | 13,499,699 | 13,498,698 | 11,996,306 |
| EXPENSES | | | | | |
| Administrative | 1,277,567 | 1,672,221 | 1,470,574 | 1,413,109 | 1,177,994 |
| Wastewater Treatment | 157,016 | 2,691,813 | 3,046,595 | 2,750,387 | 2,480,664 |
| Utility Compliance | 5,499,484 | - | - | - | - |
| City Managed Employees | 405,422 | - | - | - | - |
| Construction | - | - | - | 152,412 | 163,382 |
| Wastewater Collection | 48,352 | 2,004,008 | 2,092,229 | 1,733,194 | 1,700,519 |
| Corrective Maint. | 11,715 | 21,614 | - | - | - |
| TOTAL | 7,387,841 | 6,389,656 | 6,609,398 | 6,049,102 | 5,522,559 |
| Net Available Debt Service | 5,881,143 | 6,768,704 | 6,890,301 | 7,449,594 | 6,473,747 |
| Sewer Customers | 48,715 | 47,041 | 46,508 | 44,254 | 42,604 |

### TABLE 6 - COVERAGE AND FUND BALANCES

| | |
|---|---|
| Average Annual Principal and Interest Requirements On System Revenue Bonds | $704,316 |
| Coverage of Average Requirements by 9-30-03 Net Income | 8.35 Times |
| Maximum Annual Principal and Interest Requirements on New Series Bonds | $1,087,719 |
| Coverage of Average Requirements by 9-30-03 Net Income | 5.406 Times |
| Outstanding New Series Sewer System Revenue Bonds, 9-30-03 | $2,333,534 |
| Outstanding Subordinate Lien Sewer System Revenue Bonds, 9-30-03 | $4,434,687 |
| Interest and Sinking Fund, 9-30-03 | $368,750 |
| Reserve Fund, 9-30-03 | $704,316 |
| Contingency Fund, 9-30-03 | $635,523 |

### TABLE 7 - VALUE OF THE SYSTEM - FIXED ASSETS

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| Sewer System | 62,327,972 | 60,651,737 | 52,857,048 | 48,907,084 | 44,148,994 |
| Vehicles and Equipment | 3,066,017 | 2,421,456 | 2,116,575 | 1,796,363 | 1,745,099 |
| Machinery and Equipment | 2,222,532 | 1,998,028 | 1,969,627 | 1,930,227 | 1,896,509 |
| Buildings | 13,912,873 | 13,912,873 | 13,912,873 | 13,608,420 | 13,608,420 |
| Land and Improvements | 4,289,508 | 4,289,508 | 4,118,515 | 4,118,515 | 4,118,515 |
| Construction in Progress | 12,818,359 | 13,603,644 | 17,643,464 | 16,267,948 | 6,690,361 |
| | 98,637,261 | 96,877,246 | 92,618,102 | 86,628,557 | 72,207,898 |
| Less: Total Depreciation | 25,667,258 | 23,073,182 | 20,180,632 | 17,738,342 | 15,335,256 |
| Value After Depreciation | 72,970,003 | 73,804,064 | 72,437,470 | 68,890,215 | 56,872,642 |

### TABLE 8 - CITY'S EQUITY IN SYSTEM

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| Resources: | | | | | |
| Net System Value | 72,970,003 | 73,804,064 | 72,437,470 | 68,890,215 | 56,872,642 |
| Cash and Investments | 19,509,701 | 15,732,593 | 14,664,651 | 12,779,009 | 15,885,583 |
| Other Resources | 2,007,627 | 2,209,827 | 2,684,465 | 5,345,247 | 2,253,872 |
| | 94,487,331 | 91,746,484 | 89,786,586 | 87,014,471 | 75,012,097 |
| Obligations: | | | | | |
| Revenue Bond Payable | 5,350,053 | 5,421,223 | 5,726,639 | 6,373,171 | 6,974,703 |
| Less: Bond Funds | 704,316 | 744,729 | 777,335 | 802,487 | 817,150 |
| | 4,645,737 | 4,676,494 | 4,949,304 | 5,570,684 | 6,157,553 |
| Other Obligations | 2,086,025 | 1,774,106 | 1,983,101 | 2,541,759 | 1,778,678 |
| | 6,731,762 | 6,450,600 | 6,932,405 | 8,112,443 | 7,936,231 |
| City's Equity in System | 87,755,569 | 85,295,884 | 82,854,181 | 78,902,028 | 67,075,866 |
| Percentage City's Equity in System | 92.88% | 92.97% | 92.28% | 90.68% | 89.42% |

# SINGLE AUDIT

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# REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

## Compliance

We have audited the compliance of the City of Laredo, Texas, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State of Texas Uniform Grant and Contract Management Standards (UGCMS)* that are applicable to each of its major federal and state programs for the year ended September 30, 2003. The City of Laredo, Texas', major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Laredo, Texas', management. Our responsibility is to express an opinion on the City of Laredo, Texas', compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *UGCMS*. Those standards, OMB Circular A-133 and UGCMS, 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



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we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Laredo, Texas', compliance with those requirements.

In our opinion, the City of Laredo, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2003.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal and State Awards

We have audited the basic financial statements of the City of Laredo, Texas, as of and for the year ended September 30, 2003, and have issued our report thereon dated February 6, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and UGCMS, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Garza, Martinez & Co., P.L.L.C.*

February 6, 2004



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
## PERIOD ENDED SEPTEMBER 30, 2003

## CITY OF LAREDO, TEXAS

### GRANT NAME

| Federal Grantor / Pass Through Grantor / Program Title | Federal CFDA Number | Pass Through Grantor's Number | Program or Award Amount | Accrued (Deferred) Revenue at September 30, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|
| U.S. Department of Health and Human Services | | | | | | | |
| Passed Through Texas Department of Health: | | | | | | | |
| Center for Disease Control and Prevention, Public Health Services: | | | | | | | |
| Projects Grants and Cooperative Agreement for Tuberculosis | | | | | | | |
| Control Program - TB Federal '00 | 93.116 | N/A | $ 183,186 | 30,873 | - | - | 30,873 |
| Control Program - TB Federal '02 | 93.116 | N/A | 161,793 | 44,320 | 55,725 | 100,045 | - |
| Control Program - TB Federal '03 | 93.116 | N/A | 169,983 | - | 110,561 | 68,794 | 41,767 |
| Health Resources and Services Administration: | | | | | | | |
| Abstinence Education Program 01-02 | 93.235 | N/A | 212,844 | 79,524 | - | 79,524 | - |
| Abstinence Education Program 02-03 | 93.235 | N/A | 236,298 | - | 138,612 | 126,223 | 12,389 |
| Center for Disease Control and Prevention, Public Health Services: | | | | | | | |
| Immunization Grants: | | | | | | | |
| Immunization Locals 01-02 | 93.268 | N/A | 135,000 | 9,750 | - | 9,750 | - |
| Immunization Locals 02-03 | 93.268 | N/A | 131,500 | 2,456 | 124,697 | 79,720 | 47,433 |
| Center for Disease Control and Prevention | | | | | | | |
| Investigations and Technical Assistance - Bureau of Clinical and | | | | | | | |
| Nutrition Services - | | | | | | | |
| Bioterrorism Preparedness - 01-03 | 93.283 | N/A | 416,426 | 12,244 | 360,956 | 235,183 | 138,017 |
| Bioterrorism Preparedness - 03-04 | 93.283 | N/A | 449,067 | - | 20,557 | - | 20,557 |
| Preventive Health & Health Services '02-03 - NTD | 93.283 | N/A | 155,289 | - | 51,385 | 42,830 | 8,555 |
| Health Resources and Services Administration: | | | | | | | |
| H. I. V. Care Formula Grant - H.I.V. Consortia and Insurance 01-02 | 93.917 | N/A | 285,938 | 42,194 | - | - | 42,194 |
| H. I. V. Care Formula Grant - H.I.V. Consortia and Insurance 02-03 | 93.917 | N/A | 364,234 | 88,443 | 176,600 | 265,043 | - |
| Cooperative Agreements for State - Based Comprehensive | | | | | | | |
| Breast & Cervical Cancer Early Detection Program 01-02 | 93.919 | N/A | 39,000 | 18,752 | 16,983 | 35,735 | - |
| Breast & Cervical Cancer Early Detection Program 02-03 | 93.919 | N/A | 39,000 | - | 22,017 | 1,348 | 20,669 |
| Breast & Cervical Cancer Early Detection-Case Mgmt- 01-02 | 93.919 | N/A | 50,000 | 20,078 | 2,424 | 21,255 | 1,247 |
| Breast & Cervical Cancer Early Detection-Case Mgmt- 02-03 | 93.919 | N/A | 50,000 | - | 48,186 | 36,436 | 11,750 |
| H. I. V. Prevention Activities - Health Department Based | | | | | | | |
| H. I. V. Prevention Counseling Partner Elicitation Education 02 | 93.940 | N/A | 153,470 | 32,401 | 45,108 | 77,509 | - |
| H. I. V. Prevention Counseling Partner Elicitation Education 03 | 93.940 | N/A | 199,854 | - | 136,096 | 82,501 | 53,595 |
| Prevention Services for H.I.V. Infected Persons 01-02 | 93.940 | N/A | 84,210 | 16,256 | 18,450 | 34,706 | - |
| Prevention Services for H.I.V. Infected Persons 02-03 | 93.940 | N/A | 112,280 | - | 67,100 | 39,043 | 28,057 |
| Centers for Disease Control and Prevention: | | | | | | | |
| Preventive Health & Health Services Block Grant | | | | | | | |
| Office of Regional Administrative Services - 01-02 / O.P.H.P. | 93.991 | N/A | 302,388 | 36,881 | - | 36,881 | - |
| Office of Regional Administrative Services - 02-03 / O.P.H.P. | 93.991 | N/A | 319,120 | 18,555 | 282,586 | 206,765 | 94,376 |
| Office of Regional Administrative Services - 03-04 / O.P.H.P. | 93.991 | N/A | 336,184 | - | 29,201 | - | 29,201 |
| Preventive Health & Health Services '01-02 - Border Health | 93.991 | N/A | 5,000 | 1,122 | - | 230 | 892 |
| Preventive Health & Health Services '02-03 - Border Health | 93.991 | N/A | 5,000 | - | 4,764 | - | 4,764 |
| Preventive Health & Health Services '01-02 - Border Health | 93.991 | N/A | 20,000 | 9,958 | 6,538 | 16,496 | - |
| Preventive Health & Health Services '02-03 - Border Health | 93.991 | N/A | 20,000 | - | 19,862 | - | 19,862 |
| Total U. S. Department of Health and Human Services | | | $ 4,637,064 | 463,807 | 1,738,408 | 1,596,017 | 606,198 |

(Continued)

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|---|---|
| U.S. Department of Housing and Urban Development (HUD) | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Community Planning and Development: | | | | | | | | | |
| Community Development Block Grant / Entitlement Grants 98 | | 14.218 | N/A | $ | 4,879,112 | - | 392,016 | 392,016 | - |
| Community Development Block Grant / Entitlement Grants 99 | | 14.218 | N/A | | 4,299,000 | - | 317,587 | 317,587 | - |
| Community Development Block Grant / Entitlement Grants 00 | | 14.218 | N/A | | 4,466,000 | 443,400 | 2,271,895 | 2,715,295 | - |
| Community Development Block Grant / Entitlement Grants 01 | | 14.218 | N/A | | 4,485,000 | - | 1,484,446 | 1,030,984 | 453,462 |
| Community Development Block Grant / Entitlement Grants 02 | | 14.218 | N/A | | 4,367,000 | - | - | - | - |
| Emergency Shelter Grant Program 2000 | | 14.231 | N/A | | 152,000 | - | 13,361 | 13,361 | - |
| Emergency Shelter Grant Program 2001 | | 14.231 | N/A | | 152,000 | 1,436 | 97,671 | 99,107 | - |
| Emergency Shelter Grant Program 2002 | | 14.231 | N/A | | 153,000 | - | 25,793 | 18,695 | 7,098 |
| HOME Investment Partnership Program 1999 GRANT | | 14.239 | N/A | | 1,354,000 | - | 121,155 | 121,155 | - |
| HOME Investment Partnership Program 2000 GRANT | | 14.239 | N/A | | 1,356,000 | 16,736 | 122,001 | 138,737 | - |
| HOME Investment Partnership Program 2001 GRANT | | 14.239 | N/A | | 1,508,000 | - | 1,400,085 | 1,389,167 | 10,918 |
| HOME Investment Partnership Program 2002 GRANT | | 14.239 | N/A | | 1,500,000 | - | - | - | - |
| Housing Opportunities for Persons with Aids - H.O.P.W.A. II 00-03 | | 14.241 | N/A | | 94,409 | 14,671 | 30,134 | 44,805 | - |
| Total U. S. Department of HUD | | | | | 28,765,521 | 476,243 | 6,276,144 | 6,280,909 | 471,478 |
| U. S. Department of Transportation | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Federal Transit Administration: | | | | | | | | | |
| Capital Improvement Grant | | 20.500 | TX90X406 | | 2,551,708 | - | 298 | - | 298 |
| Capital Improvement Grant | | 20.500 | TX90X438 | | 1,427,252 | 776 | 126,001 | 92,246 | 34,531 |
| Capital Improvement Grant | | 20.500 | TX90X456 | | 1,179,494 | - | 107,902 | 107,112 | 790 |
| Capital Improvement Grant | | 20.500 | TX90X499 | | 831,708 | - | - | - | - |
| Capital Improvement Grant | | 20.507 | TX 90X526 | | 1,406,108 | - | - | - | - |
| Capital Improvement Grant | | 20.507 | TX 90X575 | | 976,266 | 976,266 | - | 976,266 | - |
| Federal Transit Formula Grants - Urbanized Area Formula Program | | | | | | | | | |
| Federal Transit Capital & Operating Assistance | | 20.507 | TX904575 | | 2,534,862 | 2,005,242 | 529,620 | 2,534,862 | - |
| Federal Transportation and Operating Assistance | | 20.507 | TX904456 | | 2,670,622 | - | - | - | - |
| Federal Transportation and Operating Assistance | | 20.507 | TX904599 | | 3,613,392 | - | 3,300,553 | 2,966,706 | 333,847 |
| Federal Aviation Administration: | | | | | | | | | |
| Airport Improvement Program (Runway & Taxiway Improvements) | * | 20.106 | 3-48-0136-17-96 | | 5,295,623 | 42,937 | - | - | 42,937 |
| Airport Improvement Program (Access Road & Parking Lot) | * | 20.106 | 3-48-0136-19-97 | | 1,149,990 | 22,920 | - | - | 22,920 |
| Airport Improvement Program (Runway Improvements) | * | 20.106 | 3-48-0136-25-99 | | 4,186,446 | 6,503 | 267,915 | 274,418 | - |
| Airport Improvement Program (Runway Improvements) | * | 20.106 | 3-48-0136-26-00 | | 849,845 | 4,420 | 260 | 4,680 | - |
| Airport Improvement Program (Extend Parallel Twy) | * | 20.106 | 3-48-0136-27-00 | | 4,400,000 | 135,058 | 3,275,478 | 3,251,404 | 159,132 |
| Airport Improvement Program (Noise Abatement) | * | 20.106 | 3-48-0136-28-01 | | 2,500,000 | 497,302 | 600,941 | 1,050,717 | 47,526 |
| Airport Improvement Program (Noise Abatement/RWY17) | * | 20.106 | 3-48-0136-29-01 | | 1,919,379 | 51,895 | 352,538 | 391,927 | 12,506 |
| Airport Improvement Program (Fuel Farm) | * | 20.106 | 3-48-0136-30-01 | | 335,000 | - | 2,509 | 2,509 | - |
| Airport Improvement Program (Service Road & Parcel J) | * | 20.106 | 3-48-0136-31-01 | | 2,000,000 | 24,268 | 1,447,958 | 1,399,182 | 73,044 |
| Airport Improvement Program (Cargo, Apron & Parcel K) | * | 20.106 | 3-48-0136-32-01 | | 3,500,000 | 110,992 | 2,674,704 | 2,572,361 | 213,335 |
| Airport Improvement Program (Taxiway J, Service Road & Sec) | * | 20.106 | 3-48-0136-34-02 | | 2,621,205 | 1,178,792 | 829,542 | 1,850,013 | 158,321 |
| Airport Improvement Program (Noise Abatement/Parcel M) | * | 20.106 | 3-48-0136-35-02 | | 4,000,000 | - | 1,089,950 | 1,085,360 | 4,590 |
| Airport Improvement Program (ARFF Station/Cargo Apron Pads) | * | 20.106 | 3-48-0136-38-03 | | 1,314,480 | - | - | - | - |
| Airport Improvement Program (Noise Abatement/65 DNL) | * | 20.106 | 3-48-0136-39-03 | $ | 3,000,000 | - | - | - | - |

(Continued)

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|---|---|
| U. S. Department of Transportation | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Federal Aviation Administration: | | | | | | | | | |
| Airport Traffic Control Services | * | 20.106 | N/A | $ | 287,124 | 46,540 | 287,124 | 285,810 | 47,854 |
| Airport Improvement Program (Airport Operations) | | 20.512 | 3-48-0136-33-02 | | 63,543 | 41,626 | 20,952 | 41,626 | 20,952 |
| Transportation Security Administration | | 20.512 | DTSAA20-02-P-50098 | | 250,098 | 51,061 | 112,997 | 133,558 | 30,500 |
| Pass Through Texas Department of Transportation: | | | | | | | | | |
| Federal Transit Administration: | | | | | | | | | |
| Federal; Transit Capital Improvement Grants | | | | | | | | | |
| Urban Public Transportation- Capital | | 20.500 | 51222F6007 | | 773,126 | - | 557,248 | 557,248 | - |
| Urban Public Transportation- Capital | | 20.500 | 51122F6001 | | 697,559 | - | 437,837 | 437,837 | - |
| Urban Public Transportation- Capital | | 20.500 | 51322F6002 | | 496,000 | - | - | - | - |
| Formula Grants for Other Than Urbanized Areas: | | | | | | | | | |
| Urban Public Transportation- Operating | | 20.509 | 51322F1033 | | 529,909 | - | 529,909 | 529,909 | - |
| National Highway Traffic Safety - State & Community Highway Safety | | | | | | | | | |
| Texas Department of Transportation | | | | | | | | | |
| El Protector | | 20.600 | 583XXF645 | | 42,500 | - | 33,022 | 13,054 | 19,968 |
| Comprehensive Traffic Enforcement Program | | 20.600 | 582XX6012 | | 95,000 | 81,440 | - | 81,440 | - |
| El Protector | | 20.600 | 582XXF6054 | | 42,250 | 13,407 | - | 13,407 | - |
| Safe Streets | | 20.600 | 582XXF6011 | | 22,500 | 14,352 | - | 14,352 | - |
| Comprehensive Traffic Enforcement Program | | 20.600 | 581XX6012 | | 81,250 | - | 81,250 | 36,386 | 44,864 |
| Memorial Day Click It | | 21.600 | 582XXF6083 | | 30,000 | 30,000 | - | 30,000 | - |
| Memorial Day Click It | | 21.600 | 583XXF6131 | | 65,000 | - | 32,500 | 32,500 | - |
| Texas Department of Public Safety | | | | | | | | | |
| Emergency Preparedness | | 20.703 | PV-0280030 | | 19,200 | 12,919 | - | 12,919 | - |
| FHWA-PL - Metropolitan Planning | | 20.205 | 50-2-02-1113-70 | | - | 47,124 | - | 47,124 | - |
| FHWA-PL - Metropolitan Planning | | 20.205 | 50-2-03-1113-70 | | 196,452 | - | 188,295 | 90,982 | 97,313 |
| FTA SECTION 5303 - Metropolitan Planning | | 20.205 | 51-108.0122-03 | | 43,680 | - | 43,680 | 43,680 | - |
| Total U. S. Department of Transportation | | | | | 57,998,571 | 5,395,840 | 16,930,983 | 20,961,595 | 1,365,228 |
| U. S. Department of Commerce | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Economic Development Administration (EDA): | | | | | | | | | |
| EDA - Streets of Laredo Urban Mall (Centro Iturbide Project) | | 11.300 | 08-01-03534 | | 1,000,000 | - | 268,010 | - | 268,010 |
| Total U. S. Department of Commerce | | | | | 1,000,000 | - | 268,010 | - | 268,010 |
| U. S. Department of Agriculture | | | | | | | | | |
| Passed Through Texas Department of Health: | | | | | | | | | |
| Food & Nutrition Service - Special Supplemental Nutrition Program | | | | | | | | | |
| Women, Infants and Children 01-02 | | 10.557 | N/A | | - | 530,279 | 58,404 | 588,683 | - |
| Women, Infants and Children 02-03 | | 10.557 | N/A | | - | - | 2,531,252 | 1,765,152 | 766,100 |
| Total U. S. Department of Agriculture | | | | $ | - | 530,279 | 2,589,656 | 2,353,835 | 766,100 |

(Continued)

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|
| U. S. Department of the Interior | | | | | | | |
| National Park Service - Seven Flags Park | 15.910 | 48-CTY-3899-02-01 | $ 385,200 | - | - | - | - |
| Total U. S. Department of the Interior | | | 385,200 | - | - | - | - |
| U. S. Department of Justice | | | | | | | |
| Office of Justice Program - Bureau of Justice Assistance - | | | | | | | |
| Byrne Formula Grant Program: | | | | | | | |
| Passed Through State Department of Criminal Justice: | | | | | | | |
| Criminal Justice Discretionary Grant Program | | | | | | | |
| Financial Task Force | 16.579 | 19PSSP571 | 721,673 | 2,214 | - | - | 2,214 |
| Financial Task Force | 16.579 | I0PSSP571 | 550,867 | 42,656 | - | - | 42,656 |
| Financial Task Force | 16.579 | I1PSSP571 | 637,772 | 114,208 | - | 66,418 | 47,790 |
| Financial Task Force | 16.579 | I2PSSP571 | 677,337 | 473,184 | 181,526 | 643,408 | 11,302 |
| Financial Task Force | 16.579 | I3PSSP602 | 643,465 | - | 470,914 | - | 470,914 |
| Office of Justice Program - Bureau of Justice Assistance - | | | | | | | |
| Byrne Formula Grant Program: | | | | | | | |
| Passed Through State Department of Criminal Justice: | | | | | | | |
| Criminal Justice Discretionary Grant Program | | | | | | | |
| Narcotic Trafficking Task Force | 16.579 | DB-03-A10-12039-05 | 1,142,115 | - | 215,777 | 33,115 | 182,662 |
| Narcotic Trafficking Task Force | 16.579 | DB-02-A10-12039-04 | 998,115 | 181,414 | 804,365 | 985,779 | - |
| Office of Justice Program - Violence Against Women Formula Grant: | | | | | | | |
| Violence Against Women Grant 02 | 16.588 | WF-01-V3013418-04 | 40,000 | 16,238 | 10,622 | 26,860 | - |
| Violence Against Women Grant 03 | 16.588 | WF-02-V3013418-05 | 60,000 | | 60,000 | 58,351 | 1,649 |
| Violence Against Women Grant 04 | 16.588 | WF-03-V3013418-06 | 80,000 | | 7,096 | - | 7,096 |
| Juvenile Acct. Inc. Block Grant | 16.523 | JB-00-J20-15465-02 | 51,951 | 10,828 | - | 10,828 | - |
| Juvenile Acct. Inc. Block Grant | 16.523 | JB-01-J20-15465-03 | 51,652 | 8,675 | 42,977 | 51,652 | - |
| Juvenile Acct. Inc. Block Grant | 16.523 | JB-02-J20-15465-04 | 45,058 | - | 7,627 | - | 7,627 |
| Office of Justice Program - Bureau of Justice Assistance - | | | | | | | |
| Local Law Enforcement Block Grants Program: | | | | | | | |
| Multi Agency Major Organization Investigation Task Force 97 | 16.592 | I7PSSP579 | 48,540 | 1,463 | - | - | 1,463 |
| South TX Public Corruption Task Force 99 | 16.592 | I9PSSP602 | 24,600 | 1,089 | - | - | 1,089 |
| South TX Public Corruption Task Force 00 | 16.592 | IOPSSP602 | 128,017 | - | 49,134 | - | 49,134 |
| South Texas Public Corruption Task Force 02 | 16.592 | I2PSSP602 | 47,208 | 14,902 | 6,668 | 14,833 | 6,737 |
| South Texas Public Corruption Task Force 03 | 16.592 | I3PSSP602 | 49,888 | - | 22,423 | - | 22,423 |
| Local Law Enforcement Block Grant 01 | 16.592 | 2000-LB-BX-0976 | 127,955 | (35,390) | 35,390 | - | - |
| Local Law Enforcement Block Grant 02 | 16.592 | 2001-LB-BX-1648 | 119,525 | (119,525) | 119,525 | - | - |
| Local Law Enforcement Block Grant 02/04 | 16.592 | 2002-LB-BX-2152 | $ 95,235 | - | 70,760 | 95,235 | (24,475) |

(Continued)

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|---|---|
| U. S. Department of Justice | | | | | | | | | |
| Office of Community Oriented Policing Services - Public Safety Partnership & Community Policing Grants: | | | | | | | | | |
| Universal Hiring 99 | * | 16.710 | 95CCWX0321 | $ | 2,250,000 | 144,887 | 751 | 145,638 | - |
| Universal Hiring 02-05 | * | 16.710 | 2002-UL-WX-0020 | | 3,000,000 | 12,242 | 726,332 | 574,162 | 164,412 |
| Cops More MDT'S 2001 | * | 16.710 | 2001-CL-WX0059 | | 1,000,000 | - | 1,000,000 | 932,127 | 67,873 |
| Cops In School SRO 01-04 | * | 16.710 | 2001-SH-WX-0638 | | 1,750,000 | 91,665 | 707,473 | 718,982 | 80,156 |
| Total U. S. Department of Justice | | | | | 14,340,973 | 960,761 | 4,539,360 | 4,357,388 | 1,142,722 |
| National Endowment of the Humanities | | | | | | | | | |
| National Endowment for Humanities | | 45.166 | HA-200142-01 | | 5,000 | - | - | - | - |
| | | | | | | | - | - | |
| | | | | | 5,000 | - | - | - | - |
| General Service Administration | | | | | | | | | |
| Donation of Federal Surplus Personal Property: | | | | | | | | | |
| Federal Surplus Property Program / Texas Building and Procurement | | 39.003 | Donee # 12498 | | 8,313 | - | 73,205 | 73,205 | - |
| | | | | | 8,313 | - | 73,205 | 73,205 | - |
| U. S. Department of Environmental Protection Agency | | | | | | | | | |
| Survey, Studies, Investigations & Special Purpose Grants | | | | | | | | | |
| EPA - Border Environmental Corp. Commission | | 66.606 | X 996711-01-2 | | 182,000 | 3,515 | (3,515) | - | - |
| EPA - Jefferson & Chacon Water and Wastewater Improvements | | 66.606 | C-481961-01-0 | | 8,200,000 | 721,222 | - | 682,577 | 38,645 |
| EPA - Vulnerability Assessments & Related Security Improvements | | 66.476 | HS-83021101-0 | | 115,000 | - | 115,000 | 115,000 | - |
| EPA - Conditionally Exempt Small Quantity Generator (CESQG) | | 66.930 | PJ 986828-01-0 | | 34,000 | - | 34,000 | 32,809 | 1,191 |
| EDP - Wetlands Protection Development/Chacon Creek | | 66.461 | CD-97602801-0 | | 138,575 | - | - | - | - |
| EDP - Mexico Border Program | | 66.711 | UM-97603001-0 | | 25,000 | - | 8,989 | 2,375 | 6,614 |
| Air Pollution Control Program Support: | | | | | | | | | |
| Passed Through Texas National Resource Conservation Commission | | | | | | | | | |
| Continuous Air Monitoring Station - Air Pollution Control Prog 01-03 | | 66.001 | 582-2-44576 | | 140,000 | 21,547 | 71,492 | 64,028 | 29,011 |
| Continuous Air Monitoring Station - Air Pollution Control Prog 03-04 | | 66.001 | 582-4-55848 | | 70,000 | - | 7,301 | - | 7,301 |
| Office of Water, Environmental Protection Agency: | | | | | | | | | |
| Passed Through STDC: | | | | | | | | | |
| T.N.R.C.C. - Used Oil Recycling | | 66.460 | 02-19-G01 | | 27,100 | - | 27,098 | 27,098 | - |
| T.C.E.Q.- Hazardous Waste Program | | 66.460 | 03-19-G03 | | 18,000 | | 17,997 | 17,997 | - |
| Passed Through Texas Water Development Board: | | | | | | | | | |
| NADB - Colonia Water & Wastewater Treatment | | 66.606 | BEIF23-48/00 | | 6,231,450 | - | 296,285 | 112,735 | 183,550 |
| Colonia Water & Waste Water Treatment | | 66.606 | G13500/13600 | | 15,319,920 | 230,700 | 782,490 | 589,134 | 424,056 |
| Total U. S. of Environmental Protection Agency | | | | | 30,501,045 | 976,984 | 1,357,137 | 1,643,753 | 690,368 |
| Total Federal Assistance | | | | $ | 137,641,687 | 8,790,995 | 33,772,903 | 37,266,702 | 5,310,104 |

(Continued)

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|---|
| STATE AWARDS | | | | | | | | |
| Texas Department of Health: | | | | | | | | |
| Primary Health Care Program 01-02 | | N/A | 74-60015732-0208 | $ 165,000 | 18,766 | - | 18,766 | - |
| Primary Health Care Program 02-03 | | N/A | 74-60015732-0308 | 165,000 | 7,824 | 149,099 | 108,445 | 48,478 |
| Primary Health Care Program 03-04 | | N/A | 74-60015732-0408 | 69,464 | - | 7,867 | - | 7,867 |
| Tuberculosis Prevention and Control 01-02 | | N/A | 74-60015732-0204 | 223,761 | 31,388 | - | 31,388 | - |
| Tuberculosis Prevention and Control 02-03 | | N/A | 74-60015732-0306 | 223,761 | 16,215 | 204,777 | 185,234 | 35,758 |
| Tuberculosis Prevention and Control 03-04 | | N/A | 74-60015732-0405 | 205,860 | - | 12,967 | - | 12,967 |
| Tuberculosis Prevention and Control 02-03 | | N/A | 74-60015732-0313 | 17,430 | - | 10,750 | 10,750 | - |
| H. I. V. Social Services 01-02 | | N/A | 74-60015732-0207 | 100,406 | 27,906 | - | 27,906 | - |
| Bureau of Clinical and Nutrition Services - Population-Based | | | | | | | | |
| Public Health - Title V - CORE - 02 | | N/A | 74-60015732-0212 | 70,233 | 14,806 | - | 14,806 | - |
| Public Health - Title V - CORE - 03 | | N/A | 74-60015732-0309 | 24,605 | 90 | 16,211 | 2,646 | 13,655 |
| Public Health - Title V - CORE - 04 | | N/A | 74-60015732-0407 | 21,657 | - | 1,197 | - | 1,197 |
| Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. | ** | N/A | 74-60015732B03-02 | 398,450 | 31,435 | 346,439 | 311,682 | 66,192 |
| Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. | ** | N/A | 74-60015732B04-02 | 346,993 | - | 30,729 | - | 30,729 |
| Family Planning | | N/A | 74-60015732B02-01 | 93,550 | 16,847 | - | 5,252 | 11,595 |
| Family Planning | | N/A | 74-60015732B03-01 | 93,550 | - | 93,550 | 93,550 | - |
| Family Planning | | N/A | 74-60015732B04-03 | 93,550 | - | 11,876 | - | 11,876 |
| Bureau of HIV and STD Prevention-Hepatitis C | | N/A | 74-60015732-03-10 | 40,000 | 13,252 | 35,569 | 41,843 | 6,978 |
| Texas Health & Human Services Commission: | | | | | | | | |
| Children Health Insurance Plan Community- Based Outreach Services | | N/A | N/A | 123,054 | 4,626 | 53,066 | 70,318 | (12,626) |
| Passed Through South Texas Development Council: | | | | | | | | |
| H. I. V. Social Services 02-03 | | N/A | 019-1-03 | 107,574 | 4,459 | 103,098 | 75,484 | 32,073 |
| H. I. V. Social Services 03-04 | | N/A | 019-1-04 | 103,272 | - | 4,284 | - | 4,284 |
| H.I.V. Care Formula Grant - H.I.V. Consortia and Insurance 03-04 | | N/A | 019-3-03 | 363,667 | - | 140,484 | 26,853 | 113,631 |
| Housing Oportunities for Persons with Aids - H.O.P.W.A. II 03-04 | | N/A | 019-2-03 | 94,409 | - | 45,592 | 24,910 | 20,682 |
| Office of Border Health - Vector Control | | N/A | 746005732-0318 | 74,157 | - | 37,305 | - | 37,305 |
| Bureau of Regional/Local Health Operations - Mosquito Abatement | | N/A | 746005732-0301 | 400,000 | 16,729 | 156,007 | 101,777 | 70,959 |
| Total - Texas Department of Health | | | | 3,619,403 | 204,343 | 1,460,867 | 1,151,610 | 513,600 |
| Commission on Law Enforcement Officers Standards and Education | | | | | | | | |
| Law Enforcement Officer Standards and Education | | N/A | N/A | 31,500 | - | 29,100 | 29,100 | - |
| Total - Commission on Law Enforcement Officers Standards and Education | | | | 31,500 | - | 29,100 | 29,100 | - |
| Texas Parks and Wildlife: | | | | | | | | |
| Chacon Creek Trail | | N/A | 86949 | 75,200 | - | 19,210 | | 19,210 |
| Seven Flags Regional Advisory Council | | N/A | N/A | 11,270 | - | 11,270 | 11,270 | - |
| Seven Flags Park | | N/A | N/A | 48,150 | - | - | - | - |
| Total - Texas Parks and Wildlife | | | | 134,620 | - | 30,480 | 11,270 | 19,210 |
| Comptroller of Public Accounts: | | | | | | | | |
| Tobacco Compliance 2002 | | N/A | N/A | 5,000 | (281) | 281 | - | - |
| Tobacco Compliance 2003 | | N/A | N/A | 5,000 | - | 5,000 | 5,000 | - |
| Total - Comptroller of Public Accounts | | | | $ 10,000 | (281) | 5,281 | 5,000 | - |

## 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, 2002 | Revenue Recognized | Receipts & Disbursement | Accrued (Deferred) Revenue at September 30, 2003 |
|---|---|---|---|---|---|---|---|---|
| Loan Star Library and Archives Commission | | | | | | | | |
| Lone Star Libraries Grant | | N/A | 442-02280 | $ 22,323 | - | 22,323 | 22,323 | - |
| Total-Loan Star Library and Archives Commission | | | | 22,323 | - | 22,323 | 22,323 | - |
| State Department of Transportation: | | | | | | | | |
| Auto Theft Task Force | ** | N/A | SA-T01-100057-02 | 390,714 | 75,617 | - | 75,617 | - |
| Auto Theft Task Force | ** | N/A | SA-T01-100057-03 | 428,492 | - | 391,416 | 327,226 | 64,190 |
| Auto Theft Task Force | ** | N/A | SA-T01-100057-04 | 282,000 | - | - | - | - |
| TXDOT -Ryan Street Railroad Bridge Conversion & Zacate Bridge | | N/A | CSJ-0922-33-903 | 571,200 | 9,694 | 22,775 | 7,838 | 24,631 |
| TX Dept. of Transportation-Routine Airport Maint. Prog. | | N/A | CSJ-M222LREDO | 30,000 | 3,941 | - | 3,941 | - |
| TX Dept. of Transportation-Routine Airport Maint. Prog. '03 | | N/A | CSJ-M322LREDO | 30,000 | - | 29,815 | 14,299 | 15,516 |
| TX. Dept of Transportation- West Laredo CPL Road | | N/A | CSJ-0922-33-071 | 3,250,000 | - | - | - | - |
| Total - State Department of Transportation | | | | 4,982,406 | 89,252 | 444,006 | 428,921 | 104,337 |
| Total State Assistance | | | | 8,800,252 | 279,960 | 1,992,057 | 1,648,224 | 637,147 |
| | | | | | | | | (Continued) |
| OTHER ASSISTANCE | | | | | | | | |
| Texas Water Development Board | | N/A | 50-00064 | - | 38,488 | - | - | 38,488 |
| TX. Dept of Transportation- Benavides House | | N/A | 921-33-037 | 200,000 | 48,490 | (360) | 48,130 | - |
| United States Custom Service | | N/A | N/A | 205,000 | 163 | - | - | 163 |
| United States Custom Service - 02 | | N/A | N/A | 191,000 | 88,510 | - | 88,510 | - |
| Laredo Border Region Violent Crime Task Force | | N/A | N/A | 18,328 | 122 | - | 122 | - |
| Laredo Border Violence 99 | | N/A | N/A | 91,000 | 1,183 | - | - | 1,183 |
| United States Customs Service 03 | | N/A | N/A | 149,217 | - | 148,677 | 75,295 | 73,382 |
| Custom-Narcotics | | N/A | N/A | 91,000 | - | 16,499 | - | 16,499 |
| Laredo Border Region Violent Crime TF 02 | | N/A | N/A | 18,398 | 18,398 | - | 13,812 | 4,586 |
| Laredo Border Region Violent Crime TF 03 | | N/A | N/A | 20,609 | - | 9,067 | | 9,067 |
| OCEDEFT | | N/A | N/A | 10,000 | - | 9,852 | - | 9,852 |
| Laredo Border Violence 2002 | | N/A | N/A | 91,000 | 12,567 | - | 11,715 | 852 |
| Drug Enforcement Agency - Narcotics Overtime | | N/A | N/A | 108,974 | 13,240 | - | - | 13,240 |
| Border Region Health Professional Education Initiative | | N/A | N/A | 1,000 | - | 1,000 | 1,000 | - |
| Passed Through Discroll Children's Health: | | | | | | | | |
| Passed Through Discroll Children's Health: | | | | | | | | |
| Project Alcance '02 | | N/A | N/A | 30,000 | 22,674 | - | 22,674 | - |
| Project Alcance '03 | | N/A | N/A | 21,000 | 2,417 | 18,361 | 10,977 | 9,801 |
| Texas Association of Local Health Officials - Bio-Terrorism | | N/A | N/A | 50,000 | - | 49,057 | 35,000 | 14,057 |
| Border Health Workshop | | N/A | N/A | 5,000 | - | 3,808 | - | 3,808 |
| Total - Other Assistance | | | | 1,301,526 | 272,524 | 255,961 | 307,235 | 194,978 |
| Total Federal, State and Other Assistance | | | | $ 147,743,465 | 9,343,479 | 36,020,921 | 39,222,161 | 6,142,229 |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

* Major Federal Program
** Major State Program

NOTE A - BASIS OF PRESENTATION
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Laredo is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

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# REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 City of Laredo, Texas, as of and for the year ended September 30, 2003, and have issued our report thereon dated February 6, 2004. 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 and the provisions of the State of Texas *Uniform Grant and Contract Management Standards (UGCMS)*.

## Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* and *UGCMS*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Laredo, Texas, in a separate letter dated February 6, 2004.



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Laredo, Texas', internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Laredo, Texas, in a separate letter dated February 6, 2004.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Garza, Martinez & Co., P.L.L.C.*

February 6, 2004



MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2003

## 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 |
| Reportable condition(s) 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 |
| Reportable condition(s) 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 |
|---|---|
| 20.106 | U.S. Department of Transportation – Federal Aviation Administration - Airport Improvement Program |
| 16.710 | U.S. Department of Justice - Office of Community Oriented Policing Services - Public Safety Partnership and Community Policing Grants |

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2003

Dollar threshold used to distinguish
between Type A and Type B programs: $ 1,003,759

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

**Section II - Financial Statement Findings**

No matters were reported

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2003

## 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 |
| Reportable condition(s) 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 |
| Reportable condition(s) 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 the State of Texas Single Audit Circular Section .510(a)? | _____ | yes | X | no |

Identification of major programs:

<u>Name of State Program or Cluster</u>

Texas Department of Health
Bureau of Clinical and Nutrition Services –
Prenatal, Preventive, & Primary Child Health Genetics and Dental Services

State Department of Transportation
Auto Theft Task Force

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2003

**Section I - Summary of Auditors' Results (Continued)**

***State Awards (Continued)***

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

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

**Section II - Financial Statement Findings**

No matters were reported

**Section III – State Award Findings and Questioned Costs**

No matters were reported

City of Laredo, Texas
Federal Summary Schedule of Prior Audit Findings
Year Ended September 30, 2003

**Federal Award Findings and Questioned Costs**

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

City of Laredo, Texas
State Summary Schedule of Prior Audit Findings
Year Ended September 30, 2003

**State Award Findings and Questioned Costs**

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

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