



# Comprehensive Annual Financial Report

For the year ended August 31, 2011



**Laredo Independent School District**

Laredo, Tx | [www.laredoisd.org](http://www.laredoisd.org)



**Laredo Independent School District  
Comprehensive Annual Financial Report  
For the Year Ended  
August 31, 2011**

**Prepared by:**

**Division of Finance**

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# Introductory Section



**LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED AUGUST 31, 2011**

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Dr. A. Marcus Nelson  
Superintendent of Schools



1702 Houston St. • Laredo, Texas 78040 • Ph. 956-273-1070

***Board of Trustees  
2011-2012***



George M. Beckelhymer  
President, District 4

January 19, 2012

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



Jesus Martinez  
Vice President, District 2

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, 2011. The report was prepared by the District's Division of Finance. 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").



Jose R. Perez, Jr.  
Secretary, District 7

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.

***Trustees***



Jose A. Valdez  
Trustee, District 1

United States 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***



John Amaya  
Trustee, District 3

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.



Dr. Cecilia M. Moreno  
Trustee, District 5

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.



Hector J. Garcia  
Trustee, District 6

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 LISD website at [www.laredoisd.org/board/meetings2.html](http://www.laredoisd.org/board/meetings2.html). Select the Board Packet column, click on view for the selected date, scroll down to the PFC Agenda and click on the monthly reports item to view the financial information.

### ***Services Provided***

The District provides a safe learning environment that ensures a quality education. Beginning with 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, career studies, art, band, choir, orchestra, mariachi band and a foreign language. 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 2010-2011 was 24,706 students of which 7,383 (30%) students were enrolled at the high school level, 4,987 (20%) at the middle school level, and 12,336 (50%) at the elementary level.

Over 97% of our students are classified as economically disadvantaged; 62% as Bilingual/English as a Second Language education, 8% as Special Education, and 8% participate in Gifted and Talented courses. In addition, 34% 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 ninth Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2010. 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. On January 2010, the Metropolitan Statistical Area (MSA) reported population at about 236,091 for Laredo. With over 500,000 living across the river in Nuevo Laredo, both cities have a combined population of 736,091.

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 as the number one port along the US and Mexico Border, with one international airport, one rail bridge and four vehicles bridges (two for commercial and three for private vehicles), 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, providing for a growing tax base and attracting new industries.

According to the Laredo Development Foundation, the City's labor force is approximately 95,600 with 8.4% unemployment rate, which does not include thousands of legal workers that live in Mexico and commute daily.

### ***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 the 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 Curriculum and 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 Alio software is used and deployed on an Oracle database and runs on Windows servers. The District utilizes Weidenhammer who develops and support the Alio suite of financial and human resources software, 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, as amended, 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, 2010. This was the fourteenth 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 blue ink, appearing to read "Flor Ayala".

Flor Ayala, CPA  
Chief Financial Officer

**LAREDO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF & CONSULTANTS  
AUGUST 31, 2011**

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**ELECTED OFFICIALS**

Board of Trustees	Length of Service	Occupation
George M. Beckelhymer President	9 Years	Business Owner – L. Buffalo Pawn Shops
Jesus Martinez Vice-President	3 Years	Retired Educator
Jose R. Perez Secretary	3 Years	Retired Educator
Jose A. Valdez Trustee	14 Years	Retired
John Amaya Trustee	1 Year	Webb County Utilities Systems Manager
Dr. Cecilia May Moreno Trustee	1 Year	Webb County Purchasing Agent
Hector Garcia Trustee	1 Year	Assistant Manager – La Posada

**APPOINTED OFFICIALS**

A. Marcus Nelson, Ed.D.....	Superintendent of Schools
Linda Theret .....	Executive Director for Curriculum & Instruction
Flor Ayala, CPA .....	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 .....	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, 2011



**George M. Beckelhymmer**  
President  
District 4



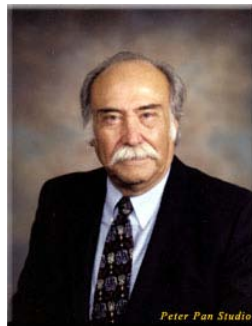
**Jesus Martinez**  
Vice-President  
District 2



**Jose R. Perez**  
Secretary  
District 7



**Dr. Cecilia May Moreno**  
Trustee  
District 5



**Jose A. Valdez**  
Trustee  
District 1



**John Amaya**  
Trustee  
District 3



**Hector Garcia**  
Trustee  
District 6

## Superintendent of Schools

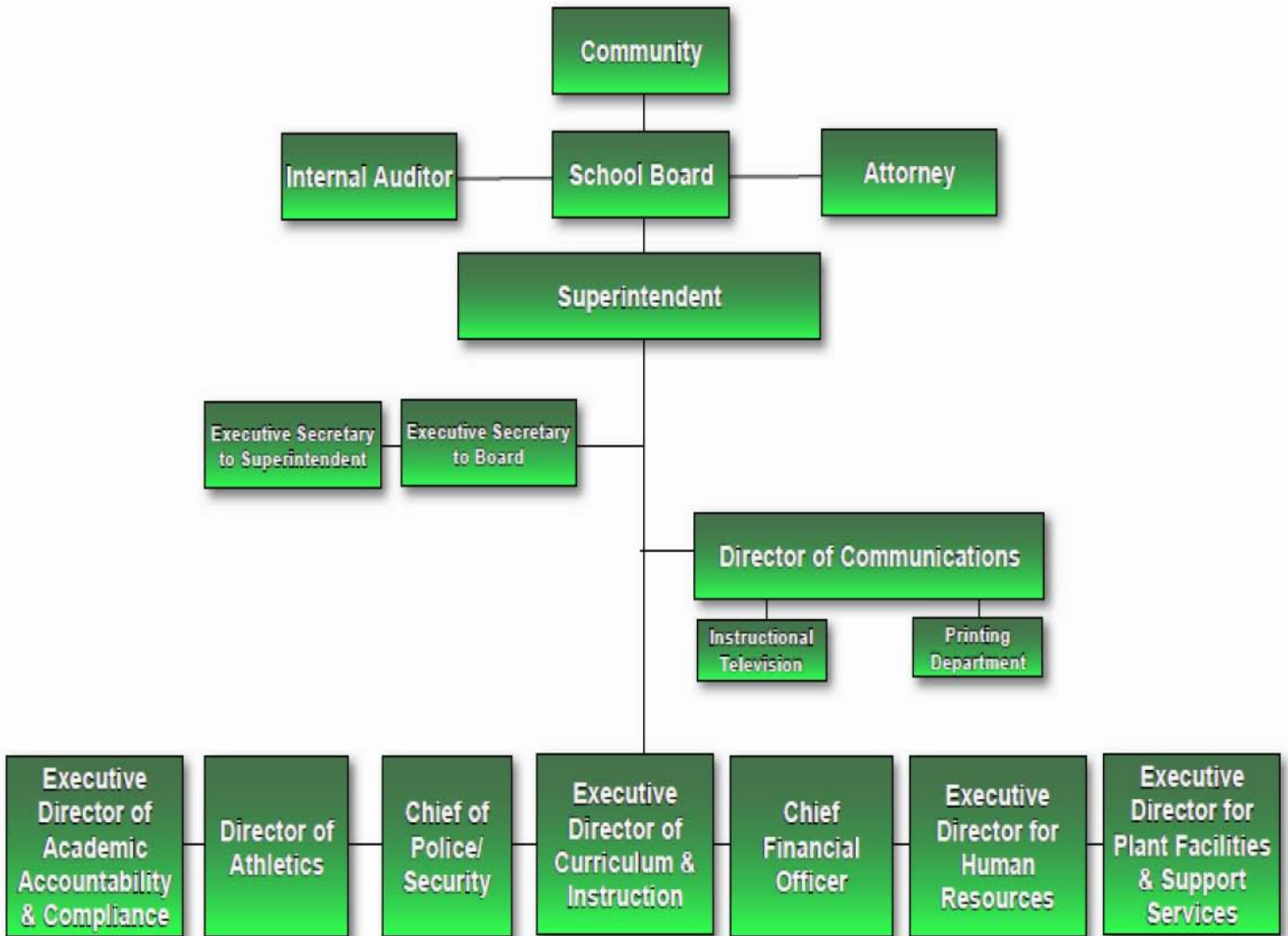


**Dr. A. Marcus Nelson**  
August 3, 2009 to Present

# LAREDO INDEPENDENT SCHOOL DISTRICT

## Organizational Chart

### August 31, 2011



# 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, 2010

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



*Linda C. Davison*

President

*Jeffrey R. Emer*

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, 2011 at a meeting of the Board of Trustees of such school district on the 26th day of January, 2012.

  
\_\_\_\_\_  
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, 2011, 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, 2011 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 16, 2012, 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.

The accompanying Management's Discussion and Analysis and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund are not a part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management about the methods of measurement and presentation of the required supplementary information. However, we did not audit the supplementary information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laredo Independent School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, TEA Required Schedules, and statistical section are presented for the purposes of additional analysis and are not a required part of the 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, TEA Required Schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the 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 express no opinion on them.

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

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
January 16, 2012

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

This section of the Laredo Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2011. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and related footnote disclosures.

**FINANCIAL HIGHLIGHTS**

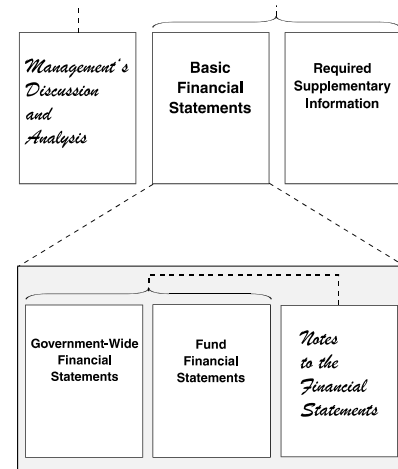
- The assets of the District exceeded its liabilities at the close of fiscal year by \$216,392,141 (net assets). Of this amount, \$46,602,044 (unrestricted net assets) may be used to meet the government’s ongoing operations.
- The District’s net assets increased by \$27,952,091. Approximately 48% of this increase was attributable to the payment of bonded indebtedness and other notes. The District issued \$18,415,000 of unlimited tax refunding bonds, Series 2011, which will result \$137,000 average savings per year from 2012 to 2025. It is important to note that a significant portion of the savings from this refunding will benefit the State since the District receives approximately 72% of its funding from state aide for the payment of the bonds. No new notes were issued during the year.
- During the year, the District’s governmental expenses were \$27,952,091 less than the \$279,666,964 generated in revenues from governmental activities. The increase in earnings was primarily due to salary savings from unfilled positions that were frozen in anticipation of the upcoming decrease in state aid for the next biennium. In addition, the District continues to carefully evaluate each purchase to ensure effectiveness and efficiency in the delivery of services to our students and taxpayers.
- As of the close of the fiscal year, the District governmental funds reported combined ending fund balances of \$183,822,356, a decrease of \$5,716,484 in comparison with the prior year, primarily due to the completion of construction projects.
- The unassigned fund balance for the general fund was \$58,910,905, or 32% of the total general fund expenditures. The unassigned fund balance increased by \$4,975,852 and is available for spending at the government’s discretion. The Board of Trustees approved the assignment of \$10,000,000 for future construction projects.

**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-1, 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 covered and the types of information contained. 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**

<i>Type of Statements</i>	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire District’s government  (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Instances in which the district is the trustee or agent for someone else’s resources
<i>Required financial statements</i>	Statements of net assets  Statement of activities	Balance sheet  Statement of revenues, expenditures & changes in fund balances	Statement of fiduciary assets and liabilities
<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 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 59 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 General Fund, the Debt Service Fund and the Capital Projects Fund. The following are considered major funds for fiscal year ended 2011: General Fund, Title I ARRA, EDA 2005 Bond Series, and IFA 2006 Bond Series. Data from the other 54 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. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. 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 \$216,392,141 at August 31, 2011 (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 \$46,602,044. The government-wide increase in net assets was \$27,952,091 or 21%.

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

	<u>Governmental Activities</u>		Percentage Change
	<u>2011</u>	<u>2010</u>	
Current assets and other assets	\$ 215,262,086	\$ 228,088,185	-6%
Capital assets	315,122,501	294,745,359	7%
Total Assets	<u>530,384,587</u>	<u>522,833,544</u>	1%
Current Liabilities	27,693,752	34,695,299	-20%
Non-Current Liabilities	286,298,694	299,698,196	-4%
Total Liabilities	<u>313,992,446</u>	<u>334,393,495</u>	-6%
Net assets:			
Investment in capital assets, net of related debt	129,424,249	99,028,291	31%
Restricted	40,365,848	38,873,931	4%
Unrestricted	46,602,044	50,537,828	-8%
Total Net Assets	<u>\$ 216,392,141</u>	<u>\$ 188,440,050</u>	15%

Capital assets, which consist of the District's land, buildings and improvements, construction-in-progress and equipment, represent about 59% of total assets. The remaining assets consist mainly of investments, cash and cash equivalents, grants, property taxes receivable and deferred debt issuance cost. The increase change to total assets was due to the completion of major capital projects.

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 paid due to retirements during the fiscal year was \$1,035,811. The District offered an Early Notification Incentive to prevent layoffs due to the upcoming shortfall in state aid. As a result, 462 employees took advantage of the incentive; therefore, the estimated liability for compensated absences decreased by \$786,161.

The largest portion of the District's net asset (60%) reflects its investment in capital assets 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 (19%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets increased by \$1,491,917 during the year ended August 31, 2011. 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 District's current assets of \$215,262,086 were sufficient to cover current liabilities of \$27,693,752. This represents a current ratio of 7.77, which means that for every dollar the District owed there was \$7.77 available in current assets.

### **Governmental Activities**

Governmental activities increased the District's net assets by \$27,952,091, accounting for a 21% increase in net assets for the District.

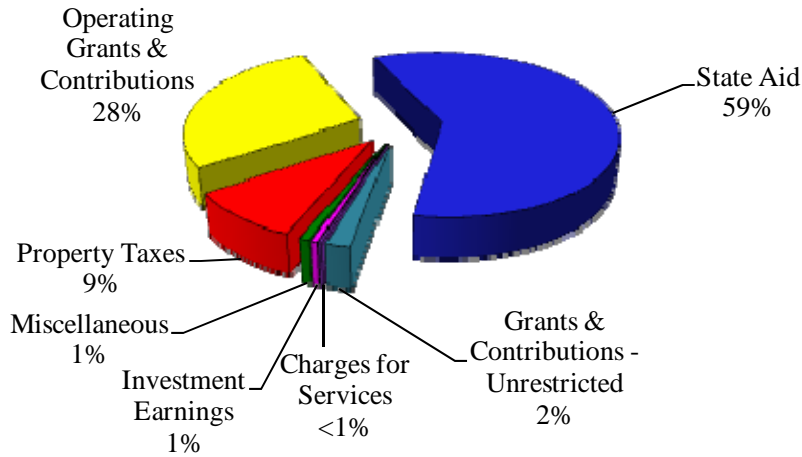
Table A-2  
Laredo Independent School District's Changes in Net Assets

	Governmental Activities		Percentage Change
	2011	2010	
Revenues:			
Program revenues:			
Charges for services	\$ 721,610	\$ 780,414	-8%
Operating grants and contributions	77,827,937	75,483,285	3%
General revenues:			
Property taxes	25,795,610	25,977,515	-1%
State aid	166,315,755	169,891,579	-2%
Grants and contributions - unrestricted	5,278,634	1,531,997	245%
Investment earnings	1,456,958	3,706,251	-61%
Miscellaneous	2,270,460	3,394,271	-33%
Total Revenues	<u>279,666,964</u>	<u>280,765,312</u>	<u>-0.39%</u>
Expenses			
Instruction	134,847,028	146,735,324	-8%
Instructional resources and media services	4,920,120	5,382,316	-9%
Curriculum and staff development	2,388,482	3,191,229	-25%
Instructional leadership	4,594,040	4,858,256	-5%
School leadership	12,315,890	11,941,453	3%
Guidance, counseling, and evaluation services	8,006,556	8,295,054	-3%
Social work services	1,463,034	1,560,438	-6%
Health services	3,222,582	3,291,693	-2%
Student transportation	5,058,546	3,741,933	35%
Food services	16,435,137	14,853,696	11%
Extracurricular activities	4,001,848	3,994,642	0%
General administration	5,877,835	7,351,514	-20%
Plant maintenance and operations	21,067,890	21,345,976	-1%
Security and monitoring services	8,753,039	2,968,302	195%
Data processing services	3,538,788	3,353,815	6%
Community service	1,856,922	1,490,872	25%
Interest on long-term debt	13,009,498	12,893,768	1%
Bond Issuance Cost and Fees	279,195	254,559	10%
Facilities acquisition and construction	-	-	0%
Payments related to shared services arrangements	6,000	-	100%
Payments to Juvenile Justice Alt. Education Program	72,443	85,320	-15%
Total Expenses	<u>251,714,873</u>	<u>257,590,160</u>	<u>-2.28%</u>
Increase in net assets	<u>27,952,091</u>	<u>23,175,152</u>	<u>21%</u>
Net assets at beginning of year	<u>188,440,050</u>	<u>165,264,898</u>	<u>14%</u>
Prior Period Adjustment	-	-	100%
Net assets at end of year	<u><u>\$ 216,392,141</u></u>	<u><u>\$ 188,440,050</u></u>	<u><u>15%</u></u>

The following chart highlights the District's revenues by funding source for the governmental activities. As illustrated, State Aid comprises 59% of the total revenues.



Figure A-3 District's Total Revenues

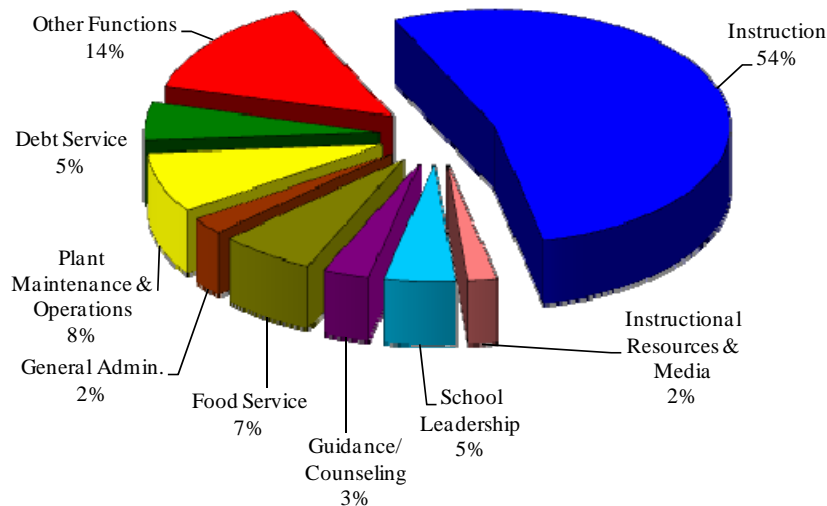


Total revenues were \$279,666,964. Revenues for the District’s governmental activities decreased by less than one percent compared to prior year. The increase to Grants and contribution was due to reimbursements from the School health and Related Services (SHARS) program. During the year, the District improved its billing system to obtain Medicaid reimbursement for certain health-related services provided to students in special education. SHARS providers reimburse the federal share of the established reimbursement rate to districts using existing state and local special education funds.

Interest earnings were down by \$2,249,293 or 61% compared to last year. The average yield earned for the year ranged from .01% to 1.32% compared to rates in the prior fiscal year from .021% to 1.25%. The District’s portfolio averaged a .30% at the last quarter of the year outperforming the rolling three and six months treasury yields which were at .07% and .12%, 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 \$134,847,028 or 54%, followed by plant maintenance & operations at \$21,067,890 or 8%.

Figure A-4 - District's Functional Expenditures



Total expenses were \$251,714,873. Total expenses decreased by \$5,875,287 or 2%. The decrease in expenses was mostly from unfilled positions that were frozen in anticipation of the reduction in state aid. Only positions within staffing formulas and direct impact to classroom instruction were allowed to be filled.

## **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, unassigned 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 \$183,822,356 a decrease of \$5,716,484 in comparison with the prior year and was attributed to the completion of major construction projects during the year. Approximately 32% or \$58,910,905 of the combined fund balance constitutes unassigned fund balance, which is available for spending at the district's discretion. The remainder of fund balance has been constrained and it is not available for new spending because it has already been dedicated : 1) to inventories \$1,178,052; 2) for Federal and State Grants \$6,848,569; 3) for capital acquisition and contractual obligations \$71,912,242; 4) for the retirement of long term debt \$22,139,631; 5) for new construction or repayment of debt \$10,570,736; 6) for E-Rate projects and Campus Activity Funds \$1,831,277; 7) set-aside for future construction projects \$10,000,000; and 8) for the payment of obligations rolled to the following year \$430,944.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$58,910,905, while total fund balance reached \$85,763,289. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32% of total general fund expenditures, while total fund balance represents 46% of total general fund expenditures.

The \$14,884,446 increase in the fund balance gives the District a balance that is the equivalent of 120 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 two month minimum expenditures required by the District's policy and to continue supporting federal programs without interruption while the District waits for its notices of grant awards.

While the property tax rate remained the same at \$1.274, the opening levy decreased by \$131,786, less than one percent, as a result of decrease in certified taxable values from \$2,227,540,359 to \$2,210,534,746.

*Debt Service Fund.* The Debt Service Fund ended with a total combined fund balance of \$22,139,630, all of which was reserved for the payment of bonded debt. The net increase in fund balance during the current year in the combined Debt Service fund was \$1,893,714. This increase was primarily due from overpayments from the Instructional Facility Allotment (IFA) from the State. The overpayments will be deducted from the 2012 fiscal payments. The State provides a guaranteed yield of \$35 per penny of tax effort per unweighted average daily attendance.

Laredo Independent School District's Analysis of Debt Service Funds

	Debt Service Fund (511)			PFC - Debt Service Fund (512)		
	2011	2010	% Change	2011	2010	% Change
Revenues						
Property taxes	\$ 5,223,240	\$ 5,246,660	-0.45%	\$ 1,939	\$ 3,514	-44.82%
State program revenues	13,687,366	14,116,555	-3.04%	3,448,431	3,489,733	-1.18%
Total revenues	18,910,606	19,363,215	-2.34%	3,450,370	3,493,247	-1.23%
Expenditures by function						
Principal Long Term Debt	12,864,652	12,284,518	4.72%	1,935,000	1,860,000	4.03%
Interest on Long Term Debt	8,318,812	8,818,405	-5.67%	2,782,738	2,853,898	-2.49%
Other Fees	274,311	272,529	0.65%	15,000	15,440	-2.85%
Total Expenditures	21,457,775	21,375,452	0.39%	4,732,738	4,729,338	0.07%
Other Financing Sources (Uses)	4,401,809	4,139,093	6.35%	1,321,443	1,251,713	5.57%
	4,401,809	4,139,093	6.35%	1,321,443	1,251,713	5.57%
Net change in fund balance	1,854,640	2,126,856	-12.80%	39,075	15,622	150.13%
Fund balance, beginning	19,806,448	17,679,592	12.03%	439,468	423,846	3.69%
Fund balance, ending	\$ 21,661,088	\$ 19,806,448	9.36%	\$ 478,543	\$ 439,468	8.89%

*Child Nutrition Fund.* The Child Nutrition Fund has a total fund balance of \$4,536,528. The net increase in fund balance during the year was \$358,367. The child nutrition program cannot exceed three months average expenditures in the fund balance within the fiscal year which is calculated at \$3,973,335, which exceeds the fund balance requirement by \$563,193. The Child Nutrition administration will submit a plan to reduce the excessive operating food service fund balance by the end of August 31, 2012.

Laredo Independent School District's Analysis of Child Nutrition Funds

	2011	2010	% Change
Local Sources	\$ 375,481	\$ 430,219	-12.72%
State Program Revenues	96,607	100,732	-4.10%
Federal Program Revenues	15,779,619	15,158,079	4.10%
Total revenues	16,251,707	15,689,030	3.59%
Expenditures by function			
Food Service	15,758,439	14,025,451	12.36%
Facilities Maintenance and Operations	134,901	142,294	-5.20%
Total Expenditures	15,893,340	14,167,745	12.18%
Net change in fund balance	358,367	1,521,285	-76.44%
Fund balance, beginning	4,178,161	2,656,876	57.26%
Fund balance, ending	\$ 4,536,528	\$ 4,178,161	8.58%

*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 projects funded by bonds approved by the voters.

Transportation Center, Child Nutrition Center, Early Childhood Centers, Shirley Field Sports Complex and other improvements.

### **Business-type Activities**

The district did not have any business type of activities.

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

Revenues and other sources from all governmental fund types totaled \$306,146,699, while total expenditures totaled \$311,863,183. The increase in expenditures was mainly the result of costs incurred on construction projects.

### **General Fund Budgetary Highlights**

The fiscal year ended August 31, 2011 budget was developed by balancing the challenges of salary increases 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 operating fund budget was amended 11 times. The original appropriation was decreased by \$9,036,119, as of the final amended budget. This decrease was mainly due to:

- Decrease in appropriations in salaries to account for State Fiscal Stabilization Fund (SFSF) as a federal fund, \$7,029,524
- Decrease in appropriations in salaries to close unfilled positions, \$1,469,230

Even with these adjustments, actual expenditures were \$13,489,663 below the final amended budget. The most significant positive variance resulted from staffing, specifically in teacher and teacher aide 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 to other areas. 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 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. Unspent grant amounts 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 \$2,472,400 more than the final budgeted amount. The District received a prior year settlement (final) in the current year from the school health and related services (SHARS) program. SHARS is a Medicaid reimbursement program for certain health-related services provided to students in special education.

## **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 2011, the District had invested \$315,122,501 in a broad range of capital assets, including land, equipment, buildings and improvements. (See Table A-3.) This amount represented a net increase (including additions and deductions) of \$20,377,142 or 7% over the previous year.

Table A-3  
Laredo Independent School District's Capital Assets

	2011	2010	Percentage Change
Land	\$ 11,529,535	\$ 11,295,691	2%
Buildings and improvements	369,529,725	337,274,423	10%
Equipment	30,954,504	27,768,778	11%
Construction in progress	21,433,130	24,752,746	-13%
Totals at historical cost	433,446,894	401,091,638	8%
Total accumulated depreciation	118,324,393	106,346,279	11%
Net capital assets	\$ 315,122,501	\$ 294,745,359	7%

The District's fiscal year 2011 capital budget projects had unspent proceeds and interest earnings of \$71,105,330, which a significant amount will be used for the completion of eligible projects such as the Early College High School, Nixon High School Redesign, and VMT Relocation. More detailed information about the District's capital assets is presented in the notes to the financial statements (Note G).

### Long Term Debt

At year-end the District had in outstanding loans, leases, bonds, arbitrage, and compensated absences outstanding as shown in Table A-4. The table indicates a decrease of approximately compared to the previous year. More detailed information about the District's debt is presented in the notes to the financial statements (Note K).

Table A-4  
Laredo Independent School District's Long-Term Debt

	2011	2010	Percentage Change
Loans payable	\$ 24,000,000	\$ 25,975,000	-7.6%
Bonds payable	260,323,385	270,898,055	-3.9%
Arbitrage payable	-	63,672	-100.0%
Compensated absences	1,975,309	2,761,470	-28.5%
Total long term debt payable	\$ 286,298,694	\$ 299,698,197	-4.5%

**Bond Ratings:** The District's bonds carry "AAA" rating with underlying ratings as follows: Moody's Investor Services "A1", Fitch "AA-" and Standard & Poors "A+".

The loans payable decreased by 7.6% due to the payoff of the Public Property Finance Contractual Obligation (PPFCO) originally issued on August 10, 2006. Due to the retirement of debt, the bonds payable decreased by 3.9%. The arbitrage computation resulted in no liability to be recorded. Lastly, the decrease in the compensated absences was due to an increase in number of employees who retired during the year mainly as a result of the Early Notification Incentive program.

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

The District's board members considered many factors when setting the fiscal year 2011-12 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 2011 was \$27,100,363 with no change to the tax rate of \$1.274. This levy compared to the previous year's levy is \$21,394 higher, which represents an increase of less than one percent. The budget includes a 93% collection rate (discounts are not considered collectible).
- The District's fiscal year 2011-12 refined average daily attendance was budgeted at 22,400, compared to last year's actual 22,494.

These indicators were taken into account when adopting the general fund budget for 2011-12. Estimated revenues available for the general funds were \$201,610,685, which includes a onetime Education Jobs Fund amount of

\$4,400,678. 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 to rise nearly compared to actual amount for the prior year. The largest increment was due to the funding of salary increases. The Board of Trustees approved \$300 increase for full-time classroom teachers, librarians, speech pathologists, school nurses, counselors and other positions on a teacher salary schedule. In addition, the Board of Trustees amended the teacher hiring schedule to increase the teacher's salaries and making salaries comparable to our neighboring school district. Lastly, professional and para-professional employees were approved a .5% and 1.5% increase, respectively, from the midpoint levels. On September 14, 2011, the board of Trustees amended the professionals and para-professional salary increase from a .5% to 1% and from a 1.5% to 2%, respectively.

#### **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 Division of Finance at (956) 273-1043.

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# Basic Financial Section





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LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2011

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 97,284,350
1120 Current Investments	92,729,607
1220 Property Taxes Receivable (Delinquent)	3,728,697
1230 Allowance for Uncollectible Taxes	(2,688,697)
1240 Due from Other Governments	19,201,332
1250 Accrued Interest	96,377
1267 Due from Fiduciary Funds	24,472
1290 Other Receivables, net	33,947
1300 Inventories	1,178,052
1410 Deferred Expenses	154,146
1490 Other Current Assets	3,519,803
Capital Assets:	
1510 Land	11,529,535
1520 Buildings, Net	272,300,375
1530 Furniture and Equipment, Net	9,859,461
1580 Construction in Progress	21,433,130
1000 Total Assets	530,384,587
<b>LIABILITIES</b>	
2110 Accounts Payable	10,035,029
2140 Interest Payable	813,825
2150 Payroll Deductions & Withholdings	1,225,552
2160 Accrued Wages Payable	7,658,285
2177 Due to Fiduciary Funds	1,012
2180 Due to Other Governments	7,356,423
2300 Deferred Revenues	603,626
Noncurrent Liabilities	
2501 Due Within One Year	20,777,371
2502 Due in More Than One Year	265,521,323
2000 Total Liabilities	313,992,446
<b>NET ASSETS</b>	
3200 Invested in Capital Assets, Net of Related Debt	129,424,249
3820 Restricted for Federal and State Programs	6,848,569
3850 Restricted for Debt Service	22,139,631
3860 Restricted for Capital Projects	806,912
3890 Restricted for Other Purposes	10,570,736
3900 Unrestricted Net Assets	46,602,044
3000 Total Net Assets	\$ 216,392,141

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, 2011

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Expenses	3	4	6	Net (Expense) Revenue and Changes in Net Assets
Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities		
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11 Instruction	\$ 134,847,028	\$ -	\$ 44,786,302	\$ (90,060,726)
12 Instructional Resources and Media Services	4,920,120	-	611,934	(4,308,186)
13 Curriculum and Staff Development	2,388,482	-	1,893,481	(495,001)
21 Instructional Leadership	4,594,040	-	1,225,841	(3,368,199)
23 School Leadership	12,315,890	-	1,146,034	(11,169,856)
31 Guidance, Counseling and Evaluation Services	8,006,556	-	1,372,123	(6,634,433)
32 Social Work Services	1,463,034	-	89,670	(1,373,364)
33 Health Services	3,222,582	-	1,592,280	(1,630,302)
34 Student (Pupil) Transportation	5,058,546	25,388	1,228,818	(3,804,340)
35 Food Services	16,435,137	323,896	16,440,067	328,826
36 Extracurricular Activities	4,001,848	145,658	393,521	(3,462,669)
41 General Administration	5,877,835	2,539	262,803	(5,612,493)
51 Facilities Maintenance and Operations	21,067,890	-	1,483,758	(19,584,132)
52 Security and Monitoring Services	8,753,039	-	3,093,492	(5,659,547)
53 Data Processing Services	3,538,788	3,253	598,566	(2,936,969)
61 Community Services	1,856,922	220,876	1,603,247	(32,799)
72 Debt Service - Interest on Long Term Debt	13,009,498	-	-	(13,009,498)
73 Debt Service - Bond Issuance Cost and Fees	279,195	-	-	(279,195)
93 Payments related to Shared Services Arrangements	6,000	-	6,000	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	72,443	-	-	(72,443)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 251,714,873</b>	<b>\$ 721,610</b>	<b>\$ 77,827,937</b>	<b>(173,165,326)</b>
Data Control Codes	<b>General Revenues:</b>			
	<b>Taxes:</b>			
MT	Property Taxes, Levied for General Purposes			21,057,468
DT	Property Taxes, Levied for Debt Service			4,738,142
SF	State Aid - Formula Grants			166,315,755
GC	Grants and Contributions not Restricted			5,278,634
IE	Investment Earnings			1,456,958
MI	Miscellaneous Local and Intermediate Revenue			2,270,460
TR	<b>Total General Revenues</b>			<b>201,117,417</b>
CN	Change in Net Assets			27,952,091
NB	Net Assets--Beginning			188,440,050
NE	Net Assets--Ending			<b>\$ 216,392,141</b>

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2011

Data Control Codes	10 General Fund	20 Title I ARRA	60 EDA 2005 Series
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 43,726,087	\$ -	\$ 9,155,238
1120 Investments - Current	40,589,550	-	17,026,961
1220 Property Taxes - Delinquent	3,157,970	-	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,277,156)	-	-
1240 Receivables from Other Governments	7,043,344	5,258,308	-
1250 Accrued Interest	13,374	-	260
1260 Due from Other Funds	15,132,210	2,866	3,000,000
1290 Other Receivables	11,211	327	-
1300 Inventories	1,178,052	-	-
1410 Deferred Expenditures	154,146	-	-
1000 Total Assets	<u>\$ 108,728,788</u>	<u>\$ 5,261,501</u>	<u>\$ 29,182,459</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
2110 Accounts Payable	\$ 3,865,197	\$ 415,783	\$ 1,753,222
2150 Payroll Deductions and Withholdings Payable	1,225,552	-	-
2160 Accrued Wages Payable	6,397,521	6,399	-
2170 Due to Other Funds	3,506,089	4,839,319	-
2180 Due to Other Governments	6,748,219	-	-
2300 Deferred Revenues	1,222,921	-	-
2000 Total Liabilities	<u>22,965,499</u>	<u>5,261,501</u>	<u>1,753,222</u>
Fund Balances:			
Nonspendable Fund Balance:			
3410 Inventories	1,178,052	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	3,865,740	-	-
3470 Capital Acquisition and Contractual Obligation	806,912	-	27,429,237
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	10,570,736	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3550 Construction	10,000,000	-	-
3590 Other Assigned Fund Balance	430,944	-	-
3600 Unassigned Fund Balance	58,910,905	-	-
3000 Total Fund Balances	<u>85,763,289</u>	<u>-</u>	<u>27,429,237</u>
4000 Total Liabilities and Fund Balances	<u>\$ 108,728,788</u>	<u>\$ 5,261,501</u>	<u>\$ 29,182,459</u>

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

60 IFA 2006 Series	Other Funds	Total Governmental Funds
\$ 28,274,508	\$ 16,128,517	\$ 97,284,350
15,319,873	19,793,223	92,729,607
-	570,727	3,728,697
-	(411,541)	(2,688,697)
-	6,899,680	19,201,332
52,926	29,817	96,377
-	328,926	18,464,002
-	22,409	33,947
-	-	1,178,052
-	-	154,146
<u>\$ 43,647,307</u>	<u>\$ 43,361,758</u>	<u>\$ 230,181,813</u>
\$ 1,590,000	\$ 2,410,830	\$ 10,035,032
-	-	1,225,552
-	1,254,365	7,658,285
6,074,376	4,020,755	18,440,539
-	608,204	7,356,423
-	420,705	1,643,626
<u>7,664,376</u>	<u>8,714,859</u>	<u>46,359,457</u>
-	-	1,178,052
-	2,982,829	6,848,569
35,982,931	7,693,162	71,912,242
-	22,139,631	22,139,631
-	-	10,570,736
-	1,831,277	1,831,277
-	-	10,000,000
-	-	430,944
-	-	58,910,905
<u>35,982,931</u>	<u>34,646,899</u>	<u>183,822,356</u>
<u>\$ 43,647,307</u>	<u>\$ 43,361,758</u>	<u>\$ 230,181,813</u>

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LAREDO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET ASSETS  
 AUGUST 31, 2011

<b>Total Fund Balances - Governmental Funds</b>	\$ 183,822,356
<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 \$404,601,325 and the accumulated depreciation was \$106,346,279. In addition, long-term liabilities of \$300,575,014, including bonds payable of \$267,149,396, 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.	(2,319,968)
<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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.	46,995,739
<b>3</b> The 2011 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(13,145,986)
<b>4</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.	1,040,000
<b>19 Net Assets of Governmental Activities</b>	\$ 216,392,141

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, 2011

Data Control Codes	10 General Fund	20 Title I ARRA	60 EDA 2005 Series
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 24,329,092	\$ -	\$ 757,910
5800 State Program Revenues	163,452,218	-	-
5900 Federal Program Revenues	19,614,026	10,963,639	-
5020 Total Revenues	<u>207,395,336</u>	<u>10,963,639</u>	<u>757,910</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	96,468,239	7,126,186	-
0012 Instructional Resources and Media Services	4,456,401	128,906	-
0013 Curriculum and Instructional Staff Development	438,355	481,917	-
0021 Instructional Leadership	3,493,666	84,051	-
0023 School Leadership	11,844,926	93,577	-
0031 Guidance, Counseling and Evaluation Services	7,069,612	12,309	-
0032 Social Work Services	1,448,890	-	-
0033 Health Services	1,725,756	51,814	-
0034 Student (Pupil) Transportation	3,235,791	-	-
0035 Food Services	15,758,439	-	-
0036 Extracurricular Activities	3,731,530	-	-
0041 General Administration	5,817,817	-	-
0051 Facilities Maintenance and Operations	20,266,709	109,936	-
0052 Security and Monitoring Services	3,309,237	2,695,986	-
0053 Data Processing Services	3,064,120	-	-
0061 Community Services	227,851	178,957	-
<b>Debt Service:</b>			
0071 Principal on Long Term Debt	-	-	-
0072 Interest on Long Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-
<b>Capital Outlay:</b>			
0081 Facilities Acquisition and Construction	4,131,488	-	17,567,108
<b>Intergovernmental:</b>			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	72,443	-	-
6030 Total Expenditures	<u>186,561,270</u>	<u>10,963,639</u>	<u>17,567,108</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,834,066</u>	<u>-</u>	<u>(16,809,198)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-
7912 Sale of Real and Personal Property	72,215	-	-
7915 Transfers In	998,891	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(7,020,726)	-	-
8949 Other (Uses)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(5,949,620)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	14,884,446	-	(16,809,198)
0100 Fund Balance - September 1 (Beginning)	<u>70,878,843</u>	<u>-</u>	<u>44,238,435</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 85,763,289</u>	<u>\$ -</u>	<u>\$ 27,429,237</u>

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



60 IFA 2006 Series	Other Funds	Total Governmental Funds
\$ 204,941	\$ 7,798,376	\$ 33,090,319
-	23,518,613	186,970,831
-	29,073,440	59,651,105
<u>204,941</u>	<u>60,390,429</u>	<u>279,712,255</u>
-	27,400,366	130,994,791
-	267,216	4,852,523
-	1,395,720	2,315,992
-	949,277	4,526,994
-	371,978	12,310,481
-	951,991	8,033,912
-	11,051	1,459,941
-	1,444,441	3,222,011
-	1,051,158	4,286,949
-	563,841	16,322,280
-	256,994	3,988,524
-	-	5,817,817
-	408,620	20,785,265
-	57,111	6,062,334
-	456,714	3,520,834
-	1,413,226	1,820,034
-	14,799,652	14,799,652
-	11,101,550	11,101,550
-	289,311	289,311
7,133,534	358,228	29,190,358
-	6,000	6,000
-	-	72,443
<u>7,133,534</u>	<u>63,554,445</u>	<u>285,779,996</u>
<u>(6,928,593)</u>	<u>(3,164,016)</u>	<u>(6,067,741)</u>
-	18,415,000	18,415,000
-	-	72,215
-	6,021,835	7,020,726
-	926,503	926,503
-	-	(7,020,726)
-	(19,062,461)	(19,062,461)
-	6,300,877	351,257
<u>(6,928,593)</u>	<u>3,136,861</u>	<u>(5,716,484)</u>
<u>42,911,524</u>	<u>31,510,038</u>	<u>189,538,840</u>
<u>\$ 35,982,931</u>	<u>\$ 34,646,899</u>	<u>\$ 183,822,356</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, 2011

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(5,716,484)
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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.		46,995,739
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.		(13,145,986)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		(181,178)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b>27,952,091</b>

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, 2011

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 524,275
Due from Other Funds	1,012
Total Assets	<u>\$ 525,287</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 11,416
Due to Other Funds	24,472
Due to Student Groups	489,399
Total Liabilities	<u>\$ 525,287</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, 2011

**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 website at [www.laredoisd.org/board/meetings2.html](http://www.laredoisd.org/board/meetings2.html). Financial information pertaining to the Public Facility Corporation is located as a separate item at the end of the each regular board agenda.

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, 2011

**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.
- ESEA, Title I, Part A – Improving Basic Programs – ARRA: This is a District's special revenue fund. This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

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 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. Miscellaneous revenues are recorded as revenue when received in cash because

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

they are generally not measurable until actually received. Investment 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. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts where expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2011

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

period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are \$2,277,156 and \$411,541 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:

<u>Asset Class</u>	<u>Estimated Useful Lives (Years)</u>
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, 2011

**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, 2011

**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	\$191,849,819	(\$9,036,119)	\$182,813,700
General Fund – Child Nutrition	17,237,233	-	17,237,233
Debt Service Fund	21,189,799	279,043	21,468,842
PFC Debt Service Fund	4,737,738	-	4,737,738

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, not otherwise restricted or committed, are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated 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. There is no District liability as of August 31, 2011.

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, 2011

**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 and TexPool, which hold 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 Balances and Net Assets

**Government-Wide Financial Statements**

Net assets on the Statement of Net Assets include the following:

Invested in Capital Assets, Net of Related Debt -- the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**A. Summary of Significant Accounting Policies (Continued)**

Restricted for Federal and State Programs - the component of net assets that reports the difference between assets and liabilities for all state and federal programs.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by law.

Restricted for Capital Projects - the component of net assets that accounts for the difference between assets and liabilities for all district construction projects.

Restricted for Other Purposes - the component of the net assets that accounts for the fund balance for the Webb County Permanent School Fund.

Unrestricted -- the difference between the assets and liabilities that is not reported in any of the classifications above.

**Governmental Fund Financial Statements**

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments.

LAREDO INDEPENDENT SCHOOL DISTRICT  
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**A. Summary of Significant Accounting Policies (Continued)**

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. As per the District's policy, fund balance can only be assigned by the District Board of Trustees. This classification includes insurance deductibles, construction, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**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:

The governmental funds balance sheet includes a reconciliation between fund balance of the total governmental funds and net assets of the 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 the \$46,995,739 difference are as follows:

<u>Capital Assets:</u>		
Bond issuance cost	\$	10,116
Land		233,844
Buildings and improvements		32,255,302
Furniture and equipment		3,185,726
Depreciation on disposed furniture and equipment		1,167,872
Construction in progress		(3,319,616)
	Subtotal	\$ 33,533,244
<u>Long - Term Liabilities:</u>		
Interest payable		62,992
Change in termination benefits & compensated absences		786,161
Bond payments		13,590,000
Capital appreciation bonds accreted interest additions		(2,688,335)
Advance refunded bonds		18,590,000
Issued refunded bonds		(18,415,000)
Loans payable payments		1,975,000
Arbitrage payable		63,672
Net increase in deferred loss advance refunded bonds		347,005
Increase in unamortized premium on bonds		(849,000)
	Subtotal	13,462,495
Net Adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities		<u>\$ 46,995,739</u>

2. The \$46,995,739 amount also applies to the reconciliation of the total net change in fund balances in the governmental funds and change in net assets in the governmental activities.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2011

**C. Compliance and Accountability**

Excess Actual Over Budget

For the year ended August 31, 2011, appropriations exceeded expenditures in all legally budgeted funds.

**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	\$	54,574,161
Cash Equivalents		
Investment Pools Accounts:		
TexasDAILY	10,186,699	
TexPool	32,523,490	
Money Market Accounts:		
PFC-Wells Fargo	670,764	
PFC-TexasDAILY	3,622,210	
Certificates of Deposit:		
Comerica Bank	58,373,236	
BBVA Compass Bank	27,724,465	
IBC Bank	226,434	
Discount Notes:		
Federal Home Loan Discount Note	2,112,498	
Total Cash Equivalents		135,439,796
Total Deposits and Investments - Primary Government	\$	190,013,957

Deposits:

At August 31, 2011, the District’s bank deposits (cash and interest bearing accounts) were \$97,927,935. The District’s cash deposits at August 31, 2011 and during the year ended August 31, 2011, 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.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

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 \$170,468,075 which is the sum of three letters of credit and pledged inventory.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$154,328,753 and occurred during the month of March 2011.
- 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 fair value of a share should approximately equal the book value of a share.

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.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act. Pursuant to subchapter G of chapter 404, the Comptroller of Public Accounts administers the Texas Local Government Investment Pools (the "TexPool Portfolios") as public funds investment pools through the Texas Treasury Safekeeping Trust Company (the "Trust Company"). The Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller and the Trust Company have contracted with Federated Investors, Inc. ("Federated"), as administrator and investment manager for the TexPool Portfolios.

*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, 2011, Texas Daily and Texpool were rated AAAM by Standard and Poor's (S&P). The District did not have any investments in commercial paper as of August 31, 2011. The Wells Fargo money market account was rated AA by S&P. The District's investments in bonds of Federal Home Loan Bank (FHLB) were 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: FHLB (1.11%), Texas Daily (7.27%), TexPool (17.12%), Wells Fargo Money Market (0.35%), IBC CD (.12%), BBVA Compass CDs (14.59%), Comerica CDs (30.72%) and BBVA Compass (28.72%).

*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.

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, certificates of deposits and a discount note to further mitigate interest rate risk.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

The District's investments at August 31, 2011 are shown below:

	Investment Maturities in Years	
Investment	Fair Value	Less than 1 Year
Agency Bonds & Discount Notes		
FNMA Note	\$ 2,112,498	\$ 2,112,498
	<u>2,112,498</u>	<u>2,112,498</u>
Investment Pools		
Texpool	32,523,490	32,523,490
Texas Daily	10,186,699	10,186,699
	<u>42,710,189</u>	<u>42,710,189</u>
Money Market Investments		
Wells Fargo MMF	670,764	670,764
Texas DAILY	3,622,210	3,622,210
	<u>4,292,974</u>	<u>4,292,974</u>
Certificates of Deposit		
IBC	226,434	226,434
BBVA Compass	27,724,465	27,724,465
Comerica	58,373,236	58,373,236
	<u>86,324,135</u>	<u>86,324,135</u>
Total Fair Value	<u>\$ 135,439,796</u>	<u>\$ 135,439,796</u>

**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, 2011 are summarized below and are reported on the government-wide statement of net assets.



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**E. Due to and from Other Governments and Agencies (continued)**

	Due to Other Governments	Due from Other Governments
	<u>                    </u>	<u>                    </u>
General Funds:		
General Fund	\$ 6,748,219	\$ 6,411,871
Food Service	-	631,473
Special Revenue Funds:		
ESEA Title IV-Safe Drug-Free Schools	-	2,987
ESEA Title I Part A-Improving Basic Program	-	1,197,325
ESEA Title I Part C-Education of Migrant	-	100,874
IDEA - Part B, Formula	608,204	
IDEA - Part B, Discretionary	-	8,558
IDEA - Part B, Deaf	-	3,086
Tech Prep. Planning/Implementation	-	5,905
Vocational Education Carl Perkins Basic Grant	-	47,759
ESEA Title II Part A	-	445,685
Title II Part D Technology	-	27,265
Immigrant/LEP Program	-	50,850
ARRA Title XIV SFSF	-	251,173
Title I ARRA	-	329,017
IDEA-B Formula- ARRA	-	2,977,252
IDEA-B-Preschool-ARRA-LEA	-	7,045
Title I ARRA/Stimulus	-	5,258,308
Summer Bilingual	-	361,929
Student Success Initiative	-	160,771
Intensive Summer Program	-	77,613
Pre-Kinder Expansion Grant	-	657,009
Mentors School	-	90,378
Texas Fitness	-	48,140
Regional Day School for the Deaf	-	20,903
Energy Efficient Grant	-	24,944
OCDETF Grant	-	3,212
Total	<u>\$ 7,356,423</u>	<u>\$ 19,201,332</u>

**F. Interfund Balances and Activities**

1. Due To and From Other Funds

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, 2011 consisted of the following:

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

	Due from Other Funds	Due to Other Funds
Major Funds:		
General Fund	\$ 15,132,210	\$ 3,506,089
Title I ARRA/Stimulus	2,866	4,839,319
\$60M 2005 Bond Series	3,000,000	-
\$57M 2006 Bond Series	-	6,074,376
Non Major Governmental Funds	328,926	4,020,758
Fiduciary Funds:		
Agency Funds	1,012	24,472
	\$ 18,465,014	\$ 18,465,014

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, 2011 consisted of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Debt Service	\$ 4,122,767	Transfer to cover for interest and principal costs for loans.
General Fund	PFC Debt Service	1,321,443	Transfer to cover for interest & principal cost for the PFC debt.
General Fund	Athletics Program	998,891	Transfer to cover athletic costs for the District.
General Fund	E-Rate	577,625	To cover local 10% share of grant and items ineligible for E-Rate
		\$ 7,020,726	

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**G. Capital Assets**

Capital asset activity for the year ended August 31, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 11,295,691	\$ 233,844	\$ -	\$ 11,529,535
Construction in Progress	24,752,746	28,935,686	32,255,302	21,433,130
Total capital assets not being depreciated	<u>36,048,437</u>	<u>29,169,530</u>	<u>32,255,302</u>	<u>32,962,665</u>
Capital assets being depreciated:				
Buildings and Improvements	337,274,423	32,255,302	-	369,529,725
Equipment	27,768,778	4,418,504	1,232,778	30,954,504
Total capital assets being depreciated	<u>365,043,201</u>	<u>36,673,806</u>	<u>1,232,778</u>	<u>400,484,229</u>
Less accumulated depreciation:				
Building and Improvements	86,503,624	10,725,726	-	97,229,350
Equipment	19,842,655	2,420,260	1,167,872	21,095,043
Total accumulated depreciation	<u>106,346,279</u>	<u>13,145,986</u>	<u>1,167,872</u>	<u>118,324,393</u>
Total capital assets being depreciated, net	<u>258,696,922</u>	<u>23,527,820</u>	<u>64,906</u>	<u>282,159,836</u>
Governmental activities capital assets, net	<u>\$ 294,745,359</u>	<u>\$ 52,697,350</u>	<u>\$ 32,320,208</u>	<u>\$ 315,122,501</u>

Depreciation was charged to the following functions as follows:

	Totals
Instruction	\$ 4,925,533
Instruction Resources and Media Services	116,539
Staff Development	74,382
Instructional Leadership	82,129
School Leadership	56,545
Guidance, Counseling & Evaluation Services	3,164
Social Work Services	9,348
Health Services	8,021
Transportation	1,709,522
Food Services	201,230
Athletics	24,522
General Administration	20,199
Plan Maintenance and Operations	519,508
Security and Monitoring Services	5,259,445
Data Processing Services	67,182
Parental Involvement	68,717
Total Depreciation	<u>\$ 13,145,986</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
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**H. Deferred Revenue**

Deferred revenue at August 31, 2011 consisted of the following:

Food Service Fund	\$ 226,374
Successor & Interest	14,266
Science Labs	48,678
General Operating Fund - Tax Revenue	866,548
General Operating Fund - Escrow Refunds	67,055
ESEA Title I Part A - Improving B.	18,157
Vocational Education Carl Perkins Basic Grant	5,883
FEMA Grant	7,298
Pregnancy, Education, and Parenting CCMS	209,640
LEOSE	2,188
Misc. Local Funds	12,353
ENLACE	6,000
Debt Service Fund	159,186
	<u><u>\$1,643,626</u></u>

**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 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 academies 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 was made in fiscal year ending August 31, 2011.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**I. Loans (continued)**

The following is a summary of loan transaction of the district for the year ending August 31, 2011.

Description	Balance Outstanding 9/1/2010	Issued Current Year	Retired Current Year	Balance Outstanding 8/31/2011	Amounts Due Within One Year
Note - August 23, 2000	\$ 8,000,000	\$ -	\$ -	\$ 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	1,975,000	-	1,975,000	-	-
	<u>\$ 25,975,000</u>	<u>\$ -</u>	<u>\$ 1,975,000</u>	<u>\$ 24,000,000</u>	<u>\$ 8,000,000</u>

Interest paid during the year on loans was \$259,697.50. All loans are funded from Maintenance and Operations (M&O) tax.

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

Year Ending August 31,	Principal	Interest	Total
2012	\$ 8,000,000	\$ 175,760	\$ 8,175,760
2013	8,000,000	87,760	8,087,760
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017-2021	8,000,000	-	8,000,000
	<u>\$ 24,000,000</u>	<u>\$ 263,520</u>	<u>\$ 24,263,520</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
2012	\$ 389,887
2013	389,887
2014	389,887
2015	389,887
2016	389,887
2017-2021	1,949,435
Total	<u>\$ 3,898,870</u>

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FOR THE YEAR ENDED AUGUST 31, 2011

**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, 2011 are as follows:

Interest paid on bonded indebtedness during the current year was \$10,841,851.80.

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	\$ 24,175,000	\$ -	\$ 24,175,000	\$ -	\$ -
Current Interest	5.00%	18,200,000	-	-	-	-	-
Capital Appreciation	5.00-5.375%	2,509,910	5,930,971	610,317	-	6,541,288	-
<i>Lease Revenue Bonds</i>							
Series A	3.00-5.00%	30,105,000	25,185,000	-	855,000	24,330,000	890,000
Series B	3.00-5.00%	6,345,000	5,270,000	-	185,000	5,085,000	190,000
Series C	3.00-5.00%	23,715,000	19,885,000	-	665,000	19,220,000	690,000
Series D	3.00-5.00%	2,140,000	1,790,000	-	60,000	1,730,000	60,000
Series E	3.00-5.00%	1,215,000	1,015,000	-	35,000	980,000	35,000
<i>Lease Revenue Bonds</i>							
Series F	3.00-5.00%	4,615,000	3,820,000	-	135,000	3,685,000	140,000
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	3.00-5.00%	51,120,000	49,970,000	-	230,000	49,740,000	-
Capital Appreciation	5.152%	3,024,784	4,046,419	163,462	-	4,209,881	3,024,784
<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	40,902,006	1,914,556	3,760,000	39,056,562	2,854,517
<i>Unlimited Tax School Building Bonds:</i>							
Current Interest	4.125-5.00%	56,950,000	50,550,000	-	1,745,000	48,805,000	1,820,000
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	4.00-5.00%	18,420,000	18,420,000	-	-	18,420,000	-
<i>Unlimited Tax Refunding Bonds:</i>							
Current Interest	2.00-5.00%	18,415,000	-	18,415,000	335,000	18,080,000	1,770,000
<b>TOTALS</b>		<b>\$ 374,520,540</b>	<b>\$ 267,149,396</b>	<b>\$ 21,103,335</b>	<b>\$ 32,180,000</b>	<b>\$ 256,072,731</b>	<b>\$ 11,474,301</b>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2011

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

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

Year Ending August 31,	Capital Appreciation			Total
	Principal	Bond	Interest	
2012	\$ 11,474,301	\$ 1,943,865	\$ 12,000,396	\$ 23,474,697
2013	12,885,585	747,864	10,574,026	23,459,611
2014	13,184,622	735,794	10,252,666	23,437,288
2015	13,536,406	717,784	9,883,835	23,420,241
2016	10,876,538	2,192,565	12,537,362	23,413,900
2017-2021	67,452,259	5,740,980	49,534,352	116,986,611
2022-2026	71,974,500	2,524,668	29,798,525	101,773,025
2027-2031	40,085,000	-	4,514,275	44,599,275
	<u>\$ 241,469,211</u>	<u>\$ 14,603,520</u>	<u>\$ 139,095,437</u>	<u>\$ 380,564,648</u>

**Capital Appreciation Bonds**

The total accretion of discount on capital appreciation bonds that is included in the August 31, 2011 ending balance of \$256,072,731 is \$14,603,520.

**2011 Unlimited Tax Refunding Bonds**

On April 19, 2011, the District issued \$18,415,000 in unlimited tax refunding bonds with the interest rates between 2.00% and 5.00% to advance refund \$18,590,000 of series 2001 bonds with original maturities between 2012 and 2025 and interest rates between 4.250% and 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 \$2,380,060 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1,917,168. The reacquisition price exceeded the net carrying amount of the old debt by \$472,461. This amount will be amortized over the remaining life of the refunded debt.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

Deceased 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, 2011, approximately \$95 million of the 1999 and 2001 series bond issues were outstanding, but considered defeased.

<u>Maturity Date:</u>	<u>1999 Unlimited Tax School Building</u>	<u>2001 Unlimited Tax School Building and Refunding</u>	<u>Total</u>
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	2,725,000	6,835,000
8/1/2021	4,335,000	2,845,000	7,180,000
8/1/2022	4,575,000	3,000,000	7,575,000
8/1/2023	4,825,000	3,155,000	7,980,000
8/1/2024	5,095,000	3,310,000	8,405,000
8/1/2024	-	3,480,000	3,480,000
Total			<u>\$ 94,905,000</u>



**LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

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

Long-term liability activity for the governmental activities for the year ended August 31, 2011, was as follows:

Description	Balance Outstanding 9/1/2010	Issued/Increase Current Year	Retired/Decrease Current Year	Balance Outstanding 8/31/2011	Amounts Due Within One Year
<b>Loans Payable</b>					
Loans	\$ 25,975,000	\$ -	\$ 1,975,000	\$ 24,000,000	\$ 8,000,000
General Obligation Bonds	267,149,396	21,103,335	32,180,000	256,072,731	11,474,301
Bonds Premium Amortization - Net	5,005,027	926,503	77,503	5,854,027	386,659
Deferred Loss on Refunding Bonds	(1,256,368)	(472,461)	(125,456)	(1,603,373)	(119,400)
<b>Total Bonds Payable</b>	<u>270,898,055</u>	<u>21,557,377</u>	<u>32,132,047</u>	<u>260,323,385</u>	<u>11,741,560</u>
<b>Other Liabilities</b>					
Compensated Absences	2,761,470	249,650	1,035,811	1,975,309	1,035,811
Arbitrage Payable	63,672	-	63,672	-	-
<b>Total Other Liabilities</b>	<u>2,825,142</u>	<u>249,650</u>	<u>1,099,483</u>	<u>1,975,309</u>	<u>1,035,811</u>
<b>Total Governmental Activities</b>					
Long-term Liabilities	<u>\$ 299,698,197</u>	<u>\$ 21,807,027</u>	<u>\$ 35,206,530</u>	<u>\$ 286,298,694</u>	<u>\$ 20,777,371</u>

General Operating Fund is used to liquidate the liability for compensated absences.

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

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

Description	General	2005 Bond	2006 Bond	Other Governmental	Total
	Fund	Fund	Fund	Funds	
Property Taxes	\$ 21,936,811	\$ -	\$ -	\$ 4,924,480	\$ 26,861,291
Penalties & Interest	655,408	-	-	138,154	793,562
Investment Income	256,829	757,910	204,941	176,331	1,396,011
Rental of Facilities & Insurance Recovery	5,137	-	-	-	5,137
Co-curricular	140,579	-	-	-	140,579
Miscellaneous	1,334,328	-	-	2,559,411	3,893,739
	<u>\$24,329,092</u>	<u>\$ 757,910</u>	<u>\$ 204,941</u>	<u>\$ 7,798,376</u>	<u>\$ 33,090,319</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2011

**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 up 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, 2011, the balance for the State Personal and Sick Leave is \$1,975,309. The estimated amount due within a year totals to \$1,035,811. The General Fund and Special Revenue Funds, if allowed, are expected to pay for 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 2011, 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, 2011 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
2009-10	\$117,855	\$(6,809)	\$10,128	\$100,918
2010-11	\$100,918	\$(4,313)	\$ 8,961	\$ 96,270

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**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 2011 a state contribution rate of 6.644% and for fiscal year years 2010 and 2009, a state contribution rate of 6.644% 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, 2011, 2010, and 2009 were \$9,731,760, \$9,931,284 and \$9,686,758, 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, 2011, 2010, and 2009 were \$3,509,388, \$3,649,702 and \$3,650,552 respectively, and were equal to the required contributions for each year. The District contributed 6.644% totaling \$59,323 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 \$8,599,937.

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 \$389,842, \$393,167 and \$342,308 for fiscal years 2011, 2010, and 2009, respectively. Revenue and expenditures equal to the amount by the federal government were recognized during the 2011 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 9/1/10-8/31/11, 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 group health insurance program.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

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

The District contributed \$265 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 2010-2011 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.

**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, 2011

**R. Construction Commitments**

As of August 31, 2011, 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	\$ 34,650,560	\$ 25,769,934	\$ 880,626	\$ 1,942,039
Environmental Services	380,705	127,139	253,566	-
HVAC Systems	23,800	12,500	11,300	-
Portable Rentals	223,362	75,688	147,674	27,426
Electrical	8,747,102	339,173	8,407,929	5,260
Architect Services	3,023,940	415,327	2,608,613	-
Total	<u>\$ 47,049,469</u>	<u>\$ 26,739,761</u>	<u>\$ 12,309,708</u>	<u>\$ 1,974,725</u>

**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 District: United Independent School District (U.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 District. Revenue from the respective member District is presented below:

LISD	\$ 354,668
UISD	278,389
	<u>\$ 633,057</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.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011

**T. Net Assets / Fund Balance – Other Purposes / Other Commitments and Assignments**

The District receives funds from the Webb County Permanent School Fund (WCPSF) from revenues generated by county school lands entrusted to the County under Article VII, §6 of the Texas Constitution. Funds received as of August 31, 2011, totaling \$10,570,736 (including earned interest) are restricted for making permanent improvements or reducing bond indebtedness.

The District has applied for E-Rate projects that are pending funding. As a result, the District is required to demonstrate funding support for the projects that have been filed. The balance of \$1,605,731 will be used for future approved projects.

Campus activity funds are funds that are raised by the student body and must be expended for the benefit of the student body as a whole. Examples of funds that should be accounted for in this fund are student picture money and the proceeds of vending machines. Campus activity funds are considered public funds and are subject to the gift of public funds regulations (Article III, Section 51 of the Texas State Constitution and the Local Government Code). The total amount available at the end of the year was \$225,546.

The District automatically reappropriates encumbrances outstanding at the end of the current fiscal year as part of the subsequent year's budget. The balance of \$430,944 was set-aside for legal commitments for the General Fund.

**Net Assets**

Restricted for Other Purposes:

WCPSF	\$10,570,736
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**Fund Balance**

Other Committed Fund Balance:

E-Rate	\$1,605,731
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Campus Activity	225,546
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Other Assigned Fund Balance:

Encumbrances	\$430,944
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## **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, 2011

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	\$ 23,227,941	\$ 23,259,807	\$ 24,329,092	\$ 1,069,285
5800 State Program Revenues	166,416,440	163,619,041	163,452,218	(166,823)
5900 Federal Program Revenues	17,773,688	18,044,088	19,614,026	1,569,938
5020 Total Revenues	207,418,069	204,922,936	207,395,336	2,472,400
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	109,503,911	102,331,575	96,468,239	5,863,336
0012 Instructional Resources and Media Services	4,753,989	4,682,296	4,456,401	225,895
0013 Curriculum and Instructional Staff Development	842,350	862,859	438,355	424,504
0021 Instructional Leadership	3,684,274	3,600,934	3,493,666	107,268
0023 School Leadership	12,251,126	12,145,680	11,844,926	300,754
0031 Guidance, Counseling and Evaluation Services	7,380,627	7,308,890	7,069,612	239,278
0032 Social Work Services	1,683,249	1,616,017	1,448,890	167,127
0033 Health Services	1,847,022	1,850,007	1,725,756	124,251
0034 Student (Pupil) Transportation	3,490,971	3,492,061	3,235,791	256,270
0035 Food Services	17,033,733	17,033,733	15,758,439	1,275,294
0036 Extracurricular Activities	3,864,778	3,844,344	3,731,530	112,814
0041 General Administration	7,281,965	6,909,783	5,817,817	1,091,966
0051 Facilities Maintenance and Operations	22,241,685	22,360,470	20,266,709	2,093,761
0052 Security and Monitoring Services	4,002,453	3,970,412	3,309,237	661,175
0053 Data Processing Services	3,118,140	3,163,985	3,064,120	99,865
0061 Community Services	248,279	248,754	227,851	20,903
Debt Service:				
0072 Interest on Long Term Debt	46,116	46,116	-	46,116
0073 Bond Issuance Cost and Fees	14,261	14,261	-	14,261
Capital Outlay:				
0081 Facilities Acquisition and Construction	5,713,123	4,483,756	4,131,488	352,268
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	85,000	85,000	72,443	12,557
6030 Total Expenditures	209,087,052	200,050,933	186,561,270	13,489,663
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,668,983)	4,872,003	20,834,066	15,962,063
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	72,215	72,215	-
7915 Transfers In	1,020,000	1,020,000	998,891	(21,109)
8911 Transfers Out (Use)	(7,041,835)	(7,041,835)	(7,020,726)	21,109
7080 Total Other Financing Sources (Uses)	(6,021,835)	(5,949,620)	(5,949,620)	-
1200 Net Change in Fund Balances	(7,690,818)	(1,077,617)	14,884,446	15,962,063
0100 Fund Balance - September 1 (Beginning)	70,878,843	70,878,843	70,878,843	-
3000 Fund Balance - August 31 (Ending)	\$ 63,188,025	\$ 69,801,226	\$ 85,763,289	\$ 15,962,063



# Special Revenue



## **Combining and Other Statements**

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2011

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	\$ -	\$ -	\$ -	\$ 768,116
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	2,987	1,197,325	100,874	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	5,222	-	3,539
1290	Other Receivables	-	4,731	-	175
1000	<b>Total Assets</b>	<u>\$ 2,987</u>	<u>\$ 1,207,278</u>	<u>\$ 100,874</u>	<u>\$ 771,830</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
2110	Accounts Payable	\$ -	\$ 439,115	\$ 4,743	\$ 58,903
2160	Accrued Wages Payable	-	490,693	789	104,061
2170	Due to Other Funds	2,987	259,313	95,342	662
2180	Due to Other Governments	-	-	-	608,204
2300	Deferred Revenues	-	18,157	-	-
2000	<b>Total Liabilities</b>	<u>2,987</u>	<u>1,207,278</u>	<u>100,874</u>	<u>771,830</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
<b>Committed Fund Balance:</b>					
3545	Other Committed Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,987</u>	<u>\$ 1,207,278</u>	<u>\$ 100,874</u>	<u>\$ 771,830</u>

226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	261 Reading First	262 Title II, D Education Technology
\$ -	\$ -	\$ 93,090	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,558	3,086	-	5,905	47,759	445,685	-	27,265
-	-	-	-	-	-	-	-
-	50	-	-	584	66	898	-
-	-	-	-	1,953	2,664	382	-
<u>\$ 8,558</u>	<u>\$ 3,136</u>	<u>\$ 93,090</u>	<u>\$ 5,905</u>	<u>\$ 50,296</u>	<u>\$ 448,415</u>	<u>\$ 1,280</u>	<u>\$ 27,265</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 798	\$ -	\$ -
-	-	-	-	7,146	134,089	-	-
8,558	3,136	93,090	5,905	37,267	313,528	1,280	27,265
-	-	-	-	-	-	-	-
-	-	-	-	5,883	-	-	-
<u>8,558</u>	<u>3,136</u>	<u>93,090</u>	<u>5,905</u>	<u>50,296</u>	<u>448,415</u>	<u>1,280</u>	<u>27,265</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 8,558</u>	<u>\$ 3,136</u>	<u>\$ 93,090</u>	<u>\$ 5,905</u>	<u>\$ 50,296</u>	<u>\$ 448,415</u>	<u>\$ 1,280</u>	<u>\$ 27,265</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2011

Data Control Codes	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization	279 Title II, D ARRA - Ed. Technology	281 FEMA Grant	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 72,193	\$ -	\$ -	\$ 7,793
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	50,850	251,173	329,017	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	2,399	-	108	-
1290	Other Receivables	2,031	-	-	-
1000	<b>Total Assets</b>	<u>\$ 127,473</u>	<u>\$ 251,173</u>	<u>\$ 329,125</u>	<u>\$ 7,793</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
2110	Accounts Payable	\$ 47,334	\$ -	\$ 6,619	\$ 495
2160	Accrued Wages Payable	80,139	-	6,697	-
2170	Due to Other Funds	-	251,173	315,809	-
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	7,298
2000	<b>Total Liabilities</b>	<u>127,473</u>	<u>251,173</u>	<u>329,125</u>	<u>7,793</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
<b>Committed Fund Balance:</b>					
3545	Other Committed Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 127,473</u>	<u>\$ 251,173</u>	<u>\$ 329,125</u>	<u>\$ 7,793</u>

283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	289 Summer Bilingual Fund	393 Texas Successful Schools Prog.	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative	409 High School Completion and Success
\$ 19	\$ -	\$ -	\$ 29,508	\$ 209,639	\$ 73,478	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,977,252	7,045	361,929	-	-	-	160,771	77,613
-	-	-	-	-	-	-	-
7,530	-	-	-	-	30	28	417
-	-	-	-	-	-	-	-
<u>\$ 2,984,801</u>	<u>\$ 7,045</u>	<u>\$ 361,929</u>	<u>\$ 29,508</u>	<u>\$ 209,639</u>	<u>\$ 73,508</u>	<u>\$ 160,799</u>	<u>\$ 78,030</u>
\$ 1,638,817	\$ -	\$ -	\$ -	\$ -	\$ 3,886	\$ 23	\$ 3,475
-	-	-	-	-	-	3,290	2,834
1,345,984	7,045	361,929	-	-	-	157,486	71,721
-	-	-	-	-	-	-	-
-	-	-	-	209,639	-	-	-
<u>2,984,801</u>	<u>7,045</u>	<u>361,929</u>	<u>-</u>	<u>209,639</u>	<u>3,886</u>	<u>160,799</u>	<u>78,030</u>
-	-	-	29,508	-	69,622	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,508</u>	<u>-</u>	<u>69,622</u>	<u>-</u>	<u>-</u>
<u>\$ 2,984,801</u>	<u>\$ 7,045</u>	<u>\$ 361,929</u>	<u>\$ 29,508</u>	<u>\$ 209,639</u>	<u>\$ 73,508</u>	<u>\$ 160,799</u>	<u>\$ 78,030</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2011

Data Control Codes	411 Technology Allotment	415 Kindergarten and Pre-K Grants	424 School Leadership Pilot Prog.	425 Teacher Induction and Mentoring	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 2,276,810	\$ -	\$ 2,188	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	657,009	-	90,378
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	2,319	-	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 2,276,810</u>	<u>\$ 659,328</u>	<u>\$ 2,188</u>	<u>\$ 90,378</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
2110	Accounts Payable	\$ 120,699	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	8,357	381,285	-	-
2170	Due to Other Funds	-	278,043	-	90,378
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	2,188	-
2000	<b>Total Liabilities</b>	<u>129,056</u>	<u>659,328</u>	<u>2,188</u>	<u>90,378</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
3450	Federal or State Funds Grant Restriction	2,147,754	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
<b>Committed Fund Balance:</b>					
3545	Other Committed Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>2,147,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,276,810</u>	<u>\$ 659,328</u>	<u>\$ 2,188</u>	<u>\$ 90,378</u>

427 Texas Fitness Grant	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	480 E-Rate	481 Energy Efficient Grant	482 Dr. Hochman Grant	483 Equitable Sharing Program
\$ -	\$ -	\$ 741,712	\$ 233,826	\$ 1,634,984	\$ -	\$ 6,955	\$ 12,400
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
48,140	-	20,903	-	-	24,944	-	-
-	-	-	-	-	-	-	-
-	488	-	5,586	483	-	-	-
-	-	-	892	-	-	-	-
<u>\$ 48,140</u>	<u>\$ 488</u>	<u>\$ 762,615</u>	<u>\$ 240,304</u>	<u>\$ 1,635,467</u>	<u>\$ 24,944</u>	<u>\$ 6,955</u>	<u>\$ 12,400</u>
\$ -	\$ -	\$ -	\$ 11,164	\$ 29,736	\$ -	\$ -	\$ -
-	-	33,625	-	-	-	-	-
48,140	488	-	3,594	-	24,944	-	47
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	12,353
<u>48,140</u>	<u>488</u>	<u>33,625</u>	<u>14,758</u>	<u>29,736</u>	<u>24,944</u>	<u>-</u>	<u>12,400</u>
-	-	728,990	-	-	-	6,955	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	225,546	1,605,731	-	-	-
-	-	728,990	225,546	1,605,731	-	6,955	-
<u>\$ 48,140</u>	<u>\$ 488</u>	<u>\$ 762,615</u>	<u>\$ 240,304</u>	<u>\$ 1,635,467</u>	<u>\$ 24,944</u>	<u>\$ 6,955</u>	<u>\$ 12,400</u>



LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2011

Data Control Codes	484 OCDETF Grant	485 UTNB Health HCOE	Total Nonmajor Special Revenue Funds	511 Debt Service Fund
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 6,000	\$ 6,168,711	\$ 6,346,045
1120 Investments - Current	-	-	-	15,273,814
1220 Property Taxes - Delinquent	-	-	-	570,727
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	(411,541)
1240 Receivables from Other Governments	3,212	-	6,899,680	-
1250 Accrued Interest	-	-	-	29,515
1260 Due from Other Funds	-	-	29,747	2,179
1290 Other Receivables	-	-	12,828	9,581
1000 Total Assets	<u>\$ 3,212</u>	<u>\$ 6,000</u>	<u>\$ 13,110,966</u>	<u>\$ 21,820,320</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110 Accounts Payable	\$ -	\$ -	\$ 2,365,807	\$ -
2160 Accrued Wages Payable	1,360	-	1,254,365	-
2170 Due to Other Funds	1,852	-	3,806,966	45
2180 Due to Other Governments	-	-	608,204	-
2300 Deferred Revenues	-	6,000	261,518	159,187
2000 Total Liabilities	<u>3,212</u>	<u>6,000</u>	<u>8,296,860</u>	<u>159,232</u>
Fund Balances:				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	2,982,829	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	21,661,088
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	1,831,277	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>4,814,106</u>	<u>21,661,088</u>
4000 Total Liabilities and Fund Balances	<u>\$ 3,212</u>	<u>\$ 6,000</u>	<u>\$ 13,110,966</u>	<u>\$ 21,820,320</u>

512	Total	616	625	626	627	630	697
Debt Service	Nonmajor	Capital	Qualified	Qualified	Public	Qualified	Instructional
Fund - PFC	Debt Service	Projects	Zone Academy	Zone Academy	Facility	Zone Academy	Facilities
	Funds		Bond #1	Bond #2	Corporation	Bond #3	Allotment #2
\$ 478,543	\$ 6,824,588	\$ 24,732	\$ 225,117	\$ 353,120	\$ -	\$ 559,400	\$ 1,264,339
-	15,273,814	-	226,434	-	4,292,975	-	-
-	570,727	-	-	-	-	-	-
-	(411,541)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,515	-	302	-	-	-	-
-	2,179	-	-	-	297,000	-	-
-	9,581	-	-	-	-	-	-
<u>\$ 478,543</u>	<u>\$ 22,298,863</u>	<u>\$ 24,732</u>	<u>\$ 451,853</u>	<u>\$ 353,120</u>	<u>\$ 4,589,975</u>	<u>\$ 559,400</u>	<u>\$ 1,264,339</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,584
-	-	-	-	-	-	-	-
-	45	-	-	-	213,744	-	-
-	-	-	-	-	-	-	-
-	159,187	-	-	-	-	-	-
<u>-</u>	<u>159,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,744</u>	<u>-</u>	<u>5,584</u>
-	-	-	-	-	-	-	-
-	-	24,732	451,853	353,120	4,376,231	559,400	1,258,755
478,543	22,139,631	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>478,543</u>	<u>22,139,631</u>	<u>24,732</u>	<u>451,853</u>	<u>353,120</u>	<u>4,376,231</u>	<u>559,400</u>	<u>1,258,755</u>
<u>\$ 478,543</u>	<u>\$ 22,298,863</u>	<u>\$ 24,732</u>	<u>\$ 451,853</u>	<u>\$ 353,120</u>	<u>\$ 4,589,975</u>	<u>\$ 559,400</u>	<u>\$ 1,264,339</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2011

Data Control Codes	699 Instructional Facilities Allotment #1	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds	
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 708,510	\$ 3,135,218	\$ 16,128,517
1120	Investments - Current	-	4,519,409	19,793,223
1220	Property Taxes - Delinquent	-	-	570,727
1230	Allowance for Uncollectible Taxes (Credit)	-	-	(411,541)
1240	Receivables from Other Governments	-	-	6,899,680
1250	Accrued Interest	-	302	29,817
1260	Due from Other Funds	-	297,000	328,926
1290	Other Receivables	-	-	22,409
1000	Total Assets	<u>\$ 708,510</u>	<u>\$ 7,951,929</u>	<u>\$ 43,361,758</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110	Accounts Payable	\$ 39,439	\$ 45,023	\$ 2,410,830
2160	Accrued Wages Payable	-	-	1,254,365
2170	Due to Other Funds	-	213,744	4,020,755
2180	Due to Other Governments	-	-	608,204
2300	Deferred Revenues	-	-	420,705
2000	Total Liabilities	<u>39,439</u>	<u>258,767</u>	<u>8,714,859</u>
Fund Balances:				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	2,982,829
3470	Capital Acquisition and Contractual Obligation	669,071	7,693,162	7,693,162
3480	Retirement of Long-Term Debt	-	-	22,139,631
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	1,831,277
3000	Total Fund Balances	<u>669,071</u>	<u>7,693,162</u>	<u>34,646,899</u>
4000	Total Liabilities and Fund Balances	<u>\$ 708,510</u>	<u>\$ 7,951,929</u>	<u>\$ 43,361,758</u>

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LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

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	15,966	11,293,650	275,846
5020	Total Revenues	<u>15,966</u>	<u>11,293,650</u>	<u>275,846</u>
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	3,006	7,497,027	44,706
0012	Instructional Resources and Media Services	-	231,321	-
0013	Curriculum and Instructional Staff Development	-	359,768	634
0021	Instructional Leadership	-	244,284	88,488
0023	School Leadership	-	256,755	-
0031	Guidance, Counseling and Evaluation Services	-	529,971	46,516
0032	Social Work Services	-	-	2,083
0033	Health Services	-	1,348,150	-
0034	Student (Pupil) Transportation	-	-	2,544
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	17,542
0051	Facilities Maintenance and Operations	-	3,143	-
0052	Security and Monitoring Services	12,960	35,613	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	787,618	92,958
Debt Service:				
0071	Principal on Long Term Debt	-	-	-
0072	Interest on Long Term Debt	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030	Total Expenditures	<u>15,966</u>	<u>11,293,650</u>	<u>275,846</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	-	-	-
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>\$ -</u></u>	<u><u>\$ -</u></u>

226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	261 Reading First	262 Title II, D Education Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
8,558	3,014	542,411	5,905	501,370	2,354,353	-	26,750
<u>8,558</u>	<u>3,014</u>	<u>542,411</u>	<u>5,905</u>	<u>501,370</u>	<u>2,354,353</u>	<u>-</u>	<u>26,750</u>
2,303	3,014	-	5,905	320,815	2,063,842	-	26,750
-	-	-	-	-	-	-	-
255	-	-	-	125,565	122,859	-	-
-	-	-	-	2,967	167,652	-	-
-	-	-	-	3,446	-	-	-
-	-	-	-	559	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	534,956	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,455	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	48,018	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	-	-	-	-	-	-	-
<u>8,558</u>	<u>3,014</u>	<u>542,411</u>	<u>5,905</u>	<u>501,370</u>	<u>2,354,353</u>	<u>-</u>	<u>26,750</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 - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization	279 Title II, D ARRA - Ed. Technology	281 FEMA Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,376,904	7,029,524	329,017	4,857
5020 Total Revenues	<u>1,376,904</u>	<u>7,029,524</u>	<u>329,017</u>	<u>4,857</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	982,270	7,029,524	187,018	-
0012 Instructional Resources and Media Services	-	-	-	28
0013 Curriculum and Instructional Staff Development	104,430	-	95,285	-
0021 Instructional Leadership	78,212	-	46,714	-
0023 School Leadership	400	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	5,125	-	-	4,829
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	206,467	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>1,376,904</u>	<u>7,029,524</u>	<u>329,017</u>	<u>4,857</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	-	-	-	-
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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	289 Summer Bilingual Fund	393 Texas Successful Schools Prog.	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative	409 High School Completion and Success
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,358	42,300	393,116	98,389
3,555,922	26,943	167,342	-	-	-	-	-
<u>3,555,922</u>	<u>26,943</u>	<u>167,342</u>	<u>-</u>	<u>7,358</u>	<u>42,300</u>	<u>393,116</u>	<u>98,389</u>
2,078,495	26,943	151,942	673	-	30,581	387,273	58,648
-	-	-	-	-	-	-	-
189,657	-	-	-	-	1,020	5,843	21,661
77,240	-	-	-	-	-	-	11,977
-	-	-	-	-	-	-	-
149,440	-	-	-	-	-	-	4,874
-	-	-	-	7,358	-	-	-
27,809	-	-	-	-	-	-	-
1,032,561	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	15,400	-	-	-	-	-
705	-	-	-	-	-	-	1,229
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,555,922</u>	<u>26,943</u>	<u>167,342</u>	<u>673</u>	<u>7,358</u>	<u>31,601</u>	<u>393,116</u>	<u>98,389</u>
-	-	-	(673)	-	10,699	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(673)	-	10,699	-	-
-	-	-	30,181	-	58,923	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,508</u>	<u>\$ -</u>	<u>\$ 69,622</u>	<u>\$ -</u>	<u>\$ -</u>



LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	411 Technology Allotment	415 Kindergarten and Pre-K Grants	424 School Leadership Pilot Prog.	425 Teacher Induction and Mentoring
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,326	\$ -	\$ -	\$ -
5800 State Program Revenues	659,999	2,744,632	1,621	90,378
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>662,325</u>	<u>2,744,632</u>	<u>1,621</u>	<u>90,378</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	170,151	2,801,731	-	90,378
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	192,516	12,000	-	-
0021 Instructional Leadership	-	5,523	-	-
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	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	1,621	-
0053 Data Processing Services	218,775	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>581,442</u>	<u>2,819,254</u>	<u>1,621</u>	<u>90,378</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>80,883</u>	<u>(74,622)</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	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	80,883	(74,622)	-	-
0100 Fund Balance - September 1 (Beginning)	<u>2,066,871</u>	<u>74,622</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 2,147,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

427 Texas Fitness Grant	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	480 E-Rate	481 Energy Efficient Grant	482 Dr. Hochman Grant	483 Equitable Sharing Program
\$ -	\$ -	\$ 278,389	\$ 606,007	\$ 1,670,415	\$ -	\$ 5,000	\$ -
61,106	1,904,305	354,668	-	-	24,944	-	-
-	-	-	-	-	-	-	-
61,106	1,904,305	633,057	606,007	1,670,415	24,944	5,000	-
61,106	1,552,732	615,263	78,259	199,644	-	4,915	-
-	17,415	-	18,452	-	-	-	-
-	132,247	-	-	-	-	-	-
-	1,033	-	-	-	-	-	-
-	95,150	-	16,227	-	-	-	-
1,155	20,792	22,865	325	-	-	-	-
-	1,610	-	-	-	-	-	-
-	10,208	-	154	-	-	-	-
-	-	-	-	-	-	-	-
-	28,885	-	-	-	-	-	-
-	9,977	-	229,475	-	-	-	-
-	30,319	-	9,807	322,983	24,944	-	-
-	-	-	-	-	-	-	-
-	-	-	-	174,521	-	-	-
-	3,937	-	224,032	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	339,173	-	-	-
-	-	-	-	-	-	-	-
62,261	1,904,305	638,128	576,731	1,036,321	24,944	4,915	-
(1,155)	-	(5,071)	29,276	634,094	-	85	-
-	-	-	-	-	-	-	-
-	-	-	-	577,625	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	577,625	-	-	-
(1,155)	-	(5,071)	29,276	1,211,719	-	85	-
1,155	-	734,061	196,270	394,012	-	6,870	-
\$ -	\$ -	\$ 728,990	\$ 225,546	\$ 1,605,731	\$ -	\$ 6,955	\$ -

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	484 OCDETF Grant	485 UTNB Health HCOE	Total Nonmajor Special Revenue Funds	511 Debt Service Fund
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 2,562,137	\$ 5,223,240
5800 State Program Revenues	-	-	6,382,816	13,687,366
5900 Federal Program Revenues	6,917	-	29,073,440	-
5020 Total Revenues	<u>6,917</u>	<u>-</u>	<u>38,018,393</u>	<u>18,910,606</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	27,400,366	-
0012 Instructional Resources and Media Services	-	-	267,216	-
0013 Curriculum and Instructional Staff Development	-	-	1,395,720	-
0021 Instructional Leadership	-	-	949,277	-
0023 School Leadership	-	-	371,978	-
0031 Guidance, Counseling and Evaluation Services	-	-	951,991	-
0032 Social Work Services	-	-	11,051	-
0033 Health Services	-	-	1,444,441	-
0034 Student (Pupil) Transportation	-	-	1,051,158	-
0035 Food Services	-	-	563,841	-
0036 Extracurricular Activities	-	-	256,994	-
0051 Facilities Maintenance and Operations	-	-	408,620	-
0052 Security and Monitoring Services	6,917	-	57,111	-
0053 Data Processing Services	-	-	456,714	-
0061 Community Services	-	-	1,413,226	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	12,864,652
0072 Interest on Long Term Debt	-	-	-	8,318,812
0073 Bond Issuance Cost and Fees	-	-	-	274,311
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	339,173	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	6,000	-
6030 Total Expenditures	<u>6,917</u>	<u>-</u>	<u>37,344,877</u>	<u>21,457,775</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>673,516</u>	<u>(2,547,169)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	18,415,000
7915 Transfers In	-	-	577,625	4,122,767
7916 Premium or Discount on Issuance of Bonds	-	-	-	926,503
8949 Other (Uses)	-	-	-	(19,062,461)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>577,625</u>	<u>4,401,809</u>
1200 Net Change in Fund Balance	-	-	1,251,141	1,854,640
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>3,562,965</u>	<u>19,806,448</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,814,106</u>	<u>\$ 21,661,088</u>

512 Debt Service Fund - PFC	Total Nonmajor Debt Service Funds	616 Capital Projects	625 Qualified Zone Academy Bond #1	626 Qualified Zone Academy Bond #2	627 Public Facility Corporation	630 Qualified Zone Academy Bond #3	697 Instructional Facilities Allotment #2
\$ 1,939	\$ 5,225,179	\$ -	\$ 1,942	\$ 464	\$ 5,307	\$ 739	\$ 1,664
3,448,431	17,135,797	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,450,370</u>	<u>22,360,976</u>	<u>-</u>	<u>1,942</u>	<u>464</u>	<u>5,307</u>	<u>739</u>	<u>1,664</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,935,000	14,799,652	-	-	-	-	-	-
2,782,738	11,101,550	-	-	-	-	-	-
15,000	289,311	-	-	-	-	-	-
-	-	-	-	-	-	3,750	4,948
-	-	-	-	-	-	-	-
<u>4,732,738</u>	<u>26,190,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,750</u>	<u>4,948</u>
<u>(1,282,368)</u>	<u>(3,829,537)</u>	<u>-</u>	<u>1,942</u>	<u>464</u>	<u>5,307</u>	<u>(3,011)</u>	<u>(3,284)</u>
-	18,415,000	-	-	-	-	-	-
1,321,443	5,444,210	-	-	-	-	-	-
-	926,503	-	-	-	-	-	-
-	(19,062,461)	-	-	-	-	-	-
<u>1,321,443</u>	<u>5,723,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
39,075	1,893,715	-	1,942	464	5,307	(3,011)	(3,284)
439,468	20,245,916	24,732	449,911	352,656	4,370,924	562,411	1,262,039
<u>\$ 478,543</u>	<u>\$ 22,139,631</u>	<u>\$ 24,732</u>	<u>\$ 451,853</u>	<u>\$ 353,120</u>	<u>\$ 4,376,231</u>	<u>\$ 559,400</u>	<u>\$ 1,258,755</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	699 Instructional Facilities Allotment #1	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 944	\$ 11,060	\$ 7,798,376
5800 State Program Revenues	-	-	23,518,613
5900 Federal Program Revenues	-	-	29,073,440
5020 Total Revenues	<u>944</u>	<u>11,060</u>	<u>60,390,429</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	-	-	27,400,366
0012 Instructional Resources and Media Services	-	-	267,216
0013 Curriculum and Instructional Staff Development	-	-	1,395,720
0021 Instructional Leadership	-	-	949,277
0023 School Leadership	-	-	371,978
0031 Guidance, Counseling and Evaluation Services	-	-	951,991
0032 Social Work Services	-	-	11,051
0033 Health Services	-	-	1,444,441
0034 Student (Pupil) Transportation	-	-	1,051,158
0035 Food Services	-	-	563,841
0036 Extracurricular Activities	-	-	256,994
0051 Facilities Maintenance and Operations	-	-	408,620
0052 Security and Monitoring Services	-	-	57,111
0053 Data Processing Services	-	-	456,714
0061 Community Services	-	-	1,413,226
Debt Service:			
0071 Principal on Long Term Debt	-	-	14,799,652
0072 Interest on Long Term Debt	-	-	11,101,550
0073 Bond Issuance Cost and Fees	-	-	289,311
Capital Outlay:			
0081 Facilities Acquisition and Construction	10,357	19,055	358,228
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	6,000
6030 Total Expenditures	<u>10,357</u>	<u>19,055</u>	<u>63,554,445</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,413)</u>	<u>(7,995)</u>	<u>(3,164,016)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	18,415,000
7915 Transfers In	-	-	6,021,835
7916 Premium or Discount on Issuance of Bonds	-	-	926,503
8949 Other (Uses)	-	-	(19,062,461)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,300,877</u>
1200 Net Change in Fund Balance	(9,413)	(7,995)	3,136,861
0100 Fund Balance - September 1 (Beginning)	<u>678,484</u>	<u>7,701,157</u>	<u>31,510,038</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 669,071</u>	<u>\$ 7,693,162</u>	<u>\$ 34,646,899</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

	BALANCE SEPTEMBER 1 2010	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2011
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 391,395	\$ 1,187,606	\$ 1,232,830	\$ 346,171
Due From Other Funds	-	12	-	12
Total Assets	<u>\$ 391,395</u>	<u>\$ 1,187,618</u>	<u>\$ 1,232,830</u>	<u>\$ 346,183</u>
Liabilities:				
Accrued Wages Payable	\$ 1,423	\$ -	\$ 1,423	\$ -
Due to Student Groups	389,972	1,189,041	1,232,830	346,183
Total Liabilities	<u>\$ 391,395</u>	<u>\$ 1,189,041</u>	<u>\$ 1,234,253</u>	<u>\$ 346,183</u>
<b>BACK TO SCHOOL ASSISTANCE PROGRAM</b>				
Assets:				
Cash and Temporary Investments	\$ -	\$ 5,000	\$ 4,997	\$ 3
Liabilities:				
Due to Student Groups	\$ -	\$ 5,000	\$ 4,997	\$ 3
<b>DONATIONS</b>				
Assets:				
Cash and Temporary Investments	\$ 12,173	\$ 53,686	\$ 34,664	\$ 31,195
Other Receivables	-	500	500	-
Total Assets	<u>\$ 12,173</u>	<u>\$ 54,186</u>	<u>\$ 35,164</u>	<u>\$ 31,195</u>
Liabilities:				
Accounts Payable	\$ -	\$ 5,000	\$ -	\$ 5,000
Accrued Wages Payable	9,000	757	9,757	-
Due to Student Groups	3,173	57,686	34,664	26,195
Total Liabilities	<u>\$ 12,173</u>	<u>\$ 63,443</u>	<u>\$ 44,421</u>	<u>\$ 31,195</u>
<b>SCHOLARSHIPS</b>				
Assets:				
Cash and Temporary Investments	\$ 146,713	\$ 53,350	\$ 53,157	\$ 146,906
Due From Other Funds	2,400	1,000	2,400	1,000
Total Assets	<u>\$ 149,113</u>	<u>\$ 54,350</u>	<u>\$ 55,557</u>	<u>\$ 147,906</u>
Liabilities:				
Accounts Payable	\$ 11,240	\$ 6,416	\$ 11,240	\$ 6,416
Accrued Wages Payable	21,382	24,472	21,382	24,472
Due to Student Groups	116,491	53,684	53,157	117,018
Total Liabilities	<u>\$ 149,113</u>	<u>\$ 84,572</u>	<u>\$ 85,779</u>	<u>\$ 147,906</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 550,281	\$ 1,299,642	\$ 1,325,648	\$ 524,275
Due From Other Funds	2,400	1,012	2,400	1,012
Other Receivables	-	500	500	-

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

	BALANCE SEPTEMBER 1 2010	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2011
Total Assets	\$ 552,681	\$ 1,301,154	\$ 1,328,548	\$ 525,287
Liabilities:				
Accounts Payable	\$ 11,240	\$ 11,416	\$ 11,240	\$ 11,416
Accrued Wages Payable	31,805	25,229	32,562	24,472
Due to Student Groups	509,636	1,305,411	1,325,648	489,399
Total Liabilities	\$ 552,681	\$ 1,342,056	\$ 1,369,450	\$ 525,287

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



LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2011

Last 10 Years Ended August 31	(1) Tax Rates		(2)	(3) Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service		
2002 and prior years	Various	Various	\$	Various
2003	1.322910	0.179800		1,430,691,752
2004	1.322910	0.179800		1,492,399,445
2005	1.322910	0.151200		1,681,169,772
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	1.040000	0.234000		2,135,852,058
2011 (School year under audit)	1.040000	0.234000		2,125,507,784
1000 TOTALS				

Column 10 + Column 20 - Column 31 - Column 32 + Column 40 = Column 50

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

Column 20 - Current Year's Tax Levy: This 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 8/31/11: This total agrees with Exhibit A-1, Balance Sheet, memorandum totals for current year, for Asset Code 1220 - Property Taxes Delinquent.

(10) Beginning Balance 9/1/2010	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2011
\$ 816,958	\$ -	\$ 22,164	\$ 3,020	\$ (97,019)	\$ 694,755
179,081	-	3,407	463	-	175,211
187,687	-	16,784	2,281	-	168,622
209,166	-	20,455	2,338	-	186,373
240,437	-	29,719	3,679	(4,484)	202,555
335,846	-	41,050	7,430	(5,321)	282,045
368,661	-	54,135	12,180	(8,623)	293,723
570,846	-	154,142	34,682	(2,825)	379,197
1,144,489	-	551,958	124,191	(43,013)	425,327
-	27,078,969	21,040,958	4,734,215	(382,907)	920,889
<u>\$ 4,053,171</u>	<u>\$ 27,078,969</u>	<u>\$ 21,934,772</u>	<u>\$ 4,924,479</u>	<u>\$ (544,192)</u>	<u>\$ 3,728,697</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2012-2013  
 GENERAL AND SPECIAL REVENUE FUNDS  
 AUGUST 31, 2011

**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	\$ 59,492	\$ 378,432	\$ 375,900	\$ 4,229,253	\$ 285,332	\$ -	\$ 5,328,409
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	19,128	15,000	34,563	-	140,784	-	209,475
6212	Audit Services	-	-	-	45,000	-	-	45,000
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	354,002	-	-	-	-	354,002
621X	Other Professional Services	-	-	-	13,017	2,720	-	15,737
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	26,592	9,807	-	-	36,399
6240	Contr. Maint. and Repair	-	-	-	-	189,607	-	189,607
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	1,676	2,447	18,644	27,416	-	50,183
6290	Miscellaneous Contr.	8,529	8,379	-	70,270	29,730	-	116,908
6320	Textbooks and Reading	-	99	184	3,941	272	-	4,496
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	699	16,256	1,876	140,219	54,007	-	213,057
6410	Travel, Subsistence, Stipends	27,161	2,055	1,517	21,552	758	-	53,043
6420	Ins. and Bonding Costs	-	-	-	578	-	-	578
6430	Election Costs	4,090	-	-	-	-	-	4,090
6490	Miscellaneous Operating	12,020	18,995	12,940	176,829	10,263	-	231,047
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	22,036	22,036
6000	<b>TOTAL</b>	<b>\$ 131,119</b>	<b>\$ 794,894</b>	<b>\$ 456,019</b>	<b>\$ 4,729,110</b>	<b>\$ 740,889</b>	<b>\$ 22,036</b>	<b>\$ 6,874,067</b>

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 234,869,786

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 11,649,608
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	20,501,567
Food (Function 35, 6341 and 6499)	(13)	7,197,347
Stipends (6413)	(14)	8,664
Column 4 (above) - Total Indirect Cost		4,729,110

SubTotal: 44,086,296

Net Allowed Direct Cost \$ 190,783,490

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 369,535,906
Historical Cost of Building over 50 years old	(16)	\$ 15,817,571
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ 2,340,996
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 30,978,691
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 4,630,455
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 1,217,871

(8) NOTE A: \$1,056,250 in Function 53 expenditures are included in this report on administrative costs.  
 No Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

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, 2011

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	\$ 426,100	\$ 426,100	\$ 375,483	\$ (50,617)
5800 State Program Revenues	101,739	101,739	96,607	(5,132)
5900 Federal Program Revenues	16,838,688	16,838,688	15,779,620	(1,059,068)
5020 Total Revenues	17,366,527	17,366,527	16,251,710	(1,114,817)
<b>EXPENDITURES:</b>				
0035 Food Services	17,033,733	17,033,733	15,758,439	1,275,294
0051 Facilities Maintenance and Operations	203,500	203,500	134,902	68,598
6030 Total Expenditures	17,237,233	17,237,233	15,893,341	1,343,892
1200 Net Change in Fund Balances	129,294	129,294	358,369	229,075
0100 Fund Balance - September 1 (Beginning)	4,178,161	4,178,161	4,178,161	-
3000 Fund Balance - August 31 (Ending)	\$ 4,307,455	\$ 4,307,455	\$ 4,536,530	\$ 229,075

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, 2011

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 5,066,488	\$ 5,066,488	\$ 5,223,240	\$ 156,752
5800	State Program Revenues	12,531,361	12,531,361	13,687,366	1,156,005
5020	Total Revenues	17,597,849	17,597,849	18,910,606	1,312,757
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	12,529,652	12,864,652	12,864,652	-
0072	Interest on Long-Term Debt	8,654,147	8,319,147	8,318,812	335
0073	Other Fees	6,000	285,043	274,312	10,731
6030	Total Expenditures	21,189,799	21,468,842	21,457,776	11,066
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,591,950)	(3,870,993)	(2,547,170)	1,323,823
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	18,415,000	18,415,000	-
7915	Transfers In	4,122,767	4,122,767	4,122,767	-
7916	Premium or Discount on Issuance of Bonds	-	926,504	926,504	-
8949	Other (Uses)	-	(19,062,461)	(19,062,461)	-
7080	Total Other Financing Sources (Uses)	4,122,767	4,401,810	4,401,810	-
1200	Net Changes in Fund Balances	530,817	530,817	1,854,640	1,323,823
0100	Fund Balance - September 1 (Beginning)	19,806,448	19,806,448	19,806,448	-
3000	Fund Balance - August 31 (Ending)	\$20,337,265	\$ 20,337,265	\$ 21,661,088	\$ 1,323,823

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, 2011

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 3,500	\$ 3,500	\$ 1,939	\$ (1,561)
5800	State Program Revenues	3,412,795	3,412,795	3,448,431	35,636
5020	Total Revenues	3,416,295	3,416,295	3,450,370	34,075
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	1,935,000	1,935,000	1,935,000	-
0072	Interest on Long-Term Debt	2,782,738	2,782,738	2,782,738	-
0073	Other Fees	20,000	20,000	14,999	5,001
6030	Total Expenditures	4,737,738	4,737,738	4,732,737	5,001
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,321,443)	(1,321,443)	(1,282,367)	29,074
OTHER FINANCING SOURCES (USES):					
7915	Transfer In	1,321,443	1,321,443	1,321,443	-
7080	Total Other Financing Sources (Uses)	1,321,443	1,321,443	1,321,443	-
1200	Net Changes in Fund Balances	-	-	39,076	39,076
0100	Fund Balance - September 1 (Beginning)	439,468	439,468	439,468	-
3000	Fund Balance - August 31 (Ending)	\$ 439,468	\$ 439,468	\$ 478,544	\$ 39,076

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# Capital Assets





LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2011

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
Assets in Service	\$ 7,134,104	\$26,975	\$7,107,129	\$0
High Schools:				
Martin	51,924,754	248,174	49,510,916	2,165,664
Nixon	36,648,134	1,086,582	34,417,763	1,143,789
Cigarroa	32,115,426	872,258	30,032,212	1,210,956
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	772,155	258,944	336,110	177,101
Middle Schools:				
Christen	29,367,401	117,596	28,336,059	913,747
Lamar	15,940,594	186,887	14,986,635	767,072
Cigarroa	10,453,301	-	10,021,420	431,882
Memorial	14,987,910	447,337	14,084,335	456,238
Elementary Schools:				
Bruni	7,905,753	6,139	7,733,621	165,993
Jose Gallegos	9,788,110	694,545	9,038,574	54,991
Daiches	9,085,740	28,111	8,936,353	121,276
Farias	10,313,317	1,750,761	8,280,421	282,134
Heights	7,674,716	400,313	7,095,902	178,501
Tarver	6,718,976	75,100	6,559,424	84,452
Leyendecker	11,518,663	133,989	10,939,560	445,115
Macdonell	7,704,027	1,348,363	6,132,528	223,136
Milton	7,038,276	164,517	6,664,566	209,193
Alma Pierce	9,624,158	47,542	9,374,864	201,752
Ryan	10,419,230	224,806	9,888,899	305,525
Santa Maria	7,152,493	20,950	7,067,910	63,632
Santo Nino	6,388,335	132,267	5,980,509	275,559
D. D. Hachar	11,456,511	484,686	10,604,451	367,374
J. C. Martin	11,723,227	240,525	11,073,333	409,369
H. B. Zachry	5,345,260	101,298	5,001,460	242,502
J. Kawas	7,785,480	238,434	7,324,698	222,349
Dovalina	6,472,631	35,000	6,135,929	301,702
H. Ligarde	6,979,518	129,588	6,676,270	173,660
T. Sanchez/Ochoa	6,672,221	120,000	6,383,760	168,460
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	1,555,611	2,834	1,512,578	40,199
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, 2011

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
Internal Auditor	6,922	-	-	6,922
				(Continued)
Hearings Officer	5,479	-	-	5,479
Assets Management	1,155,022	149,990	396,899	608,134
Records & Assets	536,961	127,770	348,562	60,629
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	(15,442)	-	-	(15,442)
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	1,145,047	1,153,325	-	(8,278)
Crimestoppers	11,990	-	-	11,990
Instructional Technology	1,397,990	-	1,037,115	360,875
Guidance and Counseling	3,052	-	-	3,052
Health Services	16,349	-	1,687	14,662
Pupil Transportation	10,858,439	78,925	3,640,150	7,139,364
Athletic	643,898	-	243,017	400,881
Special Education	177,729	-	-	177,729
Printing/Creative Services	404,005	15,201	-	388,804
Instructional Television	535,392	28,647	406	506,339
Postal Services	16,273	-	-	16,273
Information Technology	2,651,586	-	608,802	2,042,784
Division of Operations	4,794,639	21,102	3,272,588	1,500,949
LISD Police Department	701,908	-	-	701,908
Child Nutrition Program	12,217,708	120,493	7,463,044	4,634,171
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>404,879,660</u>	<u>11,502,560</u>	<u>362,422,596</u>	<u>30,954,504</u>
Total Assets in Service	412,013,764	11,529,535	369,529,725	30,954,504
Construction in Progress	<u>21,433,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fixed Assets	<u><u>433,446,894</u></u>	<u><u>\$11,529,535</u></u>	<u><u>\$369,529,725</u></u>	<u><u>\$30,954,504</u></u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2011

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	44,985,848	6,984,806	45,900	51,924,754
Nixon	30,558,538	6,130,528	40,932	36,648,134
Cigarroa	28,141,896	4,175,185	201,655	32,115,426
VMT Communications & Arts	2,390,616	-	-	2,390,616
Francisco Lara Academy	2,654,221	-	-	2,654,221
Early College High School @ TAMIU	503,368	268,787	-	772,155
Middle Schools:				
Christen	29,227,355	145,046	5,000	29,367,401
Lamar	15,845,294	121,300	26,000	15,940,594
Cigarroa	8,794,935	1,658,366	-	10,453,301
Memorial	14,827,343	173,067	12,500	14,987,910
Elementary Schools:				
Bruni	7,864,390	59,483	18,120	7,905,753
Jose Gallegos	9,781,246	24,984	18,120	9,788,110
Daiches	9,063,450	34,106	11,816	9,085,740
Farias	10,267,961	45,356	-	10,313,317
Heights	7,729,207	31,629	86,120	7,674,716
Tarver	6,680,631	43,345	5,000	6,718,976
Leyendecker	11,488,257	48,526	18,120	11,518,663
Macdonell	7,644,318	59,709	-	7,704,027
Milton	7,018,589	64,438	44,751	7,038,276
Alma Pierce	8,143,098	1,481,060	-	9,624,158
Ryan	10,384,778	58,572	24,120	10,419,230
Santa Maria	7,128,434	24,059	-	7,152,493
Santo Nino	6,310,624	77,711	-	6,388,335
D. D. Hachar	11,452,104	32,527	28,120	11,456,511
J. C. Martin	11,713,370	39,977	30,120	11,723,227
H. B. Zachry	5,301,930	61,450	18,120	5,345,260
J. Kawas	6,443,705	1,341,775	-	7,785,480
Dovalina	5,137,253	1,335,378	-	6,472,631
H. Ligarde	7,003,204	33,875	57,561	6,979,518
T. Sanchez/Ochoa	6,631,265	40,956	-	6,672,221
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	-	5,500	1,555,611
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	94,981	104,452	1,155,022

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2011

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
	(Continued)			(Continued)
Records & Assets	536,961	-	-	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	-	31,816	(15,442)
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	4,119	12,397	1,145,047
Crimestoppers	11,990	-	-	11,990
Instructional Technology	1,457,045	-	59,055	1,397,990
Guidance and Counseling	3,052	-	-	3,052
Health Services	16,349	-	-	16,349
Pupil Transportation	6,613,121	4,253,818	8,500	10,858,439
Athletic	631,165	62,729	49,996	643,898
Special Education	135,724	42,005	-	177,729
Printing/Creative Services	387,844	16,161	-	404,005
Instructional Television	578,026	-	42,634	535,392
Postal Services	23,773	-	7,500	16,273
Information Technology	2,517,961	264,555	130,930	2,651,586
Division of Operations	4,776,735	17,904	-	4,794,639
LISD Police Department	596,647	132,374	27,113	701,908
Child Nutrition Program	4,855,515	7,423,003	60,810	12,217,708
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>36,907,650</u>	<u>1,232,778</u>	<u>404,879,660</u>
Total Assets in Service	<u>376,338,892</u>	<u>36,907,650</u>	<u>1,232,778</u>	<u>412,013,764</u>
Construction in Progress	<u>24,752,746</u>	<u>28,935,686</u>	<u>32,255,302</u>	<u>21,433,130</u>
Total General Fixed Assets	<u>\$ 401,091,638</u>	<u>\$ 65,843,336</u>	<u>\$ 33,488,080</u>	<u>\$ 433,446,894</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDING AUGUST 31, 2011

Function	Land	Buildings	Furniture & Equipment	Construction in Progress	Total
Prior Year Data	\$ 11,295,691	\$ 337,274,423	\$ 27,768,778	\$ 24,752,746	\$ 401,091,638
Instruction	-	-	236,662	-	236,662
Instructional Resources & Media Services	-	-	(12,931)	-	(12,931)
Curriculum & Instructional Staff Development	-	-	(6,935)	-	(6,935)
Instructional Administration	-	-	(18,000)	-	(18,000)
School Administration	-	-	-	-	-
Guidance and Counseling Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	891,806	-	891,806
Food Services	-	-	(92,961)	-	(92,961)
Cocurricular/Extracurricular Activities	-	-	(11,990)	-	(11,990)
General Administration	-	-	(5,500)	-	(5,500)
Plant Maintenance and Operations	-	-	5,093	-	5,093
Security and Monitoring Services	-	-	2,545,159	-	2,545,159
Data Processing Services	-	-	(36,616)	-	(36,616)
Community Services	-	-	30,845	-	30,845
Facilities Acquisition and Construction	233,844	32,255,302	(338,906)	(3,319,616)	28,830,624
Total Expenditures	<u>\$ 11,529,535</u>	<u>\$ 369,529,725</u>	<u>\$ 30,954,504</u>	<u>\$ 21,433,130</u>	<u>\$ 433,446,894</u>

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# Statistical Section



# Statistical Section (Unaudited)

*This part of the Laredo Independent School District Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supp*

<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>83-88</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>89-92</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>93-95</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 city's financial activities take place.</i>	<b>96-98</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>99-103</b>

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



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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 129,424,249
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	7,160,990
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	22,139,631
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	806,912
Campus Activities	-	-	-	-	-	-	-	186,869	196,270	-
Other Purposes	-	-	-	-	-	-	-	416,474	11,104,927	10,586,559
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	46,273,800
Total primary government net assets	<u>\$ 65,808,002</u>	<u>\$ 80,596,925</u>	<u>\$ 92,345,801</u>	<u>\$ 92,771,514</u>	<u>\$ 104,763,028</u>	<u>\$ 126,850,341</u>	<u>\$ 145,059,297</u>	<u>\$ 165,264,900</u>	<u>\$ 188,440,050</u>	<u>\$ 216,392,141</u>

**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 Ten 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>	<u>2011</u>
<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	\$ 134,847,028
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	4,920,120
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	2,388,482
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	4,594,040
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	12,315,890
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	8,006,556
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	1,463,034
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	3,222,582
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	5,058,546
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	16,435,137
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	4,001,848
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	5,877,835
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	21,067,890
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	8,753,039
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	3,538,788
61 Community Services	694,255	784,825	743,336	405,919	382,002	945,323	1,307,808	1,344,733	1,490,872	1,856,922
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	13,009,498
73 Bond Issuance Costs and Fees	626,186	-	-	-	-	-	222,245	263,236	254,559	279,195
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	-	6,000
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	72,443
Total primary government expenses	<u>168,374,978</u>	<u>183,489,174</u>	<u>200,809,881</u>	<u>229,040,368</u>	<u>225,974,240</u>	<u>242,557,881</u>	<u>242,915,622</u>	<u>253,396,967</u>	<u>257,590,160</u>	<u>251,714,873</u>
<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	-	-	-	-	-	-	-	-	25,388
Food Services	211,153	-	223,343	275,521	367,977	121,443	281,112	312,052	330,569	323,896
Extracurricular Activities	251,698	209,986	175,860	-	-	171,645	201,995	210,088	154,023	145,658
General Administration	157,990	397,638	-	-	-	-	-	-	-	2,539
Plant Maintenance and Operations	410,997	24,387	8,284	-	-	-	-	-	1,073	-
Security & Monitoring Services	49,245	-	-	70	-	-	-	-	-	-
Data Processing Services	49,027	-	-	-	-	-	-	-	-	3,253
Community Services	1,995	-	-	-	1,075	-	10,372	-	-	220,876
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	77,827,937
Total primary government program revenues	<u>33,555,349</u>	<u>59,798,627</u>	<u>62,495,785</u>	<u>70,737,771</u>	<u>75,679,712</u>	<u>60,389,791</u>	<u>50,289,445</u>	<u>53,426,760</u>	<u>76,263,699</u>	<u>78,549,547</u>
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	<u>\$ 134,819,629</u>	<u>\$ 123,690,547</u>	<u>\$ 138,314,096</u>	<u>\$ 158,302,597</u>	<u>\$ 150,294,528</u>	<u>\$ 182,168,090</u>	<u>\$ 192,626,177</u>	<u>\$ 199,970,207</u>	<u>\$ 181,326,461</u>	<u>\$ 173,165,326</u>

**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 Ten 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>	<u>2011</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	\$ 173,165,326
<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	21,057,468
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	4,738,142
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	166,315,755
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	5,278,634
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	1,456,958
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	2,270,460
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>	<u>201,117,417</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>	<u>\$ 27,952,091</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>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>2011<sup>1</sup></b>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178,052
Restricted	-	-	-	-	-	-	-	-	-	14,881,931
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	10,430,944
Unassigned	-	-	-	-	-	-	-	-	-	59,272,362
Reserved	5,517,460	4,684,864	4,823,330	9,024,994	12,527,471	15,458,084	14,158,322	16,513,895	15,665,794	-
Unreserved	<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>55,213,049</u>	<u>-</u>
<b>Total general fund</b>	<b>\$ 26,914,135</b>	<b>\$ 25,599,329</b>	<b>\$ 35,227,892</b>	<b>\$ 28,784,978</b>	<b>\$ 24,223,221</b>	<b>\$ 30,884,087</b>	<b>\$ 46,663,007</b>	<b>\$ 61,824,598</b>	<b>\$ 70,878,843</b>	<b>\$ 85,763,289</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue funds	-	-	-	-	-	-	-	-	-	32,815,622
Capital projects funds	-	-	-	-	-	-	-	-	-	63,412,168
Committed										
Special revenue funds	-	-	-	-	-	-	-	-	-	1,831,277
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	162,144,593	29,362,125	24,795,478	47,946,686	-
Unreserved, reported in:										
Special revenue funds	3,030,654	3,694,431	2,363,427	3,252,423	4,697,799	6,526,044	2,985,517	3,205,029	3,366,692	-
Capital projects funds	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>2,582,073</u>	<u>4,557,512</u>	<u>6,760,286</u>	<u>9,427,615</u>	<u>11,669,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<b>\$ 130,788,684</b>	<b>\$ 87,297,683</b>	<b>\$ 58,792,061</b>	<b>\$ 159,726,234</b>	<b>\$ 131,296,490</b>	<b>\$ 168,670,637</b>	<b>\$ 138,279,217</b>	<b>\$ 124,330,685</b>	<b>\$ 118,659,997</b>	<b>\$ 98,059,067</b>

<sup>1</sup> Fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note A to the Basic Financial Statements.

**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>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>	<b><u>2011</u></b>
Federal sources:										
Federal grants	\$ 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	\$ 43,871,485
Food services	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	15,779,620
<b>Total federal sources</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>	<b><u>59,651,105</u></b>
State sources:										
Per Capita and Foundation	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	150,492,906
Instructional Facilities Allotment	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	13,968,333
Teacher Retirement System on Behalf	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	8,599,937
Other State Programs	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	13,873,112
Other Governmental Agencies	100,414	882,222	8,140	53,027	592,200	17,563	15,000	13,769	8,523	36,543
<b>Total state sources</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>	<b><u>186,970,831</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	26,861,291
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	1,396,011
Penalties, Interest, and Other Fees	715,659	82,882	715,290	5,898,531	730,655	793,048	762,789	767,477	849,947	793,562
Co-Curricular	191,057	209,986	175,860	185,958	210,761	528,836	201,995	208,305	154,024	140,579
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	3,898,876
<b>Total local sources</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><u>33,090,319</u></b>
<b>Total revenues</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>	<b><u>\$ 279,712,255</u></b>

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

	<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>	<u>2011</u>
11 Instruction	\$ 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	\$ 130,994,791
12 Instructional Resources & Media Svcs.	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	4,852,523
13 Curriculum & Instructional Staff Devpt.	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	2,315,992
21 Instructional Leadership	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	4,526,994
23 School Leadership	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	12,310,481
31 Guidance, Counseling, and Evaluation Svcs.	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	8,033,912
32 Social Work Services	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	1,459,941
33 Health Services	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	3,222,011
34 Student (Pupil) Transportation	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	4,286,949
35 Food Services	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	16,322,280
36 Cocurricular/Extracurricular Activities	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	3,988,524
41 General Administration	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	5,817,817
51 Plant Maintenance & Operations	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	20,785,265
52 Security & Monitoring Services	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	6,062,334
53 Data Processing Services	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	3,520,834
61 Community Services	694,253	783,456	743,051	405,884	381,774	940,663	1,307,924	1,343,308	1,490,764	1,820,034
71 Principal	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	14,799,652
Interest	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	11,101,550
Other Debt Service Costs	965,764	167,651	104,836	7,129,465	94,524	700,532	107,750	20,350	287,969	289,311
81 Facilities acquisition/construction Other capital outlay	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	29,190,358
93 Payments to Fiscal Agents / Members.	6,875	6,200	6,675	6,000	11,000	8,903	8,391	6,637	-	6,000
95 Payments to Juvenile Justice Alternative Ed.	262,668	305,738	140,892	200,600	131,393	12,390	163,153	85,320	85,320	72,443
Total expenditures	<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>	<u>\$ 285,779,996</u>

Debt service as a percentage of noncapital expenditures	10.98%	9.50%	7.33%	8.50%	8.78%	9.94%	12.29%	12.09%	10.20%	10.27%
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Percentage was calculated as follows: (Debt Service Principal + Interest Payments) / (Total expenditures - Capital)  
(14,799,652 + 11,101,550) / (285,779,996 - 33,523,128)

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>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>	<u>2011</u>
<b>Excess of revenues over (under) expenditures</b>	\$ (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	\$ (6,067,741)
<b>Other Financing Sources (Uses)</b>										
Issuance of Loans	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	18,415,000
Lease Proceeds	-	-	-	-	-	-	-	154,728	-	-
Premium Issuance of Bond	3,578,158	113,701	80,430	5,815,205	-	668,061	-	-	1,382,794	926,503
Premium Issuance of Loans	-	-	36,695	-	23,032	-	-	-	-	-
Redemption of Refunded Bonds	-	-	-	(54,145,000)	-	-	-	-	-	-
Sale of Real and Personal Property	-	-	-	-	-	-	-	-	-	72,215
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	(19,771,368)	(19,062,461)
Transfers in	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	7,020,726
Transfers out	(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)	(7,020,726)
Special Item	-	-	-	-	-	7,731,745	-	-	-	-
Total other financing sources (uses)	<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>	<u>351,257</u>
<b>Net change in fund balances</b>	<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>	<u>\$ (5,716,484)</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 <sup>o</sup>	Total Direct Rate <sup>a</sup>
	Residential Property	Personal Property			
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
2011	2,665,396,497	275,391,447	815,280,160	2,125,507,784	1.274

Source: LISD Tax Office

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

<sup>o</sup> The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.



**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
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
2011	1.040	0.234	1.274	0.243	0.243	0.172

**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 Ten Years Ago**  
**Unaudited**

<u>Taxpayer</u>	2011			2001		
	<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	\$ 94,868,820	1	3.12%	-		-
Webb Hospital Holdings LLC	17,478,640	2	0.58%	-		-
International Bank of Commerce	16,537,393	3	0.54%	6,961,950	8	0.35%
HE Butt Grocery Co	15,170,930	4	0.50%	10,533,900	4	0.53%
AEP Texas Central Company	14,823,600	5	0.49%	21,719,830	1	1.09%
Laredo Specialty Hospital LP	13,069,460	6	0.43%	-		-
The Laredo National Bank	12,754,560	7	0.42%	10,136,200	5	0.51%
Southwestern Bell Telephone LP	11,209,580	8	0.37%	21,343,730	2	1.08%
TWE-Advance-Newhouse Partnership	8,872,660	9	0.29%	-		-
WildBlue Communications Inc.	7,993,440	10	0.26%	-		-
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>\$ 3,036,571,284</u>		<u>7.01%</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
2002	18,758,999	17,864,495	95.23	748,567	18,602,977	145,938	99.17%
2003	20,330,602	19,343,292	95.14	812,099	20,155,391	175,211	99.14%
2004	21,883,429	20,894,287	95.48	820,521	21,714,808	168,621	99.23%
2005	24,424,100	23,477,269	96.12	760,458	24,237,727	186,373	99.24%
2006	26,852,020	25,695,670	95.69	953,796	26,649,466	202,554	99.25%
2007	28,349,279	27,043,378	95.39	1,023,857	28,067,235	282,044	99.01%
2008	25,996,124	24,782,861	95.44	889,542	25,434,661	293,722	97.95%
2009	27,297,263	25,864,604	94.75	1,053,462	26,918,066	379,197	94.75%
2010	27,210,755	25,084,155	92.18	719,163	25,803,318	425,326	94.83%
2011	27,078,969	26,174,857	96.66	-	26,174,857	920,890	96.66%

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>
2002	146,095,695	21,630,000	167,725,695	4.69%	818	17,438	817.79
2003	140,023,093	20,355,000	160,378,093	4.23%	763	18,047	762.88
2004	134,411,482	22,225,000	156,636,482	3.88%	726	18,731	725.94
2005	254,032,558	20,480,000	274,512,558	6.16%	1,242	20,160	1,242.30
2006	247,637,999	32,675,000	280,312,999	5.90%	1,240	21,012	1,240.42
2007	296,751,137	31,360,000	328,111,137	6.46%	5,945	91,994	5,944.93
2008	287,630,128	29,640,000	317,270,128	5.70%	1,345	23,598	1,344.75
2009	278,289,348	27,855,000	306,144,348	4.69%	1,093	23,294	1,093.07
2010	267,149,396	25,975,000	293,124,396	N/A	N/A	-	-
2011	256,072,731	24,000,000	280,072,731	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, 2011**  
**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	\$ 193,993,899	24.310%	\$ 47,159,917
County of Webb	65,177,069	17.200%	11,210,456
Laredo Community College	41,661,943	24.310%	<u>10,128,018</u>
Subtotal, overlapping debt			68,498,391
<b>District direct debt</b>			<u>186,439,211</u>
<b>Total direct and overlapping debt</b>			<u>\$ 254,937,602</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 2011**

Net Assessed value of 2010 taxable property		\$	2,125,507,784
Plus: Exemptions			815,280,160
Total Assessed Value			<u>2,940,787,944</u>
Debt limit (10% of total assessed value)			294,078,794
Amount of debt applicable to said maximum debt limit:			
Total (net) general bonded debt	\$	186,439,211	
(Percentage of debt to total assessed value)			6.34%
Less: Debt Service Fund Balance as of 8/31/11		21,661,088	
Total amount of debt applicable to debt limit			<u>164,778,123</u>
Legal debt margin			<u><u>\$ 129,300,671</u></u>

<u>Fiscal Year</u>	<u>Debt limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total Net Debt Applicable to the Limit As a Percentage of Debt Limit</u>
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%
2011	294,078,794	164,778,123	129,300,671	56.03%

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 <sup>a</sup>	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
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
2011	2,125,507,784	256,072,731	17,135,797	12.05%	246,917	1,037	24,680	10,376

Notes: <sup>a</sup> The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income<sup>a</sup></u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate<sup>a</sup></u>
2002	206,952 <sup>a</sup>	3,576,468,000	17,438	7.00
2003	212,661 <sup>a</sup>	3,793,956,000	18,047	7.10
2004	218,833 <sup>a</sup>	4,041,613,000	18,731	6.50
2005	224,874 <sup>a</sup>	4,454,781,000	20,160	5.70
2006	217,559 <sup>b</sup>	4,748,324,000	21,012	5.20
2007	219,617 <sup>b</sup>	5,077,310,000	91,994	4.50
2008	220,232 <sup>b</sup>	5,567,524,000	23,598	5.20
2009	226,419 <sup>b</sup>	5,624,141,000	23,294	7.90
2010	237,244 <sup>b</sup>	N/A	N/A	8.00
2011	246,917 <sup>c</sup>	N/A	N/A	7.95

**Tickmarks and Sources:**

N/A = not available

<sup>a</sup> Texas Workforce Commission

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

<sup>c</sup> Texas State Data Center

**Note:** Population and Unemployment Rate for 2011 represent projected figures.



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

<u>Employer</u>	<u>2011</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	6,179	1	6.43%	3,675	1	5.10%
Laredo Independent School District	4,500	2	4.69%	3,349	2	4.65%
City of Laredo	2,371	3	2.47%	2,100	4	2.91%
Laredo Sector Border Patrol	2,000	4	2.08%	1,007	8	1.40%
H.E.B. Grocery	1,626	5	1.69%	1,247	5	1.73%
Webb County	1,500	6	1.56%	1,165	6	1.62%
Laredo Medical Center	1,300	7	1.35%	3,000	3	4.16%
Texas A&M International University	1,215	8	1.27%	696	10	0.97%
McDonalds	1,200	9	1.25%	800	9	1.11%
Walmart	937	10	0.98%	-		-
Laredo Community College	-		-	1,012	7	1.40%
Annual Labor Force	<u>96,028</u>		<u>23.77%</u>	<u>72,054</u>		<u>25.05%</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 2002-2011
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Teachers</b>											
Pre-K & Kindergarten	158	165	169	188	205	222	230	228	221	223	
Elementary	567	620	644	640	638	631	631	629	678	671	
Secondary	545	568	566	553	565	599	624	622	637	603	
Special Education	167	153	163	177	170	156	N/A	N/A	N/A	N/A	
All Level	9	10	10	12	21	17	98	110	67	87	
Total Teachers	1,445	1,515	1,553	1,570	1,599	1,625	1,583	1,589	1,603	1,584	9.59%
<b>Support Staff</b>											
Supervisors	6	6	7	5	5	15	-	-	-	-	
Counselors	61	56	61	62	62	66	63	61	63	65	
Educ Diagnosticians	14	14	20	18	20	19	19	18	17	17	
Librarians	28	28	28	28	27	30	30	30	30	30	
Nurses/Physicians	30	35	40	38	40	38	39	42	43	45	
Therapists	18	21	23	20	18	21	21	20	24	20	
Other Support Staff	139	154	161	179	215	216	200	202	210	205	
Total Support Staff	296	313	338	350	386	405	372	373	387	382	29.25%
<b>Administrators</b>											
Admin/Instr Officers	9	7	15	13	24	19	35	37	36	37	
Principals	28	28	28	27	28	29	29	27	29	28	
Assistant Principals	49	50	54	55	53	59	59	54	54	58	
Superintendents	1	-	-	1	1	1	1	1	1	1	
Asst Superintendents	-	-	5	4	3	-	1	1	1	-	
Total Administrators	87	85	102	99	108	108	125	120	121	124	41.75%
<b>Educational Aides</b>	531	451	484	482	479	477	492	484	526	478	-9.96%
<b>Auxiliary Staff</b>	1,025	1,095	1,089	1,235	1,311	1,318	1,286	1,274	1,240	1,260	22.94%
<b>Total</b>	3,384	3,458	3,566	3,736	3,884	3,933	3,858	3,840	3,877	3,828	13.11%

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>
2002	23,188	157,217,740	6,780	0.00%	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%
2011	24,680	230,399,125	9,335	-1.03%	1,584	15.6	97.10%

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>
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
2011	42,500	63,627	50,163	49,378	48,639

**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
Total High Schools:	893,840	4,778	4,295	258	7,740	6,966	5,955	5,828
<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
Total Middle Schools:	697,972	5,173	4,656	194	4,850	4,366	5,197	4,340
<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
Total Elem. Schools:	1,672,513	17,325	15,589	674	14,828	13,342	14,919	14,258
Total Campuses:	3,264,325	27,276	24,540	1,126	27,418	24,674	26,071	24,426

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

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

# Single Audit





INDEPENDENT AUDITORS' 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 basic 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, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 significant deficiency, or combination of significant deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the District, in a separate letter dated January 16, 2012.

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 16, 2012





INDEPENDENT AUDITORS' 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  
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, 2011. 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 on 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 could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

Board of Trustees  
Laredo ISD

### **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 16, 2012

**LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FEDERAL EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2011**

**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  None reported
- Noncompliance material to financial statements noted?  Yes  No

**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
84.027A	IDEA – Part B, Formula (Deaf)
84.027A	IDEA – Part B, Deaf
84.173A	IDEA – Part B, Preschool
84.391A	IDEA – Part B, Formula – Recovery Act
84.392	IDEA – Part B, Preschool – Recovery Act
84.367A	ESEA, Title II, Part A
84.318X	ESEA, Title II, Part D
84.386A	ESEA, Title II, Part D – Recovery Act
84.394A	Title XIV, State Fiscal Stabilization Fund – ARRA

**LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FEDERAL EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2011**

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

- Dollar threshold used to distinguish between type A and type B programs? \$1,691,737
- Auditee qualified as low-risk auditee?  X  Yes        No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

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

NONE

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

N/A

**SECTION V – CORRECTIVE ACTION PLAN**

N/A

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2011

(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	\$ 169,361
Total Direct Programs			\$ 169,361
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 169,361</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<u>Direct Programs</u>			
FEMA Grant	97.036	N/A	\$ 4,857
FEMA Grant	97.036	N/A	126,759
Total CFDA Number 97.036			131,616
Total Direct Programs			\$ 131,616
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>\$ 131,616</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
Drug Free Schools and Communities Act	84.186A	11691001240901	\$ 16,024
*ESEA, Title I, Part A	84.010A	11610101240901	10,741,876
*ESEA, Title I, Part A	84.010A	11610104240901001	187,509
*ESEA, Title I, Part A	84.010A	11640104240901002	190,469
*ESEA, Title I, Part A	84.010A	11610104240901003	32,356
*ESEA, Title I, Part A	84.010A	11610104240901041	149,396
*ESEA, Title I, Part A	84.010A	11610104240901043	172,233
Total CFDA Number 84.010A			11,473,839
ESEA, Title I, Part C Migrant	84.011A	11615001240901	279,877
*IDEA, Part B, Formula	84.027A	116600012409066	1,575,169
*IDEA, Part B, Discretionary (Deaf)	84.027A	16622409016673	8,558
*IDEA, Part B, Formula (Deaf)	84.027A	1166012409016600	3,086
Total CFDA Number 84.027A			1,586,813
Career and Technical - Technical Preparation	84.243A	N/A	5,905
Career and Technical - Basic Grant	84.048A	1142000624090100	476,149
Career and Technical - Basic Grant	84.048A	1242000624090100	33,708
Total CFDA Number 84.048A			509,857
Title II, Part A	84.367A	11694501240901	2,400,452
Title II, Part D, Technology	84.318X	116301240901	27,265
Title III, Part A - English Language Acquisition	84.365A	11671001240901	1,403,395
Title XIV, State Fiscal Stabilization Fund - ARRA	84.394A	11557001240901	7,029,524
Title IID, Enhancing Ed Thru Technology - ARRA	84.386A	10553001240901	329,017
IDEA, Part B, Formula - ARRA	84.391A	10554001240901	3,614,834
IDEA B, Part B, Preschool - ARRA	84.392A	10555001240901	27,494
ESEA, Title I, A - ARRA Improving Basic Programs	84.389A	10551001240901	10,965,125
Summer School LEP	84.369A	69550802	167,342
Total Passed Through State Department of Education			\$ 39,836,763
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 39,836,763</b>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2011

(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 HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778		\$ 51,303
Total Passed Through Texas Dept of Human Services			\$ 51,303
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 51,303</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<u>Direct Programs</u>			
Organized Crime Drug Enforcement Task Force	N/A	N/A	\$ 6,917
Total Direct Programs			\$ 6,917
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>\$ 6,917</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program	10.553		\$ 4,622,755
National School Lunch Program - Cash Assistance	10.555		9,997,197
National School Lunch Prog. - Non-Cash Assistance	10.555		1,032,909
Total CFDA Number 10.555			11,030,106
Summer Feeding Program - Cash Assistance	10.559	N/A	542,411
Total Passed Through the State Department of Agriculture			\$ 16,195,272
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 16,195,272</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 56,391,232</b>

\*Clustered Programs

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED AUGUST 31, 2011

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	\$ 56,391,232
SHARS Program Reimbursement	3,259,873
Federal Program Revenues, Exhibit C-3	\$ 59,651,105

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LAREDO INDEPENDENT SCHOOL DISTRICT