

CITY OF LAREDO, TEXAS



Comprehensive Annual Financial Report For The Year Ended September 30, 2014

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014

PREPARED BY:

CITY OF LAREDO
FINANCIAL SERVICES DEPARTMENT
ACCOUNTING DIVISION

INTRODUCTION SECTION

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended
September 30, 2014

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February 20, 2015

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Laredo.

We are pleased to submit the Comprehensive Annual Financial Report of the City of Laredo, Texas for the fiscal year ending September 30, 2014. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City of Laredo's financial statements have been audited by Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Laredo for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining, on a

test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Laredo's financial statements for the fiscal year ended September 30, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City owns, maintains and operates four border crossings; three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is the eighth most populated City in the State of Texas with a population of 248,142 in 2013, according to the U.S. Census estimates.

The City of Laredo is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Laredo has operated under the council-manager form of government. The policy-making and legislative authority are vested to the City Council consisting of the Mayor and eight Council members. The governing council is responsible, among other things for passing ordinances, adopting budgets, appointing committees, and the hiring of the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the directors of the various departments. The council is elected on a non-partisan basis. Council members may serve up to two (2) four (4) year terms. The mayor is elected to serve a four-year term with a limit of two (2) terms. All council members are elected by district. The mayor is elected at large.

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

The financial statements include component units of the City of Laredo. Component units are units that are legally separate organizations for which our elected officials are financially accountable. The City's component unit entities include:

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

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

The annual budget serves as the foundation for the City of Laredo's financial planning and control. The City Manager presents a proposed balanced budget to the City Council for review through council workshops. The council is required to

hold public hearings on the proposed budget and to adopt a final budget by no later than September 30th, the close of the City of Laredo's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department Directors may make transfers of appropriations within a department through an insufficient appropriation notice that is reviewed by the Budget, Finance and City Manager's Office depending on the dollar value. Transfers of appropriations between funds require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds.

For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the special revenue fund and the capital projects fund).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Laredo operates.

Local economy: Though the nation's economy is struggling with decreasing sales, mortgages, and increased unemployment, the City of Laredo has been very fortunate and experienced steady growth to our economy. Laredo is strategically positioned with a large transportation and warehousing industry. Trade between the United States and México is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland Port on the U.S. – México border. We have four (4) international bridges; two of which are commercial crossings; over 1.8 million trucks cross annually. Laredo trades over \$253 billion imports and exports annually. Based on trade statistics by World City Magazine, Laredo just became the 3rd largest U.S. Customs District in the country; up from its position as the 6th in 2012. Only Los Angeles and New York, (both water ports) are above Laredo.

The City of Laredo continues to undertake an aggressive marketing approach in bringing additional commerce to our City. We continue to visit as well as host producers of goods from Central and South America to our City in order to establish stronger economic growth. We have established healthy business opportunities where Laredo will be a route through the Ports of Lazaro Cardenas and Manzanillo to logistically import products into the United States. During the work week, more than 10,000 trucks cross daily into Laredo. On rail, more than 1,800 rail cars pass through Laredo daily, making it one of the top rail road

interchanges in the U.S. and the busiest on the Southern Border. On air, more than 447 million pounds of cargo are handled annually.

Two great catalysts that have enhanced the City's economic growth in international trade are the following:

- Two cold storage facilities were built on our commercial bridges. Producers from South and Central America that transport fresh fruits, vegetables and flowers are now crossing through our border more expediently while keeping its products safe from the external elements during inspections. Laredo is at a distribution advantage since our routes are shorter and more direct as compared to other ports.
- A federal inspection station was built at our international airport which is used for federal inspections. This facility allows Mexican Customs to pre-clear American goods southbound for import into Mexico. This is the first and only international inspection in the United States where its purpose is to reduce delivery times and cost into a Mexican bonded facility. Some of the Mexican airports that are approved to participate in this endeavor are; Chihuahua, San Luis Potosí, Queretaro, Guanajuato, Toluca and Guadalajara.

In 2014, the oil and gas industry continued to be a stable economic factor. Rental properties, restaurants, and non-essential purchases resulted in steady Hotel/Motel and Sales Tax revenues for our City. Eagle Ford Shale has continued to create employment opportunities to our citizens. We will continue to monitor this sector due to declining oil prices.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of the Wal-Mart store ranked #1 in sales in the nation. Grocery store chains such as H.E.B. continue to invest with store expansions or remodeling. Electronic stores such as Best Buy and sporting goods stores such as Academy continue to be top nationwide retail sellers in Laredo. Our 1.2 million square foot mall holds over 150 stores which amongst them are many restaurants such as Luby's, Olive Garden, Red Lobster, Tony Romas, etc. It also has stores such as Dillard's Bells, Macy's, J.C. Penny, Sears, Guess, Hollister, American Eagle, Aeropostale, Chucky Cheese, and many more.

In addition to the above mentioned retail growth, the City has announced that a private developer will begin construction of a 350,800 sq. ft. outlet center known as The Outlet Shoppes at Laredo-Phase I. The development will be in downtown Laredo where 80 to 90 stores will be constructed. Due to this development, new jobs and additional sales tax will be generated therefore, enhancing our economy even more. This will be the first of two phases.

The City owns three state-of-the-art facilities for citizens to enjoy affordably priced entertainment; the Laredo Energy Arena, the Uni-trade Baseball Stadium and the Max Mandel Municipal Golf Course. These facilities have added diversity to Laredo's entertainment scene. A visit must be taken to the Laredo Energy Arena; a City owned facility that is operated by SMG. This beautiful facility hosts many family oriented events which include indoor football, exhibition basketball games, Rodeos, motor cross racing, wrestling, and major concert performers. The Uni-trade Baseball Stadium is a \$20 million facility where it is home of the Laredo Lemurs, an American Association of Independent Professional Baseball League. The Max A. Mandel Municipal Golf Course is the first municipal golf course in Laredo. It is situated in 270 acres along the Rio Grande River with a Robert Trent Jones design. It has been recently rated as the #1 public golf course in Texas by TexasOutside.com. All three facilities were built for the community to enjoy premier entertainment in Laredo. Below are some of the projects:

MAJOR INITIATIVES

For the Year 2013-2014

The City staff, following the directives of the City Council and the City Manager, have addressed and completed a large number of projects during the year. The projects are reviewed and adopted annually through a five year Capital Improvement Plan. These projects reflect the City's commitment to building a better Laredo and provide its citizens with a better quality of life, economic prosperity and safety.

- Rehabilitation of 346.5 City blocks this fiscal year with a project cost of \$2.8 million. This work was done with in-house City crews
- Completion of various projects for the Airport Department include:
 - o \$7.9 million for taxiways and general aviation reconstruction phase 7
 - o \$3.8 million for the Airport Aircraft Rescue and Fire Fighting Station
 - o \$610 thousand for the replacement of airport chillers
 - o \$385 thousand for perimeter fencing on the east side of the airport
- Completion of various projects for the Parks & Leisure Department include:
 - o \$5.2 million Northwest Recreation Center
 - o \$1.5 million North Central Park Pool Complex
 - o \$715 thousand for the Farias Boxing Gym
 - o \$523 thousand for the Upper Zacate Creek Soccer Complex
 - o \$471 thousand for the Independence Hills Swimming Pool
 - o \$250 thousand for the Manadas Creek Hike & Bike Trail
- Completion of a South Laredo Library Branch totaled \$4.3 million. The Sophie Christen McKendrick, Francisco Ochoa and Fernando A. Salinas Branch is approximately 22,000 sq. ft. and includes an expanded collection for

circulation, a Teen Café, children's area, reference and computer labs, Wi-Fi and individual study rooms.

- Completion of a \$5.9 million for an energy efficiency project in collaboration with Chevron which is expected to save the City \$9.3 million in energy savings over a 9 year period. The project included electrical retrofitting of various city facilities including parks, traffic signalization alterations and water conservation efforts.
- Completion of Phase 2 of the Animal Care Facility with a total cost of \$1.4 million.
- Completion of Canal Drainage Improvement Phase 2 which with a total cost of \$3 million.
- Completion of various Community Development Block Grant Sidewalk Projects city-wide totaling \$1.1 million.

Future Major Initiatives

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

- Airport projects currently underway are following:
 - o \$5.2 million for taxiways and aviation reconstruction Phases 8 & 9
 - o \$2.9 million for installation of a perimeter security system
- Parks and Leisure projects currently under construction are the following:
 - o \$1.3 million for the Canizales Boxing Gym Expansion
 - o \$1.2 million for the Chacon Creek Pedestrian Trail; this project is in collaboration with the Environmental Service Department
 - o \$790 thousand for Slaughter Park Improvements – Phase 2
 - o \$400 thousand for El Eden Rec Center Swimming Pool
- In the process of completing a \$5.1 million project for paving various street connectors in South Laredo located at Los Presidents, Lomas del Sur (Southgate) and Cielito Lindo Blvd.
- The Utilities Department has various water and sewer capital improvement projects, they are the following:
 - o \$4.96 million for an educational facility at the Jefferson Water Treatment Plant. Students and citizens can learn about our water system and our environment. The educational facility is only one of three in the State geared toward water conservation.

- o \$43.7 million for a South Laredo Wastewater Treatment Plant 6 MGD expansion project funded from the various bonds and the Texas Water Development Board.
 - o \$15.7 million for the construction of a 60 inch transmission main located in west Laredo.
 - o \$97.95 million for the construction of a 20 million gallon per day (MGD) water treatment that will be capable of expanding its capacity to 180 MGD's. The plant began construction November 2011 and is expected to be completed summer of 2015. It is located in 100 acres of land in northwest Laredo and it is called, "El Pico Water Treatment Plant".
 - o \$4.9 million for the replacement of approximately 65,000 residential and commercial meters to operate remotely with an automated meter reading system that will provide hourly review and meter operations. The project is expected to enhance the level of water conservation and more accurately identify all revenues generated while providing better efficiencies.
 - o \$2.24 million for the design/specifications, platting and environments assessment of a future 1.75 MGD wastewater treatment plant located in northwest Laredo called Sombreretillo Wastewater Treatment Plant.
- Current construction of a new disposal cell at the Solid Waste Department landfill with an estimated cost of \$3 million.
 - Current construction of the Chacon Creek Pedestrian Trail with an estimated cost of \$1.2 million.
 - Current renovations of the Old Federal Court House Building with an estimated cost of \$1.5 million.

Awards and Acknowledgements

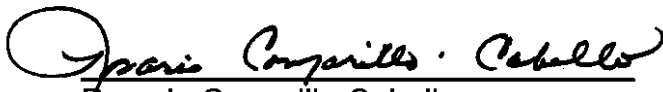
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laredo for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the twenty-sixth consecutive year in which the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its twenty-first consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Laredo's finances.

Respectfully,


Rosario Camarillo-Cabello,
Financial Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

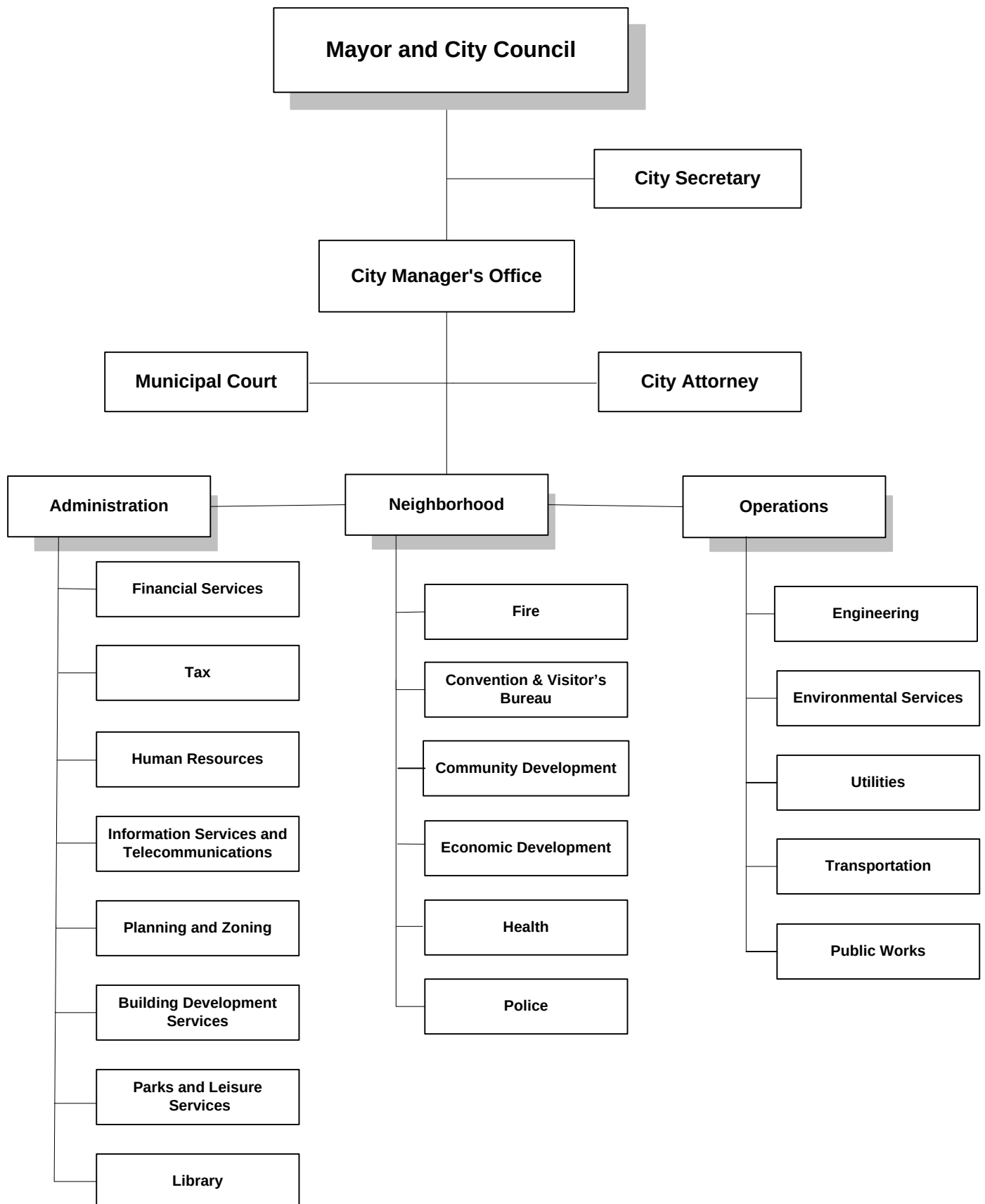
**City of Laredo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF LAREDO, TEXAS



**CITY OF LAREDO, TEXAS
ADMINISTRATIVE OFFICIALS**

CITY COUNCIL

Raul G. Salinas, Mayor

COUNCIL MEMBER	DISTRICT	COUNCIL MEMBER	DISTRICT
Mike Garza	I	Roque Vela, Jr.	V
Esteban Rangel Mayor Pro-Tempore	II	Charlie San Miguel	VI
Alejandro “Alex” Perez, Jr.	III	Vacant	VII
Juan Narvaez	IV	Cindy Liendo	VIII

CITY STAFF

Carlos R. Villarreal, City Manager

Cynthia Collazo, Deputy Manager

Horacio De Leon, Assistant City Manager

Jesus M. Olivares, Assistant City Manager

Raul Casso, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

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FINANCIAL SECTION

Aaron Canales, CPA
Juan José Garza, CPA
J. Clayton Baum, CPA (Ret.)
Guadalupe Garcia-Wright, CPA



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financials Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Laredo, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures

of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2015, on our consideration of the City of Laredo, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Laredo, Texas' internal control over financial reporting and compliance.

Canales, Garza & Baum, PLLC

Laredo, Texas
February 20, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Laredo's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This section of the City of Laredo's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Primary Government's net position as of September 30, 2014 was \$853.5 million. This represents a decrease of \$2.4 million for the year. Net Assets for governmental activities increased by \$5.6 million while business type activities decreased by \$8 million. The assets for the primary government decreased by \$4.1 million while liabilities decreased by \$1.7 million. The net position consists of \$734 million in Investments in Capital Assets; \$83.8 Restricted Assets and \$35.7 in Unrestricted Net Assets.
- The Primary Government's total expenses were \$426.3 million; total revenues were \$433.5 million generated in charges for services, operating grants, taxes and other revenues. The cost of the Primary Government's governmental activities was \$257.5 million while the cost of business-type activities was \$168.8 million for the fiscal year.
- As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$137.6; a decrease of \$5.2 million compared to prior year activities. Approximately 100% of the combined fund balances are restricted, committed or assigned.
- The unassigned fund balance in General Fund was \$2.8 million or 1.6% of total General Fund current year expenditures.
- In fiscal year 2014, the City issued \$90.6 million in debt to finance capital projects and refinance outstanding bond issues. Liabilities related to bond issuance increased by \$1.3 million

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplemental information, and an option section that presents combining statements for non-major Governmental Funds and Internal Service Funds. The basic financial statements include two different formats in viewing the information.

- The first two statements are Government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City Government, reporting the City's operations in more detail than the Governmental-wide statements.
- The Governmental funds tell how general government services like public safety were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like a business, such as the Bridge, Transit, and Water and Sewer funds.

- Fiduciary fund statements provide information about the financial relationships as an example, the retirement plan for the City's employees in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources above belong.

Figure A-1

FUND FINANCIAL STATEMENTS

	Government – Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	• Statement of net assets • Statement of activities	• Balance sheet • Statement of Revenues and Expenditures, and changes in fund balances	• Statement of net assets • Statement of Revenues, expenses, and changes in net assets • Statement of Cash Flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term the City's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the year; expenditures when goods and services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year; regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-2 shows how the required parts of this annual report are arranged and relate to one another. In addition these required elements, we have included a section with combining statements that provide details about our non-major Governmental Funds and Internal Service Funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-2

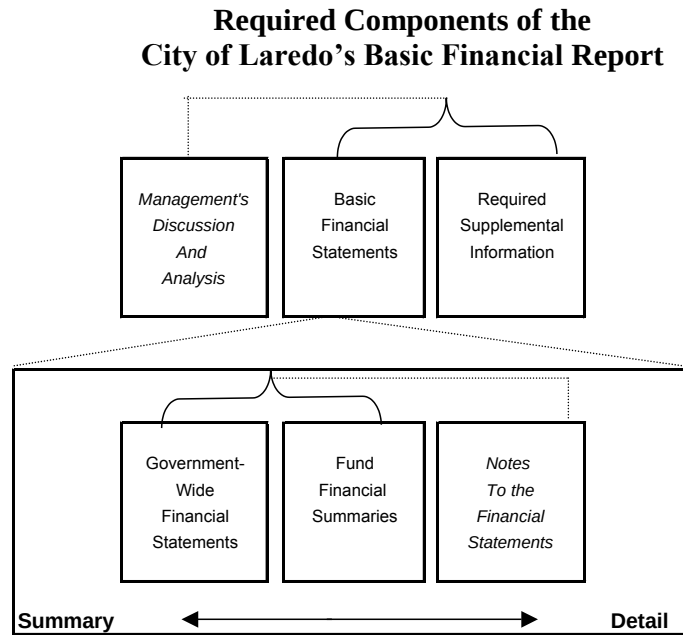


Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

Government-wide Statements

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

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

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

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

- **Government activities-** Most of the City's basic services are included here, such as the police, fire, parks, public works, health, library departments, and general administration. Sales taxes and property taxes, charges for services, and the state and federal grants finance most of these activities.
- **Business-type activities –** The City charges fees to customers to help it cover its cost of certain services it provides. The City's Utilities System operations and Bridge toll revenues are included here.

- Blended Component units – The City includes six other entities in its report. These entities are: Laredo Municipal Housing Corp., Laredo Municipal Transit System, Laredo Convention and Visitors’ Bureau, Laredo Firefighters’ Retirement System, Laredo Public Facilities Corporation-La Terraza, LLC, and the Laredo Energy Arena. Although legally separate, these “component units” are important because the City is financially accountable for them.

Fund Financial Statements

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

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

The City has three kinds of funds:

- *Governmental funds* – Most of the City’s basic services are included in Governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, we provide additional information at the bottom of the Governmental Funds Statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide Statements, provide both long-term and short-term financial information. These funds are generally used to account for services for which the City charges customers either outside customers or internal cost centers of the City.
 - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Municipal Transit System, Bridge System, Municipal Housing, Waterworks, Sewer, and Solid Waste Funds.
 - Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses its internal service funds to account for its Risk Management, Health & Benefits, Fleet and Information Technology Funds.
- *Fiduciary funds* – The City is the trustee, or fiduciary, for its employee’s pension plans. It is also responsible for other assets that – because of a trust arrangement can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City’s Government-wide financial statements because the City cannot use these assets to finance operations.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. The City’s combined net position totaled \$853.5 million as of September 30, 2014. Analyzing the net position and net expenses of the governmental and business-type activities separately, the business type activities net position were \$355.6 million and the government type activities were \$497.9 million. This analysis focuses on the net position (Table A-1) and changes in general revenues (Table A-2) and significant expenses of the City’s governmental and business-type activities.

The largest portion of the City’s net position reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1

City of Laredo’s Net Position September 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 204,620,494	\$209,834,671	\$214,606,229	\$276,854,381	\$ 419,226,723	\$ 486,689,052
Capital assets	649,871,395	631,795,079	626,395,371	571,679,235	1,276,266,766	1,203,474,314
Unamortized Bond Costs	-	4,036,154	116,965	5,532,013	116,965	9,568,167
Total assets	854,491,889	845,665,904	841,118,565	854,065,629	1,695,610,454	1,699,731,533
Current liabilities	42,618,528	43,287,210	47,206,741	65,260,186	89,825,269	108,547,396
Non-current liabilities	313,934,877	310,020,252	438,357,192	425,292,552	752,292,069	735,312,804
Total liabilities	356,553,405	353,307,462	485,563,933	490,552,738	842,117,338	843,860,200
Net Position:						
Net investments in						
capital assets	454,275,907	435,213,156	279,700,006	308,880,051	733,975,913	744,093,207
Restricted	52,746,758	32,487,338	31,079,396	32,833,893	83,826,154	65,321,231
Unrestricted	(9,084,181)	24,657,948	44,775,230	21,798,947	35,691,049	46,456,895
Total net position	\$ 497,938,484	\$492,358,442	\$355,554,632	\$363,512,891	\$ 853,493,116	\$ 855,871,333

A portion of the City's net position of \$83.8 million represents resources that are subject to external restrictions on how they may be used. The City of Laredo has sufficient funds to meet requirements for cash outlays in the next fiscal year and has the financial capacity to meet its long-term obligations in the years to come. The City's policy has been to make reasonable and continuous efforts to fund all long-term liabilities. The City's restricted net assets increased by 28.33% over prior year.

Generally, the net position generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net position decreased by \$33.7 million to a negative balance of \$9.1 million for the year.

Unrestricted net assets in the business-type activities were \$44.8 million as of September 30, 2014, with an increase of \$23 million from prior year.

The table below provides a summary of the City's operations for the year ended September 30, 2014. Governmental activities increased the City's net position by \$9.6 million, while Business-Type activities decreased by \$2.4 million, overall the City's Net Assets increased by \$7.2 million prior to a prior period adjustment of \$9.6 million. Total revenues realized by the City total \$433.5 million for the year. (See Table A-2). The largest revenue category was charges for services, which are comprised for the most part of administrative fees from all departments, bridge tolls and utility charges.

Total operating cost of all programs increased by \$20.9 million from prior year to \$426.3 million. The most significant governmental expense for the City was in providing public safety, public works repairs and improvements and cultural and recreational activities as compared to prior year. These expenses were offset by revenues collected by a variety of sources such as property taxes, fines, and forfeitures. The most significant portion of the police activity is the cost of personnel, which is approximately \$55.99 million and the fire department with \$41.78 million (both areas including benefits and overtime expenditures).

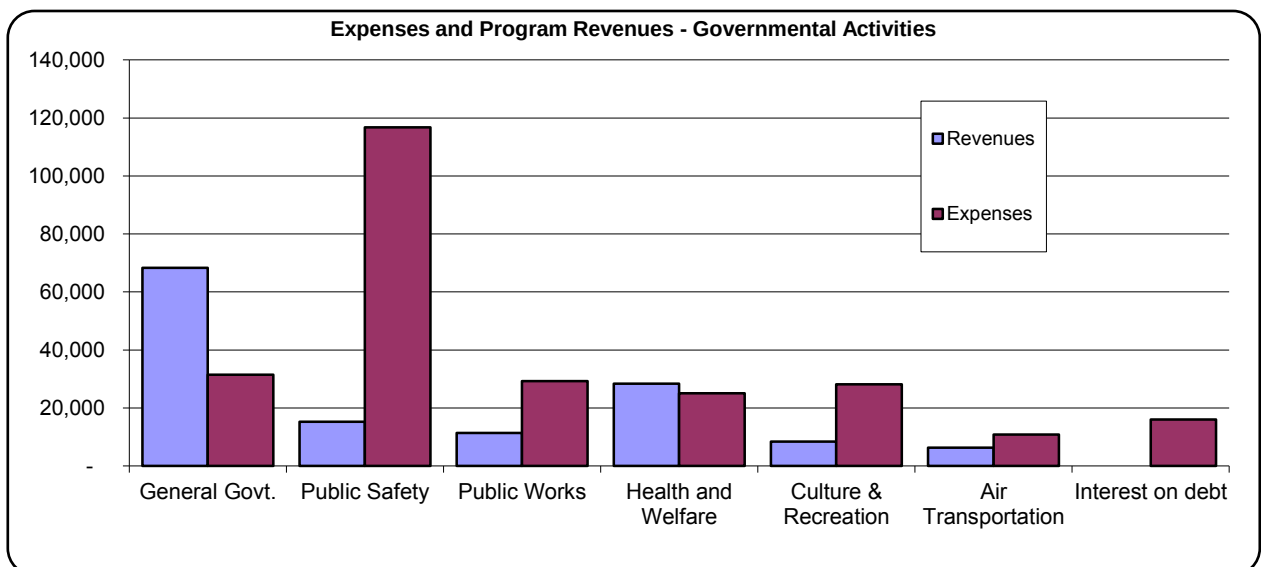
Table A-2

**City of Laredo's Changes in Net Position
September 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 87,844,771	\$ 92,324,318	\$154,286,628	\$ 142,207,131	\$ 242,131,399	\$ 234,531,449
Operating grants and contributions	21,012,892	25,228,899	4,425,506	5,504,473	25,438,398	30,733,372
Capital grants and contributions	29,152,539	22,102,012	5,746,419	6,365,385	34,898,958	28,467,397
General revenues:						
Sales tax	39,842,711	40,383,050	7,716,898	7,666,150	47,559,609	48,049,200
Property taxes	68,900,077	69,563,546	-	-	68,900,077	69,563,546
Other taxes	12,193,464	11,654,381	-	-	12,193,464	11,654,381
Other	606,013	16,277,527	1,762,683	1,671,874	2,368,696	17,949,401
Total revenue	<u>\$ 259,552,467</u>	<u>\$ 277,533,733</u>	<u>\$173,938,134</u>	<u>\$ 163,415,013</u>	<u>\$ 433,490,601</u>	<u>\$ 440,948,746</u>

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Expenses:						
General Government	\$ 31,483,857	\$ 36,517,099	\$ -	\$ -	\$ 31,483,857	\$ 36,517,099
Public Safety	116,740,217	114,298,448	-	-	116,740,217	114,298,448
Public Works	29,275,673	29,742,584	-	-	29,275,673	29,742,584
Health & Welfare	25,049,024	25,149,324	-	-	25,049,024	25,149,324
Culture & Recreation	28,166,961	25,636,585	-	-	28,166,961	25,636,585
Air Transportation	10,866,517	10,379,579	-	-	10,866,517	10,379,579
Interest & Other long - term debt	15,939,639	11,253,582	-	-	15,939,639	11,253,582
Transit System	-	-	16,849,895	16,655,247	16,849,895	16,655,247
Bridge System	-	-	53,740,997	40,886,900	53,740,997	40,886,900
Solid Waste	-	-	17,714,332	19,527,143	17,714,332	19,527,143
Water System	-	-	46,627,133	43,113,971	46,627,133	43,113,971
Sewer System	-	-	32,680,138	31,051,237	32,680,138	31,051,237
Municipal Housing	-	-	1,166,268	1,162,724	1,166,268	1,162,724
Total expenses	257,521,888	252,977,201	168,778,763	152,397,222	426,300,651	405,374,423
Inc (dec) in net position before transfers	2,030,579	24,556,532	5,159,371	11,017,791	7,189,950	35,574,323
Transfers	7,585,617	3,781,584	(7,585,617)	(3,781,584)	-	-
Incr (Dec) in net position	9,616,196	28,338,116	(2,426,246)	7,236,207	7,189,950	35,574,323
Prior Period Adj.	(4,036,154)	-	(5,532,013)	-	(9,568,167)	-
Net position, ending	\$ 497,938,484	\$ 492,358,442	\$ 355,554,632	\$ 363,512,891	\$ 853,493,116	\$ 855,871,333

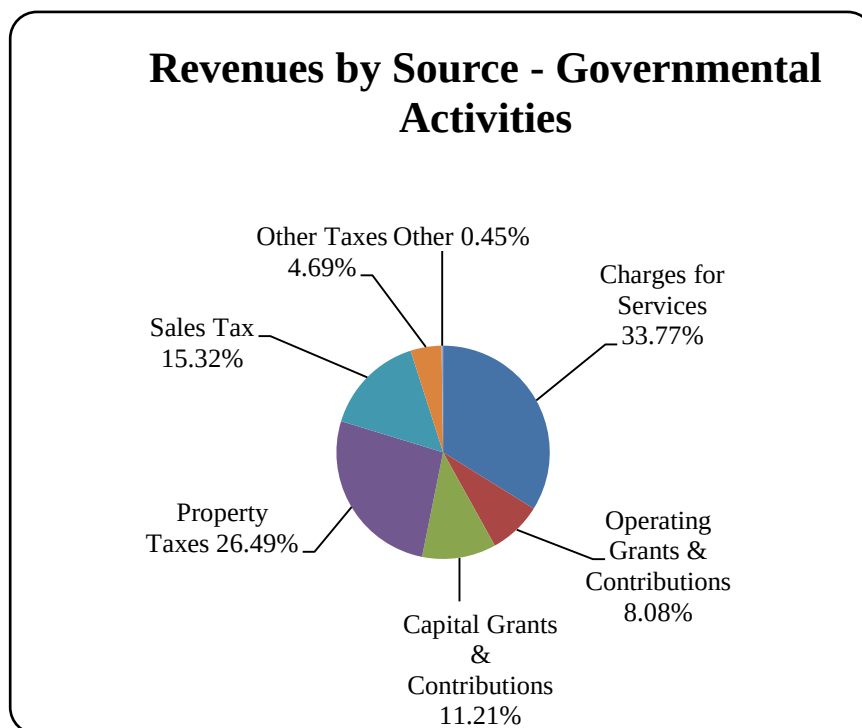
Graph 1



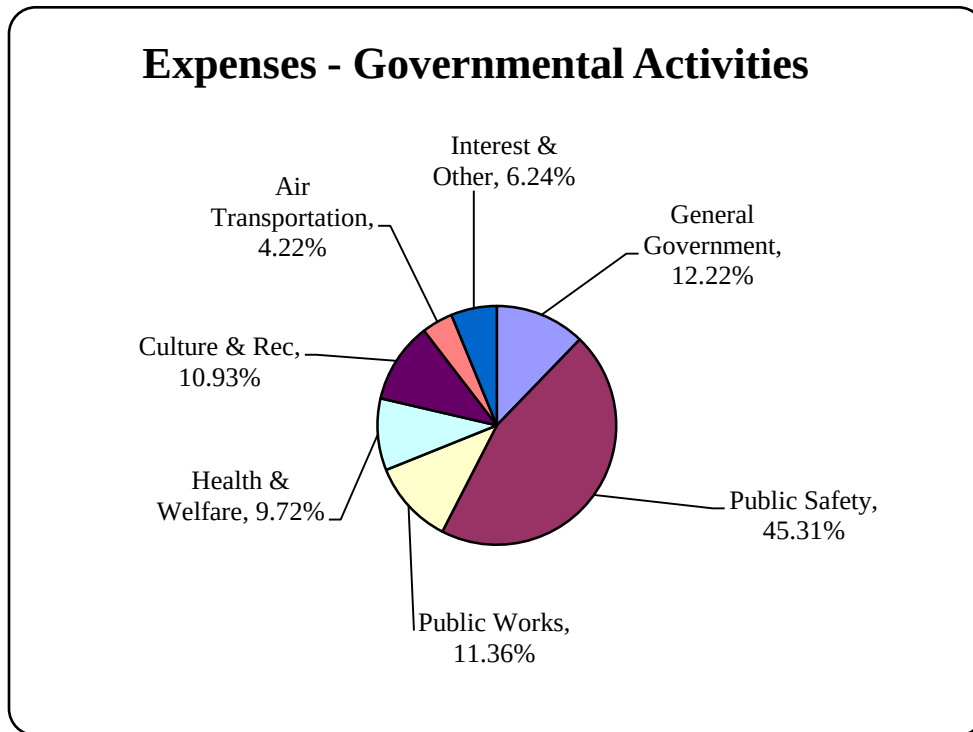
Graph 1 represents the cost of each of the City's seven largest programs as well as each of the programs revenue. The net cost is the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all Governmental activities this year was \$257.5 million.
- The amount that our citizens paid for these activities through City taxes and revenues such as interest earnings, franchise fees, and unrestricted grants was \$131 million.
- General Government expenses (support services) comprised approximately 12.22% of the total expenses in fiscal year 2014; this represents a decrease of 13.78% or \$5.0 million from prior year.
- Expenses for Public Safety represent 45.31% of total expenditures with an increase of 2.14% or \$2.4 million from prior year.
- Public Works expenses represent 11.36% of total expenditures and a minimal decrease of \$467 thousands or 1.57% as compared to the prior year.
- Health and Welfare expenses represent 9.72% of total expenditures with a minimal decrease of \$100 thousands or 0.40% as compared to the prior year.
- Cultural & Recreational expenses represent 10.93% of the total expenditures with an increase of \$2.5 million or 9.87% as compared to prior year due to additional recreation centers that were opened during the year.
- Air Transportation and Other expenditures represent 4.22% of total expenditures with an increase of only \$487 thousands or 4.69% from prior year.
- Business-Type Activities transferred to Governmental Activities \$7.6 million, an increase of \$3.8 million from prior year. Transfer from Bridge System to Capital Improvement Fund almost duplicated. Transfer is based on a percentage of revenues collected by the Bridge System.
- Overall, there was an increase in the net position of \$7.2 million for the City before prior period adjustment. There was a decrease of \$2.4 million in the business type activities and an increase of \$9.6 million in the governmental activities.
- Governmental Activities revenues were generated by charges for services 33.77%, property taxes 26.49%, sales tax and other taxes 20.01% and Capital and Operating Grants generated 19.29% (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City's business-type activities were \$173.9 million for the fiscal year ending September 30, 2014, an increase of \$10.52 million or 6.43% from prior year. Charges for Services increased by \$12.08 million or 8.49%. Operating grants and Contributions decreased by \$1.08 million or 19.60% while all other revenues decreased by \$477 thousand. Expenses for the City's business-type activities were \$168.8 million for the year, representing an increase of \$16.38 million from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- Waterworks System expenses increased \$3.5 million. Operating expenses increased \$3.5 million and non-operating expenses remained at the same level.
- Sewer System expenses increased \$1.6 million; operating expenses increased \$529 thousands and non-operating expenses increased \$1.07 million.
- Bridge System expenses increased by \$12.85 million due to increases in operating expenses of \$4.6 million due to administrative fees and non-operating expenses increase of \$8.25 million.
- Other business-type activities decreased by \$1.66 million in operating expenses for the Transit System, Solid Waste System and Municipal Housing Funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City of Laredo is to provide information on near term inflows (current resources) outflows, and balances of available resources. Such information is useful in assessing the City of Laredo's financial requirements. In particular, unassigned fund balances may serve as a useful measure of the Government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of \$137.6 million. The fund balance is categorized as follows: \$101 thousand for non-spendable funds which are used for inventory items within General Fund; \$72.9 million which are restricted for debt and grants; \$31.4 million are committed for specific purposes as it relates to reserves, public safety, etc.; \$33.5 million are assigned for a specific use for Governmental Funds other than General Fund and \$304 thousand are unassigned deficit.

The General Fund is the chief operating fund of the City of Laredo. At the end of the current fiscal year, fund balance of the General Fund was \$42.6 million of which \$27.8 million is committed, and \$2.8 is unassigned, \$12 million is restricted and \$6 thousand is non-spendable. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenses. The ratio of total fund balance to operating expenses (total expenses less capital outlay) is 28.25%. The unassigned fund balance in General Fund represents 6.53 % of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by \$1 million as compared to prior year. The City was able to manage its resources and implement a plan in order to save funds without interrupting or affecting services provided to the citizens of the Laredo. Some of the key factors are as follows:

- As compared to prior year, property tax revenues increased by \$852 thousand. Assessed valuations increased by \$314 million from prior year. The City has not increased its tax rate for the tenth consecutive year.
- Other tax revenues continue to increase as in prior years. The increase for fiscal year 2014 was \$190 thousand.
- Charges for Services increased by \$6.7 million as compared to prior year due to administrative fee charges to various funds but mainly the Bridge System.
- General Fund expenses increased by \$18.07 million from prior year. While most of the departments remained stable, growth (increases) occurred in categories such as: Public Safety by \$4.8 million, Cultural and Recreational increase by \$1.9 million. Capital Outlay increased by \$10.92 million. The major increase for public safety was in personnel expenses by \$3.44 million due to contractual obligations with public safety personnel such as Fire and Police.

The Debt Service Fund has a total fund balance of \$3.8 million, all of which is reserved for the payment of debt. The Debt Service Fund had a decrease of \$877 thousand from prior year.

Proprietary funds. The City of Laredo's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Net position of the Business – Type Activities at the end of the year totaled \$361.7 million. The total net assets decreased by \$1.9 million as compared to prior year. The largest area of change is in the Waterworks System, with a decrease of \$7.1 million, the Bridge System with a decrease of \$5.5 million, the Sewer system increased by \$7.6 million and other enterprise funds increased by \$3.1 million. The increase can be further broken down into operating income of \$21.1million and other non-operating expenses, net of other revenues of \$22.1 million. Operating revenues for the business-type activity funds increased by \$11.5 million. Charges for Service revenues increased by \$3.1 million over prior year due to a higher number of customers serviced in the Water and Sewer Systems. The increase of Toll revenues of \$8.5 million was mainly due to an increase in toll rates and commercial traffic.

General Fund Budgetary Highlights

Overall, the City has not only maintained at least a 15% fund balance as required by City Charter, but has also been able to maintain a rate to 28.25% of operating expenditures (excluding capital outlay) in FY 2014. The City has been able to increase its fund balance for the General Fund by \$1 million while operating expenditures (excluding capital outlay) increased by \$7.15 million. With appropriate planning and careful financial spending, the City has been able to sustain its strong economic condition. The other revenues such as Charges for Services increased by \$6.7 million or 17.94%.

Original Budget vs. Final Amended Budget:

Revenues and Other Financing Sources:

- During the year, the General Fund revenue budget was amended by increasing appropriations of \$647 thousand. The largest increase was to amend the budget for appropriation for Intergovernmental Revenues category in order to account for various grants received.

Expenditures and Other Financing Uses:

- General Fund expenditure budget was amended by a net increase of \$4.76 million in the expenditures and other financing uses. The Capital Outlay category increased \$2.22 million to account for infrastructure projects. The Cultural & Recreational category increased by \$1.02 million to provide funding for the Max Mandel Golf Course.

Amended Budget as compared to Actual Revenues and other Sources:

Revenues and Other Financing Sources:

- The actual revenues reflect an overall favorable variance of \$634 thousand as compared to the amended budget. This variance had various attributes:
 - Charges for Services revenue exceeded projection by \$1.6 million while Sales Tax revenues had an unfavorable balance of \$1.5 million.
 - Licenses & Permits revenues exceeded the projected revenues by \$507 thousand.

Expenditures and Other Financing Uses:

- Expenditures and Other Financing Uses reflect a negative variance of \$16.97 million when comparing the amended budget to the actual expenditures. A large portion of this unfavorable variance was due to capital outlay of \$19.7 million and Other Financing Uses of \$2.3 million for amount transferred to the Capital Improvement Fund for the completion of various projects during the year.
 - General Government realized savings in the amount of \$2.58 million from various areas including the Municipal Court, Building Inspections, City Attorney, Development Review Engineering and Economic Development Departments.
 - Public Safety had a negative variance of \$1.26 million. The Fire Department exceeded its budget by \$1.55 million while the Police Department came within budget and realized savings of \$15 thousand. The Traffic Department realized savings of \$274 thousand.
 - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remained at the same level as in prior years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Laredo's investment in capital assets for its Governmental and Business-Type activities as of September 30, 2014 is \$1.3 billion (net of accumulated depreciation). The total net increase in the City's investment in capital assets for the current fiscal year was \$73.4 million. Additions, to capital assets such as

land, infrastructure, construction in progress, buildings and equipment for the year totaled \$46.8 million for governmental activities and \$65.8 million for business type activities. Deletions or disposition of capital assets were immaterial for the year. (Table A-3) Additional information about the City's Capital Assets is presented in Note 8 to the financial statements.

Table A-3
City of Laredo – Capital Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 88,532,875	\$ 87,392,308	\$ 32,554,635	\$ 31,904,327	\$ 121,087,510	\$ 119,296,635
Buildings	217,754,854	194,542,783	273,755,873	166,975,110	491,510,727	361,517,893
Machinery & Equipment	105,407,512	102,224,523	93,195,381	90,238,725	198,602,893	192,463,248
Water Rights	-	-	43,442,547	40,751,584	43,442,547	40,751,584
Improvements other than Bldg	619,725,127	589,637,133	392,271,529	386,938,018	1,011,996,656	976,575,151
Construction in Progress	4,043,320	14,846,927	85,811,270	138,382,121	89,854,590	153,229,048
Total	\$ 1,035,463,688	\$ 988,643,674	\$ 921,031,235	\$ 855,189,885	\$ 1,956,494,923	\$ 1,843,833,559

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

Governmental

- Various land acquisitions / donations totaling \$1.14 million. Land donation valued at \$1.12 million for park development; \$280 thousand for infrastructure improvements; and \$311 thousand for various Airport projects.
- Assets for Building category increased by \$23.2 million mainly due to the completion of various projects including Northwest Recreation Center, South Laredo Library Branch, the Airport Fire Station and others.
- Infrastructure Improvements increased by \$30.1 million for various projects including Airport improvements of \$2.9 million; Parks improvements \$3.8; Street Improvements of \$12.9 million; and drainage improvements of \$9.2 million;
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$3.2 million for all departments within the City.
- Construction in Progress decreased by \$10.8 due to various projects completed during the year.

Proprietary

- Building capital assets increased by \$107 million for the proprietary funds. The majority of the increases were in the Waterworks System \$110.2 million and a decrease in the Bridge System of \$3.7 million.
- Machinery, equipment, vehicles and heavy equipment acquired totaled \$3 million. The acquisition costs by department are as follows: Waterworks System \$1.4 million; Bridge System \$594 thousand; and Sewer System \$888 thousand.
- Improvement other than building and construction in progress increased by \$5.3 million which include Water (\$110.2 million) and Sewer (\$2.4 million) plant improvements, collection and distribution systems and a decrease for the Bridge System of \$12.7 million for the sale of an asset to the federal government.

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

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

Long-term Debt

At year-end, the City had \$792.5 million in outstanding bonds and other long term debt; an increase of \$4.2 million over last year (See Table A-4) for the Governmental Activities. The Business Type Activities recorded an increase of \$11.6 million. More detailed information about the City's long-term liabilities is presented in Note 11 and 12 of the financial statements.

New debt issue for Governmental activities were \$36.9 million mainly from the following; \$10.1 million in Personal Property Finance Contractual Obligation; \$10 million for a Certificate of Obligations and a General Obligation Refunding Bond of \$16.8 million. Debt issued by Business Type activities totaled \$53.7 million. Debt includes \$18.3 million issued as revenue bonds for the Water and Sewer Systems and \$35.4 million for a Bridge System revenue refunding bond. The issuance of long term debt is to finance various projects including constructing City buildings, land acquisition, equipment and vehicles for various City Departments and water and sewer system improvements.

Bond Ratings	
The City most recent general obligation bond ratings are the following:	
Standard & Poor's	AA
Moody's	Aa2
Fitch	AA

Table A-4
City of Laredo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 26,653,474	\$ 19,990,050	\$ 15,825,996	\$ 20,811,436	\$ 42,479,470	\$ 40,801,486
Certificates of obligation	148,990,139	162,712,273	124,077,227	114,616,516	273,067,366	277,328,789
Revenue bonds	34,145,000	36,250,000	306,151,197	282,021,367	340,296,197	318,271,367
Capital lease obligations	4,788,903	5,061,282	-	-	4,788,903	5,061,282
Compensated Absences	26,246,032	24,729,218	2,069,614	1,950,060	28,315,646	26,679,278
Notes payable	425,000	510,000	-	17,815,264	425,000	18,325,264
Landfill Post Closure	-	-	12,486,322	11,826,963	12,486,322	11,826,963
Net Pension Ob. - OPEB	90,600,867	78,402,403	-	-	90,600,867	78,402,403
Total	\$ 331,849,415	\$ 327,655,226	\$ 460,610,356	\$ 449,041,606	\$ 792,459,771	\$ 776,696,832

Economic Factors and Next Year's Budgets and Rates

The City Management and City Council considered many factors when setting the fiscal year 2015 budget. General Fund revenues for FY 2015 are proposed to be \$169,068,133; an increase of \$8,027,446 or 4.98%

over the prior year's original budget. Expenditures are proposed to be \$169,116,705; an increase of \$8,007,828 or 4.97% over prior year budgeted expenditures. The City's unemployment rate decreased by 1.1% to 5.10% as of September 30, 2014. This average places it slightly below the State average of 5.2%. Building permit revenues, sales tax revenues and bridge toll revenues are areas which we use to measure the local economy. These areas are showing slight growth and are good indicators of the local state of the economy.

The FY 2015 consolidated budget for revenue reflects an appropriation is \$578,611,147 million. This represents an increase in revenues of \$44.38 million or 8.31% over the FY 2014 Original Budget. The property tax rate for FY 2015 is 0.6370 per \$100 valuation; the rate has remained the same for the eleventh consecutive year. Assessed valuations for FY 2015 are \$11.4 billion which represents an increase of 3.8% over prior year with an estimated levy of \$72.70 million. Of the 0.6370 tax rate, 77.26% or .492162 cents are utilized for General Fund activities, the remaining 22.74% or .144838 cents are designated for Debt Service. The General Fund's portion of property tax revenue for FY 2015 is projected to be \$55.6 million. Sales tax revenues for the General Fund for FY 2015 are budgeted to be \$32.8 million, a decrease of \$783,318 thousand or 2.39% as compared to prior year's budgeted amounts.

A cost of living increase of 3% is included for all personnel beginning October 1st, excluding the Fire and Police Departments at an estimated cost of \$2.37 million. The budget includes a 2% salary increase for the Police Officers at an estimated cost of \$828 thousand as per contractual obligations. The FY 2015 budget includes a total of 2,789 full time equivalent positions with an estimated cost of \$192.6 million.

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

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 402,628	\$ 17,400	\$ 420,028
Equity in Investment Pool	963,256	563,556	1,526,812
Investments (Note 5)	159,375,101	97,396,527	256,771,628
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,116,420	163,436	1,279,856
Property Taxes, Penalty and Interest	7,796,772	-	7,796,772
Hotel-Motel Tax, Penalty and Interest	319,835	-	319,835
Accounts	15,333,900	12,763,129	28,097,029
Notes	16,507,811	13,179	16,520,990
Paving Assessments	7,711	-	7,711
Internal Balances (Note 13)	(4,819,324)	4,819,324	-
Due From Other Governments	6,725,633	3,326,908	10,052,541
Inventory, at cost	530,434	2,667,212	3,197,646
Prepaid Items	360,317	-	360,317
Total Current Assets	<u>204,620,494</u>	<u>121,730,671</u>	<u>326,351,165</u>
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	92,782,796	92,782,796
Accrued Interest (Note 6)	-	92,726	92,726
Notes (Note 6)	-	36	36
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	88,532,875	75,997,182	164,530,057
Construction in Progress	4,043,320	85,811,270	89,854,590
Depreciable Assets:			
Buildings	217,754,854	273,755,873	491,510,727
Machinery and Equipment	105,407,512	93,195,381	198,602,893
Infrastructure	619,725,127	392,271,529	1,011,996,656
Accumulated Depreciation	(385,592,293)	(294,635,864)	(680,228,157)
Unamortized Bond Issuance Costs	-	116,965	116,965
Total Non Current Assets	<u>649,871,395</u>	<u>719,387,894</u>	<u>1,369,259,289</u>
TOTAL ASSETS	<u><u>\$ 854,491,889</u></u>	<u><u>\$ 841,118,565</u></u>	<u><u>\$ 1,695,610,454</u></u>

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2014

(Continued)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 6,511,980	\$ 4,068,424	\$ 10,580,404
Claims and Judgments Payable (Note 18)	4,925,840	-	4,925,840
Retainage Payable	895,329	5,552,069	6,447,398
Accrued Wages and Employee Benefits	5,617,611	1,445,657	7,063,268
Accrued Interest Payable	1,066,113	1,583,145	2,649,258
Compensated Absences (Note 11 & 12)	2,936,931	760,176	3,697,107
Contracts Payable	1,668,520	4,689,316	6,357,836
Customer and Tenant Deposits	157,776	5,308,650	5,466,426
Due To Other Governments	351,037	-	351,037
Due to Developers	165,618	-	165,618
Unearned Revenue	3,344,166	2,306,316	5,650,482
General Obligation Bonds (Note 11 & 12)	3,284,171	2,305,829	5,590,000
Certificates of Obligation (Note 11 & 12)	9,034,841	6,365,159	15,400,000
Revenue Bond Payable (Note 11 & 12)	2,205,000	12,822,000	15,027,000
Notes Payable (Note 11 & 12)	85,000	-	85,000
Capital Lease Obligation (Note 11)	368,595	-	368,595
Total Current Liabilities	<u>42,618,528</u>	<u>47,206,741</u>	<u>89,825,269</u>
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	23,369,303	13,520,167	36,889,470
Certificates of Obligation (Note 11 & 12)	139,955,298	117,712,068	257,667,366
Revenue Bonds Payable (Note 11 & 12)	31,940,000	293,329,197	325,269,197
Notes Payable (Note 11 & 12)	340,000	-	340,000
Capital Lease Obligations (Note 11)	4,420,308	-	4,420,308
Compensated Absences (Note 11 & 12)	23,309,101	1,309,438	24,618,539
Net Pension Obligations - OPEB (Note 11)	90,600,867	-	90,600,867
Landfill Closure & Postclosure Costs (Note 12)	-	12,486,322	12,486,322
Total Noncurrent Liabilities	<u>313,934,877</u>	<u>438,357,192</u>	<u>752,292,069</u>
TOTAL LIABILITIES	<u>356,553,405</u>	<u>485,563,933</u>	<u>842,117,338</u>
NET POSITION			
Net Investments in Capital Assets	454,275,907	279,700,006	733,975,913
Restricted for:			
Debt Service	23,558,710	26,880,622	50,439,332
Capital Projects	29,115,005	-	29,115,005
Improvements	-	4,198,774	4,198,774
Canseco Endowment Fund			
Nonexpendable	73,043	-	73,043
Unrestricted	(9,084,181)	44,775,230	35,691,049
TOTAL NET POSITION	<u>\$ 497,938,484</u>	<u>\$ 355,554,632</u>	<u>\$ 853,493,116</u>

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

CITY OF LAREDO, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Primary Government:							
Governmental Activities:							
General Government	\$	31,483,857	48,476,887	1,125,494	18,714,479	36,833,003	-
Public Safety		116,740,217	9,689,452	5,508,482	-	(101,542,283)	-
Public Works		29,275,673	681,523	1,970,905	8,761,928	(17,861,317)	-
Health and Welfare		25,049,024	16,082,560	12,313,683	19,940	3,367,159	-
Culture and Recreation		28,166,961	6,700,618	51,908	1,656,192	(19,758,243)	-
Air Transportation		10,866,517	6,213,731	42,420	-	(4,610,366)	-
Interest and Other on Long-Term Debt		15,939,639	-	-	-	(15,939,639)	-
Total Governmental Activities		257,521,888	87,844,771	21,012,892	29,152,539	(119,511,686)	-
Business-Type Activities:							
Transit System		16,849,895	4,078,028	4,425,506	243,600	-	(8,102,761)
Bridge System		53,740,997	55,703,827	-	-	-	1,962,830
Waterworks System		46,627,133	42,744,943	-	2,629,063	(1,253,127)	(1,253,127)
Sewer System		32,680,138	30,383,531	-	2,873,756	-	577,149
Solid Waste Management System		17,714,332	19,938,264	-	-	-	2,223,932
Municipal Housing		1,166,268	1,438,035	-	-	-	271,767
Total Business-Type Activities		168,778,763	154,286,628	4,425,506	5,746,419	-	(4,320,210)
Total Primary Government	\$	426,300,651	242,131,399	25,438,398	34,898,958	(119,511,686)	(123,831,896)
General Revenues:							
Property Taxes					68,900,077	-	68,900,077
Sales Tax					39,842,711	7,716,898	47,559,609
Franchise Fees					7,434,775	-	7,434,775
Hotel Motel Tax					4,322,485	-	4,322,485
Alcoholic Beverage Tax					436,204	-	436,204
Unrestricted investment earnings					428,693	1,409,876	1,838,569
Gain on sale of capital assets					177,320	352,807	530,127
Transfers (Note 14)					7,585,617	(7,585,617)	-
Total general revenues and transfers					129,127,882	1,893,964	131,021,846
Change in net position					9,616,196	(2,426,246)	7,189,950
Net position-beginning					492,358,442	363,512,891	855,871,333
Prior Period Adjustment (Note 23)					(4,036,154)	(5,532,013)	(9,568,167)
Net position-ending					\$ 497,938,484	355,554,632	853,493,116

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

**CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ 17,234	-	384,944	402,178
Equity in Investment Pool	333,359	26,293	492,849	852,501
Investments (Note 5)	47,691,450	3,744,588	92,123,352	143,559,390
Receivable, net of allowances:				
Accrued Interest (Note 6)	81,693	6,414	1,001,221	1,089,328
Taxes, Penalty and Interest (Note 6)	6,650,593	1,068,991	8,117	7,727,701
Accounts (Note 6)	4,437,877	-	1,553,601	5,991,478
Notes (Note 6)	-	-	16,507,811	16,507,811
Paving Assessments (Note 6)	-	7,711	-	7,711
Due from Other Funds	2,543,158	-	1,210,074	3,753,232
Due from Other Governments	141,626	-	6,584,007	6,725,633
Inventory, at cost	5,959	-	45,310	51,269
TOTAL ASSETS	61,902,949	4,853,997	119,911,286	186,668,232
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	2,406,754	1,148	2,869,965	5,277,867
Retainage Payable	-	-	895,329	895,329
Accrued Wages and Employee Benefits	4,510,726	-	934,042	5,444,768
Contracts Payable	-	-	1,668,520	1,668,520
Customer and Tenant Deposits	2,450	-	155,326	157,776
Due to Other Funds	1,039,542	-	1,994,604	3,034,146
Due to Other Governments	-	-	351,037	351,037
Due to Developers	-	-	165,618	165,618
Deferred Revenue	11,331,339	1,076,876	19,689,950	32,098,165
TOTAL LIABILITIES	19,290,811	1,078,024	28,724,391	49,093,226
FUND BALANCES (Note 22)				
Nonspendable	5,960	-	95,310	101,270
Restricted	11,981,702	3,775,973	57,092,634	72,850,309
Committed	27,842,577	-	3,559,782	31,402,359
Assigned	-	-	33,525,417	33,525,417
Unassigned (Deficit)	2,781,899	-	(3,086,248)	(304,349)
TOTAL FUND BALANCES	42,612,138	3,775,973	91,186,895	137,575,006
TOTAL LIABILITIES AND FUND BALANCES	\$ 61,902,949	4,853,997	119,911,286	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	648,761,748
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	11,319,060
Internal service funds are used by management to charge the costs of fleet management, risk management, and health benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	6,778,345
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (Note 2)	(306,495,675)
Net position of governmental activities	\$ 497,938,484

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

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes:				
Property	\$ 55,322,252	16,238,266	-	71,560,518
Sales	32,019,659	-	8,004,915	40,024,574
Bingo Tax	70,037	-	-	70,037
Alcoholic Beverage	429,823	-	-	429,823
Hotel Motel	-	-	4,321,690	4,321,690
Franchise Fees	7,408,310	-	-	7,408,310
Licenses and Permits	8,475,493	-	701,289	9,176,782
Intergovernmental Revenues	623,605	-	31,375,528	31,999,133
Charges for Services	44,017,007	-	10,961,224	54,978,231
Fines	3,125,266	-	656,167	3,781,433
Fees and Collections	1,280,043	-	3,986,581	5,266,624
Rents	666,731	-	6,642,466	7,309,197
Interest and Other	208,691	29,483	275,792	513,966
Miscellaneous	498,937	278,413	2,125,471	2,902,821
Contributions & Donations	-	-	200,222	200,222
Reimbursements	-	17,841	1,527,154	1,544,995
TOTAL REVENUES	154,145,854	16,564,003	70,778,499	241,488,356
EXPENDITURES:				
Current:				
General Government	19,086,641	-	643,897	19,730,538
Public Safety	106,976,068	-	7,922,322	114,898,390
Public Works	7,516,367	-	3,191,232	10,707,599
Health and Welfare	472,667	-	23,543,219	24,015,886
Cultural and Recreational	16,702,160	-	11,060,244	27,762,404
Air Transportation Services	-	-	6,158,489	6,158,489
Capital Outlay	22,378,959	-	28,596,760	50,975,719
Debt Service:				
Bond Costs	-	125,472	84,077	209,549
Principal Retirement	-	15,854,634	272,379	16,127,013
Interest and Fiscal Expenditures	111,947	9,862,052	13,588	9,987,587
TOTAL EXPENDITURES	173,244,809	25,842,158	81,486,207	280,573,174
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,098,955)	(9,278,155)	(10,707,708)	(39,084,818)
OTHER FINANCING SOURCES (USES):				
Transfers In	8,056,943	8,298,644	29,092,164	45,447,751
Issuance of Debt (Note 11)	-	-	5,025,000	5,025,000
Issuance of Refunding Debt (Note 11)	-	15,770,730	-	15,770,730
Bond Premium (Note 11)	-	-	565,390	565,390
Reimbursements	-	-	15,005	15,005
Transfers Out	(7,740,352)	-	(29,380,708)	(37,121,060)
Contributions	19,667,880	-	-	19,667,880
Sale of Assets	155,171	-	22,149	177,320
Payment to Refunded Bond Escrow Agent	-	(15,668,558)	-	(15,668,558)
TOTAL OTHER FINANCING SOURCES (USES)	20,139,642	8,400,816	5,339,000	33,879,458
Net Change in Fund Balances	1,040,687	(877,339)	(5,368,708)	(5,205,360)
Fund Balances-Beginning	41,571,451	4,653,312	96,555,603	142,780,366
FUND BALANCES-ENDING	\$ 42,612,138	3,775,973	91,186,895	137,575,006

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

CITY OF LAREDO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

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

Net change in fund balances-total governmental funds	\$ (5,205,360)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2)	17,863,852
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,827,532)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2)	10,434,451
Accrued interest expense recorded for entity-wide statements.	(144,685)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(14,405,666)
Internal service funds are used by management to charge the costs of fleet management, risk management, and health and benefits to individual funds.	
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>2,901,136</u>
Change in net position of governmental activities	\$ <u>9,616,196</u>

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

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CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2014

	Budgeted Amounts				Actual	Variance
	Original	Final	Actual	Adjustments	Basis	Positive (Negative)
REVENUES:						
Taxes						
Property Taxes	\$ 53,146,568	53,146,568	53,436,934	-	53,436,934	290,366
Penalty and Interest	2,061,524	2,061,524	1,885,318	-	1,885,318	(176,206)
Alcoholic Beverage	304,621	304,621	429,823	-	429,823	125,202
Bingo Tax	68,105	68,105	70,037	-	70,037	1,932
Sales and Use	33,539,117	33,539,117	32,019,659	-	32,019,659	(1,519,458)
Franchise Fees	7,361,242	7,361,242	7,408,310	-	7,408,310	47,068
Licenses and Permits	7,968,599	7,968,599	8,475,493	-	8,475,493	506,894
Intergovernmental Revenues	637,500	1,284,638	623,605	-	623,605	(661,033)
Charges for Services	42,421,103	42,421,103	44,017,007	-	44,017,007	1,595,904
Fines	3,257,336	3,257,336	3,125,266	-	3,125,266	(132,070)
Fees and Collections	1,173,335	1,173,335	1,280,043	-	1,280,043	106,708
Interest and Other	845,072	845,072	875,422	-	875,422	30,350
Miscellaneous	80,405	80,405	498,937	-	498,937	418,532
TOTAL REVENUES	152,864,527	153,511,665	154,145,854	-	154,145,854	634,189
EXPENDITURES:						
General Government						
Mayor and City Council	695,257	718,061	576,775	23,175	599,950	118,111
City Manager	1,400,351	1,396,115	1,375,380	6,797	1,382,177	13,938
Internal Audit	261,249	261,249	256,753	25	256,778	4,471
Public Information Office	99,796	99,016	88,242	1,092	89,334	9,682
City Hall Maintenance	530,307	527,069	467,647	34,773	502,420	24,649
City Hall Annex	139,815	155,789	94,891	9,513	104,404	51,385
City Hall Annex II	57,901	169,721	113,101	6,780	119,881	49,840
Municipal Court	1,508,880	1,557,719	1,264,041	2,636	1,266,677	291,042
Building Inspections	1,312,799	1,316,567	1,195,182	2,443	1,197,625	118,942
Development Review Engineering	580,222	580,000	367,346	-	367,346	212,654
Code Enforcement	340,658	340,488	219,138	-	219,138	121,350
Public Right of Way	216,202	214,787	213,105	-	213,105	1,682
Geographic Information Systems	233,860	231,485	167,631	175	167,806	63,679
City Attorney	1,038,902	1,041,288	854,367	4,998	859,365	181,923
City Secretary	450,806	458,151	427,065	325	427,390	30,761
Elections	1,286	47,966	-	-	-	47,966
Tax Office	1,179,528	1,188,706	1,130,027	11,258	1,141,285	47,421
Accounting	1,150,634	1,146,083	1,113,405	695	1,114,100	31,983
Purchasing	443,000	442,532	532,161	3,531	535,692	(93,160)
Payroll	233,373	233,648	232,607	-	232,607	1,041
Accounts Payable	381,593	392,364	377,949	1,950	379,899	12,465
Budget	372,337	375,421	351,333	7,051	358,384	17,037
Personnel and Civil Service	535,368	534,087	518,001	1,397	519,398	14,689
Training	254,970	255,009	169,545	136	169,681	85,328
Planning	846,318	846,341	739,710	956	740,666	105,675
Section 112	500,000	1,117,087	503,470	132,816	636,286	480,801
Engineering	607,885	606,165	599,813	790	600,603	5,562
Drafting & Surveying	1,171,009	1,172,722	1,072,584	443	1,073,027	99,695
Construction & Inspections	568,064	568,177	558,159	928	559,087	9,090
311 Program	329,354	353,917	324,701	21,039	345,740	8,177
Communications & Admin. Support	419,112	361,011	305,043	41,245	346,288	14,723
Center for Non-Profit	103,318	103,661	101,571	302	101,873	1,778
Real Estate	247,513	254,262	184,023	251	184,274	69,988
Economic Development	-	323,037	-	-	-	323,037
Public Safety						
Police	4,164,154	4,068,651	3,989,079	58,904	4,047,983	20,668
Records/Property	1,457,834	1,381,625	1,305,328	60,533	1,365,861	15,764
Autotheft Grant Match	874,198	726,310	718,316	-	718,316	7,994
Detective	6,325,451	6,195,042	6,089,006	64,101	6,153,107	41,935
Narcotics/Pipeline/K-9	3,571,714	3,754,364	3,724,272	7,360	3,731,632	22,732
911 Communications	2,896,636	2,512,174	2,486,448	29	2,486,477	25,697
Criminal Int. Acquisition	625,742	704,156	696,206	992	697,198	6,958
Patrols	38,259,831	38,776,186	38,605,791	297,270	38,903,061	(126,875)
Fire	32,176,604	32,103,569	33,197,530	27,855	33,225,385	(1,121,816)
Fire - EMS Division	6,814,307	6,834,190	7,185,065	30,448	7,215,513	(381,323)
Fire - EMS Trauma (Webb Co.)	7,000	7,000	-	-	-	7,000
Fire Civilians	709,759	736,065	731,091	2,570	733,661	2,404
Fire - Prevention & Arson	1,663,459	1,660,827	1,729,508	125	1,729,633	(68,806)
Fire Airport	1,126,913	1,123,484	1,138,262	6,631	1,144,893	(21,409)
Fire - Training (In House)	591,971	611,682	561,611	6,146	567,757	43,925
Fire - Training	472,384	462,989	468,155	6,919	475,074	(12,085)
Fire Emergency Management	28,988	45,629	42,949	461	43,410	2,219
Traffic	2,397,145	2,373,189	2,173,642	46,667	2,220,309	152,880
Street Lighting	\$ 2,251,078	2,259,235	2,133,809	4,193	2,138,002	121,233

(Continued)

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2014

	Budgeted Amounts				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
Public Works						
Administration	\$ 679,469	680,738	583,775	4,832	588,607	92,131
Street Maintenance	1,153,544	1,218,248	850,979	3,140	854,119	364,129
Street Construction	1,274,294	1,260,379	1,068,850	9,543	1,078,393	181,986
Street Cleaning	1,609,845	1,623,797	1,444,557	510	1,445,067	178,730
Building Rehabilitation	819,206	827,428	709,099	2,687	711,786	115,642
Warehouse	66,102	67,186	61,092	719	61,811	5,375
Special Construction Projects	417,298	417,298	567,459	-	567,459	(150,161)
Health and Welfare						
Third-Party Funding	338,725	338,725	335,246	2,542	337,788	937
Non CDBG Code Enforcement	158,069	152,214	137,421	15,025	152,446	(232)
Cultural and Recreational						
Parks	282,557	293,360	342,983	1,151	344,134	(50,774)
Maintenance	6,306,494	6,093,605	5,689,937	303,379	5,993,316	100,289
Construction	1,166,970	1,166,026	1,046,445	6,310	1,052,755	113,271
Aquatics	912,079	850,717	825,866	72,399	898,265	(47,548)
Recreation Centers	4,432,789	4,327,313	3,803,731	102,887	3,906,618	420,695
Cemetery	367,350	361,376	291,724	12,851	304,575	56,801
Golf Course	23,122	812,460	734,070	23,122	757,192	55,268
Library	4,938,928	4,698,905	3,967,404	196,163	4,163,567	535,338
Other	7,620,434	6,565,792	4,822,431	42,810	4,865,241	1,700,551
Capital Outlay	225,586	2,802,942	22,378,959	114,179	22,493,138	(19,690,196)
TOTAL EXPENDITURES	157,419,696	160,284,567	173,132,862	1,852,973	174,985,835	(14,701,268)
Excess (Deficiency) of Revenues Over Expenditures	(4,555,169)	(6,772,902)	(18,987,008)	(1,852,973)	(20,839,981)	(14,067,079)
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	25,000	25,000	1,000	-	1,000	(24,000)
Capital Improvements Fund	6,133,584	6,133,584	6,133,584	-	6,133,584	-
Laredo Public Facility Corp.	275,000	275,000	275,000	-	275,000	-
Fleet Management	550,000	550,000	550,000	-	550,000	-
Airport	750,000	828,141	828,141	-	828,141	-
Bridge	-	78,142	78,142	-	78,142	-
Information Technology	191,076	191,076	191,076	-	191,076	-
Transfers Out:						
Auto Theft Task Force	(292,911)	(292,911)	(292,911)	-	(292,911)	-
Health Fund	(4,483,600)	(4,483,600)	(4,483,600)	-	(4,483,600)	-
Special Police Program	(203,038)	(203,038)	(163,393)	-	(163,393)	39,645
Public Access Fund	(334,979)	(334,979)	(339,976)	-	(339,976)	(4,997)
Capital Improvements Fund	-	-	(2,300,000)	-	(2,300,000)	(2,300,000)
Airport Construction Fund	-	(160,472)	(160,472)	-	(160,472)	-
Contributions	250,000	219,949	19,667,880	-	19,667,880	19,447,931
Capital Lease Payments	(111,948)	(111,948)	(111,947)	-	(111,947)	1
Sale of Assets	1,500	1,500	155,171	-	155,171	153,671
TOTAL OTHER FINANCING SOURCES (USES)	2,749,684	2,715,444	20,027,695	-	20,027,695	17,312,251
Net Change in Fund Balance	(1,805,485)	(4,057,458)	1,040,687	(1,852,973)	(812,286)	3,245,172
Fund Balances at Beginning of Year	38,461,582	41,571,451	41,571,451	(19,675)	41,551,776	(19,675)
FUND BALANCES AT END OF YEAR	\$ 36,656,097	37,513,993	42,612,138	(1,872,648)	40,739,490	3,225,497

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

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS						
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Cash and Cash Equivalents: (Note 4)						
Cash	11,000	2,150	300	3,950	17,400	450
Equity in Investment Pool	35,493	207,895	192,863	127,305	563,556	110,755
Investments (Note 5)	6,916,558	35,395,543	34,814,291	20,270,135	97,396,527	15,815,711
Receivable:						
Accrued Interest (Note 6)	8,696	50,915	47,216	56,609	163,436	27,092
Accounts (Note 6)	3,000	5,975,158	5,069,653	1,715,318	12,763,129	27,328
Notes (Note 6)	-	621	12,558	-	13,179	-
Prepaid Items	-	-	-	-	-	360,317
Due from Other Governments	-	-	-	3,326,908	3,326,908	-
Due from Other Funds	2,834,392	95,985	69,111	1,038,207	4,037,695	-
Inventory, at Cost	-	2,099,089	127,283	440,840	2,667,212	479,165
Total Current Assets	9,809,139	43,827,356	40,333,275	26,979,272	120,949,042	16,820,818
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	4,006,537	36,261,147	36,342,252	16,172,860	92,782,796	-
Accrued Interest Receivable (Note 6)	12,316	48,106	27,765	4,539	92,726	-
Notes Receivable (Note 6)	-	36	-	-	36	-
Due from Other Funds	50,133	-	-	-	50,133	-
Total Restricted Assets (Note 7)	4,068,986	36,309,289	36,370,017	16,177,399	92,925,691	-
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	16,636,511	10,775,057	11,803,394	53,980,419	93,195,381	2,493,946
Buildings	31,497,653	179,552,009	43,266,210	19,440,001	273,755,873	420,681
Improvements	67,521,407	179,983,483	126,911,984	17,854,655	392,271,529	11,391
Land and Improvements	11,265,265	48,077,778	5,240,513	10,500,817	75,084,373	-
Land Easements	-	658,929	253,880	-	912,809	-
Construction in Progress	914,575	23,280,822	58,682,600	2,933,273	85,811,270	-
Less Accumulated Depreciation	(47,031,292)	(116,947,749)	(80,933,880)	(49,722,943)	(294,635,864)	(1,816,371)
Total Capital Assets (net of accumulated depreciation)	80,804,119	325,380,329	165,224,701	54,986,222	626,395,371	1,109,647
Other Assets:						
Unamortized Bond Issuance Costs	116,965	-	-	-	116,965	-
Total Noncurrent Assets	84,990,070	361,689,618	201,594,718	71,163,621	719,438,027	1,109,647
TOTAL ASSETS	\$ 94,799,209	405,516,974	241,927,993	98,142,893	840,387,069	17,930,465

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

(Continued)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS
					INTERNAL SERVICE FUNDS
LIABILITIES					
Current Liabilities:	\$				
Accounts Payable	231,598	1,989,052	1,067,535	780,239	4,068,424
Retainage Payable	54,028	2,902,297	2,510,637	85,107	5,552,069
Contracts Payable	35,060	2,656,431	1,406,180	591,645	4,689,316
Due to Other Funds (Note 13)	50,133	479,088	69,111	655,104	1,253,436
Accrued Interest	-	1,001,861	412,209	169,075	1,583,145
Accrued Wages & Employee Benefits	262,625	415,736	181,085	586,211	1,445,657
Claims and Judgments Payable	-	-	-	-	172,843
Compensated Absences	195,873	176,070	77,064	311,169	4,925,840
Customer Deposits	8,000	5,210,554	-	90,096	101,172
Unearned Revenue	1,096,912	1,177,210	29,516	2,678	-
General Obligation Bonds (Note 12)	-	828,396	758,799	718,634	-
Certificates of Obligation (Note 12)	-	1,612,584	1,590,389	3,162,186	-
Revenue Bonds Payable (Note 12)	5,955,000	3,849,000	3,018,000	-	6,365,159
					12,822,000
Total Current Liabilities	7,889,229	22,298,279	11,120,525	7,152,144	48,460,177
					6,433,968
Noncurrent Liabilities:					
General Obligation Bonds (Note 12)	-	4,038,110	3,705,684	5,776,373	13,520,167
Certificates of Obligation (Note 12)	-	69,280,940	23,537,090	24,894,038	117,712,068
Revenue Bonds Payable (Note 12)	52,851,962	142,261,964	98,215,271	-	293,329,197
Due to Other Funds	2,834,392	-	-	-	2,834,392
Closure and Postclosure Cost (Note 12)	-	-	-	12,486,322	-
Compensated Absences	372,014	341,494	132,835	463,095	1,309,438
					244,681
Total Noncurrent Liabilities	56,058,368	215,922,508	125,590,880	43,619,828	441,191,584
					244,681
TOTAL LIABILITIES	63,947,597	238,220,787	136,711,405	50,771,972	489,651,761
					6,678,649
NET POSITION					
Net Investment in Capital Assets	23,450,550	144,441,486	77,992,299	33,815,671	279,700,006
Restricted for Debt Service	4,068,986	13,886,951	8,924,685	-	26,880,622
Restricted for Improvements	-	4,198,774	-	-	4,198,774
Unrestricted (Deficit)	3,332,076	4,768,976	18,299,604	13,555,250	39,955,906
					10,142,169
TOTAL NET POSITION	30,851,612	167,296,187	105,216,588	47,370,921	350,735,308
					11,251,816
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					4,819,324
Net position of business-type activities					\$ 355,554,632

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

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Charges for Services	-	36,738,275	30,178,398	22,897,926	89,814,599	45,477,540
Rental of Facilities	804,762	-	-	1,788,455	2,593,217	-
Toll Receipts	54,081,544	-	-	-	54,081,544	-
Miscellaneous	339,775	4,826,764	195,385	602,244	5,964,168	1,229,043
TOTAL OPERATING REVENUES	55,226,081	41,565,039	30,373,783	25,288,625	152,453,528	46,706,583
OPERATING EXPENSES:						
Costs of Services	-	-	-	-	-	33,170,103
Personnel Services	7,439,512	8,975,356	3,609,976	16,427,387	36,452,231	4,507,011
Materials and Supplies	539,943	2,960,842	1,572,052	4,896,996	9,969,833	360,607
Contractual Services	31,421,822	9,607,251	11,113,683	8,028,837	60,171,593	3,303,214
Other	2,964	135,515	118,824	1,008,701	1,266,004	51,431
Total Operating Expenses Before Depreciation	39,404,241	21,678,964	16,414,535	30,361,921	107,859,661	41,392,366
Depreciation Expense (Note 8)	2,984,756	9,367,622	6,716,412	4,466,600	23,535,390	232,363
TOTAL OPERATING EXPENSES	42,388,997	31,046,586	23,130,947	34,828,521	131,395,051	41,624,729
Operating Income (Loss)	12,837,084	10,518,453	7,242,836	(9,539,896)	21,058,477	5,081,854
NON-OPERATING REVENUES (EXPENSES):						
Sales Tax	-	-	-	7,716,898	7,716,898	-
Interest Earnings	18,975	66,707	77,484	62,952	226,118	36,392
Interest Earnings - Restricted	30,161	153,229	103,145	39,151	325,686	-
Discount Earnings	11	17,894	15,920	4,476	38,301	11
Interest Rebate	-	809,229	-	-	809,229	-
Miscellaneous	477,746	20,170	9,748	6,506	514,170	-
Water Availability Fees	-	1,105,635	-	-	1,105,635	-
Gain (Loss) on Sale of Assets	(8,586,443)	277,096	6,473	65,336	(8,237,538)	5,579
Interest Expense	(1,992,962)	(10,552,363)	(4,367,911)	(1,374,805)	(18,288,041)	-
Federal Operating Grant	-	-	-	3,829,999	3,829,999	-
Gain (Loss) on Advance Refunding	(49,854)	(85,771)	(56,918)	(75,419)	(267,962)	-
Water Rights Acq./Water Conservation	-	(71,682)	-	-	(71,682)	-
Other Non-Operating Expenses	-	(5,066,140)	(5,221,777)	(28,764)	(10,316,681)	-
Fiscal Agent Fees	(2,500)	(5,500)	(4,625)	(2,334)	(14,959)	-
Bond Issuance Cost Amortized	(599,723)	(103,834)	(92,629)	(80,345)	(876,531)	-
Amortized Bond Premiums	-	-	-	152,052	152,052	-
State Dept. of Highways	-	-	-	595,507	595,507	-
Construction	(341,616)	-	-	-	(341,616)	-
Other	-	-	-	(26,611)	(26,611)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(11,046,205)	(13,435,330)	(9,531,090)	10,884,599	(23,128,026)	41,982
						(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2014

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Income Before Contributions and Transfers	1,790,879	(2,916,877)	(2,288,254)	1,344,703	(2,069,549)	5,123,836
Capital Contributions-Intergovernmental	-	227	-	243,600	243,827	-
Capital Contributions-Other	-	-	592,000	-	592,000	-
Capital Contributions-Developers	-	2,628,836	2,281,756	-	4,910,592	-
Transfers In	-	-	6,930,000	-	6,930,000	194,530
Transfers Out	(7,585,617)	(6,930,000)	-	-	(14,515,617)	(935,606)
Change in Net Position	(5,794,738)	(7,217,814)	7,515,502	1,588,303	(3,908,747)	4,382,760
Total Net Position-Beginning	37,497,735	177,009,126	99,479,739	46,189,468		6,869,056
Prior Period Adjustment (Note 23)	(851,385)	(2,495,125)	(1,778,653)	(406,850)		-
Total Net Position-Ending	\$ 30,851,612	167,296,187	105,216,588	47,370,921		11,251,816

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net position of business-type activities \$ (2,426,246)

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

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2014

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
CASH FLOW FROM OPERATING ACTIVITIES:						
\$	55,546,663	39,640,119	28,387,217	24,649,299	148,223,298	1,212,245
Receipts from customers and users						45,426,366
Receipts from interfund services provided	-	600,522	529,031	228,770	1,358,323	(36,242,736)
Payments to suppliers	(2,188,973)	(23,910,547)	(14,537,416)	(9,071,629)	(49,708,565)	(4,502,437)
Payments to employees	(7,436,758)	(8,934,442)	(808,297)	(16,344,805)	(33,524,302)	(1,069,341)
Payments for interfund services used	(29,810,380)	(3,988,678)	(2,771,064)	(4,982,047)	(41,552,169)	
Net cash provided (used) by operating activities	16,110,552	3,406,974	10,799,471	(5,520,412)	24,796,585	4,824,097
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer to other funds	(7,585,617)	(31,687,941)	27,152,560	(76,342)	(12,197,340)	(935,606)
Transfer from other funds	-	24,374,838	(11,308,610)	571,487	13,637,715	194,530
Subsidy from federal and state grants	-	-	-	3,859,009	-	-
Sales Tax	-	-	-	7,716,898	7,716,898	-
Net cash provided (used) by noncapital and related financing activities	(7,585,617)	(7,313,103)	15,843,950	12,071,052	13,016,282	(741,076)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from capital debt	36,225,854	19,007,143	9,083,591	3,098,568	67,415,156	-
Subsidy from federal and state grants	-	5,744	-	243,600	249,344	-
Purchase of capital assets	-	-	-	-	-	(444,827)
Acquisition and construction of capital assets	(1,424,430)	(43,955,081)	(46,673,911)	(6,687,923)	(98,741,345)	-
Principal paid on capital debt	(42,140,264)	(8,109,433)	(7,382,105)	(4,090,828)	(61,722,630)	-
Interest paid on capital debt	(1,995,462)	(10,741,009)	(4,546,594)	(1,361,475)	(18,644,540)	-
Proceeds from sales of capital assets	2,925	290,698	6,525	19,238	319,386	5,579
Net cash provided (used) by capital and related financing activities	(9,331,377)	(43,501,938)	(49,512,494)	(8,778,820)	(111,124,629)	(439,248)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments	759,745	46,235,057	22,710,154	2,122,943	71,827,899	(3,647,232)
Interest and dividends received	55,370	1,106,605	214,334	118,526	1,494,835	29,233
Issuance of Notes Receivable	-	(101)	(258)	-	(359)	-
Net cash provided (used) by investing activities	815,115	47,341,561	22,924,230	2,241,469	73,322,375	(3,617,999)
Net increase (decrease) in cash and cash equivalents	8,673	(66,506)	55,157	13,289	10,613	25,774
Cash and cash equivalents, October 1	37,820	276,551	138,006	117,966	570,343	85,431
Cash and cash equivalents, September 30	\$ 46,493	210,045	193,163	131,255	580,956	111,205
						(Continued)

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2014

(Continued)

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	12,837,084	10,518,453	7,242,836	(9,539,896)	21,058,477	5,081,854
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,984,756	9,367,622	6,716,412	4,466,600	23,535,390	232,363
(Increase) decrease in landfill closure and post closure cost	-	-	-	659,359	659,359	-
(Increase) decrease in accounts receivable	(362)	(1,656,782)	(1,576,240)	(477,600)	(3,710,984)	11,537
Increase (decrease) in allowance for uncollectible accounts	-	131,819	118,448	66,088	316,355	-
(Increase) decrease in inventories	-	(658,750)	(18,759)	84,385	(593,124)	(14,905)
(Increase) decrease in prepaid items	-	-	-	2,576	2,576	(69,067)
Increase (decrease) in customer deposits	-	188,752	-	1,233	189,985	-
Increase (decrease) in accounts payable	(34,624)	(14,536,867)	(1,714,098)	(865,462)	(17,151,051)	(427,949)
Increase (decrease) in unearned revenues	320,944	11,813	257	(276)	332,738	(79,509)
Increase (decrease) in compensated absences payable	(5,900)	(6,825)	7,112	125,166	119,553	877
Increase (decrease) in accrued wages and employee benefits	8,654	47,739	23,503	(42,585)	37,311	3,697
Increase (decrease) in claims & judgements payables	-	-	-	-	-	85,199
Total adjustments	3,273,468	(7,111,479)	3,556,635	4,019,484	3,738,108	(257,757)
Net cash provided (used) by operating activities	16,110,552	3,406,974	10,799,471	(5,520,412)	24,796,585	4,824,097
Noncash investing, capital, and financing activities:						
Premiums	3,374,617	1,098,542	27,410	316,000	4,816,569	-
Bond issuance cost amortized	502,308	360,498	40,114	11,287	914,207	-
Contributions of capital assets from developers & others	-	2,628,836	2,873,756	-	5,502,592	-
Current landfill closure and postclosure cost	-	-	-	659,359	659,359	-
Sale of assets	8,589,368	-	-	46,098	8,635,466	-
Loss on advance refunding	1,745,541	85,771	(7,054)	28,317	1,852,575	-
Increase (Decrease) in accrued interest payable	-	6,854	10,942	15,665	33,461	-

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

**CITY OF LAREDO, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014**

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 190,994	-
Equity in Investment Pool (Note 4)	-	14,027
Accrued Interest Receivable (Note 6)	26,707	3,435
Investments, at Fair Market Value (Note 5)	-	2,005,505
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	13,633,809	-
Domestic Corporate Bonds	11,709,244	-
Domestic Stocks	58,516,633	-
Foreign Stocks	34,356,668	-
Accounts Receivable (Note 6)	-	721,917
TOTAL ASSETS	<u>118,434,055</u>	<u>2,744,884</u>
LIABILITIES		
Accounts Payable	92,076	2,744,884
Accrued Wages and Employee Benefits	2,341	-
TOTAL LIABILITIES	<u>94,417</u>	<u>2,744,884</u>
NET POSITION		
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	<u>\$ 118,339,638</u>	<u>-</u>

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

CITY OF LAREDO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	CITY ANNUITY PENSION TRUST FUND
ADDITIONS:		
Contributions:		
Employer Contributions	\$ 6,044,620	1,319,363
Plan Members	4,521,220	139,785
Other Contributions	8,996	16,442
Total Contributions	10,574,836	1,475,590
Investment Earnings:		
Interest Earnings and Dividends	1,373,872	-
Net Increase (decrease) in the Fair Value of Investments	1,965,164	-
Gains (Loss) on Sale of Investment	6,044,555	-
Total Investment Earnings	9,383,591	-
Less: Investment Expense	(361,654)	-
Net Investment Earnings	9,021,937	-
TOTAL ADDITIONS	19,596,773	1,475,590
DEDUCTIONS:		
Benefits	8,500,340	1,385,912
Administrative Expenses	221,416	89,678
TOTAL DEDUCTIONS	8,721,756	1,475,590
Change in Net Position	10,875,017	-
Net Position - Beginning	107,464,621	-
NET POSITION - ENDING	\$ 118,339,638	-

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

CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2014

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CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

The accounting methods and procedures adopted by the City of Laredo, Texas conform to general accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Basic Financial Statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Laredo, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides a full range of municipal services as authorized by its charter. The services include public safety (police and fire), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition, the City owns and operates certain major activities including an airport, a transit system, water and sewer utility system, a landfill, and a bridge system.

The City has defined its reporting entity in accordance with GASB 14, "The Financial Reporting Entity". The component units discussed below are included in the City's reporting entity because at least one of the following criteria are satisfied: the elected officials of the City are financially accountable for the entity, or the nature and significance of the relationship between the entity and the City are such that to exclude the entity from the reporting entity would render the financial statements misleading or incomplete. In conformity with generally accepted accounting principles, the financial statements of the component units have been included in the financial reporting entity as blended components.

The City Council is the governing board for *Laredo Municipal Housing Corporation, Laredo Convention and Visitors' Bureau, Laredo Transit Management, Inc and Laredo Public Facilities Corporation - La Terraza, LLC*. These entities are bound by the City's legal requirements and the City Council approves the budget, major contracts, surplus dispositions, and any fees or charges. Additionally, the City is legally responsible for debt and public service rendered within the City's boundaries.

Laredo Municipal Housing Corporation The Laredo Municipal Housing Corporation (LMHC) was established in 1976 to acquire 74 duplexes from the Federal Government in an effort to alleviate the existing housing shortage and provide affordable rental housing to the citizens of Laredo. These units are known as the Jose A. Flores Apartments. In 1986 the LMHC had 64 additional rental units constructed, known as the Tomas Flores Apartments. The 210 rental properties (82 two-bedroom, 98 three-bedroom and 30 four-bedroom) must be maintained in a safe and habitable condition. In addition to the rental units, one duplex unit is being used as the Laredo Municipal Housing Corporation office. The Corporation provides the necessary materials and labor required for the repairs of each rental unit. Beautification efforts are also rendered with consistent grass and tree trimming and exterior painting of the duplexes. Staff also provides a physical inspection of rental units and implements a preventive maintenance program to curtail deterioration of the units. On July

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

21, 2014, Laredo City Council voted to dissolve the Laredo Municipal Housing Corporation and transfer all corporation assets to the City of Laredo. The Laredo Municipal Housing operations are reported as an enterprise fund.

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

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

Laredo Transit Management, Inc. provides both a fixed-route and Paratransit (El Lift) services within the city boundaries of Laredo. Currently, the fixed-route service is comprised of 22 bus routes. The fixed route bus service has a total of 35 buses operating during a regular workday, 30 buses on a Saturday and 18 buses on Sunday. The Laredo Transit Management, Inc. bus fleet consists of 48 buses and 1 rubber-tire trolley. The El Lift program has a total fleet of 18 Paratransit vans and are equipped with ADA bus lifts. Laredo Transit Management, Inc. is reported as an enterprise fund.

Laredo Convention and Visitors' Bureau The Laredo Convention and Visitors' Bureau was established in April 1993 to engage in visitor promotion and to solicit and service conventions and other related group businesses generating overnight stays in the City, thereby enhancing and developing the economy of the city. Laredo Convention and Visitors' Bureau operations are reported as special revenue funds.

Laredo Public Facilities Corporation - La Terraza, LLC. The Laredo Public Facilities Corporation (LPFC) - La Terraza, LLC was organized exclusively for the purpose of assisting the City in financing, refinancing or provided public facilities. The LPFC has the power to finance the acquisition of City obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities including multifamily housing facilities. The LPFC is the sole General Partner of the La Terraza at Lomas del Sur, Ltd. Partnership, which operates the La Terraza apartments. The apartments consists of a gated community composed of 128 units in eight (8) Residential Buildings, a Community Center, a Maintenance Building, a Swimming Pool, a Mail Kiosk, a Children's Playground, and some Picnic areas. Laredo Public Facilities Corporation is reported as a Special Revenue fund.

Laredo Firefighters' Retirement System The Laredo Firefighters' Retirement System was created under the authority of Article 6243e - Texas Local Firefighters' Retirement Act enacted by the Legislature of the State of Texas. The act established the membership, benefits, credits and administration of certain retirement systems for volunteer or paid firefighters. The Laredo Firefighters' Retirement System administers the retirement system for the City of Laredo Firefighters employees and is included in the financial statements of the City as a component unit.

Complete financial statements of the component units can be obtained from the City of Laredo, Financial Services Department offices:

City of Laredo
Financial Services Department
P. O. Box 579
Laredo, TX 78042-0579

B. Basis of Accounting

The accounting and reporting policies of the City as reflected in the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The following represent the more significant accounting policies and practices of the City.

Government Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business activities. Business-type activities rely to an extent on fees and charges for support. The primary government is reported separately for certain legally separate component units for which the primary government is financially accountable.

Program Revenues and Direct Expenses - The Statement of Activities demonstrates the direct expenses of a given function or segments offset by program revenues. A direct expense is specifically associated with a service, program, or department and is clearly identifiable to a particular function. In the Statement of Activities, certain indirect expenses are reported in the program expenses. Program revenue derives directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given City function or segment. Program revenues also include grants and contributions that are limited to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenue are reported as general revenue.

Fund Accounting

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

Governmental Funds

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

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

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

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

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

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

Proprietary Funds

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

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

Enterprise Funds - Enterprise Funds are used to account for operations that (1) are financed and operated in a manner similar to private business enterprises where the intent of the City Council is

that the cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds.

Trust Funds - These funds are accounted for in the same manner as proprietary funds with the measurement focus on determination of net income and capital maintenance. The City is custodian to funds contributed into the fund; funds are used toward annuity payments. The City has two trust funds: Firefighters Retirement System, and City Annuity.

Agency Fund - The Agency Fund is used to account for funds where the City's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held and do not involve measurement of results of operations. Currently, the City has three Agency fund: Payroll Clearing, Police Retirees Dependents, and Fire Retirees Dependent Fund

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

liability is incurred. An exception to this general rule is principal and interest on general long-term obligations, compensated absences, and claims and judgments which are recognized when due.

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

The City reports the following as major governmental funds:

General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

The City reports the following as major proprietary funds:

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

Water Works System Fund is used to account for the operations, maintenance, and debt service from three water treatment plants and seventeen booster stations and the related revenue received from 68,213 customers.

Sewer System Fund is used to account for the operations, maintenance, and debt service of the City's five sewage treatment plants and its related revenue received from 63,410 customers.

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

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

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

Private sector standards of accounting and financial reporting issued after November 30, 1989, are followed in both business-type activities and enterprise funds fund financial statements to the degree that those standards do not conflict with or disagree with the guidance of the Governmental Accounting Standards Board. Governments have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected to follow subsequent private-sector guidance. Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated funds are reported as general revenues.

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

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

C. Budgets and Budgetary Accounting

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

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

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

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

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

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

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

(6) The City Council approval is required in order to transfer un-appropriated balances from one department, office, or agency to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from an expenditure account to another within a

department, office, or agency of the City. The reported budgetary data has been revised for amendments authorized during the year.

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

D. Encumbrances

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

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

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

Please see Note 16 for significant encumbrances.

E. Equity in Investment Pool

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

F. Investments

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

G. Inventories

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

H. Restricted Assets

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

I. Property, Plant, Equipment, and Infrastructure

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

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

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

J. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations forced on their use either through

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

K. Long-Term Obligations

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

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

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

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

L. Compensated Absences

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

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with available financial resources are accounted as a general long-term debt for internal purposes only. Accumulated vacation leave of enterprise funds are recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits except as noted above.

M. Federal and State Grants and Entitlements

Grants and entitlements may be accounted for within any of the three fund types. The purpose and requirements of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants and entitlements received for purposes normally

financed through a particular fund type may be accounted for in that fund type provided that applicable legal restrictions can be appropriately satisfied.

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

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

N. Interfund Transactions

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

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

O. Unamortized Bond Issuance Costs

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

P. Statement of Cash Flows

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

Q. Fund Equity

The City adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions effective October 1, 2010. Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent because of legal or contractual requirements. Restricted fund balances have restrictions for specific purposes which are either imposed externally or by enabling legislation. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by City Council through ordinance. Committed funds cannot be used for other purpose unless it is removed or changed in the same manner by City Council. Assigned fund balances are amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. This intent shall be expressed by the City Council. The Assigned fund balance also includes residual positive fund balances that are neither Restricted nor Committed in all governmental funds with the exception of General Fund. Unassigned fund balances include residual

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positive balance within General Fund or may also include negative balances for any governmental fund type.

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

Generally, the City would first use committed, followed by assigned before unassigned balances when expenditures are incurred for purposes for which more than one of the classification of fund balance is available.

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities include bonds payable, which are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$306,495,675 difference are as follows:

Bonds, notes payable, and capital leases	\$ 215,002,516
Accrued interest	1,066,113
Deferred revenue	(28,753,999)
Compensated absences	26,246,032
Elimination of Interfund activity	2,334,146
Net Pension Obligations	<u>90,600,867</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	<u>\$ 306,495,675</u>

B. Explanation of certain differences between governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statements of activities

An element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$10,434,451 difference are as follows:

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Debt issued:	
Bond & Capital lease proceeds	\$ (21,361,120)
Repayments:	
Bond & Notes payments	31,523,192
Capital lease	<u>272,379</u>
Net adjustment to decrease <i>net changes in fund balances-total</i> governmental funds to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>10,434,451</u></u>

An element of the reconciliation states that for governmental funds, capital outlay should be reported as expenditures. In the statement of activities, "the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The amount of capital outlays exceeding depreciation in this fiscal year were \$17,863,852. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$ 50,975,718
Assets that were disposed during the current fiscal year	(1,038,587)
Current year depreciation	<u>(32,073,279)</u>
Amount by which capital outlays exceed depreciation	\$ <u><u>17,863,852</u></u>

NOTE 3 - FUND DEFICITS

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds operating as grants: Block Grants \$1,266,634; Home Investment \$130,136; Emergency Shelter \$180,256; Community Development ARRA \$355; Special Police Program \$33,848 and 911 Emergency Communications \$1,298,565. Deficits are due to grant operations and will be recovered through grant reimbursements in the following year.

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds not operating as grants: Public Access Channel \$38,721 and Laredo Energy Arena \$137,733. Deficits are a result of operations. The deficit balances will be covered by revenues received next fiscal year from events.

NOTE 4 - CASH AND CASH EQUIVALENTS

The monetary assets of the City are held in various forms and accounts. These assets are described and presented in the basic financial statements in three groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash in bank accounts, petty cash and change funds. Another group is disclosed as Equity in Investment Pool and consists of cash in bank accounts. The third group of monetary assets is presented in the basic financial statements as "Investments". Cash balances of all City funds (except for the Laredo Firefighters Retirement System) are pooled and invested. All securities are reported at fair value in order to comply with GASB Statement 31 - *Accounting and Financial Reporting for External Investment Pools*. Investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The net increase in the fair value of the securities was \$1,965,164 for the Laredo Firefighters Retirement System.

CITY OF LAREDO, TEXAS
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As of September 30, 2014, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$ 86,346
Cash in Other Bank Accounts	9,071
Cash with Fiscal Agent	524,676
Cash in Pooled Funds	<u>1,531,768</u>
	\$ <u>2,151,861</u>

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in compliance with Texas Government Code Chapter 2257 – "Collateral for Public Funds". All deposits were covered by federal depository insurance up to \$100,000 and collateralized with eligible securities in amounts of at least 102% of the book value of deposits. As of September 30, 2014, the book value of all the City's deposits was \$2,151,861. Deposits were properly secured at all times during the fiscal year. All collateral securities were held by a third party in the City's name and were not exposed to custodial credit risk.

NOTE 5 - INVESTMENTS

The City, as per the "Public Funds Investment Act" of the State of Texas, is authorized to invest in obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; other obligations which are unconditionally guaranteed by the State of Texas or United States; obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm; Certificates of Deposits of state and national banks domiciled in Texas, guaranteed or insured by the Federal Depository Insurance or its successor; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies; Banker's Acceptances that has a stated maturity of 270 days or less from the date of issuance; Commercial Paper that has a stated maturity of 270 days or less from date of issuance and rated not less than A-1 or P-1 or an equivalent rating; a no-load money market mutual fund that is registered with and regulated by the Securities and Exchange Commission, has a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share; Investment Pools as long as the governing body of the City approved them by rule, order ordinance or resolution. The investments of the Pension Trust Fund, the Laredo Firefighters' Retirement System, are governed by the Texas Local Fire Fighters' Retirement Act, which established the System. The act authorizes additional investment types which include corporate bonds, common stock and mutual funds.

The investment and maturities at September 30, 2014, were as follows:

	Fair Value	Non Maturity Rated	Investment Maturity in Years	
			Less Than 1	1-3
Mutual Funds	\$ 13,633,809	13,633,809	-	-
Equities	92,873,301	92,873,301	-	-
Corporate Bonds	11,709,244	11,709,244	-	-
Managed Pools	<u>351,559,929</u>	<u>131,457,531</u>	<u>119,786,667</u>	<u>100,315,731</u>
Total Investments	\$ <u>469,776,283</u>	<u>249,673,885</u>	<u>119,786,667</u>	<u>100,315,731</u>

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Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy limits the maximum maturities exceeding two years to 25% of the total portfolio. The other 75% must, to the extent possible, be matched with projected cash flow requirements. As of September 30, 2014, all investments had average maturity dates of less than one year.

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

As of September 30, 2014, the City invested in Bank Certificates of Deposit and Managed Pools. The credit ratings for our Managed Pool accounts are as follows: TexPool "AAAm", and TexasDaily "AAAm".

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As per the City's investment policy, no more than 50% of the City's total investment portfolio will be invested in a single security type, with the exception of U.S. Treasury securities. Of the City's total investments, 100% were invested in Local Government Investment Pools and Bank Certificates of Deposit. Of the Firefighters' Retirement System investments, 21% was invested in mutual funds and 79% in equities.

Custodial Credit Risk. For an investment security, custodial credit risk is the risk that in the event of a failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2014, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System has also designated a third party selected by the system as the safekeeping institution for its securities.

NOTE 6 - RECEIVABLES

The City's property tax is levied each October 1st on the assessed value listed on the tax roll as of the prior January 1st for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1st of the year of levy and shall be paid by the following January 31st. All real and personal property in the City on January 1st each year will be subject to lien from that date for taxes due thereon. The adjusted assessed value for the tax roll as of January 1, 2013, upon which the 2014 levy was based, was \$10,998,820,849.

The appraisal of property within the City is the responsibility of the Webb County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its market value. The value of property within

CITY OF LAREDO, TEXAS
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the Appraisal District must be reviewed every three years; however, the City may, at its own expense, require more frequent reviews of appraised value. The Webb County Appraisal District has chosen to review the value of property every year. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate exceeds the rate for the previous year by more than 8% qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

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

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2014 was \$.637000 per \$100 of assessed valuation (\$.488257 for general government and \$.148743 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$94,919,823.93 in additional taxes per year from the present assessed valuation of \$10,998,820,849 before the limit is reached. Because of limitations imposed by state law, cases in which accumulated taxes exceed property value, other problems in tax collection and because of the possible uncollectibility of certain other accounts receivable, allowances have been provided for uncollectible accounts resulting in only the net collectible amounts being reflected in the balance sheet.

The net receivables and allowances for uncollectible accounts for taxes and other receivables as of September 30, 2014 are reflected in the following table:

	Accounts	Property Taxes	Hotel/Motel Taxes	Notes	Accured Interest	Paving Assessment	Total Net Receivables
Governmental Activities	\$ 16,055,817	7,796,772	319,835	16,507,811	1,146,562	7,711	41,834,508
Business-Type Funds							
Bridge	\$ 3,000	-	-	-	21,012	-	24,012
Waterworks System	5,975,158	-	-	657	99,021	-	6,074,836
Sewer System	5,069,653	-	-	12,558	74,981	-	5,157,192
Other Enterprise Funds	1,715,318	-	-	-	61,148	-	1,776,466
Total Business Type Funds	\$ 12,763,129	-	-	13,215	256,162	-	13,032,506
Allowance for Uncollectible	\$ 37,753,028	-	12,373	2,303,644	-	152,266	40,221,311

NOTE 7 - RESTRICTED ASSETS FOR ENTERPRISE FUND TYPES

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The "revenue bond retirement reserve" is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "revenue bond

CITY OF LAREDO, TEXAS
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contingency" is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "construction account" is used to report those proceeds of bond issuance that are restricted for use in construction. The "water rights" account is used to report revenue received through water availability charges.

The following table summarizes restricted assets by purpose as of September 30, 2014:

	Other	Enterprise	Bridge	Waterworks	Sewer	
		Fund	System	System	System	Total
Revenue Bond Retirement Reserve	\$	-	3,568,986	11,789,950	7,401,015	22,759,951
Revenue Bond Contingency		-	500,000	2,097,001	1,523,671	4,120,672
Construction Account		16,177,399	-	17,339,209	27,445,331	60,961,939
Water Rights		-	-	5,083,129	-	5,083,129
Total Restricted Assets	\$	<u>16,177,399</u>	<u>4,068,986</u>	<u>36,309,289</u>	<u>36,370,017</u>	<u>92,925,691</u>

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2013	Additions	Deletions and Transfers	Balance as of September 30, 2014
Capital Assets, Not Being Depreciated:				
Land	\$ 87,392,308	2,033,340	(892,773)	88,532,875
Construction in Progress	<u>14,846,927</u>	<u>1,826,685</u>	<u>(12,630,292)</u>	<u>4,043,320</u>
Total Capital Assets, Not Being Depreciated	<u>102,239,235</u>	<u>3,860,025</u>	<u>(13,523,065)</u>	<u>92,576,195</u>
Capital Assets Being Depreciated				
Buildings	194,542,783	10,639,528	12,572,543	217,754,854
Improvements Other Than Buildings	589,637,133	30,069,894	18,100	619,725,127
Machinery and Equipment	<u>102,224,523</u>	<u>6,851,098</u>	<u>(3,668,109)</u>	<u>105,407,512</u>
Total Assets Being Depreciated	<u>886,404,439</u>	<u>47,560,520</u>	<u>8,922,534</u>	<u>942,887,493</u>
Less Accumulated Depreciation For:				
Buildings	(43,873,865)	(4,892,618)	-	(48,766,483)
Improvements Other Than Buildings	(238,182,334)	(20,072,424)	39,650	(258,215,108)
Machinery and Equipment	<u>(74,792,396)</u>	<u>(7,340,600)</u>	<u>3,522,294</u>	<u>(78,610,702)</u>
Total Accumulated Depreciation	<u>(356,848,595)</u>	<u>(32,305,642)</u>	<u>3,561,944</u>	<u>(385,592,293)</u>
Total Capital Assets, Being Depreciated, Net	<u>529,555,844</u>	<u>15,254,878</u>	<u>12,484,478</u>	<u>557,295,200</u>
Governmental Activities Capital Assets, Net	\$ <u>631,795,079</u>	<u>19,114,903</u>	<u>(1,038,587)</u>	<u>649,871,395</u>

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B - Business Type Activities:

	Balance as of September 30, 2013	Additions	Deletions and Transfers	Balance as of September 30, 2014
Capital Assets, Not Being Depreciated:				
Land	\$ 31,904,327	58,308	592,000	32,554,635
Construction in Progress	138,382,121	69,778,916	(122,349,767)	85,811,270
Water rights	40,751,584	2,690,963	-	43,442,547
Total Capital Assets, Not Being Depreciated	169,788,900	72,528,187	(121,757,767)	161,808,452
Capital Assets Being Depreciated:				
Buildings	166,975,110	48,855	106,731,908	273,755,873
Improvements Other Than Buildings	386,938,018	7,209,547	(1,876,036)	392,271,529
Machinery and Equipment	90,238,725	7,305,368	(4,348,712)	93,195,381
Total Assets Being Depreciated	587,822,542	14,563,770	100,507,160	759,222,783
Less Accumulated Depreciation For:				
Buildings	(32,039,292)	(4,802,349)	1,112,457	(35,729,184)
Improvements Other Than Buildings	(185,826,276)	(13,229,041)	7,000,050	(192,055,267)
Machinery and Equipment	(65,645,082)	(5,503,999)	4,297,668	(66,851,413)
Total Accumulated Depreciation	(262,491,936)	(23,535,389)	12,410,175	(294,635,864)
Total Capital Assets, Being Depreciated, Net	325,330,606	(8,971,619)	112,917,335	464,586,919
Business Type Activities Capital Assets, Net	\$ 495,119,506	63,556,568	(8,840,432)	626,395,371

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

Government Activities:	
General Government	\$ 1,543,626
Public Health	1,404,673
Culture and Recreational	748,249
Public Works	21,192,920
Public Safety	2,365,386
Air Transportation	4,818,425
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	232,363
Total depreciation expense-governmental activities	\$ 32,305,642
Business-Type Activities:	
Solid Waste Management	2,199,222
Municipal Transit System	2,223,578
Bridge System	2,984,756
Waterworks System	9,367,622
Sewer System	6,716,412
Municipal Housing	43,800
Total depreciation expense-business-type activities	\$ 23,535,390

NOTE 9 - RETIREMENT PLANS

The City provides benefits for all of its full-time employees (except for firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 850 administered by TMRS, an agent multiple-employer public employee retirement system.

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

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

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

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2013 valuation is effective for rates beginning January 2015).

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

Actuarial Valuation Date	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
Actuarial Value of Assets \$	93,220,964	104,886,750	118,216,115	131,250,617	147,642,107	166,772,840	227,498,651	255,089,909	285,561,778	319,305,541
Actuarial Accrued Liability	159,858,885	176,834,192	196,473,335	255,908,643	275,809,704	305,212,249	363,711,044	390,361,416	416,568,818	486,207,150
Percentage Funded	58.31%	59.31%	60.17%	51.29%	53.5%	54.6%	62.5%	65.3%	68.6%	65.7%
Unfunded Actuarial										
Accrued Liability (UAAL)	66,637,921	71,947,442	78,257,220	124,658,026	128,167,597	138,439,409	136,212,393	135,271,507	131,007,040	166,901,609
Annual Covered Payroll	59,429,800	66,500,972	70,411,134	76,207,380	83,778,815	86,683,788	84,075,541	86,508,086	89,399,108	92,084,900
UAAL as a percentage of										
covered Payroll	112.13%	108.19%	111.14%	163.58%	153.0%	159.7%	162.0%	156.4%	146.5%	181.2%
Annual Pension Cost:										
Annual Required										
Contribution (ARC)	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732	20,621,820
Less Contributions Made										
at the end of the period	9,637,803	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732	20,621,820
Net Pension Obligation \$	-	-	-	-	-	-	-	-	-	-

Actuarial Assumptions

Actuarial Cost Method -	Entry Age Normal
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	21 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	7.0%
Projected Salary Increases	Varies by Age and Service
Includes Inflation At	3.0%
Cost-of-Living Adjustments-	2.1%

The City of Laredo is one of 850 municipalities having the benefit plan administered by TMRS. Each of the 850 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2013 valuations are contained in the 2013 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

Laredo Firefighters' Retirement System Required Supplemental Information Disclosures
Actuarial Update as of September 30, 2012

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

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

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

The Laredo Firefighters Retirement System covers the firefighters in the Laredo Fire Department. The table below summarizes the membership of the System reflected in the actuarial valuation as of September 30, 2012, which is performed every two years. Subsequent biennial actuarial valuations will be as of September 30 in even-numbered years. Information from the latest valuation report dated September 30, 2012 is shown below.

	9/30/12
a. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	133
b. Current Employees:	
i. Vested	75
ii. Non-vested	302
c. Total	<u>510</u>

The Laredo Firefighters Retirement System provides service retirement, death, disability, and withdrawal benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. As of the September 30, 2012 valuation date, the plan effective February 9, 2012 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit is equal to 3.03% of Final Average Monthly Salary for each year of service.

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

Contributions Required and Contributions Made

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city. While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the System must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contributions rate is used to amortize the plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using an open, level percentage of payroll method.

The costs of administering the plan are financed from the trust. Effective October 1, 2012, the funding policy of the Laredo Firefighters Retirement System requires contributions equal to 14.66% of pay by the firefighters and it increased to 15.00% effective October 1, 2013. The city contribution rate became 18.40% of pay for all firefighters effective October 1, 2012 and it increased to 20.10% effective October 1, 2013.

Annual Pension Cost

For the fiscal year ending September 30, 2014, the City of Laredo's annual pension cost of \$6,044,620 for the Laredo Firefighters Retirement System was equal to the City's required and

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

actual contributions during the year. While the required contributions were not actuarially determined but were a fixed percentage, the plan benefits which was most recently amended effective as of February 9, 2012 has been approved by the Board's actuary as having an adequate financing arrangement. For the year ending September 30, 2013 the city contribution rate was 18.40% of pay for all firefighters, and it increased to 20.10% effective October 1, 2013. The required contributions were reflected in the September 30, 2012 actuarial valuation, which satisfied the parameters of the Governmental Accounting Standards Board (GASB) Statement No. 27.

The entry age actuarial cost method was used, with the normal cost calculated as a level percentage of payroll. The actuarial value is equal to the expected actuarial value of assets adjusted by 40% of the difference between the actual market value and the expected actuarial value. The actuarial value is not more than 110% or less than 90% of the actual market value of assets. The actuarial assumptions included an investment return assumption of 8.0% per year (net of expenses), projected salary increases averaging 3.75% per year as a general salary increase and a range from 0% to 7% per year as a promotion and longevity increase based on 30-year career, and no postretirement cost-of-living adjustments. An inflation assumption of 3.75% per year is included in the investment return and salary increase assumptions. The unfunded actuarial accrued liability (UAAL) is amortized with the excess of the total contribution rate over the normal cost rate. The number of years needed to amortize the UAAL is determined using an open, level percentage of payroll method; assuming that the payroll will increase 3.75% per year, and was 30 years as of September 30, 2012 actuarial valuation.

Trend Information

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2004	\$	2,787,027	100%	-
9/30/2005		3,235,074	100%	-
9/30/2006		3,576,070	100%	-
9/30/2007		3,779,090	100%	-
9/30/2008		4,136,418	100%	-
9/30/2009		4,392,773	100%	-
9/30/2010		4,616,573	100%	-
9/30/2011		4,644,823	100%	-
9/30/2012		5,311,893	100%	-
9/30/2013		5,625,179	100%	-
9/30/2014	\$	6,044,620	100%	-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
09/30/95 \$	19,843,996	27,545,436	7,701,440	72.04%	6,832,917	113%
07/31/96	21,565,365	30,936,694	9,371,329	69.71%	8,063,403	116%
09/30/97	23,768,183	32,196,210	8,428,027	73.82%	8,080,170	104%
06/30/98	27,925,724	38,685,191	10,759,467	72.19%	10,191,336	106%
03/31/00	32,040,945	48,944,733	16,903,788	65.50%	12,481,680	135%
03/31/02	35,064,847	66,941,016	31,876,169	52.40%	16,652,165	191%
03/31/04	43,720,097	82,210,204	38,490,107	53.18%	18,726,396	206%
03/31/06	57,228,050	95,649,924	38,421,874	59.80%	21,831,766	176%
03/31/08	73,106,502	113,301,606	40,195,104	64.50%	22,931,569	175%
03/31/10	84,625,644	140,669,842	56,044,198	60.20%	25,715,241	218%
09/30/12 \$	95,140,202	175,957,832	80,817,630	54.10%	30,993,969	261%

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Annual Required Contribution	Percentage of Required Contribution Contributed
9/30/2004	17.02% & 15.57%	2,787,027	100%
9/30/2005	17.65% & 16.20%	3,235,074	100%
9/30/2006	17.65% & 16.20%	3,576,070	100%
9/30/2007	17.65% & 16.20%	3,779,090	100%
9/30/2008	17.65% & 16.20%	4,136,418	100%
9/30/2009	17.65% & 16.20%	4,392,773	100%
9/30/2010	17.65%	4,616,573	100%
9/30/2011	17.90%	4,644,823	100%
9/30/2012	18.15%	5,311,893	100%
9/30/2013	18.40%	5,625,179	100%
9/30/2014	20.10%	6,044,620	100%

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

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description:

Police and City Employees who have twenty years of service or have attained age sixty with five years of service and Firefighters who have attained age forty-five with twenty years of service or have attained age fifty with twenty years of service with the City of Laredo are eligible for a service or early retirement, or qualified for a disability retirement under the Texas Municipal Retirement System, or the Fireman's Relief and Retirement Fund, may continue coverage in the City of Laredo

CITY OF LAREDO, TEXAS
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Medical Plan as a retiree, at the time service terminates with the City of Laredo. An eligible employee may elect coverage for his or her dependents.

The widow/widower of a retiree who has coverage as a retiree under the City of Laredo Medical Plan may continue coverage as a retiree.

Currently, 188 retirees meet those eligibility requirements. The City reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependents. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City.

Prior to age 65, retirees participate in the City's Medical Plan. At age 65, retirees are offered a Medicare Supplemental Plan (Hartford Life), but the full cost is borne by the retirees. However retirees can continue to participant in the City's prescription drug program after age 65. There is a \$750-\$1,000 deductible per person with an additional maximum out of pocket cost of \$2,500. The prescription co-pay is \$10 for generic and \$35 for brand name prescriptions and \$55 for preferred brand.

The Police and Firefighters are provided with a \$2,000 life insurance policy at retirement.

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

	2011	2012	2013	2014
Determination of Annual Required Contribution				
Normal Cost at year end	\$ 7,002,272	\$ 7,002,272	\$ 7,699,867	\$ 7,699,867
amortization of UAAL & Loss	6,700,930	7,321,876	6,970,549	7,634,504
Annual Required Contribution (ARC)	13,703,202	14,324,148	14,670,416	15,334,371
Determination of Net OPEB Obligation				
Annual Required Contribution	\$ 13,703,202	\$ 14,324,148	\$ 14,670,416	\$ 15,334,371
Interest on prior year Net OPEB Obligation	1,788,307	2,218,736	2,658,481	3,136,096
Adjustment to AC	(2,579,846)	(3,200,792)	(3,695,678)	(4,359,633)
Annual OPEB Cost	12,911,663	13,342,092	13,633,219	14,110,834
Contributions made	(2,150,933)	(2,348,463)	(1,692,843)	(1,912,370)
Estimated Increase in Net OPEB Obligation	10,760,730	10,993,629	11,940,376	12,198,464
Net OPEB Obligation- beginning of year	\$ 44,707,668	\$ 55,468,398	\$ 66,462,027	\$ 78,402,403
Estimated Net OPEB Obligation- end of year	\$ 55,468,398	\$ 66,462,027	\$ 78,402,403	\$ 90,600,867
Percentage of Annual OPEB Cost Contribution	16.66%	17.60%	12.42%	13.55%

Annual contribution rates for retirees not currently eligible for Medicare:

	Retiree Only	Retiree & Spouse	Retiree & Family
Police & Fire	\$0	\$2,826	\$5,570
City Employees	\$3,532	\$8,670	\$8,670

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

Annual contribution rates for retirees who are eligible for Medicare coverage (these contributions are for prescription drug only-other medical benefits not available through the City's Medical Plan):

	Retiree Only	Retiree & Spouse	Retiree & Family
Police & Fire	\$661	\$1,816	N/A
City Employees	\$661	\$1,816	N/A

Funded Status and Funding Progress:

The funded status of the plan beginning as of October 1, 2012, was as follows:

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10-01-2012	N/A	N/A	N/A	N/A	N/A	N/A
10-01-2013	0	120,534,964	120,534,964	0.0%	123,368,595	97.70%
10-01-2014	N/A	N/A	N/A	N/A	N/A	N/A

(1) Actuarial liability determined under the projected unit credit cost method.

(2) Actuarial accrued liability less actuarial value of assets.

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

Unfunded Actuarial Accrued Liability: The Unfunded Actuarial Accrued (UAAL) is the actuarial liability offset by any assets set aside in a trust to provide retiree health benefits. This is equal to the value of the retiree health benefits accrued to date that has not been funded. The UAAL must be amortized over a period not exceeding 30 years and included in the ARC (Annual Required Contribution) amount each year. The amortization of UAAL is calculated below as a level dollar of 30 years on a closed basis.

October 1, 2013-September 30, 2014

Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	\$120,534,964
Assets	-
Unfunded Actuarial Accrued Liability	\$120,534,964
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	\$120,534,964
Amortization Period	30 years
Amortization Amount-October 1, 2013	\$7,634,504
Interest to end of year	\$65,363
Amortization Amount- September 30, 2014	\$7,699,867

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in pension costs. These gains and losses result from the difference between the actual experience under the plan and the experience by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years in the future.

In the actuarial valuation beginning October 1, 2012, the Unit Credit Actuarial Cost Method was used. This method includes the following components:

1. The normal cost is the actuarial present value of benefits allocated to the valuation year.
2. The actuarial liability is the actuarial present value of benefits accrued as of the valuation date.
3. Valuation assets are equal to the market value of assets of the valuation date, if any. The plan is unfunded and therefore no investment rate of returned was used. An inflation rate of 2.5% was used for the actuarial study. Salary or benefit increases were not applicable to the study.
4. Unfunded Actuarial Accrued Liability is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over 28 year (the maximum permissible period under GASB 45 is 30 years).
5. Health Cost Trend used in the actuarial study is from 6.90% trending to 4.60% over seventy two years. The basis of the health cost trend is derived from the healthcare inflation rate schedule. Retiree premium rates are assumed to increase with the Health Cost Trend.

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

6. The City of Laredo does not have a separate, irrevocable trust fund to the annual OPEB cost; therefore a discount rate of 4.0% has been established on the long term expectations of returns on operating funds.

NOTE 11 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in the City's general long-term obligations for the year ended September 30, 2014:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	\$ 11,980,879	143,807,432	34,045,000	21,792,287	4,484,057	425,000	78,402,403
Increases	15,770,730	5,590,390	-	1,516,814	-	-	12,198,464
Amort-Premiums	-	(75,196)	-	-	-	-	-
Decreases	(4,382,306)	(9,367,328)	(2,105,000)	-	(63,749)	(85,000)	-
Ending Long-Term Liabilities	23,369,303	139,955,298	31,940,000	23,309,101	4,420,308	340,000	90,600,867
Current Liabilities:							
Due Within One Year	3,284,171	9,034,841	2,205,000	2,936,931	368,595	85,000	-
Total Liabilities	\$ 26,653,474	148,990,139	34,145,000	26,246,032	4,788,903	425,000	90,600,867

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2014 are comprised of the following issues:

A - General Obligation Serial Bonds

\$24,455,000 General Obligation Refunding Bonds, Series 2005 issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum.

\$ 5,657,232

\$27,150,000 General Obligation Refunding Bonds, Series 2009 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum.

2,096,556

9,345,000 General Obligation Refunding Bonds, Series 2010 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest varying from 2.99% to 5.00% per annum.

\$ 1,469,629

CITY OF LAREDO, TEXAS
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\$7,635,000 General Obligation Refunding Bonds, Series 2012 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest at 3.00% per annum. \$ 2,125,317

\$16,845,000 General Obligation refunding Bonds, Series 2013 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2026 with interest at 3.00% per annum. 15,304,740

Total General Obligation Bonds 26,653,474

Due Within One Year \$ 3,284,171

B – Certificates of Obligation

\$15,625,000 Combination Tax and Revenue Certificates of Obligation, Series 2005, for the purpose of purchasing vehicles, and equipment for the Fire Department, purchasing vehicles for the Planning, Building and Public Works Department, acquiring and constructing a City communication system, making improvements to the City Health Clinic, acquiring land and equipment for and making improvements to municipal parks, acquiring land and preliminary design for various drainage projects, and for the payment of legal, fiscal, and engineering fees in connection with such projects; and paying the costs related to the issuance of the certificates. Principal is due in varying amounts through 2025 with interest from 3% to 5% per annum. \$ 6,635,000

\$17,320,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, for paying all or a portion of the City's Contractual Obligations for the purpose of constructing and equipping Police and Fire department improvements for substations, a training center and headquarters building, constructing, improving, repairing, and extending City streets, and providing for road improvements for Texas Department of Transportation projects together with drainage improvements and traffic and signal equipment and improvements, constructing and equipping improvements to City's Health complex, branch Library, and municipal parks, and for the payment of legal, fiscal, and engineering fees in connection with such projects. Principal is due in varying amounts through 2026 with interest from 4% to 4.5% per annum. \$ 6,670,000

CITY OF LAREDO, TEXAS
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\$72,480,000 Combination Tax and Revenue Contractual Obligations, Series 2007, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.	\$ 56,815,000
\$30,065,000 Combination Tax and Revenue Contractual Obligations, Series 2008A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2028 with interest from 3.5% to 5% per annum.	26,430,000
\$11,270,000 Combination Tax and Revenue Contractual Obligations, Series 2009A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2012 with interest from 2% to 5% per annum.	8,465,000
\$13,465,000 Combination Tax and Revenue Contractual Obligations, Series 2009B (Build America Bonds), for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts from 2022 through 2029 with interest of 6.366% per annum.	13,465,000
\$5,080,000 Public Property Finance Contractual Obligations, Series 2010, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2018 with interest of 3.875% per annum.	\$ 274,945

CITY OF LAREDO, TEXAS
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\$4,095,000 Combination Tax and Airport Revenue Contractual Obligations, Series 2010, for the purpose of constructing, improving, and maintaining the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2029 with interest of 4.750% per annum	\$ 3,510,000
\$2,070,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010, for the purpose of refunding the Municipal Airport land indenture. Principal is due in varying amounts through 2029 with interest of 4.750% per annum.	1,775,000
\$2,040,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010B, for the purpose of constructing and equipping a Federal inspection station at the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the project. Principal is due in varying amounts through 2029 with interest of 5.200% per annum.	1,760,000
\$9,545,000 Combination Tax and Revenue Contractual Obligations, Series 2010, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2030 with interest from 2.00% to 5.00% per annum.	8,070,000
\$7,690,000 Combination Tax and Revenue Contractual Obligations Series 2012, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2032 with interest from 2.00% to 3.50% per annum.	7,065,000
\$3,800,000 Public Property Finance Contractual Obligations, Series 2012, for the purpose of acquiring and purchaisng equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2022 with interest from 1.50% to 2.25% per annum.	3,085,000
\$10,095,000 Public Property Finance Contractual Obligations, Series 2013, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2021 with interest from 2.00% to 5.00% per annum.	\$ 3,640,000

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

\$9,995,000 Combination Tax and Revenue Contractual Obligations Series 2013, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2025 with interest from 2.00% to 5.00% per annum.

\$ 840,000

Subtotal

148,499,945

Deferred Premiums for Various Certificate of Obligations

490,194

Total Certificates of Obligations

148,990,139

Due Within One Year

\$ 9,034,841

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

The City is in compliance with all significant limitations and restrictions.

C - Sales Tax Revenue Bonds

The City's Sales Tax Revenue Bonds are special obligations of the City and are collateralized by revenue from a ¼ of 1% sales and use tax collected within the City's boundaries. Sales Tax Revenue Bonds as of September 30, 2013 consist of the following:

\$33,550,000 2005 Sports Venue Sales Tax Revenue Improvement and Refunding Bonds issued for the purpose of acquiring and constructing additional parking for the multipurpose entertainment arena and refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2001 in order to achieve a debt service savings and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2024 with interest from 3.00% to 5.00% per annum.

\$ 24,475,000

\$10,445,000 2011 Sports Venue Sales Tax Revenue Bonds issued for the purpose of financing a baseball stadium and related infrastructure as part of the enlarged Laredo Sports Venue Project for the multi-purpose entertainment arena and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2036 with interest from 1.088% to 5.85% per annum.

9,670,000

Total Sales Tax Revenue Bonds

34,145,000

Due Within One Year

\$ 2,205,000

D - Capital Lease Obligations

The City has entered into several lease-purchase agreements for various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

\$370,152 Victory Motorcycles, LLC for the purchase of eight law enforcement motorcycles for the Police Department. Payments are due in annual installments of \$71,011.67 through 2017. Interest if at 2.683% per annum.	\$ 200,903
\$4,588,000 Bank of America for the purchase and installation of energy-savings facility upgrades. Payments are due in semiannual installments in varying amounts through 2027. Interest is at 2.440% per annum.	<u>4,588,000</u>
Total Present Value of Future Minimum Lease Payments	4,788,903
Plus Amount Representing Interest	<u>777,967</u>
Total Minimum Lease Payments	\$ <u><u>5,566,870</u></u>

The assets acquired through capital leases are as follows:

Governmental Activities	
Asset:	
Automotive Equipment	\$ 4,714,093
Machinery & Equipment	6,731,500
Less: Accumulated Depreciation	<u>(7,327,946)</u>
Total	\$ <u><u>4,117,647</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, are as follows:

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Year Ending Sep. 30	Governmental Activities
2015	\$ 368,595
2016	378,037
2017	387,724
2018	326,648
2019	334,716
2020	342,984
2021	351,456
2022	360,138
2023	369,034
2024	378,149
2025	387,490
2026	397,062
2027	406,870
Total Minimum lease payments	4,788,903
Add: amount representing interest	777,967
Present value of minimum lease payments	\$ 5,566,870

E - Notes Payable

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

\$ 425,000

Due Within One Year

\$ 85,000

F - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2013

On November 14, 2013, the City of Laredo issued \$15,770,730 in General Obligation Refunding Bonds, Series 2013, with an average interest rate of 2.52% to advance refund the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Comb. Tax & Rev., Series 2003	4.20%	\$ 670,000
Comb. Tax & Rev., Series 2004	4.30%	70,000
Comb. Tax & Rev., Series 2005	4.40%	3,550,000
Gen. Oblig. Refunding, Series 2005	4.875%	3,075,000
Comb. Tax & Rev., Series 2006	4.50%	\$ 5,580,000

The net proceeds of \$15,668,128 (after payment of \$102,242 in underwriting fees, insurance, and other issuance costs) plus no additional cash contributions for the 2013 Series G.O. sinking fund monies were used to purchase government securities. Those securities were deposited in an

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

irrevocable trust with an escrow agent to provide for all of the future debt service payments on the 2003 Series C.O. and 2004 Series C.O. bonds, as well as a portion of the future debt service payments of the 2005 Series C.O., 2005 Series G.O., and 2006 Series C.O. bonds. As a result, the 2003 Series C.O. and 2004 Series C.O. bonds are considered defeased and the liability for those bonds has been removed from the General Long-Term Debt account group, and the 2005 Series C.O., 2005 Series G.O., and 2006 Series C.O. bonds are considered partially defeased and a portion of the liability for those bonds has been removed from the General Long-Term Debt account group.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$18,958,735. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2026 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decreased over the next twelve years by \$915,147 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$736,261.

G – Prior-year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements. As of September 30, 2014, \$19.035 million in bonds outstanding are considered defeased.

H – OPEB

As per actuarial update issued on September 19, 2014, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$90,600,867. The unfunded actuarial liability is updated on a biannual basis and, as per the latest calculations dated September 30, 2013, stands at \$120,534,964. The unfunded actuarial accrued liability will be next updated on September 30, 2015.

NOTE 12 - PROPRIETARY FUNDS LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the City's Proprietary Funds for the year ended September 30, 2014:

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

	Revenue Bonds	Certificates of Obligation	General Oblig. Bond	Note Payable
Long Term Liabilities:				
Beginning Balances	\$ 270,434,367	109,358,843	15,592,752	16,847,982
Increases	53,680,000	15,065,000	1,074,270	-
Decreases	(32,647,000)	(8,680,159)	(2,384,839)	(16,847,982)
Amortization of Deferred Charges/Premiums	1,861,830	1,968,384	(762,016)	-
Ending Long Term Liabilities	293,329,197	117,712,068	13,520,167	-
Current Liabilities:				
Due Within One Year	12,822,000	6,365,159	2,305,829	-
Total Liabilities	\$ 306,151,197	124,077,227	15,825,996	-

	Landfill Costs	Compensated Absences
Long Term Liabilities:		
Beginning Balances	\$ 11,826,963	1,231,645
Additions	659,359	207,795
Retirements	-	(130,002)
Ending Balances	12,486,322	1,309,438
Current Liabilities:		
Due Within One Year	-	760,176
Total Liabilities	\$ 12,486,322	2,069,614

A – Bonds

\$741,000 2002 Waterworks System Revenue Bond issued for the purpose of making improvements and extension of the Waterworks System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9 % per annum. \$ 425,000

\$710,000 2002 Sewer System Revenue Bond issued for the purpose of making improvements and extension of the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum. \$ 407,000

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

\$24,565,000 2005B International Toll Bridge System Revenue Refunding Bond issued for the purpose of refunding other Bridge Revenue Bond issues with principal due in varying amounts through year 2019, including interest at 4.0% to 5.0% per annum.	\$ 10,270,000
\$17,670,000 2007 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2027, including interest at 4.0% to 4.75% per annum.	12,375,000
\$3,070,000 2008 International Toll Bridge System Revenue Bond issued for the purpose of improving and constructing expansion of inspection station booths for Bridge No. IV with principal due in varying amounts through year 2028, including interest at 4.71% per annum.	2,300,000
\$915,000 2008 Waterworks and Sewer System Revenue Bond for the purpose of constructing, improving, and extending the waterworks and sewer systems with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.	687,000
\$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at 0.001 per annum.	4,005,000
\$82,175,000 2010 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2040 at 2.00% per annum.	74,895,000
\$30,875,000 2011 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2041 at 5.00% per annum.	28,260,000
\$48,750,000 2012 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system principal due in varying amounts through year 2042 at 1.63% to 2.15% per annum.	44,540,000
\$7,640,000 2012 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding Bridge System Revenue Bonds with principal due in varying amounts through year 2022 at 2.00% to 3.00 per annum.	\$ 5,615,000

CITY OF LAREDO, TEXAS
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\$41,120,000 2012 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2042, including interest at 2.0% to 5.0% per annum.	\$ 38,520,000
\$17,260,000 2013 Waterworks and Sewer System Revenue Refunding Bond for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2026, including interest at 1.0% to 5.0% per annum.	17,070,000
\$17,365,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding a State Infrastructure Bank loan with the Texas Department of Transportation with principle due in varying amounts through year 2027, including interest at 3.0% to 5.0% per annum.	15,480,000
\$14,175,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.	14,175,000
\$3,885,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2024, including interest at 2.0% to 4.0% per annum.	3,585,000
\$18,255,000 2013 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2043, including interest at 2.0% to 5.0% per annum.	<u>17,530,000</u>
Subtotal	\$ 290,139,000
Deferred Charges/Premiums for Various Revenue Refunding Bonds	<u>3,190,197</u>
Total Revenue Bonds	\$ <u><u>293,329,197</u></u>
Due Within One Year	\$ <u><u>12,822,000</u></u>

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

B – Certificates of Obligations

\$72,480,000 2007 Combination Tax and Revenue Contractual Obligations, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.	\$ 5,190,000
\$3,555,000 2008 Public Property Finance Contractual Obligations, for the purpose of purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.399% per annum.	1,695,000
\$46,235,000 2008B Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation, for the purpose of constructing, improving, and extending the City's Waterworks and Sewer systems, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2033 with interest from 3.50% to 5.00% per annum.	38,195,000
\$13,475,000 2009C Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks and Sewer System with principal due in varying amounts through year 2021, including interest at 2.00% to 5.00% per annum.	7,405,000
\$37,945,000 2009D Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks System and Sewer System with principal due in varying amount through year 2039, including interest at 6.566% per annum.	37,945,000
\$5,060,000 2010 Public Property Finance Contractual Obligations, for the purpose of personal property with principal due in varying amounts through 2018 with interest at 3.875% per annum.	1,879,895
\$10,345,000 2012A Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and building and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2022 with interest from 2.0% to 5.0% per annum.	\$ 6,540,000

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\$4,605,000 2012 B Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and buildings, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2032 with interest from .50% to 4.0% per annum. \$ 4,025,000

\$10,095,000 2013 Public Property Finance Contractual Obligation for the purchase of personal property for various City Departments including Transit, Solid Waste, and other departments. Principal is due in varying amounts through 2021, with interest from 2.0% to 5.0% per annum. 4,620,000

\$9,995,000 2013 Combination Tax and Revenue Certificate of Obligation for the purpose of improving and repairing City streets and for the payment of legal, fiscal, and engineering fees in connection with this project. Principal is due in varying amounts through 2025, with interest varying from 2.0% to 5.0% per annum. 7,785,000

Subtotal	115,279,895
Deferred Charges/Premiums for Various Certificates of Obligation Bonds	2,432,173
Total Certificates of Obligation	\$ <u>117,712,068</u>

Due Within One Year	\$ <u>6,365,159</u>

C - General Obligation Bonds

\$24,455,000 2005 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt services savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum. \$ 4,306,424

\$27,150,000 2009 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum. \$ 428,304

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\$9,345,000 2010 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2022 with interest varying from 2.00% to 4.00% per annum. \$ 4,114,955

\$7,635,000 2012 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2024 with interest at 3.00% per annum. 5,047,985

\$16,845,000 2013 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2026 with interest at 3.00% per annum. 623,028

Subtotal \$ 14,520,696
Deferred Charges for Various General Obligation Bonds (1,000,529)
Total General Obligation Bonds \$ 13,520,167

Due Within One Year \$ 2,305,829

D - Compensated Absences

The long-term portion of compensated absences for all City employees for Proprietary funds is comprised of the following:

Fund		Amount
Transit System	\$	105,637
Bridge System		372,014
Municipal Housing		14,625
Waterworks System		341,494
Sewer System		132,835
Solid Waste Fund		342,833
Total	\$	<u><u>1,309,438</u></u>
Due Within One Year	\$	<u><u>760,176</u></u>

E - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2013

On November 4, 2013, the City of Laredo issued \$1,074,270 in General Obligation Refunding Bonds, Series 2013 with an average interest rate of 2.52% to advance the following:

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Bond Issue	Average Interest Rate	Principal Amount Refunded
Comb. Tax & Sewer Systems CO, Series 2003	4.21%	\$ 695,000
Comb. Tax & Revenue CO, Series 2004	4.30%	\$ 300,000
Gen. Oblig. Refunding, Series 2005	4.88%	1,650,000

The net proceeds of \$1,067,319 (after payment of \$6,951 in underwriting fees, insurance, and other issuance costs) plus not additional cash contributions for the 2013 General Obligation Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all of the future debt service payments on the 2003 Series C.O. and 2004 Series C.O bonds, as well as a portion of the future debt service payments of the 2005 Series G.O. As a result, the 2003 Series C.O. and 2004 Series C.O. bonds are considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position and the 2005 Series G.O. is considered partially defeased and a portion of the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,291,997. This difference, reported in the accompanying financial statements as a deduction from certificates of obligations payable, is being charged to operations through the year 2026 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$62,365 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$50,175.

International Toll Bridge Revenue Refunding Bonds, Taxable Series 2014

On May 21, 2014, the City of Laredo issued \$3,885,000 in International Toll Bridge Revenue Refunding Bonds, Taxable Series 2014 with an average interest rate of 3.69% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Int'l Toll Bridge System Revenue Bond, Series 2004	5.95%	\$ 3,775,000

The net proceeds of \$3,887,446 (after payment of \$109,672 in underwriting fees, insurance, and other issuance costs and a premium of \$112,118) 2014 International Toll Bridge Revenue Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 2004 series Bridge system revenue bonds. As a result, the 2004 Series Bridge system revenue bonds are considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,237,830. This difference, reported in the accompanying financial statements as a deduction from revenue bonds payable, is being charged to operations through the

year 2024 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$455,790 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$420,302.

International Toll Bridge Revenue Refunding Bonds, Series 2014

On May 21, 2014, the City of Laredo issued \$14,175,000 in International Toll Bridge Revenue Refunding Bonds, Series 2014 with an average interest rate of 4.46% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Int'l Toll Bridge Sys. Revenue Bond, Series 2005A	5.00%	\$ 14,630,000

The net proceeds of \$15,704,268 (after payment of \$328,659 in underwriting fees, insurance, and other issuance costs and a premium of \$1,857,927) 2014 International Toll Bridge Revenue Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 2005A series Bridge system revenue bonds. As a result, the 2005A Series Bridge system revenue bonds are considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$20,049,250. This difference, reported in the accompanying financial statements as a deduction from revenue bonds payable, is being charged to operations through the year 2025 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next eleven years by \$1,222,640 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$1,144,932.

Subordinate Lien International Toll Bridge Revenue Refunding Bonds, Series 2014

On July 1, 2014, the City of Laredo issued \$17,365,000 in Subordinate Lien International Toll Bridge Revenue Refunding Bonds, Series 2014 with an average interest rate of 4.12% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
SIB Loan, Series 1998A	4.10%	\$ 17,815,011

The net proceeds of \$18,423,692 (after payment of \$345,881 in underwriting fees, insurance, and other issuance costs and a premium of \$1,404,572) 2014 International Toll Bridge Revenue Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 1998A SIB Loan. As a result, the 1998A SIB Loan is considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$23,767,429. This difference, reported in the accompanying financial statements as a deduction from revenue bonds payable, is being charged to operations through the year 2027 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next thirteen years by \$1,010,361 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$978,511.

F - Prior-year defeasance of debt.

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements. As of September 30, 2014 \$71,197,294 in bonds outstanding are considered defeased.

G - Landfill Closure and Post Closure Costs

During fiscal year 1994, the City adopted the provisions of GASB Statement No.18 "Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs." The landfill closure and post closure costs and the liability for landfill closure and post closure costs in Solid Waste Fund as of September 30, 2014 is \$15,890,009 of which \$12,486,322 has been recognized and recorded as a liability based on the Municipal Solid Waste Landfill use.

Federal and State laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, a liability is being recognized based on future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the capacity of the landfill used to date.

The liability for landfill closure and post closure care costs of \$12,486,322 as of September 30, 2014 represents the cumulative amount for 123.9 acres of the landfill filled with solid waste for closure and 200 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2014 is 78.58%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 3 years. Based on the remaining life, the landfill will be filled to capacity by the year 2017. The estimated total current cost of the landfill closure and post closure care (\$15,890,009) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2014. However, the actual costs of closure and post closure care may be higher due to inflation, changes in technology, or changes in solid waste management laws and regulations.

The landfill is divided into four phases and is further divided into cells of 3 to 7 acres. The new regulations require that liner systems be installed in all cells opened after July 1, 1994. All cells regardless of their age will be required to receive final cover in conformity with the specifications of the current laws.

Federal and State laws and regulations require the City of Laredo to make annual financial assurances regarding the financing of closure and post closure care. The City is in compliance with

CITY OF LAREDO, TEXAS
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this requirement. It is anticipated that future inflation costs will be financed in part from earnings on investments and by a federal mandate fee of \$4.25 charged monthly to all garbage users. Commercial accounts, formerly exempt from the fee, are now charged the federal mandate fee. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements (for example, changes in technology or more rigorous environmental regulations) may need to be covered by charges to future landfill users, taxpayers, or both.

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

The purposes of interfund balances are to provide cash flows for grants and to cover funds with negative cash. Interfund receivables and payables as of September 30, 2014 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Activity		
Due to Business Type Activities for Internal Service		
Funds Allocation	\$ -	\$ 4,819,324
Total Governmental Activity	\$ -	\$ 4,819,324
Business Type Activity		
Due from Governmental Activities for Internal Service		
Funds Allocation	\$ 4,819,324	\$ -
Total Business Type Activity	\$ 4,819,324	\$ -

NOTE 14 - INTERFUND TRANSFERS

The purpose of interfund transfers is to transfer funds based on City ordinance for operational purposes or grant purposes. Transfers between funds during the year were as follows:

	Transfers In	Transfers Out	Net Transfers
GOVERNMENTAL FUND:			
GENERAL FUND			
Bridge	\$ 78,142	-	78,142
DEBT SERVICE			
Bridge	773,633	-	773,633
CAPITAL IMPROVEMENTS			
Bridge	6,733,842	-	6,733,842
TOTAL - GOVERNMENT TYPE	<u>7,585,617</u>	<u>-</u>	<u>7,585,617</u>
BUSINESS TYPE:			
BRIDGE			
General Fund	-	78,142	78,142
Debt Service	-	773,633	773,633
Capital Improvements	-	6,733,842	6,733,842
TOTAL - BUSINESS TYPE	<u>\$ -</u>	<u>7,585,617</u>	<u>(7,585,617)</u>

CITY OF LAREDO, TEXAS
NOTES TO FINANCIAL STATEMENTS
NOTE 15 - Debt Service Requirements

The following is a summary of the City's debt service requirements for all funds as of September 30, 2014

Year	Revenue Bonds			Notes / Lease Payables			Certificates of Obligation			General Obligation Bonds			Debt Service to Maturity		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	15,027,000	14,109,774	29,136,774	453,595	126,313	579,908	15,399,999	12,940,029	28,340,028	5,589,999	1,512,345	7,102,344	36,470,593	28,688,461	65,159,054
2016	15,407,000	12,775,748	28,182,748	463,037	114,998	578,035	15,324,999	12,321,742	27,646,741	6,555,001	1,242,266	7,797,267	37,750,037	26,454,754	64,204,791
2017	16,449,000	12,227,353	28,676,353	472,724	103,053	575,777	15,970,000	11,679,984	27,649,984	6,395,002	1,007,404	7,402,406	39,286,726	25,017,794	64,304,520
2018	17,065,000	11,634,747	28,699,747	411,648	90,643	502,291	16,700,000	10,962,107	27,662,107	5,420,000	779,611	6,199,611	39,596,648	23,467,108	63,063,756
2019	15,451,000	10,974,333	26,425,333	419,716	79,922	499,638	16,840,000	10,219,826	27,059,826	4,040,000	552,078	4,592,078	36,750,716	21,926,159	58,576,875
2020	15,404,000	10,364,300	25,768,300	342,984	68,849	411,833	16,290,000	9,492,533	25,782,533	3,869,998	413,880	4,283,878	35,906,982	20,339,562	56,246,544
2021	16,035,000	9,745,623	25,780,623	351,456	60,377	411,833	16,655,000	8,755,589	25,410,589	3,440,000	289,870	3,729,870	36,481,456	18,851,459	55,332,915
2022	16,704,000	9,083,064	25,787,064	360,138	51,696	411,834	15,890,001	7,994,281	23,884,282	2,770,000	185,671	2,955,671	35,724,139	17,314,712	53,038,851
2023	16,492,000	8,381,761	24,873,761	369,034	42,800	411,834	15,890,000	7,215,349	23,105,349	2,100,000	114,565	2,214,565	34,851,034	15,754,475	50,605,509
2024	17,186,000	7,667,119	24,853,119	378,149	33,684	411,833	16,635,000	6,386,848	23,021,848	1,604,999	64,305	1,669,304	35,804,148	14,151,956	49,956,104
2025	13,485,000	7,010,930	20,495,930	387,490	24,343	411,833	17,445,000	5,505,055	22,950,055	1,060,000	29,358	1,089,358	32,377,490	12,569,686	44,947,176
2026	11,458,000	6,524,891	17,982,891	397,062	14,772	411,834	16,425,000	4,613,933	21,038,933	635,000	8,001	643,001	28,915,062	11,161,597	40,076,659
2027	10,667,000	6,085,763	16,752,763	406,870	4,964	411,834	16,520,000	3,765,804	20,285,804	-	-	-	27,593,870	9,856,531	37,450,401
2028	8,006,000	5,678,298	13,684,298	-	-	-	10,615,000	3,065,480	13,680,480	-	-	-	18,621,000	8,743,778	27,364,778
2029	8,005,000	5,365,140	13,370,140	-	-	-	8,435,000	2,558,712	10,993,712	-	-	-	16,440,000	7,923,852	24,363,852
2030	8,330,000	5,041,914	13,371,914	-	-	-	6,125,000	2,162,595	8,287,595	-	-	-	14,455,000	7,204,509	21,659,509
2031	8,675,000	4,700,322	13,375,322	-	-	-	5,675,000	1,828,591	7,503,591	-	-	-	14,350,000	6,528,913	20,878,913
2032	9,035,000	4,335,008	13,370,008	-	-	-	5,940,000	1,515,190	7,455,190	-	-	-	14,975,000	5,850,198	20,825,198
2033	9,425,000	3,942,771	13,367,771	-	-	-	5,379,999	1,202,334	6,582,333	-	-	-	14,804,999	5,145,105	19,950,104
2034	9,840,000	3,529,460	13,369,460	-	-	-	2,390,000	971,440	3,361,440	-	-	-	12,230,000	4,500,900	16,730,900
2035	10,275,000	3,096,716	13,371,716	-	-	-	2,495,000	811,065	3,306,065	-	-	-	12,770,000	3,907,781	16,677,781
2036	10,730,000	2,644,074	13,374,074	-	-	-	2,600,000	643,796	3,243,796	-	-	-	13,330,000	3,287,870	16,617,870
2037	10,440,000	2,189,510	12,629,510	-	-	-	2,715,000	469,304	3,184,304	-	-	-	13,155,000	2,658,814	15,813,814
2038	10,895,000	1,730,348	12,625,348	-	-	-	2,835,000	287,098	3,122,098	-	-	-	13,730,000	2,017,446	15,747,446
2039	11,375,000	1,248,088	12,623,088	-	-	-	2,955,000	97,012	3,052,012	-	-	-	14,330,000	1,345,100	15,675,100
2040	11,885,000	742,693	12,627,693	-	-	-	-	-	-	-	-	-	11,885,000	742,693	12,627,693
2041	6,930,000	355,514	7,285,514	-	-	-	-	-	-	-	-	-	6,930,000	355,514	7,285,514
2042	5,295,000	140,449	5,435,449	-	-	-	-	-	-	-	-	-	5,295,000	140,449	5,435,449
2043	1,135,000	26,957	1,161,957	-	-	-	-	-	-	-	-	-	1,135,000	26,957	1,161,957
Total	337,106,000	171,352,668	508,458,668	5,213,903	816,414	6,030,317	270,144,998	127,465,697	397,610,695	43,479,999	6,199,354	49,679,353	655,944,900	305,834,133	961,779,033

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2014, the City had contractual commitments of \$22,721,517 for various construction and improvement projects. The commitments are summarized as follows:

Project Description	Commitment	Financing Sources
Community Development	\$ 300,520	Grant Proceeds
Environmental Services	308,792	Bond Proceeds
Capital Improvements	35,146	Fund Revenues
Airport Construction	4,910,235	Grant Proceeds
Parks Grant	1,206,108	Grant Proceeds
Capital Grants	2,316,730	Grant Proceeds
2008 C.O. Issue	155,911	Bond Proceeds
2009 C.O. Issue	931,656	Bond Proceeds
Bridge System	41,516	Bond Proceeds
Solid Waste System	1,972,614	Fund Revenue/Bond Proceeds
Waterworks System	5,803,514	Bond Proceeds
Wastewater System	4,738,775	Bond Proceeds
Total Commitments	\$ <u>22,721,517</u>	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2014, expenses in General Fund, and Nonmajor Governmental Funds exceeded appropriations as follows: General Fund \$14,701,268; and Laredo Energy Arena \$1,199,245.

NOTE 18 - RISK MANAGEMENT

A. HEALTH AND BENEFITS FUND

In January 1990, the City established a partial self-insured plan for medical coverage for its employees and an internal service fund called Risk Management. On October 1, 1995, the fund name was changed to Health and Benefits Fund. Under this plan, the City will pay for medical claims up to the amount of \$200,000 per employee, with no maximum lifetime benefit. There is a maximum medical aggregate liability of \$21,252,818 and projected net claims of \$18,891,455. Claims exceeding \$200,000 per employee are paid by the City and reimbursed by the City's stop/loss insurance carrier. The City has accrued for claims that have been incurred but not reported.

The incurred claims liability of \$2,704,281 reported in the Fund as of September 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim liability can be reasonably estimated. Claim liabilities are

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

calculated considering the recent claim settlements trends including frequency and amount of payouts and are due within one year of the date of the statement of net position. Changes in the Fund's claims liability amount in fiscal year 2012, 2013, and 2014 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims & Payments</u>	<u>Balance at Fiscal Year end ¹</u>
2011-2012	\$2,431,242	16,025,957	16,049,738	2,407,461
2012-2013	\$2,407,461	16,257,215	16,230,153	2,434,523
2013-2014	\$2,434,523	18,298,301	18,028,543	2,704,281

There were no changes or reductions in insurance coverage from coverage in prior years. Settled claims did not exceed commercial excess coverage in any of the past three years.

¹Claim Liabilities are due within one year of the date of the statement of net position.

B. RISK MANAGEMENT FUND

On October 1, 1996, the City established a self-insured retention program for the worker's compensation liability within the Risk Management Fund which also accounts for the following policies: (a) General Liability (b) Law Enforcement Liability (c) Errors and Omission (d) Auto Liability (e) Auto Physical Damage - ACV. The self-insured retention program for worker's compensation was implemented with \$300,000 retention per occurrence and a \$2,775,000 aggregated for FY11-12 and \$2,700,000 aggregated for FY12-13 and \$2,500,000 aggregated for FY13-14. A deductible reimbursement program was also established for claims with \$5,000 retention per occurrence through Texas Municipal League Intergovernmental Risk Pool (TMLIRP), with the exception of errors and omission, which has a \$25,000 deductible. As of September 30, 2014, a liability was recorded based on fiscal year 2014 outstanding claims, which is due within one year of the date of the statement of net position. Changes in this claims liability amount in fiscal years 2012, 2013 and 2014 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims & Payments</u>	<u>Balance at Fiscal Year end ²</u>
2011-2012	\$1,852,106	2,730,175	1,979,380	2,602,901
2012-2013	\$2,602,901	1,256,771	1,453,554	2,406,118
2013-2014	\$2,406,118	1,231,281	1,415,840	2,221,559

There have been no significant changes in insurance coverage in any of the past three years. Settled claims did not exceed commercial excess coverage in any of the past three years.

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

NOTE 19 – CONTINGENCIES

The City participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2014, significant amounts of grant expenditures have not been audited by the grantor agencies; however, the City believes it has substantially complied with applicable laws and regulations and that the results of subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is a Defendant in a number of lawsuits arising principally from claims against the City for alleged actions by City employees including alleged acts of negligence and discrimination. Total damages claimed are substantial; however, it has been the City's experience that such actions are resolved for amounts substantially less than the claimed amounts with no material effect on the financial condition of the City.

NOTE 20 – DONOR-RESTRICTED ENDOWMENTS

The Canseco Foundation Children's Endowment Trust Fund was established on January of 1998, when the City accepted the endowment for the Canseco Foundation in the amount of \$50,000. The program would have the City seek all opportunities to augment children's programming resources provided through the Laredo Public Library. Funding of children's programming from the fund each year will be based on interest accrued on the endowment. Interest distributions will be from the Canseco Foundation Children's Endowment Fund. For September 30, 2014, the amount of unspent interest to date was \$23,043. This amount is reported in the government-wide financial statements under Net Position-Restricted for other purposes.

Texas State Law:

- (a) Except as provided by Subsection (e), the governing board may appropriate for expenditure, for the uses and purposes for which the fund is established, the net appreciation, realized and unrealized, in the fair market value of the assets of an endowment fund over the historic dollar value of the fund to the extent prudent under the standard provided by Section 163.007.
- (b) A determination of the historic dollar value made in good faith by the governing board is conclusive.
- (c) Subsection (a) does not limit the authority of the governing board to expend funds as permitted under other law, the terms of the applicable gift instrument, or the charter or articles of incorporation of the institution.
- (d) Subsection (a) does not apply if the applicable gift instrument indicates the donor's intention that the net appreciation not be extended. A restriction on the expenditure of net appreciation may not be implied from a designation of a gift as an endowment or from a direction or authorization in the applicable gift instrument to use only "income" This rule of construction applies to gift instruments executed or in effect before, on, or after the effective date of this chapter.

NOTE 21- BUDGET BASIS REPORTING

The budgetary process is based upon accounting for certain transactions on a budget basis other than generally accepted accounting principles (GAAP Basis). The results of operations as presented in the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances are reported in accordance with the budgetary process (budget basis) to provide a meaningful comparison with the budget.

The major difference between the budget basis “actual” and GAAP basis are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP) and non-budgeted increases in compensated absences, claims payable, workmen’s compensation insurance, and allowance for doubtful accounts are recorded as expenditures when payments are made (budget) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert from the GAAP basis to the budget basis are as follows:

	General Fund
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	\$ 1,040,687
Adjustments:	
Timing Differences-Encumbrances	(1,872,648)
Basic Differences:	
Non Budgeted-Allowance for Doubtful Accounts	<u>19,675</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	(812,286)
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>41,551,776</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	<u>\$ 40,739,490</u>

NOTE 22 – FUND EQUITY

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

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

	General Fund	Debt Service	Other Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	5,960	-	45,310
Permanent Fund Principal	-	-	50,000
Restricted for:			
Debt Service	-	3,775,973	2,219,865
Police	574,804	-	4,203,048
Fire	3,604,563	-	-
Municipal Court	650,363	-	-
911 Regional Fund	-	-	432,230
Parking Meters	-	-	682,791
Urban Redevelopment and Housing	-	-	1,425,787
Health Services	-	-	626,730
Welfare	7,019,445	-	-
Environmental Services	-	-	1,606,594
Noise Abatement	-	-	467,597
Convention and Tourism	-	-	4,273,963
Parks and Recreation	41,954	-	17,659,191
Education	90,573	-	683,369
Permanent Fund Revenues	-	-	23,043
Capital Projects (Parks, Infrastructure, Municipal Improvements)	-	-	22,539,710
Transportation	-	-	248,716
Committed to:			
Cash Reserves	25,969,929	-	-
General Government	178,669	-	-
Police	489,189	-	33,848
Fire	81,155	-	-
Municipal Court	2,636	-	-
Traffic Safety	50,860	-	-
911 Emergency	-	-	866,644
Parking Meters	-	-	143,312
Public Works	21,431	-	-
Urban Redevelopment and Housing	-	-	310,747
Health Services	-	-	341,797
Welfare	153,782	-	-
Environmental Services	-	-	855,509
Noise Abatement	-	-	59,013
Convention and Tourism	-	-	13,442
Parks and Recreation	718,262	-	3,697
Education	-	-	41,523
Other	62,485	-	-
Transportation	-	-	424,133
Capital Purchases (Equipment)	57,992	-	-
Capital Projects	56,187	-	466,117
Assigned to:			
Parking Meters	-	-	575,298
Health Services	-	-	346,144
Environmental Services	-	-	2,802,693
Convention and Tourism	-	-	248,402
Parks and Recreation	-	-	474,199
Transportation	-	-	5,793,419
Capital Projects	-	-	23,285,262
Unassigned	2,781,899	-	(3,086,248)
Total Fund Balances	<u>42,612,138</u>	<u>3,775,973</u>	<u>91,186,895</u>

NOTE 23 – PRIOR YEAR ADJUSTMENT

The City implemented GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”. Due to the change in accounting principle, the City of Laredo is reporting a prior period adjustment that affects the Governmental Activities and Business-Type Activities in the amount of \$9,568,167. This is directly related to the recognition of an expense for bond issuance costs from previous years. The prior period adjustment will reflect as a reduction of assets and net position in the Statement of Net Position for both Governmental and Business-Type Activities. The prior period adjustment is reported in the Statement of Activities. The prior period adjustment is reported in the following Business-Type activities: Municipal Transit System \$75,395, Solid Waste Management \$331,455, Bridge System \$851,385, Waterworks System \$2,495,125 and Sewer System \$1,778,653.

DEBT SERVICE

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes:				
Current	\$ 15,765,202	15,765,202	15,862,218	97,016
Delinquent - Prior	316,607	316,607	376,048	59,441
Total Taxes	16,081,809	16,081,809	16,238,266	156,457
Investment Income:				
Interest Earnings	24,800	24,800	29,483	4,683
Total Investment Income	24,800	24,800	29,483	4,683
Special Assessments:				
Paving Assessments	22,473	22,473	17,841	(4,632)
Total Special Assessments	22,473	22,473	17,841	(4,632)
Miscellaneous:				
Interest Rebates	273,912	273,912	278,413	4,501
Total Miscellaneous	273,912	273,912	278,413	4,501
TOTAL REVENUES	16,402,994	16,402,994	16,564,003	161,009
EXPENDITURES:				
Principal Retirement:				
General Obligations Debt	3,916,530	3,916,530	4,382,306	(465,776)
Revenue Bonds Debt	2,105,000	2,105,000	2,105,000	-
Contractual Obligations Debt	9,777,329	9,422,329	9,367,328	55,001
Total Principal Retirement	15,798,859	15,443,859	15,854,634	(410,775)
Interest:				
General Obligations Debt	872,154	872,154	900,389	(28,235)
Revenue Bonds Debt	1,762,827	1,762,827	1,762,826	1
Contractual Obligations Debt	7,551,127	7,638,194	7,198,837	439,357
Total Interest	10,186,108	10,273,175	9,862,052	411,123
Other:				
Other	211,500	579,450	14,649	564,801
Fiscal Agent Fees	28,000	28,000	10,642	17,358
Bond Costs	-	102,172	100,181	1,991
Total Other	239,500	709,622	125,472	584,150
TOTAL EXPENDITURES	26,224,467	26,426,656	25,842,158	584,498
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (9,821,473)	(10,023,662)	(9,278,155)	745,507 (Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2014

(Continued)

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Airport	\$ 493,877	493,877	493,877	-
Environmental Services	2,098,524	2,198,541	2,198,541	-
Parking Meters	287,542	287,542	287,542	-
Sports and Community Venue	3,867,827	3,867,827	3,867,826	(1)
Contractual Obligations Fund	-	-	656	656
Airport Construction Fund	-	-	166	166
2005 C.O. Bond Issue	-	-	413	413
Bridge System	773,633	773,633	773,633	-
Police Trust Fund	675,990	675,990	675,990	-
Refunding Bonds Issued	-	15,770,730	15,770,730	-
Payment to Refunded Bond Escrow Agent	-	(15,668,558)	(15,668,558)	-
TOTAL OTHER FINANCING SOURCES (USES):	<u>8,197,393</u>	<u>8,399,582</u>	<u>8,400,816</u>	<u>1,234</u>
Net Change in Fund Balances	(1,624,080)	(1,624,080)	(877,339)	746,741
Fund Balances-Beginning	<u>5,072,491</u>	<u>4,653,312</u>	<u>4,653,312</u>	<u>-</u>
Fund Balances-Ending	<u>\$ 3,448,411</u>	<u>3,029,232</u>	<u>3,775,973</u>	<u>746,741</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Special Revenue Funds include:

COMMUNITY DEVELOPMENT BLOCK GRANT - to account for the U.S. Department of Housing and Urban Development grant and the related disbursements for street improvements, drainage improvements, water and sewer improvements, public service, open space, code enforcement, low income housing rehabilitation and for administration.

HOUSING REHABILITATION - to account for the U.S. Department of Housing and Urban Development grant for low income housing rehabilitation loans and the related disbursements.

HOME INVESTMENT FUND - to account for the U. S. Department of Housing and Urban Development grant and the related disbursements for new affordable housing units.

EMERGENCY SOLUTIONS GRANT - to account for the U.S. Department of Housing and Urban Development grant and the disbursement of such proceeds for city shelters for the homeless.

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

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

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

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

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

SPECIAL POLICE PROGRAM - to account for federal and state law enforcement grants. Major funding sources include intergovernmental revenues from Texas Department of Transportation, U.S. Department of Justice and U.S. Department of Treasury.

911 EMERGENCY COMMUNICATIONS FUND - to account for the Commission on State Emergency Communications grant funds to administer and operate emergency service communications programs for Jim Hogg, Starr, Webb and Zapata Counties.

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

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

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

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

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

MERCADO MANAGEMENT FUND - to account for rent revenues derived from the City's downtown marketplace, "Mercado", and the disbursement of these funds for the operation and maintenance of this specialty retail center.

LAREDO CONVENTION & VISITOR'S BUREAU - to account for the promotion of the City of Laredo. Its primary function is to engage in visitor promotion by soliciting and servicing conventions and other related group businesses generating tourism.

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

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

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

KEEP LAREDO BEAUTIFUL, INC. FUND - to account for the beautification of the City of Laredo. The corporation is organized to promote public interest in the general improvement of the environment of the City of Laredo.

NOISE ABATEMENT LEASE PROGRAM - to account for all the units purchased through the Noise Abatement Program that are being leased out as public housing and the related operating and maintenance disbursements.

SPORTS AND COMMUNITY VENUE - to account for the sales tax proceeds of $\frac{1}{4}$ of one percent designated for payments of debt service in connection with the financing of a sports venue complex and for the operation of the Uni-Trade Stadium.

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

LAREDO PUBLIC FACILITY CORPORATION - to account for fees related to the partnership between the City of Laredo, Ejido Holdings, LLC, and La Terraza at Lomas del Sur, Ltd. and to provide financing, acquisition, and construction of public facilities.

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

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

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

CAPITAL PROJECTS FUNDS

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

Capital Projects Funds include:

PARKS CAPITAL GRANTS - to account for various projects and improvements that enhance the quality of life for the citizens of the City of Laredo. Major funding sources include intergovernmental revenues from Webb County, the Texas Department of Transportation, and the Texas Parks and Wildlife Service, as well as other revenue sources who dedicate funding for future recreational improvements.

CAPITAL GRANTS - to account for various State and Federal grants. Major funding sources include intergovernmental revenues from the Texas Department of Transportation and the U.S. Department of Housing and Urban Development.

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

CERTIFICATE OF OBLIGATION 2005 ISSUE - to account for \$15,625,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of purchasing trucks, vehicles, and equipment for various departments, a communication system, improvements to the health clinic, acquisition of land and improvements for municipal parks, acquisition of land and improvements to drainage projects.

CERTIFICATE OF OBLIGATION 2006 ISSUE - to account for \$17,320,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

CERTIFICATE OF OBLIGATION 2007 ISSUE - to account for \$72,480,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and park improvements.

CERTIFICATE OF OBLIGATION 2008 ISSUE - to account for \$30,065,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

CERTIFICATE OF OBLIGATION 2009 ISSUE - to account for \$24,735,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

CERTIFICATE OF OBLIGATION 2010 ISSUE - to account for \$9,545,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

CERTIFICATE OF OBLIGATION 2012 ISSUE - to account for \$7,690,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements, and traffic equipment.

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

AIRPORT CONSTRUCTION FUND - to account for the Federal Aviation Administration, the Texas Department of Transportation, and the U.S. Department of Transportation grants for the engineering design and construction of runway and taxiway improvements and promote air service.

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

PERMANENT FUND

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

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2014

SPECIAL REVENUE

	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ 100	-	-	-	-
Equity in Investment Pool	-	428	337	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	46,629	59,108	-	-
Receivables, net of allowances:					
Accrued Interest	-	80	101	-	11,646
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	3,084	-	-	-	-
Notes	-	1,598,353	13,295,649	-	1,164,667
Due from Other Funds	-	-	-	-	-
Due from Other Governments	275,559	-	24,986	5,647	-
Inventory	-	-	-	-	-
TOTAL ASSETS	278,743	1,645,490	13,380,181	5,647	1,176,313
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	31,432	34	23,862	4,149	-
Retainage Payable	31,371	-	-	-	-
Accrued Wages and Employee Benefits	45,189	586	2,482	391	-
Contracts Payable	129,071	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	39,210	-	-	1,107	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	2,470	1,598,353	13,295,649	-	1,176,313
TOTAL LIABILITIES	278,743	1,598,973	13,321,993	5,647	1,176,313
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,266,634	46,517	58,188	-	-
Committed	-	-	130,136	180,256	-
Assigned	-	-	-	-	-
Unassigned	(1,266,634)	-	(130,136)	(180,256)	-
TOTAL FUND BALANCES	-	46,517	58,188	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 278,743	1,645,490	13,380,181	5,647	1,176,313

(Continued)

SPECIAL REVENUE					
COMMUNITY DEV. ARRA	H.U.D. SEC. 108	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 EMERGENCY COMM. FUND
-	-	-	5,000	-	200
-	-	1,727	14,392	-	3,403
-	-	-	-	-	-
-	-	240,372	2,043,816	-	498,038
-	855,426	412	3,501	-	853
-	-	-	-	-	-
-	-	-	3,531	-	-
-	425,000	-	-	-	-
-	-	-	437	339,542	-
48,796	-	64,937	321,196	997,114	-
-	-	-	-	-	-
48,796	1,280,426	307,448	2,391,873	1,336,656	502,494
128	-	6,034	123,996	-	57,817
-	-	-	-	-	-
-	-	23,180	18,743	88,924	12,138
-	-	-	-	-	-
-	-	-	-	-	-
48,668	-	3,000	-	891,009	-
-	-	-	-	339,541	-
-	-	-	-	-	-
-	1,280,426	-	-	-	432,230
48,796	1,280,426	32,214	142,739	1,319,474	502,185
-	-	-	-	-	-
-	-	275,234	2,249,134	17,182	432,230
355	-	-	-	33,848	866,644
-	-	-	-	-	-
(355)	-	-	-	(33,848)	(1,298,565)
-	-	275,234	2,249,134	17,182	309
48,796	1,280,426	307,448	2,391,873	1,336,656	502,494

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2014

(Continued)

	SPECIAL REVENUE				
	HEALTH FUND	INT'L. AIRPORT	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ 3,975	7,212	-	-	150
Equity in Investment Pool	6,705	48,093	-	28,544	3,816
Cash with Fiscal Agent	-	-	-	-	-
Investments	973,527	6,865,041	-	4,086,756	533,502
Receivables, net of allowances:					
Accrued Interest	1,668	11,760	-	7,001	914
Hotel-Motel Tax, Penalty and Interest	-	-	-	8,117	-
Accounts	23,053	100,429	61,778	12,443	75,046
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	1,857,328	6,685	-	-	-
Inventory	3,896	-	-	-	-
TOTAL ASSETS	2,870,152	7,039,220	61,778	4,142,861	613,428
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	378,215	164,082	1,478	47,985	60,499
Retainage Payable	-	10,001	-	-	-
Accrued Wages and Employee Benefits	391,109	99,055	-	-	13,265
Contracts Payable	-	-	-	-	-
Customer Deposits	-	50,389	1,200	-	-
Due to Other Funds	-	-	59,100	-	-
Due to Other Governments	8,568	709	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	773,693	248,716	-	8,118	-
TOTAL LIABILITIES	1,551,585	572,952	61,778	56,103	73,764
Fund Balances:					
Nonspendable	3,896	-	-	-	-
Restricted	626,730	248,716	-	4,086,758	536,862
Committed	341,797	424,133	-	-	41,523
Assigned	346,144	5,793,419	-	-	-
Unassigned	-	-	-	-	(38,721)
TOTAL FUND BALANCES	1,318,567	6,466,268	-	4,086,758	539,664
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,870,152	7,039,220	61,778	4,142,861	613,428

(Continued)

(Continued)

SPECIAL REVENUE

MERCADO MGMT.	LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS	ENVIRONMENTAL SERVICES	KEEP LAREDO BEAUTIFUL
-	1,650	-	925	350	-
1,841	2,119	3,498	10,220	27,074	91
-	-	-	-	-	-
256,790	301,012	491,251	1,449,892	4,873,700	13,573
440	516	842	2,484	6,627	23
-	-	-	-	-	-
9,792	655	12,347	678,835	271,059	-
-	-	-	-	24,142	-
-	-	-	-	27,068	-
-	-	-	-	232,616	-
-	-	-	-	-	-
268,863	305,952	507,938	2,142,356	5,462,636	13,687
5,138	96,461	28,398	19,664	88,809	5,258
-	-	-	-	12,034	-
1,881	22,197	1,644	38,500	74,468	2,850
-	-	-	-	3,961	-
-	-	-	-	-	-
-	-	-	-	-	-
-	89	-	-	-	-
-	-	-	-	-	-
-	-	-	682,791	24,147	-
7,019	118,747	30,042	740,955	203,419	8,108
-	-	-	-	-	-
-	187,205	-	682,791	1,606,594	-
13,442	-	3,697	143,312	849,930	5,579
248,402	-	474,199	575,298	2,802,693	-
-	-	-	-	-	-
261,844	187,205	477,896	1,401,401	5,259,217	5,579
268,863	305,952	507,938	2,142,356	5,462,636	13,687

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2014

(Continued)

	SPECIAL REVENUE				
	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.	FRIENDS OF THE LIBRARY
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	31,700	-	-
Equity in Investment Pool	4,171	121,039	-	382	1,138
Cash with Fiscal Agent	-	-	333,682	-	-
Investments	609,029	19,608,203	-	54,729	160,248
Receivables, net of allowances:					
Accrued Interest	1,043	36,090	-	94	275
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	65,509	-	198,917	-	-
Notes	-	-	-	-	-
Due from Other Funds	-	79,950	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	-	-	41,414	-	-
TOTAL ASSETS	679,752	19,845,282	605,713	55,205	161,661
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	24,999	59,554	376,860	757	33
Retainage Payable	-	-	-	-	5,850
Accrued Wages and Employee Benefits	11,991	2,991	52,584	-	-
Contracts Payable	-	-	-	-	7,141
Customer Deposits	103,737	-	-	-	-
Due to Other Funds	-	-	79,950	-	-
Due to Other Governments	-	-	-	-	2,130
Due to Developers	-	-	-	-	-
Deferred Revenue	12,415	-	96,319	-	-
TOTAL LIABILITIES	153,142	62,545	605,713	757	15,154
Fund Balances:					
Nonspendable	-	-	41,414	-	-
Restricted	467,597	19,782,737	96,319	54,448	146,507
Committed	59,013	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(137,733)	-	-
TOTAL FUND BALANCES	526,610	19,782,737	-	54,448	146,507
TOTAL LIABILITIES AND FUND BALANCES	\$ 679,752	19,845,282	605,713	55,205	161,661

(Continued)

(Continued)

SPECIAL REVENUE		CAPITAL PROJECTS			
POLICE TRUST FUND	SUBDIVISION TRUST FUND	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 05 ISSUE
-	-	-	-	-	-
11,610	1,161	89	-	-	-
-	-	-	-	-	-
1,646,042	164,188	5,035	-	2,191,510	-
2,820	281	9	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,000	-	-	60,077	-	-
-	-	372	1,711,371	-	-
-	-	-	-	-	-
1,663,472	165,630	5,505	1,771,448	2,191,510	-
1,537	12	-	17,110	279,615	-
-	-	-	152,007	-	-
-	-	-	-	-	-
-	-	-	840,760	-	-
-	-	-	-	-	-
437	-	-	761,571	23,405	-
-	-	-	-	-	-
-	165,618	-	-	-	-
-	-	-	-	-	-
1,974	165,630	-	1,771,448	303,020	-
-	-	-	-	-	-
1,661,498	-	5,505	-	1,888,490	-
-	-	-	-	-	-
-	-	-	-	-	-
1,661,498	-	5,505	-	1,888,490	-
1,663,472	165,630	5,505	1,771,448	2,191,510	-

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2014**

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 10 ISSUE
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	-	-	-	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	98,855	4,656,750	4,332,636	4,144,375	621,965
Receivables, net of allowances:					
Accrued Interest	-	3,381	2,196	1,081	-
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	-	-	-	-
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	98,855	4,660,131	4,334,832	4,145,456	621,965
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	841	25,605	40,607	114,455	35,910
Retainage Payable	4,584	69,068	109,018	76,588	3,892
Accrued Wages and Employee Benefits	-	-	-	4,240	7,227
Contracts Payable	65,764	1,402	110,653	164,488	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	-	7,803	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	71,189	103,878	260,278	359,771	47,029
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	27,666	4,556,253	4,074,554	3,785,685	574,936
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	27,666	4,556,253	4,074,554	3,785,685	574,936
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,855	4,660,131	4,334,832	4,145,456	621,965

(Continued)

(Continued)

CAPITAL PROJECTS				PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
CERTIFICATE OF OBLIGATION 12 ISSUE	BASEBALL STADIUM FUND	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	-	-	51,262
-	-	37,374	163,135	462	492,849
-	-	-	-	-	333,682
2,211,829	-	5,485,273	23,327,216	72,462	92,123,352
424	-	9,150	39,959	124	1,001,221
-	-	-	-	-	8,117
-	-	-	37,123	-	1,553,601
-	-	-	-	-	16,507,811
-	-	-	700,000	-	1,210,074
-	-	987,199	50,201	-	6,584,007
-	-	-	-	-	45,310
2,212,253	-	6,518,996	24,317,634	73,048	119,911,286
98	-	466,521	282,007	5	2,869,965
-	-	356,930	63,986	-	895,329
-	-	8,560	9,847	-	934,042
8,213	-	329,901	7,168	-	1,668,522
-	-	-	-	-	155,326
79,342	-	-	-	-	1,994,602
-	-	-	-	-	351,037
-	-	-	-	-	165,618
-	-	-	58,310	-	19,689,950
87,653	-	1,161,912	421,318	5	28,724,391
-	-	-	-	50,000	95,310
2,124,600	-	5,357,084	144,937	23,043	57,092,634
-	-	-	466,117	-	3,559,782
-	-	-	23,285,262	-	33,525,417
-	-	-	-	-	(3,086,248)
2,124,600	-	5,357,084	23,896,316	73,043	91,186,895
2,212,253	-	6,518,996	24,317,634	73,048	119,911,286

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2014

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
REVENUES:					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	4,074,567	-	1,142,144	276,238	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	-	117	-	5
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	102,866	48,270	102,280	-	55,653
Other	-	-	-	-	-
TOTAL REVENUES	4,177,433	48,270	1,244,541	276,238	55,658
EXPENDITURES:					
Public Safety	484,352	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	700,216	40,140	1,302,611	276,238	-
Cultural and Recreational	4,422	-	-	-	-
General Government	623,390	20,507	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	1,812,380	60,647	1,302,611	276,238	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	2,365,053	-	-	-	-
TOTAL EXPENDITURES	4,177,433	60,647	1,302,611	276,238	-
Excess (Deficiency) of Revenues Over Expenditures	-	(12,377)	(58,070)	-	55,658
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	55,658	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Reimbursements	-	-	-	-	-
Transfers Out	-	-	-	-	(55,658)
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	55,658	-	(55,658)
Net Change in Fund Balance	-	(12,377)	(2,412)	-	-
Fund Balances at Beginning of Year	-	58,894	60,600	-	-
FUND BALANCE AT END OF YEAR	\$ -	46,517	58,188	-	-

(Continued)

SPECIAL REVENUE					
COMMUNITY DEV. ARRA	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 REGIONAL COMM. FUND	HEALTH FUND
-	-	-	-	-	-
-	-	-	-	-	387,865
19,940	-	755,493	2,563,454	-	1,119,624
-	437,367	-	230,096	1,020,879	7,837,063
-	-	-	-	-	402,331
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	826,570
-	203	6,523	-	289	982
-	-	-	-	-	866
-	-	-	-	-	32
-	-	-	-	-	2,500
-	-	-	10,279	25	255,857
-	-	49,199	-	-	651,094
19,940	437,570	811,215	2,803,829	1,021,193	11,484,784
-	741,751	789,949	2,793,601	1,027,874	-
-	-	-	-	-	-
19,940	-	-	-	-	15,609,192
-	-	-	-	-	-
-	-	-	-	-	-
19,940	741,751	789,949	2,793,601	1,027,874	15,609,192
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	69,989	165,835	4,500	101,629
19,940	741,751	859,938	2,959,436	1,032,374	15,710,821
-	(304,181)	(48,723)	(155,607)	(11,181)	(4,226,037)
-	308,099	-	163,393	-	4,483,600
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,250
-	308,099	-	163,393	-	4,484,850
-	3,918	(48,723)	7,786	(11,181)	258,813
-	271,316	2,297,857	9,396	11,490	1,059,754
-	275,234	2,249,134	17,182	309	1,318,567

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2014

(Continued)

	SPECIAL REVENUE				
	INT'L. AIRPORT	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
REVENUES:					
Taxes	\$ -	-	4,321,690	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	41,400	-	-	-	-
State	1,020	-	-	-	-
Other	-	366,586	-	-	-
Charges for Services	-	-	-	2,146	-
Fines	-	-	-	-	-
Fees and Collections	586,286	-	56	285,276	-
Investment Income:					
Interest Earnings	39,846	-	12,260	1,686	803
Rents and Royalties	5,048,768	52,353	-	-	118,045
Discount Earnings	185	3	-	1	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	478,248	425	16,021	90	6,818
Other	-	-	-	-	-
TOTAL REVENUES	6,195,753	419,367	4,350,027	289,199	125,666
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	457,441	509,682	471,773	80,902
General Government	-	-	-	-	-
Air Transportation Services	6,158,489	-	-	-	-
Total Operating Expenditures	6,158,489	457,441	509,682	471,773	80,902
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	620,141	-	-	231,303	-
TOTAL EXPENDITURES	6,778,630	457,441	509,682	703,076	80,902
Excess (Deficiency) of Revenues Over Expenditures	(582,877)	(38,074)	3,840,345	(413,877)	44,764
OTHER FINANCING SOURCES (USES):					
Transfers In	400,000	38,074	-	453,300	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Reimbursements	-	-	-	-	-
Transfers Out	(6,050,833)	-	(2,656,356)	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	1,249	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,649,584)	38,074	(2,656,356)	453,300	-
Net Change in Fund Balance	(6,232,461)	-	1,183,989	39,423	44,764
Fund Balances at Beginning of Year	12,698,729	-	2,902,769	500,241	217,080
FUND BALANCE AT END OF YEAR	\$ 6,466,268	-	4,086,758	539,664	261,844

(Continued)

(Continued)

SPECIAL REVENUE					
LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS	ENVIRO. SERVICES	KEEP LAREDO BEAUTIFUL, INC. FUND	NOISE ABATE. LEASE PROGRAM
-	-	-	-	-	-
-	-	9,224	304,200	-	-
-	-	-	22,361	-	-
-	-	-	796,706	-	-
-	-	300	17,000	-	-
-	-	-	6,385,347	-	-
-	-	656,167	-	-	-
20,251	325,734	1,898,007	-	-	44,401
26	1,294	4,200	17,177	1	2,122
-	-	-	-	-	1,422,434
-	14	781	6,638	-	-
107,275	-	-	-	3,269	-
3,649	91,833	200	17,707	-	7,683
-	-	-	-	-	-
131,201	418,875	2,568,879	7,567,136	3,270	1,476,640
-	-	1,788,169	-	-	-
-	-	-	-	-	-
-	-	-	4,448,541	106,386	980,256
2,453,111	363,095	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,453,111	363,095	1,788,169	4,448,541	106,386	980,256
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,787	-	-
45,887	-	34,666	2,164,659	-	14,320
2,498,998	363,095	1,822,835	6,628,987	106,386	994,576
(2,367,797)	55,780	746,044	938,149	(103,116)	482,064
2,465,651	38,307	-	902,870	107,814	-
-	-	-	910,000	-	-
-	-	-	107,288	-	-
-	-	-	15,005	-	-
-	-	(287,542)	(2,306,355)	-	(400,000)
-	-	-	-	-	-
-	-	175	850	-	-
2,465,651	38,307	(287,367)	(370,342)	107,814	(400,000)
97,854	94,087	458,677	567,807	4,698	82,064
89,351	383,809	942,724	4,691,410	881	444,546
187,205	477,896	1,401,401	5,259,217	5,579	526,610

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2014

(Continued)

	SPECIAL REVENUE				
	SPORTS & COMMUNITY VENUE	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.	FRIENDS OF THE LIBRARY	POLICE TRUST FUND
REVENUES:					
Taxes	\$ 8,004,915	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	45,692	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	4,569,603	-	4,128	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	62,611	-	619	616	7,123
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	2	-
Miscellaneous:					
Local Contributions	-	-	-	819	-
Reimbursements	-	-	329,250	-	-
Other	-	-	-	-	968,057
TOTAL REVENUES	8,067,526	4,569,603	329,869	51,257	975,180
EXPENDITURES:					
Public Safety	-	-	-	-	296,626
Public Works	-	-	-	-	-
Health and Welfare	-	-	59,699	-	-
Cultural and Recreational	549,036	6,036,616	-	134,166	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	549,036	6,036,616	59,699	134,166	296,626
Debt Service:					
Principal	-	-	-	-	272,379
Interest	-	-	-	-	13,588
Bond Costs	-	-	-	-	-
Capital Outlay	413,169	-	-	124,771	1,131,130
TOTAL EXPENDITURES	962,205	6,036,616	59,699	258,937	1,713,723
Excess (Deficiency) of Revenues Over Expenditures	7,105,321	(1,467,013)	270,170	(207,680)	(738,543)
OTHER FINANCING SOURCES (USES):					
Transfers In	3,706,947	1,379,139	-	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	(8,953,912)	-	(275,000)	-	(691,178)
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	18,625
TOTAL OTHER FINANCING SOURCES (USES)	(5,246,965)	1,379,139	(275,000)	-	(672,553)
Net Change in Fund Balance	1,858,356	(87,874)	(4,830)	(207,680)	(1,411,096)
Fund Balances at Beginning of Year	17,924,381	87,874	59,278	354,187	3,072,594
FUND BALANCE AT END OF YEAR	\$ 19,782,737	-	54,448	146,507	1,661,498

(Continued)

(Continued)

CAPITAL PROJECTS					
PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 05 ISSUE	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,742	3,876,931	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13	-	7,065	23	101	12,377
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,478	-	-	-
10,755	3,876,931	11,543	23	101	12,377
-	-	-	-	-	-
-	44,134	368,641	2	958	2,001
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	44,134	368,641	2	958	2,001
-	-	-	-	-	-
-	-	-	-	-	-
-	-	68,290	-	-	-
11,452	4,074,677	3,039,299	199,908	333,176	279,033
11,452	4,118,811	3,476,230	199,910	334,134	281,034
(697)	(241,880)	(3,464,687)	(199,887)	(334,033)	(268,657)
24	241,880	-	-	-	-
-	-	4,115,000	-	-	-
-	-	458,102	-	-	-
-	-	-	-	-	-
-	-	(656)	(414)	-	(674,220)
-	-	-	-	-	-
-	-	-	-	-	-
24	241,880	4,572,446	(414)	-	(674,220)
(673)	-	1,107,759	(200,301)	(334,033)	(942,877)
6,178	-	780,731	200,301	361,699	5,499,130
5,505	-	1,888,490	-	27,666	4,556,253

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2014

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 10 ISSUE	CERTIFICATE OF OBLIGATION 12 ISSUE	BASEBALL STADIUM FUND
REVENUES:	\$				
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	9,318	6,748	1,099	6,172	-
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	-	-	-
Other	14,957	31,365	-	-	-
TOTAL REVENUES	24,275	38,113	1,099	6,172	-
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	7,355	59,496	16,753	1,649	26,842
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	7,355	59,496	16,753	1,649	26,842
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	1,711,835	1,770,028	701,658	521,633	-
TOTAL EXPENDITURES	1,719,190	1,829,524	718,411	523,282	26,842
Excess (Deficiency) of Revenues Over Expenditures	(1,694,915)	(1,791,411)	(717,312)	(517,110)	(26,842)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Reimbursements	-	-	-	-	-
Transfers Out	(25)	-	-	(470,530)	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(25)	-	-	(470,530)	-
Net Change in Fund Balance	(1,694,940)	(1,791,411)	(717,312)	(987,640)	(26,842)
Fund Balances at Beginning of Year	5,769,494	5,577,096	1,292,248	3,112,240	26,842
FUND BALANCE AT END OF YEAR	\$ 4,074,554	3,785,685	574,936	2,124,600	-

(Continued)

(Continued)

CAPITAL PROJECTS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	12,326,605
-	-	-	701,289
6,109,014	-	-	16,169,927
49,996	88,717	-	14,349,517
-	69,867	-	856,084
-	-	-	10,961,224
-	-	-	656,167
-	-	-	3,986,581
4,255	69,895	223	275,792
-	-	-	6,642,466
-	21	-	7,677
-	86,359	-	200,222
-	-	-	1,527,154
-	398,644	-	2,117,794
6,163,265	713,503	223	70,778,499
-	-	-	7,922,322
1,970,905	692,496	-	3,191,232
-	-	-	23,543,219
-	-	-	11,060,244
-	-	-	643,897
-	-	-	6,158,489
1,970,905	692,496	-	52,519,403
-	-	-	272,379
-	-	-	13,588
-	-	-	84,077
5,269,901	3,197,108	-	28,596,760
7,240,806	3,889,604	-	81,486,207
(1,077,541)	(3,176,101)	223	(10,707,708)
5,313,566	9,033,842	-	29,092,164
-	-	-	5,025,000
-	-	-	565,390
-	-	-	15,005
(424,445)	(6,133,584)	-	(29,380,708)
-	-	-	-
-	-	-	22,149
4,889,121	2,900,258	-	5,339,000
3,811,580	(275,843)	223	(5,368,708)
1,545,504	24,172,159	72,820	96,555,603
5,357,084	23,896,316	73,043	91,186,895

CITY OF LAREDO, TEXAS
CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
CDBG Grants	\$ 18,388,815	4,074,567	22,463,382	26,047,010
Miscellaneous:				
Reimbursements	623,848	102,866	726,714	674,942
TOTAL REVENUES	19,012,663	4,177,433	23,190,096	26,721,952
EXPENDITURES:				
Public Safety	2,538,015	484,352	3,022,367	3,051,807
Health and Welfare	3,520,886	700,216	4,221,102	4,862,123
Cultural and Recreational	615,697	4,422	620,119	770,679
General Government	4,365,105	623,390	4,988,495	5,204,430
Capital Outlay	7,972,960	2,365,053	10,338,013	12,832,913
TOTAL EXPENDITURES	19,012,663	4,177,433	23,190,096	26,721,952
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u>-</u>		

CITY OF LAREDO, TEXAS
HOUSING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Miscellaneous:						
Reimbursements	\$ 61,144	61,144	48,270	-	48,270	(12,874)
TOTAL REVENUES	61,144	61,144	48,270	-	48,270	(12,874)
EXPENDITURES:						
Administration:						
Personnel Services	21,093	21,093	20,507	-	20,507	586
Contractual Services	1,543	1,543	1,632	-	1,632	(89)
Total Administration	22,636	22,636	22,139	-	22,139	497
Housing Rehabilitation Loans:						
Contractual Services	38,508	38,508	38,508	-	38,508	-
Total Housing Rehabilitation Loans	38,508	38,508	38,508	-	38,508	-
TOTAL EXPENDITURES	61,144	61,144	60,647	-	60,647	497
Excess (Deficiency) of Revenues Over Expenditures	-	-	(12,377)	-	(12,377)	(12,377)
Fund Balances at Beginning of Year	32,844	58,894	58,894	-	58,894	-
FUND BALANCE AT END OF YEAR	\$ 32,844	58,894	46,517	-	46,517	(12,377)

CITY OF LAREDO, TEXAS
HOME INVESTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
HOME Grants	\$ 2,841,462	1,142,144	3,983,606	5,136,832
Investment Income:				
Interest Earnings	2,644	117	2,761	2,646
Miscellaneous:				
Reimbursements	648,362	102,280	750,642	697,724
TOTAL REVENUES	<u>3,492,468</u>	<u>1,244,541</u>	<u>4,737,009</u>	<u>5,837,202</u>
EXPENDITURES:				
Personnel Services	346,327	57,237	403,564	403,565
Materials and Supplies	8,948	836	9,784	9,784
Contractual Services	3,591,783	1,244,538	4,836,321	5,939,043
TOTAL EXPENDITURES	<u>3,947,058</u>	<u>1,302,611</u>	<u>5,249,669</u>	<u>6,352,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(454,590)</u>	<u>(58,070)</u>	<u>(512,660)</u>	<u>(515,190)</u>
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Inv. Afford. Housing	519,663	55,658	575,321	519,663
Transfer Out:				
Home Inv. Afford. Housing	(4,473)	-	(4,473)	(4,473)
TOTAL OTHER FINANCING SOURCES:	<u>515,190</u>	<u>55,658</u>	<u>570,848</u>	<u>515,190</u>
Net Change in Fund Balances	<u>\$ 60,600</u>	<u>(2,412)</u>	<u>58,188</u>	<u>-</u>
Fund Balances-Beginning		60,600		
Fund Balances-Ending		<u>\$ 58,188</u>		

CITY OF LAREDO, TEXAS
EMERGENCY SHELTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>319,225</u>	<u>276,238</u>	<u>595,463</u>	<u>778,368</u>
TOTAL REVENUES	<u>319,225</u>	<u>276,238</u>	<u>595,463</u>	<u>778,368</u>
EXPENDITURES:				
Personnel Services	11,257	11,925	23,182	24,823
Materials and Supplies	2,434	4,572	7,006	7,005
Contractual Services	<u>305,534</u>	<u>259,741</u>	<u>565,275</u>	<u>746,540</u>
TOTAL EXPENDITURES	<u>319,225</u>	<u>276,238</u>	<u>595,463</u>	<u>778,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u><u>-</u></u>		

CITY OF LAREDO, TEXAS
HOME INVESTMENT AFFORDABLE HOUSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Las Terrazas Project	\$ 470,623	-	470,623	515,190
Investment Income:				
Interest Earnings	1,748	5	1,753	1,747
Miscellaneous:				
Reimbursements	<u>1,251,455</u>	<u>55,653</u>	<u>1,307,108</u>	<u>1,251,455</u>
TOTAL REVENUES	<u>1,723,826</u>	<u>55,658</u>	<u>1,779,484</u>	<u>1,768,392</u>
EXPENDITURES:				
Contractual Services	169	-	169	169
Other	8,467	-	8,467	53,033
Capital Outlay	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>
TOTAL EXPENDITURES	<u>1,208,636</u>	<u>-</u>	<u>1,208,636</u>	<u>1,253,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>515,190</u>	<u>55,658</u>	<u>570,848</u>	<u>515,190</u>
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Investment Partnership	4,473	-	4,473	4,473
Transfer Out:				
Home Investment Fund	<u>(519,663)</u>	<u>(55,658)</u>	<u>(575,321)</u>	<u>(519,663)</u>
TOTAL OTHER FINANCING SOURCES:	<u>(515,190)</u>	<u>(55,658)</u>	<u>(570,848)</u>	<u>(515,190)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		<u>\$ -</u>		

CITY OF LAREDO, TEXAS
COMMUNITY DEVELOPMENT ARRA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Neighborhood Assistance	\$ <u>1,734,434</u>	<u>19,940</u>	<u>1,754,374</u>	<u>2,127,102</u>
TOTAL REVENUES	<u>1,734,434</u>	<u>19,940</u>	<u>1,754,374</u>	<u>2,127,102</u>
EXPENDITURES:				
Personnel Services	78,943	-	78,943	79,106
Materials and Supplies	5,018	-	5,018	5,019
Contractual Services	<u>1,481,245</u>	<u>19,940</u>	<u>1,501,185</u>	<u>1,873,749</u>
TOTAL EXPENDITURES	<u>1,565,206</u>	<u>19,940</u>	<u>1,585,146</u>	<u>1,957,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>169,228</u>	<u>-</u>	<u>169,228</u>	<u>169,228</u>
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
Municipal Housing	<u>(169,228)</u>	<u>-</u>	<u>(169,228)</u>	<u>(169,228)</u>
TOTAL OTHER FINANCING SOURCES:	<u>(169,228)</u>	<u>-</u>	<u>(169,228)</u>	<u>(169,228)</u>
Net Change in Fund Balances	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <u>-</u>		

CITY OF LAREDO, TEXAS
 AUTO THEFT TASK FORCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State	\$ 457,403	832,498	437,367	-	437,367	(395,131)
Investment Income:						
Interest Earnings	400	400	203	-	203	(197)
TOTAL REVENUES	457,803	832,898	437,570	-	437,570	(395,328)
EXPENDITURES:						
Personnel Services	616,314	1,192,151	611,992	-	611,992	580,159
Materials and Supplies	15,000	36,900	15,876	-	15,876	21,024
Contractual Services	119,000	246,748	113,883	85,690	199,573	47,175
Other	400	400	-	-	-	400
TOTAL EXPENDITURES	750,714	1,476,199	741,751	85,690	827,441	648,758
Excess (Deficiency) of Revenues Over Expenditures	(292,911)	(643,301)	(304,181)	(85,690)	(389,871)	253,430
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Police Trust Fund	-	-	15,188	-	15,188	15,188
General Fund	292,911	371,733	292,911	-	292,911	(78,822)
TOTAL OTHER FINANCING SOURCES (USES)	292,911	371,733	308,099	-	308,099	(63,634)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	(271,568)	3,918	(85,690)	(81,772)	189,796
Fund Balances at Beginning of Year	-	271,316	271,316	-	271,316	-
FUND BALANCES AT END OF YEAR	\$ -	(252)	275,234	(85,690)	189,544	189,796

CITY OF LAREDO, TEXAS
FINANCIAL TASK FORCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 836,000	1,322,246	755,493	-	755,493	(566,753)
Investment Income:						
Interest Earnings	3,700	3,700	6,523	-	6,523	2,823
Miscellaneous:						
Contributions	-	25,205	-	-	-	(25,205)
Forfeitures	320,000	320,000	49,199	-	49,199	(270,801)
TOTAL REVENUES	1,159,700	1,671,151	811,215	-	811,215	(859,936)
EXPENDITURES:						
Personnel Services	507,042	1,198,479	728,552	-	728,552	469,927
Material and Supplies	37,500	56,883	19,486	3,218	22,704	34,179
Contractual Services	90,800	126,065	41,911	2,732	44,643	81,422
Other	409,524	107,705	-	-	-	107,705
Total Operating Expenditures	1,044,866	1,489,132	789,949	5,950	795,899	693,233
Capital Outlay	-	67,185	69,989	-	69,989	(2,804)
TOTAL EXPENDITURES	1,044,866	1,556,317	859,938	5,950	865,888	690,429
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	114,834	114,834	(48,723)	(5,950)	(54,673)	(169,507)
Fund Balances at Beginning of Year	2,223,543	2,297,857	2,297,857	-	2,297,857	-
FUND BALANCES AT END OF YEAR	\$ 2,338,377	2,412,691	2,249,134	(5,950)	2,243,184	(169,507)

CITY OF LAREDO, TEXAS
SPECIAL POLICE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 1,398,181	4,632,415	2,563,454	-	2,563,454	(2,068,961)
State	530,740	455,911	230,096	-	230,096	(225,815)
Miscellaneous:						
Reimbursements	-	236,086	10,279	-	10,279	(225,807)
TOTAL REVENUES	<u>1,928,921</u>	<u>5,324,412</u>	<u>2,803,829</u>	<u>-</u>	<u>2,803,829</u>	<u>(2,520,583)</u>
EXPENDITURES:						
Police Grants:						
Click It or Ticket	25,740	25,740	9,137	-	9,137	16,603
Tobacco	5,000	9,725	5,590	-	5,590	4,135
DWI	64,349	64,349	13,316	-	13,316	51,033
Alcohol Tobacco Firearms	32,476	117,976	141,541	-	141,541	(23,565)
Comprehensive Comm. Vehicle STEP	64,349	64,349	49,732	-	49,732	14,617
Comprehensive STEP	128,699	128,699	104,180	-	104,180	24,519
Customs Narcotics	117,117	117,117	19,815	-	19,815	97,302
Bulletproof Vest Partnership	80,438	80,438	-	-	-	80,438
Justice Assistance Grant	173,498	234,722	113,657	-	113,657	121,065
Fugitive Apprehension	19,305	19,305	17,170	-	17,170	2,135
Ldo. Joint Terrorism TF	22,139	22,139	17,318	-	17,318	4,821
Cops Program	-	2,644,723	1,145,914	-	1,145,914	1,498,809
OCDETF	54,571	54,571	36,468	-	36,468	18,103
FBI-Safe Streets	44,278	44,278	37,627	-	37,627	6,651
Stonegarden Grant	1,000,000	1,213,731	947,953	2,312	950,265	263,466
GDEM Border Security	300,000	220,446	134,183	-	134,183	86,263
Other	11,720	247,806	-	-	-	247,806
Total Operating Expenditures	2,143,679	5,310,114	2,793,601	2,312	2,795,913	2,514,201
Capital Outlay	-	229,056	165,835	48,718	214,553	14,503
TOTAL EXPENDITURES	<u>2,143,679</u>	<u>5,539,170</u>	<u>2,959,436</u>	<u>51,030</u>	<u>3,010,466</u>	<u>2,528,704</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(214,758)</u>	<u>(214,758)</u>	<u>(155,607)</u>	<u>(51,030)</u>	<u>(206,637)</u>	<u>8,121</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	203,038	203,038	163,393	-	163,393	(39,645)
TOTAL OTHER FINANCING SOURCES (USES)	<u>203,038</u>	<u>203,038</u>	<u>163,393</u>	<u>-</u>	<u>163,393</u>	<u>(39,645)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(11,720)</u>	<u>(11,720)</u>	<u>7,786</u>	<u>(51,030)</u>	<u>(43,244)</u>	<u>(31,524)</u>
Fund Balances at Beginning of Year	<u>11,720</u>	<u>9,396</u>	<u>9,396</u>	<u>-</u>	<u>9,396</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>(2,324)</u>	<u>17,182</u>	<u>(51,030)</u>	<u>(33,848)</u>	<u>(31,524)</u>

CITY OF LAREDO, TEXAS
911 REGIONAL COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State Emergency Commission	\$ 1,424,721	4,980,050	1,020,879	-	1,020,879	(3,959,171)
Investment Income:						
Interest Earnings	300	300	289	-	289	(11)
Miscellaneous:						
Reimbursements	-	-	25	-	25	25
TOTAL REVENUES	<u>1,425,021</u>	<u>4,980,350</u>	<u>1,021,193</u>	<u>-</u>	<u>1,021,193</u>	<u>(3,959,157)</u>
EXPENDITURES:						
Personnel Services	361,807	753,061	305,574	-	305,574	447,487
Materials and Supplies	24,499	642,058	64,802	364,469	429,271	212,787
Contractual Services	898,569	2,853,824	657,498	621,272	1,278,770	1,575,054
Other	300	862	-	-	-	862
Total Operating Expenditures	1,285,175	4,249,805	1,027,874	985,741	2,013,615	2,236,190
Capital Outlay	139,846	730,545	4,500	313,133	317,633	412,912
TOTAL EXPENDITURES	<u>1,425,021</u>	<u>4,980,350</u>	<u>1,032,374</u>	<u>1,298,874</u>	<u>2,331,248</u>	<u>2,649,102</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(11,181)	(1,298,874)	(1,310,055)	(1,310,055)
Fund Balances at Beginning of Year	-	11,490	11,490	-	11,490	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>11,490</u>	<u>309</u>	<u>(1,298,874)</u>	<u>(1,298,565)</u>	<u>(1,310,055)</u>

CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal Grants	\$ 1,337,157	2,485,646	1,119,624	-	1,119,624	(1,366,022)
State Grants	8,418,106	11,156,098	7,837,063	-	7,837,063	(3,319,035)
Other	1,275,414	1,360,241	402,331	-	402,331	(957,910)
Licenses and Permits	389,101	389,101	387,865	-	387,865	(1,236)
Fees and Collections	842,947	889,013	826,570	-	826,570	(62,443)
Investment Income:						
Interest Earnings	-	-	982	-	982	982
Rents and Royalties	1,036	1,036	866	-	866	(170)
Discount Earnings	-	-	32	-	32	32
Miscellaneous:						
Contributions	350,000	78,613	2,500	-	2,500	(76,113)
Reimbursements	679,682	312,476	255,857	-	255,857	(56,619)
Other	268,199	1,369,894	651,094	-	651,094	(718,800)
TOTAL REVENUES	13,561,642	18,042,118	11,484,784	-	11,484,784	(6,557,334)
EXPENDITURES:						
Administrative Divisions:						
Administration	1,483,259	1,486,660	1,625,259	(212,736)	1,412,523	74,137
Health Education	97,790	66,390	37,760	10,109	47,869	18,521
Vital Statistics	234,426	234,426	229,905	-	229,905	4,521
E.M.S. Billing	310,630	272,980	225,776	42,233	268,009	4,971
STD Clinic	77,397	77,397	75,658	2,375	78,033	(636)
Maternity	113,628	103,628	35,245	18,755	54,000	49,628
Immunization	241,874	241,874	217,446	6,068	223,514	18,360
Tuberculosis	134,646	130,969	121,321	177	121,498	9,471
Adult Health	50,436	50,337	42,550	3,420	45,970	4,367
Laboratory	826,201	777,778	658,630	20,938	679,568	98,210
Personal Health Services	67,801	61,486	58,981	81	59,062	2,424
Budget and Grant Management	384,485	377,860	377,538	-	377,538	322
Environmental	686,165	685,100	651,518	1,085	652,603	32,497
Animal Control	883,489	874,639	776,265	8,746	785,011	89,628
Animal Shelter	904,378	862,778	600,998	71,928	672,926	189,852
Total Administrative Divisions	6,496,605	6,304,302	5,734,850	(26,821)	5,708,029	596,273
State Grants:						
H.I.V. - Prevention	303,569	589,372	297,714	-	297,714	291,658
T.B. Federal - Tuberculosis	142,893	279,673	133,694	-	133,694	145,979
Primary Care	197,219	367,921	166,569	3,856	170,425	197,496
Tuberculosis Elimination	210,176	481,639	233,118	-	233,118	248,521
Immunization Action Plan	408,981	647,218	313,456	1,799	315,255	331,963
Bureau of Regional/Local Health Operations	618,918	1,334,006	650,136	20,460	670,596	663,410
Women Infant and Children (W.I.C.)	4,832,832	4,803,835	4,679,501	11,502	4,691,003	112,832
W.I.C. Counties Expansion	530,534	513,055	480,408	1,545	481,953	31,102
Bio-Terrorism Preparedness	352,719	697,194	343,847	371	344,218	352,976
Office of Border Health - Surveillance	-	12,900	6,753	399	7,152	5,748
Associateship for Community Health and Resource Development - Dental	75,000	145,000	45,000	-	45,000	100,000
Associateship for Community Health and Resource Development - Prenatal	\$ 75,000	110,979	24,062	-	24,062	86,917

(Continued)

CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
State Grants (Continued)						
H.I.V. - Housing Project (H.O.P.W.A.)	\$ 84,131	110,525	54,823	6,975	61,798	48,727
H.I.V. - Consortia (Ryan White)	398,233	745,110	385,525	-	385,525	359,585
HIV Social Services	132,444	257,349	133,652	-	133,652	123,697
Community Diabetes Program	80,000	156,070	75,111	-	75,111	80,959
Healthy Texas Babies	200,000	80,556	-	-	-	80,556
Hospital Preparedness Program	-	395,203	253,433	344	253,777	141,426
Influenza Surveillance	-	20,000	7,862	9,831	17,693	2,307
Nurse-Family Partnership	497,023	1,131,676	524,316	926	525,242	606,434
Food Inspection Innovation	100,000	207,922	123,966	-	123,966	83,956
1115 Wavier Program	658,134	1,000,185	407,099	19,345	426,444	573,741
TCEQ - Continuous Air Monitoring Station	70,000	70,000	-	-	-	70,000
CPRIT - Cancer Screening	216,372	304,498	75,715	-	75,715	228,783
Women's Health and Family Planning	82,000	221,395	88,500	5,096	93,596	127,799
Laredo Healthy Living	-	6,000	5,980	-	5,980	20
UTHSCSA - Dental Clinic	50,000	50,000	-	-	-	50,000
CHIP Perinate	51,719	59,189	3,747	7,469	11,216	47,973
Ventanilla de Salud Program	34,000	47,246	33,643	-	33,643	13,603
Fernando Salinas Trust	40,000	42,927	2,873	223	3,096	39,831
Hepatitis B Program	15,750	15,750	13,798	-	13,798	1,952
Women and Children Health Program	315,195	358,497	289,130	7,062	296,192	62,305
Special Projects	850,000	831,959	4,000	283	4,283	827,676
Border Environmental Commission	-	17,882	16,911	-	16,911	971
Total State Grant Expenses	11,622,842	16,112,731	9,874,342	97,486	9,971,828	6,140,903
Total Operating Expenses	18,119,447	22,417,033	15,609,192	70,665	15,679,857	6,737,176
Capital Outlay	59,250	147,721	101,629	35,674	137,303	10,418
TOTAL EXPENDITURES	18,178,697	22,564,754	15,710,821	106,339	15,817,160	6,747,594
Excess (Deficiency) of Revenues Over Expenditures	(4,617,055)	(4,522,636)	(4,226,037)	(106,339)	(4,332,376)	190,260
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	4,483,600	4,483,600	4,483,600	-	4,483,600	-
Sale of Assets	-	-	1,250	-	1,250	1,250
TOTAL OTHER FINANCING SOURCES (USES)	4,483,600	4,483,600	4,484,850	-	4,484,850	1,250
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(133,455)	(39,036)	257,563	(106,339)	151,224	190,260
Fund Balances at Beginning of Year	-	1,059,754	1,059,754	(235,458)	824,296	(235,458)
FUND BALANCE AT END OF YEAR	\$ (133,455)	1,020,718	1,317,317	(341,797)	975,520	(45,198)

**CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 58,400	58,400	41,400	-	41,400	(17,000)
State	-	1,744	1,020	-	1,020	(724)
Fees and Collections	343,282	343,282	586,286	-	586,286	243,004
Investment Income:						
Interest Earnings	1,500	1,500	39,846	-	39,846	38,346
Discount Earnings	-	-	185	-	185	185
Rents and Royalties	4,361,140	4,359,396	5,048,768	-	5,048,768	689,372
Miscellaneous:						
Reimbursements	477,087	477,087	478,248	-	478,248	1,161
TOTAL REVENUES	5,241,409	5,241,409	6,195,753	-	6,195,753	954,344
EXPENDITURES:						
Administration:						
Personnel Services	663,544	666,675	656,006	-	656,006	10,669
Materials and Supplies	131,899	136,191	75,475	933	76,408	59,783
Contractual Services	2,366,313	2,442,205	2,274,942	3,142	2,278,084	164,121
Other	3,100,000	687,792	15,954	-	15,954	671,838
Total Administration	6,261,756	3,932,863	3,022,377	4,075	3,026,452	906,411
Building Maintenance:						
Personnel Services	582,251	587,151	452,220	-	452,220	134,931
Materials and Supplies	200,077	198,311	106,265	3,506	109,771	88,540
Contractual Services	1,946,983	1,430,013	494,019	303,276	797,295	632,718
Total Building Maintenance	2,729,311	2,215,475	1,052,504	306,782	1,359,286	856,189
Ground Maintenance:						
Personnel Services	349,939	352,943	324,243	-	324,243	28,700
Materials and Supplies	64,690	59,337	44,916	198	45,114	14,223
Contractual Services	343,934	345,719	220,648	4,007	224,655	121,064
Total Ground Maintenance	\$ 758,563	757,999	589,807	4,205	594,012	163,987

(Continued)

CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
EXPENDITURES (Continued)						
Airport Security:						
Personnel Services	\$ 1,040,304	1,040,305	1,008,766	-	1,008,766	31,539
Materials and Supplies	69,960	95,561	79,160	4,273	83,433	12,128
Contractual Services	150,094	136,648	104,526	12,578	117,104	19,544
Total Airport Security	1,260,358	1,272,514	1,192,452	16,851	1,209,303	63,211
Foreign Trade Zone:						
Personnel Services	13,679	13,679	13,913	-	13,913	(234)
Materials and Supplies	500	500	457	-	457	43
Contractual Services	11,150	15,164	4,866	350	5,216	9,948
Total Foreign Trade Zone	25,329	29,343	19,236	350	19,586	9,757
Federal Inspection Services:						
Personnel Services	233,773	246,773	236,849	-	236,849	9,924
Materials and Supplies	27,387	26,268	8,290	1,538	9,828	16,440
Contractual Services	197,103	197,392	36,974	589	37,563	159,829
Total Federal Inspection Services	458,263	470,433	282,113	2,127	284,240	186,193
Total Operating Expenditures	11,493,580	8,678,627	6,158,489	334,390	6,492,879	2,185,748
Capital Outlay	477,744	714,250	620,141	89,743	709,884	4,366
TOTAL EXPENDITURES	11,971,324	9,392,877	6,778,630	424,133	7,202,763	2,190,114
Excess (Deficiency) of Revenues Over Expenditures	(6,729,915)	(4,151,468)	(582,877)	(424,133)	(1,007,010)	3,144,458
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Noise Abatement Fund	400,000	400,000	400,000	-	400,000	-
Transfers Out:						
General Fund	(750,000)	(828,141)	(828,141)	-	(828,141)	-
Debt Service	(493,877)	(493,877)	(493,877)	-	(493,877)	-
Airport Construction Fund	(2,550,000)	(4,728,815)	(4,728,815)	-	(4,728,815)	-
Sale of Assets	-	-	1,249	-	1,249	1,249
TOTAL OTHER FINANCING SOURCES (USES)	(3,393,877)	(5,650,833)	(5,649,584)	-	(5,649,584)	1,249
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(10,123,792)	(9,802,301)	(6,232,461)	(424,133)	(6,656,594)	3,145,707
Fund Balances at Beginning of Year	13,458,710	12,698,729	12,698,729	-	12,698,729	-
FUND BALANCE AT END OF YEAR	\$ 3,334,918	2,896,428	6,466,268	(424,133)	6,042,135	3,145,707

CITY OF LAREDO, TEXAS
CIVIC CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Discount Earnings	\$ -	-	3	-	3	3
Laredo Independent School District	-	-	366,586	-	366,586	366,586
Rents and Royalties	150,735	150,735	52,353	-	52,353	(98,382)
Miscellaneous:						
Reimbursements	-	-	425	-	425	425
TOTAL REVENUES	150,735	150,735	419,367	-	419,367	268,632
EXPENDITURES:						
Personnel Services	488,840	488,840	264,451	-	264,451	224,389
Materials and Supplies	74,265	71,861	10,098	-	10,098	61,763
Contractual Services	329,683	332,087	181,015	-	181,015	151,072
Other	-	-	1,877	-	1,877	(1,877)
TOTAL EXPENDITURES	892,788	892,788	457,441	-	457,441	435,347
Excess (Deficiency) of Revenues Over Expenditures	(742,053)	(742,053)	(38,074)	-	(38,074)	703,979
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel - Motel Occupancy Tax	710,792	710,792	38,074	-	38,074	(672,718)
TOTAL OTHER FINANCING SOURCES (USES)	710,792	710,792	38,074	-	38,074	(672,718)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(31,261)	(31,261)	-	-	-	31,261
FUND BALANCE AT END OF YEAR	\$ (31,261)	(31,261)	-	-	-	31,261

CITY OF LAREDO, TEXAS
HOTEL-MOTEL OCCUPANCY TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 4,343,887	4,343,887	4,309,736	-	4,309,736	(34,151)
Penalty and Interest	9,122	9,122	11,954	-	11,954	2,832
Fees and Collections	-	-	56	-	56	56
Investment Income:						
Interest Earnings	5,400	5,400	12,260	-	12,260	6,860
Miscellaneous:						
Reimbursements	-	-	16,021	-	16,021	16,021
TOTAL REVENUES	4,358,409	4,358,409	4,350,027	-	4,350,027	(8,382)
EXPENDITURES:						
Contractual Services:						
Administration	483,000	483,000	1,000	-	1,000	482,000
Tourism and Promotion	491,710	491,710	231,683	-	231,683	260,027
Historical and Arts	277,000	277,000	276,999	-	276,999	1
TOTAL EXPENDITURES	1,251,710	1,251,710	509,682	-	509,682	742,028
Excess (Deficiency) of Revenues Over Expenditures	3,106,699	3,106,699	3,840,345	-	3,840,345	733,646
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Civic Center	(710,792)	(710,792)	(38,074)	-	(38,074)	672,718
General Fund	(25,000)	(25,000)	(1,000)	-	(1,000)	24,000
Convention and Visitors Bureau	(2,670,551)	(2,670,551)	(2,465,651)	-	(2,465,651)	204,900
Public Access Channel	(111,659)	(111,659)	(113,324)	-	(113,324)	(1,665)
Recreation Fund	(142,519)	(142,519)	(38,307)	-	(38,307)	104,212
TOTAL OTHER FINANCING SOURCES (USES)	(3,660,521)	(3,660,521)	(2,656,356)	-	(2,656,356)	1,004,165
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(553,822)	(553,822)	1,183,989	-	1,183,989	1,737,811
Fund Balances at Beginning of Year	2,721,937	2,902,769	2,902,769	-	2,902,769	-
FUND BALANCES AT END OF YEAR	\$ 2,168,115	2,348,947	4,086,758	-	4,086,758	1,737,811

CITY OF LAREDO, TEXAS
PUBLIC ACCESS CHANNEL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Positive (Negative)
REVENUES:						
Production and Transmission	\$ 10,695	9,683	2,146	-	2,146	(7,537)
Peg Funds	274,563	274,563	285,276	-	285,276	10,713
Investment Income:						
Interest Earnings	-	1,000	1,686	-	1,686	686
Discount Earnings	-	12	1	-	1	(11)
Miscellaneous:						
Reimbursements	55	55	90	-	90	35
TOTAL REVENUES	285,313	285,313	289,199	-	289,199	3,886
EXPENDITURES:						
Personnel Services	340,227	350,614	345,088	-	345,088	5,526
Materials and Supplies	35,435	32,305	37,969	1,415	39,384	(7,079)
Contractual Services	89,783	84,026	87,948	1,386	89,334	(5,308)
Other	220,670	220,670	768	-	768	219,902
Total Operating Expenditures	686,115	687,615	471,773	2,801	474,574	213,041
Capital Outlay	550,602	549,102	231,303	38,722	270,025	279,077
TOTAL EXPENDITURES	1,236,717	1,236,717	703,076	41,523	744,599	492,118
Excess (Deficiency) of Revenues Over Expenditures	(951,404)	(951,404)	(413,877)	(41,523)	(455,400)	496,004
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	334,979	334,979	339,976	-	339,976	4,997
Hotel-Motel Occupancy Tax	111,659	111,659	113,324	-	113,324	1,665
TOTAL OTHER FINANCING SOURCES (USES)	446,638	446,638	453,300	-	453,300	6,662
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(504,766)	(504,766)	39,423	(41,523)	(2,100)	502,666
Fund Balances at Beginning of Year	318,492	500,241	500,241	-	500,241	-
FUND BALANCE AT END OF YEAR	\$ (186,274)	(4,525)	539,664	(41,523)	498,141	502,666

CITY OF LAREDO, TEXAS
MERCADO MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 700	700	803	-	803	103
Rents and Royalties	118,045	118,045	118,045	-	118,045	-
Miscellaneous:						
Reimbursements	-	-	6,818	-	6,818	6,818
TOTAL REVENUES	118,745	118,745	125,666	-	125,666	6,921
EXPENDITURES:						
Personnel Services	77,021	77,021	31,998	-	31,998	45,023
Materials and Supplies	14,878	12,378	3,854	1,085	4,939	7,439
Contractual Services	67,886	70,386	45,050	12,357	57,407	12,979
TOTAL EXPENDITURES	159,785	159,785	80,902	13,442	94,344	65,441
Excess (Deficiency) of Revenues Over Expenditures	(41,040)	(41,040)	44,764	(13,442)	31,322	72,362
Fund Balances at Beginning of Year	230,029	217,080	217,080	-	217,080	-
FUND BALANCE AT END OF YEAR	\$ 188,989	176,040	261,844	(13,442)	248,402	72,362

CITY OF LAREDO, TEXAS
LAREDO CONVENTION AND VISITORS BUREAU
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Fees and Collections	\$ 18,599	18,599	20,251	-	20,251	1,652
Investment Income:						
Interest Earnings	-	-	26	-	26	26
Miscellaneous:						
Contributions	204,000	204,000	107,275	-	107,275	(96,725)
Reimbursements	950	950	3,649	-	3,649	2,699
TOTAL REVENUES	223,549	223,549	131,201	-	131,201	(92,348)
EXPENDITURES:						
Personnel Services	674,745	675,615	659,400	-	659,400	16,215
Materials and Supplies	172,228	202,627	175,113	13,832	188,945	13,682
Contractual Services	1,969,480	1,973,302	1,618,578	173,373	1,791,951	181,351
Other	125,000	86,020	20	-	20	86,000
Total Operating Expenditures	2,941,453	2,937,564	2,453,111	187,205	2,640,316	297,248
Capital Outlay	42,000	45,887	45,887	-	45,887	-
TOTAL EXPENDITURES	2,983,453	2,983,451	2,498,998	187,205	2,686,203	297,248
Excess (Deficiency) of Revenues Over Expenditures	(2,759,904)	(2,759,902)	(2,367,797)	(187,205)	(2,555,002)	204,900
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	2,670,551	2,670,551	2,465,651	-	2,465,651	(204,900)
TOTAL OTHER FINANCING SOURCES (USES)	2,670,551	2,670,551	2,465,651	-	2,465,651	(204,900)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(89,353)	(89,351)	97,854	(187,205)	(89,351)	-
Fund Balances at Beginning of Year	-	89,351	89,351	-	89,351	-
FUND BALANCE AT END OF YEAR	\$ (89,353)	-	187,205	(187,205)	-	-

CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 900	900	1,294	-	1,294	394
Fees and Collections	259,600	259,600	325,734	-	325,734	66,134
Discount Earnings	-	-	14	-	14	14
Miscellaneous:						
Reimbursements	138,880	138,880	91,833	-	91,833	(47,047)
TOTAL REVENUES	399,380	399,380	418,875	-	418,875	19,495
EXPENDITURES:						
Personnel Services	99,101	99,101	90,990	-	90,990	8,111
Materials and Supplies	157,914	194,114	77,282	3,697	80,979	113,135
Contractual Services	222,245	251,045	193,894	-	193,894	57,151
Other	125,015	60,015	929	-	929	59,086
TOTAL EXPENDITURES	604,275	604,275	363,095	3,697	366,792	237,483
Excess (Deficiency) of Revenues Over Expenditures	(204,895)	(204,895)	55,780	(3,697)	52,083	256,978
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	142,519	142,519	38,307	-	38,307	(104,212)
TOTAL OTHER FINANCING SOURCES (USES)	142,519	142,519	38,307	-	38,307	(104,212)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(62,376)	(62,376)	94,087	(3,697)	90,390	152,766
Fund Balances at Beginning of Year	319,367	383,809	383,809	-	383,809	-
FUND BALANCES AT END OF YEAR	\$ 256,991	321,433	477,896	(3,697)	474,199	152,766

CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Webb County	\$ 300	300	300	-	300	-
License and Permits	1,500	1,500	9,224	-	9,224	7,724
Fines	600,000	600,000	656,167	-	656,167	56,167
Fees and Collections	1,853,128	1,853,128	1,898,007	-	1,898,007	44,879
Investment Income:						
Interest Earnings	3,100	3,100	4,200	-	4,200	1,100
Discount Earnings	-	-	781	-	781	781
Miscellaneous:						
Reimbursements	-	-	200	-	200	200
TOTAL REVENUES	2,458,028	2,458,028	2,568,879	-	2,568,879	110,851
EXPENDITURES:						
Personnel Services	1,216,653	1,218,478	1,151,439	-	1,151,439	67,039
Materials and Supplies	72,602	387,743	287,475	96,016	383,491	4,252
Contractual Services	368,414	461,260	349,553	47,296	396,849	64,411
Other	600,000	172,500	(298)	-	(298)	172,798
Total Operating Expenditures	2,257,669	2,239,981	1,788,169	143,312	1,931,481	308,500
Capital Outlay	18,000	35,688	34,666	-	34,666	1,022
TOTAL EXPENDITURES	2,275,669	2,275,669	1,822,835	143,312	1,966,147	309,522
Excess (Deficiency) of Revenues Over Expenditures	182,359	182,359	746,044	(143,312)	602,732	420,373
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Debt Service Fund	(287,542)	(287,542)	(287,542)	-	(287,542)	-
Sale of Assets	-	-	175	-	175	175
TOTAL OTHER FINANCING SOURCES (USES)	(287,542)	(287,542)	(287,367)	-	(287,367)	175
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(105,183)	(105,183)	458,677	(143,312)	315,365	420,548
Fund Balances at Beginning of Year	717,876	942,724	942,724	-	942,724	-
FUND BALANCE AT END OF YEAR	\$ 612,693	837,541	1,401,401	(143,312)	1,258,089	420,548

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CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Storm Water Fees	\$ 6,325,752	6,325,752	6,385,347	-	6,385,347	59,595
Hazardous Materials Fees	291,000	291,000	304,200	-	304,200	13,200
Intergovernmental:						
USGS-Equipment Contribution	-	-	10,000	-	10,000	10,000
Economic Development Agency	-	204,268	22,361	-	22,361	(181,907)
State Energy Conservation Office	-	88,000	88,000	-	88,000	-
HMGP Grant-Canal Drainage	-	1,040,609	572,377	-	572,377	(468,232)
STDC-Regional Solid Waste Mgmt	30,000	30,000	-	-	-	(30,000)
TXDOT-Manadas Creek Hike/Bike	-	82,329	82,329	-	82,329	-
Texas Department of Transportation	44,000	44,000	44,000	-	44,000	-
Universities and Colleges	17,000	17,000	17,000	-	17,000	-
Investment Income:						
Interest Earnings	16,900	16,900	17,177	-	17,177	277
Discount Earnings	-	-	6,638	-	6,638	6,638
Miscellaneous:						
Reimbursements	43,000	43,000	17,707	-	17,707	(25,293)
TOTAL REVENUES	6,767,652	8,182,858	7,567,136	-	7,567,136	(615,722)
EXPENDITURES:						
Administration:						
Personnel Services	268,737	268,737	270,527	-	270,527	(1,790)
Materials and Supplies	-	-	30	-	30	(30)
Contractual Services	69,692	69,691	58,383	515	58,898	10,793
Other	150,000	150,000	24,881	(24,881)	-	150,000
Total Administration	488,429	488,428	353,821	(24,366)	329,455	158,973
Creek Cleaning:						
Personnel Services	975,008	895,008	771,409	-	771,409	123,599
Materials and Supplies	158,068	151,282	105,425	740	106,165	45,117
Contractual Services	279,483	365,663	352,928	406	353,334	12,329
Total Creek Cleaning	1,412,559	1,411,953	1,229,762	1,146	1,230,908	181,045
Stormwater:						
Personnel	785,809	785,809	719,288	-	719,288	66,521
Materials and Supplies	112,898	123,320	110,538	2,708	113,246	10,074
Contractual Services	2,424,689	2,223,969	1,780,217	336,805	2,117,022	106,947
Other	100,000	-	-	-	-	-
Total Stormwater	3,423,396	3,133,098	2,610,043	339,513	2,949,556	183,542
CD Code Enforcement:						
Personnel Services	47,081	47,081	46,736	-	46,736	345
Materials and Supplies	630	630	605	-	605	25
Contractual Services	1,090	1,090	1,093	-	1,093	(3)
Total CD Code Enforcement	48,801	48,801	48,434	-	48,434	367
Hazardous Materials:						
Personnel Services	190,548	190,548	180,806	-	180,806	9,742
Materials and Supplies	7,938	7,938	3,932	-	3,932	4,006
Contractual Services	20,194	21,529	10,754	60	10,814	10,715
Total Hazardous Materials	\$ 218,680	220,015	195,492	60	195,552	24,463

(Continued)

CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
EXPENDITURES (Continued)						
Storm Water Improvements:						
Contractual Services	\$ -	18,500	9,846	-	9,846	8,654
Reserve Appropriation	1,843,906	1,824,363	-	-	-	1,824,363
Total Storm Water Improvements	1,843,906	1,842,863	9,846	-	9,846	1,833,017
State Energy Conservation:						
Contractual Services	-	999	999	-	999	-
Total State Energy Conservation	-	999	999	-	999	-
2007 C.O. Issue:						
Reserve Appropriation	67,960	67,960	-	-	-	67,960
Total 2007 C.O. Issue	67,960	67,960	-	-	-	67,960
2013 C.O. Issue:						
Contractual Services	-	-	144	-	144	(144)
Reserve Appropriation	-	1,501	-	-	-	1,501
Total 2013 C.O. Issue	-	1,501	144	-	144	1,357
Total Operating Expenditures	7,503,731	7,215,618	4,448,541	316,353	4,764,894	2,450,724
Bond Costs	-	15,787	15,787	-	15,787	-
Capital Outlay	286,794	22,157,688	2,164,659	508,696	2,673,355	19,484,333
TOTAL EXPENDITURES	7,790,525	29,389,093	6,628,987	825,049	7,454,036	21,935,057
Excess (Deficiency) of Revenues Over Expenditures	(1,022,873)	(21,206,235)	938,149	(825,049)	113,100	21,319,335
OTHER FINANCING SOURCES (USES):						
Transfers In:						
2007 C.O. Issue	67,960	17,766,772	669,320	-	669,320	(17,097,452)
2012 C.O. Issue	-	1,500,000	233,550	-	233,550	(1,266,450)
Reimburse and Miscellaneous	-	-	15,005	-	15,005	15,005
Bond Proceeds	-	910,000	910,000	-	910,000	-
Bond Premium	-	107,288	107,288	-	107,288	-
Transfers Out:						
Debt Service	(2,098,524)	(2,198,541)	(2,198,541)	-	(2,198,541)	-
Keep Laredo Beautiful	(112,000)	(112,000)	(107,814)	-	(107,814)	4,186
Sale of Assets	-	-	850	-	850	850
TOTAL OTHER FINANCING SOURCES (USES)	(2,142,564)	17,973,519	(370,342)	-	(370,342)	(18,343,861)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(3,165,437)	(3,232,716)	567,807	(825,049)	(257,242)	2,975,474
Fund Balances at Beginning of Year	4,100,626	4,691,410	4,691,410	(24,881)	4,666,529	(24,881)
FUND BALANCE AT END OF YEAR	\$ 935,189	1,458,694	5,259,217	(849,930)	4,409,287	2,950,593

CITY OF LAREDO, TEXAS
KEEP LAREDO BEAUTIFUL, INC. FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
REVENUES:						
Investment Income:						
Interest Earnings	\$ -	-	1	-	1	1
Miscellaneous:						
Contributions	25,000	25,000	3,269	-	3,269	(21,731)
TOTAL REVENUES	25,000	25,000	3,270	-	3,270	(21,730)
EXPENDITURES:						
Personnel Services	74,529	74,529	74,396	-	74,396	133
Materials and Supplies	31,076	32,208	28,051	3,379	31,430	778
Contractual Services	11,974	9,144	3,939	2,200	6,139	3,005
Other	25,000	22,000	-	-	-	22,000
TOTAL EXPENDITURES	142,579	137,881	106,386	5,579	111,965	25,916
Excess (Deficiency) of Revenues Over Expenditures	(117,579)	(112,881)	(103,116)	(5,579)	(108,695)	4,186
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	112,000	112,000	107,814	-	107,814	(4,186)
TOTAL OTHER FINANCING SOURCES (USES)	112,000	112,000	107,814	-	107,814	(4,186)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(5,579)	(881)	4,698	(5,579)	(881)	-
Fund Balances at Beginning of Year	-	881	881	-	881	-
FUND BALANCE AT END OF YEAR	\$ (5,579)	-	5,579	(5,579)	-	-

CITY OF LAREDO, TEXAS
 NOISE ABATEMENT LEASE PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 2,700	2,700	2,122	-	2,122	(578)
Fees and Collections	35,000	35,000	44,401	-	44,401	9,401
Rents and Royalties	1,409,500	1,409,500	1,422,434	-	1,422,434	12,934
Miscellaneous:						
Reimbursements	7,136	7,136	7,683	-	7,683	547
TOTAL REVENUES	1,454,336	1,454,336	1,476,640	-	1,476,640	22,304
EXPENDITURES:						
Personnel Services	335,372	337,303	323,079	-	323,079	14,224
Materials and Supplies	141,351	160,730	122,429	6,128	128,557	32,173
Contractual Services	608,505	607,637	508,216	29,011	537,227	70,410
Other	20,000	-	26,532	(26,532)	-	-
Total Operating Expenditures	1,105,228	1,105,670	980,256	8,607	988,863	116,807
Capital Outlay	71,874	42,000	14,320	23,874	38,194	3,806
TOTAL EXPENDITURES	1,177,102	1,147,670	994,576	32,481	1,027,057	120,613
Excess (Deficiency) of Revenues Over Expenditures	277,234	306,666	482,064	(32,481)	449,583	142,917
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Airport Fund	(400,000)	(400,000)	(400,000)	-	(400,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(400,000)	(400,000)	(400,000)	-	(400,000)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(122,766)	(93,334)	82,064	(32,481)	49,583	142,917
Fund Balances at Beginning of Year	290,219	444,546	444,546	(26,532)	418,014	(26,532)
FUND BALANCES AT END OF YEAR	\$ 167,453	351,212	526,610	(59,013)	467,597	116,385

CITY OF LAREDO, TEXAS
SPORTS AND COMMUNITY VENUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive Positive (Negative)</u>
REVENUES:						
Taxes:						
General Sales & Use Tax	\$ 8,217,629	8,217,629	8,004,915	-	8,004,915	(212,714)
Investment Income:						
Interest Earnings	61,200	61,200	62,611	-	62,611	1,411
TOTAL REVENUES	8,278,829	8,278,829	8,067,526	-	8,067,526	(211,303)
EXPENDITURES:						
Personnel	-	66,190	66,187	-	66,187	3
Materials and Supplies	136,200	231,164	139,922	36,165	176,087	55,077
Contractual Services	75,686	388,118	342,927	47,968	390,895	(2,777)
Other	1,170,000	382,553	-	-	-	382,553
Total Operating Expenditures	1,381,886	1,068,025	549,036	84,133	633,169	434,856
Capital Outlay	99,832	413,693	413,169	-	413,169	524
TOTAL EXPENDITURES	1,481,718	1,481,718	962,205	84,133	1,046,338	435,380
Excess (Deficiency) of Revenues Over Expenditures	6,797,111	6,797,111	7,105,321	(84,133)	7,021,188	224,077
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	3,791,508	3,791,508	3,706,947	-	3,706,947	(84,561)
Transfers Out:						
Sports & Community Debt Service	(3,791,508)	(3,791,508)	(3,706,947)	-	(3,706,947)	84,561
Laredo Entertainment Center Operations	(1,459,089)	(1,459,089)	(1,379,139)	-	(1,379,139)	79,950
Debt Service	(3,867,826)	(3,867,826)	(3,867,826)	-	(3,867,826)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,326,915)	(5,326,915)	(5,246,965)	-	(5,246,965)	79,950
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	1,470,196	1,470,196	1,858,356	(84,133)	1,774,223	304,027
Fund Balances at Beginning of Year	19,042,801	17,924,381	17,924,381	-	17,924,381	-
FUND BALANCES AT END OF YEAR	\$ 20,512,997	19,394,577	19,782,737	(84,133)	19,698,604	304,027

CITY OF LAREDO, TEXAS
LAREDO ENERGY ARENA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Charges for Services	\$ 3,378,282	3,378,282	4,569,603	-	4,569,603	1,191,321
TOTAL REVENUES	<u>3,378,282</u>	<u>3,378,282</u>	<u>4,569,603</u>	<u>-</u>	<u>4,569,603</u>	<u>1,191,321</u>
EXPENDITURES:						
Contractual Services	4,837,371	4,837,371	6,036,616	-	6,036,616	(1,199,245)
TOTAL EXPENDITURES	<u>4,837,371</u>	<u>4,837,371</u>	<u>6,036,616</u>	<u>-</u>	<u>6,036,616</u>	<u>(1,199,245)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,459,089)</u>	<u>(1,459,089)</u>	<u>(1,467,013)</u>	<u>-</u>	<u>(1,467,013)</u>	<u>(7,924)</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	1,459,089	1,459,089	1,379,139	-	1,379,139	(79,950)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,459,089</u>	<u>1,459,089</u>	<u>1,379,139</u>	<u>-</u>	<u>1,379,139</u>	<u>(79,950)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(87,874)	-	(87,874)	(87,874)
Fund Balances at Beginning of Year	170,000	87,874	87,874	-	87,874	-
FUND BALANCES AT END OF YEAR	<u>\$ 170,000</u>	<u>87,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,874)</u>

CITY OF LAREDO, TEXAS
LAREDO PUBLIC FACILITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 682	619	1,301	991
Miscellaneous:				
Reimbursements	<u>160,250</u>	<u>329,250</u>	<u>489,500</u>	<u>489,500</u>
TOTAL REVENUES	<u>160,932</u>	<u>329,869</u>	<u>490,801</u>	<u>490,491</u>
EXPENDITURES:				
Contractual Services	1,654	904	2,558	20,250
Other	<u>-</u>	<u>58,795</u>	<u>58,795</u>	<u>95,241</u>
TOTAL EXPENDITURES	<u>1,654</u>	<u>59,699</u>	<u>61,353</u>	<u>115,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>159,278</u>	<u>270,170</u>	<u>429,448</u>	<u>375,000</u>
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
General Fund	<u>(100,000)</u>	<u>(275,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>
TOTAL OTHER FINANCING SOURCES:	<u>(100,000)</u>	<u>(275,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>
Net Change in Fund Balances	<u>\$ 59,278</u>	<u>(4,830)</u>	<u>54,448</u>	<u>-</u>
Fund Balances-Beginning		<u>59,278</u>		
Fund Balances-Ending		<u>\$ 54,448</u>		

CITY OF LAREDO, TEXAS
FRIENDS OF THE LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
Intergovernmental:						
Federal Operating Grant	\$ 405,517	405,517	45,692	-	45,692	(359,825)
Charges for Services	-	-	4,128	-	4,128	4,128
Investment Income:						
Interest Earnings	300	300	616	-	616	316
Discount Earnings	-	-	2	-	2	2
Miscellaneous:						
Contributions	500,000	500,000	819	-	819	(499,181)
TOTAL REVENUES	905,817	905,817	51,257	-	51,257	(854,560)
EXPENDITURES:						
Library:						
Materials and Supplies	-	26,872	26,594	-	26,594	278
Contractual Services	-	767	1,343	-	1,343	(576)
Other	500,000	202,798	60,537	(60,537)	-	202,798
Total Library	500,000	230,437	88,474	(60,537)	27,937	202,500
FCC-Universal Service Program:						
Contractual Services	157,582	50,636	45,692	-	45,692	4,944
Other	358,958	465,904	-	-	-	465,904
Total FCC-Universal Service Program	516,540	516,540	45,692	-	45,692	470,848
Total Operating Expenditures	1,016,540	746,977	134,166	(60,537)	73,629	673,348
Capital Outlay	-	269,563	124,771	144,791	269,562	1
TOTAL EXPENDITURES	1,016,540	1,016,540	258,937	84,254	343,191	673,349
Excess (Deficiency) of Revenues Over Expenditures	(110,723)	(110,723)	(207,680)	(84,254)	(291,934)	(181,211)
Fund Balances at Beginning of Year	110,723	354,187	354,187	(60,537)	293,650	(60,537)
FUND BALANCES AT END OF YEAR	\$ -	243,464	146,507	(144,791)	1,716	(241,748)

CITY OF LAREDO, TEXAS
POLICE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 8,500	8,500	7,123	-	7,123	(1,377)
Miscellaneous:						
Forfeitures	900,000	900,000	968,057	-	968,057	68,057
TOTAL REVENUES	908,500	908,500	975,180	-	975,180	66,680
EXPENDITURES:						
Personnel Services	650,000	650,000	-	-	-	650,000
Materials and Supplies	183,609	325,248	202,588	12,658	215,246	110,002
Contractual Services	60,518	121,868	94,038	6,979	101,017	20,851
Other	908,500	713,993	-	-	-	713,993
Total Operating Expenditures	1,802,627	1,811,109	296,626	19,637	316,263	1,494,846
Debt Service:						
Principal	265,271	265,271	272,379	-	272,379	(7,108)
Interest	6,326	6,326	13,588	-	13,588	(7,262)
Capital Outlay	1,144,095	1,135,613	1,131,130	3,869	1,134,999	614
TOTAL EXPENDITURES	3,218,319	3,218,319	1,713,723	23,506	1,737,229	1,481,090
Excess (Deficiency) of Revenues Over Expenditures	(2,309,819)	(2,309,819)	(738,543)	(23,506)	(762,049)	1,547,770
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Auto Theft Task Force	-	-	(15,188)	-	(15,188)	(15,188)
Debt Service	(675,990)	(675,990)	(675,990)	-	(675,990)	-
Sale of Assets	-	-	18,625	-	18,625	18,625
TOTAL OTHER FINANCING SOURCES (USES)	(675,990)	(675,990)	(672,553)	-	(672,553)	3,437
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(2,985,809)	(2,985,809)	(1,411,096)	(23,506)	(1,434,602)	1,551,207
Fund Balances at Beginning of Year	1,760,734	3,072,594	3,072,594	-	3,072,594	-
FUND BALANCES AT END OF YEAR	\$ (1,225,075)	86,785	1,661,498	(23,506)	1,637,992	1,551,207

**CITY OF LAREDO, TEXAS
PARKS CAPITAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 823,843	10,742	834,585	3,437,398
Webb County	360,654	-	360,654	375,000
Investment Income:				
Interest Earnings	12,921	13	12,934	12,915
Miscellaneous:				
Contributions and Donations	-	-	-	4,030,189
TOTAL REVENUES	<u>1,197,418</u>	<u>10,755</u>	<u>1,208,173</u>	<u>7,855,502</u>
EXPENDITURES:				
Materials and Supplies	17,686	-	17,686	17,686
Other	-	-	-	1,890,746
Capital Outlay	1,458,054	11,452	1,469,506	6,420,084
TOTAL EXPENDITURES	<u>1,475,740</u>	<u>11,452</u>	<u>1,487,192</u>	<u>8,328,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(278,322)</u>	<u>(697)</u>	<u>(279,019)</u>	<u>(473,014)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
2008 C.O. Bond	143,899	24	143,923	332,413
General Fund	140,601	-	140,601	140,601
TOTAL OTHER FINANCING SOURCES:	<u>284,500</u>	<u>24</u>	<u>284,524</u>	<u>473,014</u>
Net Change in Fund Balances	<u>\$ 6,178</u>	<u>(673)</u>	<u>5,505</u>	<u>-</u>
Fund Balances-Beginning		<u>6,178</u>		
Fund Balances-Ending		<u>\$ 5,505</u>		

CITY OF LAREDO, TEXAS
CAPITAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 199,990	-	199,990	200,000
State	105,613	3,876,931	3,982,544	24,504,603
TOTAL REVENUES	305,603	3,876,931	4,182,534	24,704,603
EXPENDITURES:				
Contractual Services	-	44,134	44,134	59,134
Other	-	-	-	907,745
Capital Outlay	408,482	4,074,677	4,483,159	28,046,842
TOTAL EXPENDITURES	408,482	4,118,811	4,527,293	29,013,721
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,879)	(241,880)	(344,759)	(4,309,118)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	-	-	-	534,023
2007 C.O. Bond	32,248	4,900	37,148	1,231,497
2008 C.O. Bond	397	-	397	1,543,598
2012 C.O. Bond	70,234	236,980	307,214	1,000,000
TOTAL OTHER FINANCING SOURCES:	102,879	241,880	344,759	4,309,118
Net Change in Fund Balances	\$ -	-	-	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ -		

CITY OF LAREDO, TEXAS
CONTRACTUAL OBLIGATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 217,134	7,065	224,199	156,133
Miscellaneous:				
Other	35,150	4,478	39,628	28,049
TOTAL REVENUES	252,284	11,543	263,827	184,182
EXPENDITURES:				
Materials and Supplies	288,745	353,055	641,800	677,721
Contractual Services	5,259	15,586	20,845	20,242
Other	-	-	-	5,851
Bond Costs	226,188	68,290	294,478	239,478
Capital Outlay	7,012,153	3,039,299	10,051,452	11,892,244
TOTAL EXPENDITURES	7,532,345	3,476,230	11,008,575	12,835,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,280,061)	(3,464,687)	(10,744,748)	(12,651,354)
OTHER FINANCING SOURCES (USES):				
Bond Issues	7,972,513	4,115,000	12,087,513	12,105,629
Bond Premium	58,279	458,102	516,381	516,381
Transfer In:				
General Fund	640,000	-	640,000	640,000
Transfers Out:				
General Fund	(640,000)	-	(640,000)	(640,000)
Debt Service Fund	-	(656)	(656)	(656)
Sale of Assets	30,000	-	30,000	30,000
TOTAL OTHER FINANCING SOURCES:	8,060,792	4,572,446	12,633,238	12,651,354
Net Change in Fund Balances	\$ 780,731	1,107,759	1,888,490	-
Fund Balances-Beginning		780,731		
Fund Balances-Ending		\$ 1,888,490		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2005 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,477,798	23	1,477,821	1,478,073
Other	472,429	-	472,429	472,430
TOTAL REVENUES	1,950,227	23	1,950,250	1,950,503
EXPENDITURES:				
Materials and Supplies	156,486	-	156,486	156,486
Contractual Services	3,732	2	3,734	3,735
Other	-	-	-	247
Debt Service	256,525	-	256,525	256,525
Capital Outlay	14,311,057	199,908	14,510,965	14,510,970
TOTAL EXPENDITURES	14,727,800	199,910	14,927,710	14,927,963
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,777,573)	(199,887)	(12,977,460)	(12,977,460)
OTHER FINANCING SOURCES (USES):				
Bond Issues	15,625,000	-	15,625,000	15,625,000
Transfer In:				
Risk Management	352,874	-	352,874	352,874
Transfer Out:				
Communication System Fund	(3,000,000)	-	(3,000,000)	(3,000,000)
Debt Service Fund	-	(414)	(414)	(414)
TOTAL OTHER FINANCING SOURCES:	12,977,874	(414)	12,977,460	12,977,460
Net Change in Fund Balances	\$ 200,301	(200,301)	-	-
Fund Balances-Beginning		200,301		
Fund Balances-Ending		\$ -		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2006 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
UTHSC - Dental Clinic	\$ 758,869	-	758,869	758,869
Investment Income:				
Interest Earnings	1,932,415	101	1,932,516	1,933,031
Discount Earnings	105	-	105	105
Other	67,781	-	67,781	67,780
TOTAL REVENUES	2,759,170	101	2,759,271	2,759,785
EXPENDITURES:				
Materials and Supplies	39,327	-	39,327	39,327
Contractual Services	10,635	958	11,593	12,468
Other	758,884	-	758,884	766,098
Bond Costs	327,891	-	327,891	327,891
Capital Outlay	18,195,276	333,176	18,528,452	18,548,543
TOTAL EXPENDITURES	19,332,013	334,134	19,666,147	19,694,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,572,843)	(334,033)	(16,906,876)	(16,934,542)
OTHER FINANCING SOURCES (USES):				
Bond Issues	17,320,000	-	17,320,000	17,320,000
Bond Premium	14,390	-	14,390	14,391
Transfer In:				
Capital Improvements Fund	11,168	-	11,168	11,168
Transfers Out:				
Capital Grants Fund	(84,444)	-	(84,444)	(84,445)
Capital Improvements Fund	(326,572)	-	(326,572)	(326,572)
TOTAL OTHER FINANCING SOURCES:	16,934,542	-	16,934,542	16,934,542
Net Change in Fund Balances	\$ 361,699	(334,033)	27,666	-
Fund Balances-Beginning		361,699		
Fund Balances-Ending		\$ 27,666		

CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 2007 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
School Districts	\$ 27,200	-	27,200	27,200
Investment Income:				
Interest Earnings	6,552,663	12,377	6,565,040	6,561,093
Miscellaneous:				
Contributions and Donations	1,000,000	-	1,000,000	1,000,000
Other	838,186	-	838,186	838,186
TOTAL REVENUES	8,418,049	12,377	8,430,426	8,426,479
EXPENDITURES:				
Materials and Supplies	884,655	-	884,655	880,961
Contractual Services	182,236	2,001	184,237	56,514
Other	27,200	-	27,200	144,567
Bond Costs	938,978	-	938,978	938,978
Capital Outlay	49,583,424	279,033	49,862,457	52,238,519
TOTAL EXPENDITURES	51,616,493	281,034	51,897,527	54,259,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,198,444)	(268,657)	(43,467,101)	(45,833,060)
OTHER FINANCING SOURCES (USES):				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Transfer In:				
2010 C.O. Bond Issue	750,000	-	750,000	750,000
Transfers Out:				
Environmental Services Fund	(15,939,304)	(669,320)	(16,608,624)	(17,441,075)
Capital Grants Fund	(1,187,553)	(4,900)	(1,192,453)	(2,386,802)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(62,088)	-	(62,088)	(225,582)
Sale of Assets	117,105	-	117,105	117,105
TOTAL OTHER FINANCING SOURCES:	48,697,574	(674,220)	48,023,354	45,833,060
Net Change in Fund Balances	\$ 5,499,130	(942,877)	4,556,253	-
Fund Balances-Beginning		5,499,130		
Fund Balances-Ending		\$ 4,556,253		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2008 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,311,988	9,318	1,321,306	1,325,013
Other	317,047	14,957	332,004	316,716
TOTAL REVENUES	1,629,035	24,275	1,653,310	1,641,729
EXPENDITURES:				
Materials and Supplies	96,653	-	96,653	96,654
Contractual Services	301,997	7,355	309,352	42,003
Other	-	-	-	292,611
Bond Costs	520,293	-	520,293	520,293
Capital Outlay	26,816,595	1,711,835	28,528,430	30,743,478
TOTAL EXPENDITURES	27,735,538	1,719,190	29,454,728	31,695,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,106,503)	(1,694,915)	(27,801,418)	(30,053,310)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	30,065,000	-	30,065,000	30,065,000
Bond Premium	455,293	-	455,293	455,293
Transfer In:				
2010 C.O. Bond Issue	1,500,000	-	1,500,000	1,500,000
Transfers Out:				
Capital Improvements Fund	-	-	-	(90,972)
Parks Capital Grant	(143,899)	(25)	(143,924)	(332,413)
Capital Grants Fund	(397)	-	(397)	(1,543,598)
TOTAL OTHER FINANCING SOURCES:	31,875,997	(25)	31,875,972	30,053,310
Net Change in Fund Balances	\$ 5,769,494	(1,694,940)	4,074,554	-
Fund Balances-Beginning		5,769,494		
Fund Balances-Ending		\$ 4,074,554		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2009 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 225,760	6,748	232,508	236,489
Other	40,579	31,365	71,944	73,075
TOTAL REVENUES	266,339	38,113	304,452	309,564
EXPENDITURES:				
Materials and Supplies	8,143	-	8,143	8,144
Contractual Services	14,881	59,496	74,377	19,164
Other	-	-	-	235,216
Debt Service	480,247	-	480,247	480,248
Capital Outlay	21,678,719	1,770,028	23,448,747	27,059,539
TOTAL EXPENDITURES	22,181,990	1,829,524	24,011,514	27,802,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,915,651)	(1,791,411)	(23,707,062)	(27,492,747)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	24,735,000	-	24,735,000	24,735,000
Bond Premium	745,247	-	745,247	745,247
Transfers In:				
General Fund	12,500	-	12,500	12,500
2010 C.O. Bond Issue	2,000,000	-	2,000,000	2,000,000
TOTAL OTHER FINANCING SOURCES:	27,492,747	-	27,492,747	27,492,747
Net Change in Fund Balances	\$ 5,577,096	(1,791,411)	3,785,685	-
Fund Balances-Beginning		5,577,096		
Fund Balances-Ending		\$ 3,785,685		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2010 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 70,881	1,099	71,980	73,827
Miscellaneous:				
Reimbursements	13,303	-	13,303	13,303
TOTAL REVENUES	84,184	1,099	85,283	87,130
EXPENDITURES:				
Materials and Supplies	5,592	-	5,592	5,592
Contractual Services	4,504	16,753	21,257	30,847
Other	-	-	-	216,580
Bond Costs	195,403	-	195,403	195,403
Capital Outlay	3,781,840	701,658	4,483,498	4,834,111
TOTAL EXPENDITURES	3,987,339	718,411	4,705,750	5,282,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,903,155)	(717,312)	(4,620,467)	(5,195,403)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	9,545,000	-	9,545,000	9,545,000
Bond Premium	650,403	-	650,403	650,403
Transfers Out:				
Capital Improvements Fund	(750,000)	-	(750,000)	(750,000)
2007 C.O. Bond Fund	(750,000)	-	(750,000)	(750,000)
2008 C.O. Bond Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
2009 C.O. Bond Fund	(2,000,000)	-	(2,000,000)	(2,000,000)
TOTAL OTHER FINANCING SOURCES:	5,195,403	-	5,195,403	5,195,403
Net Change in Fund Balances	\$ 1,292,248	(717,312)	574,936	-
Fund Balances-Beginning		1,292,248		
Fund Balances-Ending		\$ 574,936		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2012 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 34,101	6,172	40,273	40,391
TOTAL REVENUES	34,101	6,172	40,273	40,391
EXPENDITURES:				
Materials and Supplies	86,232	190	86,422	86,423
Contractual Services	15,319	1,459	16,778	20,611
Other	125,000	-	125,000	168,566
Bond Cost	166,174	-	166,174	166,175
Capital Outlay	2,454,578	521,633	2,976,211	3,284,233
TOTAL EXPENDITURES	2,847,303	523,282	3,370,585	3,726,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,813,202)	(517,110)	(3,330,312)	(3,685,617)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	7,690,000	-	7,690,000	7,690,000
Bond Discount	(4,383)	-	(4,383)	(4,383)
Transfers Out:				
Environmental Services	(189,941)	(233,550)	(423,491)	(1,500,000)
Capital Improvements Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Grants	(70,234)	(236,980)	(307,214)	(1,000,000)
TOTAL OTHER FINANCING SOURCES:	5,925,442	(470,530)	5,454,912	3,685,617
Net Change in Fund Balances	\$ 3,112,240	(987,640)	2,124,600	-
Fund Balances-Beginning		3,112,240		
Fund Balances-Ending		\$ 2,124,600		

**CITY OF LAREDO, TEXAS
BASEBALL STADIUM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 42,095	-	42,095	42,095
Miscellaneous:				
Reimbursements	24,380	-	24,380	24,380
Contributions and Donations	800,000	-	800,000	1,000,000
TOTAL REVENUES	866,475	-	866,475	1,066,475
EXPENDITURES:				
Materials and Supplies	329,931	-	329,931	329,931
Contractual Services	770,608	26,842	797,450	797,450
Other	-	-	-	200,000
Bond Costs	347,188	-	347,188	347,188
Capital Outlay	19,447,094	-	19,447,094	19,447,094
TOTAL EXPENDITURES	20,894,821	26,842	20,921,663	21,121,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,028,346)	(26,842)	(20,055,188)	(20,055,188)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	10,445,000	-	10,445,000	10,445,000
Bond Discount	(97,812)	-	(97,812)	(97,812)
Transfer In:				
Sports and Community Venue	9,708,000	-	9,708,000	9,708,000
TOTAL OTHER FINANCING SOURCES:	20,055,188	-	20,055,188	20,055,188
Net Change in Fund Balances	\$ 26,842	(26,842)	-	-
Fund Balances-Beginning		26,842		
Fund Balances-Ending		\$ -		

CITY OF LAREDO, TEXAS
AIRPORT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
FAA Grants	\$ 11,750,157	6,109,014	17,859,171	30,199,346
Texas Department of Transportation	149,108	49,996	199,104	199,127
Investment Income:				
Interest Earnings	153,851	4,255	158,106	154,649
Miscellaneous:				
Other	153,049	-	153,049	151,392
TOTAL REVENUES	12,206,165	6,163,265	18,369,430	30,704,514
EXPENDITURES:				
Personnel	212,663	185,451	398,114	1,082,540
Materials and Supplies	349,240	62,475	411,715	437,430
Contractual Services	1,172,647	1,722,979	2,895,626	5,309,164
Other	(2)	-	(2)	193,829
Bond Cost	135,000	-	135,000	135,000
Capital Outlay	17,739,773	5,269,901	23,009,674	35,851,500
TOTAL EXPENDITURES	19,609,321	7,240,806	26,850,127	43,009,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,403,156)	(1,077,541)	(8,480,697)	(12,304,949)
OTHER FINANCING SOURCES (USES):				
Proceeds - Bond Issues	6,135,000	-	6,135,000	6,135,000
Sale of Land	1,230,332	-	1,230,332	1,230,332
Transfers In:				
General Fund	627,514	160,472	787,986	769,668
International Airport	1,242,799	4,728,815	5,971,614	4,457,101
Noise Abatement Lease Program	2,750,000	-	2,750,000	2,750,000
Airport Construction	\$ 1,016,338	424,279	1,440,617	2,738,805

(Continued)

CITY OF LAREDO, TEXAS
AIRPORT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
International Airport	\$ (280,201)	-	(280,201)	(280,201)
Debt Service	(1,520,561)	(166)	(1,520,727)	(1,520,728)
Airport Construction	<u>(2,252,561)</u>	<u>(424,279)</u>	<u>(2,676,840)</u>	<u>(3,975,028)</u>
TOTAL OTHER FINANCING SOURCES:	<u>8,948,660</u>	<u>4,889,121</u>	<u>13,837,781</u>	<u>12,304,949</u>
Net Change in Fund Balances	\$ <u>1,545,504</u>	3,811,580	<u>5,357,084</u>	<u>-</u>
Fund Balances-Beginning		<u>1,545,504</u>		
Fund Balances-Ending		\$ <u>5,357,084</u>		

**CITY OF LAREDO, TEXAS
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 241,616	-	241,616	1,496,295
State	1,572,522	88,717	1,661,239	2,845,747
Other	3,188	69,867	73,055	118,188
Investment Income:				
Interest Earnings	5,229,003	69,895	5,298,898	5,260,463
Discount Earnings	1,202	21	1,223	1,086
Miscellaneous:				
Contribution	4,816,580	86,359	4,902,939	4,761,130
Other	15,083,009	398,644	15,481,653	3,032,565
TOTAL REVENUES	26,947,120	713,503	27,660,623	17,515,474
EXPENDITURES:				
Materials and Supplies	1,615,595	7,006	1,622,601	2,348,312
Contractual Services	2,117,584	362,876	2,480,460	3,242,109
Other	297,302	322,614	619,916	670,390
Capital Outlay	21,120,115	3,197,108	24,317,223	29,810,259
TOTAL EXPENDITURES	25,150,596	3,889,604	29,040,200	36,071,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,796,524	(3,176,101)	(1,379,577)	(18,555,596)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	7,400,000	2,300,000	9,700,000	7,400,000
Civic Center	3,000,000	-	3,000,000	3,000,000
Hotel-Motel Occupancy Tax	368,000	-	368,000	368,000
1998 C.O. Issue	324,498	-	324,498	324,498
2006 C.O. Issue	326,572	-	326,572	326,572
2007 C.O. Issue	62,088	-	62,088	225,582
2008 C.O. Issue	-	-	-	90,972
2010 C.O. Issue	750,000	-	750,000	750,000
2012 C.O. Issue	1,500,000	-	1,500,000	1,500,000
Bridge System	24,400,410	6,733,842	31,134,252	26,993,513
Waterworks System	1,375,144	-	1,375,144	1,375,144
Information Technology	\$ 750,000	-	750,000	750,000

(Continued)

CITY OF LAREDO, TEXAS
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ (17,269,751)	(6,133,584)	(23,403,335)	(23,403,335)
Civic Center	(54,101)	-	(54,101)	(54,101)
Capital Grants Fund	<u>(557,225)</u>	<u>-</u>	<u>(557,225)</u>	<u>(1,091,249)</u>
TOTAL OTHER FINANCING SOURCES:	<u>22,375,635</u>	<u>2,900,258</u>	<u>25,275,893</u>	<u>18,555,596</u>
Net Change in Fund Balances	\$ <u>24,172,159</u>	(275,843)	<u>23,896,316</u>	<u>-</u>
Fund Balances-Beginning		<u>24,172,159</u>		
Fund Balances-Ending		\$ <u>23,896,316</u>		

CITY OF LAREDO, TEXAS
CANSECO ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Interest Earnings	\$ 200	200	223	-	223	23
TOTAL REVENUES	<u>200</u>	<u>200</u>	<u>223</u>	<u>-</u>	<u>223</u>	<u>23</u>
EXPENDITURES:						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	2,000	2,000	-	-	-	2,000
TOTAL EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,300)	(2,300)	223	-	223	2,523
Fund Balances at Beginning of Year	20,302	72,820	72,820	-	72,820	-
FUND BALANCES AT END OF YEAR	<u>\$ 18,002</u>	<u>70,520</u>	<u>73,043</u>	<u>-</u>	<u>73,043</u>	<u>2,523</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

Internal Service Funds include:

RISK MANAGEMENT FUND - to account for the transactions related to the partial self-insurance plan for medical coverage for City employees.

HEALTH AND BENEFITS FUND - to account for all expenses associated with the City's partially self-funded health benefits program.

FLEET MANAGEMENT - to account for the providing of fuel and repair services to all city owned vehicles and machinery, on a cost reimbursement basis.

INFORMATION TECHNOLOGY - to account for the providing of telecommunications services, iSeries technical support, and network technical support.

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2014

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECH.</u>	<u>TOTAL</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash	\$ 50	-	400	-	450
Equity in Investment Pool	34,822	66,470	4,500	4,963	110,755
Investments	4,963,740	9,504,094	652,813	695,064	15,815,711
Accounts Receivable	-	-	5,828	21,500	27,328
Accrued Interest Receivable	8,503	16,280	1,118	1,191	27,092
Inventory	-	-	479,165	-	479,165
Prepaid items	268,000	92,317	-	-	360,317
Total Current Assets	5,275,115	9,679,161	1,143,824	722,718	16,820,818
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	419,493	-	420,681
Improvements	-	-	11,391	-	11,391
Machinery and Equipment	46,718	17,217	387,910	916,205	1,368,050
Transportation Vehicles and Equipment	87,542	-	930,837	107,517	1,125,896
Less Accumulated Depreciation	(99,590)	(17,217)	(978,932)	(720,632)	(1,816,371)
Total Capital Assets (Net of Accumulated Depreciation)	35,858	-	770,699	303,090	1,109,647
TOTAL ASSETS	5,310,973	9,679,161	1,914,523	1,025,808	17,930,465
LIABILITIES					
Current Liabilities:					
Accounts Payable	151,088	379,393	623,715	79,917	1,234,113
Claims and Judgments Payable	2,221,559	2,704,281	-	-	4,925,840
Accrued Wages and Employee Benefits	34,493	9,824	77,648	50,878	172,843
Compensated Absences	20,162	1,347	40,620	39,043	101,172
Total Current Liabilities	2,427,302	3,094,845	741,983	169,838	6,433,968
Noncurrent Liabilities:					
Compensated Absences	42,459	2,345	85,758	114,119	244,681
Total Noncurrent Liabilities	42,459	2,345	85,758	114,119	244,681
TOTAL LIABILITIES	2,469,761	3,097,190	827,741	283,957	6,678,649
NET POSITION					
Net Investment in Capital Assets	35,858	-	770,699	303,090	1,109,647
Unrestricted	2,805,354	6,581,971	316,083	438,761	10,142,169
TOTAL NET POSITION	\$ 2,841,212	6,581,971	1,086,782	741,851	11,251,816

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECHNOLOGY</u>	<u>TOTAL</u>
OPERATING REVENUES:					
Charges for Services	\$ 6,090,989	25,439,860	10,938,159	3,008,532	45,477,540
Reimbursements	31,334	935,406	100,706	161,597	1,229,043
TOTAL OPERATING REVENUES	6,122,323	26,375,266	11,038,865	3,170,129	46,706,583
OPERATING EXPENSES:					
Cost of Services	3,221,178	21,038,444	7,918,805	991,676	33,170,103
Personnel Services	855,127	242,710	2,072,644	1,336,530	4,507,011
Materials and Supplies	58,509	5,914	121,748	174,436	360,607
Contractual Services	593,869	1,499,197	1,088,066	122,082	3,303,214
Other	-	51,290	141	-	51,431
Depreciation	4,696	-	88,957	138,710	232,363
TOTAL OPERATING EXPENSES	4,733,379	22,837,555	11,290,361	2,763,434	41,624,729
Operating Income (Loss)	1,388,944	3,537,711	(251,496)	406,695	5,081,854
NON-OPERATING REVENUES (EXPENSES):					
Investment Income:					
Interest Earnings	11,846	20,349	3,057	1,140	36,392
Discount Earnings	-	-	11	-	11
Gain/(Loss) on Sale of Assets	-	-	5,579	-	5,579
TOTAL NON-OPERATING REVENUES (EXPENSES)	11,846	20,349	8,647	1,140	41,982
Income Before Contributions and Transfers	1,400,790	3,558,060	(242,849)	407,835	5,123,836
OPERATING TRANSFERS IN/(OUT):					
Transfers In	194,530	-	-	-	194,530
Transfers Out	-	(194,530)	(550,000)	(191,076)	(935,606)
TOTAL OPERATING TRANSFERS IN/(OUT)	194,530	(194,530)	(550,000)	(191,076)	(741,076)
Change in Net Position	1,595,320	3,363,530	(792,849)	216,759	4,382,760
Total Net Position - Beginning	1,245,892	3,218,441	1,879,631	525,092	6,869,056
TOTAL NET POSITION- ENDING	\$ 2,841,212	6,581,971	1,086,782	741,851	11,251,816

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2014

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECHNOLOGY</u>	<u>TOTAL</u>
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 31,334	855,897	100,835	224,179	1,212,245
Receipts from interfund services provided	6,090,989	25,439,860	10,938,159	2,957,358	45,426,366
Payment to suppliers	(3,776,464)	(22,692,038)	(8,657,323)	(1,116,911)	(36,242,736)
Payment to employees	(853,475)	(241,657)	(2,072,770)	(1,334,535)	(4,502,437)
Payment for interfund services used	(315,388)	(1,632)	(595,290)	(157,031)	(1,069,341)
Net cash provided (used) by operating activities	1,176,996	3,360,430	(286,389)	573,060	4,824,097
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	194,530	-	-	-	194,530
Transfer to Other Funds	-	(194,530)	(550,000)	(191,076)	(935,606)
Net cash provided (used) by noncapital and related financing activities	194,530	(194,530)	(550,000)	(191,076)	(741,076)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	-	-	(303,269)	(141,558)	(444,827)
Proceeds from sales of capital assets	-	-	5,579	-	5,579
Net cash provided (used) by capital and related financing activities	-	-	(297,690)	(141,558)	(439,248)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	(1,371,087)	(3,158,139)	1,121,386	(239,392)	(3,647,232)
Interest and dividends received	9,225	14,459	4,854	695	29,233
Net cash provided (used) by investing activities	(1,361,862)	(3,143,680)	1,126,240	(238,697)	(3,617,999)
Net increase (decrease) in cash and cash equivalents	9,664	22,220	(7,839)	1,729	25,774
Cash and cash equivalents - October 1	25,208	44,250	12,739	3,234	85,431
Cash and cash equivalents - September 30	\$ 34,872	66,470	4,900	4,963	111,205
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	\$ 1,388,944	3,537,711	(251,496)	406,695	5,081,854
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	4,696	-	88,957	138,710	232,363
(Increase) decrease in accounts receivable	-	-	129	11,408	11,537
(Increase) decrease in inventories	-	-	(14,905)	-	(14,905)
(Increase) decrease in prepaid items	23,000	(92,067)	-	-	(69,067)
Increase (decrease) in accounts payable	(56,737)	(276,516)	(108,948)	14,252	(427,949)
Increase (decrease) in compensated absences payable	1,394	633	(2,753)	1,603	877
Increase (decrease) in accrued wages and employee benefits	258	420	2,627	392	3,697
Increase (decrease) in claims and judgements payable	(184,559)	269,758	-	-	85,199
Increase (decrease) in deferred revenues	-	(79,509)	-	-	(79,509)
Total adjustments	(211,948)	(177,281)	(34,893)	166,365	(257,757)
Net cash provided by operating activities	\$ 1,176,996	3,360,430	(286,389)	573,060	4,824,097

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2014

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 6,401,979	6,401,979	6,090,989	-	6,090,989	(310,990)
Reimbursements	-	-	31,334	-	31,334	31,334
TOTAL OPERATING REVENUES	6,401,979	6,401,979	6,122,323	-	6,122,323	(279,656)
OPERATING EXPENSES:						
Cost of Services	4,701,832	4,702,127	3,221,178	-	3,221,178	1,480,949
Personnel Services	915,460	921,568	855,127	(1,394)	853,733	67,835
Materials and Supplies	137,748	108,901	58,509	-	58,509	50,392
Contractual Services	762,870	785,314	593,869	-	593,869	191,445
Depreciation	158,658	158,658	4,696	(4,696)	-	158,658
TOTAL OPERATING EXPENSES	6,676,568	6,676,568	4,733,379	(6,090)	4,727,289	1,949,279
Operating Income (Loss)	(274,589)	(274,589)	1,388,944	6,090	1,395,034	1,669,623
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	6,000	6,000	11,846	-	11,846	5,846
TOTAL NON-OPERATING REVENUES (EXPENSES)	6,000	6,000	11,846	-	11,846	5,846
Income (Loss) Before Contributions and Transfers	(268,589)	(268,589)	1,400,790	6,090	1,406,880	1,675,469
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	194,530	194,530	194,530	-	194,530	-
TOTAL OPERATING TRANSFERS IN/(OUT)	194,530	194,530	194,530	-	194,530	-
Change in Net Position	(74,059)	(74,059)	1,595,320	6,090	1,601,410	1,675,469
Total Net Position - Beginning	1,245,892	1,245,892	1,245,892	-	1,245,892	-
TOTAL NET POSITION - ENDING	\$ 1,171,833	1,171,833	2,841,212	6,090	2,847,302	1,675,469

**CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 31,334
Receipts from interfund services provided	6,090,989
Payment to suppliers	(3,776,464)
Payment to employees	(853,475)
Payment for interfund services used	<u>(315,388)</u>
Net cash provided (used) by operating activities	<u>1,176,996</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	<u>194,530</u>
Net cash provided (used) by noncapital and related financing activities	<u>194,530</u>
Proceeds from sales and maturity of investments	(1,371,087)
Interest and dividends received	<u>9,225</u>
Net cash provided (used) by investing activities	<u>(1,361,862)</u>
Net increase (decrease) in cash and cash equivalents	9,664
Cash and cash equivalents - October 1	<u>25,208</u>
Cash and cash equivalents - September 30	\$ <u><u>34,872</u></u>

Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>1,388,944</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	4,696
(Increase) decrease in prepaid items	23,000
Increase (decrease) in accounts payable	(56,737)
Increase (decrease) in compensated absences payable	1,394
Increase (decrease) in accrued wages and employee benefits	258
Increase (decrease) in claims and judgments payable	<u>(184,559)</u>
Total adjustments	<u>(211,948)</u>
Net cash provided by operating activities	\$ <u><u>1,176,996</u></u>

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 24,486,682	24,486,682	25,439,860	-	25,439,860	953,178
Reimbursements	411,733	411,733	935,406	-	935,406	523,673
TOTAL OPERATING REVENUES	24,898,415	24,898,415	26,375,266	-	26,375,266	1,476,851
OPERATING EXPENSES:						
Cost of Services	19,662,504	20,574,557	21,038,444	-	21,038,444	(463,887)
Personnel Services	252,986	252,986	242,710	(633)	242,077	10,909
Materials and Supplies	4,145	7,645	5,914	-	5,914	1,731
Contractual Services	1,482,869	1,483,298	1,499,197	-	1,499,197	(15,899)
Other	918,238	2,256	51,290	-	51,290	(49,034)
Capital Outlay	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	22,320,742	22,320,742	22,837,555	(633)	22,836,922	(516,180)
Operating Income (Loss)	2,577,673	2,577,673	3,537,711	633	3,538,344	960,671
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	3,200	3,200	20,349	-	20,349	17,149
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,200	3,200	20,349	-	20,349	17,149
Income Before Contributions and Transfers	2,580,873	2,580,873	3,558,060	633	3,558,693	977,820
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
Risk Management Fund	(194,530)	(194,530)	(194,530)	-	(194,530)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(194,530)	(194,530)	(194,530)	-	(194,530)	-
Change in Net Position	2,386,343	2,386,343	3,363,530	633	3,364,163	977,820
Total Net Position - Beginning	3,218,441	3,218,441	3,218,441	-	3,218,441	-
TOTAL NET POSITION-ENDING	\$ 5,604,784	5,604,784	6,581,971	633	6,582,604	977,820

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 855,897
Receipts from interfund services provided	25,439,860
Payment to suppliers	(22,692,038)
Payment to employees	(241,657)
Payment for interfund services used	<u>(1,632)</u>
Net cash provided (used) by operating activities	<u>3,360,430</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(194,530)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(194,530)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(3,158,139)
Interest and dividends received	<u>14,459</u>
Net cash provided (used) by investing activities	<u>(3,143,680)</u>

Net increase (decrease) in cash and cash equivalents	22,220
Cash and cash equivalents - October 1	<u>44,250</u>

Cash and cash equivalents - September 30	\$ <u><u>66,470</u></u>

Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>3,537,711</u>
Adjustments to reconcile operating income to net cash provided (used)	
(Increase) decrease in prepaid items	(92,067)
Increase (decrease) in accounts payable	(276,516)
Increase (decrease) in compensated absences payable	633
Increase (decrease) in accrued wages and employee benefits	420
Increase (decrease) in claims and judgements payable	269,758
Increase (decrease) in deferred revenues	<u>(79,509)</u>
Total adjustments	<u>(177,281)</u>

Net cash provided by operating activities	\$ <u><u>3,360,430</u></u>

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2014**

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 11,761,834	11,761,834	10,938,159	-	10,938,159	(823,675)
Reimbursements	225,000	225,000	100,706	-	100,706	(124,294)
TOTAL OPERATING REVENUES	11,986,834	11,986,834	11,038,865	-	11,038,865	(947,969)
OPERATING EXPENSES:						
Cost of Services	8,609,672	8,866,343	7,918,805	-	7,918,805	947,538
Personnel Services	2,448,590	2,400,990	2,072,644	2,753	2,075,397	325,593
Materials and Supplies	125,332	114,732	121,748	-	121,748	(7,016)
Contractual Services	1,120,327	1,158,215	1,088,066	-	1,088,066	70,149
Other	300,000	142	141	-	141	1
Capital Outlay	-	303,315	-	303,269	303,269	46
Depreciation	-	-	88,957	(88,957)	-	-
TOTAL OPERATING EXPENSES	12,603,921	12,843,737	11,290,361	217,065	11,507,426	1,336,311
Operating Income (Loss)	(617,087)	(856,903)	(251,496)	(217,065)	(468,561)	388,342
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	4,000	4,000	3,057	-	3,057	(943)
Discount Earnings	-	-	11	-	11	11
Gain/(Loss) on Sale of Assets	-	-	5,579	-	5,579	5,579
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,000	4,000	8,647	-	8,647	4,647
Income Before Contributions and Transfers	(613,087)	(852,903)	(242,849)	(217,065)	(459,914)	392,989
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
General Fund	(550,000)	(550,000)	(550,000)	-	(550,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(550,000)	(550,000)	(550,000)	-	(550,000)	-
Change in Net Position	(1,163,087)	(1,402,903)	(792,849)	(217,065)	(1,009,914)	392,989
Total Net Position - Beginning	1,879,631	1,879,631	1,879,631	-	1,879,631	-
TOTAL NET POSITION- ENDING	\$ 716,544	476,728	1,086,782	(217,065)	869,717	392,989

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 100,835
Receipts from interfund services provided	10,938,159
Payment to suppliers	(8,657,323)
Payment to employees	(2,072,770)
Payment for interfund services used	<u>(595,290)</u>
Net cash provided (used) by operating activities	<u>(286,389)</u>

CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(550,000)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(550,000)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	(303,269)
Proceeds from sales of capital assets	<u>5,579</u>
Net cash provided (used) by capital and related financing activities	<u>(297,690)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	1,121,386
Interest and dividends received	<u>4,854</u>
Net cash provided (used) by investing activities	<u>1,126,240</u>

Net increase (decrease) in cash and cash equivalents	(7,839)
Cash and cash equivalents - October 1	<u>12,739</u>

Cash and cash equivalents - September 30	\$ <u><u>4,900</u></u>

Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>(251,496)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	88,957
(Increase) decrease in accounts receivable	129
(Increase) decrease in inventories	(14,905)
Increase (decrease) in accounts payable	(108,948)
Increase (decrease) in compensated absences payable	(2,753)
Increase (decrease) in accrued wages and employee benefits	<u>2,627</u>
Total adjustments	<u>(34,893)</u>

Net cash provided by operating activities	\$ <u><u>(286,389)</u></u>

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2014

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 2,878,017	2,878,017	3,008,532	-	3,008,532	130,515
Reimbursements	-	-	161,597	-	161,597	161,597
TOTAL OPERATING REVENUES	2,878,017	2,878,017	3,170,129	-	3,170,129	292,112
OPERATING EXPENSES:						
Cost of Services	631,370	1,061,594	991,676	-	991,676	69,918
Personnel Services	1,347,331	1,356,481	1,336,530	(1,604)	1,334,926	21,555
Materials and Supplies	262,714	218,365	174,436	-	174,436	43,929
Contractual Services	708,074	201,266	122,082	-	122,082	79,184
Capital Outlay	30,565	142,501	-	141,558	141,558	943
Depreciation	-	-	138,710	(138,710)	-	-
TOTAL OPERATING EXPENSES	2,980,054	2,980,207	2,763,434	1,244	2,764,678	215,529
Operating Income (Loss)	(102,037)	(102,190)	406,695	(1,244)	405,451	507,641
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	500	500	1,140	-	1,140	640
TOTAL NON-OPERATING REVENUES (EXPENSES)	500	500	1,140	-	1,140	640
Income (Loss) Before Contributions and Transfers	(101,537)	(101,690)	407,835	(1,244)	406,591	508,281
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
General Fund	(191,076)	(191,076)	(191,076)	-	(191,076)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(191,076)	(191,076)	(191,076)	-	(191,076)	-
Change in Net Position	(292,613)	(292,766)	216,759	(1,244)	215,515	508,281
Total Net Position - Beginning	525,092	525,092	525,092	-	525,092	-
TOTAL NET POSITION - ENDING	\$ 232,479	232,326	741,851	(1,244)	740,607	508,281

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2014

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 224,179
Receipts from interfund services provided	2,957,358
Payment to suppliers	(1,116,911)
Payment to employees	(1,334,535)
Payment for interfund services used	<u>(157,031)</u>

Net cash provided (used) by operating activities	<u>573,060</u>

CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(191,076)</u>

Net cash provided (used) by noncapital and related financing activities	<u>(191,076)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	<u>(141,558)</u>

Net cash provided (used) by capital and related financing activities	<u>(141,558)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(239,392)
Interest and dividends received	<u>695</u>

Net cash provided (used) by investing activities	<u>(238,697)</u>

Net increase (decrease) in cash and cash equivalents	1,729

Cash and cash equivalents - October 1	<u>3,234</u>

Cash and cash equivalents - September 30	\$ <u><u>4,963</u></u>

Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>406,695</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	138,710
(Increase) decrease in accounts receivable	11,408
Increase (decrease) in accounts payable	14,252
Increase (decrease) in compensated absences payable	1,603
Increase (decrease) in accrued wages and employee benefits	<u>392</u>

Total adjustments	<u>166,365</u>

Net cash provided by operating activities	\$ <u><u>573,060</u></u>

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CAPITAL ASSETS

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source (1)
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Governmental Funds Capital Assets:		
Land	\$ 88,532,875	87,392,308
Buildings	217,334,173	194,122,102
Improvements Other Than Buildings	619,713,736	589,625,742
Vehicles	65,094,664	62,666,360
Machinery & Equipment	37,818,902	37,519,548
Construction in Progress	4,043,320	14,846,928
Total Governmental Funds Capital Assets	<u>1,032,537,670</u>	<u>986,172,988</u>

Investments in Governmental Funds Capital Assets by Source:

General Fund	343,032,543	322,904,254
Special Revenue Funds	212,259,783	205,959,421
Capital Projects Funds	477,245,344	457,309,313
Total Investments in Governmental Funds \$	<u>1,032,537,670</u>	<u>986,172,988</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For The Year Ended September 30, 2014

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ 9,908	-	-	9,908
City Manager	26,459	-	-	26,459
Municipal Court	364,308	-	-	364,308
Human Resources	-	-	26,292	26,292
Building Inspections	193,981	-	17,127	211,108
City Secretary	45,754	-	-	45,754
Tax Office	105,264	16,112	(99,214)	22,162
City Planning	92,442	-	(49,817)	42,625
Finance	254,479	-	(234,546)	19,933
Real Estate	8,057,829	501,767	(874,197)	7,685,399
City Hall Maintenance	4,337,254	3,025,091	-	7,362,345
Engineering	267,467	-	(145,543)	121,924
Information Technology	573,999	-	-	573,999
Communications and Support	48,432	-	-	48,432
Community Development	26,122,698	2,365,053	(51,798)	28,435,953
Telecommunications	339,235	7,040	(46,070)	300,205
General Government	40,839,509	5,915,063	(1,457,766)	45,296,806
Public Safety:				
Police	7,630,455	182,041	(27,606)	7,784,890
Police Trust Fund	15,436,059	1,131,130	(810,842)	15,756,347
Auto Theft Task Force	257,080	-	(58,751)	198,329
Narcotics	691,234	-	(25)	691,209
Financial Task Force	648,630	69,989	(2,202)	716,417
Special Police	2,868,853	165,835	(5,783)	3,028,905
Laredo Border Violence	122,031	-	-	122,031
Homeland Security Grant	2,453,096	-	-	2,453,096
Fire	6,976,626	5,646	(464,910)	6,517,362
Hazardous Materials	9,085	-	-	9,085
Parking Meters	4,079,950	34,666	12,565	4,127,181
911 Administration	849,362	4,500	-	853,862
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	1,192,736	-	-	1,192,736
Traffic Safety	8,046,479	7,576	(47,231)	8,006,824
Public Safety	58,193,295	1,601,383	(1,404,785)	58,389,893
Public Works:				
Capital Improvements Project	74,155,881	3,086,212	708,252	77,950,345
1998 CO Issue	1,859,890	-	-	1,859,890
Infrastructure Maint.	164,542	-	(33,525)	131,017
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	-	1,835,790
2000 CO Issue	7,980,197	-	-	7,980,197
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	5,361,405	-	-	5,361,405
2003 CO Issue	3,725,268	-	-	3,725,268
2005 CO Issue	14,209,641	199,908	(135,864)	14,273,685
2006 CO Issue	17,611,444	333,176	583,832	18,528,452
2007 CO Issue	47,031,045	231,508	1,277,496	48,540,049
2008 CO Issue	20,833,261	1,527,045	5,774,802	28,135,108
2009 CO Issue	20,111,424	1,607,557	1,172,520	22,891,501
2010 CO Issue	3,694,560	701,658	71,941	4,468,159
2012 CO Issue	2,454,577	521,633	-	2,976,210
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	105,645,747	5,087,001	2,678,724	113,411,472
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019

(Continued)

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For The Year Ended September 30, 2014

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Public Works: (Cont.)				
Streets of Laredo Urban Mall \$	1,158,524	-	-	1,158,524
Contractual Obligation	16,820,550	3,039,299	(816,549)	19,043,300
Parks Capital Grants	2,456,798	11,452	-	2,468,250
Capital Grants	24,503,325	2,976,752	57,526	27,537,603
Public Works	260,716,461	16,660,040	(367,865)	277,008,636
Public Works	696,009,149	35,983,241	10,971,290	742,963,680
Health & Welfare:				
Health	8,133,495	101,629	(76,117)	8,159,007
Noise Abatement Lease	143,409	14,320	-	157,729
Emergency Shelter Grant	416	-	-	416
A.R.R.A.- C.D.	975,026	-	-	975,026
Environmental Services	31,123,942	2,164,658	(8,443)	33,280,157
Health & Welfare	40,376,288	2,280,607	(84,560)	42,572,335
Cultural & Recreational:				
Parks & Recreation	15,025,648	1,290,484	62,910	16,379,042
Library	7,199,408	683,162	-	7,882,570
New Public Library	56,167	-	-	56,167
Cemetery	87,214	-	-	87,214
Friends of the Library	801,866	124,771	(42,808)	883,829
Public Access Channel	3,188,898	231,303	-	3,420,201
Mercado	1,162,235	-	-	1,162,235
Convention & Visitors Bureau	74,745	45,887	-	120,632
Sports & Community Venue	8,271,710	413,169	-	8,684,879
Recreation Fund	162,664	-	-	162,664
Baseball Stadium	19,447,094	-	-	19,447,094
Cultural & Recreational	55,477,649	2,788,776	20,102	58,286,527
Air Transportation Services:				
Airport	80,430,170	579,963	(25,024)	80,985,109
Air Transportation Services	80,430,170	579,963	(25,024)	80,985,109
Total Assets In Service	971,326,060	49,149,033	8,019,257	1,028,494,350
Construction in Progress	14,846,928	1,826,685	(12,630,293)	4,043,320
Total Governmental Funds				
Capital Assets \$	986,172,988	50,975,718	(4,611,036)	1,032,537,670

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operations of Governmental Funds
Schedule by Function and Activity (1)
For The Year Ended September 30, 2014

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
General Government:						
Mayor and City Council	\$ 9,908	-	-	-	9,908	-
City Manager	26,459	-	-	-	-	26,459
Municipal Court	364,308	39,981	63,911	-	-	260,416
Human Resources	26,292	-	-	-	26,292	-
Building	211,108	-	62,782	-	126,326	22,000
City Secretary	45,754	-	-	-	14,643	31,111
Tax Office	22,162	-	-	-	-	22,162
City Planning	42,625	-	-	-	15,125	27,500
Finance	19,933	-	-	-	-	19,933
Real Estate	7,685,399	6,146,399	1,539,000	-	-	-
City Hall Maintenance	7,362,345	3,095,274	4,181,666	-	-	85,405
Engineering	121,924	-	-	-	27,928	93,996
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	28,435,953	6,329,121	3,826,126	16,300,172	1,842,178	138,356
Telecommunications	300,205	-	18,683	27,808	-	253,714
General Government	45,296,806	15,610,775	9,692,168	16,327,980	2,076,368	1,589,515
Public Safety:						
Police	7,784,890	-	6,252,732	11,425	849,913	670,820
Police Trust Fund	15,756,347	-	920,960	-	11,918,669	2,916,718
Auto Theft Task Force	198,329	-	-	-	155,608	42,721
Narcotics	691,209	-	-	-	483,454	207,755
Financial Task Force	716,417	-	-	-	285,201	431,216
Special Police	3,028,905	-	-	-	854,909	2,173,996
Laredo Border Violence	122,031	-	-	-	95,101	26,930
Homeland Security Grant	2,453,096	-	-	-	427,219	2,025,877
Fire	6,517,362	767,503	1,439,105	-	3,770,109	540,645
Hazardous Materials	9,085	-	9,085	-	-	-
Parking Meters	4,127,181	1,247,536	60,342	2,230,958	267,557	320,788
911 Administration	853,862	-	-	-	-	853,862
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,192,736	-	47,015	-	850,000	295,721
Traffic Safety	8,006,824	-	13,524	7,461,924	115,186	416,190
Public Safety	58,389,893	2,015,039	8,742,763	9,704,307	20,106,516	17,821,268
Public Works:						
Capital Improvements Projects	77,950,345	884,007	8,494,267	64,756,767	1,386,264	2,429,040
1998 C.O. Issue	1,859,890	108,232	864,429	626,445	260,784	-
Infrastructure Maint.	131,017	-	-	105,993	25,024	-
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,835,790	455,769	1,184,184	-	28,287	167,550
2000 CO Issue	7,980,197	933,003	3,278,920	3,768,274	-	-
LEC Construction Project	33,348,399	258,500	33,089,899	-	-	-
2002 CO Issue	5,361,405	4,548,595	812,810	-	-	-
2003 CO Issue	3,725,268	31,022	1,584,737	2,109,509	-	-
2005 CO Issue	14,273,685	1,493,130	1,097,864	10,278,613	1,257,446	146,632
2006 CO Issue	18,528,452	-	8,046,354	10,037,438	444,660	-
2007 CO Issue	48,540,049	343,062	10,639,451	28,292,095	8,239,741	1,025,700
2008 CO Issue	28,135,108	500,233	14,573,407	10,404,287	2,622,502	34,679
2009 CO Issue	22,891,501	-	10,106,560	11,681,122	1,085,526	18,293
2010 CO Issue	4,468,159	92,264	218,104	4,096,598	13,167	48,026
2012 CO Issue	2,976,210	56,331	886,402	1,558,047	383,670	91,760
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	113,411,472	12,764,340	8,985,099	87,672,012	1,605,247	2,384,774
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019	-	-

(Continued)

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operations of Governmental Funds
Schedule by Function and Activity (1)
For The Year Ended September 30, 2014

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
Public Works: (Cont.)						
Streets of Laredo Urban Mall	\$ 1,158,524	-	-	1,158,524	-	-
Contractual Obligations	19,043,300	-	61,528	13,157	15,812,605	3,156,010
Parks Capital Grants	2,468,250	498,762	-	1,851,794	111,223	6,471
Capital Grants	27,537,603	4,600	398,390	27,134,613	-	-
Public Works	<u>277,008,636</u>	<u>3,930,255</u>	<u>3,877,909</u>	<u>265,211,118</u>	<u>3,906,281</u>	<u>83,073</u>
Public Works	<u>742,963,680</u>	<u>44,507,359</u>	<u>119,644,145</u>	<u>531,424,425</u>	<u>37,795,743</u>	<u>9,592,008</u>
Health & Welfare:						
Health	8,159,007	421,278	4,400,991	171,500	310,017	2,855,221
Noise Abtm. Lease	157,729	-	-	-	157,729	-
Emergency Shelter Grant	416	-	-	-	-	416
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	<u>33,280,157</u>	<u>3,504,319</u>	<u>1,623,806</u>	<u>26,010,213</u>	<u>1,756,915</u>	<u>384,904</u>
Health & Welfare	<u>42,572,335</u>	<u>3,925,597</u>	<u>6,024,797</u>	<u>27,156,739</u>	<u>2,224,661</u>	<u>3,240,541</u>
Cultural & Recreational:						
Parks & Recreation	16,379,042	11,017,737	3,406,584	25,473	1,421,612	507,636
Library	7,882,570	-	7,118,408	33,000	89,755	641,407
New Public Library	56,167	-	22,346	-	-	33,821
Cemetery	87,214	-	7,900	-	52,064	27,250
Friends of the Library	883,829	-	117,001	-	-	766,828
Public Access Channel	3,420,201	-	1,406,518	178,730	53,267	1,781,686
Mercado	1,162,235	-	1,162,235	-	-	-
Convention & Visitor's Bureau	120,632	-	17,300	-	103,332	-
Sports & Community Venue	8,684,879	6,663,649	968,751	293,900	-	758,579
Recreation Fund	162,664	-	-	-	162,664	-
Baseball Stadium	<u>19,447,094</u>	<u>-</u>	<u>17,975,174</u>	<u>541,760</u>	<u>-</u>	<u>930,160</u>
Cultural & Recreational	<u>58,286,527</u>	<u>17,681,386</u>	<u>32,202,217</u>	<u>1,072,863</u>	<u>1,882,694</u>	<u>5,447,367</u>
Air Transportation Services:						
Airport	<u>80,985,109</u>	<u>4,792,719</u>	<u>41,028,083</u>	<u>34,027,422</u>	<u>1,008,682</u>	<u>128,203</u>
Air Transportation Services	<u>80,985,109</u>	<u>4,792,719</u>	<u>41,028,083</u>	<u>34,027,422</u>	<u>1,008,682</u>	<u>128,203</u>
Total Assets in service	<u>1,028,494,350</u>	<u>88,532,875</u>	<u>217,334,173</u>	<u>619,713,736</u>	<u>65,094,664</u>	<u>37,818,902</u>
Construction in Progress	<u>4,043,320</u>					
Total Governmental Funds Capital Assets	<u>\$ 1,032,537,670</u>					

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise funds account for the acquisition, operation and maintenance of the City's facilities and services which are entirely or predominantly supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, and maintenance.

Enterprise Funds include:

MUNICIPAL TRANSIT SYSTEM - to account for the proceeds from the City's Transit System and a grant from the U.S. Department of Transportation, Urban Mass Transportation, used for operating and maintaining the Transit System.

BRIDGE SYSTEM - to account for toll proceeds from four international bridges and the related operations, maintenance and debt service.

MUNICIPAL HOUSING CORPORATION - to account for proceeds from low income housing units partially funded from HUD Section 8 and the related operational and maintenance disbursements.

WATERWORKS SYSTEM - to account for the operations, maintenance and debt service from two water treatment plants and twenty four booster stations and the related revenue received from customers.

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

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

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2014**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash	\$ 2,250	200	1,500	3,950
Equity in Investment Pool	31,918	16,116	79,271	127,305
Investments	3,628,460	2,292,944	14,348,731	20,270,135
Receivables, net of allowances:				
Accrued Interest	1,043	3,928	51,638	56,609
Accounts	2,233	43,296	1,669,789	1,715,318
Due from Other Funds	-	-	1,038,207	1,038,207
Due from Other Governments	3,326,908	-	-	3,326,908
Inventory, at cost	434,928	-	5,912	440,840
Total Current Assets	7,427,740	2,356,484	17,195,048	26,979,272
Noncurrent Assets:				
Restricted Assets:				
Accrued Interest Receivable	4,539	-	-	4,539
Investments	3,258,396	-	12,914,464	16,172,860
Total Restricted Assets	3,262,935	-	12,914,464	16,177,399
Capital Assets:				
Transportation Vehicles and Equipment	22,679,884	222,372	31,078,163	53,980,419
Buildings	14,496,454	3,623,431	1,320,116	19,440,001
Improvements	10,775,997	131,362	6,947,296	17,854,655
Land and Improvements	9,521,557	354,592	624,668	10,500,817
Construction in Progress	2,933,273	-	-	2,933,273
Less Accumulated Depreciation	(24,137,348)	(3,625,354)	(21,960,241)	(49,722,943)
Total Capital Assets (net of accumulated depreciation)	36,269,817	706,403	18,010,002	54,986,222
Total Noncurrent Assets	39,532,752	706,403	30,924,466	71,163,621
TOTAL ASSETS	\$ 46,960,492	3,062,887	48,119,514	98,142,893

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2014**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 454,543	17,979	307,717	780,239
Retainage Payable	-	-	85,107	85,107
Contracts Payable	-	-	591,645	591,645
Due to Other Funds	-	-	655,104	655,104
Accrued Interest Payable	39,142	-	129,933	169,075
Accrued Wages and Employee Benefits	365,962	19,911	200,338	586,211
Compensated Absences	131,949	9,247	169,973	311,169
Customer Deposits	9,335	80,761	-	90,096
Deferred Revenue	-	2,678	-	2,678
General Obligation Bonds	354,576	-	364,058	718,634
Certificates of Obligation	650,000	-	2,512,186	3,162,186
Total Current Liabilities	2,005,507	130,576	5,016,061	7,152,144
Noncurrent Liabilities:				
General Obligation Bonds	3,279,875	-	2,496,498	5,776,373
Certificates of Obligation	4,448,564	-	20,445,474	24,894,038
Closure and Post Closure	-	-	12,486,322	12,486,322
Compensated Absences	105,637	14,625	342,833	463,095
Total Noncurrent Liabilities	7,834,076	14,625	35,771,127	43,619,828
TOTAL LIABILITIES	9,839,583	145,201	40,787,188	50,771,972
NET POSITION				
Net Investment in Capital Assets	31,126,145	706,403	1,983,123	33,815,671
Unrestricted	5,994,764	2,211,283	5,349,203	13,555,250
TOTAL NET POSITION	\$ 37,120,909	2,917,686	7,332,326	47,370,921

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year ended September 30, 2014

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
OPERATING REVENUES:				
Charges for Services	\$ 3,380,086	139,490	19,378,350	22,897,926
Rental of Facilities	521,186	1,267,269	-	1,788,455
Miscellaneous	166,196	31,276	404,772	602,244
TOTAL OPERATING REVENUES	4,067,468	1,438,035	19,783,122	25,288,625
OPERATING EXPENSES:				
Personnel Services	9,734,754	579,321	6,113,312	16,427,387
Materials and Supplies	2,628,870	138,578	2,129,548	4,896,996
Contractual Services	1,672,069	351,678	6,005,090	8,028,837
Other	181,617	74,237	752,847	1,008,701
Total Operating Expenses Before Depreciation	14,217,310	1,143,814	15,000,797	30,361,921
Depreciation Expense	2,223,578	43,801	2,199,221	4,466,600
TOTAL OPERATING EXPENSES	16,440,888	1,187,615	17,200,018	34,828,521
Operating Income (Loss)	(12,373,420)	250,420	2,583,104	(9,539,896)
NONOPERATING REVENUES (EXPENSES):				
Investment Income:				
Interest Earnings	21,156	7,514	34,282	62,952
Interest Earnings - Restricted	62	-	39,089	39,151
Discount Earnings	112	-	4,364	4,476
Miscellaneous	3,416	-	3,090	6,506
Sales Tax	7,716,898	-	-	7,716,898
Gain (Loss) on Sale of Assets	(3,902)	-	69,238	65,336
Interest Expense	(310,560)	-	(1,064,245)	(1,374,805)
Gain (Loss) on Advance Refunding	(47,102)	-	(28,317)	(75,419)
Federal Operating Grant	3,829,999	-	-	3,829,999
Fiscal Agent Fees	(792)	-	(1,542)	(2,334)
Bond Issuance Cost Amortized	(33,227)	-	(47,118)	(80,345)
Other Non-Operating Expenses	-	-	(28,764)	(28,764)
Amortized Bond Premiums	-	-	152,052	152,052
State Dept. of Highways	595,507	-	-	595,507
Other	(26,611)	-	-	(26,611)
TOTAL NONOPERATING REVENUES (EXPENSES)	11,744,956	7,514	(867,871)	10,884,599
Income (Loss) Before Contributions and Transfers	(628,464)	257,934	1,715,233	1,344,703
Capital Contributions-Grants	243,600	-	-	243,600
Change in Net Position	(384,864)	257,934	1,715,233	1,588,303
Total Net Position-Beginning	37,581,168	2,659,752	5,948,548	46,189,468
Prior Period Adjustment	(75,395)	-	(331,455)	(406,850)
Total Net Position-Ending	\$ 37,120,909	2,917,686	7,332,326	47,370,921

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2014

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 4,065,982	1,424,113	19,159,204	24,649,299
Receipts from interfund services provided	-	-	228,770	228,770
Payments to suppliers	(4,235,029)	(310,465)	(4,526,135)	(9,071,629)
Payments to employees	(9,705,716)	(585,461)	(6,053,628)	(16,344,805)
Payments for interfund services used	(189,958)	(257,858)	(4,534,231)	(4,982,047)
Net cash provided (used) by operating activities	(10,064,721)	270,329	4,273,980	(5,520,412)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	-	-	(76,342)	(76,342)
Subsidy from federal and state grants	3,859,009	-	-	3,859,009
Sales Tax	7,716,898	-	-	7,716,898
Transfer from other funds	-	-	571,487	571,487
Net cash provided (used) by noncapital and related financing activities	11,575,907	-	495,145	12,071,052
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt	(10,314)	-	3,108,882	3,098,568
Subsidy from federal and state grants	243,600	-	-	243,600
Principal paid on capital debt	(1,298,122)	-	(2,792,706)	(4,090,828)
Interest paid on capital debt	(299,384)	-	(1,062,091)	(1,361,475)
Acquisition and construction of capital assets	(303,255)	(67,325)	(6,317,343)	(6,687,923)
Proceeds from sales of capital assets	-	-	19,238	19,238
Net cash provided (used) by capital and related financing activities	(1,667,475)	(67,325)	(7,044,020)	(8,778,820)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	145,678	(208,329)	2,185,594	2,122,943
Interest and dividends received	20,819	6,999	90,708	118,526
Net cash provided (used) by investing activities	166,497	(201,330)	2,276,302	2,241,469
Net increase (decrease) in cash and cash equivalents	10,208	1,674	1,407	13,289
Cash and cash equivalents, October 1	23,960	14,642	79,364	117,966
Cash and cash equivalents, September 30	\$ 34,168	16,316	80,771	131,255

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2014

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (12,373,420)	250,420	2,583,104	(9,539,896)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,223,578	43,801	2,199,221	4,466,600
(Increase) decrease in landfill closure and post closure costs	-	-	659,359	659,359
(Increase) decrease in accounts receivable	(2,233)	(21,522)	(453,845)	(477,600)
Increase in allowance for uncollectible accounts	22	7,369	58,697	66,088
(Increase) decrease in inventories	86,888	-	(2,503)	84,385
(Increase) decrease in prepaid items	2,576	-	-	2,576
Increase in customer deposits	725	508	-	1,233
Increase (decrease) in accounts payable	(31,895)	(3,830)	(829,737)	(865,462)
Increase (decrease) in deferred revenues	-	(276)	-	(276)
Increase (decrease) in compensated absences payable	30,433	(5,746)	100,479	125,166
Increase (decrease) in accrued wages and employee benefits	(1,395)	(395)	(40,795)	(42,585)
Total adjustments	2,308,699	19,909	1,690,876	4,019,484
Net cash provided (used) by operating activities	\$ (10,064,721)	270,329	4,273,980	(5,520,412)
Noncash investing, capital, and financing activities:				
Current closure and post closure costs	-	-	659,359	659,359
Premiums	-	-	316,000	316,000
Bond issuance cost amortized	7,144	-	4,143	11,287
Loss on advance refunding	47,102	-	28,317	75,419
Accrued interest payable	11,969	-	3,696	15,665
Sale of assets	(3,902)	-	50,000	46,098

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CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 3,475,848	3,475,848	3,380,086	-	3,380,086	(95,762)
Miscellaneous	137,757	137,757	166,196	-	166,196	28,439
Rental of Facilities	520,344	520,344	521,186	-	521,186	842
TOTAL OPERATING REVENUES	4,133,949	4,133,949	4,067,468	-	4,067,468	(66,481)
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	6,106,193	5,807,888	5,741,729	(6,048)	5,735,681	72,207
Materials and Supplies	1,259,636	1,335,436	1,338,275	-	1,338,275	(2,839)
Contractual Services	322,769	332,018	327,894	-	327,894	4,124
Other	74,966	160,928	160,151	-	160,151	777
Total Opt-Fixed Route	7,763,564	7,636,270	7,568,049	(6,048)	7,562,001	74,269
Opt-Para Transit:						
Personnel Services	1,010,214	1,136,469	1,153,804	(9,245)	1,144,559	(8,090)
Materials and Supplies	169,875	168,343	161,309	-	161,309	7,034
Contractual Services	111,815	129,236	121,988	-	121,988	7,248
Other	16,374	9,700	8,651	-	8,651	1,049
Total Opt-Para Transit	1,308,278	1,443,748	1,445,752	(9,245)	1,436,507	7,241
Maint-Fixed Route:						
Personnel Services	1,426,588	1,525,054	1,534,391	(12,986)	1,521,405	3,649
Materials and Supplies	865,234	972,367	907,744	-	907,744	64,623
Contractual Services	162,485	163,838	159,129	-	159,129	4,709
Total Maint-Fixed Route	2,454,307	2,661,259	2,601,264	(12,986)	2,588,278	72,981
Maint-Para Transit:						
Personnel Services	219,027	234,602	232,732	(60)	232,672	1,930
Materials and Supplies	83,716	101,941	97,896	-	97,896	4,045
Contractual Services	33,727	45,712	41,127	-	41,127	4,585
Total Maint-Para Transit	336,470	382,255	371,755	(60)	371,695	10,560
Training and Safety:						
Personnel Services	65,672	66,722	68,059	(1,788)	66,271	451
Materials and Supplies	17,788	13,476	10,985	-	10,985	2,491
Contractual Services	2,429	2,504	2,591	-	2,591	(87)
Total Training and Safety	85,889	82,702	81,635	(1,788)	79,847	2,855
Building/Grounds:						
Personnel Services	232,388	243,535	241,065	576	241,641	1,894
Materials and Supplies	44,284	44,580	37,987	-	37,987	6,593
Contractual Services	364,520	254,455	197,063	-	197,063	57,392
Total Building/Grounds	\$ 641,192	542,570	476,115	576	476,691	65,879

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
Bus Stop/Shelters:						
Personnel Services	\$ 106,717	113,936	110,169	(6,530)	103,639	10,297
Contractual Services	6,000	7,350	7,349	-	7,349	1
Total Bus Stop/Shelters	112,717	121,286	117,518	(6,530)	110,988	10,298
General Administration:						
Personnel Services	347,579	328,679	327,374	(1,880)	325,494	3,185
Materials and Supplies	33,522	26,724	21,626	-	21,626	5,098
Contractual Services	617,658	606,156	577,411	-	577,411	28,745
Other	-	12,483	12,817	(22)	12,795	(312)
Total General Administration	998,759	974,042	939,228	(1,902)	937,326	36,716
Transit Center Building:						
Personnel Services	280,832	297,462	267,438	1,666	269,104	28,358
Materials and Supplies	44,727	58,870	50,316	-	50,316	8,554
Contractual Services	268,896	317,620	231,383	-	231,383	86,237
Other	49,600	-	-	-	-	-
Total Transit Center Building	644,055	673,952	549,137	1,666	550,803	123,149
Transit Center Facility:						
Personnel Services	56,790	60,375	57,993	(668)	57,325	3,050
Materials and Supplies	5,250	2,780	2,732	-	2,732	48
Contractual Services	6,826	6,641	6,134	-	6,134	507
Other	100,350	30,760	(2)	-	(2)	30,762
Total Transit Center Facility	169,216	100,556	66,857	(668)	66,189	34,367
Total Operating Expenses Before Depreciation	14,514,447	14,618,640	14,217,310	(36,985)	14,180,325	438,315
Depreciation	-	-	2,223,578	(2,223,578)	-	-
TOTAL OPERATING EXPENSES	14,514,447	14,618,640	16,440,888	(2,260,563)	14,180,325	438,315
Operating Income (Loss)	\$ (10,380,498)	(10,484,691)	(12,373,420)	2,260,563	(10,112,857)	371,834

(Continued)

CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 9,600	12,294	21,156	-	21,156	8,862
Interest Earnings-Restricted	500	500	62	-	62	(438)
Discount Earnings	96	96	112	-	112	16
Premiums	-	349,400	-	349,400	349,400	-
Miscellaneous	-	-	3,416	-	3,416	3,416
Sales Tax	7,732,021	7,732,021	7,716,898	-	7,716,898	(15,123)
Loss on Sale of Equipment	-	-	(3,902)	3,902	-	-
Bond Proceeds	-	3,450,355	-	3,450,355	3,450,355	-
Interest Expense	(204,163)	(304,776)	(310,560)	11,968	(298,592)	6,184
Principal Paid Revenue Bonds	(626,940)	(1,291,940)	-	(1,298,122)	(1,298,122)	(6,182)
Loss on Advanced Refunding	-	(8,347)	(47,102)	38,755	(8,347)	-
Bond Issuance Costs Amortized	-	(2,008)	7,144	(9,113)	(1,969)	39
Bond Costs	-	(52,094)	(40,371)	(11,723)	(52,094)	-
FTA Operating Grant	3,247,188	3,247,188	3,829,999	-	3,829,999	582,811
Fiscal Agent Fees	-	-	(792)	-	(792)	(792)
State Dept. of Highways	604,991	624,991	595,507	-	595,507	(29,484)
Construction	(982,405)	(9,397,922)	-	(280,060)	(280,060)	9,117,862
Other Non-Operating Expenses	(2,064,815)	(1,231,713)	(26,611)	-	(26,611)	1,205,102
TOTAL NONOPERATING REVENUES AND (EXPENSES)	7,716,073	3,128,045	11,744,956	2,255,362	14,000,318	10,872,273
Income (Loss) Before Contributions and Transfers	(2,664,425)	(7,356,646)	(628,464)	4,515,925	3,887,461	11,244,107
Capital Contributions:						
Federal Capital Grant	346,697	3,920,027	15,102	-	15,102	(3,904,925)
State Capital Grant	-	435,094	228,498	-	228,498	(206,596)
Transfers In:						
Transit Sales Tax	6,257,764	6,237,764	-	5,742,058	5,742,058	(495,706)
Transfers Out:						
Transit Operations	(6,171,090)	(6,151,090)	-	(5,655,383)	(5,655,383)	495,707
Capital and Planning	(86,674)	(86,674)	-	(86,675)	(86,675)	(1)
Change in Net Position	(2,317,728)	(3,001,525)	(384,864)	4,515,925	4,131,061	7,132,586
Total Net Position-Beginning	37,581,168	37,581,168	37,581,168	-	37,581,168	-
Prior Period Adjustment	-	-	(75,395)	-	(75,395)	75,395
Total Net Position-Ending	\$ 35,263,440	34,579,643	37,120,909	4,515,925	41,636,834	7,207,981

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 4,065,982
Payments to suppliers	(4,235,029)
Payments to employees	(9,705,716)
Payments for interfund services used	(189,958)
Net cash provided (used) by operating activities	(10,064,721)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Subsidy from federal and state grants	3,859,009
Sales Tax	7,716,898
Net cash provided (used) by noncapital and related financing activities	11,575,907

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	(10,314)
Subsidy from federal and state grants	243,600
Acquisition and construction of capital assets	(303,255)
Principal paid on capital debt	(1,298,122)
Interest paid on capital debt	(299,384)
Net cash provided (used) by capital and related financing activities	(1,667,475)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	145,678
Interest and dividends received	20,819
Net cash provided (used) by investing activities	166,497

Net increase (decrease) in cash and cash equivalents	10,208
Cash and cash equivalents, October 1	23,960
Cash and cash equivalents, September 30	\$ 34,168

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ (12,373,420)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,223,578
(Increase) decrease in accounts receivable	(2,233)
Increase in allowance for uncollectible accounts	22
(Increase) decrease in inventories	86,888
(Increase) decrease in prepaid items	2,576
Increase in customer deposits	725
Increase (decrease) in accounts payable	(31,895)
Increase (decrease) in compensated absences payable	30,433
Increase (decrease) in accrued wages and employee benefits	(1,395)

Total adjustments	<u>2,308,699</u>

Net cash provided (used) by operating activities	<u><u>\$ (10,064,721)</u></u>

**Noncash investing, capital and financing
activities:**

Disposition of assets	(3,902)
Bond issuance cost amortized	7,144
Accrued Interest Payable	11,969
Loss on Advance Refunding	47,102

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 859,282	859,282	804,762	-	804,762	(54,520)
Toll Receipts	51,372,082	51,372,082	54,081,544	-	54,081,544	2,709,462
Miscellaneous	221,195	221,195	339,775	-	339,775	118,580
TOTAL OPERATING REVENUES	52,452,559	52,452,559	55,226,081	-	55,226,081	2,773,522
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,204,748	2,204,748	1,985,831	9,570	1,995,401	209,347
Materials and Supplies	267,042	224,544	172,591	-	172,591	51,953
Contractual Services	29,329,427	29,104,201	30,210,167	-	30,210,167	(1,105,966)
Other	20,000	20,000	2,964	-	2,964	17,036
Total Laredo Bridge Operations	31,821,217	31,553,493	32,371,553	9,570	32,381,123	(827,630)
Bridge II Operations:						
Personnel Services	2,269,602	2,269,602	2,087,113	4,121	2,091,234	178,368
Materials and Supplies	101,261	174,761	140,140	-	140,140	34,621
Contractual Services	389,165	384,971	286,360	-	286,360	98,611
Capital Outlay	-	3,774	-	3,774	3,774	-
Total Bridge II Operations	2,760,028	2,833,108	2,513,613	7,895	2,521,508	311,600
Colombia Bridge Operations:						
Personnel Services	1,262,089	1,262,089	1,156,461	835	1,157,296	104,793
Materials and Supplies	31,061	45,686	31,601	-	31,601	14,085
Contractual Services	263,383	251,302	200,661	-	200,661	50,641
Capital Outlay	-	2,935	-	2,935	2,935	-
Total Colombia Bridge Operations	1,556,533	1,562,012	1,388,723	3,770	1,392,493	169,519
Central America Convention:						
Contractual Services	50,000	384	-	-	-	384
Total Central America Convention	50,000	384	-	-	-	384
Cold Storage Facility:						
Contractual Services	67,500	67,500	-	-	-	67,500
Total Cold Storage Facility	67,500	67,500	-	-	-	67,500
Fourth Bridge Operations:						
Personnel Services	2,207,907	2,207,907	2,210,107	(8,626)	2,201,481	6,426
Materials and Supplies	146,634	248,904	195,611	-	195,611	53,293
Contractual Services	685,236	805,249	724,634	-	724,634	80,615
Capital Outlay	-	19,617	-	18,938	18,938	679
Total Fourth Bridge Operations	3,039,777	3,281,677	3,130,352	10,312	3,140,664	141,013
Fifth Bridge:						
Contractual Services	50,000	7,307	-	-	-	7,307
Total Fifth Bridge	50,000	7,307	-	-	-	7,307
Total Operating Expenses Before Depreciation	39,345,055	39,305,481	39,404,241	31,547	39,435,788	(130,307)
Depreciation	-	-	2,984,756	(2,984,756)	-	-
TOTAL OPERATING EXPENSES	39,345,055	39,305,481	42,388,997	(2,953,209)	39,435,788	(130,307)
Operating Income (Loss)	\$ 13,107,504	13,147,078	12,837,084	2,953,209	15,790,293	2,643,215

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 12,484	12,484	18,975	-	18,975	6,491
Interest Earnings - Restricted	24,171	26,530	30,161	-	30,161	3,631
Discount Earnings	-	-	11	-	11	11
Premiums	-	3,374,616	-	3,374,617	3,374,617	1
Miscellaneous	-	477,493	477,746	-	477,746	253
Gain/(Loss) On Sale of Assets	-	-	(8,586,443)	8,589,368	2,925	2,925
Bond Issues	-	35,425,000	-	35,425,000	35,425,000	-
Interest Expense	(2,879,780)	(2,879,780)	(1,992,962)	-	(1,992,962)	886,818
Principal Paid Revenue Bonds	(5,842,293)	(42,062,304)	-	(42,140,264)	(42,140,264)	(77,960)
Fiscal Agent Fees	(1,000)	(1,000)	(2,500)	-	(2,500)	(1,500)
Bond Issuance Cost Amortized	-	(784,211)	(599,723)	(178,645)	(778,368)	5,843
Loss on Advance Refunding	-	(1,795,394)	(49,854)	(1,745,541)	(1,795,395)	(1)
Construction	(258,500)	(4,401,925)	(341,616)	(1,534,913)	(1,876,529)	2,525,396
TOTAL NONOPERATING REVENUES (EXPENSES)	(8,944,918)	(12,608,491)	(11,046,205)	1,789,622	(9,256,583)	3,351,908
Income (Loss) Before Contributions and Transfers	4,162,586	538,587	1,790,879	4,742,831	6,533,710	5,995,123
Transfers In:						
Bridge Operating Fund	8,535,734	8,535,734	-	8,210,047	8,210,047	(325,687)
Transfers Out:						
General Fund	-	(78,142)	(78,142)	-	(78,142)	-
Capital Improvements Fund	(3,922,399)	(3,922,399)	(6,733,842)	-	(6,733,842)	(2,811,443)
Debt Service	(773,633)	(773,633)	(773,633)	-	(773,633)	-
Bridge Construction	-	-	-	(600,000)	(600,000)	(600,000)
Bridge Refrigerated Facility	(52,500)	(52,500)	-	(48,750)	(48,750)	3,750
Bridge Debt Service	(8,483,234)	(8,483,234)	-	(7,561,297)	(7,561,297)	921,937
Change in Net Position	(533,446)	(4,235,587)	(5,794,738)	4,742,831	(1,051,907)	3,183,680
Total Net Position-Beginning	37,497,735	37,497,735	37,497,735	-	37,497,735	-
Prior Period Adjustment	-	-	(851,385)	-	(851,385)	(851,385)
Total Net Position-Ending	\$ 36,964,289	33,262,148	30,851,612	4,742,831	35,594,443	2,332,295

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 55,546,663
Payments to suppliers	(2,188,973)
Payments to employees	(7,436,758)
Payments for interfund services used	(29,810,380)
Net cash provided by operating activities	16,110,552

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(7,585,617)
Net cash provided (used) by noncapital and related financing activities	(7,585,617)

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:**

Proceeds from capital debt	36,225,854
Acquisition and construction of capital assets	(1,424,430)
Principal paid on capital debt	(42,140,264)
Interest paid on capital debt	(1,995,462)
Proceeds from sales of capital assets	2,925
Net cash provided (used) by capital and related financing activities	(9,331,377)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	759,745
Interest and dividends received	55,370
Net cash provided (used) by investing activities	815,115

Net increase (decrease) in cash and cash equivalents	8,673
Cash and cash equivalents, October 1	37,820
Cash and cash equivalents, September 30	\$ 46,493

(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ 12,837,084
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,984,756
(Increase) decrease in accounts receivable	(362)
Increase (decrease) in accounts payable	(34,624)
Increase (decrease) in deferred revenues	320,944
Increase (decrease) in compensated absences payable	(5,900)
Increase (decrease) in accrued wages and employee benefits	8,654
Total adjustments	3,273,468
Net cash provided by operating activities	\$ 16,110,552

**Noncash investing, capital, and financing
activities:**

Disposition of Assets	8,589,368
Premium on Refunding Issue	3,374,617
Bond issuance cost amortized	502,308
Loss on advance refunding	1,745,541

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 1,240,000	1,240,000	1,267,269	-	1,267,269	27,269
Charges for Services	140,000	140,000	139,490	-	139,490	(510)
Miscellaneous	31,505	31,505	31,276	-	31,276	(229)
TOTAL OPERATING REVENUES	1,411,505	1,411,505	1,438,035	-	1,438,035	26,530
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	552,289	554,028	477,200	(3,678)	473,522	80,506
Materials and Supplies	147,999	152,993	109,609	-	109,609	43,384
Contractual Services	299,041	272,936	214,688	-	214,688	58,248
Other	51,751	51,751	54,137	(7,369)	46,768	4,983
Capital Outlay	50,500	50,500	-	44,855	44,855	5,645
Total Airport Housing	1,101,580	1,082,208	855,634	33,808	889,442	192,766
West Laredo Housing:						
Personnel Services	106,832	116,470	102,121	(9,422)	92,699	23,771
Materials and Supplies	40,841	48,816	28,969	-	28,969	19,847
Contractual Services	224,587	210,610	136,990	-	136,990	73,620
Other	20,100	20,100	20,100	-	20,100	-
Capital Outlay	-	-	-	22,471	22,471	(22,471)
Total West Laredo Housing	392,360	395,996	288,180	13,049	301,229	94,767
Total Operating Expenses Before Depreciation	1,493,940	1,478,204	1,143,814	46,857	1,190,671	287,533
Depreciation Expense	-	-	43,801	(43,801)	-	-
TOTAL OPERATING EXPENSES	1,493,940	1,478,204	1,187,615	3,056	1,190,671	287,533
Operating Income (Loss)	(82,435)	(66,699)	250,420	(3,056)	247,364	314,063
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	4,900	4,900	7,514	-	7,514	2,614
TOTAL NONOPERATING REVENUES (EXPENSES)	4,900	4,900	7,514	-	7,514	2,614
Change in Net Positioni	(77,535)	(61,799)	257,934	(3,056)	254,878	316,677
Total Net Position-Beginning	2,659,752	2,659,752	2,659,752	-	2,659,752	-
Total Net Position-Ending	\$ 2,582,217	2,597,953	2,917,686	(3,056)	2,914,630	316,677

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**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,424,113
Payments to suppliers	(310,465)
Payments to employees	(585,461)
Payments for interfund services used	(257,858)
Net cash provided by operating activities	270,329

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:**

Acquisition and construction of capital assets	(67,325)
Net cash provided (used) by capital and related financing activities	(67,325)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(208,329)
Interest and dividends received	6,999
Net cash provided (used) by investing activities	(201,330)

Net increase (decrease) in cash and cash equivalents	1,674
Cash and cash equivalents, October 1	14,642
Cash and cash equivalents, September 30	\$ 16,316

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ 250,420
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	43,801
(Increase) decrease in accounts receivable	(21,522)
Increase in allowance for uncollectible accounts	7,369
Increase (decrease) in customer deposits	508
Increase (decrease) in accounts payable	(3,830)
Increase (decrease) in deferred revenues	(276)
Increase (decrease) in compensated absences payable	(5,746)
Increase (decrease) in accrued wages and employee benefits	(395)

Total adjustments	19,909

Net cash provided by operating activities	\$ 270,329

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Charges for Services	\$ 37,508,436	37,508,436	36,738,275	-	36,738,275	(770,161)
Miscellaneous	4,632,869	4,617,669	4,826,764	-	4,826,764	209,095
TOTAL OPERATING REVENUES	42,141,305	42,126,105	41,565,039	-	41,565,039	(561,066)
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,406,471	1,406,471	1,266,403	7,061	1,273,464	133,007
Materials and Supplies	81,094	81,094	32,546	-	32,546	48,548
Contractual Services	3,159,559	3,159,559	2,941,047	-	2,941,047	218,512
Other	238,102	238,102	140,116	(131,859)	8,257	229,845
Capital Outlay	2,841	2,841	-	2,841	2,841	-
Total General and Administrative	4,888,067	4,888,067	4,380,112	(121,957)	4,258,155	629,912
Utility Engineering:						
Personnel Services	1,148,140	1,148,140	1,063,151	17,410	1,080,561	67,579
Materials and Supplies	79,299	78,399	58,893	-	58,893	19,506
Contractual Services	130,283	131,183	117,371	-	117,371	13,812
Other	400	400	-	-	-	400
Capital Outlay	100,000	100,000	-	60,003	60,003	39,997
Total Utility Engineering	1,458,122	1,458,122	1,239,415	77,413	1,316,828	141,294
Utility Billing:						
Personnel Services	2,216,036	2,306,051	2,170,563	(8,970)	2,161,593	144,458
Materials and Supplies	1,047,711	932,696	581,162	-	581,162	351,534
Contractual Services	965,215	988,215	838,054	-	838,054	150,161
Other	-	-	4,473	-	4,473	(4,473)
Capital Outlay	101,996	112,391	-	105,911	105,911	6,480
Total Utility Billing	4,330,958	4,339,353	3,594,252	96,941	3,691,193	648,160
Asset Management:						
Personnel Services	308,449	308,449	299,628	(537)	299,091	9,358
Materials and Supplies	17,289	27,289	16,605	-	16,605	10,684
Contractual Services	47,682	47,682	29,507	-	29,507	18,175
Capital Outlay	25,000	15,000	-	-	-	15,000
Total Asset Management	398,420	398,420	345,740	(537)	345,203	53,217
Water Treatment:						
Personnel Services	2,081,018	2,081,018	2,425,671	(9,327)	2,416,344	(335,326)
Materials and Supplies	1,678,600	1,650,500	1,447,019	-	1,447,019	203,481
Contractual Services	5,455,306	5,494,406	4,729,918	-	4,729,918	764,488
Capital Outlay	249,032	238,032	-	183,892	183,892	54,140
Total Water Treatment	9,463,956	9,463,956	8,602,608	174,565	8,777,173	686,783
Transmission and Distribution:						
Personnel Services	1,498,326	1,498,326	1,464,495	2,631	1,467,126	31,200
Materials and Supplies	1,046,748	1,039,256	805,127	-	805,127	234,129
Contractual Services	1,049,530	1,026,850	914,812	-	914,812	112,038
Other	-	492	(9,074)	-	(9,074)	9,566
Capital Outlay	901,312	803,000	-	729,684	729,684	73,316
Total Transmission and Distribution	\$ 4,495,916	4,367,924	3,175,360	732,315	3,907,675	460,249

(Continued)

CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
Water Pollution Control:						
Personnel Services	\$ 294,745	294,745	285,445	(1,444)	284,001	10,744
Materials and Supplies	65,391	71,391	19,490	-	19,490	51,901
Contractual Services	204,376	122,204	36,542	-	36,542	85,662
Capital Outlay	50,000	50,000	-	33,956	33,956	16,044
Total Water Pollution Control	614,512	538,340	341,477	32,512	373,989	164,351
Total Operating Expenses Before Depreciation	25,649,951	25,454,182	21,678,964	991,252	22,670,216	2,783,966
Depreciation Expense	-	-	9,367,622	(9,367,622)	-	-
TOTAL OPERATING EXPENSES	25,649,951	25,454,182	31,046,586	(8,376,370)	22,670,216	2,783,966
Operating Income (Loss)	16,491,354	16,671,923	10,518,453	8,376,370	18,894,823	2,222,900
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	49,751	49,751	66,707	-	66,707	16,956
Interest Earnings Restricted	301,143	2,537,576	153,229	-	153,229	(2,384,347)
Discount Earnings	-	5,236	17,894	-	17,894	12,658
Interest Rebate	872,014	872,014	809,229	-	809,229	(62,785)
Premiums	-	6,692,013	-	1,098,542	1,098,542	(5,593,471)
Miscellaneous	38,569	989,332	20,170	-	20,170	(969,162)
Water Availability Fees	-	1,035,127	1,105,635	-	1,105,635	70,508
Gain on Sale of Assets	-	10,000	277,096	13,602	290,698	280,698
Bond Issues	-	197,067,593	-	18,215,000	18,215,000	(178,852,593)
Interest Expense	(9,925,602)	(10,546,376)	(10,552,363)	(183,146)	(10,735,509)	(189,133)
Principal Paid Revenue Bond / Capital Leases	(7,429,435)	(8,299,435)	-	(8,109,433)	(8,109,433)	190,002
Fiscal Agent Fees	-	-	(5,500)	-	(5,500)	(5,500)
Bond Issuance Cost Amortized	-	(2,538,755)	(103,834)	(202,565)	(306,399)	2,232,356
Loss on Advance Funding	-	-	(85,771)	85,771	-	-
Water Rights Acq./Water Conservation	(3,188,318)	(5,537,459)	(71,682)	-	(71,682)	5,465,777
Other Non-Operating Expenses	(3,942,875)	(206,477,590)	(5,066,140)	(38,826,778)	(43,892,918)	162,584,672
TOTAL NONOPERATING REVENUES (EXPENSES)	(23,224,753)	(24,140,973)	(13,435,330)	(27,909,007)	(41,344,337)	(17,203,364)
Income (Loss) Before Contributions and Transfers	(6,733,399)	(7,469,050)	(2,916,877)	(19,532,637)	(22,449,514)	(14,980,464)
Capital Contributions:						
Intergovernmental Revenue	-	108,272	227	-	227	(108,045)
Contributions - Developers	-	-	2,628,836	(2,628,836)	-	-
Transfer In:						
Waterworks System	20,095,828	29,560,701	-	18,294,339	18,294,339	(11,266,362)
Water Bond Funds	-	7,571,273	-	6,080,499	6,080,499	(1,490,774)
Sewer Fund	-	6,930,000	-	-	-	(6,930,000)
Transfers Out:						
Water Construction Fund	(1,706,362)	(1,706,362)	-	(764,976)	(764,976)	941,386
Water Operations	-	(5,500,000)	-	(5,500,000)	(5,500,000)	-
Water Debt Service	(17,354,339)	(25,053,784)	-	(18,109,862)	(18,109,862)	6,943,922
Sewer Fund	-	(6,930,000)	(6,930,000)	-	(6,930,000)	-
Change in Net Position	(5,698,272)	(2,488,950)	(7,217,814)	(22,161,473)	(29,379,287)	(26,890,337)
Total Net Position-Beginning	177,009,126	177,009,126	177,009,126	-	177,009,126	-
Prior Period Adjustment	-	-	(2,495,125)	-	(2,495,125)	(2,495,125)
Total Net Position-Ending	\$ 171,310,854	174,520,176	167,296,187	(22,161,473)	145,134,714	(29,385,462)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 39,640,119
Receipts from interfund services provided	600,522
Payments to suppliers	(23,910,547)
Payments to employees	(8,934,442)
Payments for interfund services used	(3,988,678)
Net cash provided by operating activities	3,406,974

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(31,687,941)
Transfer from other funds	24,374,838
Net cash provided (used) by noncapital and related financing activities	(7,313,103)

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:**

Proceeds from capital debt	19,007,143
Subsidy from federal and state grants	5,744
Acquisition and construction of capital assets	(43,955,081)
Principal paid on capital debt	(8,109,433)
Interest paid on capital debt	(10,741,009)
Proceeds from sales of capital assets	290,698
Net cash provided (used) by capital and related financing activities	(43,501,938)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	46,235,057
Interest and dividends received	1,106,605
Issuance of notes receivable	(101)
Net cash provided (used) by investing activities	47,341,561

Net increase (decrease) in cash and cash equivalents	(66,506)
Cash and cash equivalents, October 1	276,551

Cash and cash equivalents, September 30	\$ 210,045

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ 10,518,453
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	9,367,622
(Increase) decrease in accounts receivable	(1,656,782)
Increase (decrease) in allowance for uncollectible accounts	131,819
(Increase) decrease in inventories	(658,750)
Increase (decrease) in customer deposits	188,752
Increase (decrease) in accounts payable	(14,536,867)
Increase (decrease) in deferred revenues	11,813
Increase (decrease) in compensated absences payable	(6,825)
Increase (decrease) in accrued wages and employee benefits	47,739

Total adjustments	(7,111,479)

Net cash provided by operating activities	\$ 3,406,974

**Noncash investing, capital, and financing
activities:**

Bond issuance cost amortized	360,498
Premiums	1,098,542
Contributions of capital assets from developers	2,628,836
Increase (decrease) in accrued interest payable	6,854
Loss on advance refunding	85,771

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Charges for Services	\$ 32,333,680	32,333,680	30,178,398	-	30,178,398	(2,155,282)
Miscellaneous	91,157	91,157	195,385	-	195,385	104,228
TOTAL OPERATING REVENUES	32,424,837	32,424,837	30,373,783	-	30,373,783	(2,051,054)
OPERATING EXPENSES:						
Administrative:						
Materials and Supplies	19	19	-	-	-	19
Contractual Services	6,263,528	6,263,528	6,234,328	-	6,234,328	29,200
Other	251,241	251,241	118,824	(118,448)	376	250,865
Total Administrative	6,514,788	6,514,788	6,353,152	(118,448)	6,234,704	280,084
Wastewater Treatment:						
Personnel Services	2,076,066	2,159,766	2,134,038	(15,191)	2,118,847	40,919
Materials and Supplies	961,259	944,259	696,475	-	696,475	247,784
Contractual Services	4,586,260	4,529,368	3,666,222	-	3,666,222	863,146
Capital Outlay	286,883	271,883	-	69,990	69,990	201,893
Total Wastewater Treatment	7,910,468	7,905,276	6,496,735	54,799	6,551,534	1,353,742
Wastewater Collection:						
Personnel Services	1,409,797	1,553,525	1,475,938	8,079	1,484,017	69,508
Materials and Supplies	1,234,928	1,210,573	875,577	-	875,577	334,996
Contractual Services	1,899,218	1,839,109	1,213,133	-	1,213,133	625,976
Capital Outlay	630,000	520,419	-	483,063	483,063	37,356
Total Wastewater Collection	5,173,943	5,123,626	3,564,648	491,142	4,055,790	1,067,836
Total Operating Expenses Before Depreciation	19,599,199	19,543,690	16,414,535	427,493	16,842,028	2,701,662
Depreciation Expense	-	-	6,716,412	(6,716,412)	-	-
TOTAL OPERATING EXPENSES	19,599,199	19,543,690	23,130,947	(6,288,919)	16,842,028	2,701,662
Operating Income (Loss)	\$ 12,825,638	12,881,147	7,242,836	6,288,919	13,531,755	650,608

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014**

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 52,484	52,484	77,484	-	77,484	25,000
Interest Earnings Restricted	272,933	2,234,564	103,145	-	103,145	(2,131,419)
Discount Earnings	8,000	8,000	15,920	-	15,920	7,920
Premium	-	1,381,316	-	27,410	27,410	(1,353,906)
Gain/Loss On Sale of Equipment	-	-	6,473	52	6,525	6,525
Bond Issues	-	137,088,581	-	9,125,000	9,125,000	(127,963,581)
Miscellaneous	29,844	587,083	9,748	-	9,748	(577,335)
Intergovernmental Revenue	-	6,628	-	-	-	(6,628)
Interest Expense	(4,052,525)	(4,373,268)	(4,367,911)	(174,058)	(4,541,969)	(168,701)
Principal Paid Revenue Bond /						
Capital Leases	(6,670,816)	(7,550,816)	-	(7,382,105)	(7,382,105)	168,711
Fiscal Agent Fees	-	-	(4,625)	-	(4,625)	(4,625)
Bond Issuance Cost Amortized	-	(2,095,900)	(92,629)	87,782	(4,847)	2,091,053
Loss on Advance Refunding	-	(63,972)	(56,918)	(7,054)	(63,972)	-
Other Non Operating Expenses	(3,581,953)	(138,029,406)	(5,221,777)	(40,908,829)	(46,130,606)	91,898,800
TOTAL NONOPERATING REVENUES (EXPENSES)	(13,942,033)	(10,754,706)	(9,531,090)	(39,231,802)	(48,762,892)	(38,008,186)
Income (Loss) Before Contributions and Transfers	(1,116,395)	2,126,441	(2,288,254)	(32,942,883)	(35,231,137)	(37,357,578)
Capital Contributions:						
Contributions - Others	-	-	592,000	(592,000)	-	-
Contributions - Developers	-	-	2,281,756	(2,281,756)	-	-
Transfers In:						
Sewer Debt Service	12,590,253	13,676,031	-	11,669,141	11,669,141	(2,006,890)
Sewer Bond Funds	-	15,903,915	-	8,333,915	8,333,915	(7,570,000)
Sewer Construction	1,114,119	1,114,119	-	219,504	219,504	(894,615)
Water Fund	-	6,930,000	6,930,000	-	6,930,000	-
Transfers Out:						
Sewer Debt Service	(12,590,253)	(13,095,996)	-	(11,089,106)	(11,089,106)	2,006,890
Sewer Construction Fund	(1,114,119)	(1,114,119)	-	(219,504)	(219,504)	894,615
Sewer Bond Funds	-	(12,082,494)	-	-	-	12,082,494
Change in Net Position	(1,116,395)	13,457,897	7,515,502	(26,902,689)	(19,387,187)	(32,845,084)
Total Net Position-Beginning	99,479,739	99,479,739	99,479,739	-	99,479,739	-
Prior Period Adjustment	-	-	(1,778,653)	-	(1,778,653)	(1,778,653)
Total Net Position-Ending	\$ 98,363,344	112,937,636	105,216,588	(26,902,689)	78,313,899	(34,623,737)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 28,387,217
Receipts from interfund services provided	529,031
Payments to suppliers	(14,537,416)
Payments to employees	(808,297)
Payments for interfund services used	(2,771,064)
Net cash provided by operating activities	10,799,471

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	27,152,560
Transfer to other funds	(11,308,610)
Net cash provided (used) by noncapital and related financing activities	15,843,950

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	9,083,591
Acquisition and construction of capital assets	(46,673,911)
Principal paid on capital debt	(7,382,105)
Interest paid on capital debt	(4,546,594)
Proceeds from sales of capital assets	6,525
Net cash provided (used) by capital and related financing activities	(49,512,494)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	22,710,154
Interest and dividends received	214,334
Issuance of notes receivable	(258)
Net cash provided (used) by investing activities	22,924,230

Net increase (decrease) in cash and cash equivalents	55,157
Cash and cash equivalents, October 1	138,006

Cash and cash equivalents, September 30	\$ 193,163

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ 7,242,836
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	6,716,412
(Increase) decrease in accounts receivable	(1,576,240)
Increase (decrease) in allowance for uncollectible accounts	118,448
(Increase) decrease in inventories	(18,759)
Increase (decrease) in accounts payable	(1,714,098)
Increase (decrease) in deferred revenues	257
Increase (decrease) in compensated absences payable	7,112
Increase (decrease) in accrued wages and employee benefits	23,503

Total adjustments	3,556,635

Net cash provided by operating activities	10,799,471

**Noncash investing, capital, and financing
activities:**

Contributions of capital assets from developers & others	2,873,756
Bond issuance cost amortized	40,114
Premiums	27,410
Increase (decrease) in accrued interest payable	10,942
Loss on advance refunding	(7,054)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Charges for Services	\$ 19,768,878	19,768,878	19,378,350	-	19,378,350	(390,528)
Miscellaneous	66,133	66,133	404,772	-	404,772	338,639
TOTAL OPERATING REVENUES	19,835,011	19,835,011	19,783,122	-	19,783,122	(51,889)
OPERATING EXPENSES:						
Administration:						
Personnel Services	357,180	358,180	357,709	(81)	357,628	552
Materials and Supplies	13,503	21,468	13,357	-	13,357	8,111
Contractual Services	69,217	117,646	94,146	-	94,146	23,500
Other	-	-	110	(110)	-	-
Capital Outlay	1,729	31,551	-	25,153	25,153	6,398
Total Administration	441,629	528,845	465,322	24,962	490,284	38,561
Branch Division:						
Personnel Services	364,189	384,189	347,473	(1,239)	346,234	37,955
Materials and Supplies	69,061	71,461	61,727	-	61,727	9,734
Contractual Services	64,341	65,261	62,557	-	62,557	2,704
Capital Outlay	-	2,325	-	2,256	2,256	69
Total Branch Division	497,591	523,236	471,757	1,017	472,774	50,462
Recycling:						
Personnel Services	858,275	883,275	784,589	(12,428)	772,161	111,114
Materials and Supplies	259,850	204,583	151,431	-	151,431	53,152
Contractual Services	426,600	646,140	408,891	-	408,891	237,249
Capital Outlay	-	2,325	-	2,256	2,256	69
Total Recycling	1,544,725	1,736,323	1,344,911	(10,172)	1,334,739	401,584
Sanitation:						
Personnel Services	3,416,688	3,511,688	3,499,631	(78,548)	3,421,083	90,605
Materials and Supplies	1,357,850	1,370,192	1,252,088	-	1,252,088	118,104
Contractual Services	3,048,083	2,802,973	2,653,983	-	2,653,983	148,990
Other	1,050,000	729,800	59,057	(59,058)	(1)	729,801
Capital Outlay	-	23,144	-	22,553	22,553	591
Total Sanitation	8,872,621	8,437,797	7,464,759	(115,053)	7,349,706	1,088,091
Landfill:						
Personnel Services	1,074,536	1,124,536	1,123,910	(8,183)	1,115,727	8,809
Materials and Supplies	758,902	833,051	650,945	-	650,945	182,106
Contractual Services	3,438,230	3,531,452	2,785,513	-	2,785,513	745,939
Other	310,000	344,476	693,680	(856)	692,824	(348,348)
Capital Outlay	652,340	1,324,217	-	599,380	599,380	724,837
Total Landfill	6,234,008	7,157,732	5,254,048	590,341	5,844,389	1,313,343
Total Operating Expenses Before Depreciation	17,590,574	18,383,933	15,000,797	491,095	15,491,892	2,892,041
Depreciation Expense	-	-	2,199,221	(2,199,221)	-	-
TOTAL OPERATING EXPENSES	17,590,574	18,383,933	17,200,018	(1,708,126)	15,491,892	2,892,041
Operating Income (Loss)	\$ 2,244,437	1,451,078	2,583,104	1,708,126	4,291,230	2,840,152

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2014

(Continued)

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 17,600	17,600	34,282	-	34,282	16,682
Interest Earnings-Restricted	24,864	24,864	39,089	-	39,089	14,225
Premiums	-	-	-	316,000	316,000	316,000
Discount Earnings	3,059	3,059	4,364	-	4,364	1,305
Miscellaneous	-	-	3,090	-	3,090	3,090
Gain (Loss) From Sale of Assets	-	-	69,238	(50,000)	19,238	19,238
Bond Issues	19,416,907	30,035,611	-	2,840,000	2,840,000	(27,195,611)
Interest Expense	(969,525)	(933,273)	(1,064,245)	3,696	(1,060,549)	(127,276)
Gain (Loss) on Advance Refunding	-	-	(28,317)	28,317	-	-
Principal Paid Revenue Bond	(2,462,708)	(2,488,192)	-	(2,792,706)	(2,792,706)	(304,514)
Fiscal Agent Fees	(1,300)	(1,300)	(1,542)	-	(1,542)	(242)
Bond Issuance Cost Amortized	-	-	(47,118)	(4,143)	(51,261)	(51,261)
Other Non-Operating Expenses	-	-	(28,764)	-	(28,764)	(28,764)
Amortized Bond Premiums	-	-	152,052	(152,052)	-	-
Construction	(19,416,907)	(26,845,381)	-	(5,640,071)	(5,640,071)	21,205,310
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,388,010)	(187,012)	(867,871)	(5,450,959)	(6,318,830)	(6,131,818)
Income (Loss) Before Contributions and Transfers	(1,143,573)	1,264,066	1,715,233	(3,742,833)	(2,027,600)	(3,291,666)
Transfers In:						
Solid Waste Fund	3,433,533	3,854,661	-	3,854,561	3,854,561	(100)
Transfers Out:						
Solid Waste Fund	(3,433,533)	(3,854,661)	-	(3,854,561)	(3,854,561)	100
Change in Net Position	(1,143,573)	1,264,066	1,715,233	(3,742,833)	(2,027,600)	(3,291,666)
Total Net Position-Beginning	5,948,548	5,948,548	5,948,548	-	5,948,548	-
Prior Period Adjustment	-	-	(331,455)	-	(331,455)	(331,455)
Total Net Position-Ending	\$ 4,804,975	7,212,614	7,332,326	(3,742,833)	3,589,493	(3,623,121)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 19,159,204
Receipts from interfund services provided	228,770
Payments to suppliers	(4,526,135)
Payments to employees	(6,053,628)
Payments for interfund services used	(4,534,231)
Net cash provided by operating activities	4,273,980

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(76,342)
Transfer from other funds	571,487
Net cash provided (used) by noncapital and related financing activities	495,145

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:**

Proceeds from capital debt	3,108,882
Principal paid on capital debt	(2,792,706)
Interest paid on capital debt	(1,062,091)
Acquisition and construction of capital assets	(6,317,343)
Proceeds from sales of capital assets	19,238
Net cash provided (used) by capital and related financing activities	(7,044,020)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	2,185,594
Interest and dividends received	90,708
Net cash provided (used) by investing activities	2,276,302

Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents, October 1

1,407
79,364

Cash and cash equivalents, September 30

\$ 80,771

(Continued)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2014**

(Continued)

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income	\$ 2,583,104
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,199,221
(Increase) decrease in landfill closure and post closure costs	659,359
(Increase) decrease in accounts receivable	(453,845)
Increase (decrease) in allowance for uncollectible accounts	58,697
(Increase) decrease in inventories	(2,503)
Increase (decrease) in accounts payable	(829,737)
Increase (decrease) in compensated absences payable	100,479
Increase (decrease) in accrued wages and employee benefits	(40,795)

Total adjustments	1,690,876

Net cash provided by operating activities	4,273,980

**Noncash investing, capital, and financing
activities:**

Current closure and post closure costs	659,359
Premiums	316,000
Bond issuance cost amortized	4,143
Loss on advance refunding	28,317
Accrued interest payable	3,696
Sale of assets	50,000

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FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

Agency Funds include:

POLICE RETIREE DEPENDENTS - to account for contributions made by city police officers and the City for expenses associated with health benefits premiums for retired police officers' dependents.

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

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

Pension Trust Funds include:

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

**CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014**

	AGENCY FUNDS				PENSION TRUST FUND
	POLICE RETIREE DEPENDENTS FUND	FIRE RETIREE DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS	CITY ANNUITY FUND
ASSETS					
Equity in Investment Pool	\$ -	-	14,027	14,027	-
Accounts Receivable	228,685	490,403	2,829	721,917	-
Accrued Interest Receivable	-	-	3,435	3,435	-
Investments, at Fair Market Value	-	-	2,005,505	2,005,505	-
TOTAL ASSETS	228,685	490,403	2,025,796	2,744,884	-
LIABILITIES					
Accounts Payable	228,685	490,403	2,025,796	2,744,884	-
TOTAL LIABILITIES	228,685	490,403	2,025,796	2,744,884	-
NET POSITION					
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ -	-	-	-	-

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2014

POLICE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ -	602,434	602,434	-
Accounts Receivable	54,294	174,391	-	228,685
Accrued Interest Receivable	-	-	-	-
TOTAL ASSETS	<u><u>54,294</u></u>	<u><u>776,825</u></u>	<u><u>602,434</u></u>	<u><u>228,685</u></u>
LIABILITIES				
Accounts Payable	-	228,685	-	228,685
Due to Other Funds	54,294	174,391	228,685	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u><u>\$ 54,294</u></u>	<u><u>403,076</u></u>	<u><u>228,685</u></u>	<u><u>228,685</u></u>

FIRE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ -	827,094	827,094	-
Accounts Receivable	208,557	281,846	-	490,403
TOTAL ASSETS	<u><u>208,557</u></u>	<u><u>1,108,940</u></u>	<u><u>827,094</u></u>	<u><u>490,403</u></u>
LIABILITIES				
Accounts Payable	-	490,403	-	490,403
Due to Other Funds	208,557	281,846	490,403	-
TOTAL LIABILITIES	<u><u>\$ 208,557</u></u>	<u><u>772,249</u></u>	<u><u>490,403</u></u>	<u><u>490,403</u></u>

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2014

(Continued)

PAYROLL CLEARING FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 13,086	107,017,940	107,016,999	14,027
Accounts Receivable	2,754	8,084	8,009	2,829
Accrued Interest Receivable	3,082	3,435	3,082	3,435
Investments, at Fair Market Value	1,882,612	2,005,505	1,882,612	2,005,505
Prepaid Items	-	3,000	3,000	-
TOTAL ASSETS	<u>1,901,534</u>	<u>109,037,964</u>	<u>108,913,702</u>	<u>2,025,796</u>
LIABILITIES				
Accounts Payable	495,678	86,768,274	85,238,156	2,025,796
Accrued Wages and Benefits	1,405,856	51,737,144	53,143,000	-
TOTAL LIABILITIES	<u>\$ 1,901,534</u>	<u>138,505,418</u>	<u>138,381,156</u>	<u>2,025,796</u>

TOTALS-ALL AGENCY FUNDS

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 13,086	108,447,468	108,446,527	14,027
Accounts Receivable	265,605	464,321	8,009	721,917
Accrued Interest Receivable	3,082	3,435	3,082	3,435
Investments, at Fair Market Value	1,882,612	2,005,505	1,882,612	2,005,505
Prepaid Items	-	3,000	3,000	-
TOTAL ASSETS	<u>2,164,385</u>	<u>110,923,729</u>	<u>110,343,230</u>	<u>2,744,884</u>
LIABILITIES				
Accounts Payable	495,678	87,487,362	85,238,156	2,744,884
Accrued Wages and Benefits	1,405,856	51,737,144	53,143,000	-
Due to Other Funds	262,851	456,237	719,088	-
TOTAL LIABILITIES	<u>\$ 2,164,385</u>	<u>139,680,743</u>	<u>139,100,244</u>	<u>2,744,884</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. (Tables 1-5)

REVENUE CAPACITY

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. (Tables 6-10)

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

(Tables 11-16)

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. (Tables 17-20)

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report. (Tables 21-25)

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 198,694,918	\$ 215,439,510	\$ 241,151,427	\$ 226,128,108	\$ 327,113,377	\$ 371,030,290	\$ 404,332,329	\$ 426,071,062	\$ 435,213,156	\$ 454,275,907
Unrestricted	\$ 34,889,245	\$ 42,590,216	\$ 13,422,271	\$ 18,974,742	\$ 21,193,295	\$ 23,051,240	\$ 24,098,965	\$ 22,027,504	\$ 32,487,338	\$ 52,746,758
Total governmental activities net position	\$ 276,563,212	\$ 302,872,681	\$ 335,851,055	\$ 317,527,347	\$ 420,288,539	\$ 430,590,763	\$ 455,412,492	\$ 464,020,326	\$ 492,358,442	\$ 497,938,484
Business-type activities										
Net investment in capital assets										
Restricted	\$ 234,602,168	\$ 228,622,897	\$ 182,101,727	\$ 289,915,339	\$ 241,824,056	\$ 251,995,464	\$ 273,496,354	\$ 235,628,019	\$ 308,880,051	\$ 279,700,006
Unrestricted	\$ 11,147,151	\$ 10,970,742	\$ 11,615,850	\$ 24,336,104	\$ 17,621,503	\$ 16,695,175	\$ 25,879,932	\$ 29,616,876	\$ 32,833,893	\$ 31,079,396
Total business-type activities net position	\$ 279,737,230	\$ 293,586,627	\$ 305,921,468	\$ 354,867,735	\$ 297,468,259	\$ 304,978,551	\$ 343,720,303	\$ 356,276,684	\$ 363,512,891	\$ 355,554,632
Primary government										
Net investment in capital assets										
Restricted	\$ 433,297,086	\$ 444,062,407	\$ 423,253,154	\$ 516,043,447	\$ 568,937,433	\$ 623,025,754	\$ 677,828,683	\$ 661,699,081	\$ 744,093,207	\$ 733,975,913
Unrestricted	\$ 46,036,396	\$ 53,560,958	\$ 25,038,121	\$ 43,310,846	\$ 38,814,798	\$ 39,746,415	\$ 45,978,897	\$ 51,644,380	\$ 65,321,231	\$ 83,826,154
Total primary government net position	\$ 556,300,442	\$ 556,459,308	\$ 641,772,523	\$ 672,395,082	\$ 717,756,798	\$ 735,569,314	\$ 799,132,795	\$ 820,297,010	\$ 855,871,333	\$ 853,493,116

SOURCE:

City of Laredo, Texas

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**CHANGES IN NET POSITION
LAST TEN FISCAL PERIODS
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$ 16,356,901	\$ 17,637,852	\$ 18,314,193	\$ 19,219,026	\$ 20,403,447	\$ 33,057,032	\$ 33,212,489	\$ 31,034,892	\$ 36,517,099	\$ 31,483,857
Public Safety	76,682,946	81,993,355	86,550,055	95,322,249	101,317,492	96,731,529	108,220,849	109,306,566	114,298,448	116,740,217
Public Works	27,601,104	22,544,287	22,524,297	26,609,686	33,983,968	31,945,598	28,971,676	35,937,652	29,742,584	29,275,673
Health and Welfare	16,076,928	15,734,517	17,053,474	18,974,496	19,374,716	21,408,808	21,559,624	23,663,834	25,149,324	25,049,024
Culture and Recreation	19,304,006	14,770,220	14,838,677	16,311,284	19,137,914	21,989,636	24,351,217	25,468,060	25,636,585	28,166,961
Air Transportation	6,827,442	6,487,313	7,157,616	5,709,233	6,014,102	5,592,799	8,337,337	5,896,045	10,379,579	10,866,517
Interest on Long Term Debt	12,003,612	9,337,731	9,809,368	60,052,703	29,610,058	11,170,771	11,330,317	11,215,644	11,253,582	15,939,639
Total Governmental Activities Expenses	174,852,939	168,505,275	176,247,680	242,198,677	229,841,697	221,896,173	235,983,489	242,522,693	252,977,201	257,521,888
Business-Type Activities										
Bridge System	34,643,592	38,315,376	38,421,137	42,734,185	39,335,750	40,917,048	41,558,090	41,674,262	40,886,900	53,740,997
Solid Waste Management System	14,685,053	13,559,190	15,000,574	17,157,717	18,828,910	14,516,888	15,794,014	16,279,971	19,527,143	17,714,332
Water System	16,888,416	20,607,390	22,213,666	28,212,391	28,536,428	40,110,255	42,840,185	43,022,231	43,113,971	46,627,133
Sewer System	10,903,372	12,733,207	14,251,997	16,765,662	18,235,772	25,526,830	24,269,283	28,980,517	31,051,237	32,680,138
Other Business-Type Activities	15,428,595	15,077,621	15,744,459	15,893,623	15,734,541	17,278,725	16,439,140	17,238,383	17,817,971	18,016,163
Total Business-Type Activities Expenses	92,549,028	100,292,784	105,631,833	120,763,578	120,671,401	138,349,746	140,900,712	147,195,364	152,397,222	168,778,763
Total Primary Government Expenses	\$ 267,401,967	\$ 268,798,059	\$ 281,879,513	\$ 362,962,255	\$ 350,513,098	\$ 360,245,919	\$ 376,884,201	\$ 389,718,057	\$ 405,374,423	\$ 426,300,651
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 30,349,336	\$ 34,295,011	\$ 32,910,354	\$ 37,689,581	\$ 33,923,642	\$ 36,183,314	\$ 40,374,802	\$ 37,543,445	\$ 40,285,380	\$ 48,476,887
Public Safety	5,786,216	6,638,370	8,172,180	5,778,145	10,016,804	12,060,974	8,589,950	7,515,182	10,135,563	9,689,452
Public Works	1,429,722	2,535,760	5,465,043	5,397,891	3,675,472	4,528,772	2,158,284	5,556,032	13,359,717	681,523
Health and Welfare	9,739,625	8,564,712	9,392,593	12,351,506	10,452,002	9,832,614	11,998,683	13,793,256	15,564,387	16,082,560
Culture and Recreation	1,245,478	1,784,371	1,775,372	1,570,822	4,029,673	5,157,950	5,412,318	7,116,481	5,874,092	6,700,618
Air Transportation	3,851,003	4,066,353	4,838,526	4,828,695	4,624,053	5,516,704	4,586,437	4,966,208	7,105,179	6,213,731
Operating Grants and Contributions	14,751,179	11,946,958	12,987,606	13,930,222	18,369,080	21,833,031	23,499,860	22,085,334	25,228,899	21,012,892
Capital Grants and Contributions	14,271,496	16,859,762	18,236,216	15,342,851	30,660,626	48,006,390	36,020,500	29,325,040	22,102,012	29,152,539
Total Governmental Activities Program Revenues	81,424,055	86,691,297	93,777,890	96,889,713	115,751,352	143,119,749	132,640,834	127,900,978	139,655,229	138,010,202
Business-Type Activities:										
Charges for Services										
Bridge System	39,308,141	42,757,164	41,642,985	48,757,093	43,736,439	45,913,716	46,433,396	47,365,449	47,628,417	55,703,827
Solid Waste Management System	15,000,859	15,802,217	16,645,845	15,987,984	15,570,572	16,014,354	16,657,612	16,625,595	18,773,794	19,938,264
Water System	18,736,507	25,215,914	28,217,432	28,832,337	30,032,089	29,859,060	36,301,316	38,825,686	41,279,848	42,744,943
Sewer System	14,409,247	15,606,262	15,157,406	15,820,522	21,401,432	22,884,626	27,711,393	28,734,011	28,941,911	30,383,531
Other Business-Type Activities	4,768,926	5,382,835	5,760,012	6,234,125	5,393,258	5,584,915	5,384,915	5,453,483	5,583,161	5,516,063
Operating Grants and Contributions	7,244,365	4,564,435	4,732,614	4,519,591	4,433,244	5,439,854	4,279,722	4,473,530	5,504,473	4,425,506
Capital Grants and Contributions	7,463,200	13,062,195	9,447,512	57,024,886	41,035,105	26,282,072	36,609,025	12,928,054	6,365,385	5,746,419
Total Business-Type Activities Program Revenues	106,931,245	122,391,022	121,603,806	177,176,538	161,602,139	151,841,306	173,377,379	154,405,808	154,076,989	164,458,553
Total Primary Government Program Revenues	\$ 188,355,300	\$ 209,082,319	\$ 215,381,696	\$ 274,066,251	\$ 277,353,491	\$ 294,961,055	\$ 306,018,213	\$ 282,306,786	\$ 293,732,218	\$ 302,468,755

(Continued)

**CHANGES IN NET POSITION
LAST TEN FISCAL PERIODS
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 2

(Continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental Activities	\$ (93,428,884) \$	(81,813,978) \$	(82,469,790) \$	(145,308,964) \$	(114,090,345) \$	(78,776,424) \$	(103,342,655) \$	(114,621,715) \$	(113,321,972) \$	(119,511,686) \$
Business-Type Activities	14,382,217	22,098,238	15,971,973	56,412,960	40,930,738	13,491,560	32,476,667	7,210,444	1,679,767	(4,320,210)
Total Primary Government Net Expense	<u>\$ (79,046,667) \$</u>	<u>(59,715,740) \$</u>	<u>(66,497,817) \$</u>	<u>(88,896,004) \$</u>	<u>(73,159,607) \$</u>	<u>(65,284,864) \$</u>	<u>(70,865,988) \$</u>	<u>(107,411,271) \$</u>	<u>(111,642,205) \$</u>	<u>(123,831,896) \$</u>
General Revenues and Other Changes in										
Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 45,019,642 \$	49,472,071 \$	55,844,667 \$	62,332,204 \$	68,693,562 \$	69,155,582 \$	69,142,902 \$	68,704,058 \$	69,563,546 \$	68,900,077 \$
Sales Tax	26,628,764	30,151,183	31,476,528	32,648,289	29,801,861	29,790,610	39,050,113	38,152,946	40,383,050	39,842,711
Franchise Taxes	6,197,623	6,595,084	6,528,053	6,835,933	6,714,232	6,681,712	7,018,602	7,085,923	7,089,931	7,434,775
Hotel/Motel Tax	2,718,679	3,054,454	3,392,027	3,331,021	2,718,253	3,087,561	4,117,956	4,228,417	4,218,974	4,322,485
Alcoholic Beverage Taxes	279,198	318,415	341,440	334,273	323,349	308,966	329,521	298,772	345,476	436,204
Grants and Contributions Not Restricted to Specific Programs	4,497,007	5,235,856	4,095,598	4,845,731	-	-	-	-	-	-
Investment Earnings	5,489,823	3,324,727	3,866,276	3,478,262	1,980,307	703,433	505,944	399,151	379,330	428,693
Gain on Sale of Capital Assets	755,759	54,052	344,958	409,102	122,890	36,680	1,327,296	314,627	15,898,197	177,320
Bond Premium	-	-	-	1,227,777	1,893,419	-	829,086	84,484	-	0
Transfers	17,978,754	15,406,004	9,651,953	13,622,444	8,108,009	4,683,701	5,842,964	3,961,171	3,781,584	7,585,617
Total Governmental Activities	<u>109,565,249</u>	<u>113,611,846</u>	<u>115,541,500</u>	<u>129,065,036</u>	<u>120,355,882</u>	<u>114,448,245</u>	<u>128,164,384</u>	<u>123,229,549</u>	<u>141,660,088</u>	<u>129,127,882</u>
Business-Type Activities:										
Sales Tax	5,026,869	5,658,730	5,881,063	6,122,978	5,760,681	5,512,908	6,311,745	7,082,464	7,666,150	7,716,898
Investment Earnings	-	53,537	-	-	-	288,222	203,743	1,811,816	1,651,558	1,409,876
Gain/(Loss) on Sale of Capital Assets	12,500	143,756	133,758	393,328	512,769	(533,697)	152,893	23,254	20,316	352,807
Bond Premium	-	-	-	-	-	-	5,439,668	389,574	-	-
Transfers	(17,978,754)	(15,406,004)	(9,651,953)	(13,622,444)	(8,108,009)	(4,683,701)	(5,842,964)	(3,961,171)	(3,781,584)	(7,585,617)
Total Business-Type Activities	<u>(12,939,385)</u>	<u>(9,549,981)</u>	<u>(3,637,132)</u>	<u>(7,106,136)</u>	<u>(1,834,559)</u>	<u>583,732</u>	<u>6,265,085</u>	<u>5,345,937</u>	<u>5,556,440</u>	<u>1,893,964</u>
Total Primary Government	<u>\$ 96,625,864 \$</u>	<u>104,061,865 \$</u>	<u>111,904,368 \$</u>	<u>121,958,898 \$</u>	<u>118,521,323 \$</u>	<u>115,031,977 \$</u>	<u>134,429,469 \$</u>	<u>128,575,486 \$</u>	<u>147,216,528 \$</u>	<u>131,021,846 \$</u>
Change in Net Position										
Governmental Activities	\$ 16,136,365 \$	31,797,868 \$	33,071,710 \$	(16,243,928) \$	6,265,537 \$	35,671,821 \$	24,821,729 \$	8,607,834 \$	28,338,116 \$	9,616,196
Business-Type Activities	1,442,832	12,548,257	12,334,841	49,306,822	39,096,179	14,075,292	38,741,752	12,556,381	7,236,207	(2,426,246)
Total Primary Government	<u>\$ 17,579,197 \$</u>	<u>44,346,125 \$</u>	<u>45,406,551 \$</u>	<u>33,062,894 \$</u>	<u>45,361,716 \$</u>	<u>49,747,113 \$</u>	<u>63,563,481 \$</u>	<u>21,164,215 \$</u>	<u>35,574,323 \$</u>	<u>7,189,950 \$</u>

SOURCE:

City of Laredo, Texas

**CHANGES IN FUND BALANCE,
GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 3

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
REVENUES:											
Taxes:											
Property	\$ 45,239,189	\$ 49,303,836	\$ 55,681,122	\$ 61,553,183	\$ 67,284,934	\$ 68,870,491	\$ 68,998,291	\$ 67,838,288	\$ 69,063,708	\$ 71,560,518	
Sales	26,433,198	29,894,463	31,384,048	32,518,723	30,306,403	29,339,115	33,669,024	37,481,815	39,921,718	40,024,574	
Franchise Fees	6,173,160	6,569,349	6,506,014	6,793,268	6,788,837	6,668,731	6,995,837	7,060,430	7,049,443	7,408,310	
Bingo Tax	51,516	63,010	66,524	68,268	68,274	68,235	74,345	92,942	71,561	70,037	
Alcoholic Beverage	272,500	307,270	341,130	337,545	325,611	304,894	341,545	289,303	320,504	429,823	
Hotel Motel	2,959,077	3,024,062	3,330,740	3,327,146	2,775,027	3,077,883	4,055,510	4,227,796	4,236,295	4,321,690	
Licenses and Permits	6,084,439	6,603,719	7,736,908	6,029,355	6,370,472	6,496,534	6,487,718	7,037,889	8,200,676	9,176,782	
Intergovernmental	33,288,585	33,894,211	33,877,881	35,693,757	39,882,049	52,709,235	49,801,150	37,425,328	38,974,973	31,999,133	
Charges for Services	27,654,715	31,502,211	31,310,068	37,045,771	37,638,101	41,954,138	41,728,421	46,032,265	47,004,098	54,978,231	
Fines	2,930,319	2,901,019	3,147,555	3,646,728	3,392,829	3,734,101	3,762,977	3,631,708	3,355,374	3,781,433	
Fees and Collections	2,481,061	3,004,802	3,386,329	3,492,641	3,837,470	3,592,488	3,547,545	3,916,479	4,815,100	5,266,624	
Rents	5,068,865	5,679,466	6,314,430	6,545,626	5,714,968	6,462,548	5,731,032	6,012,866	9,050,040	7,309,197	
Interest and Other	6,103,161	4,528,622	8,370,527	7,238,944	4,843,786	1,933,321	1,511,880	1,268,514	464,348	513,966	
Miscellaneous	1,493,862	2,313,099	2,264,974	643,499	4,923,082	8,441,665	4,722,829	2,611,818	3,571,941	2,902,821	
Contributions & Donations	871,866	924,530	1,008,606	988,331	95,240	18,271,618	10,951,450	18,760,987	21,818,513	200,222	
Reimbursements	1,627,354	1,398,698	1,585,062	1,729,311	1,913,607	1,322,816	2,280,613	1,038,430	1,780,401	1,544,995	
TOTAL REVENUES	188,733,867	181,912,289	195,310,918	207,652,298	216,160,690	253,267,613	244,660,168	244,766,858	259,788,713	241,488,356	
EXPENDITURES:											
General Government											
Public Safety	16,021,417	17,112,707	17,413,287	17,894,512	18,892,213	18,688,270	19,098,129	18,681,665	19,339,843	19,730,538	
Public Works	74,215,275	78,048,861	83,246,215	91,511,415	93,373,188	97,621,453	101,057,294	108,305,984	112,682,130	114,888,390	
Health and Welfare	9,487,014	10,129,429	12,274,330	11,967,902	18,923,375	13,663,613	10,185,108	12,957,347	9,636,004	10,707,599	
Cultural and Recreational	15,802,606	15,377,413	16,703,368	18,507,725	20,764,227	20,447,413	20,160,803	22,578,990	24,339,567	24,015,886	
Air Transportation Services	14,844,259	15,415,751	15,921,447	15,658,222	18,337,167	21,478,230	23,640,666	24,675,668	25,336,135	27,762,404	
Capital Outlay	4,789,284	4,488,854	5,160,618	4,109,813	4,317,796	4,439,025	4,651,685	4,989,131	6,008,842	6,158,489	
Capital Outlay	24,933,616	35,722,670	34,033,486	44,092,402	56,941,764	82,767,916	85,712,034	71,468,161	51,661,366	50,975,719	
Debt Service:											
Bond Costs	-	-	-	768,853	27,799,429	235,629	704,855	211,726	188,314	209,549	
Principal Retirement	15,677,894	16,693,119	16,886,948	17,398,209	18,626,220	12,945,169	10,246,364	13,098,227	14,365,645	16,127,013	
Interest and Fiscal Expenditures	9,119,608	8,639,131	9,250,941	12,691,697	15,621,180	10,711,226	10,866,914	11,071,614	10,772,155	9,987,887	
TOTAL EXPENDITURES	184,891,173	201,627,935	210,990,640	234,598,750	291,572,439	283,017,944	286,323,852	287,998,313	274,728,003	280,573,174	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,157,306)	(19,715,646)	(15,679,722)	(26,946,452)	(75,411,749)	(29,750,331)	(41,663,684)	(43,231,455)	(14,939,290)	(39,084,818)	
OTHER FINANCING SOURCES (USES):											
Transfers In	36,174,419	35,881,412	26,222,228	37,533,557	40,622,386	29,605,450	46,699,942	41,973,360	37,256,256	45,447,751	
Issuance of Debt	75,154,978	35,185,000	76,160,000	79,855,000	56,980,000	8,715,629	23,189,078	9,764,975	3,800,000	20,795,730	
Bond Premium	-	-	-	1,227,777	1,860,793	-	829,086	88,867	58,279	565,990	
Bond Discounts	-	-	-	-	-	-	-	(4,383)	-	-	
Payment to refunded bond escrow agent	(62,639,409)	(18,796,376)	-	-	-	(9,230)	(3,317,933)	(2,112,731)	-	-	
Reimbursements	-	-	-	-	-	-	-	-	-	-	
Transfers Out	(21,272,956)	(20,405,531)	(16,463,011)	(23,493,174)	(31,897,149)	(24,521,749)	(39,073,000)	(37,198,426)	(31,974,672)	15,005	
Contributions	-	-	-	(46,471,173)	9,340,787	-	-	-	-	(37,121,060)	
Capital Leases	-	1,600,000	4,349,665	(102,232)	(102,232)	1,330,425	807,653	-	-	19,667,880	
Sale of Assets	754,683	52,673	334,354	194,959	121,669	33,461	1,375,078	318,617	15,888,705	177,320	
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(15,668,559)	
TOTAL OTHER FINANCING SOURCES (USES)	28,171,715	33,517,176	90,603,236	48,744,714	77,126,244	15,153,986	30,509,904	12,830,279	29,881,220	33,879,458	
Net Change in Fund Balances	\$ 12,014,409	\$ 13,801,530	\$ 74,923,514	\$ 21,798,262	\$ 1,714,495	\$ (14,596,345)	\$ (11,153,780)	\$ (30,401,176)	\$ 14,941,930	\$ (5,205,360)	
Debt Service as a Percentage of non-capital expenditures	15.50%	15.27%	14.83%	15.79%	14.60%	11.81%	10.52%	11.14%	11.28%	11.37%	
SOURCE:											

City of Laredo, Texas

**FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,937	\$ 4,349	\$ 19,335	\$ 5,960
Restricted	-	-	-	-	-	-	786,681	1,641,354	3,644,122	11,981,702
Committed	-	-	-	-	-	-	22,393,198	22,988,878	27,564,635	27,842,577
Assigned	-	-	-	-	-	-	1,613,435	-	-	-
Unassigned	-	-	-	-	-	-	10,712,189	12,230,458	10,343,359	2,781,899
Reserved	1,461,135	1,663,551	1,376,988	1,297,655	1,516,661	2,122,655	-	-	-	-
Unreserved	12,860,386	19,425,553	21,769,926	25,322,950	29,175,762	32,823,677	-	-	-	-
Total General Fund	\$ 14,321,521	\$ 21,089,204	\$ 23,146,914	\$ 26,620,605	\$ 30,692,423	\$ 34,946,332	\$ 35,520,440	\$ 36,865,039	\$ 41,571,451	\$ 42,612,138
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	119,161	\$ 106,717	\$ 95,436	\$ 95,310
Restricted	-	-	-	-	-	-	104,259,849	72,008,350	57,826,607	60,868,607
Committed	-	-	-	-	-	-	6,756,570	7,729,123	5,263,091	3,559,782
Assigned	-	-	-	-	-	-	11,709,333	13,515,966	39,401,130	33,525,417
Unassigned (Deficit)	-	-	-	-	-	-	(125,741)	(2,386,759)	(1,377,349)	(3,086,248)
Reserved	20,376,787	16,551,117	29,244,789	26,684,766	36,478,312	81,538,217	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	447,743	6,866,441	7,725,320	12,831,254	25,473,486	27,153,981	-	-	-	-
Debt Service Funds	5,634,547	6,508,489	5,946,381	9,293,964	6,636,000	-	-	-	-	-
Capital Project Funds	28,053,310	34,329,414	94,204,775	106,834,652	84,709,516	25,754,862	-	-	-	-
Total all other governmental funds	\$ 54,512,387	\$ 64,255,461	\$ 137,121,265	\$ 155,654,636	\$ 153,297,314	\$ 134,447,060	\$ 122,719,172	\$ 90,973,397	\$ 101,208,915	\$ 94,962,868

NOTES:

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

SOURCE:

City of Laredo, Texas

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 5

FISCAL PERIODS		AD VALOREM TAXES	SALES TAX	BEVERAGE TAX	BINGO TAX	OCCUPANCY TAX	FRANCHISE TAX	TOTAL
2005	\$	45,239,189	\$ 26,433,198	\$ 272,500	\$ 51,516	\$ 2,959,077	\$ 6,173,160	\$ 81,128,640
2006		49,303,836	29,894,463	307,270	63,010	3,024,062	6,569,349	89,161,990
2007		55,681,122	31,384,048	341,130	65,524	3,330,740	6,506,014	97,308,578
2008		61,553,183	32,518,723	337,545	68,268	3,327,146	6,793,268	104,598,133
2009		67,284,934	30,308,403	325,611	68,274	2,775,027	6,788,837	107,551,086
2010		68,870,491	29,339,115	304,894	68,235	3,077,683	6,668,731	108,329,149
2011		68,998,291	33,669,024	341,545	74,345	4,055,510	6,995,838	114,134,553
2012		67,838,288	37,481,815	289,303	92,942	4,227,796	7,080,430	117,010,574
2013		69,063,708	39,921,718	320,504	71,581	4,236,295	7,049,443	120,663,249
2014	\$	71,560,518	\$ 40,024,574	\$ 429,823	\$ 70,037	\$ 4,321,690	\$ 7,408,310	\$ 123,814,952

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 6

FISCAL PERIOD	TOTAL TAX LEVY FOR FISCAL YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE		
			AMOUNT COLLECTED	PERCENTAGE OF LEVY		AMOUNT COLLECTED	PERCENTAGE OF LEVY	
2005	\$	43,378,278	\$	41,693,911	96.12	\$	43,164,345	99.51
2006		47,726,893		45,951,954	96.28		47,535,690	99.60
2007		53,847,576		52,024,898	96.62		53,616,847	99.57
2008		59,690,336		57,843,306	96.91		59,428,407	99.56
2009		65,419,993		63,194,853	96.60		65,092,474	99.50
2010		66,652,507		64,379,305	96.59		66,284,731	99.45
2011		67,016,086		65,241,316	97.35		66,618,710	99.41
2012		66,842,112		64,818,395	96.97		66,312,626	99.21
2013		67,621,015		65,858,772	97.39		66,913,620	98.95
2014	\$	69,529,157	\$	68,117,096	97.97	\$	68,117,096	97.97

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 7

FISCAL PERIODS	-----RESIDENTIAL PROPERTY-----			-----COMMERCIAL PROPERTY-----			-----TOTALS-----		
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	EXEMPTIONS (2)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	TOTAL DIRECT TAX RATE	RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
2005	\$ 4,270,523,001	\$ 4,270,523,001	\$ 3,040,120,071	\$ 3,040,120,071	\$ 537,507,869	\$ 6,773,135,203	\$ 6,773,135,203	0.637000	100%
2006	4,713,754,396	4,713,754,396	3,285,932,811	3,285,932,811	550,543,393	7,449,143,814	7,449,143,814	0.637000	100%
2007	5,411,082,137	5,411,082,137	3,582,097,472	3,582,097,472	585,142,683	8,408,036,926	8,408,036,926	0.637000	100%
2008	6,069,242,179	6,069,242,179	3,971,864,502	3,971,864,502	647,577,934	9,393,528,747	9,393,528,747	0.637000	100%
2009	6,654,553,665	6,654,553,665	4,402,760,384	4,402,760,384	671,339,004	10,385,975,045	10,385,975,045	0.637000	100%
2010	6,825,803,972	6,825,803,972	4,571,159,052	4,571,159,052	773,831,223	10,623,131,801	10,623,131,810	0.637000	100%
2011	6,938,223,832	6,938,223,832	4,460,292,962	4,460,292,962	761,010,658	10,637,506,136	10,637,506,136	0.637000	100%
2012	6,909,967,001	6,909,967,001	4,454,071,509	4,454,071,509	779,291,720	10,584,746,790	10,584,746,790	0.637000	100%
2013	6,361,188,581	6,361,188,581	4,329,884,664	4,329,884,664	807,321,080	10,691,073,245	10,691,073,245	0.637000	100%
2014	\$ 6,467,306,659	\$ 6,467,306,659	\$ 4,531,514,190	\$ 4,531,514,190	\$ 800,231,949	\$ 10,998,820,849	\$ 10,998,820,849	0.637000	100%

NOTES:

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

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

Does not reflect appeal adjustments after July assessment date.

SOURCE:

July Certified Tax Rolls received from Webb County Appraisal District.

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

CITY OF LAREDO, TEXAS

TABLE 8

FISCAL PERIODS	CITY OF LAREDO	WEBB COUNTY	LAREDO INDEPENDENT SCHOOL DISTRICT	UNITED INDEPENDENT SCHOOL DISTRICT	LAREDO COMMUNITY COLLEGE

TAX RATES (per \$100 of assessed value)

2005	0.63700	0.43792	1.47411	1.52687	0.23600
2006	0.63700	0.43792	1.55411	1.60687	0.23371
2007	0.63700	0.42006	1.49551	1.47436	0.23050
2008	0.63700	0.42006	1.27400	1.18487	0.22220
2009	0.63700	0.42006	1.27400	1.18487	0.22110
2010	0.63700	0.42006	1.27400	1.19486	0.22720
2011	0.63700	0.42005	1.27400	1.19486	0.23812
2012	0.63700	0.42005	1.27400	1.19486	0.25854
2013	0.63700	0.42005	1.27400	1.19486	0.25776
2014	0.63700	0.42005	1.27400	1.19486	0.25522

TAX LEVIES

2005	\$	43,209,681	\$	38,284,553	\$	24,426,783	\$	83,821,422	\$	16,320,700
2006		47,466,862		42,351,341		26,644,992		100,665,114		17,727,308
2007		53,559,195		50,623,052		27,671,836		113,168,711		19,720,017
2008		59,584,704		51,752,884		25,966,124		95,866,850		21,192,705
2009		65,642,009		55,559,866		27,408,723		108,147,626		23,297,634
2010		66,926,927		56,069,370		27,210,755		111,038,081		24,304,862
2011		67,184,974		57,474,928		27,078,969		112,407,770		25,422,145
2012		66,842,112		59,565,434		27,100,362		122,310,106		27,353,531
2013		67,621,015		63,960,211		27,193,890		138,858,407		27,592,527
2014	\$	69,529,157	\$	69,227,883	\$	26,774,619	\$	154,451,096	\$	28,113,009

SOURCES:

City of Laredo, Texas
Webb County Appraisal District Office

SPECIAL ASSESSMENTS BILLING AND COLLECTIONS (1)
LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 9

FISCAL PERIODS	BEGINNING BALANCE (2)	ASSESSMENTS BILLED	ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS OF AMOUNT DUE	TOTAL OUTSTANDING CURRENT AND DELINQUENT
2005	\$ 154,468	\$ 359,276	\$ 441,257	85.89%	\$ 72,487
2006	72,487	528,851	574,196	95.49%	27,142
2007	27,142	165,224	178,014	92.54%	14,352
2008	14,352	99,592	106,800	93.73%	7,144
2009	7,144	41,084	38,462	79.75%	9,766
2010	9,766	16,420	17,142	65.46%	9,044
2011	9,044	37,404	38,578	83.06%	7,870
2012	7,870	29,593	30,976	82.68%	6,487
2013	6,487	16,518	16,235	70.57%	6,770
2014	\$ 6,770	\$ 18,782	\$ 17,841	69.82%	\$ 7,711

NOTES:

(1) The Charter of the City of Laredo allows the City Council to assess the costs of street paving and sidewalk construction to the adjacent owners. Normally, this is collected in equal principal installments over a five year period with interest computed at eight percent.

This assessment constitutes a lien against the property which may be foreclosed upon default.

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

SOURCE:

City of Laredo, Texas

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

TABLE 10

TAXPAYER	TYPE OF BUSINESS	2014 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	\$104,484,085	0.95%
AEP Texas Central Company	Utility	85,867,820	0.78%
Halliburton Energy Services	Gas and Oil	73,422,910	0.67%
The GEO Group, Inc	Correctional	52,159,960	0.47%
Mall Del Norte, LLC	Retail	52,068,350	0.47%
AEP Electric Transmission of Texas, LLC	Utility	42,867,650	0.39%
Laredo Regional Medical Center, LP	Medical	40,213,370	0.37%
Farias Development LTD	Real Estate	36,413,140	0.33%
International Bank of Commerce	Financial	34,246,850	0.31%
H.E. Butt Grocery Co.	Grocery Store	30,025,360	0.27%
TOTAL		\$551,769,495	5.01%

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2004**

TAXPAYER	TYPE OF BUSINESS	2004 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
AEP Texas Central Company	Electricity	\$74,048,360	1.24%
Enterprise Laredo Associates	Enterprise	32,283,250	0.54%
Southwestern Bell Telephone LP	Telephone Co.	29,029,980	0.48%
Killiam Ind. Dev. Partnership LTD	Development	28,170,460	0.47%
H.E. Butt Grocery Co.	Grocery Store	28,119,880	0.47%
BB County Correctional Center Public Facility	Correctional Center	22,140,870	0.37%
United States Cold Storage	Cold Storage	19,616,350	0.33%
Laredo Regional Medical Center	Medical	17,586,475	0.29%
Lowe's Home Center	Home Improvement	16,209,030	0.27%
Texas Cable Partners LP	Cable Co.	14,131,800	0.24%
Total		\$281,336,455	4.70%

Numbers show total comparison for principal taxpayers as of 2014 and 10 years ago.

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 11

The Constitution of Texas in Article 11, Section 5, limits the maximum amount that a home rule city can tax to \$2.50 per \$100.00 of valuation and the same Article provides that no debt shall ever be created by any city unless at the same a time provision is made to assess and collect annually a sufficient sum to pay the interest thereon and create a sinking fund of at least two percent thereon. The Attorney General of Texas, in connection with the quoted provision, has created a rule for the guidance of home rule cities which states that the bond allowable under this constitutional provision shall be on the basis of no greater than \$1.50 per \$100.00 of valuation unless the city charter provides for less than the maximum specified in the Attorney General's rule. City Charter Section 6.13, as amended in November 1995, limits the total overall outstanding debt to 10% of the total assessed valuation of the City. At this time, the City has allocated approximately \$.148743 of the total tax rate.

Assessed value based on 2013 tax roll	\$10,998,820,849
Maximum amount of bonded indebtedness based on such assessed value (10%).....	\$1,099,882,085
Amount of debt applicable to said maximum debt limit:	
Total General Obligation Bonds and Certificates of Obligations .	\$175,153,419
(Percentage of G. O. and C. O. debt to assessed value)	1.59%
Less: Debt Service Fund Balance as of September 30, 2014....	\$3,775,973
Total Amount of debt applicable to debt limit	\$171,377,446
The Debt Margin between current indebtedness and maximum allowable indebtedness	\$928,504,639

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

CITY OF LAREDO, TEXAS

TABLE 12

FISCAL PERIODS	POPULATION (A)	ASSESSED VALUE FOR OPERATIONS DEBT SERVICE	GROSS BONDED DEBT (1)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2005	215,375	\$ 5,992,130,874	\$ 153,725,000	\$ 5,634,547	\$ 148,090,453	2.4714%	\$ 687.59
2006	224,695	6,783,309,499	158,972,282	6,508,489	152,463,793	2.2476%	678.54
2007	231,470	7,449,143,814	221,132,050	5,946,381	215,185,669	2.8887%	929.65
2008	237,396	8,408,036,926	286,235,467	5,990,320	280,245,147	3.3331%	1,180.50
2009	233,152	9,393,528,747	358,833,263	6,636,000	352,197,263	3.7494%	1,510.59
2010	244,580	10,385,975,045	342,955,001	6,529,078	336,425,923	3.2392%	1,375.53
2011	236,091	10,634,156,096	334,374,769	8,272,028	326,102,741	3.0666%	1,381.26
2012	241,935	10,576,729,269	321,438,433	6,102,576	315,335,857	2.9814%	1,303.39
2013	248,142	10,691,073,245	318,130,275	4,653,312	313,476,963	2.9321%	1,263.30
2014	251,552 (2)	\$ 10,998,820,849	\$ 315,056,642	\$ 3,775,973	\$ 311,280,669	2.8301%	\$ 1,237.44

NOTES:

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

(2) Estimated

SOURCES:

City of Laredo, Texas

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

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

CITY OF LAREDO, TEXAS

TABLE 13

FISCAL PERIODS	PRINCIPAL	INTEREST & FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2005	\$ 14,395,000	\$ 9,138,859	\$ 23,533,859	\$ 184,891,173	12.73%
2006	15,685,000	8,663,891	24,348,891	201,201,456	12.10%
2007	15,195,000	9,242,752	24,437,752	210,990,264	11.58%
2008	16,024,319	12,558,327	28,582,646	233,623,097	12.23%
2009	17,490,000	15,990,496	33,480,496	263,773,010	12.69%
2010	11,228,852	10,717,973	21,946,825	282,782,315	7.76%
2011	10,246,364	10,866,914	21,113,278	286,323,852	7.37%
2012	13,058,227	11,071,614	24,129,841	287,998,313	8.38%
2013	14,365,645	10,772,155	25,137,800	274,728,003	9.15%
2014	\$ 16,127,013	\$ 9,987,587	\$ 26,114,600	\$ 280,573,174	9.31%

NOTES:

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

SOURCE:

City of Laredo, Texas

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

TABLE 14

TAXING AUTHORITY	NET DEBT OUTSTANDING (A)	ESTIMATED % APPLICABLE TO CITY (B)	AMOUNT APPLICABLE TO CITY
Direct:			
City of Laredo	<u>\$175,153,419</u>	100.00%	<u>\$175,153,419</u>
Overlapping:			
Webb County	73,127,000	60.05%	43,912,032
Laredo Independent School District	270,246,316	100.00%	270,246,316
United Independent School District	316,866,995	77.72%	246,253,185
Laredo Community College	<u>363,247,520</u>	100.00%	<u>363,247,520</u>
Total Overlapping	<u>1,023,487,831</u>		<u>923,659,053</u>
Total	<u><u>\$1,198,641,250</u></u>		<u><u>\$1,098,812,472</u></u>

COMMENT:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimated the portion of the outstanding debt of those overlapping governments that is borne by the City residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt 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.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

Both the Laredo Independent School District and Laredo Community College District are contained entirely within the City of Laredo Tax District.

SOURCES:

- (A) Finance Departments of respective entities
- (B) Webb County Appraisal District

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

CITY OF LAREDO, TEXAS

TABLE 15

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	-----DEBT SERVICE REQUIREMENTS-----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
Bridge	\$ 39,231,949	\$ 10,020,392	\$ 29,211,557	5,482,228	4,039,577	9,521,805	3.07
Water	18,736,504	10,991,334	7,745,170	943,000	467,131	1,410,131	5.49
Sewer	14,409,247	6,811,361	7,597,886	727,000	355,530	1,082,530	7.02
Sports Venue	6,169,250	39,752	6,129,498	625,000	1,922,269	2,547,269	2.41
Total 2005	\$ 78,546,950	\$ 27,862,839	\$ 50,684,111	\$ 7,777,228	\$ 6,784,507	\$ 14,561,735	3.48
Bridge	\$ 42,757,164	\$ 10,851,262	\$ 31,905,902	\$ 3,866,378	\$ 4,482,527	\$ 8,348,905	3.82
Water	24,047,927	14,010,809	10,037,118	1,263,000	704,275	1,967,275	5.10
Sewer	14,010,809	8,486,409	5,524,400	839,000	458,565	1,297,565	4.26
Sports Venue	6,614,948	173,785	6,441,163	930,000	1,818,838	2,748,838	2.34
Total 2006	\$ 87,430,848	\$ 33,522,265	\$ 53,908,583	\$ 6,898,378	\$ 7,464,205	\$ 14,362,583	3.75
Bridge	\$ 41,642,971	\$ 11,426,566	\$ 30,216,405	\$ 3,940,134	\$ 4,313,536	\$ 8,253,670	3.66
Water	26,483,082	15,098,280	11,384,802	1,558,000	986,146	2,544,146	4.47
Sewer	14,149,488	9,533,193	4,616,295	951,000	629,571	1,580,571	2.92
Sports Venue	7,344,091	240,967	7,103,124	1,040,000	1,777,551	2,817,551	2.52
Total 2007	\$ 89,619,632	\$ 36,299,006	\$ 53,320,626	\$ 7,489,134	\$ 7,706,804	\$ 15,195,938	3.51
Bridge	\$ 48,757,080	\$ 12,003,151	\$ 36,753,929	\$ 4,000,070	\$ 4,144,681	\$ 8,144,751	4.51
Water	27,357,618	17,030,252	10,327,366	1,833,000	1,279,557	3,112,557	3.32
Sewer	14,641,635	9,510,247	5,131,388	1,058,000	925,800	1,983,800	2.59
Sports Venue	7,246,612	292,815	6,953,797	1,160,000	1,731,163	2,891,163	2.41
Total 2008	\$ 98,002,945	\$ 38,836,465	\$ 59,166,480	\$ 8,051,070	\$ 8,081,201	\$ 16,132,271	3.67
Bridge	\$ 43,724,135	\$ 11,499,210	\$ 32,224,925	\$ 4,171,233	\$ 4,151,127	\$ 8,322,360	3.87
Water	28,883,564	17,782,323	11,101,241	2,158,000	1,121,489	3,279,489	3.39
Sewer	20,362,272	9,431,314	10,930,958	1,364,000	890,814	2,254,814	4.85
Sports Venue	6,509,630	469,113	6,040,517	1,285,000	1,679,338	2,964,338	2.04
Total 2009	99,479,601	\$ 39,181,960	\$ 60,297,641	\$ 8,978,233	\$ 7,842,768	\$ 16,821,001	3.58
Bridge	\$ 46,097,657	\$ 11,365,703	\$ 34,731,954	\$ 4,863,665	\$ 3,923,865	\$ 8,787,530	3.95
Water	29,152,173	17,217,851	11,934,322	6,505,300	6,019,456	12,524,756	0.95
Sewer	22,808,510	12,091,058	10,717,452	4,944,669	2,958,338	7,903,007	1.36
Sports Venue	6,193,405	541,473	5,651,932	1,430,000	1,616,288	3,046,288	1.86
Total 2010	\$ 104,251,745	\$ 41,216,085	\$ 63,035,660	\$ 17,743,634	\$ 14,517,947	\$ 32,261,581	1.95

(Continued)

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

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	-----DEBT SERVICE REQUIREMENTS-----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
Bridge	\$ 46,511,403	\$ 11,577,331	\$ 34,934,072	\$ 5,087,435	\$ 3,697,171	\$ 8,784,606	3.98
Water	35,136,866	17,237,107	17,899,759	9,544,541	8,737,268	18,281,809	0.98
Sewer	27,603,852	12,615,092	14,988,760	5,176,563	3,083,142	8,259,705	1.81
Sports Venue	6,993,484	285,418	6,708,066	1,575,000	1,539,194	3,114,194	2.15
Total 2011	\$ 116,245,605	\$ 41,714,948	\$ 74,530,657	\$ 21,383,539	\$ 17,056,775	\$ 38,440,314	1.94
Bridge	\$ 47,442,168	\$ 11,558,034	\$ 35,884,134	\$ 5,297,642	\$ 3,411,251	\$ 8,708,893	4.12
Water	37,406,533	19,443,290	17,963,243	6,935,076	9,243,574	16,178,650	1.11
Sewer	28,575,312	14,050,528	14,524,784	6,628,809	3,460,200	10,089,009	1.44
Sports Venue	7,716,848	575,086	7,141,762	1,900,000	1,963,443	3,863,443	1.85
Total 2012	\$ 121,140,861	\$ 45,626,938	\$ 75,513,923	\$ 20,761,527	\$ 18,078,468	\$ 38,839,995	1.94
Bridge	\$ 47,685,185	\$ 11,669,362	\$ 36,015,823	\$ 5,605,786	\$ 3,122,473	\$ 8,728,259	4.13
Water	40,294,251	20,092,010	20,202,241	20,326,347	10,020,234	30,346,581	0.67
Sewer	28,992,116	15,807,855	13,184,261	13,334,883	4,229,316	17,564,199	0.75
Sports Venue	8,205,434	3,757,874	4,447,560	2,010,000	1,856,275	3,866,275	1.15
Total 2013	\$ 125,176,986	\$ 51,327,101	\$ 73,849,885	\$ 41,277,016	\$ 19,228,298	\$ 60,505,314	1.22
Bridge	\$ 55,275,228	\$ 12,363,469	\$ 42,911,759	\$ 5,916,910	\$ 1,992,962	\$ 7,909,872	5.43
Water	41,926,736	21,678,964	20,247,772	8,109,433	10,552,363	18,661,796	1.08
Sewer	30,473,660	16,414,535	14,059,125	7,382,105	4,367,911	11,750,016	1.20
Sports Venue	8,067,526	962,205	7,105,321	2,105,000	1,762,826	3,867,826	1.84
Total 2014	\$ 135,743,150	\$ 51,419,173	\$ 84,323,977	\$ 23,513,448	\$ 18,676,062	\$ 42,189,510	2.00

NOTE:

(1) Includes Operating Revenue and Interest Earnings.

(2) Includes Operating Expenses other than Interest Expense, Depreciation, Amortization, and other non-operating expenses.

(3) Revenue Bond Coverage is equal to Net Revenue Available for Debt Service divided by total Debt Service Requirements.

SOURCE:

City of Laredo, Texas

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 16

Fiscal Periods	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES				
	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Capital Lease Obligations	Notes Payable	General Obligation Bonds	Certificates of Obligations	Revenue Bonds	Capital Lease Obligations	Notes Payable
2005	\$ 88,040,000	\$ 65,685,000	\$ 37,135,000	\$ 1,960,619	\$ 1,190,000	\$ -	\$ -	\$ 95,751,703	\$ -	\$ 25,519,803
2006	79,690,000	76,250,000	36,205,000	2,629,868	1,105,000	-	-	104,293,969	-	24,513,658
2007	72,200,000	145,745,000	35,165,000	5,165,702	1,020,000	-	-	116,533,053	-	23,478,758
2008	64,585,000	218,255,000	34,005,000	3,297,905	935,000	-	-	114,675,138	-	22,413,922
2009	27,989,344	172,020,000	32,720,000	1,730,061	850,000	32,100,655	115,815,000	108,065,223	-	21,317,923
2010	24,945,491	167,815,685	31,290,000	938,307	765,000	26,894,509	123,299,316	107,656,600	-	20,494,474
2011	25,154,037	168,839,892	40,160,000	1,175,951	680,000	26,835,731	113,545,109	181,297,000	-	19,637,040
2012	23,701,636	167,062,087	38,260,000	702,875	595,000	26,171,798	104,502,912	252,437,961	-	18,744,450
2013	19,990,050	162,712,273	36,250,000	5,061,282	510,000	20,811,436	114,616,516	282,021,367	-	17,815,264
2014	\$ 26,653,474	\$ 148,499,945	\$ 34,145,000	\$ 4,788,903	\$ 425,000	\$ 15,825,996	\$ 124,077,227	\$ 306,151,197	\$ -	\$ -

	Total Primary Government	Personal Income	Per Capita	Percentage of Personal Income
2005	315,282,125	4,454,781,000	1,464	7.08%
2006	324,687,495	4,748,324,000	1,445	6.84%
2007	399,307,513	5,077,310,000	1,725	7.86%
2008	458,166,965	5,567,524,000	1,930	8.23%
2009	512,608,206	5,624,141,000	2,199	9.11%
2010	504,099,382	5,977,993,000	2,061	8.43%
2011	577,324,760	6,408,612,000	2,445	9.01%
2012	632,178,719	6,769,544,000	2,439	9.34%
2013	659,788,188	7,114,194,000	2,514	9.27%
2014	\$ 660,566,742	\$ 7,469,903,700	\$ 2,639	8.84%

NOTES:

(1) Median income data for calculation of Percentage of Personal Income for fiscal year 2014 was unavailable when table was compiled; therefore, an estimated increase of 5% for fiscal year 2014 was used.

SOURCE:

City of Laredo, Texas
Bureau of Economic Analysis, U.S. Department of Commerce

**DEMOGRAPHICS STATISTICS
LAST THREE CENSUS REPORTS**

CITY OF LAREDO, TEXAS

TABLE 17

	1990 Census	2000 Census	2010 Census
TOTAL POPULATION BY RACE:			
WHITE	87,048	145,267	207,067
AFRICAN AMERICAN	144	652	1,110
OTHER	35,707	31,524	27,914
HISPANIC PERCENTAGE	93.86%	94.10%	95.62%
TOTAL HOUSEHOLDS	33,998	46,852	68,610
HOUSEHOLD POPULATION	122,899	173,532	214,484
AVERAGE HOUSEHOLD SIZE	3.61	3.70	3.64

TOTAL POPULATION BY AGE:

0-5	17,081	18,516	24,424
6-13	20,316	18,620	49,273
14-17	10,093	16,054	14,461
18-24	17,987	29,608	27,275
25-34	20,316	28,489	35,156
35-44	14,752	23,657	34,332
45-54	9,964	17,104	27,235
55-64	8,541	10,746	18,641
65+	10,223	13,782	19,507
MEDIAN AGE TOTAL POPULATION	27.7	26.9	27.8
MEDIAN AGE ADULT POPULATION	36.8	36.8	N/A

HOUSEHOLD INCOME:

\$ 0 -	\$ 7,499	7,639	5,398	N/A
\$ 7,500 -	\$ 9,999	3,074	1,799	N/A
\$ 10,000 -	\$ 14,999	4,169	4,996	10,504
\$ 15,000 -	\$ 24,999	5,600	8,208	7,332
\$ 25,000 -	\$ 34,999	3,865	6,814	7,628
\$ 35,000 -	\$ 49,999	3,226	7,078	9,130
\$ 50,000 -	\$ 74,999	1,765	6,780	9,947
\$ 75,000 +		1,096	5,835	14,036
MEDIAN HOUSEHOLD INCOME		15,610	29,108	36,784
AVERAGE HOUSEHOLD INCOME		N/A	N/A	57,545
MEDIAN FAMILY INCOME		17,532	30,449	38,029
AGGREGATE HOUSEHOLD INCOME		708,920	N/A	2,247,434
PERSONAL INCOME		1,260,121	2,990,748	6,055,155

SOURCE:

(Continued)

Laredo Chamber of Commerce
Bureau of Economic Analysis

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

FISCAL PERIODS	CIVILIAN LABOR FORCE	UNEMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT
2005	81,721	4,103	5.02%	77,618
2006	86,447	3,938	4.56%	82,509
2007	84,800	3,680	4.34%	81,120
2008	86,187	4,647	5.39%	81,540
2009	91,457	7,756	8.48%	83,701
2010	90,396	6,776	7.50%	83,620
2011	93,034	7,230	7.77%	85,804
2012	96,330	5,840	6.06%	90,490
2013	97,063	5,990	6.20%	91,073
2014	97,446	4,934	5.10%	92,512

SOURCE:

Texas Labor Market Information

Numbers as of September 30 each year.

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

GROWTH INDICATORS (1)					
FISCAL PERIODS	ELECTRIC	GAS	WATER	SEWER	POSTAL RECEIPTS (2)
2005	72,604	23,852	55,252	52,565	\$ 15,510,000
2006	70,083	24,102	57,489	54,568	16,420,000
2007	72,624	28,486	59,409	56,065	17,120,000
2008	78,080	28,477	60,519	57,851	18,142,000
2009	75,042	28,680	61,171	57,903	19,132,000
2010	75,497	28,862	62,195	58,726	18,500,644
2011	77,141	28,942	63,703	59,955	18,186,133
2012	78,585	29,483	65,288	61,191	17,276,826
2013	79,973	29,738	67,033	62,426	17,121,335
2014	84,494	29,904	68,213	63,410	\$ 16,813,171

NOTES:

(1) Amount represents number of active customer accounts.

(2) Represents estimated total revenue collected.

* Legislation prohibits disclosure of telephone accounts information.

SOURCES:

Finance Department of respective entity

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

CITY OF LAREDO, TEXAS

TABLE 18

FISCAL PERIODS	COMMERCIAL CONSTRUCTION (A)		RESIDENTIAL CONSTRUCTION (A)		PROPERTY VALUE (A)			
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	BANK (B) DEPOSITS	COMMERCIAL	RESIDENTIAL	VACANT PROPERTY
2005	1132	\$ 178,001,202	1847	\$ 198,367,334	\$ 9,080,074,000	\$ 3,003,777,851	\$ 3,643,413,881	\$ 284,434,270
2006	721	166,713,553	2281	221,625,892	9,871,067,000	3,251,967,681	4,022,266,136	307,462,870
2007	520	180,125,787	2024	198,450,164	10,830,093,000	3,538,252,162	4,689,485,109	342,911,010
2008	278	152,367,779	1250	132,572,308	7,606,202,000	3,971,864,502	5,699,588,209	369,653,970
2009	148	52,017,727	709	96,056,087	7,592,090,000	4,402,760,384	6,257,490,215	397,063,450
2010	110	70,266,920	622	96,580,902	8,183,979,000	4,571,159,052	6,448,188,579	377,615,393
2011	85	94,785,851	641	108,466,180	8,478,675,000	4,460,292,962	6,488,371,519	374,194,726
2012	126	172,267,390	935	150,077,555	8,638,444,000	4,454,071,509	6,557,864,234	352,102,767
2013	231	186,626,982	943	137,643,461	12,365,894,000	4,329,884,664	5,963,993,048	397,195,533
2014	237	\$ 154,084,458	1034	\$ 207,923,276	\$ 12,512,568,000	\$ 4,863,861,131	\$ 6,554,541,075	\$ 387,782,150
								\$ 800,231,949

NOTES:

(1) Total exemptions include Homestead, Veteran, and Agricultural exemptions. Veteran valuations range from \$1,500 to \$3,000 based on disability percentage. Agriculture valuates represent land used for ranching and farming.

SOURCES:

(A) City of Laredo, Texas

(B) Commerce Bank, N.A.
Falcon International Bank
International Bank of Commerce
Texas Community Bank, N.A.
Note: Limited to locally-owned banks.

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	6,140	6.64%
Laredo Independent School District	4,163	4.50%
City of Laredo	2,398	2.59%
U.S. Border Patrol	2,200	2.38%
U.S. CBP - Customs Field Officers	1,950	2.11%
H.E.B Grocery	1,752	1.89%
McDonald's Restaurant	1,633	1.77%
Webb County	1,600	1.73%
Laredo Medical Center	1,500	1.62%
Texas A&M International University	1,225	1.32%

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2004**

United Independent School District	4,500	6.25%
Laredo Independent School District	3,567	4.96%
City of Laredo	2,084	2.89%
Laredo Medical Center	1,661	2.31%
H.E.B Grocery Company	1,327	1.84%
Webb County	1,270	1.76%
U.S. Border Patrol	1,147	1.59%
McDonald's Restaurants	1,114	1.55%
Walmart	934	1.30%
Texas A&M International University	880	1.22%

Principal Employers numbers as of September 2014 and 10 years ago.

Source:

Laredo Development Foundation
Texas Workforce Commission

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	93,345,100
Texas A&M University System	Education	67,809,100
Laredo Community College	Education	51,973,800
United Independent School District	Education	44,060,700
Webb County Jail	County Jail	25,841,900
Laredo Regional Medical Center	Hospital	16,278,800
Clark Crossing Apartments	Housing	13,968,600
Towne North Mobile Homes	Housing	12,090,900
Broad Acres Apartments	Housing	10,929,300
C P L Power Plant	Electricity	10,188,200

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2004**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Mercy Health Center	Hospital	73,310,500
Laredo Municipal Housing	Housing	32,826,500
Webb County Jail	County	26,406,100
C P & L Power Plant	Electricity	22,081,900
Dellwood Del Norte Limited	Apartments	13,306,800
Corrections Corp. of America	Correction	12,576,700
Holiday Inn - Laredo	Hotel	13,868,000
Towne North Mobile Homes	Housing	13,415,000
Regent Care Center of Laredo	Nursing	12,893,000
Broad Acres Apt.	Housing	13,320,900

NOTES:

(1) Total consumption in gallons

Numbers show total comparison for principal water consumers as of fiscal year 2014 and 10 years ago.

SOURCE:

City of Laredo, Texas

GENERAL

Form of Government:	City Manager & City Council
Terms of Office:	Mayor - 4 Year Term (2 Terms Maximum) City Council - 4 Year Staggered Terms (2 Terms Maximum) City Manager - Appointed by City Council
Date of First Charter Adoption:	1848
Date of Original Public Sale Of Town Lots:	1880
Second Charter:	February 23, 1911
Home Rule Amendment to Charter:	January 29, 1921
Amendments to Charter:	July 8, 1941, January 8, 1946, October 9, 1951, April 3, 1962, November 30, 1965, January 14, 1981, January 16, 1988, November 7, 1995 and August 28, 2006
Number of City Employees as of September 30, 2014:	2,467
Number of City Departments as of September 30, 2014:	23

Area in square miles by ten year periods for the last 50
years and annually for the last ten years

YEAR	LAND AREA	INCREASE	TOTAL*
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	4.57	38.07
2000	78.82	1.13	79.95
2004	83.97	0.34	84.40
2005	84.40	2.26	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.36	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.79	92.19
2012	92.19	0.77	92.96
2013	92.96	0.03	92.86
2014	92.86	5.46	98.32

*Annexations are effective December 31st of the respective year.

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2014****CITY OF LAREDO, TEXAS****TABLE 21****ELECTIONS**

(continued)

Number of Registered Voters: 116,000

NUMBER OF VOTES CAST IN

Last Municipal Election: Nov 4, 2014 23,967

% OF REGISTERED VOTERS VOTING IN

Last Municipal Election: Nov 4, 2014 24.00%

TRANSPORTATION**AIRPORTS**

Number of Airports: 1

Name of Airport: Laredo International Airport
Flights Daily to/from
Houston, Dallas, Las Vegas,
& OrlandoScheduled Airplane Flights
Per Day Departing: 8.4Scheduled Airplane Flights
Per Day Arriving: 8.4

Passengers Enplaning: 101,505 per year

Passengers Deplaned: 103,909 per year

BRIDGES

Number of Bridges: 4

Name of Bridges: Gateway to the Americas Bridge
Juarez - Lincoln International Bridge
Colombia Solidarity Bridge
World Trade BridgeNumber of Crossing Pick-ups,
Motorcycles, Autos & 2 Axle
Vehicles: 4,808,114Number of Crossing Commercial
Vehicles: 1,924,842Number of Crossing Pedestrians
(includes bicycles): 3,032,333

Total Tolls: \$ 54,081,544

RAILROADS

(continued)

Number of Railroads: 2

Names of Railroads: Union Pacific Railroad
Kansas City Southern Railroad

HIGHWAYS

Number of Highways: 5

Name of Major Highways: IH 35 - to San Antonio, Dallas & North to the
Canadian Border
Hwy. 59 - to Houston, New Orleans & East
Hwy. 359 - to Corpus Christi
Hwy. 83 - to Brownsville (East) & El Paso (West)
Hwy 255 - Columbia Bridge to IH 35

BUS LINES

Name of Local Bus Lines: Laredo Transportation Management Inc. (El Metro)
El Aguila Rural Transportation (Webb County)

Number of Adult Passengers: 1,825,164

Number of Elderly & Handicapped - Paid: 223,784

Number of Elderly & Handicapped - Free: 520,411

Number of Students: 186,392

Number of Children - Paid: 94,828

Number of Children - Free: 47,421

Number of I.D. Cards for Elderly: 3,485

Number of Medicaid Cards: 2,766

Number of Service Miles: 1,941,131

Number of Charter Miles: 0

Number of Employees: 171

Name of Interstate Bus Lines: Autobuses ADAME
Americanos USA
Cougar Bus Lines
Greyhound
Tornado
Zima Real
El Expreso Bus Co.

FIRE PROTECTION

(continued)

Number of Stations:	15
Number of Hydrants:	6,208
Number of Fire Pumpers:	14
Number of Aerial Trucks:	3
Number of Ambulances:	9
Number of Crash Trucks:	1
Number of Brush Trucks:	7
Number of Haz-Mat Trucks:	1
Number of Firefighters / EMT's / Paramedics:	355
Employees per 1,000 Population:	1.32

POLICE PROTECTION

Number of Stations:	1 Police Headquarters
Number of Neighborhood Policing Stations:	18
Number of Sworn Officers:	440
Number of Vehicular Patrol Units:	294
Employees per 1,000 Population:	1.64
Number of Law Violations:	30,596
Number of Physical Arrests:	9,603
Number of Traffic Violations:	28,514
Number of 911 Calls:	184,987
Number of Non-911 Calls:	239,532

PUBLIC WORKS

(continued)

WATERWORKS SYSTEM

Miles of Water Mains:	721
Daily Average Consumption:	26 MG
Plant Capacity:	65 MGD
Storage Capacity:	44.3 MG
Water Rights Owned:	60,632 Acre / Feet
Source of Water:	Rio Grande River
Number of Service Connections:	68,213

SEWER SYSTEM

Miles of Sanitary Sewer:	513
Number of Lift Stations:	68
Daily Average Treatment:	18.8 MG
Maximum Capacity of Treatment Plants:	24.7 MGD
Number of Disposal Plants:	6
Number of Service Connections:	63,410

SOLID WASTE

Number of Garbage Clients:	58,427
Solid Waste Disposal Type:	Type I Landfill

STREETS

Number of Paved Streets:	10,835 Blocks
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	676 Miles
Miles of Unpaved Streets:	1 mile

EDUCATIONAL

(continued)

LAREDO INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	4
Number of Magnet Schools:	3
Number of Alternative Education Schools:	2
Number of Classrooms:	402
Number of Administrative Personnel:	79
Number of Teachers:	395
Number of Students:	5,849
Annual Budget:	\$43,266,976
Number of Middle Schools:	4
Number of Classrooms:	277
Number of Administrative Personnel:	45
Number of Teachers:	307
Number of Students:	4,820
Annual Budget:	\$28,480,390
Number of Elementary Schools:	20
Number of Classrooms:	835
Number of Administrative Personnel:	121
Number of Teachers:	811
Number of Students:	13,842
Annual Budget:	\$79,964,363

UNITED INDEPENDENT SCHOOL DISTRICT

(continued)

Number of Senior High Schools:	4
Number of Magnet Schools:	3
Number Alternative Education Schools:	1
Number of Classrooms:	637
Number of Administrative Personnel:	121
Number of Teachers:	778
Number of Students:	11,721
Annual Budget:	\$72,613,882
Number of Middle Schools:	9
Number of Classrooms:	431
Number of Administrative Personnel:	89
Number of Teachers:	576
Number of Students:	9,798
Annual Budget:	\$52,342,883
Number of Elementary Schools:	26
Number of Classrooms:	1,180
Number of Administrative Personnel:	156
Number of Teachers:	1,220
Number of Students:	20,903
Annual Budget:	\$108,124,783

LIBRARIES

(continued)

Number of Public Libraries:	1
Number of Volumes:	337,335
Circulation Transactions:	1,084,849
Circulation Per Capita:	4.4
New Library Cards Issued:	6,787
Library Cards in Force:	19,571
Number of Subscriptions:	660
Number of Titles:	276,406
Number of Library Visits:	374,231
Number of Materials Used:	120,302
Library Programs Presented:	1,357
Number Attending Library Programs:	47,660
Bookmobiles:	1
Branches and Outlets:	4

PRIVATE SCHOOLS

Number of Parochial/Private Schools:	38
Vocational Training Centers:	14

COMMUNICATIONS

Number of Daily Newspapers:	2
Major Newspaper:	Laredo Morning Times
Number of Radio Stations:	20
Number of Television Stations:	8
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

TEXAS A&M INTERNATIONAL UNIVERSITY

(continued)

Date Established:	Established in 1970 as a division of Texas A&I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M University System on September 1, 1989.
Programs Offered:	Undergraduate, Graduate and Doctoral degrees are offered by the Colleges of Business Administration, Education, Humanities, Technology and Arts & Sciences.
Population Served:	Undergraduate and Graduate level college students seeking Liberal Arts, Education, Psychology, Business, International Trade, Science and Technology Degrees.
Region served:	South Texas Region
Number of Classrooms/Labs:	117
Number of Administrators:	168
Number of Full-Time Faculty:	219
Number of Part-Time Faculty:	90
Number of Full-Time Students:	4,453
Number of Part-Time Students:	3,112

LAREDO COMMUNITY COLLEGE

Date Founded:	1947
Programs Offered:	Associates of Art, Degrees in Engineering, Education, Medicine, Dentistry, Nursing, Law, Business Administration, Computer Science and Vocational Education.
Number of Classrooms/Labs:	331
Total Gross Square Footage:	1,211,872 Sq. Ft.
Number of Administrative Personnel:	18
Number of Full-Time Faculty:	189
Number of Part-Time Faculty:	154
Number of Full-Time Students:	3,228
Number of Part-Time Students:	5,498
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$51,574,744

RECREATIONAL

(continued)

PARKS

Number of Acres Maintained:	886.45
Number of Parks:	74
Number of Plazas:	4
Baseball and Softball Fields:	54
Number of Swimming Pools:	8
Number of Soccer Fields:	22
Number of Tennis Court Facilities:	4
Number of Racquetball Facilities:	2
Number of Recreational Centers:	9
Number of Splash Parks:	10
Number of Skate Parks:	9

CEMETERY

City:	1
Catholic:	1
Private:	3
Burials Served:	205
Cemetery Lots Sold:	102

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	42 with 3,963 Rooms
Meeting Facilities:	34

MAJOR ATTRACTIONS

(continued)

Number of Rodeo Arenas:	2
Number of Museums:	9
Number of Golf Courses:	3
Number of Tennis Courts:	21
Number of Tennis Court Facilities:	4
Number of Malls:	1
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Washington's Birthday Celebration Border Olympics Laredo International Fair & Exposition Laredo Birding Festival Memorial Day Pow Wow 4th of July Celebration Laredo Sister Cities Festival Fire Fest Autmus Fest Rio Fest Navidad Fest Jalapeno Festival Jamboozie Arte en la Avenida Farmers Market Octoberfest City Kite Festival Cycling Race

CIVIC CENTER

(Note: Facility sold to Laredo Independent School Dist. on Aug.31, 2013)

Auditoriums:	1 with 1,979 Seats
Banquet & Exhibit Halls:	20,440.Sq. Ft. (1,400 Seats)
Meeting Rooms:	4 Meeting Rooms with Capacity of 60 Per Room
Parking Spaces:	962

CHURCHES

Number of Catholic Churches:	18
Number of Synagogues:	1
Other Churches:	67

SPORTS ARENA

(continued)

Facility Area:	178,000 Square Feet
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	3
Food Courts:	8
Parking Spaces:	2,000
Major Attractions:	Concerts, Sporting Events, Conventions Family Entertainment, Community & Charity Events

BASEBALL STADIUM

Facility Area:	39 Acres
Seat Capacity:	6,010
Stadium Capacity:	16,000
Luxury Suites:	10
Meeting Rooms:	3
Food Courts:	4
Team Stores:	1
Parking Spaces:	985
Major Attractions:	Independent Baseball Team: The Laredo Lemurs Concerts

SOURCES:

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

**INSURANCE IN FORCE FOR THE CITY OF LAREDO
INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM,
LAREDO WATERWORKS SYSTEM, AND THE LAREDO
SEWER SYSTEM
SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

TABLE 22

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$ 476,650,481
ALL PREMISES	General Liability	1,000,000
VEHICLES	Automobile Liability Auto Physical Damage	1,000,000 PER SCHEDULE, ACTUAL CASH VALUE
LIABILITY	Errors & Omissions Public Employee Dishonesty	1,000,000 1,000,000
PROPERTY	Mobile Equipment Boiler & Machinery	19,453,543 Per Accident 5,000,000
AIRPORT LIABILITY	Comprehensive General Liability Personal Injury Liability Coverage Airport Control Tower Operations	Primary Policy 20,000,000 Excess Policy 20,000,000 PER OCCURRENCE
LAW ENFORCEMENT	Law Enforcement Liability	1,000,000
PUBLIC OFFICIALS	Personal Injury and Errors & Omissions	1,000,000
WORKER'S COMPENSATION	All City Employees for All Funds- Employer's Liability (2): Total Annual Contribution Per Occurrence Retention Annual Aggregate Retention Aggregate Limit Of Liability Loss Deposit Fund	 439,016 300,000 2,500,000 1,000,000 268,000
AIRPORT - FOREIGN TRADE ZONE	Foreign Trade Zone Operator's Bond	\$ 50,000

NOTES:

(1) The property Fire and Extended Coverage Policy includes all buildings owned by the City of Laredo and the contents of particular buildings. It also provides coverage for use occupancy and business interruptions for the four International Bridges operated by the City's International Toll Bridge System.

(2) Includes Volunteers and Elected Officials.

SOURCE:

City of Laredo, Texas

**FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 23

FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30								
FUNCTION	2014	2013	2012	2011	2010	2009	2008	2007
General Government	300.70	340.75	338.25	349.10	347.10	339.10	332.10	323.29
Public Safety:								
Police:								
Officers	482.00	482.00	482.00	482.00	455.00	455.00	455.00	399.00
Civilians	90.00	90.00	89.00	89.00	89.00	89.00	89.00	105.00
Fire:								
Firefighters and Officers	362.00	362.00	357.00	357.00	357.00	357.00	350.00	333.00
Civilians	14.00	14.00	10.00	10.00	10.00	10.00	9.00	9.00
Other Civilians	62.00	62.00	62.00	62.00	62.00	62.00	62.00	61.00
Public Works	159.00	112.00	113.00	118.00	118.00	118.00	119.00	113.50
Health and Welfare	302.50	304.88	291.38	289.88	279.88	251.88	250.55	248.88
Culture and Recreation	274.09	246.24	243.97	245.93	245.93	245.93	241.93	238.68
Air Transportation	60.00	54.00	48.00	48.00	47.00	42.00	37.00	43.00
Bridge System	189.00	190.00	190.00	207.00	207.00	218.00	212.00	212.00
Solid Waste Management System	131.00	128.00	128.00	128.00	132.00	168.00	168.00	169.00
Water System	207.00	190.00	195.00	188.00	188.00	179.00	169.00	179.00
Sewer System	102.00	81.00	75.00	72.00	72.00	69.00	69.00	69.00
Transit System	171.00	181.00	162.00	185.10	184.70	184.70	179.31	179.31
Municipal Housing	13.00	12.00	12.00	11.00	11.00	11.00	11.00	11.25
Total	<u>2,919.29</u>	<u>2,849.87</u>	<u>2,796.60</u>	<u>2,842.01</u>	<u>2,805.61</u>	<u>2,799.61</u>	<u>2,753.89</u>	<u>2,693.91</u>

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2007.

SOURCE:

City of Laredo Budget Division

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OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)

FUNCTION	FISCAL YEAR 2007	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014
Police								
Physical Arrests	9,379	7,882	8,319	7,832	7,827	8,613	9,576	9,603
Vehicle Inspections (used dealerships)	672	321	818	29	34	40	36	42
Bridge Operations Conducted	110	6	134	115	63	151	177	81
Emergency Calls	159,374	155,379	189,312	158,922	120,567	196,802	180,305	184,987
Non-Emergency Calls	290,866	276,857	288,998	222,698	271,832	264,904	250,351	239,532
Dispatched Calls	468,182	432,236	478,310	381,620	392,399	461,706	430,656	424,519
Public Awareness/Training/Education	121	22	65	63	108	112	54	75
Fire								
Fire Department Responses	5,148	11,798	8,002	9,333	9,092	26,733	24,559	19,470
Inspections	3,110	2,061	3,067	1,873	1,712	4,610	4,600	5,860
Arson Cases Investigated	156	51	84	80	87	94	95	64
Public Education Presentations	396	89	65	77	81	107	150	150
Public Works								
Street Resurfaced	206	357	600	490	462	388	244	346
Potholes Repaired	21,589	23,842	23,733	23,967	22,247	24,490	24,694	24,816
Bridge								
Pedestrian Crossings	4,161,523	4,362,476	4,124,272	3,746,170	3,161,627	2,946,244	2,973,056	3,032,333
Gateway Passes Sold	3,132,040	4,255,304	4,010,461	3,638,851	3,110,189	2,923,079	2,934,065	2,913,971
Non-Commercial Vehicle Crossings	5,718,799	3,930,715	3,644,895	4,669,024	4,401,849	4,418,558	4,551,845	6,732,956
Commercial Vehicle Crossings	1,662,549	1,608,566	1,400,869	1,575,893	1,725,335	1,784,104	1,835,110	1,924,842
Non-Commercial AVI Accounts	12,033	12,261	13,000	14,033	10,448	10,406	10,632	11,476
Commercial AVI Accounts	2,021	2,060	2,150	2,819	3,388	3,721	3,931	4,374
Culture and Recreation								
Community Center Admissions	331,208	280,372	294,342	265,265	345,442	382,769	523,699	466,400
Community Service Special Events	65	67	74	63	71	70	93	90
After School Programs	5	5	11	14	7	6	9	8
Transit System								
Passenger Ridership	4,324,816	4,014,848	3,369,008	3,365,661	2,858,252	2,884,245	2,998,121	2,898,000
Miles Driven	1,946,970	1,991,672	1,980,520	1,988,004	1,953,600	1,961,651	1,961,745	1,941,131

(Continued)

**OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

FUNCTION	FISCAL YEAR 2007	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014
Sanitation								
Household Customers	53,037	54,245	54,588	54,850	55,839	56,797	56,936	58,427
Refuse Collected (tons)	93,093	101,457	100,083	95,384	104,680	94,549	99,613	87,406
Recyclables Collected (tons)	2,979	3,328	3,385	4,200	3,684	3,378	3,128	11,506
Water								
Average Consumption (MGD)	33.58	36.72	37.96	32.60	40.00	28.40	35.00	26.00
Meters Read (per month)	58,193	59,840	60,880	61,675	63,031	64,561	66,512	67,662
Service Calls (per month)	7,071	7,269	6,973	6,943	7,561	8,415	9,030	9,785
Wastewater								
Average Sewage Treatment (MGD)	18.10	18.04	17.45	18.00	17.90	18.90	18.90	18.80
Airport								
Commercial Service Airlines	3	3	3	3	3	3	3	3
Land/Building Leases	94	93	90	89	83	86	86	90
Inbound/Outbound Passengers	223,638	220,520	203,854	221,558	208,173	192,869	200,803	204,496
Scheduled Flights Per Day	N/A	8	8	8	8	8	9	8

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2007.

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 25

FUNCTION	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008	FISCAL YEAR 2007
Public Safety								
Police:								
Stations	18	18	18	18	18	18	18	18
Patrol Units	294	261	297	381	468	413	433	470
Fire:								
Stations	15	14	14	14	14	14	14	14
EMS Units	9	9	9	10	9	13	13	9
Ladder Trucks	3	3	3	3	3	3	3	3
Pumper Trucks	14	14	14	14	14	17	18	14
Highways and Streets								
Public Works:								
Streets - Lane Miles	676	670	664	663	660	656	641	631
Traffic:								
Traffic Signals	246	248	242	243	246	243	241	239
Street Lights	12,761	12,480	12,400	13,649	13,261	13,087	13,035	12,800
Other Traffic Control Signs	35,331	34,862	34,624	34,209	33,775	33,475	32,500	31,500
Bridge System								
International Bridges	4	4	4	4	4	4	4	4
Cultural and Recreation								
Parks Acreage	886	860	863	882	878	838	1,035	738
Parks	74	74	73	72	71	70	64	71
Swimming Pools	8	7	7	6	6	6	6	6
Community Centers	9	9	10	8	10	8	8	7
Convention Centers	0	1	1	1	1	1	1	1
Stadiums	2	1	1	0	0	0	0	0
Transit System								
Buses	48	48	47	47	48	47	47	47
Trolleys	1	1	2	2	3	2	2	2

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

CITY OF LAREDO, TEXAS

TABLE 25

(Continued)

FUNCTION	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008	FISCAL YEAR 2007
Sanitation								
Collection Trucks - Rear Loaders	25	24	23	23	20	21	21	25
Collection Trucks - Automated	43	38	40	41	41	31	29	29
Collection Trucks - Dump Trucks	0	2	0	0	3	3	4	4
Collection Trucks - Grapplers	8	8	5	5	6	6	6	2
Collection Trucks - F Loaders/Recycle	3	3	4	0	0	0	0	0
Collection Trucks - Roll-off Trucks	2							
Water								
Water Mains (miles)	721	721	716	711	702	702	681	660
Fire Hydrants	6,208	3,381	3,316	3,257	3,221	3,155	2,920	2,740
Maximum Capacity (MGD)	65	65	65	65	65	65	65	65
Wastewater								
Sanitary Sewer (miles)	513	504	500	498	450	491	473	426
Maximum Capacity (MGD)	24.70	25.10	25.10	24.70	22.70	21.10	21.00	21.05
Environmental Services								
Storm Drainage (miles)	201	198	187	183	230	202	121	113
Air Transportation								
Airports	1	1	1	1	1	1	1	1

NOTES:

(1) This table was implemented by GASB starting in fiscal year 2007.

SOURCE:

City of Laredo, Texas

CONTINUING DISCLOSURES

The following table is hereby submitted in order to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12 for Continuing Disclosures of Information related to the new bonds issued during fiscal years 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, and 2014. The table applies to the following issues:

Waterworks System Revenue Bond, Series 2002	\$ 741,000
Sewer System Revenue Bond, Series 2002	710,000
International Toll Bridge System Revenue Bond, Series 2004	5,935,000
General Obligation Refunding Bonds, Series 2005	24,455,000
Sports Venue Sales Tax Revenue Improvement and Refunding Bond, Series 2005	33,550,000
International Toll Bridge System Rev. Improvement and Refunding Bond, Series 2005	23,760,000
International Toll Bridge System Revenue Refunding Bond, Series 2005	24,565,000
Waterworks & Sewer System Revenue Bond, Series 2005	6,420,000
Combination Tax and Revenue Certificate of Obligation, Series 2005	15,625,000
Combination Tax and Revenue Certificate of Obligation, Series 2006	17,320,000
Waterworks & Sewer System Revenue Bond, Series 2006	13,485,000
Waterworks & Sewer System Revenue Bond, Series 2007	17,670,000
Combination Tax and Revenue Certificate of Obligation, Series 2007	72,480,000
Combination Tax, Waterworks, and Sewer System Certificate of Obligation, Series 2008	46,235,000
International Toll Bridge System Revenue Bond, Series 2008	3,070,000
Tax and Revenue Certificate of Obligation, Series 2008	30,065,000
Public Property Finance Contractual Obligations, Series 2008	3,555,000
Waterworks & Sewer System Revenue Bond, Series 2008	915,000
General Obligation Refunding Bond, Series 2009	27,150,000
Combination Tax and Revenue Certificate of Obligation, Series 2009A	11,270,000
Combination Tax and Revenue Certificate of Obligation, Series 2009B (BAB)	13,465,000
Waterworks & Sewer System Revenue Bond, Series 2009C	13,475,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2009	7,500,000
Combination Tax and Revenue Certificate of Obligation, Series 2009D (BAB)	37,945,000
Public Property Finance Contractual Obligations, Series 2010	5,080,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2010	4,095,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010	2,070,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010B	2,040,000
General Obligation Refunding Bond, Series 2010	9,345,000
Combination Tax and Revenue Certificate of Obligation, Series 2010	9,545,000
Waterworks & Sewer System Revenue Bond, Series 2010	82,175,000
Sports Venue Sales Tax Revenue Bonds, Series 2011	10,445,000
Waterworks & Sewer System Revenue Bond, Series 2011	30,875,000
General Obligation Refunding Bonds, Series 2012	7,635,000
International Toll Bridge System Revenue Bond, Series 2012	7,640,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2012	48,750,000
Combination Tax and Revenue Certificate of Obligation, Series 2012	7,690,000
Public Property Finance Contractual Obligations, Series 2012	3,800,000
Solid Waste Certificate of Obligation Revenue Bond, Series 2012A	10,345,000
Solid Waste Certificate of Obligation Revenue Bond, Series 2012B	4,605,000
Waterworks & Sewer System Revenue Bond, Series 2012	41,120,000
Waterworks & Sewer System Refunding Bond, Series 2013	17,260,000
Public Property Finance Contractual Obligations, Series 2013	10,095,000
General Obligation Refunding Bonds, Series 2013	16,845,000
Tax and Revenue Certificate of Obligation, Series 2013	9,995,000
Waterworks & Sewer System Revenue Bond, Series 2013	18,255,000
International Toll Bridge System Refunding Bond, Series 2014	14,175,000
International Toll Bridge System Taxable Refunding Bond, Series 2014	3,885,000
International Toll Bridge System Subordinated Refunding Bond, Series 2014	\$ 17,365,000

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2013 Market Valuation Established by Webb County Appraisal District (as of September 2013)		11,806,184,356
Less Supplemental Tax Levy Adjustment	7,131,558	
Total Adjusted Levy		11,799,052,798
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	242,740,684	
Disabled Veterans Exemptions	35,819,053	
Agricultural and Open Space Land Use Reductions	220,650,984	
Free Port Exemptions	207,587,448	
Property Redevelopment and Tax Abatement	81,443,320	
Pollution Control	11,414,170	
Other Exemptions	576,290	800,231,949
2013 Taxable Assessed Valuation		<u>10,998,820,849</u>
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	26,653,474	
Certificates of Obligation	148,499,945	
Funded Debt Payable from Ad Valorem Taxes		175,153,419
Less: Self-supporting Debt		
Bridge System General Obligation Debt	4,707,599	
Airport System Certificates of Obligation	5,270,000	
Environmental Services General Obligation Debt	4,045,066	
Environmental Services Certificates of Obligation	15,899,783	
Parking System General Obligation Debt	1,482,018	
Parking System Certificates of Obligation	840,000	32,244,466
General Purpose Funded Debt Payable from Ad Valorem Taxes		<u>142,908,953</u>
Interest and Sinking Fund		3,775,973
Ratio Funded Debt to Taxable Assessed Valuation		1.59%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.30%
2014 Estimated Population- 251,552		
Per Capita Taxable Assessed Valuation- \$43,724		
Per Capita Funded Debt- \$696		
Per Capita General Purpose Funded Debt- \$568		

- (1) The above statement of indebtedness does not include the following revenue bonds, as these are payable solely from the net revenues of the System, as defined in the bond ordinance authorizing the bonds:
 \$219,727,971 Waterworks System Revenue Bonds; \$130,558,236 Sewer System Revenue Bonds;
 \$57,380,000 International Toll Bridge System Revenue Bonds; \$8,849,217 Transit System Revenue Bonds;
 \$24,917,154 Solid Waste Revenue Bonds; and \$34,145,000 Sports Venue Sales Tax Revenue Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Taxable Appraised Value for Fiscal Year Ended September 30,						
	2014		2013		2012	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,702,411,868	48.33%	5,640,577,811	47.81%	5,743,367,125	49.95%
Real, Residential, Multifamily	406,542,266	3.45%	375,691,113	3.18%	371,601,626	3.23%
Real, Vacant Lots/Tracts	387,547,909	3.28%	396,528,886	3.36%	352,102,767	3.06%
Real, Acreage (Land Only)	221,567,102	1.88%	355,696,350	3.01%	365,843,683	3.18%
Real, Farm and Ranch Improvements	143,009,485	1.21%	1,611,188	0.01%	1,339,140	0.01%
Real, Commercial/Industrial	3,100,899,447	26.28%	3,050,782,350	25.86%	2,980,783,465	25.92%
Real, Oil, Gas, and Other Mineral Reserves	6,432,922	0.05%	7,805,378	0.07%	10,887,358	0.09%
Goods In-Transit	1,787,779	0.02%	1,655,666	0.01%	0	0.00%
Real and Tangible Personal, Utilities	248,901,579	2.11%	229,889,347	1.95%	211,669,018	1.84%
Tangible Personal, Commercial/Industrial	1,437,850,956	12.19%	1,292,946,066	10.96%	1,181,912,878	10.28%
Tangible Personal, Other	77,050,967	0.65%	76,391,179	0.65%	75,712,660	0.66%
Real Property, Inventory (1)	32,287,021	0.27%	41,995,477	0.36%	47,172,340	0.41%
Special Inventory	32,763,497	0.28%	26,823,514	0.23%	21,646,450	0.19%
Total Appraised Value Before Exemptions	11,799,052,798	100.00%	11,498,394,325	100.00%	11,364,038,510	100.00%
Less: Total Exemptions/Reductions	800,231,949		807,321,080		779,291,720	
Taxable Assessed Value	10,998,820,849		10,691,073,245		10,584,746,790	
Taxable Appraised Value for Fiscal Year Ended September 30,						
	2011		2010			
Category	Amount	% of Total	Amount	% of Total		
Real, Residential, Single Family	5,758,393,175	50.52%	5,642,149,175	49.51%		
Real, Residential, Multifamily	363,783,782	3.19%	350,283,403	3.07%		
Real, Vacant Lots/Tracts	374,194,726	3.28%	377,615,393	3.31%		
Real, Acreage (Land Only)	364,100,202	3.19%	377,971,484	3.32%		
Real, Farm and Ranch Improvements	2,094,360	0.02%	2,104,590	0.02%		
Real, Commercial/Industrial	3,013,478,258	26.44%	3,005,989,286	26.38%		
Real, Oil, Gas, and Other Mineral Reserves	20,194,565	0.18%	20,606,845	0.18%		
Goods In-Transit	0	0.00%	0	0.00%		
Real and Tangible Personal, Utilities	217,971,470	1.91%	196,643,590	1.73%		
Tangible Personal, Commercial/Industrial	1,135,466,249	9.96%	1,264,466,251	11.09%		
Tangible Personal, Other	75,657,587	0.66%	75,679,927	0.66%		
Real Property, Inventory (1)	52,822,580	0.46%	63,248,160	0.55%		
Special Inventory	20,359,840	0.18%	20,204,920	0.18%		
Total Appraised Value Before Exemptions	11,398,516,794	100.00%	11,396,963,024	100.00%		
Less: Total Exemptions/Reductions	761,010,658		773,831,223			
Taxable Assessed Value	10,637,506,136		10,623,131,801			

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

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

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

<u>Fiscal Year Ended 9-30</u>	<u>Estimated Population (1)</u>	<u>Taxable Assessed Valuations (2)</u>	<u>Taxable Assessed Valuation Per Capita</u>	<u>G.O. Tax Debt Outstanding at End of Year</u>	<u>Ratio of G.O. Tax Debt to Taxable Assessed Valuation</u>	<u>G.O. Tax Debt Per Capita</u>
2005	215,375	6,773,135,203	31,448	153,725,000	2.27%	714
2006	224,695	7,449,143,814	33,152	155,940,000	2.09%	694
2007	231,470	8,408,036,926	36,325	217,945,000	2.59%	942
2008	237,396	9,393,528,747	39,569	282,840,000	3.01%	1,191
2009	233,152	10,385,975,045	44,546	200,009,344	1.93%	858
2010	244,580	10,623,131,801	43,434	192,761,176	1.81%	788
2011	240,135	10,637,506,136	44,298	193,993,899	1.82%	808
2012	241,935	10,584,746,790	43,750	190,763,722	1.80%	788
2013	247,543	10,691,073,245	43,189	182,702,323	1.71%	738
2014	251,552	10,998,820,849	43,724	175,153,419	1.59%	696

(1) Source: City of Laredo and Laredo Development Foundation.

(2) As reported by the Webb County Appraisal District on City's annual State Property Tax Board Reports.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

<u>Fiscal Year Ended 9-30</u>	<u>Tax Rate</u>	<u>Distribution General Fund</u>	<u>Interest and Sinking Fund</u>	<u>Tax Levy</u>	<u>% Current Collections</u>	<u>% Total Collections</u>
2005	0.637000	0.508677	0.128323	43,378,278	96.12%	99.51%
2006	0.637000	0.512019	0.124981	47,726,893	96.28%	99.60%
2007	0.637000	0.513745	0.123255	53,847,576	96.62%	99.57%
2008	0.637000	0.511426	0.125574	59,690,336	96.91%	99.56%
2009	0.637000	0.512737	0.124263	65,419,993	96.60%	99.50%
2010	0.637000	0.512772	0.124228	66,652,507	96.59%	99.45%
2011	0.637000	0.512304	0.124696	67,016,086	97.35%	99.41%
2012	0.637000	0.512326	0.124674	66,842,112	96.97%	99.21%
2013	0.637000	0.498866	0.138134	67,621,015	97.39%	98.95%
2014	0.637000	0.488257	0.148743	69,529,157	97.97%	97.97%

Tax collections as of September 30, 2014

TABLE 5 – TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013 Assessed Valuation Real & Personal Property</u>	<u>Percentage of Total Assessed Valuation</u>
Laredo Texas Hospital Co., LP	Medical	104,484,085	0.95%
AEP Texas Central Company	Electricity	85,867,820	0.78%
Halliburton Energy Services	Exploration	73,422,910	0.67%
The Geo Group, Inc.	Corrections	52,159,960	0.47%
Mall Del Norte, LLC	Retail	52,068,350	0.47%
AEP Electric Transmission of Texas, LLC	Electricity	42,867,650	0.39%
Laredo Regional Medical Center, LP	Medical	40,213,370	0.37%
Farias Development, Ltd.	Development	36,413,140	0.33%
International Bank of Commerce	Banking	34,246,850	0.31%
H.E. Butt Grocery Company	Grocery Store	30,025,360	0.27%
		<u>551,769,495</u>	5.01%

NOTE: As of February 23, 2015, the following taxpayers are not current on their taxes: MALL DEL NORTE, INTERNATIONAL BANK OF COMMERCE.

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

TABLE 6 – ESTIMATED OVERLAPPING DEBT

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

<u>Taxing Jurisdiction</u>	<u>2013 Taxable Assessed Valuation</u>	<u>2013 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-14</u>
City of Laredo	10,998,820,849	0.637000	175,153,419	100.00%	175,153,419
Laredo Independent School District	2,147,390,449	1.274000	270,246,316	100.00%	270,246,316
Laredo Community College District	11,359,617,483	0.255220	363,247,520	100.00%	363,247,520
United Independent School District	14,869,248,055	1.194860	316,866,995	77.72%	246,269,029
Webb County	18,423,325,624	0.420050	73,127,000	60.05%	43,912,764
Total Direct and Overlapping G.O. Tax Debt					<u>1,098,829,047</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.90%
Per Capita Overlapping G. O. Tax Debt					4,368.20

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2015.....	\$	24,711,596
Interest and Sinking Fund, 9-30-2014.....	3,775,973	
Property Taxes for Interest and Sinking Fund.....	16,284,196	
Paving Assessments.....	11,454	
Budgeted Transfers.....	7,526,151	
Estimated Investment Income.....	<u>28,290</u>	<u>27,626,064</u>
Estimated Balance, 9-30-2015.....	\$	<u>2,914,468</u>

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TABLE 8A – GENERAL OBLIGATION DEBT SERVICE

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2013 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2015	6,705,909	396,435	7,102,344	2,948,083	4,154,261	13.71%
2016	7,713,465	83,802	7,797,267	2,971,041	4,826,226	
2017	7,316,136	86,270	7,402,406	2,975,122	4,427,284	
2018	6,111,143	88,468	6,199,611	2,541,052	3,658,559	
2019	4,506,586	85,492	4,592,078	2,100,093	2,491,985	
2020	4,196,522	87,356	4,283,878	1,790,708	2,493,170	72.76%
2021	3,645,795	84,075	3,729,870	1,417,025	2,312,845	
2022	2,870,046	85,625	2,955,671	1,414,414	1,541,257	
2023	2,127,652	86,913	2,214,565	744,962	1,469,603	
2024	1,669,304	-	1,669,304	470,925	1,198,379	
2025	1,089,358	-	1,089,358	-	1,089,358	97.88%
2026	643,001	-	643,001	-	643,001	100.00%
Total	<u>48,594,917</u>	<u>1,084,436</u>	<u>49,679,353</u>	<u>19,373,425</u>	<u>30,305,928</u>	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2013	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2015	27,253,303	1,086,725	28,340,028	12,433,812	15,906,216	7.83%
2016	26,565,791	1,080,950	27,646,741	12,435,652	15,211,089	
2017	26,569,034	1,080,950	27,649,984	12,440,828	15,209,156	
2018	26,580,757	1,081,350	27,662,107	12,449,990	15,212,117	
2019	25,989,076	1,070,750	27,059,826	11,780,452	15,279,374	37.83%
2020	24,702,783	1,079,750	25,782,533	10,483,316	15,299,217	
2021	24,327,964	1,082,625	25,410,589	10,120,205	15,290,384	
2022	22,801,032	1,083,250	23,884,282	9,218,230	14,666,052	
2023	22,023,724	1,081,625	23,105,349	8,892,482	14,212,867	
2024	21,944,098	1,077,750	23,021,848	8,851,676	14,170,172	74.09%
2025	21,868,680	1,081,375	22,950,055	8,811,323	14,138,732	
2026	21,038,933	-	21,038,933	7,791,745	13,247,188	
2027	20,285,804	-	20,285,804	7,748,989	12,536,815	
2028	13,680,480	-	13,680,480	7,139,226	6,541,254	
2029	10,993,712	-	10,993,712	7,091,741	3,901,971	98.89%
2030	8,287,595	-	8,287,595	7,046,277	1,241,318	
2031	7,503,591	-	7,503,591	6,998,106	505,485	
2032	7,455,190	-	7,455,190	6,951,527	503,663	
2033	6,582,333	-	6,582,333	6,582,333	-	
2034	3,361,440	-	3,361,440	3,361,440	-	100.00%
2035	3,306,065	-	3,306,065	3,306,065	-	
2036	3,243,796	-	3,243,796	3,243,796	-	
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
Total	<u>385,723,595</u>	<u>11,887,100</u>	<u>397,610,695</u>	<u>194,537,625</u>	<u>203,073,070</u>	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Revenue from Fiscal Year Ended 9-30-14	37,264
Less: Airport Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>497,247</u>
Balance Available for Other Purposes	(459,983)
Airport General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>-</u>
Balance	<u>(459,983)</u>
Percentage of Airport General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-14	14,059,125
Less: Sewer System Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>5,985,996</u>
Balance Available for Other Purposes	8,073,129
Sewer System General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>3,626,499</u>
Balance	<u>4,446,630</u>
Percentage of Sewer System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Waterworks System	
Net Revenue from Fiscal Year Ended 9-30-14	20,247,772
Less: Waterworks Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>10,131,237</u>
Balance Available for Other Purposes	10,116,535
Waterworks System General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>6,585,440</u>
Balance	<u>3,531,095</u>
Percentage of Waterworks System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Mass Transit	
Net Revenue from Fiscal Year Ended 9-30-14	(236,845)
Less: Mass Transit Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>831,862</u>
Balance Available for Other Purposes	(1,068,707)
Mass Transit General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>470,910</u>
Balance	<u>(1,539,617)</u>
Percentage of Mass Transit General Obligation Bonds Self-supporting	100%

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

Computation of Self-supporting Debt-Solid Waste Fund (Landfill Fund)	
Net Revenue from Fiscal Year Ended 9-30-14	3,008,507
Less: Solid Waste Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>3,384,136</u>
Balance Available for Other Purposes	(375,629)
Solid Waste General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>479,244</u>
Balance	<u><u>(854,873)</u></u>
Percentage of Solid Waste General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Bridge Fund	
Net Revenue from Fiscal Year Ended 9-30-14	42,911,759
Less: Bridge Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>9,221,624</u>
Balance Available for Other Purposes	33,690,135
Bridge General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>-</u>
Balance	<u><u>33,690,135</u></u>
Percentage of Bridge General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Environmental Fund	
Net Revenue from Fiscal Year Ended 9-30-14	3,102,808
Less: Environmental Fund Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>2,042,896</u>
Balance Available for Other Purposes	1,059,912
Environmental Fund General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>157,909</u>
Balance	<u><u>902,003</u></u>
Percentage of Environmental Fund General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Parking Meters Fund	
Net Revenue from Fiscal Year Ended 9-30-14	780,710
Less: Parking Meters Fund Revenue Bond Requirements, 2015 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	780,710
Parking Meters Fund General Obligation Bond Requirements, 2015 Fiscal Year Ended	<u>187,421</u>
Balance	<u><u>593,289</u></u>
Percentage of Parking Meters Fund General Obligation Bonds Self-supporting	100%

TABLE 10 - OTHER OBLIGATIONS

<u>Fiscal Year Ended September 30</u>	<u>Lease Payments</u>
2015	\$ 482,845
2016	482,845
2017	482,845
2018	411,833
2019	411,834
2020	411,833
2021	411,834
2022	411,833
2023	411,834
2024	411,833
2025	411,834
2026	411,833
2027	<u>411,834</u>
Total Minimum Lease Payments	\$ <u><u>5,566,870</u></u>

Pension Obligation

The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System (TMRS), a statewide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

FINANCIAL INFORMATION

TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:					
Taxes	87,841,771	86,407,756	84,863,744	82,825,288	79,720,751
Franchises	7,408,310	7,049,443	7,080,430	6,995,838	6,668,731
Licenses & Permits	8,475,493	7,461,360	6,365,903	5,795,171	5,833,700
Intergovernmental	623,605	1,075,132	397,278	1,629,571	1,581,037
Charges for Services	44,017,007	37,320,387	34,908,091	32,061,368	32,533,435
Fine and Special Assessmer	4,405,309	2,741,190	3,085,225	3,248,911	3,230,565
Interest and Other	208,691	194,996	913,152	931,281	921,017
Other	1,165,668	2,505,651	1,817,439	1,687,095	1,390,982
Total Revenues	<u>154,145,854</u>	<u>144,755,915</u>	<u>139,431,262</u>	<u>135,174,523</u>	<u>131,880,218</u>
Expenditures:					
General Government	19,086,641	18,640,156	18,035,867	18,295,821	17,864,806
Public Safety	106,976,068	102,151,843	97,701,526	92,803,746	89,777,961
Public Works	7,516,367	7,552,358	7,213,771	7,049,101	6,838,476
Health and Welfare	472,667	462,769	653,374	839,064	870,349
Culture and Recreation	16,702,160	14,776,847	13,077,790	11,139,218	10,499,519
Capital Outlay	22,378,959	11,460,293	14,348,689	11,291,552	18,458,452
Bond Costs	-	-	-	-	70,000
Interest and Fiscal					
Expenditures	<u>111,947</u>	<u>129,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>173,244,809</u>	<u>155,173,906</u>	<u>151,031,017</u>	<u>141,418,502</u>	<u>144,379,563</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(19,098,955)</u>	<u>(10,417,991)</u>	<u>(11,599,755)</u>	<u>(6,243,979)</u>	<u>(12,499,345)</u>
Other Financing Sources (Uses):					
Transfers In	8,056,943	6,200,000	6,271,512	6,681,267	2,608,800
Bond/Capital Lease Proceed	-	4,588,000	-	-	2,070,000
Contributions	19,667,880	8,430,999	13,991,368	9,749,327	17,394,912
Transfers Out	(7,740,352)	(8,102,019)	(7,335,197)	(9,738,939)	(5,326,814)
Sale of Assets	<u>155,171</u>	<u>4,007,423</u>	<u>16,671</u>	<u>126,432</u>	<u>6,356</u>
Total Other Financing					
Sources (Uses):	<u>20,139,642</u>	<u>15,124,403</u>	<u>12,944,354</u>	<u>6,818,087</u>	<u>16,753,254</u>
Net Increase (Decrease)	1,040,687	4,706,412	1,344,599	574,108	4,253,909
Beginning Fund Balance	<u>41,571,451</u>	<u>36,865,039</u>	<u>35,520,440</u>	<u>34,946,332</u>	<u>30,692,423</u>
Ending Fund Balance	<u><u>42,612,138</u></u>	<u><u>41,571,451</u></u>	<u><u>36,865,039</u></u>	<u><u>35,520,440</u></u>	<u><u>34,946,332</u></u>

TABLE 12 – MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, VATCS, Tax Code Chapter 321, which grants the City the power to impose and levy a 1% Local Sales Tax within the City proceeds of which are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

<u>Fiscal Year Ended 9-30</u>	<u>Total Collected (2)</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita (1)</u>
2005	26,433,198	61%	0.3902	122.73
2006	29,894,463	63%	0.4013	133.04
2007	31,384,048	59%	0.3733	135.59
2008	32,518,723	55%	0.3476	136.98
2009	30,308,403	46%	0.2941	129.99
2010	29,339,115	44%	0.2792	119.96
2011	33,669,024	50%	0.3192	140.21
2012	37,481,815	56%	0.3572	154.93
2013	39,921,718	59%	0.3759	161.27
2014	40,024,574	57%	0.3660	159.11

(1) Based on estimated population for all years.

(2) The City has also collected a 1/4 of 1% Local Sales and Use Tax since September, 1991 for funding of its Mass Transit System and a 1/4 of 1% since January 2001 for the Sports & Community Venue Project. The total collected column includes only amounts collected for the City and Sports & Community Venue.

The sales tax breakdown for the City is as follows:

Webb County	0.50%
Mass Transit Sales & Use Tax	0.25%
Sports Venue Tax	0.25%
City Sales & Use Tax	1.00%
State Sales & Use Tax	<u>6.25%</u>
Total	<u><u>8.25%</u></u>

TABLE 13 - CURRENT INVESTMENTS

As of September 30, 2014, all of the City's investments consisted of secured certificates of deposits and government investment pools. The City's certificate of deposit portfolio had a weighted average maturity of 577 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 131,457,531
Certificates of Deposit	<u>220,102,398</u>
Total	<u>\$ 351,559,929</u>

LAREDO BRIDGE SYSTEM

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

The system presently has 25 toll lanes, all of which are equipped with an automated toll collection system which counts truck axles and charges accordingly. The toll collection process was recently restructured and upgraded to include a weight-in-motion system for truck toll collections for the Laredo Bridge System. The bridge system employs a staff of 189 employees, approximately 75 of which are directly involved in toll collection operations. Another 114 employees are involved in various aspects of administration, including maintenance, toll technicians, accounting, customer service, traffic control, and general administration.

LAREDO BRIDGE SYSTEM CURRENT AND HISTORICAL INFORMATION

TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC

CALENDAR YEAR	NON- COMMERCIAL VEHICLES	COMMERCIAL VEHICLES	TOTAL VEHICLES	PEDESTRIANS
2005	6,655,426	1,485,435	8,140,861	3,993,263
2006	6,056,829	1,704,727	7,761,556	4,148,359
2007	5,718,799	1,662,549	7,381,348	4,161,523
2008	5,539,281	1,608,566	7,147,847	4,362,476
2009	5,045,664	1,400,969	6,446,633	4,124,272
2010	4,669,024	1,575,893	6,244,917	3,746,170
2011	4,401,849	1,725,335	6,127,184	3,161,627
2012	4,418,558	1,784,104	6,202,662	2,946,244
2013	4,551,845	1,835,110	6,386,955	2,973,056
2014	4,808,114	1,924,842	6,732,956	3,032,333

TABLE 2 - TOLL RATES FOR THE SYSTEMNew Rate Schedule (Southbound only) EffectiveOctober 18, 2013:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.75
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.65
Commercial Vehicles (per axle)	\$4.25
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

Old Rate Schedule (Southbound only) EffectiveOctober 24, 2008:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00

TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2014</u>	<u>FISCAL YEAR</u> <u>2013</u>	<u>FISCAL YEAR</u> <u>2012</u>	<u>FISCAL YEAR</u> <u>2011</u>	<u>FISCAL YEAR</u> <u>2010</u>
OCT	4,364,888	3,846,856	3,623,798	3,627,234	3,638,421
NOV	4,396,270	3,691,331	3,594,343	3,591,235	3,490,378
DEC	4,456,362	3,698,769	3,766,094	3,788,623	3,832,483
JAN	4,323,100	3,690,675	3,570,567	3,454,475	3,322,648
FEB	4,131,500	3,469,806	3,563,175	3,373,217	3,252,861
MAR	4,579,634	3,765,810	3,915,306	3,790,362	3,751,600
APR	4,530,638	3,940,556	3,617,722	3,702,584	3,583,838
MAY	4,756,878	3,992,604	3,871,228	3,712,938	3,632,644
JUN	4,574,275	3,778,921	3,730,995	3,775,125	3,685,688
JUL	4,775,062	3,984,295	3,727,710	3,518,264	3,327,520
AUG	4,693,004	4,007,307	3,958,967	3,720,401	3,705,904
SEP	<u>4,499,933</u>	<u>3,715,872</u>	<u>3,528,057</u>	<u>3,583,744</u>	<u>3,596,149</u>
TOTAL	<u>54,081,544</u>	<u>45,582,802</u>	<u>44,467,962</u>	<u>43,638,202</u>	<u>42,820,134</u>

TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM

<u>Fiscal</u> <u>Year</u> <u>Ended</u> <u>9-30</u>	<u>Revenue Bond</u>			<u>Subordinate</u> <u>Lien</u> <u>Total</u>	<u>Total</u> <u>Outstanding</u> <u>Debt</u>	<u>% of</u> <u>Total</u> <u>Debt</u> <u>Service</u> <u>Retired</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2015	5,595,000	2,114,274	7,709,274	1,512,350	9,221,624	10.83%
2016	5,650,000	1,917,280	7,567,280	1,512,150	9,079,430	
2017	5,880,000	1,694,707	7,574,707	1,516,200	9,090,907	
2018	6,135,000	1,462,113	7,597,113	1,519,350	9,116,463	
2019	3,930,000	1,205,134	5,135,134	1,722,350	6,857,484	
2020	3,425,000	1,044,818	4,469,818	1,724,100	6,193,918	58.22%
2021	3,575,000	906,382	4,481,382	1,727,850	6,209,232	
2022	3,735,000	750,011	4,485,011	1,728,350	6,213,361	
2023	2,970,000	586,368	3,556,368	1,730,600	5,286,968	
2024	3,110,000	443,106	3,553,106	1,734,350	5,287,456	
2025	2,740,000	293,006	3,033,006	1,719,350	4,752,356	90.81%
2026	960,000	193,086	1,153,086	1,720,600	2,873,686	
2027	1,010,000	145,695	1,155,695	1,723,275	2,878,970	
2028	1,060,000	95,833	1,155,833	-	1,155,833	
2029	870,000	43,500	913,500	-	913,500	100.00%
TOTAL	<u>50,645,000</u>	<u>12,895,313</u>	<u>63,540,313</u>	<u>21,590,875</u>	<u>85,131,188</u>	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>REVENUES</u>					
Toll Receipts	54,081,544	45,582,802	44,467,962	43,638,202	42,820,134
Rental of Facilities	804,762	1,798,954	2,653,682	2,734,637	2,700,169
Miscellaneous	<u>339,775</u>	<u>246,661</u>	<u>243,805</u>	<u>59,631</u>	<u>377,044</u>
Total	<u>55,226,081</u>	<u>47,628,417</u>	<u>47,365,449</u>	<u>46,432,470</u>	<u>45,897,347</u>
<u>EXPENSES</u>					
Personnel Services	7,439,512	7,392,123	7,373,053	7,451,573	6,950,196
Materials and Supplies	539,943	418,075	513,620	566,377	494,239
Contractual Services (1)	4,381,050	3,835,380	3,649,625	3,558,081	3,867,475
Other	<u>2,964</u>	<u>23,784</u>	<u>21,736</u>	<u>1,300</u>	<u>53,793</u>
Total	<u>12,363,469</u>	<u>11,669,362</u>	<u>11,558,034</u>	<u>11,577,331</u>	<u>11,365,703</u>
<u>NON-OPERATING REVENUE</u>					
Interest Earnings-Restricted	18,975	39,751	58,055	55,901	163,246
Interest Earnings-Unrestricted	<u>30,172</u>	<u>17,017</u>	<u>18,664</u>	<u>23,032</u>	<u>37,064</u>
Net Revenues Available for for Debt Service	42,911,759	36,015,823	35,884,134	34,934,072	34,731,954
Debt Service	<u>7,909,872</u>	<u>8,728,259</u>	<u>8,708,893</u>	<u>8,784,606</u>	<u>8,787,530</u>
Surplus Revenues	<u>35,001,887</u>	<u>27,287,564</u>	<u>27,175,241</u>	<u>26,149,466</u>	<u>25,944,424</u>

(1) Contractual Services consist of administrative overhead and monthly payments made to the City for services provided to the System from surplus revenues of the System.

TABLE 6 – COVERAGE AND FUND BALANCES**DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS**

Average Annual Principal and Interest Requirements on System
Revenue Bonds, 2015 through 2029

\$ 4,236,021

Coverage of Average Requirements by 9-30-14 Net Income

8.26

Maximum Annual Principal and Interest Requirements,
after FY 2015 through 2029

\$ 7,709,274

Coverage of Maximum Requirements by 9-30-14 Net Income

4.54

Reserve Fund

\$ 3,568,986

Contingency Fund

\$ 500,000

**DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS
AND SUBORDINATE LIEN BOND**

Average Annual Principal and Interest Requirements on First Lien
Revenue Bonds plus Sub., Lien Bond, 2015 through 2029

\$ 5,675,413

Coverage of Average Requirements by 9-30-14 Net Income

6.17

Maximum Annual Principal and Interest Requirements,
after FYE 2015 through 2029

\$ 9,221,624

Coverage of Maximum Requirements by 9-30-14 Net Income

3.80

TABLE 7 – HISTORICAL DEBT SERVICE COVERAGE ANALYSIS

Fiscal Year	Operating and Non-Operating Revenues	Direct Operating Expenses(1)	Net Revenue Available For Debt Service	Total Debt Service Requirements	Coverage
2005	39,231,949	10,020,392	29,211,557	9,521,805	3
2006	42,757,164	10,851,262	31,905,902	8,348,905	4
2007	41,642,971	11,426,566	30,216,405	8,253,670	4
2008	48,757,080	12,003,151	36,753,929	8,144,751	5
2009	43,724,135	11,499,210	32,224,925	8,322,360	4
2010	46,097,657	11,365,703	34,731,954	8,787,530	4
2011	46,511,403	11,577,331	34,934,072	8,784,606	4
2012	47,442,168	11,558,034	35,884,134	8,708,893	4
2013	47,685,185	11,669,362	36,015,823	8,728,259	4
2014	55,275,228	12,363,469	42,911,759	7,909,872	5

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

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LAREDO INTERNATIONAL AIRPORT DISCLOSURES

The City of Laredo International Airport encompasses approximately 1,700 acres of which 900 acres are dedicated to aviation for passenger and air cargo terminals, runways, taxiways and aprons, and 800 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by the following scheduled airlines: American Airlines to Dallas/Fort Worth, United Express to Houston Bush Intercontinental, Allegiant Air to Las Vegas, Nevada and seasonally to Orlando, Florida, on average, the airlines have in total ten (10) daily scheduled round trip flights. A top priority for the Airport is the re-instatement of direct air service to Mexico City and Guadalajara, Mexico. Currently the City is nearing conclusion of negotiations for direct air service to Mexico City with a Mexican low fare airline.

Furthermore, our passenger terminal also houses a full service restaurant, gift shop & duty free concession, ATM, four car rental companies, Federal Inspection Facility with 24/7 services, and Transportation Security Administration.

In the area of commercial passenger enplanement activity for 2014 increased by 12.19% compared to 2013.

The airport passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges to twenty gates by the year 2025. The passenger capacity for the terminal is 600 passengers per hour and the Federal Inspection Station has capacity for 300 passengers per hour.

Two (2) scheduled cargo operators and twenty six (26) charter air cargo companies are currently serving the Airport. Major scheduled service air cargo operators include Federal Express and UPS Supply Chain Solutions. In terms of all-air cargo activity in 2008 LRD ranked 78th nationally and in 2013 LRD's ranking improved to 56th.

The Laredo International Airport is unique in that it is the only place outside the Republic of Mexico to have an operation of Mexican Customs to pre-clear Mexico bound air cargo. Whereas, other countries may have passenger pre-clearance, LRD is the only airport worldwide with a cargo pre-clearance. Air cargo shipments to Mexico will be facilitated and expedited, this being an attraction to the Auto Manufacturing, Auto Parts, Electronics / Electrical and Aerospace industries who rely on "just-in-time" delivery of inventory.

In April 2014, LRD completed an update of Laredo's Airport Noise Compatibility Study. Residents within the approved Airport Noise Contours are eligible to participate in the City's voluntary noise abatement program. This program consists of the following options:

- Offer to acquire the fee simple interest, or
- Offer to soundproof, if feasible, the residential structure in exchange for an aviation easement, or
- Offer to acquire the aviation easement.

The estimated cost of the airport noise abatement program for the next eight to ten years is \$48.0 million of which the Federal Aviation Administration, under the current program, would fund 90% of the program cost.

Projects completed during 2014 included construction of the Airport Rescue and Fire Fighting Station, replace Airport Passenger Terminal A/C Chillers, upgrade perimeter fencing, acquire airport vacuum sweeper, expand FIS baggage belt at the commercial passenger terminal, and FAR Part 150 Noise Abatement Program. The Federal Aviation Administration paid 90% of the costs.

Projects for 2015 include, but not limited to, update Airport Master Plan, Taxiway G Extension, Rehabilitate GA Apron Phase 8, Rehabilitate Terminal Apron, rubble removal, upgrade airport security

system infrastructure, upgrade airport perimeter fence and security gates, and FAR Part 150 Noise Abatement Program.

During the past twenty (21) years, the City and the Federal Aviation Administration have invested over \$204 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue in 2015 and into the future.

The airport leases facilities and land to non-aviation and aviation service providers, retailers, medical institutions, and public entities.

The goal of City Council to develop a Regional Medical Center on airport non-aeronautical use land is being realized. The University of Texas Health Science Center (UTHSC) inaugurated the first building of its medical research and education campus in Laredo in 2002, and the second building was completed in 2007. UTHSC is located adjacent to Mercy Regional Medical Center. During 2006, Laredo Specialty Hospital and Gateway Health Clinic completed the construction of their facilities and are currently offering medical services to the public. A new Veteran's Administration Clinic partnered with the UT Health and Science Center opened in 2013.

Calendar Year	Passengers Enplaned	Passengers Deplaned	Air Cargo Gross Landed Weight (lbs.)
1998	78,223	75,135	460,763,819
1999	89,306	87,017	374,202,303
2000	89,905	87,807	420,000,000
(1)2001	69,049	67,835	226,136,780
2002	74,286	73,719	261,473,820
2003	73,638	72,345	272,367,959
2004	81,342	81,924	366,161,425
2005	90,653	92,932	374,434,576
2006	92,783	93,979	360,000,000
2007	113,004	111,464	341,198,304
(2)2008	107,553	109,912	272,960,000
2009	102,065	105,107	265,480,642
(3)2010	110,615	113,219	419,323,814
2011	99,893	98,213	458,595,636
2012	96,523	94,544	454,254,623
2013	103,035	102,218	398,752,468
2014	101,505	103,909	447,352,556

- (1) Because of the terrorist attacks of September 11, 2001, the airport experienced an 8.0 percent decline in passenger activity for CY 2001. As a result of a weak national economy during all of CY 2001, air cargo declined by approximately 46 percent.
- (2) Global economic conditions during 2008 negatively affected both passenger and cargo activity.
- (3) An improved global economy is reason for the significant increase in both passenger and air cargo activity.

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

	Fiscal Years Ended September 30						
	2014	2013	2012	2011	2010	2009	2008
Revenues:							
FAA	\$ 41,400	\$ 53,680	\$ 1,603	\$ 69,880	\$ -	\$ -	\$ -
State Operating Grants	1,020	-	61,869	2,924	106,939	109,807	82,190
Rents	5,048,768	6,487,377	4,257,227	4,129,984	5,002,207	4,281,154	4,448,507
Interest Earnings	39,846	16,517	1,201	2,775	2,354	55	(59)
Miscellaneous	1,064,719	890,543	436,240	456,453	514,497	343,539	370,831
Total Revenues	<u>6,195,753</u>	<u>7,448,117</u>	<u>4,758,140</u>	<u>4,662,016</u>	<u>5,625,997</u>	<u>4,734,555</u>	<u>4,901,469</u>
Expenditures:							
Administration	3,022,377	3,267,114	2,584,797	2,460,491	2,530,733	2,433,606	2,192,701
Building Maintenance	1,052,504	972,596	811,348	723,818	638,191	618,010	568,963
Ground Maintenance	589,807	512,992	473,698	409,318	340,024	385,009	379,262
Airport Security	1,192,452	1,060,180	1,029,474	1,034,819	910,926	861,261	950,347
Foreign Trade Zone	19,236	15,924	28,603	23,239	19,151	19,900	18,540
Federal Inspection Services	282,113	178,036	61,211	-	-	-	-
Total Expenditures	<u>6,158,489</u>	<u>6,006,842</u>	<u>4,989,131</u>	<u>4,651,685</u>	<u>4,439,025</u>	<u>4,317,786</u>	<u>4,109,813</u>
Net Operating Revenues	37,264	1,441,275	(230,991)	10,331	1,186,972	416,769	791,656
Other Sources (Uses):							
Debt Service	(493,877)	(494,890)	(500,537)	(495,697)	(542,210)	(729,105)	(734,444)
Capital Outlay	(620,141)	(300,763)	(124,372)	(70,491)	(81,556)	-	(35,361)
Airport Construction Fund	(4,728,815)	(493,572)	(52,714)	(47,286)	(49,993)	(49,887)	(50,000)
General Fund	(828,141)	-	-	-	-	-	-
Noise Abatement	400,000	600,000	704,971	-	403,071	649,682	89,431
Sale of Assets	1,249	11,679,674	301,946	18,314	-	1,518	1,496
Total Other Sources (Uses)	<u>(6,269,725)</u>	<u>10,990,449</u>	<u>329,294</u>	<u>(595,160)</u>	<u>(270,688)</u>	<u>(127,792)</u>	<u>(728,878)</u>
Excess (Deficiency) of							
Revenues Over Expenditures	(6,232,461)	12,431,724	98,303	(584,829)	916,284	288,977	62,778
Beginning Fund Balance	<u>12,698,729</u>	<u>267,005</u>	<u>168,702</u>	<u>753,531</u>	<u>(162,753)</u>	<u>(451,730)</u>	<u>(514,508)</u>
Ending Fund Balance	<u>\$ 6,466,268</u>	<u>\$ 12,698,729</u>	<u>\$ 267,005</u>	<u>\$ 168,702</u>	<u>\$ 753,531</u>	<u>\$ (162,753)</u>	<u>\$ (451,730)</u>

TABLE 2 - DEBT SERVICE REQUIREMENT

Fiscal Year Ended 9-30	Certificates of Obligation		Total Outstanding Debt	% of Principal Retired
	Principal	Interest		
2015	\$ 245,000	252,246	497,246	6.68%
2016	255,000	240,000	495,000	
2017	270,000	227,138	497,138	
2018	285,000	213,540	498,540	
2019	295,000	199,338	494,338	33.36%
2020	310,000	184,530	494,530	
2021	330,000	168,857	498,857	
2022	345,000	152,320	497,320	
2023	360,000	135,047	495,047	66.67%
2024	375,000	117,040	492,040	
2025	400,000	98,049	498,049	
2026	415,000	78,074	493,074	
2027	440,000	57,115	497,115	100.00%
2028	460,000	35,054	495,054	
2029	485,000	11,890	496,890	
	<u>\$ 5,270,000</u>	<u>2,170,238</u>	<u>7,440,238</u>	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2015-2029	496,016
Coverage of Average Requirements by 9-30-14 Net Income	0.08
Maximum Annual Principal and Interest Requirements, after FYE 2015 through 2029	498,857
Coverage of Maximum Requirements by 9-30-14 Net Income	0.07

THE 2014 UTILITY SYSTEM

WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. The two plants in the City of Laredo are the Jefferson Water Treatment Plant 65 MGD and El Pico Water Treatment Plant 20 MGD; this second one is under the final stages of acceptance and is scheduled to be placed in line by March 2015. For the Jefferson Water Treatment Plant, the water is diverted directly from the river to the immediately adjacent water treatment plant facilities by two separate river intakes, two separate river pump structures and related multiple pump units. The City of Laredo owns approximately 57,814 acre-feet of municipal water rights under Certificate of Adjudication #23-3997 plus 2,818 acre-feet of municipal water rights under Certificate of Adjudication #0952, for a total of 60,632 acre-feet.

On April 1st, 2013, the City Council approved the acceptance of the Jefferson Street Water Treatment Plant 65 MGD Process and Electrical Upgrade project. The lower treatment plant has been closed down permanently. The process and electrical upgrades enhance the reliability of the treatment process. Improvements to the plant include replacement of power poles and overhead wiring with a looped underground electrical power distribution system including three electrical buildings housing new motor control centers.

A new Supervisory Control and Data Acquisition system combined with new magnetic flow meters and motor operated valves will permit increased precision in chemical addition for reduced operating costs.

New traveling water screens and a new flocculator and upgrade of existing units and re-lift pumps provide a more reliable hydraulic capacity. Four new gravity filters and rehabilitation of existing filters permit the facility to respond to wide variations in river water turbidity. A new high service pump and an additional clear well will provide a more uniform water system pressure.

The pumpage capacity of the City's Treatment Plants is 65 million gallons per day. The average daily consumption during 2014 was approximately 26 million gallons per day and peak demand for 2014 was 47.6 million gallons per day. Connections to the water system as of September 30, 2014 were 68,213. The monthly average of meters read is 67,662. The average number of service calls per month is 9,785 for a FY 2013-2014 total of 117,425.

WASTEWATER SYSTEM

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 24.719 million gallons per day ("MGD"). The pounds of Biochemical Oxygen demand (BOD) treated is 5,925,261. The Sewer System includes approximately 513 miles of sewer lines and 68 lift stations. The average daily treatment is 18.8 MGD with 63,410 connections as of September 30, 2014.

TABLE 1 - WATER STORAGE AND DISTRIBUTION

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

<u>Location</u>	<u>No. Tanks</u>	<u>No. Clear Wells</u>	<u>Storage Capacity</u>
Jefferson St Water Treatment Plant		3	3,500,000 gallons
Hendricks Avenue and Main Street	2		4,000,000 gallons
Lyon Street and Meadow Avenue	1		5,000,000 gallons
Milmo and Texas Avenue	2		3,000,000 gallons
Airbase Storage	1 (elevated)		500,000 gallons
Station H (#2)	1		170,000 gallons
East Corridor	1		250,000 gallons
Unitec Highway 35 North	1		450,000 gallons
South Laredo	1 (elevated)		1,000,000 gallons
North Laredo (Highland)	1 (elevated)		1,000,000 gallons
Northwest Laredo	1 (elevated)		1,000,000 gallons
MHOC	2		10,000,000 gallons
Sierra Vista	1		5,000,000 gallons
Hachar	1		280,000 gallons
San Isidro	2		580,000 gallons
San Isidro NE	1		300,000 gallons
Millennium	1		280,000 gallons
359 Hwy Booster	1		200,000 gallons
Las Blancas	1 (elevated)		500,000 gallons
Pico Road	1		278,000 gallons
Killam (TAMIU) Tank	1 (elevated)		2,000,000 gallons
Cuatro Vientos	1 (elevated)		2,000,000 gallons
Nixon Bartlett and Price	1 (elevated)		3,000,000 gallons
Total Treated Water Storage			<u>44,288,000 gallons</u>

In conjunction with the existing storage, automatic booster or pumping stations serve the system. These stations are located at the tanks listed above. Two pumping stations are served by three clear wells at the Jefferson Water Treatment Plant. Once El Pico Water Treatment Plant obtains the final acceptance, an additional 5,000,000 gallons will be added to the treated water storage capacity total.

Currently, the system consists of approximately 745 miles of transmission and distribution lines and 6,208 fire hydrants.

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

TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)

Historical water usage for the City is as follows:

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage <u>(1,000 Gallons)</u>	Peak Day Pumpage <u>(1,000 Gallons)</u>	Total Yearly Pumpage <u>(1,000 Gallons)</u>
2002	37,254	61,120	13,654,310
2003	31,288	59,754	11,420,232
2004	32,231	50,231	11,764,315
2005	34,675	55,034	12,820,865
2006	40,918	58,940	14,086,761
2007	33,550	49,000	12,245,329
2008	36,720	53,640	13,345,812
2009	35,900	51,810	13,047,594
2010	32,565	47,470	11,900,196
2011	32,600	47,470	11,726,000
2012	28,386	52,312	10,427,878
2013	35,528	48,000	11,883,850
2014	25,936	47,594	9,465,347

TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage <u>(1,000 Gallons)</u>	Peak Day Pumpage <u>(1,000 Gallons)</u>	Total Yearly Pumpage <u>(1,000 Gallons)</u>
2002	15,435	23,848	5,634,655
2003	16,767	25,125	6,120,027
2004	17,015	28,848	6,210,520
2005	16,776	22,240	6,123,186
2006	16,796	24,617	6,130,409
2007	18,215	28,656	6,648,535
2008	17,948	23,337	6,551,082
2009	17,572	24,057	6,413,631
2010	18,256	33,196	6,663,368
2011	18,783	24,234	6,855,795
2012	18,900	30,896	6,780,000
2013	19,300	33,356	6,849,845
2014	18,800	33,900	6,874,400

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

TYPE OF BUSINESS	WATER CONSUMPTION (1)
Laredo Medical Center	93,345,100
Texas A&M University System	67,809,100
Laredo Community College	51,973,800
United Independent School District	44,060,700
New Webb County Jail	25,841,900
Laredo Regional Medical Center	16,278,800
Clark's Crossing Apartments	13,968,600
Towne North Mobile Homes	12,090,900
Broad Acres Apartments	10,929,300
C.P.L. Power Plant	10,188,200

TYPE OF BUSINESS	SEWER BILLED (1)
Laredo Medical Center	93,345,100
New Webb County Jail	25,841,900
Texas A&M International University	17,353,800
Laredo Regional Medical Center	16,278,800
Clark's Crossing Apartments	13,968,600
Town North Mobile Homes	12,090,900
Broad Acres Apartments	10,929,300
Travel Centers of America	9,040,500
Raintree Association	8,265,300
Dorel Laredo Holdings, LLC	8,032,900

(1) Source: City of Laredo, Texas

TABLE 5 - MONTHLY WATER RATES (BASED ON WATER CONSUMPTION)

**Water Rates
(Effective October 1, 2013)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	8.90
1" meter	17.62
1 1/2" meter	24.30
2" meter	36.90
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.76
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.89
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.97
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.09
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.21
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.31
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.62
Multi-Family and Commercial:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	34.17
1" meter	35.91
1 1/2" meter	39.31
2" meter	52.11
3" meter	98.11
4" meter	145.31
6" meter	257.19
8" meter	376.43
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.89
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.32
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.93
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.09
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.34

Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.69
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.36
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.47
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

**Old Water Rates
(Effective October 1, 2012)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	8.55
1" meter	15.09
1 1/2" meter	20.10
2" meter	29.55
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.68
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.80
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.87
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.99
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.10
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.20
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.40
Multi-Family and Commercial:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	32.54
1" meter	33.96
1 1/2" meter	36.51
2" meter	46.11
3" meter	80.61
4" meter	116.01
6" meter	199.92
8" meter	289.35
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.80

Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.21
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.79
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.95
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.18
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.51
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.16
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.25
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)

**Sewer Rates
(Effective October 1, 2013)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	8.93
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.05
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.10
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.27
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.51
The maximum charge will be up to 30,000 gallons and the equivalent of \$101.43.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	23.90
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.21
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.32
Per 1,000 gallons (for the next 20,000 gallons) per month in excess	2.43

of 10,000 gallons per month	
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.65
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.75
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.06
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.38
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.01
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.86

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

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

**Old Sewer Rates
(Effective October 1, 2012)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	8.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	2.91
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.96
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.11
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.34
The maximum charge will be up to 30,000 gallons and the equivalent of \$92.36.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	22.76
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.10
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.21
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	2.31
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.53
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.62

Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	2.92
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.22
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.82
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.63

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

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

WATER CONSERVATION PROGRAM

The Utilities Department Water Conservation Program is designed to provide practices, techniques, and technologies that help reduce the consumption of water, reduce the loss or waste of water, improve efficiency in the use of water, and increase the recycling and reuse of water for the ultimate purpose of making available a water supply for future or alternative uses. The Water Conservation Program operates to implement and enforce the Water Conservation and Drought Contingency Ordinance. The program is divided into two sections; enforcement and public education. For enforcement, there were a total of 1,169 warnings issued and 30 citations. For public education, there were 18 events that included hosting proclamations, groundbreaking ceremonies, ribbon cutting ceremonies, career day events, and other City/civic events.

As part of the City's water conservation efforts, the Utilities Department manages the WaterSense High Efficiency Toilet (HET) Rebate Program, which is designed to encourage water customers to replace old water wasting toilets with new high efficiency toilets that carry the WaterSense label. For each toilet replaced (maximum 2 per household per year, if more than two toilets in home), the City of Laredo Utilities Department provides the water customer with a standard one-hundred dollar (\$100) rebate, which is applied as a credit to the participant water account. Each installation of toilet is verified by 2 water conservation inspectors as a condition of the rebate approval, and the old water wasting toilet(s) are destroyed (tank only) by the participating customer. The old water wasting toilets are reported to the Solid Waste Department and are scheduled for collection at each participant's address to be transported to the City of Laredo Landfill. During fiscal year 2013-2014, there were a total of 117 approved toilet rebates applied to customer accounts. A total of nine (9) vehicle car wash permits were issued during this fiscal year.

TABLE 7: VALUE OF SYSTEM - CITY OF LAREDO UTILITIES

For Fiscal Year Ended September 30,	2014			2013			2012		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 179,983,483	126,911,984	306,895,467	166,862,379	124,466,870	291,329,249	163,411,485	123,014,206	286,425,691
Vehicles and Equipment	10,775,057	11,803,394	22,578,451	9,352,381	10,915,689	20,268,070	8,672,475	9,829,214	18,501,689
Buildings	179,552,009	43,266,210	222,818,219	69,332,750	43,267,510	112,600,260	31,840,411	39,025,959	70,866,370
Land and Improvements	48,077,778	5,240,513	53,318,291	45,386,814	4,648,513	50,035,327	45,198,415	4,648,513	49,846,928
Easements	658,929	253,880	912,809	602,622	251,880	854,502	187,489	188,603	376,092
Construction in Progress	23,280,822	58,682,600	81,963,422	108,379,921	26,657,118	135,037,039	86,539,667	10,136,376	96,676,043
Less: Total Depreciation	(116,947,749)	(80,933,880)	(197,881,629)	(107,727,213)	(74,303,349)	(182,030,562)	(100,248,715)	(67,568,891)	(167,817,606)
Value After Depreciation	\$ 325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,207
	2011			2010			2009		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 154,422,056	121,178,164	275,600,220	153,166,635	114,484,049	267,650,684	145,432,603	112,466,222	257,898,825
Vehicles and Equipment	8,417,463	8,090,771	16,508,234	7,512,781	7,649,439	15,162,220	6,914,288	7,322,401	14,236,689
Buildings	23,917,848	27,403,618	51,321,466	22,206,391	21,224,034	43,430,425	13,395,112	21,209,597	34,604,709
Land and Improvements	44,686,054	4,531,525	49,217,579	34,482,381	4,531,525	39,013,906	29,811,988	4,531,525	34,343,513
Easements	170,534	201,395	371,929	121,934	201,395	323,329	28,722,303	11,528,447	40,250,750
Construction in Progress	60,961,884	19,498,038	80,459,922	36,186,936	24,817,915	61,004,851	-	-	-
Less: Total Depreciation	(92,880,401)	(61,020,411)	(153,900,812)	(86,006,220)	(55,378,617)	(141,384,837)	(79,123,908)	(49,705,564)	(128,829,472)
Value After Depreciation	\$ 199,695,438	119,883,100	319,578,538	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

		2014			2013			2012		
		Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:										
Net System Value	\$	325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,207
Cash and Investments		71,965,756	71,424,687	143,390,443	118,326,865	94,097,469	212,424,334	133,115,463	110,677,751	243,793,214
Other Sources		10,823,947	7,104,926	17,928,873	8,405,047	5,589,881	13,994,928	9,785,688	5,848,079	15,633,767
Total Resources		408,170,032	243,754,314	651,924,346	418,921,566	235,591,581	654,513,147	378,502,378	235,799,810	614,302,188
Obligations:										
Bonds Payable		221,870,994	110,825,233	332,696,227	210,973,680	128,543,954	339,517,634	186,705,299	126,265,152	312,970,451
Less: Bond Funds		(13,886,950)	(8,924,685)	(22,811,635)	(11,211,241)	(6,826,501)	(18,037,742)	(9,009,639)	(6,150,316)	(15,159,955)
Other Obligations		207,984,044	101,900,548	309,884,592	199,762,439	121,717,453	321,479,892	177,695,660	120,114,836	297,810,496
Total Obligations		30,236,743	34,810,857	65,047,600	42,150,001	14,394,389	56,544,390	33,326,162	8,470,548	41,796,710
		238,220,787	136,711,405	374,932,192	241,912,440	136,111,842	378,024,282	211,021,822	128,585,384	339,607,206
City's Equity in System	\$	169,949,245	107,042,909	276,992,154	177,009,126	99,479,739	276,488,865	167,480,556	107,214,426	274,694,982
Percentage City's Equity In System		41.64%	43.91%	42.49%	42.25%	42.23%	42.24%	44.25%	45.47%	44.72%
For Fiscal Year Ended September 30,										
Resources:										
Net System Value	\$	199,695,438	119,883,100	319,578,538	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014
Cash and Investments		140,604,318	51,560,635	192,164,953	81,639,476	44,109,722	125,749,198	91,353,207	56,418,094	147,771,301
Other Sources		12,143,781	4,514,104	16,657,885	13,201,529	4,155,250	17,356,779	5,665,612	3,520,180	9,185,792
Total Resources		352,443,537	175,957,839	528,401,376	262,511,843	165,794,712	428,306,555	242,171,205	167,290,902	409,462,107
Obligations:										
Bonds Payable		176,603,068	68,790,522	245,393,590	112,753,816	62,641,553	175,395,369	107,802,522	66,627,155	174,429,677
Less: Bond Funds		(6,236,122)	(1,568,062)	(7,804,184)	(2,370,132)	(1,531,444)	(3,901,576)	(2,060,373)	(1,546,107)	(3,606,480)
Other Obligations		170,366,946	67,222,460	237,589,406	110,383,684	61,110,109	171,493,793	105,742,149	65,081,048	170,823,197
Total Obligations		21,425,167	3,847,482	25,272,649	18,296,292	5,539,658	23,835,950	14,185,069	3,167,643	17,352,712
		191,792,113	71,069,942	262,862,055	128,679,976	66,649,767	195,329,743	119,927,218	68,248,691	188,175,909
City's Equity in System	\$	160,651,424	104,887,897	265,539,321	133,831,867	99,144,945	232,976,812	122,243,987	99,042,211	221,286,198
Percentage City's Equity In System		45.58%	59.61%	50.25%	50.98%	59.80%	54.39%	50.48%	59.20%	54.04%

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

For Fiscal Year Ended
September 30,

	2014			2013			2012		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
<u>Revenues</u>			Utilities			Utilities			Utilities
Charges for Services	\$ 36,738,275	30,178,398	66,916,673	35,457,341	28,757,673	64,215,014	33,674,811	28,428,037	62,102,848
Interest	66,707	77,484	144,191	78,506	78,638	157,144	74,014	80,595	154,609
Miscellaneous	5,121,754	217,778	5,339,532	4,758,404	155,805	4,914,209	3,657,708	66,680	3,724,388
Total Revenues	41,926,736	30,473,660	72,400,396	40,294,251	28,992,116	69,286,367	37,406,533	28,575,312	65,981,845
<u>Expenses</u>									
Administrative	4,380,112	6,353,152	10,733,264	3,835,991	5,942,302	9,778,293	3,192,316	4,449,791	7,642,107
Utility Engineering	1,239,415	-	1,239,415	1,203,525	-	1,203,525	1,039,716	-	1,039,716
Utility Billing	3,594,252	-	3,594,252	3,696,993	-	3,696,993	3,244,021	-	3,244,021
Asset Management	345,740	-	345,740	331,829	-	331,829	301,512	-	301,512
Water Treatment Plant	8,602,608	-	8,602,608	7,796,657	-	7,796,657	7,630,318	-	7,630,318
Transmission and Distribution	3,175,360	-	3,175,360	2,866,383	-	2,866,383	3,693,340	-	3,693,340
Water Pollution Control	341,477	-	341,477	360,632	-	360,632	342,067	-	342,067
Wastewater Treatment	-	6,496,735	6,496,735	-	6,462,672	6,462,672	-	6,248,182	6,248,182
Wastewater Collection	-	3,564,648	3,564,648	-	3,402,881	3,402,881	-	3,352,555	3,352,555
Total Expenses	21,678,964	16,414,535	38,093,499	20,092,010	15,807,855	35,899,865	19,443,290	14,050,528	33,493,818
Net Available for Debt Service	\$ 20,247,772	14,059,125	34,306,897	20,202,241	13,184,261	33,386,502	17,963,243	14,524,784	32,488,027
Number of Customers	68,213	63,410		67,033	62,426		65,288	61,191	

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended September 30,	2011						2010		2009	
	Total			Total			Total		Total	
	Water	Sewer	Utilities	Water	Sewer	Utilities	Water	Sewer	Water	Sewer
<u>Revenues</u>										
Charges for Services	\$ 31,391,552	27,438,365	58,829,917	25,455,038	22,612,937	48,067,975	26,937,378	19,819,164		
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	40,128	-	40,128	-
Interest	79,399	64,847	144,246	121,919	84,664	206,583	350,531	273,926		
Miscellaneous	3,625,787	100,640	3,726,427	3,535,088	110,909	3,645,997	1,555,527	269,182		
Total Revenues	35,136,866	27,603,852	62,740,718	29,152,173	22,808,510	51,960,683	28,883,564	20,362,272		
<u>Expenses</u>										
Administrative	2,850,418	4,260,760	7,111,178	2,793,650	4,038,665	6,832,315	2,991,019	2,000,407		
Utility Engineering	876,627	-	876,627	826,978	-	826,978	690,694	-		
Utility Billing	3,030,774	-	3,030,774	2,929,649	-	2,929,649	2,818,275	-		
Asset Management	277,917	-	277,917	260,108	-	260,108	234,988	-		
Water Treatment Plant	7,073,309	-	7,073,309	6,414,438	-	6,414,438	6,819,136	-		
Transmission and Distribution	2,700,232	-	2,700,232	3,600,821	-	3,600,821	3,835,000	-		
Water Pollution Control	427,830	-	427,830	392,207	-	392,207	393,211	-		
Wastewater Treatment	-	5,351,976	5,351,976	-	5,319,244	5,319,244	-	4,765,446		
Wastewater Collection	-	2,733,149	2,733,149	-	2,733,149	2,733,149	-	2,665,461		
Total Expenses	17,237,107	12,345,885	29,582,992	17,217,851	12,091,058	29,308,909	17,782,323	9,431,314		
Net Available for Debt Service	\$ 17,899,759	15,257,967	33,157,726	11,934,322	10,717,452	22,651,774	11,101,241	10,930,958		
Number of Customers	63,703	59,995		62,195	58,726		61,171	57,903		

TABLE 10: DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Plus Contractual & General Obligation			Plus Contractual & General Obligation			Sewer System Debt Service Requirements			Sewer Revenue Debt			Sewer Total			Utility Grand Total			% of Grand Total Retired
	Water Revenue Debt Requirement	Water System Debt Service Requirements	Water Total	Water Revenue Debt	Water System Debt Service Requirements	Water Total	Water Revenue Debt	Water System Debt Service Requirements	Water Total	Water Revenue Debt	Water System Debt Service Requirements	Water Total	Sewer Revenue Debt	Sewer System Debt Service Requirements	Sewer Total	Utility Grand Total	Utility Grand Total	Utility Grand Total	
2015	10,131,237	6,585,440	16,716,677	5,985,996	3,626,499	9,612,495	26,329,172												
2016	10,102,661	6,583,888	16,686,549	6,037,942	3,631,183	9,669,125	26,355,674												
2017	10,412,436	6,593,418	17,005,854	6,211,794	3,628,557	9,840,351	26,846,205												
2018	10,409,774	6,336,967	16,746,741	6,215,041	3,463,151	9,678,192	26,424,933												
2019	10,403,824	6,294,200	16,698,024	6,208,473	2,979,892	9,188,365	25,886,389												23.47%
2020	10,406,678	5,982,401	16,389,079	6,210,405	2,981,137	9,191,542	25,580,621												
2021	10,406,039	5,771,505	16,177,544	6,215,569	2,820,338	9,035,907	25,213,451												
2022	10,412,418	6,869,693	17,282,111	6,211,443	1,704,200	7,915,643	25,197,754												
2023	10,415,528	6,568,263	16,983,791	6,217,771	1,701,694	7,919,465	24,903,256												
2024	10,407,491	6,527,417	16,934,908	6,202,934	1,427,878	7,630,812	24,565,720												45.80%
2025	9,981,840	6,488,760	16,470,600	5,931,926	1,429,800	7,361,726	23,832,326												
2026	9,515,315	5,467,264	14,982,579	5,762,810	1,431,550	7,194,360	22,176,939												
2027	8,657,408	5,431,883	14,089,291	5,384,991	1,425,925	6,810,916	20,900,207												
2028	8,021,671	5,391,601	13,413,272	4,680,660	1,430,525	6,111,185	19,524,457												
2029	7,964,751	5,347,941	13,312,692	4,654,727	1,427,500	6,082,227	19,394,919												64.64%
2030	7,963,391	5,302,177	13,265,568	4,660,247	1,429,000	6,089,247	19,354,815												
2031	7,965,504	5,252,206	13,217,710	4,660,427	1,427,500	6,087,927	19,305,637												
2032	7,963,630	5,207,452	13,171,082	4,658,657	1,427,875	6,086,532	19,257,614												
2033	7,960,569	5,152,459	13,113,028	4,659,142	1,429,875	6,089,017	19,202,045												
2034	7,963,957	3,361,440	11,325,397	4,659,152	-	4,659,152	15,984,549												81.21%
2035	7,965,151	3,306,065	11,271,216	4,659,116	-	4,659,116	15,930,332												
2036	8,006,581	3,243,796	11,250,377	4,621,287	-	4,621,287	15,871,664												
2037	8,010,375	3,184,304	11,194,679	4,619,135	-	4,619,135	15,813,814												
2038	8,000,956	3,122,098	11,123,054	4,624,392	-	4,624,392	15,747,446												
2039	7,994,578	3,052,012	11,046,590	4,628,510	-	4,628,510	15,675,100												95.28%
2040	8,000,928	-	8,000,928	4,626,765	-	4,626,765	12,627,693												
2041	3,330,437	-	3,330,437	3,955,077	-	3,955,077	7,285,514												
2042	2,310,306	-	2,310,306	3,125,143	-	3,125,143	5,435,449												
2043	578,419	-	578,419	583,538	-	583,538	1,161,957												100.00%
Total	241,663,853	132,424,650	374,088,503	146,873,070	40,824,079	187,697,149	561,785,652												

TABLE 11: COVERAGE AND FUND BALANCES**Waterworks:**

Average Annual Principal and Interest Requirements	\$	8,767,506
Coverage of Average Requirements by 2014 Net Income		2.31
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2014	\$	10,415,528
Coverage of Maximum Requirements by 2014 Net Income		1.94
Outstanding New Series Water Revenue Bonds	\$	241,663,853
Interest and Sinking Fund as of September 30, 2014	\$	3,022,444
Reserve Fund as of September 30, 2014	\$	8,767,506
Contingency Fund as of September 30, 2014	\$	2,097,001

Sewer:

Average Annual Principal and Interest Requirements	\$	5,244,190
Coverage of Average Requirements by 2014 Net Income		2.68
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2014	\$	6,217,771
Coverage of Maximum Requirements by 2014 Net Income		2.26
Outstanding New Series Sewer Revenue Bonds	\$	146,873,070
Interest and Sinking Fund as of September 30, 2014	\$	2,156,824
Reserve Fund as of September 30, 2014	\$	5,244,190
Contingency Fund as of September 30, 2014	\$	1,523,671

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

	Utility System		
	Waterworks	Sewer	Total
Net Funds Available for Debt Service	\$ 20,247,772	14,059,125	34,306,897
Average Annual Principal and Interest Requirements	8,767,506	5,244,190	14,011,696
Coverage of Average Annual Requirements by Funds Available for Debt Service	2.31	2.68	2.45
Maximum Principal and Interest Revenue Bond Requirements	10,415,528	6,217,771	16,633,299
Coverage of Maximum Requirement by Funds Available for Debt Service	1.94	2.26	2.06
Outstanding Revenue Bonds as of 09/30/2014	241,663,853	146,873,070	388,536,923
Interest & Sinking Fund as of 09/30/2014	3,022,444	2,156,824	5,179,268
Reserve Funds as of 09/30/2014	8,767,506	5,244,190	14,011,696
Contingency Fund as of 09/30/2014	\$ 2,097,001	1,523,671	3,620,672

SPORTS VENUE SALES TAX REVENUE BONDS

LAREDO ENERGY ARENA

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

The bonds constitute special and limited obligations of the City and are payable solely from, and secured solely by a first lien on and pledge of the Sales Tax Revenues, as approved by the citizens on a special election on August 12, 2000. The Sales Tax Revenues consist of the gross receipts from $\frac{1}{4}$ of 1% sales and use tax collected within the boundaries of the City. The bonds were issued pursuant to the provisions of (i) Chapter 334 of the Texas Local Government code, as amended (the "Act"), and (ii) an authorizing ordinance (the "Ordinance") adopted by the City Council of the City on May 23, 2001.

The bonds are payable solely from, and secured solely by, a first lien on and pledge of the Sales Tax Revenues as provided in the Ordinance and not from any other revenues, properties or income of the City. Neither the State of Texas nor any political corporation, subdivision, or agency of the State other than the City will be obligated to pay the bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State or any political corporation, subdivision, or agency thereof is pledged to the payment of principal of or interest on the bonds.

The construction of Laredo Entertainment Center was completed by September 2002. This enormous entertainment center will introduce inexpensive, family-oriented entertainment services, such as concerts, rodeos, circuses, civic events, sporting events, and more. On March 18, 2010 the City of Laredo announced that the Laredo Entertainment Center name will change to the Laredo Energy Arena. Laredo Energy signed a four-year naming rights agreement with options for extension with the City of Laredo.

The Arena itself offers a diverse mixture of world-class entertainment, with a 10,000 seating capacity, over 2,000 parking spaces and a team store. The 178,000 square foot, \$36.5 million facility opened in October 2002. In 2014, the Laredo Energy Arena hosted more than 110 events including major concerts by top artists such as Alejandra Guzman, Top Rank Boxing, Judas Priest, South Texas Collectors' Expo, Gabriel Iglesias, Foreigner, and Marco Antonio Solis, among others.

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

BASEBALL STADIUM

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue, Taxable Series 2011, for the purpose of acquiring, constructing and equipping a baseball stadium (Laredo Ballpark) and related infrastructure and to pay costs of issuance. The Laredo Ballpark was approved by the voters of the City at an election held on November 4, 2008 as a related venue project to a previously approved and constructed multi-purpose entertainment arena. The Laredo Ballpark has over 3,940 seats which includes ten suites, a party suite, club seating and fixed general admission seating. Grass berm areas will accommodate an additional 1,700 spectators and picnic tables another 370 visitors. Restrooms, typical fan amenities and cooking concession stands are distributed throughout the 10 acre ballpark. A club with bar, press box, team offices, clubhouses, and maintenance areas are included. The remaining 29 acres of the site is utilized for parking approximately 985 vehicles, with an area for future parking expansion; the City has spent approximately \$21 million on construction costs for this project.

TABLE 1 – SALES TAX RECEIPTS

Fiscal Year Ending 9/30	Actual 1% Sales & Use Tax Receipts	1/4 of 1% Sales Tax Receipts	Maximum Annual Debt Service	Estimated Coverage
2005	21,075,124	5,268,781	3,121,125	1.69
2006	23,862,993	5,965,748	3,121,125	1.91
2007	25,426,235	6,356,559	3,121,125	2.04
2008	25,962,164	6,490,541	3,121,125	2.08
2009	24,315,518	6,078,880	3,121,125	1.95
2010	23,471,292	5,867,823	3,121,125	1.88
2011	26,935,219	6,733,805	3,871,463	1.74
2012	29,985,452	7,496,363	3,871,463	1.94
2013	31,937,374	7,984,344	3,871,463	2.06
2014	32,019,659	8,004,915	3,871,463	2.07

(*) These amounts were generated by multiplying, for each Fiscal Year, the amount of actual 1.0% sales and use tax receipts for such Fiscal Year by .25. These figures therein are provided for illustrative purposes only.

TABLE 2 - COVERAGE

Average Annual Principal and Interest Requirements, 2015-2036	2,219,865
Fiscal Year 2014 Sales Tax Revenues	8,004,915
Coverage of Average Requirements for Fiscal Year 2014	3.61
Maximum Principal and Interest Requirements, 2015-2036	3,871,463
Fiscal Year 2014 Sales Tax Revenues	8,004,915
Coverage of Maximum Requirements for Fiscal 2014	2.07

TABLE 3 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Outstanding Debt	2011 Sports Venue Sales Tax Revenue Bonds, Taxable Series		Total Outstanding Debt	% of Debt Service Retired
		Principal	Interest		
2015	3,117,600	275,000	476,217	3,868,817	8.12%
2016	3,118,600	280,000	470,327	3,868,927	
2017	3,114,600	285,000	463,213	3,862,813	
2018	3,115,350	295,000	454,684	3,865,034	
2019	3,112,531	305,000	443,954	3,861,485	40.58%
2020	3,115,481	315,000	431,386	3,861,867	
2021	3,114,875	330,000	417,743	3,862,618	
2022	3,115,750	345,000	402,963	3,863,713	
2023	3,119,625	360,000	387,225	3,866,850	73.02%
2024	3,121,125	380,000	370,338	3,871,463	
2025	-	395,000	352,268	747,268	
2026	-	415,000	333,025	748,025	
2027	-	440,000	311,075	751,075	85.87%
2028	-	460,000	286,550	746,550	
2029	-	490,000	260,662	750,662	
2030	-	515,000	233,276	748,276	
2031	-	545,000	204,391	749,391	92.16%
2032	-	575,000	172,721	747,721	
2033	-	610,000	138,060	748,060	
2034	-	645,000	101,351	746,351	
2035	-	685,000	62,449	747,449	98.43%
2036	-	725,000	21,206	746,206	100.00%
	<u>\$ 31,165,537</u>	<u>9,670,000</u>	<u>\$ 6,795,084</u>	<u>\$ 47,630,621</u>	

SINGLE AUDIT

Aaron Canales, CPA
Juan José Garza, CPA
J. Clayton Baum, CPA (Ret.)
Guadalupe Garcia-Wright, CPA



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

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

Report on Compliance for Each Major Federal Program

We have audited City of Laredo, Texas, compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the City of Laredo, Texas' major federal and state programs for the year ended September 30, 2014. The City of Laredo, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Laredo, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the *State of Texas Single Audit Circular*. Those standards, OMB Circular A-133, and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Laredo, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Laredo, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Laredo, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of the testing based on the requirements of OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Canales, Hargis & Baum, PLLC

Laredo, Texas
February 20, 2015

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
U.S. Department of Energy							
Direct Programs:							
State Energy Program-SECO Grant	81.041	CM1373	\$ 88,000	-	88,000	88,000	-
Total U. S. Department of Energy			\$ 88,000	-	88,000	88,000	-

U.S. Department of Health and Human Services

Center for Disease Control and Prevention
 Passed Through Texas Department of State Health Services:
 Center for Disease Control and Prevention:
 Project Grants and Cooperative Assistance for
 Tuberculosis Control
 Tuberculosis Control Programs - '13
 Tuberculosis Control Programs - '14
 Tuberculosis Control Programs - '15
 Center for Disease Control and Prevention, Public Health Services:
 Immunization Cooperative Agreements:
 Immunization Cooperative Agreements 13
 Immunization Cooperative Agreements 14
 Immunization Cooperative Agreements 15
 Center for Disease Control and Prevention
 Public Health Emergency Preparedness:
 Public Health Emergency Preparedness - 12-13
 Public Health Emergency Preparedness - 12-13
 Public Health Emergency Preparedness - 14-15
 Public Health Emergency Preparedness 13-14
 Hospital Preparedness Program (HPP) and Public Health
 Emergency Preparedness (PHEP) Aligned Cooperative Agreements:
 Public Health Emergency Preparedness - 12-13
 Department of Health and Human Services, Office of the Secretary
 National Bioterrorism Hospital Preparedness Program 13-14
 National Bioterrorism Hospital Preparedness Program 14-15
 Health Resources and Services Administration:
 HIV Care Formula Grants:
 H.I.V. Care Formula Grant - 12-13
 H.I.V. Care Formula Grant - 13-14
 H.I.V. Care Formula Grant - 14-15
 H. I. V. Prevention Activities - Health Department Based
 Epidemiologic Research Studies of AIDS & HIV in Selected Population Groups
 Epidemiologic Research Studies of AIDS & HIV '13
 Epidemiologic Research Studies of AIDS & HIV '14
 Epidemiologic Research Studies of AIDS & HIV '15
 Centers for Disease Control and Prevention:
 Preventive Health & Health Services Block Grant
 Preventive Health and Health Services Block Grant - 12-13 / O.P.H.P.
 Preventive Health and Health Services Block Grant - 13-14 / O.P.H.P.
 Preventive Health and Health Services Block Grant - 14-15 / O.P.H.P.
 Center for Disease Control and Prevention
 Investigations and Technical Assistance
 The Affordable Care Act: Community Diabetes Project - 12-13
 The Affordable Care Act: Community Diabetes Project - 13-14
 The Affordable Care Act: Community Diabetes Project - 14-15

	93.116	2013-041412-001	\$ 142,893	14,873	-	14,873	-
	93.116	2014-001424-001	95,734	10,567	101,647	100,835	11,379
	93.116	2015-001424-001	146,789	-	7,640	-	7,640
	93.268	2013-041412-002	230,491	77,111	-	77,111	-
	93.268	2014-001135-001	320,491	18,923	207,037	173,789	52,171
	93.268	2015-001135-001	205,307	-	1,231	-	1,231
	93.069	2013-041412-003	372,575	64,918	39	64,957	-
	93.069	2014-001232-001	327,117	28,251	281,591	264,273	45,569
	93.069	2015-001232-001	359,829	-	19,716	-	19,716
	93.069	2014-045407-001	50,982	-	50,981	50,981	-
	93.074	2013-041412-006	294,638	36,762	1,104	37,866	-
	93.889	2013-043754-001	250,000	14,685	218,275	232,960	-
	93.889	2014-045746-001	250,000	-	35,158	-	35,158
	93.917	019-01-12	174,513	129,760	-	129,760	-
	93.917	019-01-13 (14)	398,233	31,444	360,550	303,424	88,570
	93.917	019-01-14 (15)	378,321	24,975	-	-	24,975
	93.943	2013-043153-001	201,600	48,772	-	48,772	-
	93.943	2014-001325-001	300,600	21,828	276,092	259,401	38,519
	93.943	2015-001325-001	310,600	-	21,622	-	21,622
	93.991	2013-041412-004	248,536	170,135	-	170,135	-
	93.991	2014-001192-001	248,536	122	273,064	65,999	207,187
	93.991	2015-001192-001	248,536	-	4,796	-	4,796
	93.283	2013-042418-001	80,000	5,334	-	5,334	-
	93.283	2014-001276-001	80,000	3,929	69,849	68,796	4,982
	93.283	2015-001276-001	80,000	-	5,262	-	5,262
			\$				(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
Food and Drug Administration Research:							
Food Inspection Innovation	93.103	1U18FD004740-02	\$ 100,000	14,106	112,077	126,183	-
Food Inspection Innovation	93.103	1U18FD004740-03	100,000	-	25,473	18,704	6,769
Women's Health and Family Planning Association of Texas	93.217	N/A	-	10,791	88,500	113,124	(13,833)
Total U. S. Department of Health and Human Services			\$ 5,996,321	727,286	2,161,704	2,327,277	561,713

U.S. Department of Housing and Urban Development (HUD)

Direct Programs:

Community Planning and Development:
Community Development Block Grants / Entitlement Grants 08
Community Development Block Grants / Entitlement Grants 09
Community Development Block Grants / Entitlement Grants 10
Community Development Block Grants / Entitlement Grants 11
Community Development Block Grants / Entitlement Grants 12
Community Development Block Grants / Entitlement Grants 13
Emergency Solutions Grant Program 2011
Emergency Solutions Grant Program 2012
Emergency Solutions Grant Program 2013
Housing Opportunities for Persons with AIDS:
Housing Opportunities for Persons with Aids - 13-14
Housing Opportunities for Persons with Aids - 14-15
HOME Investment Partnerships Program 2009 GRANT
HOME Investment Partnerships Program 2010 GRANT
HOME Investment Partnerships Program 2011 GRANT
HOME Investment Partnerships Program 2012 GRANT
HOME Investment Partnerships Program 2013 GRANT

Total U. S. Department of HUD

U. S. Department of Transportation

Direct Programs:

Federal Transit Administration:
Federal Transit Capital Investment Grants:
Fixed Guideway Modernization Bus & Bus Facility New Starts
Fixed Guideway Modernization Bus & Bus Facility New Starts
Fixed Guideway Modernization Bus & Bus Facility New Starts
Fixed Guideway Modernization Bus & Bus Facility New Starts
Fixed Guideway Modernization Bus & Bus Facility New Starts
Federal Transit Formula Grants:
Urbanized Area Formula Program
Urbanized Area Formula Program
Federal Aviation Administration:
Airport Improvement Program
Airport Improvement Program
Airport Improvement Program
Airport Improvement Program (Noise Mitigation)
Airport Improvement Program (ARFF Building- Infrastructure & Equipment)
Airport Improvement Program (Airport Master Plan Update)
Airport Improvement Program (Security Fence)
Airport Improvement Program (Airport Development)
Transportation Security Administration-Law Enf. Officer Reimb. Program
FY 13 Law Enforcement Officer Reimbursement Program
FY 14 Law Enforcement Officer Reimbursement Program

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
Pass Through Texas Department of Transportation: Highway Planning and Construction-Manadas Crk Hike/Bike Trail	20.205	CSJ-0922-33-139	\$ 318,546	182,578	82,329	263,811	1,096
New Freedom Program	20.521	51222F7094	350,000	39,117	79,786	118,903	7,701
New Freedom Program	20.521	51322F7169	350,000	-	148,682	140,981	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51422F7161	20,000	-	20,000	20,000	-
Formula Grants for Other Than Urbanized Areas	20.509	51422F7054	575,507	-	575,507	575,507	-
National Highway Traffic Safety - State and Community Highway Safety							
Texas Department of Transportation	20.600	2013-LAREDOPD-S-1YG-0095	25,004	9,789	-	9,789	-
Comprehensive Commercial Vehicle STEP - 2013	20.600	2014-LAREDOPD-S-1YG-0093	25,004	-	24,548	13,634	10,914
Comprehensive Commercial Vehicle STEP - 2014	20.600	2014-LAREDOPD-S-1YG-0090	50,077	-	50,077	38,613	11,464
Comprehensive STEP	20.600	2013-LAREDOPD-S-1YG-0090	9,000	6,435	-	6,435	-
Step - Click It Or Ticket	20.600	2013-LAREDOPD-CIOT-00038	10,000	-	9,137	9,137	-
National Highway Traffic Safety - Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants							
Texas Department of Transportation	20.601	2013-LAREDOPD-IDM-00024	19,975	15,114	-	15,114	-
Step - Impaired Driving Mobilization 2013	20.601	2014-LAREDOPD-IDM-00024	19,975	-	8,294	-	8,294
Step - Impaired Driving Mobilization 2014	20.205	50-72-2-13-1113-70-806	880,246	118,812	-	118,812	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-2-14-1113-70-806	1,117,087	-	503,471	361,845	141,626
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm							
U. S. Department of Transportation							
Highway Planning and Construction- West Laredo Multimodal Trade Corridor	20.205	CSJ-0922-33-093	18,889,751	19,478	1,088,024	961,736	145,766
Highway Planning and Construction-Scott Sanchez RR Grade Separation	20.205	CSJ-0922-33-105	393,873	-	-	-	-
Highway Planning and Construction-Cielito Lindo Ave/ SL 20 Intersection	20.205	CSJ-0922-33-133	1,777,818	138	983,585	443,728	539,995
Highway Planning and Construction-Los Presidentes Blvd/ SL 20 Intersection	20.205	CSJ-0922-33-134	266,768	138	127,248	82,495	44,891
Highway Planning and Construction-Southgate Blvd/ SL 20 Intersection	20.205	CSJ-0922-33-135	1,992,867	138	1,678,073	697,492	980,719
Highway Planning and Construction- Chacon Creek Hike & Bike Phase II	20.205	CSJ-0922-33-142	1,482,244	-	10,369	10,369	-
Highway Planning and Construction- Chacon Creek Hike & Bike Phase III	20.205	CSJ-0922-33-149/150	1,243,767	-	372	-	372
Total U. S. Department of Transportation			\$ 74,862,993	4,042,449	15,385,017	13,227,416	6,200,050
U. S. Department of Agriculture							
Passed Through Texas Department of State Health Services: Food & Nutrition Service - Special Supplemental Nutrition Program for WIC:							
Women, Infants and Children 12-13	10.557	2013-042235-001	4,329,389	914,912	14,198	929,110	-
Women, Infants and Children 13-14	10.557	2014-045074-001	4,862,437	-	4,692,030	3,744,784	947,246
Women, Infants and Children Dietary Interm13-14	10.557	2014-045074-001	37,540	-	37,540	31,964	5,576
Women, Infants and Children Counties 12-13	10.557	2013-042235-001	525,538	97,665	1,337	99,002	-
Women, Infants and Children Counties 13-14	10.557	2014-045074-001	406,878	-	441,531	356,683	84,848
Total U. S. Department of Agriculture			\$ 10,161,782	1,012,577	5,186,636	5,161,543	1,037,670

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
U. S. Department of Justice							
Passed Through State Department of Criminal Justice:							
Criminal Justice Discretionary Grant Program							
Office of Justice Program - Bureau of Justice Assistance -							
Edward Byrne Memorial Justice Assistance Grant Program:							
FY14 Justice Assistance Grant	16.738	2014-DJ-BX-0303	\$ 90,982	-	-	-	-
FY13 Justice Assistance Grant	16.738	2013-DJ-BX-0847	90,054	-	76,259	65,142	11,117
FY12 Justice Assistance Grant	16.738	2012-DJ-BX0538	96,591	7,857	19,514	27,371	-
FY11 Justice Assistance Grant	16.738	2011-DJ-BX-3199	119,881	-	129	129	-
FY10 Justice Assistance Grant	16.738	2010-DJ-BX0494	142,603	13	-	13	-
Total U. S. Department of Justice			\$ 540,111	7,870	95,902	92,655	11,117
Executive Office of the President							
High Intensity Drug Trafficking Areas Program							
Financial Task Force 12	95.001	G12SS0001A	\$ 792,391	41,673	-	41,673	-
Financial Task Force 13	95.001	G13SS0001A	676,020	91,042	-	91,042	-
Financial Task Force 14	95.001	G14SS0001A	810,795	-	511,451	423,023	88,428
Financial Task Force 15	95.001	G15SS0001A	-	-	220,076	-	220,076
South Texas Public Corruption Task Force 12	95.001	G12SS0001A	43,629	9,117	-	9,117	-
South Texas Public Corruption Task Force 13	95.001	G12SS0001A	-	-	23,966	11,274	12,692
South Texas Public Corruption Task Force 14	95.001	G14SS0001A	47,600	-	-	-	-
Total Executive of the President			\$ 2,370,435	141,832	755,493	576,129	321,196
U.S. Department of Homeland Security							
Federal Emergency Management Agency							
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1931-DR-PA	\$ -	(99,134)	-	-	(99,134)
Passed Through GDEM:							
State Homeland Security Grant Program (SHSP)	97.073	2010-SS-T0-0008	315,000	21,166	-	21,166	-
Passed Through Webb County:							
2012 Stone Garden Grant	97.067	11-GA48479-05	400,000	3,464	21,590	25,054	-
2013 Stone Garden Grant	97.067	12-GA-48479-02	709,840	52,581	657,259	693,788	16,052
2014 Stone Garden Grant	97.067	13-SR48479-01	1,683,093	-	434,939	-	434,939
Passed Through HMGP:							
Hazard Mitigation Grant Program - Canal Street Channel Improvements	97.039	FEMA-1791-DR-TX	3,768,107	352,706	572,377	693,563	231,520
Total U. S. Department of Homeland Security			\$ 6,876,040	330,783	1,686,165	1,433,571	583,377
U.S. General Services Administration							
Donation of Federal Surplus Personal Property	39.003	N/A	\$ -	-	-	-	-
Total U. S. General Services Administration			\$ -	-	-	-	-

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
U. S. Department of Environmental Protection Agency							
Survey, Studies, Investigations & Special Purpose Grants							
Air Pollution Control Program Support:							
Passed Through Texas Commission on Environmental Quality							
Continuous Air Monitoring Station - Air Pollution Control Prog							
Passed Through Border Environmental Cooperation Commission:							
Cease the Grease	66.001	581-11-86431	\$ 70,000	19,382	-	19,382	-
Tex-Mex Binational Solid Waste Reduction	66.931	TAA12-029	22,975	5,517	227	5,744	-
Clean Water State Revolving Loan	66.931	TAA09-046	40,000	15,818	16,911	32,729	-
	66.458	1120019	48,750,000	(28,971,573)	23,442,187	23,122	(5,552,508)
Total U. S. of Environmental Protection Agency			\$ 48,882,975	(28,930,856)	23,459,325	80,977	(5,552,508)
American Recovery and Reinvestment Act							
ARRA- Edward Byrne Memorial Justice Assistance Grant							
ARRA- Public Safety Partnership and Community Policing Grants							
2010 COPS Hiring Program	16.710	2010ULWX0025	4,369,266	131,127	1,145,914	946,284	330,757
ARRA-HUD-Neighborhood Stabilization Program	14.256	770900000107	2,127,102	144,904	19,940	116,048	48,796
ARRA-Investments, for Public Works and Eco. Develop. Facilities-River Vega	11.300	N/A	1,000,000	-	22,361	22,361	-
Total American Recovery and Reinvestment Act			7,496,368	276,031	1,188,215	1,084,693	379,553
Total Federal Assistance			\$ 185,030,400	(22,131,823)	55,554,229	29,559,391	3,863,015
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program 12-13	N/A	2013-042280-001	177,000	36,692	-	36,692	-
Primary Health Care Program 13-14	N/A	2014-044431-001	177,000	8,362	138,855	122,508	24,709
Primary Health Care Program 14-15	N/A	2015-046178-001	159,171	-	12,993	-	12,993
Tuberculosis Prevention and Control 12-13	N/A	2013-041412-005	170,859	25,033	-	25,033	-
Tuberculosis Prevention and Control 13-14	N/A	2014-001448-001	187,356	11,271	149,138	133,670	26,739
Tuberculosis Prevention and Control 14-15	N/A	2015-001448-001	230,491	-	13,172	-	13,172
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 14	N/A	2014-044635-001	75,000	6,170	50,298	56,468	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 15	N/A	2015-046152-001	75,000	-	9,324	-	9,324
Special Services Block Grant: Family Planning - 13	N/A	2012-040675-001	184,515	110,261	(110,261)	-	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 13	N/A	2013-042443-001	111,000	1,877	-	1,877	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 14	N/A	2014-044542-001	37,986	3,486	28,490	29,976	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 15	N/A	2015-046007-001	37,986	-	4,743	-	4,743
Influenza Surveillance - '14	N/A	2014-002514-001	10,000	-	7,857	6,890	967
Influenza Surveillance - '15	N/A	2015-045847-001	10,000	-	5	-	5
Cancer Prevention & Research Institute of Texas (CPRIT)							
Border Binational Health Week	N/A	PP100228	2,497,500	120,667	75,715	196,382	-
Border Binational Health Week	N/A	1X408TXUSMEXBRD	12,550	(1,197)	-	-	(1,197)
Office of Border Health - Border Health	N/A	3X408TXUSMEXBRD	4,200	2,400	-	2,400	-
Office of Border Health - Border Health	N/A	53700-4-0000-400045	8,000	-	6,753	4,317	2,436
Laredo Healthy Living Walking Club	N/A	53700-4-0000-400045	8,000	-	300	300	-
Healthy Texas Babies	N/A	53700-4-0000-405403	6,000	-	5,980	6,000	(20)
Passed Through South Texas Development Council:							
H. I. V. Social Services 12-13	N/A	2012-040620-001	200,000	23,885	-	23,885	-
H. I. V. Social Services 13-14	N/A	19-2-12 (13)	138,842	28,057	-	28,057	-
H. I. V. Social Services 14-15	N/A	19-1-13 (14)	132,444	8,795	123,117	109,863	22,049
Seven Flags Regional Advisory Council	N/A	19-1-14 (15)	133,700	-	10,535	-	10,535
		N/A	13,000	-	-	-	-
Total - Texas Department of State Health Services			\$ 4,797,600	385,759	525,014	784,318	126,455

(Continued)

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	\$ 32,844	(215)	215	-	-
Law Enforcement Officer Standards and Education	N/A	N/A	1,744	-	1,020	1,744	(724)
Total - Commission on Law Enforcement Officers Standards and Education			\$ 34,588	(215)	1,235	1,744	(724)
Texas State Library and Archives Commission							
Texas State Library and Archives Commission	N/A	N/A	\$ 1,794	-	1,794	1,794	-
Total-Texas State Library and Archives Commission			\$ 1,794	-	1,794	1,794	-
State Department of Motor Vehicles:							
Auto Theft Task Force	N/A	SA-T01-10057-13	\$ 433,514	98,604	-	98,604	-
Auto Theft Task Force	N/A	2015-T01-CITY OF-00003	433,514	-	38,745	-	38,745
Auto Theft Task Force	N/A	2014-T01-CITY OF-00014	433,514	34,530	398,622	406,960	26,192
Total - State Department of Motor Vehicles			\$ 1,300,542	133,134	437,367	505,564	64,937
State Department of Transportation:							
TXDOT-Interlocal Agreement for TPDES Permit Program	N/A	N/A	\$ 44,000	-	44,000	44,000	-
TX Dept. of Transportation-Routine Airport Maintenance Program '13	N/A	CSJ-M222LREDO	50,000	15,261	-	15,261	-
TX Dept. of Transportation-Routine Airport Maintenance Program '14	N/A	CSJ-M122LREDO	50,000	-	49,996	44,117	5,879
TX. Dept of Transportation- West Laredo CPL Road Phase II	N/A	CSJ-0922-33-076	2,597,272	55,774	88,717	94,290	50,201
Total - State Department of Transportation			\$ 2,741,272	71,035	182,713	197,668	56,080
Texas Commission on Environmental Quality							
Passed Through STDC:	N/A	08-19-g0204	\$ 40,000	35,524	-	35,524	-
T.C.E.Q.-Regional Solid Waste Management							
Total - Texas Commission on Environmental Quality			\$ 40,000	35,524	-	35,524	-
State Department of Public Safety							
Local Border Security Program FY - 2013	N/A	LBSP-120051	\$ 145,000	145,015	-	144,756	259
Local Border Security Program FY-2015	N/A	LBSP-14-0046	-	-	111,428	-	111,428
Local Border Security Program FY - 2014	N/A	LBSP-1339	80,000	74,054	21,867	88,401	7,540
Total - State Department of Public Safety			\$ 225,000	219,069	133,315	233,157	119,227
Texas Health and Human Services Commission:							
Passed Through Texas Nurse-Family Partnership Program:							
Nurse-Family Partnership Program	N/A	52900-2-0000061985	\$ 344,708	60,469	-	60,469	-
Nurse-Family Partnership Program - '13-14	N/A	52900-4-0000074246	472,358	34,216	428,868	408,357	54,727
Nurse-Family Partnership Program - '14-15	N/A	52900-5-0000081115	472,358	-	35,339	-	35,339
Nurse-Family Partnership Program - Additional Registered Nurse '13-14	N/A	52900-2-0000074246	33,456	-	9,364	-	9,364
Nurse-Family Partnership Program - Additional Registered Nurse '14-15	N/A	52900-5-0000081115	88,065	-	2,355	-	2,355
Passed Through Webb County:							
Regional Healthcare Partnership (1115 Wavier)	N/A	N/A	-	(352,600)	417,647	658,134	(593,087)
Total - Texas Health and Human Services Commission			\$ 1,410,945	(257,915)	893,573	1,126,960	(491,302)
Total State Assistance			\$ 10,551,741	586,391	2,175,011	2,886,729	(125,327)

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2014**

CITY OF LAREDO, TEXAS

GRANT NAME

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue at September 30, 2013	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2014
OTHER ASSISTANCE							
Custom-Narcotics 2013	N/A	N/A	\$ 91,000	1,804	-	1,804	-
Custom-Narcotics 2014	N/A	N/A	91,000	-	15,082	13,384	1,698
Tobacco Compliance	N/A	N/A	4,725	-	4,725	4,725	-
OCEDET-DEA0818 FY 2013	N/A	N/A	7,000	2,045	7,935	6,620	3,360
OCEDET-DEA0838 FY 2013	N/A	N/A	7,000	2,102	9,673	7,285	4,490
OCEDET-OCED14 FY2014	N/A	N/A	7,000	-	11,145	9,441	1,704
Laredo Joint Terrorism TF 2013	N/A	N/A	17,202	2,645	-	2,645	-
Laredo Joint Terrorism TF 2014	N/A	N/A	17,202	-	13,142	10,846	2,296
Safe Streets Task Force 2013	N/A	N/A	34,404	7,656	-	7,656	-
Safe Streets Task Force 2014	N/A	N/A	34,404	-	27,791	23,374	4,417
Fugitive Apprehension Task Force 2013	N/A	N/A	5,500	3,983	-	3,983	-
Fugitive Apprehension Task Force 2014	N/A	N/A	5,500	-	12,589	10,427	2,162
Bureau of Alcohol and Tobacco 2013	N/A	N/A	70,000	15,577	-	15,577	-
Bureau of Alcohol and Tobacco 2014	N/A	N/A	70,000	-	110,493	76,270	34,223
OTHER ASSISTANCE							
911 Regional Communications Grant - FY2012	N/A	N/A	\$ 1,226,600	(650)	-	-	(650)
911 Regional Communications Grant - FY2013	N/A	N/A	1,203,614	310,229	21,360	331,589	-
911 Regional Communications Grant - FY2014	N/A	N/A	1,997,185	30,305	933,347	1,049,146	(85,494)
911 Regional Communications Grant - FY2015	N/A	N/A	1,828,511	-	66,172	412,258	(346,086)
USGS- Equipment Contribution	N/A	N/A	-	-	10,000	10,000	-
Universal Service Fund (USF)-E-Rate Program (Round 15)	N/A	N/A	93,463	-	1,197	1,197	-
Universal Service Fund (USF)-E-Rate Program (Round 16)	N/A	N/A	44,495	-	44,495	44,495	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	28,180	(13,246)	33,643	34,000	(13,603)
Fernando Salinas Trust	N/A	N/A	40,000	(3,420)	2,873	3,370	(3,917)
USD - Memorandum of Understanding - Student Immunization	N/A	N/A	-	-	9,392	9,392	-
Total - Other Assistance			6,923,985	359,030	1,335,054	2,089,484	(395,400)
Total Federal, State and Other Assistance			\$ 202,506,126	(21,186,402)	59,064,294	34,535,604	3,342,288

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

- * Major Federal Program
- ** Major State Program

NOTE A - BASIS OF PRESENTATION

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

Aaron Canales, CPA
Juan José Garza, CPA
J. Clayton Baum, CPA (Ret.)
Guadalupe Garcia-Wright, CPA



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated February 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Laredo, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Laredo, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Canales, Garza & Baum, PLLC

Laredo, Texas
February 20, 2015

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children
20.205	Highway Planning and Construction
66.458	Clean Water State Revolving Loan

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,666,627

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

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Health and Human Services Commission Regional Healthcare Partnership
None	State Department of Motor Vehicles Auto Theft Task Force

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

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

City of Laredo, Texas
State Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

Section II - Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

City of Laredo, Texas
Federal Summary Schedule of Prior Audit Findings
Year Ended September 30, 2014

Summary of Prior Audit Findings

Federal Award Findings and Questioned Costs

None.

City of Laredo, Texas
State Summary Schedule of Prior Audit Findings
Year Ended September 30, 2014

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.

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