

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of Kerrville, Texas

Issue(s):

\$	5,970,000	General Obligation Refunding Bonds Series 2007
\$	2,035,000	Combination Tax and Revenue Certificates of Obligation Series 2007
\$	9,785,000	Combination Tax and Revenue Certificates of Obligation, Series 2009
\$	4,040,000	Combination Tax and Revenue Certificates of Obligation, Series 2010
\$	4,455,000	General Obligation Refunding Bonds, Series 2010
\$	6,100,000	Combination Tax and Revenue Certificates of Obligation, Series 2011
\$	3,500,000	Combination Tax and Revenue Certificates of Obligation, Series 2011A
\$	9,905,000	Combination Tax and Revenue Certificate of Obligation, Series 2012

Filing Format electronic paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR
 Financial Information & Operating Data
 Other (describe)

Fiscal Period Covered: FYE 2011

Monthly Quarterly Annual Other:

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: Mike Erwin

Name: Mike Erwin Title: Director of Finance

Employer: City of Kerrville, Texas

Voice Telephone Number: (830) 792-8330

Email Address: mike.erwin@kerrvilletx.gov

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

General Obligation Refunding Bonds Series 2007

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/13	\$ 30,000	492422 GY0
02/15/14	30,000	492422 GZ7
02/15/15	35,000	492422 HA1
02/15/16	35,000	492422 HB9
02/15/17	35,000	492422 HC7
02/15/18	1,045,000	492422 HD5
02/15/19	1,090,000	492422 HE3
02/15/20	1,130,000	492422 HF0
02/15/21	1,175,000	492422 HG8
02/15/22	1,230,000	492422 GS3
	<u>\$ 5,835,000</u>	

Combination Tax and Revenue Certificates of Obligation Series 2007

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/13	\$ 85,000	492422 GB0
02/15/14	90,000	492422 GC8
02/15/15	90,000	492422 GD6
02/15/16	95,000	492422 GE4
02/15/17	100,000	492422 GF1
02/15/19	215,000	492422 GH7
02/15/21	225,000	492422 GK0
02/15/23	245,000	492422 GM6
02/15/25	265,000	492422 GP9
02/15/27	295,000	492422 GR5
	<u>\$ 1,705,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2009

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/13	\$ 395,000	492422 HL7
02/15/14	410,000	492422 HM5
02/15/15	420,000	492422 HN3
02/15/16	430,000	492422 HP8
02/15/17	445,000	492422 HQ6
02/15/18	460,000	492422 HR4
02/15/19	475,000	492422 HS2
02/15/20	485,000	492422 HT0
02/15/21	505,000	492422 HU7
02/15/22	525,000	492422 HV5
02/15/23	545,000	492422 HW3
02/15/24	565,000	492422 HX1
02/15/25	595,000	492422 HY9
02/15/26	615,000	492422 HZ6
02/15/27	640,000	492422 JA9
02/15/28	670,000	492422 JB7
02/15/29	695,000	492422 JC5
	<u>\$ 8,875,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2010

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/12	\$ 275,000	492422 JE1
08/15/13	285,000	492422 JF8
08/15/14	285,000	492422 JG6
08/15/15	290,000	492422 JH4
08/15/16	305,000	492422 JJ0
08/15/17	310,000	492422 JK7
08/15/18	315,000	492422 JL5
08/15/19	330,000	492422 JM3
08/15/20	345,000	492422 JN1
08/15/22	185,000	492422 JQ4
08/15/24	200,000	492422 JS0
08/15/26	215,000	492422 JU5
08/15/28	235,000	492422 JW1
08/15/30	255,000	492422 JY7
	<u>\$ 3,830,000</u>	

General Obligation Refunding Bonds, Series 2010

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/13	\$ 815,000	492422 KB5
02/15/14	840,000	492422 KC3
02/15/15	870,000	492422 KDI
02/15/16	900,000	492422 KE9
02/15/17	940,000	492422 KF6
	<u>\$ 4,365,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2011

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/12	\$ 230,000	492422 KH2
08/15/13	235,000	492422 KJ8
08/15/14	240,000	492422 KK5
08/15/15	250,000	492422 KL3
08/15/16	255,000	492422 KM1
08/15/17	265,000	492422 MN9
08/15/18	270,000	492422 MP4
08/15/19	280,000	492422 KQ2
08/15/20	295,000	492422 KR0
08/15/21	305,000	492422 KS8
08/15/22	320,000	492422 KT6
08/15/23	330,000	492422 KU3
08/15/24	345,000	492422 KV1
08/15/25	360,000	492422 KW9
08/15/26	370,000	492422 KX7
08/15/27	385,000	492422 KY5
08/15/28	400,000	492422 KZ2
08/15/29	420,000	492422 LA6
08/15/30	435,000	492422 LB4
	<u>\$ 5,990,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2011A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/15	\$ 165,000	492422 LC2
02/15/16	170,000	492422 LD0
02/15/17	175,000	492422 LE8
02/15/18	180,000	492422 LF5
02/15/19	185,000	492422 LG3
02/15/20	190,000	492422 LH1
02/15/21	195,000	492422 LJ7
02/15/22	195,000	492422 LK4
02/15/23	200,000	492422 LL2
02/15/24	205,000	492422 LM0
02/15/25	215,000	492422 LN8
02/15/26	220,000	492422 LP3
02/15/27	225,000	492422 LQ1
02/15/28	235,000	492422 LR9
02/15/29	240,000	492422 LS7
02/15/30	250,000	492422 LT5
02/15/31	255,000	492422 LU2
	<u>\$ 3,500,000</u>	

Combination Tax and Revenue Certificate of Obligation, Series 2012

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/13	\$ 260,000	492422 LV0
08/15/14	265,000	492422 LW8
08/15/15	445,000	492422 LX6
08/15/16	455,000	492422 LY4
08/15/17	465,000	492422 LZ1
08/15/18	475,000	492422 MA5
08/15/19	480,000	492422 MB3
08/15/20	490,000	492422 MC1
08/15/21	495,000	492422 MD9
08/15/22	510,000	492422 ME7
08/15/23	520,000	492422 MF4
08/15/24	535,000	492422 MG2
08/15/25	545,000	492422 MH0
08/15/26	560,000	492422 MJ6
08/15/27	575,000	492422 MK3
08/15/28	580,000	492422 ML1
08/15/29	600,000	492422 MM9
08/15/30	615,000	492422 MN7
08/15/32	1,035,000	492422 MQ0
	<u>\$ 9,905,000</u>	

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2011

CITY OF KERRVILLE, TEXAS

GENERAL OBLIGATION DEBT



FirstSouthwest[™]

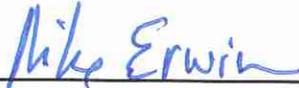
FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2011 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

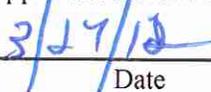
CITY OF KERRVILLE, TEXAS



Mike Erwin

Director of Finance

Approved for Submission:



Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of Kerrville, Texas with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Randy Moshier

CITY OF KERRVILLE, TEXAS
2012 GENERAL OBLIGATION DEBT REPORT

TABLE 1 – VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2011/2012 Market Valuation Established by Kerr County Appraisal District (excluding totally exempt property)		\$ 1,791,236,719
Less Exemptions/Reductions at 100% Market Value:		
Homestead Cap Adjustment	\$ 3,736,153	
Disabled Veterans	13,760,437	
Over 65	8,702,574	
Pollution	23,978	
Productivity Loss	8,172,065	
Prorated Exempt Property	359,926	
Freeport Exemption	4,008,004	
	38,763,137	
2011/2012 Net Taxable Assessed Valuation		\$ 1,752,473,582
Amount Subject to Freeze		\$478,265,318
2011/2012 Net Freeze Adjusted Taxable Assessed Valuation		\$1,274,208,264
General Obligation Debt Payable from Ad Valorem Taxes as of September 30, 2011 ⁽²⁾		
General Obligation Bonds	\$ 10,260,000	
Certificates of Obligation	27,400,000	
State Infrastructure Bank Loan	1,301,055	
The Certificates	9,905,000	
	48,866,055	
General Obligation Debt Payable from Ad Valorem Taxes		\$ 48,866,055
Less: Self-Supporting General Obligation Debt ⁽²⁾		
Waterworks and Sewer System Supported General Obligation Bond Debt	\$ 5,694,300	
Waterworks and Sewer System Supported Certificates of Obligation Debt	17,021,800	
EIC Sales Tax Supported Certificates of Obligation Debt	3,500,000	
State Infrastructure Bank Loan	585,475	
The Certificates	9,905,000	
	36,706,575	\$ 36,706,575
Net General Obligation Debt Payable from Ad Valorem Taxes		\$ 12,159,480
General Obligation Interest and Sinking Fund as of January 31, 2012		\$ 2,273,166
Ratio Net General Obligation Tax Debt to Net Taxable Assessed Valuation		0.69%

2012 Estimated Population - 22,347
Per Capita Net Taxable Assessed Valuation - \$78,421
Per Capita General Obligation Debt Payable from Ad Valorem Taxes - \$2,187
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$544

- (1) At an election on November 7, 2006, voters in the City approved a tax freeze for citizens who are disabled and/or 65 years of age or older. The tax freeze became effective on January 1, 2007.
- (2) General obligation debt in the amounts shown for which repayment is provided from revenues of the waterworks and sewer system or from economic development sales tax revenues provided by the City of Kerrville, Texas Economic Improvement Corporation (the "EIC"). The amount of self-supporting debt is based on the percentages of revenue support as shown in Table 10. It is the City's current policy to provide these payments from the waterworks and sewer system revenues and the EIC; this policy is subject to change in the future.

TABLE 2 – TAXABLE ASSESSED VALUATION BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2012		2011		2010	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 1,136,511,440	63.45%	\$ 1,122,899,636	63.23%	\$ 1,112,335,645	62.93%
Real, Residential, Multi-Family	86,805,455	4.85%	78,682,864	4.43%	77,980,140	4.41%
Real, Vacant Lots/Tracts	48,994,639	2.74%	51,831,914	2.92%	50,848,502	2.88%
Real, Acreage (Land Only)	14,947,148	0.83%	14,990,560	0.84%	15,424,073	0.87%
Real, Farm and Ranch Improvements	3,202,383	0.18%	3,197,359	0.18%	3,233,144	0.18%
Real, Commercial and Industrial	325,516,778	18.17%	327,267,941	18.43%	325,539,011	18.42%
Real and Tangible Personal, Utilities	34,099,463	1.90%	33,597,821	1.89%	37,562,813	2.12%
Tangible Personal, Business	113,373,816	6.33%	115,918,396	6.53%	114,801,955	6.49%
Tangible Personal, Other	10,101,234	0.56%	9,972,723	0.56%	9,757,539	0.55%
Real Property, Inventory	9,098,892	0.51%	10,206,222	0.57%	12,135,612	0.69%
Special Inventory	8,585,471	0.48%	7,274,001	0.41%	8,070,134	0.46%
Exempt	-	0.00%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 1,791,236,719	100.00%	\$ 1,775,839,437	100.00%	\$ 1,767,688,568	100.00%
Less: Total Exemptions/Reductions	38,763,137 ⁽¹⁾		38,336,547 ⁽¹⁾		32,889,680 ⁽¹⁾	
Net Taxable Assessed Value	\$ 1,752,473,582		\$ 1,737,502,890		\$ 1,734,798,888	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2009		2008	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 1,083,789,486	62.80%	\$ 982,905,141	61.31%
Real, Residential, Multi-Family	69,571,145	4.03%	67,994,218	4.24%
Real, Vacant Lots/Tracts	48,502,186	2.81%	48,929,503	3.05%
Real, Acreage (Land Only)	16,499,511	0.96%	15,450,391	0.96%
Real, Farm and Ranch Improvements	3,066,978	0.18%	2,749,448	0.17%
Real, Commercial & Industrial	312,335,060	18.10%	307,755,859	19.20%
Real and Tangible Personal, Utilities	36,894,443	2.14%	36,064,245	2.25%
Tangible Personal, Business	129,471,040	7.50%	114,856,825	7.16%
Tangible Personal, Other	6,792,047	0.39%	9,236,067	0.58%
Real Property, Inventory	9,185,281	0.53%	7,924,239	0.49%
Special Inventory	9,767,359	0.57%	9,278,354	0.58%
Exempt	11,407	0.00%	45,730	0.00%
Total Appraised Value Before Exemptions	\$ 1,725,885,943	100.00%	\$ 1,603,190,020	100.00%
Less: Total Exemptions/Reductions	49,509,744 ⁽¹⁾		32,966,994 ⁽¹⁾	
Net Taxable Assessed Value	\$ 1,676,376,199		\$ 1,570,223,026	

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

- (1) At an election on November 7, 2006, voters in the City approved a tax freeze for citizens who are disabled and/or 65 years of age or older. The tax freeze became effective on January 1, 2007. The Net Taxable Assessed Valuation includes the values related to the freeze exemption. See Table 3 and Table 4 for additional details.

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Net Taxable Assessed Valuation ⁽²⁾	Freeze Adjusted Equivalent Taxable Assessed Valuation ⁽³⁾	Freeze Adjusted Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽⁴⁾	Ratio of Net G.O. Tax Debt to Freeze Adjusted Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2008	23,142	\$ 1,570,223,026	\$ 1,545,075,536	\$ 66,765	\$ 8,981,899	0.58%	\$ 388
2009	22,828	1,676,376,199	1,657,604,902	72,613	13,967,909	0.84%	612
2010	22,347	1,734,798,888	1,675,310,217	74,968	13,465,609	0.80%	603
2011	22,347	1,737,502,890	1,681,491,439	75,245	12,159,480	0.72%	544
2012	22,347	1,752,473,582	1,701,863,626	76,156	11,434,597	0.67%	512

(1) Source: City of Kerrville, Texas.

(2) As reported by the Kerr County Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) The Freeze Adjusted Equivalent Taxable Assessed Valuation is calculated by converting the Actual Tax value in the Certified Totals by Kerr County Appraisal District into a taxable assessed valuation equivalent.

(4) Does not include self-supporting debt.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy ⁽¹⁾	Actual Tax Included in Tax Levy	% Current Collections	% Total Collections
2008	\$ 0.5500	\$ 0.4932	\$ 0.0568	\$ 8,519,000	\$ 1,957,621	98.95%	99.97%
2009	0.5500	0.4891	0.0609	9,097,000	2,163,388	98.89%	99.27%
2010	0.5625	0.4851	0.0774	8,263,971	2,295,329	97.64%	100.00%
2011	0.5625	0.4890	0.0735	9,438,248	2,399,772	98.51%	100.00%
2012	0.5625	0.4890	0.0735	9,537,097	2,408,109	92.18% ⁽²⁾	92.94% ⁽²⁾

(1) Tax levy includes a portion of taxes collected from the freeze adjusted values.

(2) Collections as of March 27, 2012.

TABLE 5 – TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2011/12 Net Taxable Assessed Valuation	% of Total Net Taxable Assessed Valuation
Windstream Communications Kerrville LP	Utility	\$24,521,054	1.40%
Sunwest Management Inc.	Nursing Home	9,115,001	0.52%
Comanche Trace Ranch & Golf Club	Subdivision	7,998,809	0.46%
Wal-Mart Stores, Inc.	Discount Retail	7,784,640	0.44%
Wal-Mart Stores, Inc. #508	Discount Retail	6,841,869	0.39%
Home Depot, USA, Inc.	Home Retail	6,694,883	0.38%
Lowe's Home Centers, Inc.	Home Retail	6,270,099	0.36%
Kerrville Rio Verde, Ltd	Real Estate	4,917,452	0.28%
Atmos Energy/Mid-Tex Division	Gas Supply and Planning	4,647,132	0.27%
Butt, Charles C. TTEE ETAL	Personal and Real Property	4,319,780	0.25%
		<u>\$ 83,110,719</u>	<u>4.74%</u>

TABLE 6 – TAX ADEQUACY

2012 Principal and Interest Requirements ⁽¹⁾	\$1,172,062
\$0.0683 Tax Rate at 98% Collection Produces	\$1,173,001
Average Annual Principal and Interest Requirements, 2012- 2032 ⁽¹⁾	\$ 756,518
\$0.0441 Tax Rate at 98% Collection Produces	\$ 757,384
Maximum Annual Principal and Interest Requirements, 2018 ⁽¹⁾	\$1,189,462
\$0.0693 Tax Rate at 98% Collection Produces	\$1,190,175

(1) Does not include self-supporting debt.

TABLE 8 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service ⁽¹⁾			Less: Self-Supporting Debt Service	Total Net Tax-Supported Debt Service	% of Principal Retired
	Principal	Interest	Total			
2012	\$ 2,094,514	\$ 1,422,538	\$ 3,517,052	\$ 2,344,990	\$ 1,172,062	
2013	2,430,849	1,520,403	3,951,252	2,776,149	1,175,103	
2014	2,497,444	1,451,114	3,948,558	2,773,636	1,174,922	
2015	2,914,309	1,375,738	4,290,047	3,116,518	1,173,529	
2016	3,006,456	1,285,413	4,291,869	3,119,655	1,172,214	26.49%
2017	3,108,896	1,187,405	4,296,300	3,118,935	1,177,365	
2018	3,236,640	1,085,325	4,321,965	3,132,503	1,189,462	
2019	3,226,946	974,935	4,201,881	3,078,162	1,123,719	
2020	3,250,000	864,608	4,114,608	3,044,352	1,070,256	
2021	3,090,000	752,332	3,842,332	2,770,990	1,071,342	59.05%
2022	3,215,000	643,991	3,858,991	2,784,289	1,074,702	
2023	2,045,000	552,568	2,597,568	2,082,185	515,383	
2024	1,880,000	482,853	2,362,853	1,849,130	513,723	
2025	1,955,000	417,979	2,372,979	1,856,655	516,324	
2026	2,020,000	349,995	2,369,995	1,851,918	518,078	81.80%
2027	2,090,000	279,381	2,369,381	1,850,399	518,983	
2028	2,005,000	208,441	2,213,441	1,846,281	367,160	
2029	2,080,000	136,945	2,216,945	1,854,401	362,544	
2030	1,430,000	76,789	1,506,789	1,506,789	-	
2031	890,000	30,338	920,338	920,338	-	99.18%
2032	400,000	10,000	410,000	410,000	-	100.00%
	<u>\$48,866,055</u>	<u>\$15,109,088</u>	<u>\$63,975,143</u>	<u>\$ 48,088,274</u>	<u>\$15,886,869</u>	

(1) "Outstanding Debt Service" does not include lease/purchase obligations.

TABLE 9 – INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2012		\$ 1,172,062
Interest and Sinking Fund, 9/30/2011	\$ 1,147,532	
Interest and Sinking Fund Tax Levy @ 98% Collection	<u>1,221,256</u>	<u>2,368,788</u>
Estimated Balance, 9/30/2012		<u>\$ 1,196,726</u>

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

Net Waterworks and Sewer System Revenue Available as of 9/30/2011	\$ 4,838,434
Net EIC Sales Tax Revenue Available as of 9/30/2011	2,386,839
Less: Requirements for Waterworks and Sewer System Revenue Bonds	-
Less: Requirements for EIC Sales Tax Revenue Bonds	<u>499,066</u>
Balance Available for Other Purposes	<u>\$ 6,726,207</u>
Requirements for Waterworks and Sewer System Supported General Obligation Debt	\$ 2,255,825
Requirements for EIC Sales Tax Supported General Obligation Debt	\$ 89,165
Percentage of Waterworks and Sewer System Supported General Obligation Debt Self-Supporting	100%
Percentage of EIC Sales Tax Supported General Obligation Debt Self-Supporting	100%

TABLE 11 – AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

The City does not have any authorized but unissued voted general obligation bonds. The City is authorized by the laws of the State to incur general obligation debt, such as the Certificates, for certain authorized purposes without an election.

TABLE 12 – OTHER OBLIGATIONS

As of September 30, 2011, the city has no other obligations.

TABLE 13 – CHANGE IN NET ASSETS

	Fiscal Year Ended September 30,				
	2011	2010	2009	2008	2007
REVENUES:					
Program Revenues:					
Charges for Services	\$ 5,372,975	\$ 7,923,247	\$ 4,305,908	\$ 5,047,533	\$ 5,975,589
Operating Grants and Contributions	1,461,129	1,472,751	1,564,486	903,820	204,877
Capital Grants and Contributions	2,958,657	351,153	6,882,533	1,234,540	1,707,155
General Revenues:					
Property Taxes	9,555,355	9,555,787	9,136,298	8,587,048	7,959,787
Sales Taxes	4,772,872	4,537,121	4,925,791	4,965,842	7,211,862
Hotel Occupancy Taxes	846,163	872,355	882,592	977,543	937,850
Franchise Taxes	1,835,532	1,763,913	1,930,208	2,019,492	1,752,696
Alcoholic Beverage Taxes	58,321	60,343	67,373	71,952	70,005
Unrestricted Investment Earnings	52,430	77,977	167,815	391,682	849,946
Capital Contributions	-	-	-	-	-
Gain (loss) on sale of assets	-	(18,901)	13,260	(202,443)	11,467
Miscellaneous	1,427,411	228,971	115,000	-	496,529
Total Revenues	\$ 28,340,845	\$ 26,824,717	\$ 29,991,264	\$ 23,997,009	\$ 27,177,763
EXPENSES:					
General Government	\$ 4,022,200	\$ 4,593,877	\$ 4,926,599	\$ 4,937,628	\$ 7,141,532
Public Safety	12,632,154	11,879,408	12,000,846	11,532,917	9,743,210
Culture and Recreation	3,460,606	2,707,126	3,656,505	3,262,500	3,662,625
Public Works	3,104,204	3,635,461	4,276,884	3,008,951	2,394,090
Business Programs	176,981	183,004	189,093	179,727	312,415
Interest on Long-term Debt	717,236	655,310	372,523	459,439	572,202
Total Expenditures	\$ 24,113,381	\$ 23,654,186	\$ 25,422,450	\$ 23,381,162	\$ 23,826,074
Increase in Net Assets Before Transfers	\$ 4,227,464	\$ 3,170,531	\$ 4,568,814	\$ 615,847	\$ 3,351,689
Transfers	4,259,340	447,302	389,559	823,767	1,129,468
Increase in Net Assets	\$ 8,486,804	\$ 3,617,833	\$ 4,958,373	\$ 1,439,614	\$ 4,481,157
Beginning Net Assets	58,896,251	55,223,537 ⁽¹⁾	50,265,158	48,825,544	44,344,387
Prior Period Entries	(1,408,344)	54,881	-	-	-
Ending Net Assets	\$ 65,974,711	\$ 58,896,251	\$ 55,223,531	\$ 50,265,158	\$ 48,825,544

(1) Restated.

TABLE 13A – GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2011	2010	2009	2008	2007
REVENUES					
Taxes	\$ 14,938,103	\$ 14,616,417	\$ 15,098,889	\$ 14,694,692	\$ 14,049,756
Licenses and Permits	355,861	324,835	416,883	448,653	464,719
Intergovernmental	743,895	712,655	833,660	864,866	829,878
Charges for Services	2,628,188	1,848,434	1,962,995	1,936,429	3,403,994
Grants	35,062	233,422	69,617	251,906	104,327
Fine and Forfeitures	656,536	506,604	506,040	420,075	340,790
Interest	42,562	26,574	80,437	265,591	368,168
Miscellaneous	1,036,599	1,255,004	1,154,857	1,233,649	848,504
Total Revenues	\$ 20,436,806	\$ 19,523,945	\$ 20,123,378	\$ 20,115,861	\$ 20,410,136
EXPENDITURES					
Current Expenditures:					
General Government	\$ 3,703,816	\$ 4,302,994	\$ 4,573,814	\$ 4,438,106	\$ 4,919,754
Public Safety	11,159,561	11,644,715	11,041,940	10,775,434	10,240,411
Culture and Recreation	2,048,599	1,909,823	2,222,987	2,247,494	2,187,374
Public Works	2,724,242	2,745,012	2,593,065	2,798,372	2,296,884
Business Programs	176,981	183,004	189,093	179,727	211,103
Capital Outlay	27,242	314,758	432,458	363,445	245,783
Total Expenditures	\$ 19,840,439	\$ 21,100,306	\$ 21,053,357	\$ 20,802,578	\$ 20,101,309
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
	\$ 596,367	\$ (1,576,361)	\$ (929,979)	\$ (686,717)	\$ 308,827
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	\$ 1,303,329	\$ 883,352	\$ 1,329,218	\$ 1,061,892	\$ 848,393
Operating Transfers Out	(273,251)	(941,662)	(817,067)	(1,172,955)	(928,579)
Capital Lease Obligation Proceeds	-	-	13,260	33,033	-
Total Other Financing Sources (Uses)	\$ 1,030,078	\$ (58,310)	\$ 525,411	\$ (78,030)	\$ (80,186)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	\$ 1,626,443	\$ (1,634,671)	\$ (404,568)	\$ (764,747)	\$ 228,641
FUND BALANCES AT BEGINNING OF YEAR	\$ 4,509,832	\$ 6,089,622	\$ 6,494,190	\$ 7,258,938 ⁽¹⁾	\$ 7,420,072
PRIOR PERIOD ADJUSTMENT	\$ -	\$ 54,881	\$ -	\$ -	\$ -
FUND BALANCES AT END OF YEAR	\$ 6,136,275	\$ 4,509,832	\$ 6,089,622	\$ 6,494,190	\$ 7,648,713

(1) Restated to correct amounts in capital assets (primarily land and construction in progress or "CIP"), to present elements of certain receivables (fines and ambulance service), to record changes to equity in joint venture (land and CIP), to record changes to debt elements (bond issue cost, bond premium/discount, deferred amount from refunding, amortization, landfill post closure costs), and to reclassify a blended component unit (CU) to a discrete component unit (DCU).

TABLE 14 – MUNICIPAL SALES TAX HISTORY

Fiscal Year Ended 9/30	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
2007	\$ 4,807,908	60.40%	\$ 0.3062	\$ 210.87
2008	4,965,842	58.29%	0.2962	214.58
2009	4,925,791	54.15%	0.2839	215.78
2010	4,521,233	54.71%	0.2602	202.32
2011	4,772,872	50.57%	0.2724	213.58

(1) Excludes half-cent sales tax for economic development.

(2) Based on population estimates of the City staff.

TABLE 15 – CURRENT INVESTMENTS

As of December 31, 2011, the City's funds were invested as follows:

Description	% of Portfolio	Book Value
Bank CD's Interest at Maturity	0.67%	\$ 245,000.00
Kerr County Credit Union	0.01%	2,081.83
Libertad MM	0.67%	246,115.07
Miscellaneous Coupon Securities	4.19%	1,536,510.00
TexPool	27.13%	9,941,032.15
TexSTAR	0.00%	1,013.39
Wells Fargo Bank	20.08%	7,358,522.67
Bank CD's Interst Monthly/Quarterly	7.25%	2,657,419.02
LOGIC	40.00%	14,659,292.68
	<u>100.00%</u>	<u>\$36,646,986.81</u>

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Kerrville Economic Development Corporation with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Randy Moshier