

# Laredo Independent School District Comprehensive Annual Financial Report

For the year ended August 31, 2010





**Laredo Independent School District  
Comprehensive Annual Financial Report  
For the Year Ended  
August 31, 2010**

**Prepared by:**

**Department of Financial Management**

**This Page Left Blank Intentionally**



# Introductory Section

**LAREDO INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED AUGUST 31, 2010**

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	iii
District Officials, Staff, and Consultants .....	viii
Board of Trustees and Superintendent .....	ix
Organizational Chart .....	x
GFOA Certificate of Achievement .....	xi
Certificate of Board .....	xii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	3
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets .....	14
Statement of Activities .....	15
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds .....	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of the Net Assets .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds .....	19
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	21
Statement of Fiduciary Net Assets - Fiduciary Funds .....	22
Notes to the Financial Statements .....	23
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund .....	50
<b>Combining and Other Statements</b>	
Combining Balance Sheet - Non Major Governmental Funds .....	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non Major Governmental Funds .....	61
Combining Statement of Changes in Assets and Liabilities - All Agency Funds .....	71
<b>TEA Required Schedules</b>	
Schedule of Delinquent Taxes Receivables .....	73
Schedule of Expenditures for Computation of Indirect Cost General and Special Revenues .....	75
Fund Balance and Cash Flow Calculation Worksheet .....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual- Child Nutrition Program .....	77
Budgetary Comparison Schedule - Debt Service Fund .....	78
Budgetary Comparison Schedule - PFC Service Fund .....	79
<b>Capital Assets</b>	
Schedule of Capital Assets - By Location and Activity .....	80
Schedule of Changes in Capital Assets - By Function and Activity .....	84
<b>STATISTICAL SECTION</b>	
Net Assets by component - Last Nine Fiscal Years .....	86
Expenses, Program Revenue, and Net (Expense)/Revenue - Last Nine Fiscal Years .....	87
General Revenues and Total Changes in Net Assets - Last Nine Fiscal Years .....	88
Fund Balances Governmental Funds - Last Ten Fiscal Years .....	89

**LAREDO INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED AUGUST 31, 2010**

TABLE OF CONTENTS

	Page
Governmental Funds Revenues - Last Ten Fiscal Years .....	90
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years .....	91
Other Financing Sources and Uses and Net Change in Fund Balances, Government Funds - Last Ten Fiscal Years .....	92
<b>Revenue Capacity Information</b>	
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years .....	93
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years .....	94
Principal Property Taxpayers - Current Year and Nine Years Ago .....	95
Property Tax Levies and Collections - Last Ten Fiscal Years .....	96
<b>Debt Capacity Information</b>	
Outstanding Debt by Type - Last Ten Fiscal Years .....	97
Direct and Overlapping Governmental Activities Debt - As of August 31, 2010 .....	98
Legal Debt Margin Information - Last Ten Fiscal Years .....	99
<b>Demo Graphic and Economic Information</b>	
Ratio of General Obligation Bonded - Debt to Taxable Assessed Value .....	100
Demographics and Economic Statistics - Last Ten Years .....	101
Principal Employers - Current Year and Nine Years Ago .....	102
<b>Operating Information</b>	
Full - Time Equivalent District Employees by Type - Last Ten Fiscal Years .....	103
Operating Statistics - Last Ten Fiscal Years .....	104
Teacher Base Salaries - Last Ten Fiscal Years .....	105
Measures of Capacity .....	106
<b>Single Audit Section</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	107
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A - 133 .....	109
Schedule of Findings and Questioned Costs .....	111
Schedule of Expenditures of Federal Awards .....	114
Notes to the Schedule of Expenditures of Federal Awards .....	116



Dr. A. Marcus Nelson  
Superintendent of Schools



1702 Houston St. • Laredo, Texas 78040 • Ph. 956-795-3200

***Board of Trustees  
2010-2011***



George M. Beckelhymer  
President, District 4

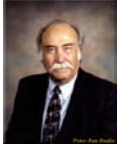


Jesus Martinez  
Vice President, District 2



Jose R. Perez, Jr.  
Secretary, District 7

***Trustees***



Jose A. Valdez  
Trustee, District 1



John Amaya  
Trustee, District 3



Dr. Cecilia M. Moreno  
Trustee, District 5



Hector J. Garcia  
Trustee, District 6

January 20, 2011

Board of Trustees and Taxpayers of  
Laredo Independent School District  
1702 Houston Street  
Laredo, Texas 78040

Dear Board Members and Taxpayers:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the Laredo Independent School District (the "District") for the fiscal year ended August 31, 2010. The report was prepared by the District's Department of Financial Management. The basic financial statements have been audited by the independent accounting firm of Weaver and Tidwell, LLP, whose report is included herein. The financial data appearing in this report has been prepared in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and is presented in a manner which daily sets forth the financial position and results of operations of the District. Furthermore, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

Generally accepted accounting principles (GAAP) require 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 District's MD&A can be found immediately following the report of the independent auditors.

***Reporting Entity***

The District is an independent school district, founded in 1882, governed by a seven-member Board of Trustees (the "Board"). The Board has governance responsibility over all activities related to public school education within the District. The District is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board Statement No. 14. The District has one blended component unit which is the Laredo Independent School District Public Facility Corporation (the "Corporation"). As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) and its component unit in conformity with GASB Statement No. 14, The Financial Reporting Entity.

In accordance with GASB Statement No. 14, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District's blended component unit, although a legally separate entity, is in substance part of the District's operations and data from this unit is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District include financial accountability of the District for the component unit, appointment of a voting majority, ability to impose the District's will on the component unit, and whether there is a financial benefit or burden to the District. For financial reporting purposes, the Corporation is included in the operations and activities of the District because of the fiscal dependency criteria outlined in GASB Statement No. 14.

The Corporation, a non-profit corporation, is governed by a seven member Board composed of the members of the District. Although it is legally separate from the District, the Corporation is reported as if it were part of the primary government because its sole purpose is to assist in financing construction and furnishing the District's school facilities. To accomplish the financing of these facilities, the Corporation has issued lease revenue bonds and entered into a lease with the option to purchase agreement with the District. The District will pay to the Corporation such lease payments at such times and in such amounts as will be required to pay principal and interest on the bonds.

District officials must comply with state and federal laws and regulations, but the Board has complete authority, including adoption and setting of tax rates. Financial statements for the component unit can be obtained from the Corporation website at [www.laredoisd.org/pfc/default.htm](http://www.laredoisd.org/pfc/default.htm).

### ***Services Provided***

The District provides a safe learning environment that ensures a quality education. Beginning in the 20 elementary schools, four middle schools, and extending through the four high schools (including Early College High School), students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. In addition, in the four middle schools a diversified group of elective subjects is added to the required studies, including home economics, art, band, choir, orchestra, mariachi band and foreign languages. Similar individual educational needs continue at the four high schools.

Additionally, the District has a communication and fine arts magnet school that offers our students comprehensive courses of study in the areas of communication, dance, music, theatre arts, and visual arts with emphasis on creative development and artistic performance; a health and science magnet school that offers our students a wide range of health and science courses to prepare them for related careers; and a technology and engineering magnet school that offers our students courses of study towards industry certifications to prepare them for related careers.

### ***Enrollment***

Our enrollment for school year 2009-2010 was 24,682 students of which 5,790 (23%) students were enrolled at the high school level, 4,724 (19%) at the middle school level, and 14,168 (58%) at the elementary level.

Over 97% of our students are classified as economically disadvantaged; 64.1% as Bilingual/English as a Second Language education, 8% as Special Education, and 8% participate in Gifted and Talented courses. In addition, 20% of high school and middle school students take Career and Technology courses.

### ***Mission Statement***

The mission of the District is to ensure that all students achieve their potential and graduate as bilingual, bi-literate, and be responsible adults with the skills to succeed in higher education, the workforce, or the military.

### ***District Goals***

**Goal I:** By the year 2014, Laredo Independent School District shall have created an innovative system of learning that empowers each student to develop and realize their unique talents in a way that meets or exceeds federal, state and local academic mandates.

**Goal II:** By the year 2014, Laredo Independent School District shall be recognized for a comprehensive student support system that fosters social and psychological development of all students. This system will promote a safe and secure, drug-free learning environment through innovative safety programs and by fostering mutual respect for all members of the school community.

**Goal III:** By the year 2014, Laredo Independent School District shall be recognized for its collaborative partnerships with parents, community institutions, business entities, and schools that combine to support student achievement.

**Goal IV:** By the year 2014, Laredo Independent School District shall be recognized for its programs which support health and wellness for employees and students.



**Goal V:** By the year 2014, the stewardship of district resources will maintain financial stability and commit to the highest standards of ethical transparency, and integrity in all our business practices related to district achievement, district operations, and instruction.

**Goal VI:** By the year 2014, Laredo Independent School District will create and sustain a plan of action to focus on the recruitment, development, retention, and support of highly qualified faculty and staff.

### ***Achievements***

The District received its eighth Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2009. The rating system was established during the 77<sup>th</sup> Legislative session. School districts received their first official rating by TEA in August 2003 for the fiscal year 2001-2002.

### ***Economic Condition and Outlook***

Laredo Independent School District is located in the heart of the City of Laredo and encompasses approximately 13 square miles. In January 2008, The Metropolitan Statistical Area (MSA) reported population at about 233,152 for Laredo. With over 500,000 living across the river in Nuevo Laredo, both cities have a combined population of 733,152.

Our District is an inner city district which serves the community of Laredo and Webb County; being on the border to Mexico, it is affected by traditional economic and social issues common to border regions.

Laredo, Texas, best known for its geographic location with two international bridges bordering Nuevo Laredo, Tamaulipas, Mexico and one international bridge bordering Dolores, Nuevo Leon, Mexico, is in the center of a new era. This era includes the passage of the North American Free Trade Agreement, which has enhanced trade between the United States and Mexico, provided for a growing tax base, and the attraction of new industries.

According to an analysis published in Forbes.com, Laredo was ranked eighth in the nation in terms of job growth and sixth in terms of job growth in smaller cities. Government jobs account for about 30% of Laredo's employment followed by retail at 20%.

### ***Financial Policies and Long-Term Financial Planning***

The Superintendent's office and the executive staff oversee and coordinate all the elements involved in the strategic and financial planning process of the District. The planning process begins with demographic projections of student growth and their needs for classroom space. The District's student population experiences minimal growth annually as it is land-locked. The classroom environment is determined by the Division of Instruction in their strategic planning for meeting the educational needs of our students and community. The educational planning process identifies the financial needs of the District and determines the proper allocation of District resources.

The District is towards the end of construction projects in which every school will either be renovated or newly constructed. The construction projects began in 1999 with the sale of \$144,000,000 of bonds. With the addition of more bond sales, issuance of Qualified Zone Academy Bonds (QZABs), and interest earnings, it is currently at approximately \$327 million dollars. The estimated final completion date for these projects is December 2012.

It is the responsibility of the Division of Finance to oversee all finance related issues, including the investment of construction funds for maximization of interest earnings, and to provide financial status reports to the Board with the objective of assisting in the accountability and decision-making process.

### ***Other Information***

#### **The Accounting System and Budgetary Control**

The Division of Finance is responsible for providing all District financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, procurement, tax office collections, risk management and special financial and policy analyses to District management. The Chief Financial Officer, appointed by the Superintendent, has oversight responsibility for the division's operations.

The District's computer hardware includes file servers as well as numerous personal computers and laptops. The District utilizes the Information Design Incorporated Government Software applications and computerized financial accounting system, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability over the District's assets.

The District also operates a student accountability system supported by the District's Information Technology Department. This system services all campuses of the District. The applications being used are attendance, grades and report cards, student tracking, and all other information required by the State of Texas.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred. Accounting records for trust funds are maintained on the accrual basis.

The annual operating budget or financial plan is proposed by the Superintendent and enacted by the Board after public discussion. The site-based decision making process, as mandated by the education code, is the cornerstone of all LISD budgetary decisions. Each campus must have a Site-Based Decision Making (SBDM) committee made up of the campus principal, teachers, and administrators. Their role is to build consensus and support all efforts consistent with reaching the campus goals and objectives. SBDM committee members, department directors and administrators are involved in the budgetary cycle.

Subsequent budget amendments must be approved by the Board for the General Fund Budget. For Special Revenue Funds, budget amendments are approved subject to the approval by the granting agency. A summary of all amendments is presented to the Board on a monthly basis. All departments are required to operate within their budgetary constraints. The operating budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

### ***Independent Audit***

The Texas Education Agency requires that an annual audit of the books of account, financial records, and transactions of all administrative departments of the school district be performed by an independent certified public accountant(s). The firm of Weaver and Tidwell, LLP, was selected by the District and approved by the Board. In addition to meeting the requirements set forth in the state and local policies, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the basic financial statements and schedules are included in a separate report. The auditor's report related specifically to the single audit is included in the Single Audit section of the report.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2009. This was the thirteenth consecutive year that the District has achieved this prestigious award. In order to be awarded this Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

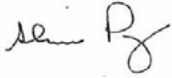
### ***Acknowledgments***

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Financial Management and the leadership of the Superintendent.

We would also like to acknowledge the thorough professional and timely manner in which the audit was conducted by our independent auditors, Weaver and Tidwell, LLP.

Furthermore, we would like to especially acknowledge the President of the Board, the Business and Support Committee of the Board and all Board Members who have consistently supported the school district's goals of excellence in all aspects of financial management.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alvaro Perez', with a stylized flourish at the end.

Alvaro Perez  
Chief Financial Officer

**LAREDO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF & CONSULTANTS  
AUGUST 31, 2010**

---

**ELECTED OFFICIALS**

Board of Trustees	Length of Service	Occupation
George M. Beckelhymer President	8 Years	Business Owner – L. Buffalo Pawn Shops
Daniel Rigal Vice-President	4 Years	Philip Morris – Territory Manager
Jesus Martinez Secretary	2 Years	Retired Educator
Jose A. Valdez Trustee	13 Years	Self Employed /Construction
Guillermina Montes Trustee	7 Years	Retired Educator
John Peter Montalvo Trustee	10 Years	Retired Postal Employee
Jose R. Perez Trustee	2 Years	Retired Educator

**APPOINTED OFFICIALS**

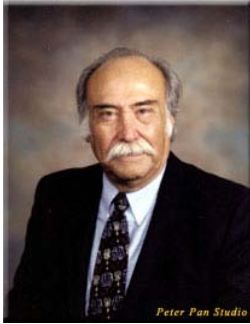
A. Marcus Nelson, Ed.D. .... Superintendent of Schools  
 Linda Theret ..... Executive Director for Curriculum & Instruction  
 Alvaro Perez ..... Chief Financial Officer  
 David Garza ..... Executive Director for Human Resources  
 Raymundo Villarreal ..... Executive Director for Plant Facilities & Support Services  
 Carlos Rios ..... Executive Director for Compliance & Accountability  
 Veronica Castillon ..... Executive Director of Communications

**CONSULTANTS & ADVISORS**

Financial Advisor ..... Estrada-Hinojosa & Company, Inc.  
 Dallas and San Antonio, Texas  
 Bond Counsel ..... Escamilla & Poneck, Inc.  
 San Antonio, Texas  
 Certified Public Accountants ..... Weaver and Tidwell, LLP  
 Fort Worth, Texas  
 General Counsel ..... Kazen, Meurer & Perez, Attorneys-at-Law  
 Laredo, Texas

# LAREDO INDEPENDENT SCHOOL DISTRICT

## Board of Trustees August 31, 2010



**Jose A. Valdez**  
President  
District 1



**George M. Beckelhymer**  
Vice-President  
District 4



**Daniel Rigal**  
Secretary  
District 5



**Guillermina Montes**  
Trustee  
District 6



**Jose R. Perez**  
Trustee  
District 7



**John P. Montalvo**  
Trustee  
District 3



**Jesus Martinez**  
Trustee  
District 2

## Superintendent of Schools

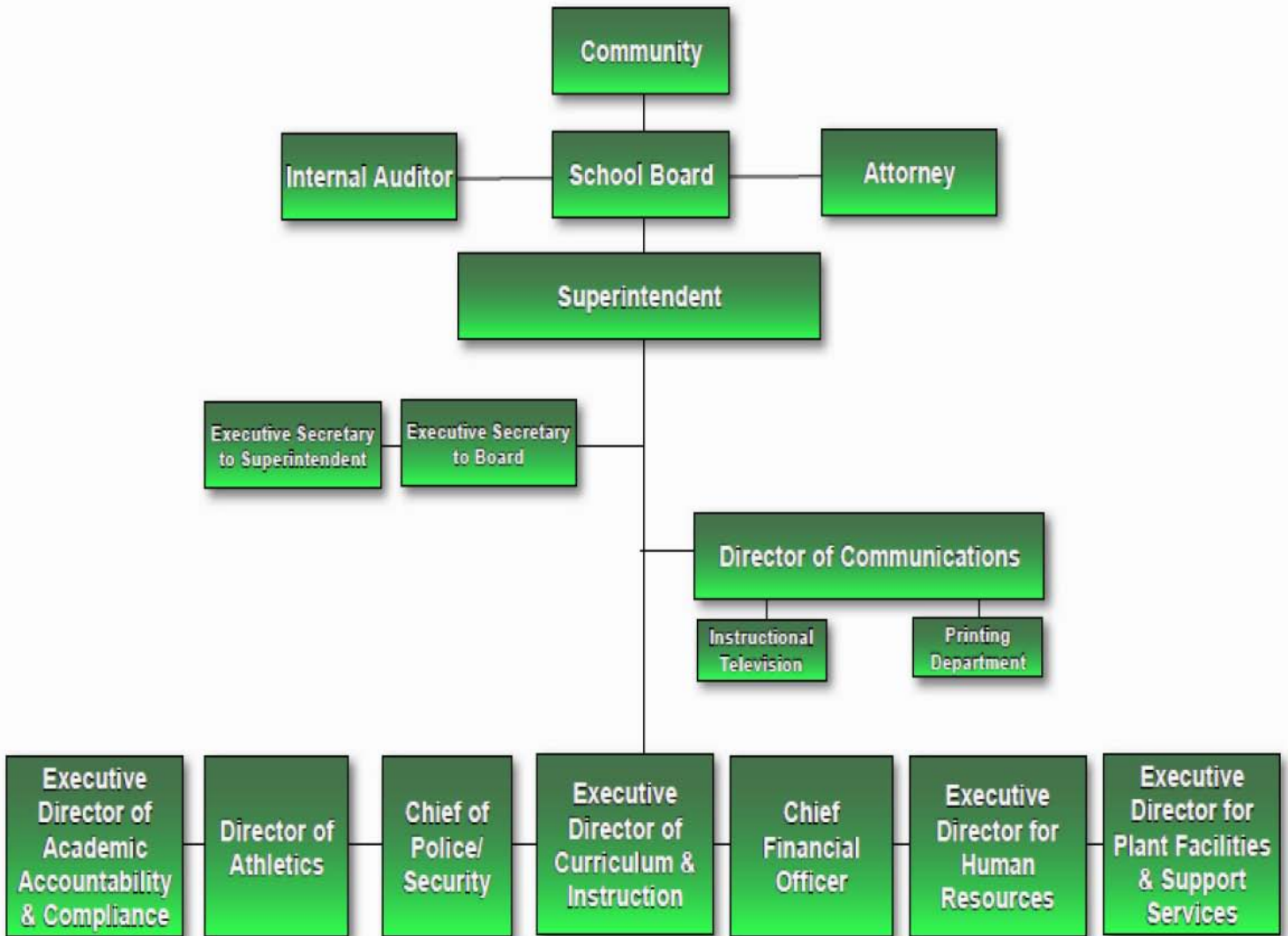


**Dr. A. Marcus Nelson**  
August 3, 2009 to Present

# LAREDO INDEPENDENT SCHOOL DISTRICT

## Organizational Chart

### August 31, 2010



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Laredo Independent School  
District, Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2009

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



President

Executive Director

**CERTIFICATE OF BOARD**

---

Laredo Independent School District

Webb

240-901

***Name of School District***

***County***

***County District  
Number***

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2010 at a meeting of the Board of Trustees of such school district on the 20th day of January, 2011.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is/are (attach list as necessary):





# Financial Section



## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Laredo Independent School District  
Laredo, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the "District") as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District as of August 31, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Trustees  
Laredo Independent School District

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laredo Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for that portion marked as "unaudited" on which we express no opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 18, 2011

**LAREDO INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

This section of the Laredo Independent School District’s annual financial report presents management’s discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2010. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and related footnote disclosures.

**FINANCIAL HIGHLIGHTS**

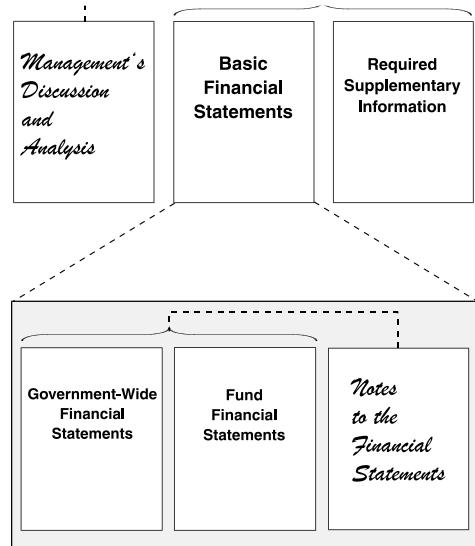
- The District’s total combined net assets were \$188.4 million at August 31, 2010. This was an increase of \$23.1 million or 14% over prior year.
- During the year, the District’s governmental expenses were \$23.1 million less than the \$280.7 million generated in revenues from governmental activities. The increase in earnings was primarily due to salary savings from freeze imposed on vacant positions and careful evaluation of purchases to ensure effectiveness and efficiency in the use of public funds.
- The total cost of the District’s programs increase by \$4.1 million or 2% compared to last year, primarily from salary increases and costs associated with the American Recovery and Reinvestment Act (ARRA).
- The General Fund reported a fund balance of \$70.8 million which is \$11.5 million or 19% more than the previous year end. The unreserved, undesignated portion of fund balance increased by \$11.3 million or 26% to \$55.2 million and is available for spending at the District’s discretion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements show how *general government services* were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

**Figure A-1F, Required Components of the District’s Annual Financial Report**



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District 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 statements.

**Figure A-2 Major Features of the District’s Government-wide and Fund Financial Statements**

Type of Statement	Government-wide	Government Funds	Fiduciary Funds
<i>Scope</i>	Entire District’s government  (except fiduciary funds)	The activities of the district that are not propriety or fiduciary	Instances in which the district is the trustee or agent for someone else’s resources
<i>Required financial Statements</i>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary assets and liabilities</li> </ul>
<i>Accounting basis and Measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability Information</i>	All assets and liabilities, both financial and capital, 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	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow Information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after year end, expenditures when goods or services have been received and payment is due during the year or soon thereafter	Agency funds do not report revenue and expenditures

**Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net assets and how they have changed. Net assets—the difference between the District’s assets and liabilities—is one way to measure the District’s financial health or *position*.

- Over time, increases or decreases in the District’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District’s tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District’s basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. State aid, property taxes and grants finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District'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 fund 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 District'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 statement, or on the subsequent page, that explain the relationship (or differences) between them.

The District maintains 55 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the District's major funds. The following are considered major funds for fiscal year ended 2010: General Fund, EDA 2005 Bond Series, and IFA 2006 Bond Series. Data from the other 52 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District'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 District's government-wide financial statements because the District cannot use these assets to finance its 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.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. In addition, budget to actual presentations for the Food Service Fund and the Debt Service Fund are included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net assets were \$188,440,050 at August 31, 2010 (See Table A-1); of which, unrestricted net assets (those net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) equaled \$50,537,828. The government-wide increase in net assets was \$23,175,152 or 14%.

Table A-1  
Laredo Independent School District's Net Assets

	Governmental Activities		Percentage Change
	2010	2009	
Current assets and other assets	\$ 228,088,185	\$ 224,477,839	2%
Capital assets	294,745,359	288,617,471	2%
Total Assets	<u>522,833,544</u>	<u>513,095,310</u>	2%
Current Liabilities	34,695,299	34,399,027	1%
Non-Current Liabilities	299,698,196	313,431,385	-4%
Total Liabilities	<u>334,393,495</u>	<u>347,830,412</u>	-4%
Net assets:			
Investment in capital assets, net of related debt	99,028,291	94,126,978	5%
Restricted	38,873,931	33,316,043	17%
Unrestricted	<u>50,537,828</u>	<u>37,821,877</u>	34%
Total Net Assets	<u>\$ 188,440,050</u>	<u>\$ 165,264,898</u>	14%

Capital assets, which consist of the District's land, buildings, buildings improvements, construction-in-progress, vehicles, and equipment, represent about 56% of total assets. The remaining assets consist mainly of investments, cash, grants, property taxes receivable and prepaid assets.

Ninety percent of the District's largest liability is for the repayment of general obligation bonds. Other liabilities, representing about 10% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits. The number of sick/vacation days used and retirements during the fiscal year increased by \$192,052 compared to the prior year. As a result, the estimated liability for compensated absences increased by \$96,288.

The largest portion of the District's net asset (53%) reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (20%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets increased by \$5,557,888 during the year ended August 31, 2010. This increase resulted primarily from deposits into the sinking fund for the repayment of the debt and the receipt of the Webb County Permanent School Fund distribution. The remaining balance of unrestricted net assets increased by \$12,715,951 to \$50,537,828 and may be used to meet the district's ongoing obligations to students, employees, and creditors and to honor next year's budget.

The District's current assets of \$228,088,185 were sufficient to cover current liabilities of \$34,695,299. This represents a current ratio of 6.5, which means that for every dollar the District owed there was \$6.50 available in current assets.

### Governmental Activities

Governmental activities increased the District's net assets by \$23,175,152, accounting for a 14% increase in net assets for the District compared to prior year.

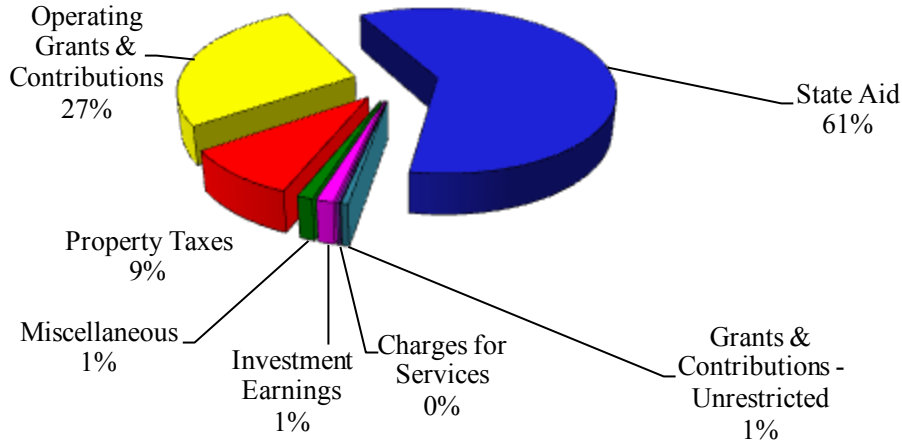
Table A-2  
Laredo Independent School District's Changes in Net Assets

	Governmental Activities		Percentage Change
	2010	2009	
Revenues:			
Program revenues:			
Charges for services	\$ 780,414	\$ 526,490	48%
Operating grants and contributions	75,483,285	65,580,427	15%
General revenues:			
Property taxes	25,977,515	23,011,900	13%
State aid	169,891,579	174,677,915	-3%
Grants and contributions - unrestricted	1,531,997	964,910	59%
Investment earnings	3,706,251	5,936,051	-38%
Miscellaneous	3,394,271	3,811,994	-11%
Total Revenues	<u>280,765,312</u>	<u>274,509,687</u>	<u>2.28%</u>
Expenses			
Instruction	146,735,324	141,320,598	4%
Instructional resources and media services	5,382,316	6,751,828	-20%
Curriculum and staff development	3,191,229	3,578,264	-11%
Instructional leadership	4,858,256	5,009,620	-3%
School leadership	11,941,453	11,421,441	5%
Guidance, counseling, and evaluation services	8,295,054	7,966,627	4%
Social work services	1,560,438	1,645,934	-5%
Health services	3,291,693	3,208,410	3%
Student transportation	3,741,933	3,367,034	11%
Food services	14,853,696	13,192,002	13%
Extracurricular activities	3,994,642	3,671,452	9%
General administration	7,351,514	7,814,329	-6%
Plant maintenance and operations	21,345,976	21,573,534	-1%
Security and monitoring services	2,968,302	3,107,258	-4%
Data processing services	3,353,815	3,634,101	-8%
Community service	1,490,872	1,344,733	11%
Interest on long-term debt	12,893,768	14,434,609	-11%
Bond Issuane Cost and Fees	254,559	263,236	-3%
Facilities acquisition and construction	-	-	0%
Payments related to shared services arrangements	-	6,638	-100%
Payments to Juvenile Justice Alt. Education Program	85,320	85,320	0%
Total Expenses	<u>257,590,160</u>	<u>253,396,967</u>	<u>1.65%</u>
Increase in net assets	23,175,152	21,112,720	10%
Net assets at beginning of year	<u>165,264,898</u>	<u>145,059,297</u>	<u>14%</u>
Prior Period Adjustment	-	(907,119)	100%
Net assets at end of year	<u>\$ 188,440,050</u>	<u>\$ 165,264,898</u>	<u>14%</u>

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 61% of the total.



Figure A-3 District's Total Revenues

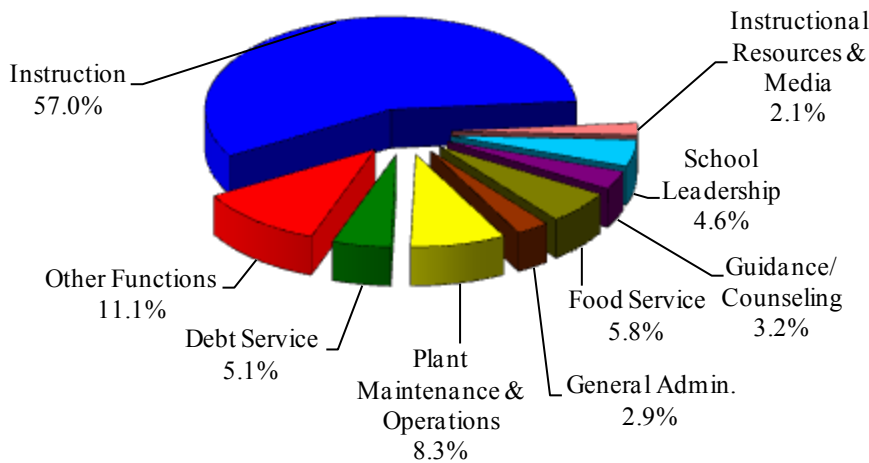


Total revenues were \$280,765,312. Revenues for the District’s governmental activities increased 2% compared to prior year. The increase was due to additional funding from the American Recovery and Reinvestment Act (ARRA).

Interest earnings were down by \$2,229,800 or 38% compared to last year. The average yield earned for the year ranged from .021% to 1.25% compared to rates in the prior fiscal year from 2.64% to 2.25%. The District holds a flexible repurchase arrangement with Trinity Plus Funding Company at a rate of 4.83% for the \$57 million 2005 Series bond issue. It is with this rate that the District’s portfolio averaged a 1.40% at the end of the year outperforming the rolling three and six months treasury yields which were at .11% and .20%, respectively.

The next chart presents the cost of each of the District’s largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$146,735,324 or 57%, followed by plant maintenance & operations at \$21,345,976 or 8.3%.

Figure A-4 - District's Functional Expenditures



Total expenses were \$257,590,160. Total expenses increased by 2%. The increase in expenses was mostly from the average salary increase of \$1,500 for teachers and 4% and 2% for para-professionals and professionals, respectively.

The District imposed a hiring and overtime freeze in mid-year that resulted in \$4,376,506 million savings in wages and related benefits expenses in the general fund.

### **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$189,538,840 an increase of \$3,383,557 in comparison with the prior year. Approximately 29% or \$55,213,049 of this total amount constitutes unreserved, undesignated fund balance, which is available for spending at the District's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed : 1) to construction \$67,346,619, 2) to pay debt service \$20,245,918, 3) to liquidate contracts and purchase orders of the prior period \$27,624,935, 4) for inventories and food services \$3,137,504, 5) for new construction or repayment of debt and wellness expenses \$11,301,197, 6) for capital acquisitions \$1,302,926, and 7) for a variety of other restricted purposes \$3,366,692.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the General fund was \$55,213,049, while total fund balance reached \$70,878,843. 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, undesignated fund balance represents 29% of total general fund expenditures, while total fund balance represents 38% of total general fund expenditures.

The \$11,316,459 increase in the unreserved, undesignated fund balance gives the District a balance that is the equivalent of 107 days of expenditures. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures. The District will be using the increase in the fund balance to maintain the monthly minimum expenditures required by the Texas Education Agency, especially in response to the additional entitlements from the American Recovery and Reinvestment Act of 2009.

While property tax rate remained the same, the opening levy increased slightly by \$86,507. The net appraised value for tax purposes decreased from \$2,142,642,269 to \$2,135,852,058.

*Debt Service Fund.* The Debt Service Fund ended with a total combined fund balance of \$20,245,916, all of which was reserved for the payment of debt service. The net increase in fund balance during the current year in the combined Debt Service fund was \$2,142,479. This amount was set aside to help repay bond issues such as the Qualified Zone Academy Bonds (QZABs).

Laredo Independent School District's Analysis of Debt Service Funds

	Debt Service Fund (511)			PFC - Debt Service Fund (512)		
	2010	2009	% Change	2010	2009	% Change
<b>Revenues</b>						
Property taxes	\$ 5,246,660	\$ 5,457,227	-3.86%	\$ 3,515	\$ 18,448	-80.95%
State program revenues	14,116,555	14,194,228	-0.55%	3,489,733	3,502,134	-0.35%
Total revenues	19,363,215	19,651,455	-1.47%	3,493,248	3,520,582	-0.78%
<b>Expenditures by function</b>						
Principal Long Term Debt	12,284,518	11,983,982	2.51%	1,860,000	1,800,000	3.33%
Interest on Long Term Debt	8,818,405	9,295,887	-5.14%	2,853,898	2,907,983	-1.86%
Other Fees	272,529	5,350	4994.00%	15,440	15,000	2.93%
Total Expenditures	21,375,452	21,285,219	0.42%	4,729,338	4,722,983	0.13%
<b>Other Financing Sources (Uses)</b>						
	4,139,093	4,088,529	1.24%	1,251,713	1,178,795	6.19%
	4,139,093	4,088,529	1.24%	1,251,713	1,178,795	6.19%
<b>Net change in fund balance</b>						
Fund balance, beginning	17,679,592	15,224,827	16.12%	423,845	447,451	-5.28%
Fund balance, ending	\$ 19,806,448	\$ 17,679,592	12.03%	\$ 439,468	\$ 423,845	3.69%

*Child Nutrition Fund.* The Child Nutrition Fund has a total fund balance of \$4,178,160. The net increase in fund balance during the year was \$1,521,284. The child nutrition account cannot exceed three month's average expenditures in the fund balance within the 10 months operational period.

Laredo Independent School District's Analysis of Child Nutrition Funds

	2010	2009	% Change
<b>Local Sources</b>	\$ 430,218	\$ 424,307	1.39%
State Program Revenues	100,732	101,239	-0.50%
Federal Program Revenues	15,158,079	12,805,833	18.37%
Total revenues	15,689,029	13,331,379	17.68%
<b>Expenditures by function</b>			
Food Service	14,025,451	12,474,853	12.43%
Facilities Maintenance and Operations	142,294	205,304	-30.69%
Total Expenditures	14,167,745	12,680,157	11.73%
<b>Other Financing Sources (Uses)</b>			
	-	(324)	100.00%
	-	(324)	100.00%
<b>Net change in fund balance</b>			
Fund balance, beginning	2,656,876	2,005,978	32.45%
Fund balance, ending	\$ 4,178,160	\$ 2,656,876	57.26%

*Capital Projects Fund.* The District's Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities, specifically funded by bonds approved by the voters. The decrease in fund balance of \$10,625,871 was attributable to expenditures related to ongoing projects such as the Shirley Field and Martin Field House, Food Service Center, Science Labs, Early Childhood Centers at three locations, Cigarroa Orchestra Center, Martin OCR renovations, Kawas Soccer Field, and Zachry Softball Field.

## **Business-type Activities**

The district did not have any business type of activities.

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

Revenues from governmental fund types totaled \$280,503,402. The increase in revenues is attributable to increase in federal program awards.

### **General Fund Budgetary Highlights**

The FYE 2010 budget was developed by balancing the challenges of mandated salary increase and student/staff ratios while maintaining the same property tax rate. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

The general fund budget was amended 18 times. The original appropriation was primarily decreased to remove the State Fiscal Stabilization Fund (SFSF) in the amount of \$7,455,087. The SFSF was federally funded program accounted in Fund 266. However, below are other amounts added to the original appropriation.

- Outstanding purchase orders from the prior year in the amount of \$120,000;
- Appropriation for the High School Allotment in the amount of \$1,430,000;
- Appropriations of the New Instructional Facilities Allotment (NIFA) in the amount of \$419,265;
- Appropriation for the purchase of six portable classrooms for Cigarroa Middle School in the amount of \$170,000.
- Appropriation of insurance proceeds in the amount of \$96,863; and
- Appropriation additional food costs for breakfast in the classroom in the amount of \$633,934.

Even with these adjustments, actual expenditures were \$21,452,223 below the final budget amounts. The most significant positive variance resulted from staffing, specifically in teacher vacancies followed by facilities maintenance and operations. Staffing is budgeted for full employment at midpoint throughout the fiscal year. Budget amounts for vacant positions throughout the year are not eligible for budget revisions. Other variances were due to on-going improvements that were not completed by the end of the year resulting in unspent appropriations. In addition, other variances resulted from expenditures from state/local grants and loans that were included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Loans are carried as inception to date projects. Unspent grant amounts and loans are carried forward and included in the succeeding year's budget. Therefore, actual grant awards and expenditures are normally less than the amounts budgeted.

On the other hand, resources available were \$3,295,959 less than the final budgeted amount. The District did not generate the full Average Daily Attendance (ADA) from the State as anticipated.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2010, the District had invested \$294,745,359 in a broad range of capital assets, including land, equipment, and buildings. (See Table A-3.) This amount represented a net increase (including additions and deductions) of \$6,127,888 or 2% over the previous year.

Laredo Independent School District's Capital Assets

	2010	2009	Percentage Change
Land	\$ 11,295,691	\$ 11,290,426	0%
Buildings and improvements	337,274,423	337,111,957	0%
Equipment	27,768,778	29,466,498	-6%
Construction in progress	24,752,746	8,526,408	190%
Totals at historical cost	<u>401,091,638</u>	<u>386,395,289</u>	<u>4%</u>
Total accumulated depreciation	<u>106,346,279</u>	<u>97,777,818</u>	<u>9%</u>
Net capital assets	<u>\$ 294,745,359</u>	<u>\$ 288,617,471</u>	<u>2%</u>

The District's fiscal year 2010 capital budget projects had unspent proceeds of \$94,851,116, which will be used for the completion of Science Labs, Early College High School, Early Childhood Classrooms, Food Service Center, Transportation Center, Shirley Field, and Martin High School Field House. More detailed information about the District's capital assets is presented in the notes to the financial statements (Note G).

The District completed a new replacement school and several other facilities this year, which include J. C. Martin High School, Martin High School Phases II and III, Nixon Connectivity Projects and other improvements.

**Long Term Debt**

At year-end the District had \$299,698,197 in outstanding loans, leases, bonds, arbitrage, and compensated absences outstanding as shown in Table A-4. The table indicates a decrease of approximately 4.4% compared to the previous year. More detailed information about the District's debt is presented in the notes to the financial statements (Notes I and J).

Laredo Independent School District's Long-Term Debt

	2010	2009	Percentage Change
Loans payable	\$ 25,975,000	\$ 27,855,000	-6.7%
Bonds payable	270,898,055	282,434,898	-4.1%
Arbitrage payable	63,672	476,306	-86.6%
Compensated absences	2,761,470	2,665,182	3.6%
Total long term debt payable	<u>\$ 299,698,197</u>	<u>\$ 313,431,386</u>	<u>-4.4%</u>

**Bond Ratings:** The District's bonds carry "AAA" rating with underlying ratings as follows: Moody's Investor Services "Aa3", Fitch "A" and Standard & Poors "A".

The loans payable decreased by 6.7% due to a \$1,888,000 payment made during the year on one of the outstanding loans. The bonds payable decreased by 4.1% due to the retirement of debt. Arbitrage payable decreased due to the arbitrage installment payment to the Internal Revenue Service (IRS) on the 2005 bond series. Draws on construction projects were delayed due to scope of work changes as a result of feasibility studies. Lastly, the increase in the compensated absences was due to an increase in number of employees meeting the retirement qualifications.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's board members considered many factors when setting the fiscal year 2010-11 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Laredo economy. The following factors are highlights of the budget:

- The official opening tax levy for tax year 2010 was \$27,078,969 with no change to the tax rate of \$1.274. This levy compared to the previous year's levy is \$132,059 lower, which represents a decrease of less than one percent. The budget includes a 93% collection rate.

- The District's fiscal year 2010-11 refined average daily attendance was budgeted at 22,400, compared to last year's actual 22,346.

These indicators were taken into account when adopting the general fund budget for 2010-11. Revenues available for appropriation in the general fund budget are 207,418,688. Appropriations for the year total to \$209,087,053. The \$1,668,984 difference will be funded with the Health and Wellness reservation and unreserved undesignated fund balance.

The District allocated funds for the payment of the Lease Revenue Bonds issued by the Public Finance Corporation (PFC) which is financed in part by the District's maintenance and operating tax and state contribution.

Expenditures were budgeted at \$209,087,053. The largest increment was due to the funding of salary increases as specified in House Bill 3464 and salary increases to para-professionals and professionals at a rate of 1.5% and .5%, respectively.

As a result of the American Recovery and Reinvestment Act (ARRA), the District has a balance to spend from the 2009-10 entitlements in the amount of \$11,001,363. The District's plan for the use of the appropriations from the ARRA is restricted to the four key reform areas:

1. Making progress toward rigorous college-and-career-ready standards and high quality assessments that are valid and reliable for all students, including English language learners and students with disabilities;
2. Establishing Pre-K to college and career data systems that track progress and foster continuous improvement;
3. Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need; or
4. Providing intensive support and effective interventions for the lowest performing schools.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District's Financial Management Department, attention to the Director of Financial Management, at (956) 795-3250.

**This Page Left Blank Intentionally**



# Basic Financial Statements



**This Page Left Blank Intentionally**

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2010

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 72,958,512
1120 Investments	126,898,785
1220 Property Taxes Receivable (Delinquent)	4,053,172
1230 Allowance for Uncollectible Taxes	(2,831,994)
1240 Due from Other Governments	21,496,345
1250 Accrued Interest	317,851
1267 Due from Fiduciary Funds	31,805
1290 Other Receivables, net	189,995
1300 Inventories	1,309,681
1410 Deferred Expenses	154,346
1490 Other Current Assets	3,509,687
Capital Assets:	
1510 Land	11,295,691
1520 Buildings, Net	250,770,799
1530 Furniture and Equipment, Net	7,926,123
1580 Construction in Progress	24,752,746
1000 Total Assets	522,833,544
<b>LIABILITIES</b>	
2110 Accounts Payable	12,113,182
2140 Interest Payable	876,817
2150 Payroll Deductions & Withholdings	4,854
2160 Accrued Wages Payable	7,913,860
2177 Due to Fiduciary Funds	2,400
2180 Due to Other Governments	8,972,055
2300 Unearned Revenues	4,812,131
Noncurrent Liabilities	
2501 Due Within One Year	15,453,541
2502 Due in More Than One Year	284,244,655
2000 Total Liabilities	334,393,495
<b>NET ASSETS</b>	
3200 Invested in Capital Assets, Net of Related Debt	99,028,291
3820 Restricted for Federal and State Programs	6,023,568
3850 Restricted for Debt Service	20,245,918
3860 Restricted for Capital Projects	1,303,248
3870 Restricted for Campus Activities	196,270
3890 Restricted for Other Purposes	11,104,927
3900 Unrestricted Net Assets	50,537,828
3000 Total Net Assets	\$ 188,440,050

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes	Expenses	Charges for	Operating	Changes in Net
		Services	Grants and	Assets
			Contributions	Primary Gov.
				Governmental
				Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 146,735,324	\$ 294,749	\$ 44,825,485	\$ (101,615,090)
12 Instructional Resources and Media Services	5,382,316	-	729,612	(4,652,704)
13 Curriculum and Staff Development	3,191,229	-	2,349,584	(841,645)
21 Instructional Leadership	4,858,256	-	1,436,774	(3,421,482)
23 School Leadership	11,941,453	-	870,914	(11,070,539)
31 Guidance, Counseling and Evaluation Services	8,295,054	-	1,638,413	(6,656,641)
32 Social Work Services	1,560,438	-	107,711	(1,452,727)
33 Health Services	3,291,693	-	1,564,856	(1,726,837)
34 Student (Pupil) Transportation	3,741,933	-	432,202	(3,309,731)
35 Food Services	14,853,696	330,569	15,853,835	1,330,708
36 Extracurricular Activities	3,994,642	154,023	364,731	(3,475,888)
41 General Administration	7,351,514	-	847,550	(6,503,964)
51 Plant Maintenance and Operations	21,345,976	1,073	2,600,460	(18,744,443)
52 Security and Monitoring Services	2,968,302	-	184,673	(2,783,629)
53 Data Processing Services	3,353,815	-	383,916	(2,969,899)
61 Community Services	1,490,872	-	1,292,569	(198,303)
72 Debt Service - Interest on Long Term Debt	12,893,768	-	-	(12,893,768)
73 Debt Service - Bond Issuance Cost and Fees	254,559	-	-	(254,559)
95 Payments to Juvenile Justice Alternative Ed. Prg.	85,320	-	-	(85,320)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 257,590,160</b>	<b>\$ 780,414</b>	<b>\$ 75,483,285</b>	<b>(181,326,461)</b>

Data	General Revenues:		
Control			
Codes			
	Taxes:		
MT	Property Taxes, Levied for General Purposes		21,204,563
DT	Property Taxes, Levied for Debt Service		4,772,952
SF	State Aid - Formula Grants		169,891,579
GC	Grants and Contributions not Restricted		1,531,997
IE	Investment Earnings		3,706,251
MI	Miscellaneous Local and Intermediate Revenue		3,394,271
TR	Total General Revenues		204,501,613
CN	Change in Net Assets		23,175,152
NB	Net Assets--Beginning		165,264,898
NE	Net Assets--Ending		\$ 188,440,050

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2010

Data Control Codes	10 General Fund	60 EDA 2005 Series	60 IFA 2006 Series
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 45,848,431	\$ 1,554,790	\$ 9,606,374
1120 Investments - Current	32,000,000	45,083,275	34,030,421
1220 Property Taxes - Delinquent	3,434,922	-	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,400,016)	-	-
1240 Receivables from Other Governments	9,152,984	-	-
1250 Accrued Interest	38,068	6,052	260,130
1260 Due from Other Funds	13,919,260	24,215	3,860
1290 Other Receivables	157,933	-	-
1300 Inventories	1,309,681	-	-
1410 Deferred Expenditures	154,346	-	-
1000 Total Assets	<u>\$ 103,615,609</u>	<u>\$ 46,668,332</u>	<u>\$ 43,900,785</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
2110 Accounts Payable	\$ 7,581,948	\$ 2,429,898	\$ 989,262
2150 Payroll Deductions and Withholdings Payable	4,854	-	-
2160 Accrued Wages Payable	6,795,186	-	-
2170 Due to Other Funds	3,836,597	-	-
2180 Due to Other Governments	8,972,055	-	-
2300 Deferred Revenues	5,546,126	-	-
2000 Total Liabilities	<u>32,736,766</u>	<u>2,429,898</u>	<u>989,262</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	1,309,696	-	-
3420 Retirement of Long Term Debt	-	-	-
3440 Outstanding Encumbrances	120,437	20,377,490	7,030,849
3450 Food Service/Federal or State Funds	3,349,093	-	-
3470 Capital Acquisition	1,043,814	-	-
3490 Other Reserved/Restricted Fund Balance	11,104,927	-	-
Unreserved Designated For:			
3510 Construction	15,823	23,860,945	35,880,675
3590 Other Purposes	-	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	53,935,053	-	-
3000 Total Fund Balances	<u>70,878,843</u>	<u>44,238,435</u>	<u>42,911,524</u>
4000 Total Liabilities and Fund Balances	<u>\$ 103,615,609</u>	<u>\$ 46,668,333</u>	<u>\$ 43,900,786</u>

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

	Other Funds	Total Governmental Funds
\$	15,948,917	\$ 72,958,512
	15,785,089	126,898,785
	618,250	4,053,172
	(431,978)	(2,831,994)
	12,343,361	21,496,345
	13,601	317,851
	652,834	14,600,169
	32,062	189,995
	-	1,309,681
	-	154,346
	<u>44,962,136</u>	<u>239,146,862</u>
\$	1,112,074	\$ 12,113,182
	-	4,854
	1,118,674	7,913,860
	10,734,166	14,570,763
	-	8,972,055
	487,183	6,033,309
	<u>13,452,097</u>	<u>49,608,023</u>
	-	1,309,696
	20,245,918	20,245,918
	96,159	27,624,935
	-	3,349,093
	-	1,043,814
	196,270	11,301,197
	7,604,999	67,362,442
	3,366,692	3,366,692
	-	53,935,053
	<u>31,510,038</u>	<u>189,538,840</u>
\$	<u>44,962,135</u>	<u>239,146,863</u>

**This Page Left Blank Intentionally**

LAREDO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
AUGUST 31, 2010

<b>Total Fund Balances - Governmental Funds</b>	\$	189,538,840
<b>1</b> Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$386,395,289 and the accumulated depreciation was \$97,777,818. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets.		(22,262,288)
<b>2</b> Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2010 capital outlays and debt principal payments is to increase (decrease) net assets.		32,332,229
<b>3</b> The 2010 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(12,389,908)
<b>4</b> The ending balance of deferred property taxes is not measurable and available and, therefore, is deferred in the governmental funds. This amount is recognized as revenue in the government-wide statements.		1,221,177
<b>19 Net Assets of Governmental Activities</b>	\$	188,440,050

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	10 General Fund	60 EDA 2005 Series	60 IFA 2006 Series
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 25,628,648	\$ 2,316,272	\$ 381,379
5800 State Program Revenues	164,000,310	-	-
5900 Federal Program Revenues	16,487,419	-	-
5020 Total Revenues	<u>206,116,377</u>	<u>2,316,272</u>	<u>381,379</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	100,576,071	-	-
0012 Instructional Resources and Media Services	4,488,160	-	-
0013 Curriculum and Instructional Staff Development	857,338	-	-
0021 Instructional Leadership	3,586,559	-	-
0023 School Leadership	11,643,755	-	-
0031 Guidance, Counseling and Evaluation Services	7,048,743	-	-
0032 Social Work Services	1,522,109	-	-
0033 Health Services	1,809,884	-	-
0034 Student (Pupil) Transportation	3,123,725	-	-
0035 Food Services	14,025,451	-	-
0036 Extracurricular Activities	3,742,014	-	-
0041 General Administration	6,336,638	-	-
0051 Facilities Maintenance and Operations	20,673,694	-	-
0052 Security and Monitoring Services	2,918,897	-	-
0053 Data Processing Services	3,100,548	-	-
0061 Community Services	208,159	-	-
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	573,049	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	3,035,617	6,465,651	7,267,513
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	85,320	-	-
6030 Total Expenditures	<u>188,782,682</u>	<u>7,038,700</u>	<u>7,267,513</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,333,695</u>	<u>(4,722,428)</u>	<u>(6,886,134)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-
7915 Transfers In	1,135,970	1,285,477	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(6,960,655)	(119,019)	-
8949 Other (Uses)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(5,824,685)</u>	<u>1,166,458</u>	<u>-</u>
1200 Net Change in Fund Balances	11,509,010	(3,555,970)	(6,886,134)
0100 Fund Balance - September 1 (Beginning)	<u>59,369,833</u>	<u>47,794,405</u>	<u>49,797,658</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 70,878,843</u>	<u>\$ 44,238,435</u>	<u>\$ 42,911,524</u>

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



Other Funds	Total Governmental Funds
\$ 8,623,178	\$ 36,949,477
24,179,805	188,180,115
38,886,391	55,373,810
<u>71,689,374</u>	<u>280,503,402</u>
36,350,110	136,926,181
519,949	5,008,109
2,333,623	3,190,961
1,243,597	4,830,156
216,870	11,860,625
1,238,810	8,287,553
25,228	1,547,337
1,465,598	3,275,482
256,000	3,379,725
695,756	14,721,207
236,055	3,978,069
574,837	6,911,475
360,193	21,033,887
22,681	2,941,578
246,704	3,347,252
1,282,605	1,490,764
14,144,518	14,144,518
11,672,303	12,245,352
287,969	287,969
888,971	17,657,752
-	85,320
<u>74,062,377</u>	<u>277,151,272</u>
(2,373,003)	3,352,130
18,420,000	18,420,000
6,089,251	8,510,698
1,382,794	1,382,794
(1,431,024)	(8,510,698)
<u>(19,771,368)</u>	<u>(19,771,368)</u>
4,689,653	31,426
2,316,650	3,383,556
29,193,388	186,155,284
<u>\$ 31,510,038</u>	<u>\$ 189,538,840</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2010

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	3,383,556
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2010 capital outlays and debt principal payments is to increase (decrease) net assets.		32,332,229
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(12,389,908)
Net uncollected property tax revenue is deferred in the governmental funds. This amount reflects the change in the balance in this account.		(150,727)
<b>Change in Net Assets of Governmental Activities</b>	<u>\$</u>	<u>23,175,152</u>

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
AUGUST 31, 2010

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 550,281
Due from Other Funds	2,400
Total Assets	<u>\$ 552,681</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 11,240
Due to Other Funds	31,805
Due to Student Groups	509,636
Total Liabilities	<u>\$ 552,681</u>

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies**

The basic financial statements of Laredo Independent School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units in conjunction with the Texas Education Agency’s *Financial Accountability System Resource Guide* (“Resource Guide”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**1. Reporting Entity**

The Board of School Trustees (“Board”), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is appointed and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (“TEA”) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental “reporting entity” as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*, and there is one blended component unit included within the reporting entity, as noted below.

Laredo Independent School District Public Facility Corporation (the “Corporation”), a non-profit corporation, is governed by a seven member Board of Directors composed of the members of the Board of Trustees of Laredo Independent School District. Although it is legally separate from the District, the Corporation is reported as if it were part of the primary government because its sole purpose is to assist in financing construction and furnishing the District’s school facilities.

Financial statements for the component unit can be obtained from Laredo Independent School District Public Facility Corporation website at [www.laredoisd.org/pfc/default.htm](http://www.laredoisd.org/pfc/default.htm)

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

Government-wide Statements: The statement of net assets and statement of activities include the financial activities of the overall government, except for fiduciary activities. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function. Indirect cost expenditures are determined by applying approved indirect cost rates to actual applicable expenditures of federally funded grant programs and therefore are included as an element of functional expenses. Indirect cost revenues are reported in the general fund.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The fund financial statements provide information about the District's Governmental and Fiduciary Funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

b. Fund Accounting

Major Governmental Funds

- General Fund - This is the District's primary operating fund. This classification must be used to account for funds in which the local governing board designates. It accounts for all financial resources of the District except those required to be accounted for in another fund.
- 2005 Bond and 2006 Bond – Capital Projects Funds: The District accounts for proceeds from long-term debt financing (including the sale of bonds) and revenues and expenditures related to authorized construction and other capital asset acquisitions in these funds. The Board approves project budgets, not annual appropriated budgets.

Fiduciary Funds

- Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds have no measurement focus.

c. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from Impact Aid received in lieu of property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Impact Aid revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Deposits

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation insurance.

b. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are carried at cost, which is determined principally by the average cost method, while investments of food commodities are recorded at market values supplied by the United States Department of Agriculture (USDA). Inventories are considered expenditures or expenses as they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the USDA and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are changed, and revenue is recognized for an equal amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

Allowances for uncollectible tax receivables within the General Fund are \$2,400,016 and \$431,978 for the Debt Service Fund which is based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. Land and Construction in Progress are not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (Years)
Buildings	15 – 30
Furniture and Equipment	3 – 15
Vehicles	7 – 10

e. Receivable and Payable Balances

The District believes sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year-end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as inter-fund receivables and payables as appropriate and are not subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the governmental fund financial statements. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Significant assumptions are required in the calculation of the revenue from the Foundation School Program. It is possible this estimate could be revised in the near term and that the revision could be material.

h. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

i. Budgets

The office budget was prepared for adoption for all required Governmental Fund Types. The following procedures are followed in establishing the budgetary data:

- 1) Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days of the public notice for the meeting has been provided.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, several amendments were necessary.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Debt Service, and the General Fund - Food Service. The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget was properly amended throughout the year by the Board. Such amendments are before the fact and are reflected in the official minutes of the Board.



LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

Each budget is controlled by the budget coordinator at the expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. Budget information is summarized next:

	Original Budget	Increase/(Decrease)	Amended Budget
General Fund	\$199,832,829	(\$4,872,055)	\$194,960,774
General Fund – Child Nutrition	14,640,168	933,963	15,274,131
Debt Service Fund	21,297,632	-	21,297,632
PFC Debt Service Fund	4,733,898	-	4,733,898

j. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31. However, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

k. Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District's liability as of August 31, 2010 was \$63,672.

l. Deferred Revenues

Deferred revenues arise principally from amounts received from the state that relate to the subsequent fiscal year.

m. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**A. Summary of Significant Accounting Policies (Continued)**

costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

n. Investment Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase.

The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. As of August 31, the District invested part of its money with Texas DAILY, which holds an AAAM rating from Standard and Poor's (S&P).

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

o. Fund Equity

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

**B. Reconciliation of Government –Wide and Fund Financial Statements**

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**B. Reconciliation of Government –Wide and Fund Financial Statements (Continued)**

The governmental funds 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: “Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements.” The details of this \$32,332,229 difference are as follows:

Capital Assets:

Increase in Construction in Progress	\$ 16,226,338
Land acquisition	5,265
Projects completed during the year	1,426,149
Buildings disposed during the year	(1,263,683)
Depreciation on disposed buildings	1,157,933
Furniture and equipment acquisition	1,196,369
Furniture and equipment disposed during the year	(2,894,089)
Depreciation on disposed furniture and equipment	2,663,514
Bond issuance cost	33,410
Subtotal	\$ 18,551,206

Long - Term Liabilities:

Interest Payable	47,833
Termination Benefits & Compensated Absences	(96,288)
Bond payments	13,717,841
Capital appreciation bonds accreted interest	(2,672,889)
Advance refunded bonds	18,515,000
Unlimited tax refunded bonds	(18,420,000)
Loans payable	1,880,000
Arbitrage payable	412,635
Deferred loss on the 2010 advance refunded bonds	1,256,368
Unamortized Premium on Bonds	(859,477)
Subtotal	<u>13,781,023</u>
Net Adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 32,332,229</u>

- The \$32,332,229 amount also applies to the reconciliation of the total net change in fund balances – governmental funds and change in net assets - governmental activities.

**C. Compliance and Accountability**

Excess Actual Over Budget

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**C. Compliance and Accountability (Continued)**

For the year ended August 31, 2010, appropriations exceeded expenditures.

Credit Expenditure Balance

The District had active construction projects as of August 31, 2010. The District uses project accounting to monitor the financial progress of projects which includes the presentation of inception to date reports. The Instructional Facilities Allotment #1, Fund 697, reflects a credit balance in the current period of \$746,463. The fund incurred about \$30,000 in actual expenditures and the difference was due to the proceeds received from the sale of assets being recorded in expenditures to reflect accurate amounts in the inception to date reports.

**D. Deposits and Investments**

Custodial Credit Risk-Deposits: The District’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank places for safekeeping and trust with the District’s agent bank approved pledged securities and a letter of credit in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

The carrying amount of the District’s deposits and investments are as follows:

Cash in Bank or On Hand - Primary Government	\$	22,903,249
Cash Equivalents		
Investment Pools Accounts:		
TexasDAILY	45,763,344	
Money Market Accounts:		
PFC-Wells Fargo	674,949	
PFC-TexasDAILY	3,616,971	
Certificates of Deposit:		
Comerica Bank	6,352,701	
BBVA Compass Bank	53,560,537	
IBC Bank	221,982	
Discount Notes:		
Federal Home Loan Discount Note	1,680,290	
Total Cash and Cash Equivalents		111,870,774
Investments		65,083,275
Total Deposits and Investments - Primary Government	\$	199,857,298

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**D. Deposits and Investments (Continued)**

Deposits:

At August 31, 2010, the District's bank deposits (cash and interest bearing accounts) were \$70,714,636. The District's cash deposits at August 31, 2010 and during the year ended August 31, 2010, were entirely covered by FDIC insurance, by pledged collateral held by the District's agent bank in the District's name and letters of credit from the Federal Home Loan Bank.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: BBVA Compass Bank
- b. The total collateral amount at the highest combined balance on deposits was \$119,000,000 which is the sum of four letters of credit.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$107,810,675 and occurred during the month of July 2010.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

External Investment Pool-Primary Government:

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**D. Deposits and Investments (Continued)**

Texas DAILY is a portfolio established by Texas Term Advisory Board pursuant to the provisions of the Texas TERM Common Investment Contract that established the Pool. Texas DAILY is a local government

investment portfolio established to allow school districts and other governmental entities in Texas to pool their funds for investment under the provisions of the Inter local Cooperation Act, Chapter 791 of the Texas Government Code, the PFIA and other similar cooperative statutes and under the statutes governing investment of funds by those local governments.

Flexible Repurchase Agreement:

Statutes require that securities underlying repurchase agreements must have a fair value of at least 102 percent of the cost of the repurchase agreement. The fair value of securities underlying the flexible repurchase agreement with Trinity Plus Funding Company did not fall below this required level. This investment vehicle will mature December 31, 2010.

*Credit Risk.* In accordance with state law and the District's investment policy, investments in investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1,P-1, or have an equivalent rating, and obligations of states, agencies, counties, and cities must be rated at least A or its equivalent. As of August 31, 2010, Texas Daily was rated AAAM by Standard and Poor's (S&P). The District did not have any investments in commercial paper as of August 31, 2010. The Wells Fargo money market account was rated AA by S&P. The District's investments in bonds of Federal Home Loan Bank (FHLB) and Repurchase Agreements was rated AAA by S&P.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer, rather investments are governed by the objectives of preservation and safety of principal, liquidity, and yield. In addition, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District's investments are allocated as follows: Flex Repurchase Agreement (22.56%), FHLB (0.84%), Texas Daily (24.71%), Wells Fargo Money Market (0.34%), IBC CD (.11%), BBVA Compass CDs (31.80%), Comerica CDs (8.18%) and BBVA Compass (11.46%).

*Interest Rate Risk.* In accordance with state law and the District's investment policy, the District does not purchase any investments with maturities greater than five (5) years for its Operating Funds.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**D. Deposits and Investments (Continued)**

The investment maturities in the following table reflect the maturity date of the investments in each category due 12 months from the balance sheet date. Some investments are callable (redeemable) by the issuer on specified dates prior to the stated maturity date. The District uses its investments in the investment pools to further mitigate interest rate risk.

The District's investments at August 31, 2010 are shown below:

Investment Maturities in Years

Investment	Fair Value	Less than 1 Year
Agency Bonds & Discount Notes		
FNMA Note	\$ 1,680,290	\$ 1,680,290
Flex-Repurchase - Series 2006	<u>45,083,275</u>	<u>45,083,275</u>
	<u>46,763,565</u>	<u>46,763,565</u>
Investment Pools		
Texas Daily	45,763,344	45,763,344
	<u>45,763,344</u>	<u>45,763,344</u>
Money Market Investments		
Wells Fargo MMF	674,949	674,949
Texas DAILY	<u>3,616,971</u>	<u>3,616,971</u>
	<u>4,291,920</u>	<u>4,291,920</u>
Certificates of Deposit		
IBC	221,982	221,982
BBVA Compass	63,560,537	63,560,537
Comerica	<u>16,352,701</u>	<u>16,352,701</u>
	<u>80,135,220</u>	<u>80,135,220</u>
Total Fair Value	<u>\$ 176,954,049</u>	<u>\$ 176,954,049</u>

**LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**E. Due to and from Other Governments and Agencies**

The District participates in a variety of federal, state, and local programs from which it receives grants to partially or fully finance certain activities. Amounts due to and from federal, state, and local governments as of August 31, 2010 are summarized below and are reported on the government-wide statement of net assets.

	Due to Other <u>Governments</u>	Due from Other <u>Governments</u>
General Funds:		
General Fund	\$ 8,972,055	\$ 8,614,137
Food Service	-	538,621
Payroll	-	226
Special Revenue Funds:		
ESEA Title IV-Safe Drug-Free Schools	-	31,865
ESEA Title I Part A-Improving Basic Program	-	2,914,419
ESEA Title I Part C-Education of Migrant	-	36,339
IDEA - Part B, Formula	-	852,417
IDEA - Part B, Preschool	-	20,690
IDEA - Part B, Deaf	-	9,125
IDEA - Part B, Preschool-Deaf	-	831
DHS Summer Feeding Program	-	194,199
Vocational Education Carl Perkins Basic Grant	-	63,366
ESEA Title II Part A	-	565,413
Texas Reading First Grant	-	407,899
Title II Part D Technology	-	23,623
Immigrant/LEP Program	-	369,953
ARRA Title XIV SFSF	-	2,309,025
Title I ARRA	-	88,074
IDEA-B Formula- ARRA	-	457,863
IDEA-B-Preschool-ARRA-LEA	-	38,062
Title I ARRA/Stimulus	-	2,536,441
Teaching American History	-	10,337
Summer Bilingual	-	252,963
Investment Capital Fund	-	23,496
Optional Extended Year	-	153,779
Student Success Initiative	-	81,109
Intensive Summer Program	-	102,626
Pre-Kinder Expansion Grant	-	629,583
Texas Fitness	-	17,147
Crime Stoppers	-	11,429
Regional Day School for the Deaf	-	141,288
Total	<u>\$ 8,972,055</u>	<u>\$ 21,496,345</u>

**F. Interfund Balances and Activities**

1. Due To and From Other Funds



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**F. Interfund Balances and Activities (Continued)**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Balances due to and due from other funds at August 31, 2010 consisted of the following:

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

	Due from Other Funds	Due to Other Funds
	\$	\$
General Fund	13,919,260	3,836,597
Special Revenue funds:		
ESEA Title IV-Safe Drug-Free Schools	-	31,865
ESEA Title I Part A-Improving Basic Program	1,662	2,334,908
ESEA Title I Part C-Education of Migrant	-	36,129
IDEA - Part B, Formula	1,636	701,384
IDEA - Part B, Preschool	-	20,690
IDEA - Part B, Deaf	-	4,283
IDEA - Preschool, Deaf	-	314
DHS Summer Feeding Program	255,365	414,660
Vocational Education Carl Perkins Basic Grant	-	52,752
ESEA Title II Part A	66	421,908
Texas Reading First Grant	1,453	404,592
Title II Part D Technology	-	23,623
Immigrant/LEP Program	1,906	349,888
ARRA Title XIV SFSF	-	2,309,025
Title I ARRA	-	82,768
FEMA Grant	-	3,860
IDEA B-Formula ARRA	-	343,301
IDEA B-Preschool ARRA-LEA	-	38,062
Title I ARRA/Stimulus	-	1,898,223
Teaching American History	-	10,337
Summer Bilingual	-	252,963
Investment Capital Fund	-	23,455
Optional Extended Year	-	153,779
Student Success Initiative	-	80,190
Intensive Summer Program	-	101,705
Pre-Kinder Expansion Grant	2,137	356,164
Texas Fitness	-	15,992
Crime Stoppers	38	11,985
Campus Activity Funds	3,571	12,619
E-Rate	-	24,215
Misc. Local Funds	-	4,637
Debt Service Fund	88,000	147
Capital Projects Funds:		
PFC	297,000	213,744
\$60M 2005 Bond	24,215	-
\$57M 2006 Bond	3,860	-
Agency Funds:		
Student Activity Account	-	1,423
Donations	-	9,000
Scholarship Fund	2,400	21,382
	\$ 14,602,569	\$ 14,602,569

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**F. Interfund Balances and Activities (Continued)**

Transfers between the Special Revenue Funds, Capital Projects Funds, and the General Fund are to account for the District’s local share of grant funds. Transfers to the Debt Service Fund are related to amounts to cover interest and principal on debt. All amounts due are scheduled to be repaid within one year.

2. Transfers To/From Other Funds

Transfers to and from other funds at August 31, 2010 consisted of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Debt Service	\$ 4,107,667	Transfer to cover for interest and principal costs for loans.
General Fund	PFC Debt Service	1,251,713	Transfer to cover for interest & principal cost for the PFC debt.
General Fund	Athletics Program	990,423	Transfer to cover athletic costs for the District.
General Fund	E-Rate	610,852	To cover local 10% share of grant and items ineligible for E-Rate .
Capital Projects	E-Rate	119,019	To cover local share of grant.
High School Allotment	General Fund	145,547	To close out High School Allotment Fund
E-Rate	Capital Projects	1,285,477	Reimbursement from Company based on Federal Funding.
		\$ 8,510,698	

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**G. Capital Assets**

Capital asset activity for the year ended August 31, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 11,290,426	\$ 5,265	\$ -	\$ 11,295,691
Construction in Progress	8,526,408	17,652,487	1,426,149	24,752,746
Total capital assets not being depreciated	19,816,834	17,657,752	1,426,149	36,048,437
Capital assets being depreciated:				
Buildings and Improvements	337,111,957	1,426,149	1,263,683	337,274,423
Equipment	29,466,498	1,196,369	2,894,089	27,768,778
Total capital assets being depreciated	366,578,455	2,622,518	4,157,772	365,043,201
Less accumulated depreciation:				
Building and Improvements	77,296,917	10,364,640	1,157,933	86,503,624
Equipment	20,480,901	2,025,268	2,663,514	19,842,655
Total accumulated depreciation	97,777,818	12,389,908	3,821,447	106,346,279
Total capital assets being depreciated, net	268,800,637	(9,767,390)	336,325	258,696,922
Governmental activities capital assets, net	<u>\$ 288,617,471</u>	<u>\$ 7,890,362</u>	<u>\$ 1,762,474</u>	<u>\$ 294,745,359</u>

**G. Capital Assets (Continued)**

Depreciation was charged to the following functions as follows:

	Totals
Instruction	\$ 10,093,074
Resource & Media Services	408,164
Instructional Leadership	25,998
School Leadership	73,710
Guidance & Counseling	3,152
Social Services	12,203
Health Services	15,131
Transportation	710,153
Food Service	235,853
Co-Curricular Activities	15,167
General Administration	100,746
Plant & Maintenance	386,236
Security & Monitoring Services	24,961
Data Processing	285,360
Total Depreciation	<u>\$ 12,389,908</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**H. Deferred Revenue**

Deferred revenue at August 31, 2010 consisted of the following:

Food Service Fund	\$	272,635
Successor & Interest		16,025
Science Labs		4,180,166
General Operating Fund - Tax Revenue		1,018,881
General Operating Fund - Escrow Refunds		58,419
ESEA Title I Part A - Improving B.		18,157
Vocational Education Carl Perkins Basic Grant		5,883
FEMA Grant		12,155
Pregnancy, Education, and Parenting CCMS		209,640
Pre-Kinder Expansion Grant		53,528
LEOSE		1,548
Debt Service Fund		186,272
		186,272
	\$	6,033,309

**I. Loans**

The District accounts for short-term debts through the appropriate funds. Short-term debts include notes made in accordance with the provisions of the Texas Education Code.

A Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 was entered into on August 23, 2000, for the purpose of financing the construction of academies for three District high schools. The loan

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**I. Loans (Continued)**

has an interest rate of 1.10% and an original term of twelve years. Interest payments of \$88,000 will be made on a yearly basis for twelve years with one principal payment of \$8,000,000 due at maturity on August 23, 2012.

A Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 was entered into on August 30, 2001, for the purpose of financing the construction of academics for three middle schools and two high schools. The loan has an interest rate of 1.097% and an original term of twelve years. Interest payments of \$87,780 will be made on a yearly basis for twelve years with one principal payment of \$8,000,000 due at maturity on August 30, 2013.

A Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 was entered into on October 3, 2005, for the purpose of financing the construction of academics for three middle schools and two high schools. The loan has an interest rate of 0% and an original term of twelve years. The principal payment of \$8,000,000 is due to mature on October 3, 2021. In connection with the Qualified Zone Academy Limited Maintenance Tax Note, within the Interest and Sinking Fund, there shall be established a "Cumulative Sinking Fund Deposit Account"; provided however that the Cumulative Sinking Fund Deposit Account shall at all times be maintained by the District with, and held by, the Registrar.

A loan of \$6,000,000 was issued on August 10, 2006, due to mature purchase of capital equipment as authorized by Texas Local Government code section 271. The loan has an interest rate of 4.0% to 4.25% and an original term of five years. The final principal and interest payment will be made in fiscal year ending August 31, 2011.

The following is a summary of loan transactions of the District for the year ending August 31, 2010.

Description	Balance Outstanding 9/1/2009	Issued Current Year	Retired Current Year	Balance Outstanding 8/31/2010	Amounts Due Within One Year
Note - August 23, 2000	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
Note - August 30, 2001	8,000,000	-	-	8,000,000	-
Note - October 3, 2005	8,000,000	-	-	8,000,000	-
Loan - August 10, 2006	3,855,000	-	1,880,000	1,975,000	1,975,000
	<u>\$ 27,895,057</u>	<u>\$ -</u>	<u>\$ 1,880,000</u>	<u>\$ 25,975,000</u>	<u>\$ 1,975,000</u>

Interest paid during the year on loans was \$339,598. All loans are funded from Maintenance and Operations (M&O) tax.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**I. Loans (Continued)**

The following is a schedule of the required payments for these loans:

Year Ending August 31,	Principal	Interest	Total
2011	\$ 1,975,000	\$ 259,698	\$ 2,234,698
2012	8,000,000	175,760	8,175,760
2013	8,000,000	87,760	8,087,760
2014	-	-	-
2015	-	-	-
2016-2020	-	-	-
2021-2025	8,000,000	-	8,000,000
	<u>\$ 25,975,000</u>	<u>\$ 523,218</u>	<u>\$ 26,498,218</u>

The future sinking fund requirements for the Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 are as follows:

Year Ending August 31,	Amount
2011	\$ 389,887
2012	389,887
2013	389,887
2014	389,887
2015	389,887
2016-2020	1,949,435
2021-2025	389,887
Total	<u>\$ 4,288,757</u>

**J. Long-Term Obligations**

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Bonded indebtedness of the District reflected in the General Long Term Debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Total principal amount of Tax Bond indebtedness cannot exceed 10 percent of the taxable assessed valuation of property in the School District.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2010 are as follows:

Interest paid on bonded indebtedness during the current year was \$11,332,705.

**LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**J. Long-Term Obligations (Continued)**

Description	Rate Payable	Original Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	4.10-5.00%	\$ 77,890,000	\$ 46,055,000	\$ -	\$ 21,880,000	\$ 24,175,000	\$ 5,585,000
Current Interest	5.00%	18,200,000	2,000,000	-	2,000,000	-	-
Capital Appreciation	5.00-5.375%	2,509,910	5,377,598	553,373	-	5,930,971	-
<i>Lease Revenue Bonds</i>							
Series A	3.00-5.00%	30,105,000	26,005,000	-	820,000	25,185,000	855,000
Series B	3.00-5.00%	6,345,000	5,450,000	-	180,000	5,270,000	185,000
Series C	3.00-5.00%	23,715,000	20,525,000	-	640,000	19,885,000	665,000
Series D	3.00-5.00%	2,140,000	1,845,000	-	55,000	1,790,000	60,000
Series E	3.00-5.00%	1,215,000	1,050,000	-	35,000	1,015,000	35,000
<i>Lease Revenue Bonds</i>							
Series F	3.00-5.00%	4,615,000	3,950,000	-	130,000	3,820,000	135,000
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	3.00-5.00%	51,120,000	50,195,000	-	225,000	49,970,000	230,000
Capital Appreciation	5.152%	3,024,784	3,889,308	157,111	-	4,046,419	-
<i>Unlimited Tax School Building Bonds:</i>							
Current Interest	5.00%	17,370,000	16,190,000	-	-	16,190,000	-
Capital Appreciation	3.39-5.18%	42,485,846	43,532,442	1,962,405	4,592,841	40,902,006	2,994,652
<i>Unlimited Tax School Building Bonds:</i>							
Current Interest	4.125-5.00%	56,950,000	52,225,000	-	1,675,000	50,550,000	1,745,000
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	4-5%	18,420,000	-	18,420,000	-	18,420,000	-
<b>TOTALS</b>		<b>\$ 356,105,540</b>	<b>\$ 278,289,348</b>	<b>\$ 21,092,889</b>	<b>\$ 32,232,841</b>	<b>\$ 267,149,396</b>	<b>\$ 12,489,652</b>

The following is a schedule of the required payments for these general obligation bonds:

Year Ending August 31,	Principal	Capital Appreciation Bond	Interest	Total
2011	\$ 12,489,652	\$ 623,596	\$ 11,177,187	\$ 23,666,839
2012	11,384,301	1,639,403	12,261,768	23,646,069
2013	12,815,585	608,481	10,811,622	23,627,207
2014	13,129,622	598,216	10,478,604	23,608,226
2015	13,486,406	583,251	10,105,641	23,592,047
2016-2020	62,884,051	6,111,680	54,990,009	117,874,060
2021-2025	79,669,528	2,146,712	32,975,797	112,645,325
2026-2030	48,609,718	369,194	9,342,057	57,951,775
	<b>\$ 254,468,863</b>	<b>\$ 12,680,533</b>	<b>\$ 152,142,685</b>	<b>\$ 406,611,548</b>



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**J. Long-Term Obligations (Continued)**

Capital Appreciation Bonds

The total accretion of discount on capital appreciation bonds that is included in the August 31, 2010 ending balance of \$267,149,396 is \$12,680,533.

2010 Unlimited Tax Refunding Bonds

On March 30, 2010, the District issued \$18,420,000 in unlimited tax refunding bonds with the interest rates between 4.00% and 5.00% to advance refund \$18,515,000 of series 2001 bonds with original maturities between 2020 and 2025 and interest rates of 5.00%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The refunding was undertaken to reduce the District's total debt service over the life of the bonds by approximately \$1,547,736 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1,173,239. The reacquisition price exceeded the net carrying amount of the old debt by \$1,256,368. This amount will be amortized over the remaining life of the refunded debt.

Defeased Bonds

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the bonds in an irrevocable trust for all future debt service payments on the refunded bonds. Accordingly, the trust accounts for the assets and liabilities for the defeased bonds and are not included in the District's financial statements. At August 31, 2010, approximately \$79 million of the 1999 and 2001 series bond issues were outstanding, but considered defeased.

Bonds Matured - Not including 2010 Refunding

Maturity Date	1999 Unlimited Tax School Building	2001 Unlimited Tax School Building and Refunding	Total
8/1/2010	2,435,000	-	2,435,000
8/1/2011	2,565,000	-	2,565,000
8/1/2012	2,700,000	4,140,000	6,840,000
8/1/2013	2,845,000	4,320,000	7,165,000
8/1/2014	3,000,000	4,515,000	7,515,000
8/1/2015	3,160,000	4,745,000	7,905,000
8/1/2016	3,330,000	2,215,000	5,545,000
8/1/2017	3,510,000	2,330,000	5,840,000
8/1/2018	3,700,000	2,455,000	6,155,000
8/1/2019	3,900,000	2,585,000	6,485,000
8/1/2020	4,110,000	-	4,110,000
8/1/2021	4,335,000	-	4,335,000
8/1/2022	4,575,000	-	4,575,000
8/1/2023	4,825,000	-	4,825,000
8/1/2024	5,095,000	-	5,095,000

**LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**K. Changes in Long-Term Liabilities**

Long-term liability activity for the governmental activities for the year ended August 31, 2010, was as follows:

Description	Balance	Issued/Increase	Retired/Decrease	Balance	Amounts
	Outstanding 9/1/2009	Current Year	Current Year	Outstanding 8/31/2010	Due Within One Year
<b>Loans Payable</b>					
Loans	\$27,855,000	-	\$1,880,000	\$25,975,000	\$1,975,000
<b>General Obligation Bonds</b>					
General Obligation Bonds	278,289,348	21,092,889	32,232,841	267,149,396	12,489,652
Bonds Premium	4,145,550	1,382,794	523,317	5,005,027	523,317
Deferred Loss on Refunding Bonds	-	(1,256,368)	-	(1,256,368)	-
Total Bonds and Loans Payable	282,434,898	21,219,315	32,756,158	270,898,055	13,012,969
<b>Other Liabilities</b>					
Compensated Absences	2,665,182	561,860	465,572	2,761,470	465,572
Arbitrage Payable	476,306	-	412,634	63,672	-
Total Other Liabilities	3,141,488	561,860	878,206	2,825,142	465,572
Total Governmental Activities Long-term Liabilities	\$313,431,386	\$21,781,175	\$35,514,364	\$299,698,197	\$15,453,541

**L. Revenues from Local and Intermediate Sources**

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	2005 Bond Fund	2006 Bond Fund	Other Governmental Funds	Total
Property Taxes	\$ 21,922,616	\$ -	\$ -	\$ 4,920,056	\$ 26,842,672
Penalties & Interest	699,888	-	-	150,059	849,947
Investment Income	395,939	2,316,272	381,379	205,750	3,299,340
Rental of Facilities & Insurance Recovery	130,005	-	-	-	130,005
Co-curricular	154,024	-	-	-	154,204
Miscellaneous	2,326,176	-	-	3,347,313	5,673,489
	\$ 25,628,648	\$ 2,316,272	\$ 381,379	\$ 8,623,178	\$ 36,949,477

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**M. Accumulated State Personal and Sick Leave Benefits**

Buy back of accrued sick leave at retirement – The District buys back accrued unused sick leave from employees when they retire from the District with full benefits under the Teacher Retirement System. Buy back of accrued leave is at the rates established in the District's approved Pay Plan, without local increments. This one-time-only benefit is available to employees who have served at least ten consecutive years in the District; however, the plan applies also to employees who die while employed in the District, regardless of the length of their employment, with payment made to the designated beneficiary.

*Rate for professional employees* – A professional employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave to a maximum of 40 days of state leave, of which 5 days are at 100%, 10 days at 75%, and 25 days at 50% of the daily rate of pay; in addition, 40 days of local sick leave are at \$100 per day.

*Rate for para-professional and auxiliary employees* – A paraprofessional or auxiliary employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave to a maximum of 80 days of leave, of which the first 10 days are at 100%, the next 15 days are at 75%, and the next 55 days are at 50% of the daily rate of pay.

As of August 31, 2010, the balance for the State Personal and Sick Leave is \$2,761,470. The estimated amount due within a year totals to \$465,572 and the General Fund and the Special Revenue Funds are expected to pay for most of these expenses.

**N. Risk Financing Activities**

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2010, the District purchased commercial insurance to cover these risks. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

The District was self-insured and partially self-insured for workers compensation claims in fiscal years 2002, 2003 and 2004. The liabilities reported are based on claims outstanding incurred through August 31, 2010 and are based on cost estimates. The District accounts for claim payments in the General Fund.

A summary of the workers compensation aggregate claim liabilities for workers' compensation claims for prior and current year is presented below:

Year	Beginning of Fiscal Year Liability (2)	Current Year Claims &/or Changes In Estimated	Claim Payments	Balance at Fiscal Year-End
2008-09	\$141,170	\$(21,585)	\$1,730	\$117,855
2009-10	\$117,855	\$(9,294)	\$7,643	\$100,918

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**O. Pension Plan**

The District contributes to the Teacher Retirement System of Texas (the “System”), a public retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the state of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701-2698 or by calling (800) 887-0123.

State law provides for fiscal year 2010 a state contribution rate of 6.644% and for fiscal year years 2009 and 2008, a state contribution rate of 6.58% and 6.58%, respectively, and a member contribution rate of 6.4%. In certain instances, the District is required to make all or a portion of the state’s 6.644% contribution. Contribution requirements are not actuarially determined, but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6.644% and not more than 10.0% of the aggregate annual compensation of all members of TRS during the fiscal year, and (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize the System’s unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State contributions made to the System on behalf of the District’s employees for the years ended August 31, 2010, 2009, and 2008 were \$9,931,284, \$9,686,758 and \$9,346,606, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants, reporting entity contributions and from the District for salaries above the statutory minimum for the years ended August 31, 2010, 2009, and 2008 were \$3,649,702, \$3,650,552 and \$3,623,458 respectively, and were equal to the required contributions for each year. The District contributed 6.644% totaling \$85,375 for state contributions during the first 90 days of a new member’s employment. The amount contributed to the Teacher Retirement System of Texas on behalf of the District was recognized as revenues and expenditures which totaled to \$8,507,329.

Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provision of the law allows TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible participants. These payments totaled \$393,167, \$342,308 and \$338,894 for fiscal years 2010, 2009, and 2008, respectively. Revenue and expenditures equal to the amount by the federal government were recognized during the 2010 fiscal year. The recording of the revenue and expenditures paid on behalf of the District would have no effect on previously reported fund balance or net assets.

**P. Health Care Coverage**

For the term effective 9/1/09-8/31/10, the District continued to be fully-insured with Blue Cross Blue Shield of Texas, Inc. being the medical health provider. The carrier BCBSTX, as well as the local servicing agency, Laurel Insurance, contracted by BCBSTX, administered and serviced the medical program. The program is a fully insured program, but is unique in that it includes a “retention agreement” whereby any savings under the established utilization (loss ratio) threshold of 85.85% may be reimbursed to the District.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**P. Health Care Coverage (Continued)**

The District contributed \$235 for all Teacher Retirement System (TRS) qualified employees towards the cost of participation in the Preferred Provider Organization (PPO) medical insurance program that has a maximum lifetime benefit of \$1,000,000 for the Low Plan and \$2,000,000 for the High and State

Comparable Plan There are four (4) insurance plan options (Basic, Low, High, and State Comparable) as well as options of the four (4) tier coverage levels (Employee Only, Employee & Spouse, Employee & Children, Employee & Family) within each option. The District also offered continued coverage in accordance with federal law to all employees and dependents that are no longer eligible for coverage, but meet COBRA requirements.

The District's health insurance program has been very efficient and successful in that the District has been able to provide employees different choices of plans and levels of benefits which are in compliance with the TRS Comparability Program. Employee participation in the District's medical insurance is estimated at 3,319 or 82% of the eligible employee base of 4,026 and is considered moderately high. Upon review by TRS, via the mandatory comparability reporting requirements, it was determined that our District satisfied all of the reporting requirements of the Education Code for the 2005-2006 comparability study. It was determined that our district makes available to the employees group health coverage that is comparable to the basic health coverage; provided to state employees under the Texas Employees Uniform Group Insurance Benefits Act (Health Select).

**Q. Commitments and Contingencies**

1. Contingencies

The District participates in grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collection of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

The District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any material adverse affect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**R. Construction Commitments**

As of August 31, 2010, the District was obligated under the terms of various agreements for the construction of the following projects:

Project Name	Contract Amount	Paid to Date	Commitment Balance Remaining	Retainage Payable Amount
New School Construction/Renovation	\$ 44,806,435	\$ 15,623,284	29,183,151	\$ 856,135
Environmental Services	66,250	29,820	36,431	-
HVAC Systems	39,648	9,000	30,648	6,839
Portable Rentals	237,471	122,993	114,478	-
Electrical	6,380,438	681,279	5,699,160	-
Architect Services	1,943,630	445,059	1,498,571	-
<b>Total</b>	<b>\$ 53,473,873</b>	<b>\$ 16,911,435</b>	<b>\$ 36,562,438</b>	<b>\$ 862,973</b>

**S. Shared Service Arrangements**

The Laredo Independent School District (L.I.S.D.) participates in the Regional Day School Program for the Deaf (RDSPD), a shared service arrangement with one member Districts: Jim Hogg County Independent School District (J.H.C.I.S.D). The District is acting as the fiscal agent for the party involved. The purpose of the Laredo Independent School District RDSPD is to serve students who are auditory impaired and between the ages of 0 and 21. Funding for the LISD RDSPD is provided by TEA and by the member Districts. Revenue from the respective member Districts is presented below:

LISD	\$ 446,191
UISD	291,899
	<u>\$ 738,090</u>

As a fiscal agent, LISD RDSPD is responsible for reporting all financial activities of the shared service arrangement. The District accounts for the activity in Special Revenue Fund 435.

**T. General Fund Balance - Reserved for "Other Purposes"**

In fiscal year 2007, the District started receiving funds from the Webb County Permanent School Fund. In accordance with the terms of the agreement between Webb County and the District, funds received to date totaling \$10,286,015 (including earned interest) are reserved for permanent improvements or for the reduction of debt. Other amounts totaling \$818,912 are reserved for the construction of a Wellness Center or to offset health insurance costs.

**Required Supplementary  
Information**

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT G-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 23,814,594	\$ 24,332,031	\$ 25,628,648	\$ 1,296,617
5800	State Program Revenues	168,237,715	169,546,513	164,000,310	(5,546,203)
5900	Federal Program Revenues	14,899,829	15,533,792	16,487,419	953,627
5020	Total Revenues	206,952,138	209,412,336	206,116,377	(3,295,959)
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	110,101,704	106,671,747	100,576,071	6,095,676
0012	Instructional Resources and Media Services	4,589,605	5,126,131	4,488,160	637,971
0013	Curriculum and Instructional Staff Development	1,142,950	1,035,299	857,338	177,961
0021	Instructional Leadership	3,901,335	3,881,778	3,586,559	295,219
0023	School Leadership	11,933,230	12,305,917	11,643,755	662,162
0031	Guidance, Counseling and Evaluation Services	7,149,921	7,355,939	7,048,743	307,196
0032	Social Work Services	1,742,115	1,756,665	1,522,109	234,556
0033	Health Services	1,853,158	2,008,713	1,809,884	198,829
0034	Student (Pupil) Transportation	3,444,528	4,087,706	3,123,725	963,981
0035	Food Services	14,452,168	15,086,431	14,025,451	1,060,980
0036	Extracurricular Activities	4,069,476	4,541,541	3,742,014	799,527
0041	General Administration	7,241,137	7,304,619	6,336,638	967,981
0051	Facilities Maintenance and Operations	22,544,425	23,225,224	20,673,694	2,551,530
0052	Security and Monitoring Services	3,730,091	4,079,846	2,918,897	1,160,949
0053	Data Processing Services	3,476,569	3,501,569	3,100,548	401,021
0061	Community Services	255,350	281,850	208,159	73,691
Debt Service:					
0072	Debt Service - Interest on Long Term Debt	60,378	46,116	-	46,116
0073	Debt Service - Bond Issuance Cost and Fees	-	138,033	-	138,033
Capital Outlay:					
0081	Facilities Acquisition and Construction	7,645,100	7,714,461	3,035,617	4,678,844
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	85,320	85,320	85,320	-
6030	Total Expenditures	209,418,560	210,234,905	188,782,682	21,452,223
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,466,422)	(822,569)	17,333,695	18,156,264
<b>OTHER FINANCING SOURCES (USES):</b>					
7914	Non-Current Loans	-	6,000,000	-	(6,000,000)
7915	Transfers In	1,200,000	1,200,000	1,135,970	(64,030)
7949	Other Resources	-	23,033	-	(23,033)
8911	Transfers Out (Use)	(7,170,232)	(7,170,232)	(6,960,655)	209,577
7080	Total Other Financing Sources (Uses)	(5,970,232)	52,801	(5,824,685)	(5,877,486)
1200	Net Change in Fund Balances	(8,436,654)	(769,768)	11,509,010	12,278,778
0100	Fund Balance - September 1 (Beginning)	59,369,833	59,369,833	59,369,833	-
3000	Fund Balance - August 31 (Ending)	\$ 50,933,179	\$ 58,600,065	\$ 70,878,843	\$ 12,278,778





# Special Revenue Funds

## **Combining and Other Statements**

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Receivables from Other Governments	31,865	2,914,419	36,339
1250	Accrued Interest	-	-	-
1260	Due from Other Funds	-	1,662	1,636
1290	Other Receivables	-	2,720	282
1000	<b>Total Assets</b>	<u>\$ 31,865</u>	<u>\$ 2,918,801</u>	<u>\$ 36,339</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110	Accounts Payable	\$ -	\$ 91,337	\$ 82,743
2160	Accrued Wages Payable	-	474,398	210
2170	Due to Other Funds	31,865	2,334,908	36,129
2300	Deferred Revenues	-	18,157	-
2000	<b>Total Liabilities</b>	<u>31,865</u>	<u>2,918,800</u>	<u>36,339</u>
Fund Balances:				
Reserved For:				
3420	Retirement of Long Term Debt	-	-	-
3440	Outstanding Encumbrances	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-
Unreserved Designated For:				
3510	Construction	-	-	-
3590	Other Purposes	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 31,865</u>	<u>\$ 2,918,800</u>	<u>\$ 36,339</u>

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,690	-	9,125	831	194,199	-	63,366	565,413
-	-	-	-	-	-	-	-
-	-	-	-	255,365	-	-	66
-	-	-	-	-	-	385	2,433
<u>\$ 20,690</u>	<u>\$ -</u>	<u>\$ 9,125</u>	<u>\$ 831</u>	<u>\$ 449,564</u>	<u>\$ -</u>	<u>\$ 63,751</u>	<u>\$ 567,912</u>
\$ -	\$ -	\$ 4,842	\$ 517	\$ 20,853	\$ -	\$ -	\$ 4,106
-	-	-	-	14,051	-	5,117	141,899
20,690	-	4,283	314	414,660	-	52,751	421,908
-	-	-	-	-	-	5,883	-
<u>20,690</u>	<u>-</u>	<u>9,125</u>	<u>831</u>	<u>449,564</u>	<u>-</u>	<u>63,751</u>	<u>567,913</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 20,690</u>	<u>\$ -</u>	<u>\$ 9,125</u>	<u>\$ 831</u>	<u>\$ 449,564</u>	<u>\$ -</u>	<u>\$ 63,751</u>	<u>\$ 567,913</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2010

Data Control Codes	261 Texas Reading First	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	407,899	23,623	369,953	2,309,025
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	1,453	-	1,906	-
1290	Other Receivables	1,010	-	2,295	-
1000	<b>Total Assets</b>	<u>\$ 410,362</u>	<u>\$ 23,623</u>	<u>\$ 374,154</u>	<u>\$ 2,309,025</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ 5,101	\$ -	\$ 8,267	\$ -
2160	Accrued Wages Payable	670	-	15,999	-
2170	Due to Other Funds	404,592	23,623	349,888	2,309,025
2300	Deferred Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>410,363</u>	<u>23,623</u>	<u>374,154</u>	<u>2,309,025</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
Unreserved Designated For:					
3510	Construction	-	-	-	-
3590	Other Purposes	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 410,363</u>	<u>\$ 23,623</u>	<u>\$ 374,154</u>	<u>\$ 2,309,025</u>

276 Title I - SIP Academy Grant	279 Title II, D ARRA - Ed. Technology	281 FEMA Grant	283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program	287 Teaching American History	289 Summer Bilingual Fund
\$ -	\$ -	\$ 22,136	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	88,074	-	457,863	38,062	2,536,441	10,337	252,963
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	336	-	140	-	-
<u>\$ -</u>	<u>\$ 88,074</u>	<u>\$ 22,136</u>	<u>\$ 458,199</u>	<u>\$ 38,062</u>	<u>\$ 2,536,581</u>	<u>\$ 10,337</u>	<u>\$ 252,963</u>
\$ -	\$ 5,306	\$ 6,120	\$ 114,899	\$ -	\$ 441,820	\$ -	\$ -
-	-	-	-	-	196,538	-	-
-	82,768	3,860	343,301	38,062	1,898,223	10,337	252,963
-	-	12,155	-	-	-	-	-
<u>-</u>	<u>88,074</u>	<u>22,135</u>	<u>458,200</u>	<u>38,062</u>	<u>2,536,581</u>	<u>10,337</u>	<u>252,963</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 88,074</u>	<u>\$ 22,135</u>	<u>\$ 458,200</u>	<u>\$ 38,062</u>	<u>\$ 2,536,581</u>	<u>\$ 10,337</u>	<u>\$ 252,963</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2010

Data Control Codes	393 Texas Successful Schools Prog.	394 Life Skills Program	397 Advanced Placement Incentives	399 Investment Capital Funds	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 30,181	\$ 206,389	\$ 58,903	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	23,496
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	4,828	83	-
1000	<b>Total Assets</b>	<u>\$ 30,181</u>	<u>\$ 211,217</u>	<u>\$ 58,986</u>	<u>\$ 23,496</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 40
2160	Accrued Wages Payable	-	1,577	65	-
2170	Due to Other Funds	-	-	-	23,455
2300	Deferred Revenues	-	209,640	-	-
2000	<b>Total Liabilities</b>	<u>-</u>	<u>211,217</u>	<u>65</u>	<u>23,495</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
Unreserved Designated For:					
3510	Construction	-	-	-	-
3590	Other Purposes	30,181	-	58,921	-
3000	<b>Total Fund Balances</b>	<u>30,181</u>	<u>-</u>	<u>58,921</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 30,181</u>	<u>\$ 211,217</u>	<u>\$ 58,986</u>	<u>\$ 23,495</u>

401 Optional Extended Year Program	404 Student Success Initiative	409 Intensive Summer Program	411 Technology Allotment	415 Kindergarten and Pre-K Grants	424 Law Enforcement LEOSE	427 Texas Fitness Grant	428 High School Allotment
\$ -	\$ -	\$ -	\$ 2,228,185	\$ -	\$ 1,548	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
153,779	81,109	102,626	-	629,583	-	17,147	-
-	-	-	-	-	-	-	-
-	-	-	-	2,137	-	-	-
-	-	1,512	-	-	-	-	-
<u>\$ 153,779</u>	<u>\$ 81,109</u>	<u>\$ 104,138</u>	<u>\$ 2,228,185</u>	<u>\$ 631,720</u>	<u>\$ 1,548</u>	<u>\$ 17,147</u>	<u>\$ -</u>
\$ -	\$ 919	\$ -	\$ 151,278	\$ -	\$ -	\$ -	\$ -
-	-	2,433	10,036	147,406	-	-	-
153,779	80,190	101,705	-	356,164	-	15,992	-
-	-	-	-	53,528	1,548	-	-
<u>153,779</u>	<u>81,109</u>	<u>104,138</u>	<u>161,314</u>	<u>557,098</u>	<u>1,548</u>	<u>15,992</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,066,870	74,622	-	1,155	-
-	-	-	2,066,870	74,622	-	1,155	-
<u>\$ 153,779</u>	<u>\$ 81,109</u>	<u>\$ 104,138</u>	<u>\$ 2,228,184</u>	<u>\$ 631,720</u>	<u>\$ 1,548</u>	<u>\$ 17,147</u>	<u>\$ -</u>



LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2010

Data Control Codes	429 Other State Special Revenue Funds	430 Ready To Read	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 630,319	\$ 211,875
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	11,429	-	141,288	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	38	-	-	3,571
1290	Other Receivables	621	-	521	354
1000	Total Assets	<u>\$ 12,088</u>	<u>\$ -</u>	<u>\$ 772,128</u>	<u>\$ 215,800</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ 102	\$ -	\$ -	\$ 6,911
2160	Accrued Wages Payable	-	-	38,067	-
2170	Due to Other Funds	11,985	-	-	12,619
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>12,087</u>	<u>-</u>	<u>38,067</u>	<u>19,530</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	196,270
Unreserved Designated For:					
3510	Construction	-	-	-	-
3590	Other Purposes	-	-	734,061	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>734,061</u>	<u>196,270</u>
4000	Total Liabilities and Fund Balances	<u>\$ 12,087</u>	<u>\$ -</u>	<u>\$ 772,128</u>	<u>\$ 215,800</u>

480	482	483	Total	511	512	Total	616
E-Rate	Dr. Hochman Grant	Seco-Clean School Bus	Nonmajor Special Revenue Funds	Debt Service Fund	Debt Service Fund - PFC	Nonmajor Debt Service Funds	Capital Projects
\$ 528,883	\$ 6,870	\$ 4,637	\$ 3,929,926	\$ 4,130,466	\$ 439,468	\$ 4,569,934	\$ 24,732
-	-	-	-	15,563,107	-	15,563,107	-
-	-	-	-	618,250	-	618,250	-
-	-	-	-	(431,978)	-	(431,978)	-
-	-	-	12,343,361	-	-	-	-
-	-	-	-	10,481	-	10,481	-
-	-	-	267,834	88,000	-	88,000	-
-	-	-	17,520	14,542	-	14,542	-
<u>\$ 528,883</u>	<u>\$ 6,870</u>	<u>\$ 4,637</u>	<u>\$ 16,558,641</u>	<u>\$ 19,992,868</u>	<u>\$ 439,468</u>	<u>\$ 20,432,336</u>	<u>\$ 24,732</u>
\$ 110,656	\$ -	\$ -	\$ 1,055,817	\$ -	\$ -	\$ -	\$ -
-	-	-	1,118,674	-	-	-	-
24,215	-	4,637	10,520,275	147	-	147	-
-	-	-	300,911	186,272	-	186,272	-
<u>134,871</u>	<u>-</u>	<u>4,637</u>	<u>12,995,677</u>	<u>186,419</u>	<u>-</u>	<u>186,419</u>	<u>-</u>
-	-	-	-	19,806,449	439,469	20,245,918	-
-	-	-	-	-	-	-	-
-	-	-	196,270	-	-	-	-
-	-	-	-	-	-	-	24,732
394,012	6,870	-	3,366,692	-	-	-	-
<u>394,012</u>	<u>6,870</u>	<u>-</u>	<u>3,562,962</u>	<u>19,806,449</u>	<u>439,469</u>	<u>20,245,918</u>	<u>24,732</u>
<u>\$ 528,883</u>	<u>\$ 6,870</u>	<u>\$ 4,637</u>	<u>\$ 16,558,639</u>	<u>\$ 19,992,868</u>	<u>\$ 439,469</u>	<u>\$ 20,432,337</u>	<u>\$ 24,732</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2010

Data Control Codes	625 Qualified Zone Academy Bond #1	626 Qualified Zone Academy Bond #2	627 Public Facility Corporation	630 Qualified Zone Academy Bond #3	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 224,809	\$ 352,656	\$ 4,291,918	\$ 562,411
1120	Investments - Current	221,982	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	-
1250	Accrued Interest	3,120	-	-	-
1260	Due from Other Funds	-	-	297,000	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 449,911</u>	<u>\$ 352,656</u>	<u>\$ 4,588,918</u>	<u>\$ 562,411</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ 4,250	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	213,744	-
2300	Deferred Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>217,994</u>	<u>-</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	3,036	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
Unreserved Designated For:					
3510	Construction	449,911	352,656	4,367,888	562,411
3590	Other Purposes	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>449,911</u>	<u>352,656</u>	<u>4,370,924</u>	<u>562,411</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 449,911</u>	<u>\$ 352,656</u>	<u>\$ 4,588,918</u>	<u>\$ 562,411</u>

697 Instructional Facilities Allotment #2	699 Instructional Facilities Allotment #1	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,268,790	\$ 723,741	\$ 7,449,057	\$ 15,948,917
-	-	221,982	15,785,089
-	-	-	618,250
-	-	-	(431,978)
-	-	-	12,343,361
-	-	3,120	13,601
-	-	297,000	652,834
-	-	-	32,062
<u>\$ 1,268,790</u>	<u>\$ 723,741</u>	<u>\$ 7,971,159</u>	<u>\$ 44,962,136</u>
\$ 6,751	\$ 45,256	\$ 56,257	\$ 1,112,074
-	-	-	1,118,674
-	-	213,744	10,734,166
-	-	-	487,183
<u>6,751</u>	<u>45,256</u>	<u>270,001</u>	<u>13,452,097</u>
-	-	-	20,245,918
7,328	85,795	96,159	96,159
-	-	-	196,270
1,254,711	592,690	7,604,999	7,604,999
-	-	-	3,366,692
<u>1,262,039</u>	<u>678,485</u>	<u>7,701,158</u>	<u>31,510,038</u>
<u>\$ 1,268,790</u>	<u>\$ 723,741</u>	<u>\$ 7,971,159</u>	<u>\$ 44,962,135</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
<b>REVENUES:</b>				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	173,228	15,645,172	216,522
5020	Total Revenues	<u>173,228</u>	<u>15,645,172</u>	<u>216,522</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011	Instruction	-	11,476,820	2,609
0012	Instructional Resources and Media Services	-	487,201	-
0013	Curriculum and Instructional Staff Development	-	540,446	37,965
0021	Instructional Leadership	-	293,703	81,579
0023	School Leadership	-	44,986	-
0031	Guidance, Counseling and Evaluation Services	173,228	587,066	45,021
0032	Social Work Services	-	-	625
0033	Health Services	-	1,406,452	45,035
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	30	26,030
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	19,063	-
0052	Security and Monitoring Services	-	301	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	789,104	87,313
<b>Debt Service:</b>				
0071	Debt Service - Principal on Long Term Debt	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-
<b>Capital Outlay:</b>				
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	<u>173,228</u>	<u>15,645,172</u>	<u>216,522</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-
7915	Transfers In	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Transfers Out (Use)	-	-	-
8949	Other (Uses)	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
36,839	1,417	14,289	816	688,595	4,165	434,054	2,414,112
<u>36,839</u>	<u>1,417</u>	<u>14,289</u>	<u>816</u>	<u>688,595</u>	<u>4,165</u>	<u>434,054</u>	<u>2,414,112</u>
36,316	1,417	13,206	816	-	3,365	229,719	2,065,642
-	-	-	-	-	-	-	-
523	-	1,083	-	-	800	140,005	125,705
-	-	-	-	-	-	10,215	222,765
-	-	-	-	-	-	2,366	-
-	-	-	-	-	-	4,448	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	681,442	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,153	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	47,301	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>36,839</u>	<u>1,417</u>	<u>14,289</u>	<u>816</u>	<u>688,595</u>	<u>4,165</u>	<u>434,054</u>	<u>2,414,112</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	261 Texas Reading First	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,514,951	131,830	1,831,898	7,455,087
5020 Total Revenues	<u>1,514,951</u>	<u>131,830</u>	<u>1,831,898</u>	<u>7,455,087</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	1,213,708	-	1,264,002	7,455,087
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	223,074	131,830	230,478	-
0021 Instructional Leadership	76,397	-	120,918	-
0023 School Leadership	1,772	-	11,188	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	317	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	7,896	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	197,099	-
<b>Debt Service:</b>				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>1,514,951</u>	<u>131,830</u>	<u>1,831,898</u>	<u>7,455,087</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

276 Title I - SIP Academy Grant	279 Title II, D ARRA - Ed. Technology	281 FEMA Grant	283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program	287 Teaching American History	289 Summer Bilingual Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
6,612	88,074	8,607	1,824,159	112,694	2,578,521	88,081	141,674
<u>6,612</u>	<u>88,074</u>	<u>8,607</u>	<u>1,824,159</u>	<u>112,694</u>	<u>2,578,521</u>	<u>88,081</u>	<u>141,674</u>
3,134	63,675	-	1,478,585	112,694	2,060,133	35,525	141,674
-	-	-	-	-	-	-	-
3,478	24,399	-	76,367	-	477,977	25,624	-
-	-	-	4,726	-	7,889	26,932	-
-	-	-	-	-	11,906	-	-
-	-	-	8,085	-	273	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	256,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,121	396	-	-	-	-
-	-	-	-	-	20,343	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,860	-	-	-	-	-
<u>6,612</u>	<u>88,074</u>	<u>9,981</u>	<u>1,824,159</u>	<u>112,694</u>	<u>2,578,521</u>	<u>88,081</u>	<u>141,674</u>
-	-	(1,374)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(1,374)	-	-	-	-	-
-	-	1,374	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	393 Texas Successful Schools Prog.	394 Life Skills Program	397 Advanced Placement Incentives	399 Investment Capital Funds
<b>REVENUES:</b>				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	22,341	82,394
5900	Federal Program Revenues	-	-	-
5020	Total Revenues	-	22,341	82,394
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011	Instruction	-	-	37,155
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	12,905	42,240
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	1,900
0031	Guidance, Counseling and Evaluation Services	-	-	-
0032	Social Work Services	-	22,341	-
0033	Health Services	-	-	-
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	-	1,099
<b>Debt Service:</b>				
0071	Debt Service - Principal on Long Term Debt	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-
<b>Capital Outlay:</b>				
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	-	22,341	16,211
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(8,667)
<b>OTHER FINANCING SOURCES (USES):</b>				
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-
7915	Transfers In	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Transfers Out (Use)	-	-	-
8949	Other (Uses)	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net Change in Fund Balance	-	-	(8,667)
0100	Fund Balance - September 1 (Beginning)	30,181	-	67,591
3000	Fund Balance - August 31 (Ending)	\$ 30,181	\$ -	\$ 58,924

401 Optional Extended Year Program	404 Student Success Initiative	409 Intensive Summer Program	411 Technology Allotment	415 Kindergarten and Pre-K Grants	424 Law Enforcement LEOSE	427 Texas Fitness Grant	428 High School Allotment
\$ -	\$ -	\$ -	\$ 5,335	\$ -	\$ -	\$ -	\$ -
153,779	222,333	155,244	682,660	2,964,078	2,037	48,333	-
-	-	-	-	-	-	-	-
<u>153,779</u>	<u>222,333</u>	<u>155,244</u>	<u>687,995</u>	<u>2,964,078</u>	<u>2,037</u>	<u>48,333</u>	<u>-</u>
141,064	220,497	85,940	331,987	2,929,066	-	48,333	-
-	-	-	-	-	-	-	-
-	1,836	43,041	49,405	33,713	-	-	-
7,570	-	16,564	22,454	1,299	-	-	-
-	-	3,480	-	-	-	-	-
-	-	4,695	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,037	-	-
-	-	-	199,403	-	-	-	-
5,145	-	1,524	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>153,779</u>	<u>222,333</u>	<u>155,244</u>	<u>603,249</u>	<u>2,964,078</u>	<u>2,037</u>	<u>48,333</u>	<u>-</u>
-	-	-	84,746	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	84,746	-	-	-	(145,547)
-	-	-	1,982,124	74,622	-	1,155	145,547
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,066,870</u>	<u>\$ 74,622</u>	<u>\$ -</u>	<u>\$ 1,155</u>	<u>\$ -</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	429 Other State Special Revenue Funds	430 Ready To Read	435 SSA Regional Day School - Deaf	461 Campus Activity Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 293,295	\$ 560,719
5800 State Program Revenues	1,786,549	34	446,191	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>1,786,549</u>	<u>34</u>	<u>739,486</u>	<u>560,719</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	1,507,158	34	655,406	61,949
0012 Instructional Resources and Media Services	14,877	-	-	17,871
0013 Curriculum and Instructional Staff Development	94,243	-	3,989	12,497
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	78,173	-	-	61,099
0031 Guidance, Counseling and Evaluation Services	32,485	-	51,528	75
0032 Social Work Services	2,262	-	-	-
0033 Health Services	14,076	-	-	35
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	14,314	-	-	-
0036 Extracurricular Activities	587	-	-	209,091
0041 General Administration	-	-	-	1,409
0051 Facilities Maintenance and Operations	25,591	-	-	9,186
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	2,783	-	3,180	178,105
<b>Debt Service:</b>				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>1,786,549</u>	<u>34</u>	<u>714,103</u>	<u>551,317</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>25,383</u>	<u>9,402</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	25,383	9,402
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>708,677</u>	<u>186,869</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 734,060</u>	<u>\$ 196,271</u>

480	482	483	Total	511	512	Total	616
E-Rate	Dr. Hochman Grant	Seco-Clean School Bus	Nonmajor Special Revenue Funds	Debt Service Fund	Debt Service Fund - PFC	Nonmajor Debt Service Funds	Capital Projects
\$ 2,489,112	\$ 4,475	\$ -	\$ 3,352,936	\$ 5,246,660	\$ 3,514	\$ 5,250,174	\$ -
-	-	-	6,573,517	14,116,555	3,489,733	17,606,288	-
-	-	-	38,886,391	-	-	-	-
<u>2,489,112</u>	<u>4,475</u>	<u>-</u>	<u>48,812,844</u>	<u>19,363,215</u>	<u>3,493,247</u>	<u>22,856,462</u>	<u>-</u>
-	4,494	-	36,350,110	-	-	-	-
-	-	-	519,949	-	-	-	-
-	-	-	2,333,623	-	-	-	-
-	-	-	1,243,597	-	-	-	-
-	-	-	216,870	-	-	-	-
-	-	-	1,238,810	-	-	-	-
-	-	-	25,228	-	-	-	-
-	-	-	1,465,598	-	-	-	-
-	-	-	256,000	-	-	-	-
-	-	-	695,756	-	-	-	-
-	-	-	236,055	-	-	-	-
573,428	-	-	574,837	-	-	-	-
284,787	-	-	360,193	-	-	-	-
-	-	-	22,681	-	-	-	-
-	-	-	246,704	-	-	-	-
-	-	-	1,282,605	-	-	-	-
-	-	-	-	12,284,518	1,860,000	14,144,518	-
-	-	-	-	8,818,405	2,853,898	11,672,303	-
-	-	-	-	272,529	15,440	287,969	-
<u>681,279</u>	<u>-</u>	<u>-</u>	<u>685,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,539,494</u>	<u>4,494</u>	<u>-</u>	<u>47,753,755</u>	<u>21,375,452</u>	<u>4,729,338</u>	<u>26,104,790</u>	<u>-</u>
<u>949,618</u>	<u>(19)</u>	<u>-</u>	<u>1,059,089</u>	<u>(2,012,237)</u>	<u>(1,236,091)</u>	<u>(3,248,328)</u>	<u>-</u>
-	-	-	-	18,420,000	-	18,420,000	-
729,871	-	-	729,871	4,107,667	1,251,713	5,359,380	-
-	-	-	-	1,382,794	-	1,382,794	-
(1,285,477)	-	-	(1,431,024)	-	-	-	-
-	-	-	-	(19,771,368)	-	(19,771,368)	-
<u>(555,606)</u>	<u>-</u>	<u>-</u>	<u>(701,153)</u>	<u>4,139,093</u>	<u>1,251,713</u>	<u>5,390,806</u>	<u>-</u>
394,012	(19)	-	357,936	2,126,856	15,622	2,142,478	-
-	6,889	-	3,205,029	17,679,592	423,846	18,103,438	24,732
<u>\$ 394,012</u>	<u>\$ 6,870</u>	<u>\$ -</u>	<u>\$ 3,562,965</u>	<u>\$ 19,806,448</u>	<u>\$ 439,468</u>	<u>\$ 20,245,916</u>	<u>\$ 24,732</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	625 Qualified Zone Academy Bond #1	626 Qualified Zone Academy Bond #2	627 Public Facility Corporation	630 Qualified Zone Academy Bond #3
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 4,028	\$ 884	\$ 10,103	\$ 1,276
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>4,028</u>	<u>884</u>	<u>10,103</u>	<u>1,276</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	7,715	867,854	-
6030 Total Expenditures	<u>-</u>	<u>7,715</u>	<u>867,854</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,028</u>	<u>(6,831)</u>	<u>(857,751)</u>	<u>1,276</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	4,028	(6,831)	(857,751)	1,276
0100 Fund Balance - September 1 (Beginning)	<u>445,883</u>	<u>359,487</u>	<u>5,228,675</u>	<u>561,135</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 449,911</u>	<u>\$ 352,656</u>	<u>\$ 4,370,924</u>	<u>\$ 562,411</u>

697 Instructional Facilities Allotment #2	699 Instructional Facilities Allotment #1	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 2,030	\$ 1,747	\$ 20,068	\$ 8,623,178
-	-	-	24,179,805
-	-	-	38,886,391
<u>2,030</u>	<u>1,747</u>	<u>20,068</u>	<u>71,689,374</u>
-	-	-	36,350,110
-	-	-	519,949
-	-	-	2,333,623
-	-	-	1,243,597
-	-	-	216,870
-	-	-	1,238,810
-	-	-	25,228
-	-	-	1,465,598
-	-	-	256,000
-	-	-	695,756
-	-	-	236,055
-	-	-	574,837
-	-	-	360,193
-	-	-	22,681
-	-	-	246,704
-	-	-	1,282,605
-	-	-	14,144,518
-	-	-	11,672,303
-	-	-	287,969
<u>(746,463)</u>	<u>74,726</u>	<u>203,832</u>	<u>888,971</u>
<u>(746,463)</u>	<u>74,726</u>	<u>203,832</u>	<u>74,062,377</u>
<u>748,493</u>	<u>(72,979)</u>	<u>(183,764)</u>	<u>(2,373,003)</u>
-	-	-	18,420,000
-	-	-	6,089,251
-	-	-	1,382,794
-	-	-	(1,431,024)
-	-	-	(19,771,368)
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,689,653</u>
<u>748,493</u>	<u>(72,979)</u>	<u>(183,764)</u>	<u>2,316,650</u>
<u>513,546</u>	<u>751,463</u>	<u>7,884,921</u>	<u>29,193,388</u>
<u>\$ 1,262,039</u>	<u>\$ 678,484</u>	<u>\$ 7,701,157</u>	<u>\$ 31,510,038</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

	BALANCE SEPTEMBER 1 2009	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2010
<b>865 STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 541,881	\$ 1,109,145	\$ 1,259,631	\$ 391,395
Liabilities:				
Due to Other Funds	\$ 186,869	\$ 1,423	\$ 186,869	\$ 1,423
Due to Student Groups	355,012	1,294,591	1,259,631	389,972
Total Liabilities	\$ 541,881	\$ 1,296,014	\$ 1,446,500	\$ 391,395
<b>876 BACK TO SCHOOL ASSISTANCE PROGRAM</b>				
Assets:				
Cash and Temporary Investments	\$ -	\$ 3,425	\$ 3,425	\$ -
Liabilities:				
Accounts Payable	\$ -	\$ 3,425	\$ 3,425	\$ -
<b>878 DONATIONS</b>				
Assets:				
Cash and Temporary Investments	\$ -	\$ 16,556	\$ 4,383	\$ 12,173
Other Receivables	-	12,972	12,972	-
Total Assets	\$ -	\$ 29,527	\$ 17,355	\$ 12,173
Liabilities:				
Accounts Payable	\$ -	\$ 12,761	\$ 12,761	\$ -
Due to Other Funds	-	9,562	562	9,000
Due to Student Groups	-	3,173	-	3,173
Total Liabilities	\$ -	\$ 25,495	\$ 13,323	\$ 12,173
<b>879 SCHOLARSHIPS</b>				
Assets:				
Cash and Temporary Investments	\$ 115,947	\$ 200,984	\$ 170,218	\$ 146,713
Due From Other Funds	14	2,400	14	2,400
Total Assets	\$ 115,961	\$ 203,384	\$ 170,232	\$ 149,113
Liabilities:				
Accounts Payable	\$ 500	\$ 47,862	\$ 37,122	\$ 11,240
Due to Other Funds	30,453	20,927	29,998	21,382
Due to Student Groups	85,008	63,939	32,456	116,491
Total Liabilities	\$ 115,961	\$ 132,728	\$ 99,576	\$ 149,113
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 657,828	\$ 1,330,110	\$ 1,437,658	\$ 550,280
Due From Other Funds	14	2,400	14	2,400
Other Receivables	-	12,972	12,972	-
Total Assets	\$ 657,842	\$ 1,345,481	\$ 1,450,643	\$ 552,680

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

	BALANCE SEPTEMBER 1 2009	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2010
Liabilities:				
Accounts Payable	\$ 500	\$ 64,048	\$ 53,308	\$ 11,240
Due to Other Funds	217,322	31,912	217,429	31,805
Due to Student Groups	440,020	1,361,702	1,292,087	509,636
Total Liabilities	<u>\$ 657,842</u>	<u>\$ 1,457,662</u>	<u>\$ 1,562,824</u>	<u>\$ 552,681</u>



**This Page Left Blank Intentionally**

## **T.E.A. Required Schedules**

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2010

Last 10 Years Ended August 31	Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes
	(1) Maintenance	(2) Debt Service	
2001 and prior years	Various	Various	\$ Various
2002	1.322910	0.103090	1,391,120,115
2003	1.322910	0.179800	1,430,691,752
2004	1.322910	0.179800	1,492,399,455
2005	1.322910	0.151200	1,681,169,722
2006	1.382910	0.171200	1,799,970,416
2007	1.266310	0.229200	1,850,327,688
2008	1.040000	0.234000	2,038,157,312
2009	1.040000	0.234000	2,142,642,269
2010 (School year under audit)	1.040000	0.234000	2,135,852,058
1000 TOTALS			

Column 10 + Column 20 - Column 31 - Column 40 Equals Column 50

Column 3 - Assessed /Appraised Value for School Tax Purposes: This is the net appraised value, after deductions of all exemptions and reductions provided by law and those granted by the district, based on Maintenance Requirements.

Column 20 - Current Year's Tax Levy: This is amount is calculated by multiplying tax rate(s) times the applicable Assessed/Appraised Value(s) in column 3.

Column 31 & 32 - Total Collections: These are total collections net of adjustments described in column 40, according to each year of tax levy, which do NOT include penalty and interest.

Column 40 - Entire Year's Adjustments: Total adjustments include corrections for errors in taxes assessed, taxes lost due to tax freeze, and discounts allowed for early payment of taxes.

Column 50 - Ending Balances 8/31/10: This total agrees with Exhibit A-1, Balance Sheet, memorandum totals for current year, for Asset Code 1220 - Property Taxes Delinquent.

(10) Beginning Balance 9/1/2009	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2010
\$ 770,178	\$ -	\$ 36,651	\$ 6,216	\$ (59,593)	\$ 667,719
156,022	-	6,291	490	-	149,241
188,755	-	8,499	1,155	(20)	179,081
199,156	-	10,240	1,392	162	187,687
225,332	-	15,232	1,741	806	209,166
283,555	-	39,362	4,873	1,117	240,437
417,499	-	67,355	12,191	(2,108)	335,846
531,464	-	146,179	32,890	16,267	368,661
1,432,659	-	718,311	161,620	18,118	570,846
-	27,210,755	20,877,723	4,697,488	(491,056)	1,144,489
<u>\$ 4,204,619</u>	<u>\$ 27,210,755</u>	<u>\$ 21,925,842</u>	<u>\$ 4,920,055</u>	<u>\$ (516,305)</u>	<u>\$ 4,053,172</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2011-2012  
 GENERAL AND SPECIAL REVENUE FUNDS  
 AUGUST 31, 2010

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST**

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 48,417	\$ 358,643	\$ 435,655	\$ 4,721,234	\$ -	\$ -	\$ 5,563,949
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	22,288	2,439	27,323	-	224,256	-	276,306
6212	Audit Services	-	-	-	51,000	-	-	51,000
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	357,028	-	-	-	-	357,028
621X	Other Professional Services	-	-	-	123,939	-	-	123,939
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	3,150	-	-	3,150
6240	Contr. Maint. and Repair	-	-	-	-	651,274	-	651,274
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	1,612	1,842	2,447	59,235	-	-	65,136
6290	Miscellaneous Contr.	17,718	14,219	-	44,188	-	-	76,125
6320	Textbooks and Reading	-	36	925	7,246	-	-	8,207
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	1,840	24,464	2,835	209,939	-	-	239,078
6410	Travel, Subsistence, Stipends	41,781	4,494	9,943	35,100	-	-	91,318
6420	Ins. and Bonding Costs	-	-	-	735	-	-	735
6430	Election Costs	419	-	-	-	-	-	419
6490	Miscellaneous Operating	7,757	12,343	10,199	206,683	-	-	236,982
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	38,445	38,445
6000	<b>TOTAL</b>	<b>\$ 141,832</b>	<b>\$ 775,508</b>	<b>\$ 489,327</b>	<b>\$ 5,462,449</b>	<b>\$ 875,530</b>	<b>\$ 38,445</b>	<b>\$ 7,783,091</b>

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 236,536,439

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 8,448,841
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	20,886,496
Food (Function 35, 6341 and 6499)	(13)	6,177,172
Stipends (6413)	(14)	8,968
Column 4 (above) - Total Indirect Cost		5,462,449

SubTotal: 40,983,925

Net Allowed Direct Cost \$ 195,552,514

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 337,274,423
Historical Cost of Building over 50 years old	(16)	\$ 2,266,546
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ 1,217,871
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 27,768,778
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 26,623,921
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 26,544,194

(8) NOTE A: \$871,616 in Function 53 expenditures are included in this report on administrative costs.  
 \$357,028 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 FUNDBALANCE AND CASH FLOW CALCULATION WORKSHEET  
 GENERAL FUND AS OF AUGUST 31, 2010

**UNAUDITED**

1	Total General Fund Balance as of 8/31/10 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 70,878,843
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 15,665,794	
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	-	
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
5	Estimate of two month's average cash disbursements during the fiscal year.	33,616,877	
6	Estimate of delayed payments from state sources (58xx).	22,464,450	
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-	
8	Estimate of delayed payments from federal sources (59xx)	4,484,703	
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
10	Adjustment to meet Board Policy	-	
11	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10)		<u>76,231,824</u>
12	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 11)		<u>\$ (5,352,981)</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 364,100	\$ 364,100	\$ 430,218	\$ 66,118
5800 State Program Revenues	101,239	101,239	100,732	(507)
5900 Federal Program Revenues	14,174,829	14,808,792	15,158,079	349,287
5020 Total Revenues	14,640,168	15,274,131	15,689,029	414,898
<b>EXPENDITURES:</b>				
0035 Food Services	14,452,168	15,086,131	14,025,451	1,060,680
0051 Facilities Maintenance and Operations	188,000	188,000	142,294	45,706
6030 Total Expenditures	14,640,168	15,274,131	14,167,745	1,106,386
1200 Net Change in Fund Balances	-	-	1,521,284	1,521,284
0100 Fund Balance - September 1 (Beginning)	2,656,876	2,656,876	2,656,876	-
3000 Fund Balance - August 31 (Ending)	\$ 2,656,876	\$ 2,656,876	\$ 4,178,160	\$ 1,521,284

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with
		Original	Final	(GAAP BASIS)	Final Budget
					Positive (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	\$ 5,280,772	\$ 5,280,772	\$ 5,246,660	\$ (34,112)
5800	State Program Revenues	13,213,973	13,213,973	14,116,555	902,582
5020	Total Revenues	18,494,745	18,494,745	19,363,215	868,470
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	12,284,518	12,284,518	12,284,518	-
0072	Interest on Long-Term Debt	9,007,114	9,007,114	8,818,405	188,709
0073	Other Fees	6,000	6,000	272,529	(266,529)
6030	Total Expenditures	21,297,632	21,297,632	21,375,452	(77,820)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,802,887)	(2,802,887)	(2,012,237)	790,650
	OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	-	-	18,420,000	18,420,000
7915	Transfers In	4,107,667	4,107,667	4,107,667	-
7916	Premium or Discount on Issuance of Bonds	-	-	1,382,794	1,382,794
8949	Other (Uses)	-	-	(19,771,368)	(19,771,368)
7080	Total Other Financing Sources (Uses)	4,107,667	4,107,667	4,139,093	31,426
1200	Net Changes in Fund Balances	1,304,780	1,304,780	2,126,856	822,076
0100	Fund Balance - September 1 (Beginning)	17,679,592	17,679,592	17,679,592	-
3000	Fund Balance - August 31 (Ending)	\$ 18,984,372	\$ 18,984,372	\$ 19,806,448	\$ 822,076



LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - PFC DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 25,000	\$ 25,000	\$ 3,515	\$ (21,485)
5800	State Program Revenues	3,457,185	3,457,185	3,489,733	32,548
5020	Total Revenues	3,482,185	3,482,185	3,493,248	11,063
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	1,860,000	1,860,000	1,860,000	-
0072	Interest on Long-Term Debt	2,853,898	2,853,898	2,853,898	-
0073	Other Fees	20,000	20,000	15,440	4,560
6030	Total Expenditures	4,733,898	4,733,898	4,729,338	4,560
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,251,713)	(1,251,713)	(1,236,090)	6,503
OTHER FINANCING SOURCES (USES):					
7915	Transfer In	1,251,713	1,251,713	1,251,713	-
7080	Total Other Financing Sources (Uses)	1,251,713	1,251,713	1,251,713	-
1200	Net Changes in Fund Balances	-	-	15,623	15,623
0100	Fund Balance - September 1 (Beginning)	423,845	423,845	423,845	-
3000	Fund Balance - August 31 (Ending)	\$ 423,845	\$ 423,845	\$ 439,468	\$ 15,623



# Capital Assets

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2010

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
Assets in Service	\$7,134,104	\$26,975	\$7,107,129	\$0
High Schools:				
Martin	44,985,848	248,174	43,012,836	1,724,838
Nixon	30,558,538	1,086,582	28,735,924	736,032
Cigarroa	28,141,896	872,258	26,259,001	1,010,637
VMT Communications & Arts	2,390,616	62,761	2,287,876	39,979
Francisco Lara Academy	2,654,221	-	2,621,722	32,499
Early College High School @ TAMIU	503,368	25,100	336,110	142,158
Middle Schools:				
Christen	29,227,355	117,596	28,329,111	780,649
Lamar	15,845,294	186,887	14,985,609	672,798
Cigarroa	8,794,935	-	8,441,054	353,882
Memorial	14,827,343	447,337	14,083,097	296,910
Elementary Schools:				
Bruni	7,864,390	6,139	7,733,621	124,630
Jose Gallegos	9,781,246	694,545	9,038,574	48,127
Daiches	9,063,450	28,111	8,936,353	98,986
Farias	10,267,961	1,750,761	8,280,421	236,778
Heights	7,729,207	400,313	7,095,902	232,992
Tarver	6,680,631	75,100	6,557,502	48,029
Leyendecker	11,488,257	133,989	10,939,560	414,709
Macdonell	7,644,318	1,348,363	6,132,528	163,427
Milton	7,018,589	164,517	6,664,566	189,506
Alma Pierce	8,143,098	47,542	7,961,237	134,319
Ryan	10,384,778	224,806	9,888,899	271,073
Santa Maria	7,128,434	20,950	7,067,910	39,573
Santo Nino	6,310,624	132,267	5,980,509	197,848
D. D. Hachar	11,452,104	484,686	10,604,451	362,967
J. C. Martin	11,713,370	240,525	11,073,333	399,512
H. B. Zachry	5,301,930	101,298	5,001,460	199,172
J. Kawas	6,443,705	238,434	6,029,241	176,031
Dovalina	5,137,253	35,000	4,845,475	256,778
H. Ligarde	7,003,204	129,588	6,676,270	197,346
T. Sanchez/Ochoa	6,631,265	120,000	6,383,760	127,504
Other Departments:				
Construction Department	148,623	-	121,159	27,464
Pregnancy Ed., & Parenting Program	88,000	-	-	88,000
St. Augustine High School	1,435	-	-	1,435
Blessed Sacrament School	490	-	-	490
Guadalupe School	11,364	-	-	11,364
St. Augustine Elementary School	306	-	-	306
St. Peters School	2,148	-	-	2,148
Juvenile Justice Center	1,354	-	-	1,354
Non Public Schools	5,812	-	-	5,812
Summer Programs	9,185	-	-	9,185
Board Room	60,134	23,455	-	36,679
Tax Office	97,600	-	21,038	76,562
Financial Management	1,561,111	2,834	1,512,578	45,699
Human Resources	50,280	-	-	50,280
Office of Public Information	240,194	20,119	201,347	18,728
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	6,420	-	-	6,420

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2010

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
	(Continued)			(Continued)
Internal Auditor	6,922	-	-	6,922
Hearings Officer	5,479	-	-	5,479
Assets Management	1,164,493	149,990	396,899	617,605
Records & Assets	536,961	127,770	348,562	60,630
Accelerated Ed/State Compensatory	1,717	-	-	1,717
Drug Awareness	663	-	-	663
State Bilingual	6,168	-	-	6,168
R. O. T. C.	64	-	-	64
Office of Compliance	9,367	-	-	9,367
Music	16,374	-	-	16,374
Physical Ed.	831	-	-	831
Language Arts Pk-12	2,189	-	-	2,189
Special Programs/Planning	58,798	-	22,745	36,053
Med Prep Program	3,417	-	-	3,417
State Deaf	10,707	-	-	10,707
Instructional Department	166,606	103,226	3,380	60,000
Staff Development	1,293	-	-	1,293
Career & Technology	8,000	-	-	8,000
Department of Assessment	12,757	-	-	12,757
Section 504	6,966	-	-	6,966
District Wide	1,153,325	1,153,325	-	-
Crimestoppers	11,990	-	-	11,990
Instructional Technology	1,457,045	-	1,037,115	419,930
Guidance and Counseling	3,052	-	-	3,052
Health Services	16,349	-	1,687	14,662
Pupil Transportation	6,613,121	78,925	327,341	6,206,854
Athletic	631,165	-	243,017	388,148
Special Education	135,724	-	-	135,723
Printing/Creative Services	387,844	15,201	-	372,643
Instructional Television	578,026	28,647	406	548,973
Postal Services	23,773	-	-	23,773
Information Technology	2,517,961	-	608,802	1,909,159
Division of Operations	4,776,735	21,102	3,272,588	1,483,045
LISD Police Department	596,647	-	-	596,647
Child Nutrition Program	4,855,515	120,493	64,719	4,670,303
Title I Migrant	8,000	-	-	8,000
Title VI	5,905	-	-	5,905
Drug Free Schools	6,155	-	-	6,155
Total Assets by Location	<u>369,204,788</u>	<u>11,268,716</u>	<u>330,167,294</u>	<u>27,768,778</u>
Total Assets in Service	376,338,892	11,295,691	337,274,423	27,768,778
Construction in Progress	<u>24,752,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fixed Assets	<u>401,091,638</u>	<u>\$11,295,691</u>	<u>\$337,274,423</u>	<u>\$27,768,778</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2010

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Assets in Service	\$ 7,134,104	\$ -	\$ -	\$ 7,134,104
High Schools:				
Martin	44,619,858	433,990	68,000	44,985,848
Nixon	30,488,412	220,381	150,255	30,558,538
Cigarroa	28,089,950	51,946	-	28,141,896
VMT Communications & Arts	2,436,533	22,083	68,000	2,390,616
Francisco Lara Academy	2,654,221	-	-	2,654,221
Early College High School @ TAMIU	498,103	5,265	-	503,368
Middle Schools:				
Christen	29,432,965	66,390	272,000	29,227,355
Lamar	15,818,830	45,644	19,180	15,845,294
Cigarroa	8,861,157	1,778	68,000	8,794,935
Memorial	14,813,330	14,013	-	14,827,343
Elementary Schools:				
Bruni	7,864,390	-	-	7,864,390
Jose Gallegos	9,688,114	93,132	-	9,781,246
Daiches	9,052,542	10,908	-	9,063,450
Farias	10,335,961	-	68,000	10,267,961
Heights	7,620,637	108,570	-	7,729,207
Tarver	6,680,631	-	-	6,680,631
Leyendecker	10,951,573	682,684	146,000	11,488,257
Macdonell	7,644,318	-	-	7,644,318
Milton	6,991,841	26,748	-	7,018,589
Alma Pierce	8,211,098	-	68,000	8,143,098
Ryan	10,384,778	-	-	10,384,778
Santa Maria	7,128,434	-	-	7,128,434
Santo Nino	6,301,245	9,379	-	6,310,624
D. D. Hachar	11,588,104	-	136,000	11,452,104
J. C. Martin	11,608,424	104,946	-	11,713,370
H. B. Zachry	5,308,650	-	6,720	5,301,930
J. Kawas	6,443,705	-	-	6,443,705
Dovalina	5,137,253	-	-	5,137,253
H. Ligarde	6,985,924	45,000	27,720	7,003,204
T. Sanchez/Ochoa	7,491,461	-	860,196	6,631,265
Other Departments:				
Construction Dept.	148,623	-	-	148,623
Pregnancy Ed., & Parenting Program	88,000	-	-	88,000
St. Augustine High School	1,435	-	-	1,435
Blessed Sacrament School	490	-	-	490
Guadalupe School	11,364	-	-	11,364
St. Augustine Elementary School	306	-	-	306
St. Peters School	2,148	-	-	2,148
Juvenile Justice Center	1,354	-	-	1,354
Non Public Schools	5,812	-	-	5,812
Summer Programs	9,185	-	-	9,185
Board Room	60,134	-	-	60,134
Tax Office	97,600	-	-	97,600
Financial Management	1,561,111	-	-	1,561,111
Human Resources	50,280	-	-	50,280
Office of Public Information	240,194	-	-	240,194
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	6,420	-	-	6,420
Internal Auditor	6,922	-	-	6,922
Hearings Officer	5,479	-	-	5,479
Assets Management	1,164,493	-	-	1,164,493

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2010

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
	(Continued)			(Continued)
Records & Assets	620,337	76,759	160,135	536,961
Accelerated Ed/State Compensatory	1,717	-	-	1,717
Drug Awareness	663	-	-	663
State Bilingual	6,168	-	-	6,168
R. O. T. C.	64	-	-	64
Office of Compliance	9,367	-	-	9,367
Music	16,374	-	-	16,374
Physical Ed.	831	-	-	831
Language Arts Pk-12	2,189	-	-	2,189
Special Programs/Planning	58,798	-	-	58,798
Med Prep Program	3,417	-	-	3,417
State Deaf	10,707	-	-	10,707
Instructional Department	166,606	-	-	166,606
Staff Development	1,293	-	-	1,293
Career & Technology	8,000	-	-	8,000
Department of Assessment	12,757	-	-	12,757
Section 504	6,966	-	-	6,966
District Wide	1,153,325	-	-	1,153,325
Crimestoppers	11,990	-	-	11,990
Instructional Technology	1,457,045	-	-	1,457,045
Guidance and Counseling	3,052	-	-	3,052
Health Services	16,349	-	-	16,349
Pupil Transportation	6,779,225	337,244	503,348	6,613,121
Athletic	828,740	6,425	204,000	631,165
Special Education	78,760	56,964	-	135,724
Printing/Creative Services	359,574	28,270	-	387,844
Instructional Television	556,980	21,046	-	578,026
Postal Services	23,773	-	-	23,773
Information Technology	2,515,917	109,034	106,990	2,517,961
Division of Operations	4,734,611	42,124	-	4,776,735
LISD Police Department	596,647	-	-	596,647
Child Nutrition Program	6,073,683	7,060	1,225,228	4,855,515
Title I Migrant	8,000	-	-	8,000
Title VI	5,905	-	-	5,905
Drug Free Schools	6,155	-	-	6,155
Total Assets by Location	<u>370,734,777</u>	<u>2,627,783</u>	<u>4,157,772</u>	<u>369,204,788</u>
Total Assets in Service	<u>377,868,881</u>	<u>2,627,783</u>	<u>4,157,772</u>	<u>376,338,892</u>
Construction in Progress	<u>8,526,408</u>	<u>17,652,487</u>	<u>1,426,149</u>	<u>24,752,746</u>
Total General Fixed Assets	<u>\$ 386,395,289</u>	<u>\$ 20,280,270</u>	<u>\$ 5,583,921</u>	<u>\$ 401,091,638</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDING AUGUST 31, 2010

Function	Land	Buildings	Furniture & Equipment	Construction in Progress	Total
Prior Year Data	\$ 11,290,426	\$ 337,111,957	\$ 29,466,498	\$ 8,526,408	\$ 386,395,289
Instruction	-	-	80,099	-	80,099
Instructional Resources & Media Services	-	-	36,239	-	36,239
Curriculum & Instructional Staff Development	-	-	-	-	-
Instructional Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Guidance and Counseling Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	(153,485)	-	(153,485)
Food Services	-	-	(515,642)	-	(515,642)
Cocurricular/Extracurricular Activities	-	-	-	-	-
General Administration	-	-	-	-	-
Plant Maintenance and Operations	-	-	80,779	-	80,779
Security and Monitoring Services	-	-	-	-	-
Data Processing Services	-	-	280,290	-	280,290
Community Services	-	-	-	-	-
Facilities Acquisition and Construction	5,265	162,466	(1,506,000)	16,226,338	14,888,069
Total Expenditures	<u>\$ 11,295,691</u>	<u>\$ 337,274,423</u>	<u>\$ 27,768,778</u>	<u>\$ 24,752,746</u>	<u>\$ 401,091,638</u>

**This Page Left Blank Intentionally**





# Statistical Section

# Statistical Section (Unaudited)

*This part of the Laredo Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's Financial health.*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	<b>86-92</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the District's most significant local revenue sources.</i>	<b>93-96</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	<b>97-99</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	<b>100-102</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	<b>103-106</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information included information beginning in that year.*

**Schedule 1**  
**Laredo Independent School District**  
**Net Assets by Component**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	<b>Fiscal Year</b>								
	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Governmental activities									
Invested in capital assets, net of related debt	\$ 40,115,453	\$ 50,622,049	\$ 53,428,494	\$ 55,002,128	\$ 66,799,496	\$ 88,131,399	\$ 87,359,760	\$ 11,006,905	\$ 99,028,291
Restricted									
Federal and State Grants	-	3,694,433	-	3,252,423	4,697,799	6,526,044	2,985,517	2,803,798	6,023,568
Debt Service	8,696,790	4,557,510	-	9,427,615	11,669,155	14,711,181	15,672,278	18,103,437	20,245,918
Food Service	5,200,510	-	3,995,241	-	-	-	-	-	-
General Fund	-	434,764	5,928,141	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	11,250,991	107,820,884	1,303,248
Campus Activities	-	-	-	-	-	-	-	186,869	196,270
Other Purposes	-	-	-	-	-	-	-	416,474	11,104,927
Unrestricted	11,795,249	21,288,169	28,993,925	25,089,348	21,596,578	17,481,717	27,790,751	24,926,533	50,537,828
Total primary government net assets	<b><u>\$ 65,808,002</u></b>	<b><u>\$ 80,596,925</u></b>	<b><u>\$ 92,345,801</u></b>	<b><u>\$ 92,771,514</u></b>	<b><u>\$ 104,763,028</u></b>	<b><u>\$ 126,850,341</u></b>	<b><u>\$ 145,059,297</u></b>	<b><u>\$ 165,264,900</u></b>	<b><u>\$ 188,440,050</u></b>

**Note:** The district began to report accrual information when it implemented GASB Statement 34 in 2002.

**Schedule 2**  
**Laredo Independent School District**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	<b>Fiscal Year</b>								
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Expenses</b>									
Governmental activities:									
11 Instruction	\$ 94,243,209	\$ 107,384,297	\$ 115,680,810	\$ 122,230,466	\$ 120,826,637	\$ 129,599,244	\$ 134,358,549	\$ 141,320,598	\$ 146,735,324
12 Instructional Resources & Media Svcs.	3,953,289	4,430,854	5,701,079	4,785,344	4,739,042	5,063,766	4,989,927	6,751,828	5,382,316
13 Curriculum & Instructional Staff Devpt.	2,067,932	2,078,259	3,495,915	4,116,945	4,158,695	4,422,899	3,667,984	3,578,264	3,191,229
21 Instructional Leadership	3,026,813	3,523,053	3,481,745	4,057,212	5,049,862	4,645,809	4,883,535	5,009,620	4,858,256
23 School Leadership	8,613,562	9,466,283	9,888,715	10,234,352	10,352,434	10,985,322	11,506,693	11,421,441	11,941,453
31 Guidance, Counseling, and Evaluation Svcs.	5,816,409	6,216,697	7,187,656	7,669,776	7,859,900	8,023,575	7,927,242	7,966,627	8,295,054
32 Social Work Services	1,207,654	1,308,360	1,592,854	1,732,213	1,881,254	1,909,811	1,873,976	1,645,934	1,560,438
33 Health Services	2,354,961	2,530,252	2,735,815	2,710,696	2,837,440	2,937,961	3,028,304	3,208,410	3,291,693
34 Student (Pupil) Transportation	1,770,885	2,248,431	2,253,072	3,242,862	3,599,991	3,715,848	3,779,327	3,367,034	3,741,933
35 Food Services	8,206,161	9,311,871	9,568,655	10,567,413	12,512,316	14,169,981	12,521,327	13,192,002	14,853,696
36 Cocurricular/Extracurricular Activities	2,613,675	2,828,939	3,057,706	4,179,704	4,175,160	3,733,030	3,401,939	3,671,452	3,994,642
41 General Administration	4,861,219	5,696,593	5,240,709	6,060,603	6,479,272	6,192,926	6,876,464	7,814,329	7,351,514
51 Plant Maintenance & Operations	12,856,097	13,666,070	14,941,942	18,032,667	19,953,661	20,750,136	20,569,466	21,573,534	21,345,976
52 Security & Monitoring Services	1,601,273	1,960,551	1,400,411	2,590,090	3,407,992	3,625,540	3,031,417	3,107,258	2,968,302
53 Data Processing Services	1,548,157	1,904,632	2,325,266	1,599,846	2,958,108	3,305,837	2,968,845	3,634,101	3,353,815
61 Community Services	694,255	784,825	743,336	405,919	382,002	945,323	1,307,808	1,344,733	1,490,872
72 Interest on Long-Term Debt	10,104,964	7,726,182	7,463,089	13,408,938	10,888,015	13,274,418	15,747,078	14,434,609	12,893,768
73 Bond Issuance Costs and Fees	626,186	-	-	-	-	-	222,245	263,236	254,559
81 Facilities Acquisition	1,938,734	111,087	3,903,541	11,208,722	3,769,838	5,235,162	81,952	-	-
93 Payments to Fiscal Agents/Mem.	6,875	6,200	6,675	6,000	11,000	8,903	8,391	6,637	-
95 Payments to Juvenile Justice Alternative Ed.	262,668	305,738	140,892	200,600	131,621	12,390	163,153	85,320	85,320
<b>Total primary government expenses</b>	<b>168,374,978</b>	<b>183,489,174</b>	<b>200,809,881</b>	<b>229,040,368</b>	<b>225,974,240</b>	<b>242,557,881</b>	<b>242,915,622</b>	<b>253,396,967</b>	<b>257,590,160</b>
<b>Program Revenues</b>									
Governmental activities:									
Charges for services									
Instruction	2,624,178	-	356,998	1,043,355	2,779,468	815	-	4,350	294,749
Instructional Resources & Media Svcs.	105,530	-	-	-	-	-	-	-	-
Curriculum & Instructional Staff Devpt.	23,621	-	6,296	108,159	-	-	-	-	-
Instructional Leadership	67,844	-	-	-	-	-	-	-	-
School Leadership	276,212	98,673	-	-	-	-	-	-	-
Guidance, Counseling, and Evaluation Svcs.	169,427	-	-	20,329	9,132	-	-	-	-
Social Work Services	30,654	-	170,975	889	14,450	-	-	-	-
Health Services	42,738	-	87,435	86,840	77,961	-	-	-	-
Student (Pupil) Transportation	66,173	-	-	-	-	-	-	-	-
Food Services	211,153	-	223,343	275,521	367,977	121,443	281,112	312,052	330,569
Extracurricular Activities	251,698	209,986	175,860	-	-	171,645	201,995	210,088	154,023
General Administration	157,990	397,638	-	-	-	-	-	-	-
Plant Maintenance and Operations	410,997	24,387	8,284	-	-	-	-	-	1,073
Security & Monitoring Services	49,245	-	-	70	-	-	-	-	-
Data Processing Services	49,027	-	-	-	-	-	-	-	-
Community Services	1,995	-	-	-	1,075	-	10,372	-	-
Facilities Acquisition	8,731	-	-	-	2,340,977	-	-	-	-
Payments to Juvenile Justice Alternative Ed.	8,462	-	-	-	-	-	-	-	-
Operating grants and contributions	28,999,674	59,067,943	61,466,594	69,202,608	70,088,672	60,095,888	49,795,966	52,900,270	75,483,285
<b>Total primary government program revenues</b>	<b>33,555,349</b>	<b>59,798,627</b>	<b>62,495,785</b>	<b>70,737,771</b>	<b>75,679,712</b>	<b>60,389,791</b>	<b>50,289,445</b>	<b>53,426,760</b>	<b>76,263,699</b>
<b>Net (Expense)/Revenue</b>									
<b>Total primary government net expense</b>	<b>\$ 134,819,629</b>	<b>\$ 123,690,547</b>	<b>\$ 138,314,096</b>	<b>\$ 158,302,597</b>	<b>\$ 150,294,528</b>	<b>\$ 182,168,090</b>	<b>\$ 192,626,177</b>	<b>\$ 199,970,207</b>	<b>\$ 181,326,461</b>

**Notes:** The district began to report accrual information when it implemented GASB Statement 34 in 2002.

Schedule 3  
Laredo Independent School District  
General Revenues and Total Change in Net Assets  
Last Nine Fiscal Years  
*(accrual basis of accounting)*  
Unaudited

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>									
Total primary government net expense	\$ 134,819,629	\$ 123,690,545	\$ 138,314,098	\$ 158,302,597	\$ 150,294,528	\$ 182,168,090	\$ 192,626,177	\$ 199,970,207	\$ 181,326,461
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes levied for general purposes	17,962,585	18,472,060	19,709,398	21,699,472	24,106,298	25,493,615	21,700,103	17,815,685	21,204,563
Property taxes levied for debt service	1,416,112	2,498,668	2,640,215	2,486,421	2,948,716	4,391,830	4,857,268	4,205,999	4,772,952
Unrestricted State Aid Formula Grants	105,480,527	108,117,088	127,590,082	118,829,241	115,296,468	155,643,283	176,570,738	-	169,891,579
Unrestricted grants and contributions	18,614,033	620,371	389,943	389,804	1,638,247	559,150	658,657	188,393,928	1,531,997
Investment earnings	5,085,365	2,750,735	1,522,487	5,147,041	8,262,586	12,207,337	9,893,383	5,936,051	3,706,251
Miscellaneous	2,135,895	6,020,515	6,897,219	10,176,331	10,033,727	3,106,862	5,089,737	4,731,278	3,394,271
Loss on Sale of Capital Assets	-	-	(8,686,372)	-	-	-	-	-	-
Special Item	-	-	-	-	-	7,731,745	-	-	-
Total primary government	<u>150,694,517</u>	<u>138,479,437</u>	<u>150,062,972</u>	<u>158,728,310</u>	<u>162,286,042</u>	<u>209,133,822</u>	<u>218,769,886</u>	<u>221,082,941</u>	<u>204,501,613</u>
<b>Change in Net Assets</b>									
Total primary government	<u>\$ 15,874,888</u>	<u>\$ 14,788,892</u>	<u>\$ 11,748,874</u>	<u>\$ 425,713</u>	<u>\$ 11,991,514</u>	<u>\$ 26,965,732</u>	<u>\$ 26,143,709</u>	<u>\$ 21,112,734</u>	<u>\$ 23,175,152</u>

**Notes:** The district began to report accrual information when it implemented GASB Statement 34 in 2002.

**Schedule 4**  
**Laredo Independent School District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

<b>FISCAL YEAR</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund										
Reserved	\$ 4,345,266	\$ 5,517,460	\$ 4,684,864	\$ 4,823,330	\$ 9,024,994	\$ 12,527,471	\$ 15,458,084	\$ 14,158,322	\$ 16,513,895	\$ 16,943,790
Unreserved	<u>13,468,980</u>	<u>21,396,675</u>	<u>20,914,465</u>	<u>30,404,562</u>	<u>19,759,984</u>	<u>11,695,750</u>	<u>15,426,003</u>	<u>32,504,685</u>	<u>45,310,703</u>	<u>53,935,053</u>
Total general fund	<u>\$ 17,814,246</u>	<u>\$ 26,914,135</u>	<u>\$ 25,599,329</u>	<u>\$ 35,227,892</u>	<u>\$ 28,784,978</u>	<u>\$ 24,223,221</u>	<u>\$ 30,884,087</u>	<u>\$ 46,663,007</u>	<u>\$ 61,824,598</u>	<u>\$ 70,878,843</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,144,593	\$ 29,362,125	\$ 24,795,478	\$ 47,946,686
Unreserved, reported in:										
Special revenue funds	\$ 571,158.00	\$ 3,030,654.00	\$ 3,694,431.00	\$ 2,363,427.00	\$ 3,252,423.00	\$ 4,697,799.00	\$ 6,526,044	\$ 2,985,517	\$ 3,205,029	\$ 3,366,692
Capital projects funds	88,738,530	125,175,957	79,045,740	49,668,348	147,046,196	114,929,536	-	105,931,575	96,330,178	67,346,619
Debt Service funds	<u>2,956,866</u>	<u>2,582,073</u>	<u>4,557,512</u>	<u>6,760,286</u>	<u>9,427,615</u>	<u>11,669,155</u>	-	-	-	-
Total all other governmental funds	<u>\$ 92,266,554</u>	<u>\$ 130,788,684</u>	<u>\$ 87,297,683</u>	<u>\$ 58,792,061</u>	<u>\$ 159,726,234</u>	<u>\$ 131,296,490</u>	<u>\$ 168,670,637</u>	<u>\$ 138,279,217</u>	<u>\$ 124,330,685</u>	<u>\$ 118,659,997</u>

**Schedule 5**  
**Laredo Independent School District**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

<b>FISCAL YEAR</b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Federal sources:										
Federal grants	\$ 15,479,064	\$ 16,626,672	\$ 23,092,971	\$ 25,877,336	\$ 29,906,211	\$ 32,960,541	\$ 34,948,185	\$ 29,766,786	\$ 34,134,993	\$ 41,198,981
Food services	8,459,605	9,317,479	9,458,795	10,649,535	11,187,260	10,979,704	11,750,545	12,266,676	13,241,239	14,174,829
<b>Total federal sources</b>	<b><u>23,938,669</u></b>	<b><u>25,944,151</u></b>	<b><u>32,551,767</u></b>	<b><u>36,526,871</u></b>	<b><u>41,093,471</u></b>	<b><u>43,940,245</u></b>	<b><u>46,698,730</u></b>	<b><u>42,033,462</u></b>	<b><u>47,376,232</u></b>	<b><u>55,373,810</u></b>
State sources:										
Per Capita and Foundation	97,023,045	109,242,308	111,916,178	131,713,457	119,915,636	121,242,425	140,171,354	153,808,970	158,289,910	152,285,241
Instructional Facilities Allotment	6,246,279	10,741,406	10,763,283	10,665,674	14,673,848	12,006,055	15,000,401	14,385,675	14,212,374	14,149,005
Teacher Retirement System on Behalf	5,262,434	5,445,715	8,696,250	7,981,849	6,356,609	8,532,673	6,995,207	7,785,412	8,164,503	8,507,328
Other State Programs	1,147,188	1,577,947	1,902,723	3,089,194	6,662,788	3,390,917	6,821,882	8,996,843	11,296,094	13,230,018
Other Governmental Agencies	1,313,909	100,414	882,222	8,140	53,027	592,200	17,563	15,000	13,769	8,523
<b>Total state sources</b>	<b><u>110,992,855</u></b>	<b><u>127,107,790</u></b>	<b><u>134,160,656</u></b>	<b><u>153,458,314</u></b>	<b><u>147,661,908</u></b>	<b><u>145,764,270</u></b>	<b><u>169,006,407</u></b>	<b><u>184,991,900</u></b>	<b><u>191,976,650</u></b>	<b><u>188,180,115</u></b>
Local sources:										
Property Taxes	-	18,802,149	20,310,907	22,072,076	23,948,120	26,759,747	28,217,513	25,781,018	26,517,619	26,842,672
Food service sales	-	216,005	98,673	91,252	275,421	342,424	-	-	-	-
Investment Income	-	5,085,365	2,852,918	1,522,487	1,468,715	8,939,430	12,653,464	8,773,586	5,969,438	3,299,340
Penalties, Interest, and Other Fees	-	715,659	82,882	715,290	5,898,531	730,655	793,048	762,789	767,477	849,947
Co-Curricular	-	191,057	209,986	175,860	185,958	210,761	528,836	201,995	208,305	154,024
Sale of WADA	-	3,943,211	5,260,737	5,025,976	7,043,169	6,640,127	-	-	-	-
Other revenues	-	2,383,625	2,760,105	1,498,481	2,181,473	4,555,304	3,493,578	5,725,649	5,199,032	5,803,494
Local Revenues	* 29,413,492	-	-	-	-	-	-	-	-	-
<b>Total local sources</b>	<b><u>29,413,492</u></b>	<b><u>31,337,071</u></b>	<b><u>31,576,208</u></b>	<b><u>31,101,422</u></b>	<b><u>41,001,387</u></b>	<b><u>48,178,448</u></b>	<b><u>45,686,439</u></b>	<b><u>41,245,037</u></b>	<b><u>38,661,871</u></b>	<b><u>36,949,477</u></b>
<b>Total revenues</b>	<b><u>\$ 164,345,016</u></b>	<b><u>\$ 184,389,011</u></b>	<b><u>\$ 198,288,631</u></b>	<b><u>\$ 221,086,607</u></b>	<b><u>\$ 229,756,766</u></b>	<b><u>\$ 237,882,963</u></b>	<b><u>\$ 261,391,576</u></b>	<b><u>\$ 268,270,399</u></b>	<b><u>\$ 278,014,753</u></b>	<b><u>\$ 280,503,402</u></b>

**Notes:** \* = Local revenue breakdown was not available.

**Schedule 6**  
**Laredo Independent School District**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
11 Instruction	\$ 87,320,665	\$ 94,229,126	\$ 108,533,210	\$ 115,051,643	\$ 121,436,722	\$ 120,677,728	\$ 127,566,003	\$ 124,574,273	\$ 132,562,305	\$ 136,926,181
12 Instructional Resources & Media Svcs.	4,070,386	3,981,668	4,540,795	5,591,014	4,722,348	4,783,647	5,117,287	5,015,429	5,645,227	5,008,109
13 Curriculum & Instructional Staff Devpt.	2,115,236	2,067,715	2,083,381	3,482,596	4,112,502	4,156,453	4,407,778	3,666,935	3,575,361	3,190,961
21 Instructional Leadership	2,759,544	3,025,587	3,517,336	3,677,251	3,995,905	5,038,242	4,593,480	4,808,484	4,841,743	4,830,156
23 School Leadership	9,969,685	8,613,079	9,459,702	10,213,257	10,199,530	10,334,223	11,496,485	11,506,313	11,393,756	11,860,625
31 Guidance, Counseling, and Evaluation Svcs.	5,491,285	5,831,200	6,216,362	7,117,540	7,655,899	7,848,384	7,973,115	7,928,395	7,929,295	8,287,553
32 Social Work Services	1,066,743	1,206,275	1,307,776	1,584,124	1,725,654	1,878,004	1,898,201	1,873,824	1,635,270	1,547,337
33 Health Services	2,192,328	2,354,821	2,529,828	2,717,525	2,703,162	2,833,087	2,914,709	3,029,224	3,152,483	3,275,482
34 Student (Pupil) Transportation	2,664,107	2,501,126	2,798,513	3,353,357	3,557,405	4,006,844	4,421,695	3,780,477	3,337,594	3,379,725
35 Food Services	7,789,238	8,344,431	10,705,893	10,488,447	11,112,037	14,060,478	14,019,024	13,050,876	13,273,870	14,721,207
36 Cocurricular/Extracurricular Activities	2,482,908	2,929,220	2,890,288	3,335,203	4,121,958	4,201,927	3,865,637	3,407,484	3,669,811	3,978,069
41 General Administration	4,638,056	4,967,619	5,908,368	5,902,123	6,013,068	6,462,377	6,414,077	6,151,232	7,128,076	6,911,475
51 Plant Maintenance & Operations	12,347,392	13,023,003	13,772,442	15,823,595	17,890,819	20,191,873	20,833,944	20,672,806	21,452,133	21,033,887
52 Security & Monitoring Services	1,211,915	1,600,958	2,249,899	2,589,363	2,560,883	3,649,274	3,658,629	3,084,521	3,090,286	2,941,578
53 Data Processing Services	1,323,168	1,578,117	2,020,913	2,724,200	3,550,847	3,089,698	3,246,059	2,947,023	3,397,514	3,347,252
61 Community Services	674,507	694,253	783,456	743,051	405,884	381,774	940,663	1,307,924	1,343,308	1,490,764
71 Principal	5,141,565	9,405,000	11,510,000	8,230,000	10,940,000	8,378,013	10,731,378	17,221,396	18,464,315	14,144,518
Interest	4,910,491	10,104,964	7,369,225	7,162,878	8,851,746	12,204,644	13,939,432	13,141,804	12,662,695	12,245,352
Other Debt Service Costs	44,103	965,764	167,651	104,836	7,129,465	94,524	700,532	107,750	20,350	287,969
81 Facilities acquisition/construction Other capital outlay	5,704,033	39,542,651	48,771,194	34,035,840	36,178,910	50,483,909	33,927,132	34,907,736	18,227,796	17,657,752
93 Payments to Fiscal Agents / Members.	9,418	6,875	6,200	6,675	6,000	11,000	8,903	8,391	6,637	-
95 Payments to Juvenile Justice Alternative Ed.	142,839	262,668	305,738	140,892	200,600	131,393	12,390	163,153	85,320	85,320
Total expenditures	<u>\$ 162,069,612</u>	<u>\$ 217,236,120</u>	<u>\$ 247,448,171</u>	<u>\$ 244,075,410</u>	<u>\$ 269,071,342</u>	<u>\$ 284,897,496</u>	<u>\$ 282,686,553</u>	<u>\$ 282,355,450</u>	<u>\$ 276,895,145</u>	<u>\$ 277,151,272</u>

Debt service as a percentage of noncapital expenditures	6.43%	10.98%	9.50%	7.33%	8.50%	8.78%	9.94%	12.29%	12.09%	10.20%
--	-------	--------	-------	-------	-------	-------	-------	--------	--------	--------

Percentage was calculated as follows: (Debt Service Principal + Interest Payments) / (Total expenditures - Capital)  
(14,144,518 + 12,245,352) / (278,407,640 - 18,517,796)



Schedule 7  
Laredo Independent School District  
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

FISCAL YEAR	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Excess of revenues over (under) expenditures</b>	\$ 2,275,404	\$ (32,847,108)	\$ (49,157,540)	\$ (22,988,803)	\$ (39,314,576)	\$ (47,014,533)	\$ (21,294,977)	\$ (14,085,051)	\$ 1,119,608	\$ 3,352,130
<b>Other Financing Sources (Uses)</b>										
Issuance of Loans	8,000,000	3,680,000	-	4,000,000	-	14,000,000	-	-	-	-
Issuance of Bonds	-	72,000,000	4,240,000	-	182,135,630	-	56,950,000	-	-	18,420,000
Lease Proceeds	-	-	-	-	-	-	-	-	154,728	-
Premium Issuance of Bond	-	3,578,158	113,701	80,430	5,815,205	-	668,061	-	-	1,382,794
Premium Issuance of Loans	-	-	-	36,695	-	23,032	-	-	-	-
Redemption of Refunded Bonds	-	-	-	-	(54,145,000)	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(19,771,368)
Transfers in	5,031,536	7,320,096	7,580,700	8,282,912	9,745,939	8,137,271	8,171,244	5,438,945	8,369,938	8,510,698
Transfers out	(5,031,536)	(7,320,096)	(7,580,700)	(8,282,912)	(9,745,939)	(8,137,271)	(8,171,244)	(5,438,945)	(8,369,938)	(8,510,698)
Special Item	-	-	-	-	-	-	7,731,745	-	-	-
Total other financing sources (uses)	<u>8,000,000</u>	<u>79,258,158</u>	<u>4,353,701</u>	<u>4,117,125</u>	<u>133,805,835</u>	<u>14,023,032</u>	<u>65,349,806</u>	<u>-</u>	<u>154,728</u>	<u>31,426</u>
<b>Net change in fund balances</b>	<u>\$ 10,275,404</u>	<u>\$ 46,411,050</u>	<u>\$ (44,803,839)</u>	<u>\$ (18,871,678)</u>	<u>\$ 94,491,259</u>	<u>\$ (32,991,501)</u>	<u>\$ 44,054,829</u>	<u>\$ (14,085,051)</u>	<u>\$ 1,274,336</u>	<u>\$ 3,383,556</u>

**Schedule 8**  
**Laredo Independent School District**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year	Actual Value		Less: Exemptions	Total Taxable Value	Total Direct Rate <sup>a</sup>
	Residential Property	Personal Property			
2001	1,680,305,275	247,828,421	568,602,929	1,359,530,767	1.386
2002	1,726,945,838	256,727,464	592,553,187	1,391,120,115	1.426
2003	1,796,614,504	258,875,299	624,798,051	1,430,691,752	1.503
2004	1,897,272,357	270,837,330	675,710,242	1,492,399,445	1.503
2005	1,967,477,564	271,781,800	558,089,592	1,681,169,772	1.474
2006	2,087,865,861	277,897,380	565,792,825	1,799,970,416	1.554
2007	2,145,905,693	287,225,760	582,803,765	1,850,327,688	1.495
2008	2,347,904,503	312,600,408	622,347,599	2,038,157,312	1.274
2009	2,472,601,899	321,706,417	651,666,047	2,142,642,269	1.274
2010	2,631,967,318	301,780,345	797,895,605	2,135,852,058	1.274

**Source:** LISD Tax Office

**Notes:** <sup>a</sup> Per \$100 of assessed value.

**Schedule 9**  
**Laredo Independent School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*  
**Unaudited**

Fiscal Year	District Direct Rates			Overlapping Rates <sup>a</sup>		
	Maintenance & Operations	Debt Service	Total	Laredo Community College	City of Laredo	Webb County Road & Bridge
2001	1.283	0.103	1.386	0.170	0.576	0.455
2002	1.323	0.103	1.426	0.217	0.576	0.445
2003	1.323	0.180	1.503	0.227	0.631	0.458
2004	1.323	0.180	1.503	0.236	0.642	0.472
2005	1.323	0.151	1.474	0.236	0.637	0.438
2006	1.383	0.171	1.554	0.234	0.637	0.438
2007	1.266	0.229	1.495	0.222	0.637	0.401
2008	1.040	0.234	1.274	0.256	0.256	0.187
2009	1.040	0.234	1.274	0.247	0.247	0.179
2010	1.040	0.234	1.274	0.244	0.244	0.180

**Source:** LISD Tax Office.

**Note:**  
<sup>a</sup> Includes levies for operating and debt service costs.

**Schedule 10**  
**Laredo Independent School District**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**  
**Unaudited**

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>
Laredo Texas Hospital Co LP	\$ 92,610,160	1	3.06%	-		-
Webb Hospital Holdings LLC	17,959,370	2	0.59%	-		-
International Bank of Commerce	16,633,080	3	0.55%	6,961,950	8	0.35%
AEP Texas Central Company	16,146,170	4	0.53%	21,719,830	1	1.09%
HE Butt Grocery Co	15,319,450	5	0.51%	10,533,900	4	0.53%
Laredo Specialty Hospital LP	14,801,760	6	0.49%	-		-
The Laredo National Bank	13,214,190	7	0.44%	10,136,200	5	0.51%
Southwestern Bell Telephone LP	12,961,580	8	0.43%	21,343,730	2	1.08%
WildBlue Communications Inc.	11,749,320	9	0.39%	-		-
TWE-Advance-Newhouse Partnership	9,381,540	10	0.31%	-		-
Paragon Cable	-		-	11,983,340	3	0.60%
La Posada Hotel	-		-	8,949,090	6	0.45%
BIA Acquisition	-		-	7,112,980	7	0.36%
The Pillsbury Company	-		-	5,244,370	9	0.26%
Go-Dan Industries	-		-	5,223,370	10	0.26%
Total Appraised Value	<u>\$ 3,029,288,880</u>		<u>7.29%</u>	<u>\$ 1,983,673,302</u>		<u>5.51%</u>

Source: LISD Tax Office

Schedule 11  
Laredo Independent School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Outstanding Tax Levy	Percentage of Levy
2001	18,064,678	16,882,907	93.46	1,053,799	17,936,706	127,972	99.29%
2002	18,758,999	17,864,495	95.23	745,264	18,602,977	149,241	99.17%
2003	20,330,602	19,343,292	95.14	808,229	20,151,521	179,081	99.12%
2004	21,883,429	20,894,287	95.48	801,455	21,695,742	187,687	99.14%
2005	24,424,100	23,477,269	96.12	737,665	24,214,934	209,166	99.14%
2006	26,852,020	25,695,670	95.69	915,913	26,611,583	240,437	99.10%
2007	28,349,279	27,043,378	95.39	970,055	28,013,433	335,846	98.82%
2008	25,996,124	24,782,861	95.44	814,603	25,434,661	368,661	97.95%
2009	27,297,263	25,864,604	94.75	861,813	26,726,417	570,846	94.75%
2010	27,210,755	25,084,155	92.18	-	25,084,155	1,144,489	92.18%

Source: LISD Tax Office.

Schedule 12  
 Laredo Independent School District  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	General Obligation Bonds	Loans	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>	Per Capita Personal Income Schedule # 16	Per Capita <sup>a</sup>
2001	80,321,639	20,670,000	100,991,639	3.13%	503	16,085	502.66
2002	146,095,695	21,630,000	167,725,695	4.89%	810	16,584	810.45
2003	140,023,093	20,355,000	160,378,093	4.42%	754	17,079	754.16
2004	134,411,482	22,225,000	156,636,482	4.05%	716	17,653	715.80
2005	254,032,558	20,480,000	274,512,558	6.49%	1,221	18,809	1,220.73
2006	247,637,999	32,675,000	280,312,999	6.12%	1,232	20,127	1,231.89
2007	296,751,137	31,360,000	328,111,137	6.62%	1,508	22,799	1,508.49
2008	287,630,128	29,640,000	317,270,128	5.99%	1,431	23,888	1,431.34
2009	278,289,348	27,855,000	306,144,348	N/A	N/A	-	-
2010	267,149,396	25,975,000	293,124,396	N/A	N/A	-	-

Notes: N/A = not available.

<sup>a</sup> See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Schedule 13**  
**Laredo Independent School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of August 31, 2010**  
**Unaudited**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Laredo	\$ 192,083,518	24.380%	\$ 46,829,962
County of Webb	64,631,515	17.950%	11,601,357
Laredo Community College	43,161,943	24.380%	10,522,882
Subtotal, overlapping debt			68,954,200
<b>District direct debt</b>			<u>223,478,863</u>
<b>Total direct and overlapping debt</b>			<u>\$ 292,433,063</u>

**Sources:** Taxable value data used to estimate applicable percentages provided by the Webb County Property Appraiser. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing

**Schedule 14**  
**Laredo Independent School District**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2010**

Net Assessed value of 2009 taxable property		
Plus: Exemptions	\$	2,135,852,058
		<u>797,895,605</u>
D Total Assessed Value		2,933,747,663
Amount of debt applicable to said maximum debt limit:		293,374,766
Total (net) general bonded debt		
(Percentage of debt to total assessed value)	\$	223,478,863
Less: Debt Service Fund Balance as of 8/31/10		7.62%
Total amount of debt applicable to debt limit		19,806,448
Legal debt margin		<u>203,672,415</u>

<u>Year</u>	<u>Debt limit</u>	<u>applicable to limit</u>	<u>Legal debt margin</u>	<u>Applicable to the</u>
2001	135,950,941	73,003,135	62,947,806	53.70%
2002	139,112,012	146,290,098	(7,178,086)	105.16%
2003	149,239,945	133,968,230	15,271,715	89.77%
2004	168,116,972	127,395,117	40,721,855	75.78%
2005	180,836,742	245,496,793	(64,660,051)	135.76%
2006	194,474,196	224,767,220	(30,293,024)	115.58%
2007	185,032,769	245,415,822	(60,383,053)	132.63%
2008	203,815,731	232,617,536	(28,801,805)	114.13%
2009	279,430,832	218,178,789	61,252,043	78.08%
2010	293,374,766	203,672,415	89,702,351	69.42%

Notes: Currently, outstanding tax supported debt is supported with funds received by either the Existing Debt Allotment Program or the Instructional Facilities Allotment Program from the Texas Education Agency. Both the Existing Debt Allotment Program funds and the Instructional Facilities Allotment Program are subject to biennial appropriation by the Texas Legislature. The District's Series 1999, 2001, 2002, 2005 and 2010 Refunding Bonds are secured by the Permanent School Fund Guarantee.



Schedule 15  
Laredo Independent School District  
Ratio of General Obligation Bonded Debt to Taxable Assessed Value  
General Obligation Bonded Debt Per Capita, and General Obligation Bonded Debt per Student  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Assessed Value	General Obligation Bonded Debt	State Revenue For Debt Service	Ratio Of Bonded Debt To Assessed Value	Population	Bonded Debt Per Capita	Student Enrollment	Bonded Debt per Student
2001	1,359,530,767	80,321,639	6,246,279	5.91%	200,917	400	22,547	3,562
2002	1,391,120,115	146,095,695	10,741,406	10.50%	206,952	706	23,188	6,300
2003	1,430,691,752	140,023,093	10,763,283	9.79%	212,661	658	23,881	5,863
2004	1,492,399,445	134,411,482	10,665,674	9.01%	218,833	614	24,359	5,518
2005	1,681,169,772	254,032,558	14,673,848	15.11%	224,874	1,130	24,745	10,266
2006	1,799,970,416	247,637,999	14,520,582	13.76%	227,544	1,088	24,876	9,955
2007	1,850,327,688	296,751,137	16,890,612	16.04%	217,506	1,364	24,795	11,968
2008	2,038,157,312	287,630,128	16,321,496	14.11%	221,000	1,301	25,075	11,471
2009	2,142,642,269	278,289,348	17,696,362	12.99%	255,926	1,087	24,903	11,175
2010	2,135,852,058	267,149,396	16,606,288	12.51%	263,286	1,015	24,682	10,824

**Schedule 16**  
**Laredo Independent School District**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Unaudited**

<b>Calendar Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>a</sup></b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate<sup>d</sup></b>
2001	200,917	3,231,723,000	16,085	6.30
2002	206,952	3,432,111,000	16,584	7.00
2003	212,661	3,631,991,000	17,079	7.10
2004	218,833	3,862,951,000	17,653	6.50
2005	224,874	4,229,695,000	18,809	5.70
2006	227,544	4,579,825,000	20,127	5.20
2007	217,506 <sup>b</sup>	4,959,000,000 <sup>c</sup>	22,799	4.60
2008	221,659 <sup>b</sup>	5,295,000,000 <sup>c</sup>	23,888	5.19
2009	255,926 <sup>c</sup>	N/A	N/A	7.69
2010	263,286 <sup>c</sup>	N/A	N/A	8.21

**Tickmarks and Sources:**

N/A = not available

<sup>a</sup> Texas Workforce Commission

<sup>b</sup> U.S. Census Bureau

<sup>c</sup> Community Development Department

<sup>d</sup> Laredo Development Foundation

Note: Population for 2009 and 2010 represent a projected figure.

Schedule 17  
 Laredo Independent School District  
 Principal Employers  
 Current Year and Nine Years Ago  
 Unaudited

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
United Independent School District	6,153	1	6.81%	3,675	1	5.03%
Laredo Independent School District	4,591	2	5.08%	3,349	2	4.59%
City of Laredo	2,366	3	2.62%	2,100	4	2.88%
Laredo Sector Border Patrol	1,700	4	1.88%	1,007	8	1.38%
H.E.B. Grocery	1,602	5	1.77%	1,247	5	1.71%
Webb County	1,450	6	1.61%	1,165	6	1.60%
Laredo Medical Center	1,433	7	1.59%	3,000	3	4.11%
McDonald's Restaurant	1,200	8	1.33%	800	9	1.10%
Texas A&M International University	1,195	9	1.32%	696	10	0.95%
Convergys	1,009	10	1.12%	-		-
Laredo Community College	-		-	1,012	7	1.39%
Annual Labor Force	<u>90,329</u>		<u>25.13%</u>	<u>73,032</u>		<u>24.72%</u>

Source: Laredo Development Foundation.

Schedule 18  
Laredo Independent School District  
Full-time-Equivalent District Employees by Type  
Last Ten Fiscal Years  
Unaudited

	Full-time-Equivalent Employees as of August 31										Percentage Change 2001-2010
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>Teachers</b>											
Pre-K & Kindergarten	9	158	165	169	188	205	222	230	228	221	
Elementary	691	567	620	644	640	638	631	631	629	678	
Secondary	472	545	568	566	553	565	599	624	622	637	
Special Education	96	167	153	163	177	170	156	N/A	N/A	N/A	
All Level	15	9	10	10	12	21	17	98	110	67	
Total Teachers	<u>1,283</u>	<u>1,445</u>	<u>1,515</u>	<u>1,553</u>	<u>1,570</u>	<u>1,599</u>	<u>1,625</u>	<u>1,583</u>	<u>1,589</u>	<u>1,603</u>	24.91%
<b>Support Staff</b>											
Supervisors	5	6	6	7	5	5	15	-	-	-	
Counselors	50	61	56	61	62	62	66	63	61	63	
Educ Diagnosticians	15	14	14	20	18	20	19	19	18	17	
Librarians	22	28	28	28	28	27	30	30	30	30	
Nurses/Physicians	32	30	35	40	38	40	38	39	42	43	
Therapists	15	18	21	23	20	18	21	21	20	24	
Other Support Staff	100	139	154	161	179	215	216	200	202	210	
Total Support Staff	<u>238</u>	<u>296</u>	<u>313</u>	<u>338</u>	<u>350</u>	<u>386</u>	<u>405</u>	<u>372</u>	<u>373</u>	<u>387</u>	56.55%
<b>Administrators</b>											
Admin/Instr Officers	9	9	7	15	13	24	19	35	37	36	
Principals	30	28	28	28	27	28	29	29	27	29	
Assistant Principals	34	49	50	54	55	53	59	59	54	54	
Superintendents	1	1	-	-	1	1	1	1	1	1	
Asst Superintendents	-	-	-	5	4	3	-	1	1	1	
Total Administrators	<u>74</u>	<u>87</u>	<u>85</u>	<u>102</u>	<u>99</u>	<u>108</u>	<u>108</u>	<u>125</u>	<u>120</u>	<u>121</u>	62.73%
<b>Educational Aides</b>	387	531	451	484	482	479	477	492	484	526	25.16%
<b>Auxiliary Staff</b>	<u>1,126</u>	<u>1,025</u>	<u>1,095</u>	<u>1,089</u>	<u>1,235</u>	<u>1,311</u>	<u>1,318</u>	<u>1,286</u>	<u>1,274</u>	<u>1,240</u>	13.13%
<b>Total</b>	<u>3,108</u>	<u>3,384</u>	<u>3,458</u>	<u>3,566</u>	<u>3,736</u>	<u>3,884</u>	<u>3,933</u>	<u>3,858</u>	<u>3,840</u>	<u>3,877</u>	23.55%

Source: Texas Education Agency Fall PEIMS Submission

Schedule 19  
Laredo Independent School District  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal Year</u>	<u>Enrollment<sup>1</sup></u>	<u>Operating Expenditures<sup>2</sup></u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2001	22,547	146,269,420	6,487	0.00%	1,283	17.6	91.10%
2002	23,188	157,217,740	6,780	4.51%	1,445	16.0	96.20%
2003	23,881	179,630,101	7,522	10.94%	1,515	15.8	95.50%
2004	24,359	194,541,856	7,986	6.18%	1,553	15.7	95.60%
2005	24,745	205,971,221	8,324	4.22%	1,570	15.8	96.20%
2006	24,876	213,736,406	8,592	3.22%	1,599	15.6	96.80%
2007	24,795	223,388,079	9,009	4.86%	1,625	15.3	96.50%
2008	25,075	216,976,764	8,653	-3.95%	1,583	15.8	96.00%
2009	24,903	227,519,989	9,136	5.58%	1,589	15.7	96.50%
2010	24,682	232,815,681	9,433	3.24%	1,603	15.4	97.20%

**Source:** Texas Education Agency AEIS Reports and District's CAFRs.

**Notes:**

- <sup>1</sup> Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).
- <sup>2</sup> Operating Expenditures are total governmental fund expenditures less debt service and capital projects (functions 71 and 81).

**Schedule 20**  
**Laredo Independent School District**  
**Teacher Base Salaries**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year</b>	<b>0 Years Experience Salary<sup>a</sup></b>	<b>40+ Years Experience Salary<sup>a</sup></b>	<b>District Average Salary<sup>b</sup></b>	<b>County Average Salary<sup>b</sup></b>	<b>Statewide Average Salary<sup>b</sup></b>
2001	29,000	48,066	39,756	37,173	38,359
2002	31,000	50,066	40,739	38,001	39,230
2003	32,500	52,066	40,392	38,631	39,972
2004	34,000	53,666	41,801	40,119	40,476
2005	36,000	55,666	43,071	41,800	41,009
2006	37,000	56,666	43,361	42,371	41,743
2007	39,500	59,166	46,236	45,164	44,897
2008	41,000	60,074	47,416	46,505	46,178
2009	41,000	62,399	49,021	47,938	47,158
2010	42,500	63,552	50,287	49,063	48,263

**Sources:**

<sup>a</sup> District records.

<sup>b</sup> Texas Education Agency Fall PEIMS Submission  
fringe benefits such as pension, health insurance, disability, and so on.

**Schedule 21**  
**Laredo Independent School District**  
**Measures of Capacity**  
**Unaudited**

<b>School</b>	<b>Total Square Feet</b>	<b>Max. Cap. Based on Sq. Feet</b>	<b>Practical Capacity Sq. Feet</b>	<b>Total Classrooms</b>	<b>Max. Cap. Based on Classrooms</b>	<b>Practical Capacity Classrooms</b>	<b>Architect's Capacity</b>	<b>Average Practical Capacity</b>
<b>High Schools</b>								
Cigarroa	250,000	1,667	1,497	54	1,620	1,458	1,500	1,404
Martin	309,569	2,100	1,890	93	2,790	2,511	2,100	2,201
Nixon	274,834	615	553	83	2,490	2,241	1,606	1,467
Nixon Freshman Annex	26,837	179	160	15	450	405	382.0	405
Nixon Church Annex	32,600	217	195	13	390	351	367.0	351
<b>Total High Schools:</b>	<b>893,840</b>	<b>4,778</b>	<b>4,295</b>	<b>258</b>	<b>7,740</b>	<b>6,966</b>	<b>5,955</b>	<b>5,828</b>
<b>Middle Schools</b>								
Christen	215,347	1,312	1,181	45	1,125	1,013	1,450	1,097
Cigarroa	216,000	1,728	1,555	56	1,400	1,260	1,349	1,237
Lamar	132,380	1,059	953	63	1,575	1,418	1,448	1,185
Memorial	134,245	1,074	967	30	750	675	950	821
<b>Total Middle Schools:</b>	<b>697,972</b>	<b>5,173</b>	<b>4,656</b>	<b>194</b>	<b>4,850</b>	<b>4,366</b>	<b>5,197</b>	<b>4,340</b>
<b>Elementary Schools</b>								
Bruni	81,576	878	790	29	638	574	725	682
Buenos Aires	92,305	1,026	923	29	638	574	870	749
Daiches	84,751	942	848	54	1,188	1,069	873	786
Dovalina	55,454	546	491	28	616	554	603	523
Farias	85,535	840	756	29	638	574	650	665
Hachar	88,214	980	882	29	638	574	650	692
Heights	68,500	761	685	19	418	376	450	531
Kawas	72,810	795	715	34	748	673	850	694
Leyendecker	99,255	853	767	37	814	733	838	750
Ligarde	80,379	893	804	39	858	772	870	788
Macdonell	78,571	863	776	29	638	574	650	675
Martin	94,964	803	723	31	682	614	650	668
Miton	85,897	819	737	38	836	752	873	745
Pierce	86,689	964	867	42	924	832	850	849
Ryan	93,456	883	795	38	836	752	873	773
Sanchez/Ochoa	89,450	956	860	34	748	673	850	767
Santa Maria	81,667	872	785	29	638	574	650	680
Santo Niño	92,078	973	875	43	946	851	850	863
Tarver	84,561	877	789	30	660	594	650	691
Zachry	76,401	801	721	33	726	653	644	687
<b>Total Elem. Schools:</b>	<b>1,672,513</b>	<b>17,325</b>	<b>15,589</b>	<b>674</b>	<b>14,828</b>	<b>13,342</b>	<b>14,919</b>	<b>14,258</b>
<b>Total Campuses:</b>	<b>3,264,325</b>	<b>27,276</b>	<b>24,540</b>	<b>1,126</b>	<b>27,418</b>	<b>24,674</b>	<b>26,071</b>	<b>24,426</b>

**Source:** Laredo Independent School District Construction Department

Note: Historical data for the past nine years not readily available.



# Single Audit Section





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

To the Board of Trustees  
Laredo Independent School District  
Laredo, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the District), as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

To the Board of Trustees  
Laredo Independent School District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 10-01.

We noted certain matters that we reported to management of the District in a separate letter dated January 18, 2011.

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 18, 2011



INDEPENDENT AUDITOR'S 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 Board of Trustees of  
Laredo Independent School District  
Laredo, Texas

**Compliance**

We have audited the compliance of Laredo Independent School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The District's management. Our responsibility is to express an opinion on the District's 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2010.

### **Internal Control Over Compliance**

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

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 18, 2011

**LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  No
- Noncompliance material to financial statements noted?  Yes 10-01

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported

An unqualified opinion was issued on compliance for major programs.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133?  Yes  No

Identification of major programs:

84.010A	ESEA, Title I, Part A
84.389	ESEA, Title I, Part A – Recovery Act
84.027A	IDEA – Part B, Formula
84.173A	IDEA – Part B, Preschool
84.027A	IDEA – Part B, Formula (Deaf)
84.027A	IDEA – Part B, Deaf
84.391A	IDEA – Part B, Formula – Recovery Act
84.392	IDEA – Part B, Preschool – Recovery Act
84.318X	ESEA, Title II, Part D
84.386A	ESEA, Title II, Part D – Recovery Act
84.365A	Title III, Part A – English Language Acquisition
84.394A	Title XIV, State Fiscal Stabilization Fund - ARRA

**LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS - CONTINUED**

**Federal Awards - continued**

- Dollar threshold used to distinguish between type A and type B programs? \$1,646,372

Auditee qualified as low-risk auditee?  X  Yes   No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

*Compliance Finding*

Finding 10-01

Condition – Function 71 (Debt Service) expenditures in the Debt Service Fund exceeded budgeted expenditures by approximately \$77,000.

Criteria – The District is required to amend the adopted budget before exceeding a functional expenditure category in the budget. Monitoring of budget to actual expenditures on a regular basis helps to ensure control over spending and that only authorized expenditures are made.

Cause – Certain fees associated with bond sales in the current year were not sufficiently budgeted and the budget was not amended to include these expenses.

Effect – By not closely monitoring and controlling expenditures, the District can fail to prevent excess or unauthorized spending.

Recommendation – Budget to actual reports should be generated and reviewed on a regular basis, and the budget should be amended as needed in order to ensure that budgeted amounts are not exceeded at the legal level of control.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**Finding Number**

**Corrective Action Taken**

NONE

**SECTION V – CORRECTIVE ACTION PLAN**

**Finding 10-01: Budget**

**Response:** The District concurs with the recommendation. Budget to actual reports will be generated and reviewed on a regular basis and the budget will be amended as needed in order to ensure that budgeted amounts do not exceed the legal level of control.

**Contact Person:** Flor Ayala, CPA; Director of Financial Management

**Estimated Completion Date:** August 31, 2011

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
ROTC	12.9999	N/A	\$ 173,905
FEMA	97.036	N/A	8,607
Total Direct Programs			\$ 182,512
<b>TOTAL DEPARTMENT OF DEFENSE</b>			\$ 182,512
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
Drug Free Schools and Communities Act	84.186A	10691001240901	\$ 176,866
ESEA, Title I, Part A - Improving Basic Programs	84.010A	10610101240901	14,594,129
ESEA, Title I, Part A - Improving Basic Programs	84.010A	11610101240901	581,605
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901001	279,581
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901002	339,422
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901003	11,522
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901041	100,232
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901042	16,648
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901043	17,312
ESEA, Title I, Part A - School Improvement Program	84.010A	1610104240901044	7,130
Total CFDA Number 84.010A			15,947,581
ESEA, Title I, Part C - Migratory Children	84.011A	10615001240901	221,041
IDEA - Part B, Formula	84.027A	106600012409016000	3,545,823
IDEA - Part B, Preschool	84.173A	16610001240901600	37,580
IDEA - Part B, Formula (Deaf)	84.027A	16622409016673	1,417
IDEA - Part B, Deaf	84.027A	1066012409016600	14,574
Total CFDA Number 84.027A			15,991
IDEA - Part B, Preschool (Deaf)	87.173A	166112409016611	832
Career and Technical - Basic Grant	84.048A	1042000624090100	435,681
Career and Technical - Basic Grant	84.048A	1142000624090100	5,215
Total CFDA Number 84.048A			440,896
Career and Technical - Technical Preparation	84.243A	N/A	4,164
ESEA Title II, Part A - Teacher and Principal	84.367A	10694501240901	2,464,657
Texas Reading First	84.357A	96455017110035	1,514,951
ESEA Title II, Part D, Technology	84.318X	9630001240901	134,601
Title III, Part A - English Language Acquisition	84.365A	10671001240901	1,868,401
Title XIV, State Fiscal Stabilization Fund - ARRA	84.394A	10557001240901	7,455,087
Title I SIP Academy Grant	84.377A	9601701240901041	209
Title I SIP Academy Grant	84.377A	9610701240901042	1,072
Title I SIP Academy Grant	84.377A	9610701240901043	5,275
Title I SIP Academy Grant	84.377A	9610701240901044	56
Total CFDA Number 84.377A			6,612
Title II D Enhancing Ed. Through Technology - ARRA	84.386A	10553001240901	88,074
ESEA, Title I, A - ARRA - Improving Basic Programs	84.389	10551001240901	2,578,521
IDEA, Part B, Formula - ARRA	84.391A	10554001240901	1,856,512
IDEA, Part B, Preschool - ARRA	84.392	10555001240901	113,738
Teaching American History	84.215X	U215X060280	89,458
Summer School LEP	84.369A	69550802	141,674
Total Passed Through State Department of Education			\$ 38,703,060
<b>TOTAL DEPARTMENT OF EDUCATION</b>			\$ 38,703,060
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			



LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	N/A	\$ 146,807
Total Passed Through Texas Dept of Human Services			\$ 146,807
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 146,807</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program*	10.553	N/A	\$ 4,374,948
National School Lunch Program - Cash Assistance*	10.555	N/A	9,838,991
National School Lunch Prog. - Non-Cash Assistance*	10.555	N/A	944,140
Total CFDA Number 10.555			10,783,131
Summer Feeding Program - Cash Assistance	10.559	N/A	688,595
Total Passed Through the State Department of Agriculture			\$ 15,846,674
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 15,846,674</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 54,879,053</b>

\*Clustered Programs as required by Compliance Supplement March, 2010

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2010

1. The District utilizes the fund types specified in the Texas Education Agency's Financial Accountability System Resource Guide (FASRG).

General Fund - is accounted for, among other things, resources related to the United States Department of Defense ROTC program.

Special Revenue Funds - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Funds - are used to account for, among other things, resources related to the U.S. Department of Education's Impact Aid Section 8008 reimbursement and for construction grants from the Department of Defense. These funds are restricted for construction expenditures.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund, the Special Revenue Funds, or the Capital Projects Funds, components of the Governmental Fund type. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable, available financial resources.

Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H period of availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
4. Federal revenues in the General Fund consist of amounts attributed to the National School Lunch Program, the ROTC Program and the Medicaid Administrative Program. Expenditures are not specifically attributable to these revenue sources and are shown as amounts equal to federal revenues. The revenue for indirect costs is recognized in the General Fund. Additionally, the SHARS Program is accounted for in the General Fund. SHARS revenue is not considered federal financial assistance and is therefore not included in the schedule.

Total Expenditures of Federal Awards, Exhibit K-1	\$ 54,879,053
SHARS Program Reimbursement	494,757
Federal Program Revenues, Exhibit C-3	\$ 55,373,810



It is the policy of the Laredo Independent School District not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs.