

**Port
Laredo**
TEXAS

LAREDO, TX.

- MONTERREY
- GUADALAJARA
- QUERETARO
- AGUASCALIENTES
- LEÓN
- TORREÓN
- TOLUCA
- VERACRUZ
- MANZANILLO

City of Laredo, Texas
Comprehensive Annual Financial Report
For Fiscal Year Ended September 30, 2018

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018

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, 2018

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March 11, 2019

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, 2018. 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 design 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 design 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.

Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants, have audited the City of Laredo's financial statements. 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, 2018, 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 unmodified opinion that the City of Laredo's financial statements for the fiscal year ended September 30, 2018 are 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 Audit 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 to 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 crossing, 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 with an estimated population of 257,156 in 2017, 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 operates 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, animal care facility, 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 GAAP 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. The City and our elected officials are financially accountable for these component units. The City's component unit entities include:

- Laredo Transit Management, Inc.
- Laredo Convention and Visitor's Bureau
- Laredo Fire Fighters' Retirement System
- Laredo Public Facilities Corporation - La Terraza, LLC
- Sames Auto Arena
- Max Mandel Municipal Golf Course

All these entities are explained in more 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 30, 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 review 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 these reports 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 non-major 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 and enterprise funds).

Factors Affecting Financial Condition

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

Local economy: The City of Laredo 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 and have over 2.3 million trucks cross annually. Laredo trades over \$303.37 billion imports and exports annually. Based on trade statistics by World City Magazine, Laredo set trade records for eight consecutive years. Laredo's trade increased 7.13% for 2017. Laredo remains the third largest U.S. Customs District in the country and the number one inland port. 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 Mexico, Central and South America to our City in order to establish stronger economic growth. We have established strong business alliances with the Mexican Ports of Lazaro Cardenas and Manzanillo. The ports are using Laredo as the main port to import products into the United States. During the workweek, more than 8,776 trucks cross daily into Laredo. On rail, more than 1,478 rail cars pass through Laredo daily, making it one of the top

railroad interchanges in the U.S. and the busiest on the Southern Border. Mexico, China, Malaysia, Thailand and Japan are Laredo's top importers / exporters.

Top imports totaled \$177 billion that crossed through Laredo were:

- Motor vehicle parts
- Commercial vehicles
- Motor vehicles for transporting people
- Cell phones and related equipment
- Tractors
- Seats, excluding barber and dental
- Computers
- Insulated wire and cable
- Refrigerators and freezers
- Air conditioner machines

Top exports totaled \$126 billion that crossed through Laredo were:

- Motor vehicle parts
- Gasoline, other fuels
- Diesel engines
- Cell phones and related equipment
- Petroleum gases and other hydrocarbons
- Electrical supplies and apparatus
- Engine parts
- Computer chips
- Motor vehicles for transporting people
- Plastics

In addition, the City's economic growth in international trade has been enhanced by other projects such as the Cold Storage Facilities build in our international commercial bridges and Federal Inspection Facilities (FIS) at the Laredo International Airport. The cold storage facilities have expedited the import of fruit and vegetables as well as the flowers from Central and South America. The federal inspection facilities at the Laredo International Airport allows Mexican Customs to pre-clear American goods imported into Mexico. This is the only international inspection in the United States. The purpose is to reduce delivery times and cost into a Mexican bonded facility. Various Mexican airports located throughout Mexico are approved to participate in this program as well as major automotive companies such as General Motors, Chrysler and Honda de Mexico.

In addition to the FIS at the airport, the Laredo International Airport is rank fifth among all cargo airports in Texas and 42nd in the nation. In 2018, the airport facility handled approximately 685.52 million pounds of cargo in landed weight.

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 per square foot. National retail stores continue to operate or relocate to Laredo while others have expanded their operations in Laredo.

Financial Policies

The City Charter of the City of Laredo requires the submission of an annual operating balance budget and a capital program. The operating budget requires an annual review and analysis of all revenues and expenditures. It outlines the proposed financial goals and objectives for the ensuing fiscal year. Policies requires that the General Fund must maintained a 15% of total appropriated operating expenses as fund balance. Texas statues requires that City's total tax supported debt shall not exceed 10% of the total assessed valuations and the City complies with this requirement. As of September 30 2018, to City's tax supported debt was \$179.73 million. The City is complies with the requirement of the Public Funds Investment Act. The City's investment portfolio as of September 30, 2018 was \$400.74 million. The main objectives of the City's investment policy is the preservation and safety of principal, liquidity and yield. The capital program is a five-year program that lists all capital improvements, which are propose to be undertaken during the next five fiscal year. It serves as a guide for future planning. The program is revised and updated, on a yearly basis, to reflect the needs and priorities of the City. Cost estimates, methods of financing and recommended time schedules are included as part of the five-year plan. Below is a summary of the Capital Improvement Program.

Capital Improvement Program
2019-2023

Amounts are in thousand

	2019	2020	2021	2022	2023	Total
General Government	\$ 18,976	\$ 7,718	\$ 4,215	\$ 4,215	\$ -	\$ 35,124
Health & Welfare	-	590	1,000	-	-	1,590
Public Safety	6,780	6,100	3,854	4,994	-	21,728
Public Works	11,468	32,588	33,368	7,469	529,562	614,455
Utilities	55,550	36,536	46,588	22,195	30,951	191,820
Cultural & Recreational	19,950	37,000	4,355	500	500	62,305
Transportation	26,403	56,569	22,448	6,552	44,256	156,228
	<u>\$ 139,127</u>	<u>\$ 177,101</u>	<u>\$ 115,828</u>	<u>\$ 45,925</u>	<u>\$ 605,269</u>	<u>\$ 1,083,250</u>

MAJOR INITIATIVES

For the Year 2017-2018

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 adopted by City Council 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.

- Completion of improvements to streets, including curb and gutter at a cost of \$9.8 million during this fiscal year.
- Drainage improvements projects completed during the current year totaled \$9.6 million
- Infrastructure projects at a cost of \$28.02 million were completed during the fiscal year 2018. Among the completed projects includes downtown parking lots, sidewalks, airport runway, taxiways and apron improvements. Other projects included are parks improvements, traffic signal improvements and street lighting improvements in the downtown area. Proprietary funds invested \$39.56 million in infrastructure projects that include Bridge, Solid Waste and Water and Sewer improvements.
- Building improvement for \$52.55 million were completed during the year. The South Laredo Wastewater Treatment Plant expansion project was completed at a cost of \$48.08 million.
- Acquisition of machinery and equipment including vehicles and equipment for all City departments total \$15.6 million.
- Land at a cost of \$2.6 million was acquired during the fiscal year for City's noise abatement project as well as for other proprietary funds.
- Water rights acquisition during the fiscal year total \$788 thousand.

Future Major Initiatives

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

- Laredo Transit System has \$2.9 million in construction in progress for a new maintenance facility to be located in north Laredo. Additional funding of \$9 million is available from a capital grant for the new Transit Operations and Maintenance Facility.
- The Utilities Department has various water and sewer capital improvement projects underway, they are the following:
 - o Current projects ongoing for the Waterworks System include elevated storage tanks in north Laredo at an estimated cost of \$5.8 million and expected to be completed next year.

- o Water rights acquisition of \$2 million that will supplement our inventory of water rights.
- o Street Resurfacing / Paving Program at an estimated cost of \$4 million.
- o Sewer System project that is under construction is the wastewater treatment plant expansion project at a cost of \$24.8 million. Project will be completed next fiscal year.
- o Construction of a wastewater treatment plant Manadas Creek at an estimated cost of \$51.7 million. \$48 million is proposed to be funded with a loan from the Texas Water Development Board.
- o Construction of a wastewater treatment plant at Manadas Creek at an estimated cost of \$48 million. Funding is proposed form a loan from the Texas Water Development Board.
- Other City Wide Projects include:
 - o Building improvements at an estimated cost of \$3.78 million.
 - o Equipment and machinery for various department for \$14.3 million.
 - o Rehabilitation of streets project at an estimated cost of \$9.5 million.
 - o The construction / improvements of parks, streets, sidewalks, drainage, traffic signals, street signalization, street lighting and renovation or improvements of buildings at an estimated cost of \$6.0 million.
 - o Airport improvements project at a cost of \$11.6 million apron reconstruction and noise compatibility program. Funding includes \$10.45 million form Federal Aviation Administration.
 - o Improvements other than buildings for a Sports Complex at a cost of \$5.5 million.
 - o Other unfunded projects include cemetery land acquisition, traffic signal improvements, construction of a police department annex and a facility for the Department of Homeland Security.
- The City of Laredo, in conjunction with the Laredo Metropolitan Planning Organization are working on alleviation of a transportation challenges which include:

- o An interchange at IH35 and U.S.59/I-69 West. This project originally estimated to cost over \$25 million and to begin construction in 2017 but has recently become part of a larger project to construct five additional direct connectors. An INFRA Grant formerly Fastlane Grant application was resubmitted on behalf of the City, TXDOT, Webb County and the Regional Mobility Authority requesting \$78 million in federal funds, \$30 million from TXDOT and \$22 million from local agencies including the City of Laredo.
- o The construction of a \$46 million road called Hachar-Reuthinger Road, which will connect FM 1472 and IH35 for the critical movement of trucks in West Laredo. The project is under design and is scheduled to be released in late 2019. Phase I is at a cost of \$24.14 million and Phase II at an estimated cost of \$22 million. TXDOT, Webb County and the City of Laredo will be providing funding for this project.
- The Texas Department of Transportation and the City of Laredo are working jointly on projects along Loop 20, they include:
 - o The widening of the Loop 20 bridge over the Kansas City Southern (KCS) rail tracks, a \$9.1 million project.
 - o Additional frontage road over the KCS Bridge and the adjoining overpass with an estimated project cost of \$15.4 million.

Awards and Acknowledgements

The City has received the Government Finance Officers Association of the United States and Canada (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting for twenty-nine years. 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.

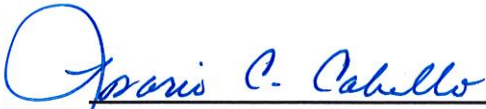
A Certificate of Achievement is valid for only a one-year period. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its twenty-fourth consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged 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.

In closing, please accept our sincere gratitude to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Laredo's finances.

Respectfully,



Rosario C. Cabello
Co-Interim City Manager



Robert A. Eads
Co-Interim City Manager



Government Finance Officers Association

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

Presented to

**City of Laredo
Texas**

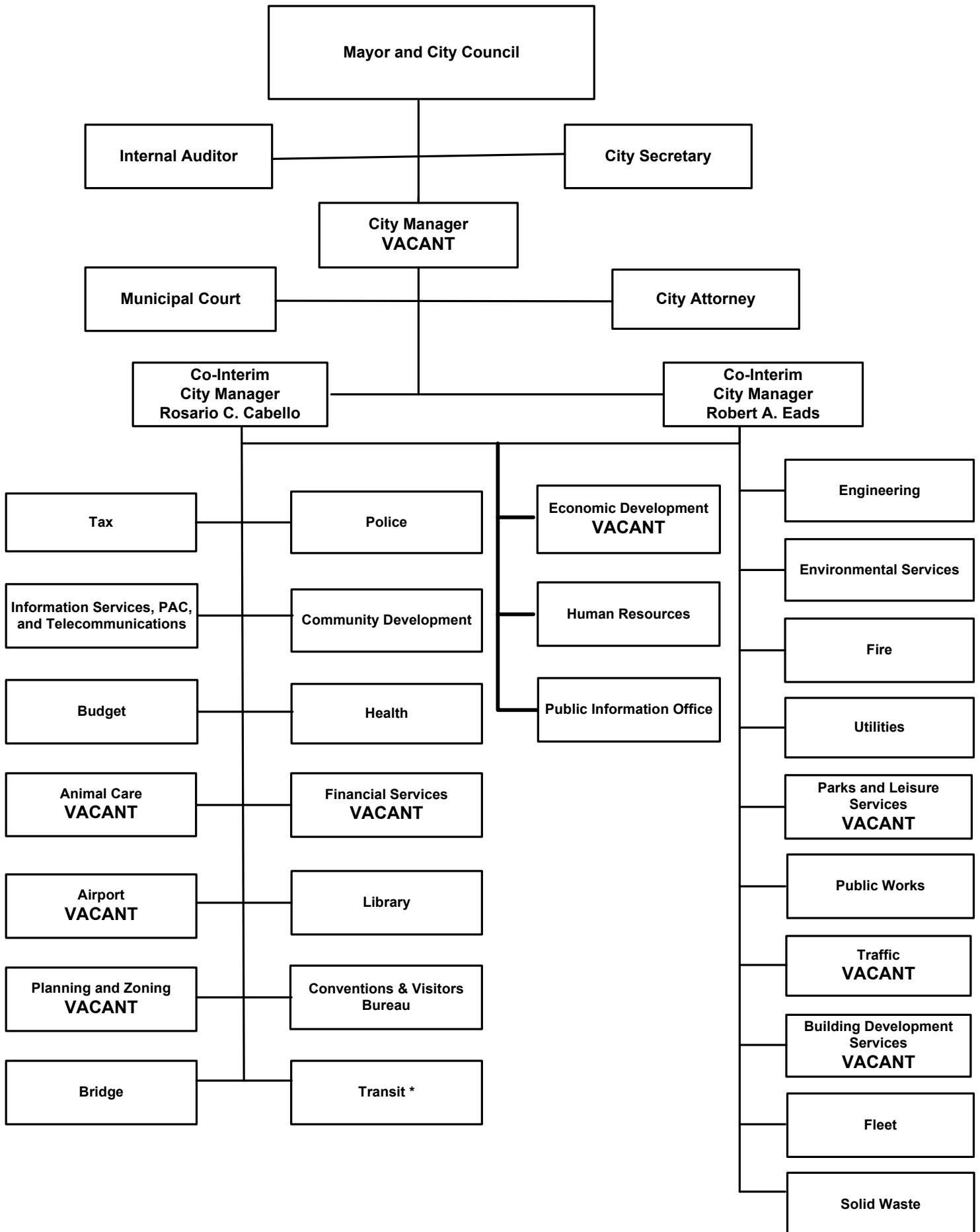
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF LAREDO, TEXAS



* Contracted Services

**CITY OF LAREDO, TEXAS
ADMINISTRATIVE OFFICIALS**

CITY COUNCIL

Pedro I. Saenz, Jr., Mayor

COUNCIL MEMBER	DISTRICT	COUNCIL MEMBER	DISTRICT
Rodolfo Gonzalez, Jr.	I	Nelly Vielma	V
Vidal Rodriguez	II	Dr. Marte A. Martinez	VI
Mercurio Martinez, III	III	George J. Altgelt	VII
Alberto Torres, Jr.	IV	Roberto Balli Mayor Pro Tempore	VIII

CITY STAFF

Robert A. Eads, Interim Co-City Manager

Rosario C. Cabello, Interim Co-City Manager

Jose F. Castillo, Assistant Finance Director

Kristina Laurel Hale, City Attorney

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, 2018, and the related notes to the financial statements, which collectively comprise the City of Laredo, Texas 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of September 30, 2018, 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 Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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.

Texas Water Code, Chapter 16, Section 16.356(a) Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the City of Laredo, Texas failed to comply with the provisions of the Texas Water Code, Chapter 16, Section 16.356(a) insofar as they relate to accounting matters. However, our audit was not directed toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Laredo, Texas noncompliance with the above referenced provisions insofar as they relate to accounting matters.

Restricted Use Relating to the Other Matter Texas Water Code, Chapter 16, Section 16.356(a) Compliance

The communication related to compliance with the aforementioned provision described in the Other Matters paragraph relating to Texas Water Code, Chapter 16, Section 16.356(a) Compliance is intended solely for the information and use of the Mayor, City Council and management of the City of Laredo, Texas and the Texas Water Development Board and is not intended to be and should not be used by anyone other than those specified parties.

Report on Other Legal and Regulatory Requirements - Texas Water Code, Chapter 16, Section 16.356(a) Compliance

The City of Laredo, Texas did not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes as stated on Texas Water Code, Chapter 16, Section 16.356(a) and as communicated in the Other Matters paragraph.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2019, 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.

Canale, Darga & Baum, PLLC

Laredo, Texas
March 11, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$680.71 million (net position) which represent a decrease of \$1.4 million from the previous year. The negative ending balance of \$224.9 million in unrestricted net position is the result of the recognition of Net Pension Liability of \$184.27 million and Net Pension Obligation –OPEB of \$165.83 million. The unrestricted net position would under normal circumstances, be used to meet the government’s ongoing obligations to citizens and creditors.
- The City’s governmental activities reported a combined ending net position of \$322.77 million. This represents a decrease of \$31.07 million. The business type activities reported a combined ending net position of \$357.94 million, representing an increase of \$29.67 million. These are the results of the operating of the City for the fiscal year.
- The City’s governmental funds reported a combined ending fund balances of \$185.07 million, an increase of \$17.70 million compared to the fiscal year 2017 ending fund balance. The total fund balances consist of \$96.46 million restricted, \$38.07 million is committed, \$10.49 million is assigned, \$198,006 is nonspendable and \$39.86 million is an unassigned deficit.
- At the end of the current fiscal year, total fund balance for the General Fund of \$46.85 million represented 26.1% of General Fund expenditures net of capital outlay.
- During the fiscal year, the City issued \$95.96 million in long-term debt. Long-term liabilities related to bond issuance net of current year principal payments decreased by \$2.61 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 such as 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 mentioned above, belong.

Figure A-1

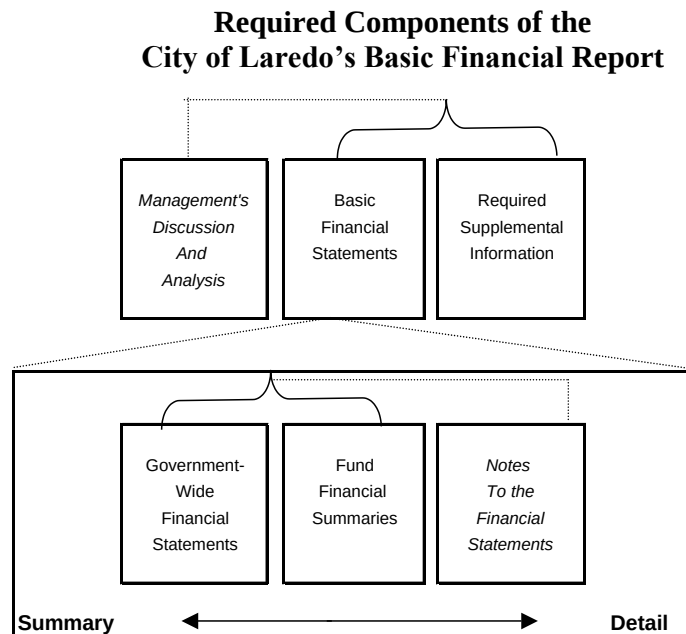
FUND FINANCIAL STATEMENTS

	Government – Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	• Statement of net position • Statement of activities	• Balance sheet • Statement of Revenues and Expenditures, and changes in fund balances	• Statement of net position • Statement of Revenues, expenses, and changes in net position • Statement of Cash Flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
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

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.

The financial statements also include notes that explain some of the information in the financial statements and provide data that are more detailed. 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 related 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



Government-wide Statements

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

- Increases or decreases in the City's net position 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 Transit System, Laredo Convention and Visitors' Bureau, Laredo Firefighters' Retirement System, Laredo Public Facilities Corporation-La Terraza, LLC, Sames Auto Arena formally known as

Laredo Energy Arena and the Max Mandel Municipal Golf Course. Although legally separate, these “component units” are important because the City is financially accountable for them.

Fund Financial Statements

The fund financial statements provide detailed information about the City’s most significant funds – not the City as a whole. Funds are group by 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 Fund Statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be use 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 devise 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 position and a statement of changes in fiduciary net position. 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 \$680.7 million as of September 30, 2018. The net position of the City is further breakdown between the governmental net position of \$322.8 million and the business-type net position is \$353.8 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. 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 are 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, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 250,026,500	\$ 230,201,962	\$ 223,260,161	\$ 215,751,276	\$ 473,286,661	\$ 445,953,238
Capital assets	719,686,113	715,134,843	668,926,620	650,206,784	1,388,612,733	1,365,341,627
Total Assets	969,712,613	945,336,805	892,186,781	865,958,060	1,861,899,394	1,811,294,865
Deferred Outflows of Resources	33,437,518	39,232,491	20,876,386	18,389,055	54,313,904	57,621,546
Total assets and deferred outflows of resources	1,003,150,131	984,569,296	913,063,167	884,347,115	1,916,213,298	1,868,916,411
Current liabilities	50,132,363	44,087,481	43,675,123	45,746,803	93,807,486	89,834,284
Non-current liabilities	592,981,677	585,202,430	507,440,782	509,883,458	1,100,422,459	1,095,085,888
Total Liabilities	643,114,040	629,289,911	551,115,905	555,630,261	1,194,229,945	1,184,920,172
Deferred inflows of resources	37,263,160	1,438,037	4,008,357	443,632	41,271,517	1,881,669
Total liabilities and deferred inflows of resources	680,377,200	630,727,948	555,124,262	556,073,893	1,235,501,462	1,186,801,841
Net Position:						
Net investments in capital assets	524,030,871	513,425,058	276,944,333	262,866,023	800,975,204	776,291,081
Restricted	45,893,175	42,852,730	58,736,604	74,243,372	104,629,779	117,096,102
Unrestricted	(247,151,115)	(202,436,440)	22,257,968	(8,836,173)	(224,893,147)	(211,272,613)
Total net position	\$ 322,772,931	\$ 353,841,348	\$ 357,938,905	\$ 328,273,222	\$ 680,711,836	\$ 682,114,570

A portion of the City's net position or \$104.63 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 position decreased by 10.65% over the prior year.

Generally, the net position generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net position increased by \$44.71 million to a negative balance of \$247.15 million for the year. The negative balance is due to the recognition of a liability of \$350.10 million for the net pension liability and net pension obligation for OPEB.

Unrestricted net position in the business-type activities reflect an increase of \$31.09 million to a positive balance of \$22.26 million as of September 30, 2018.

The table below provides a summary of the City's operations for the year ended September 30, 2018. Governmental activities increased the City's net position by \$28.87 million before a decrease for Prior Period Adjustment of \$59.94 million, while Business-Type activities increased by \$29.67 million. The City's Net Position increased by \$9.61 million. Total revenues realized by the City total \$504.91 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 decreased by \$23.09 million from the prior year to \$446.38 million. The most significant governmental expense for the City was in providing public safety, public works repairs and improvements and cultural and recreational activities. 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 public safety expenditures is personnel expenditures. The cost of personnel for the Police Department is \$67.21 million and Fire Department at a cost of \$49.38 million. Police and Fire personnel cost includes salaries, wages, overtime and benefits.

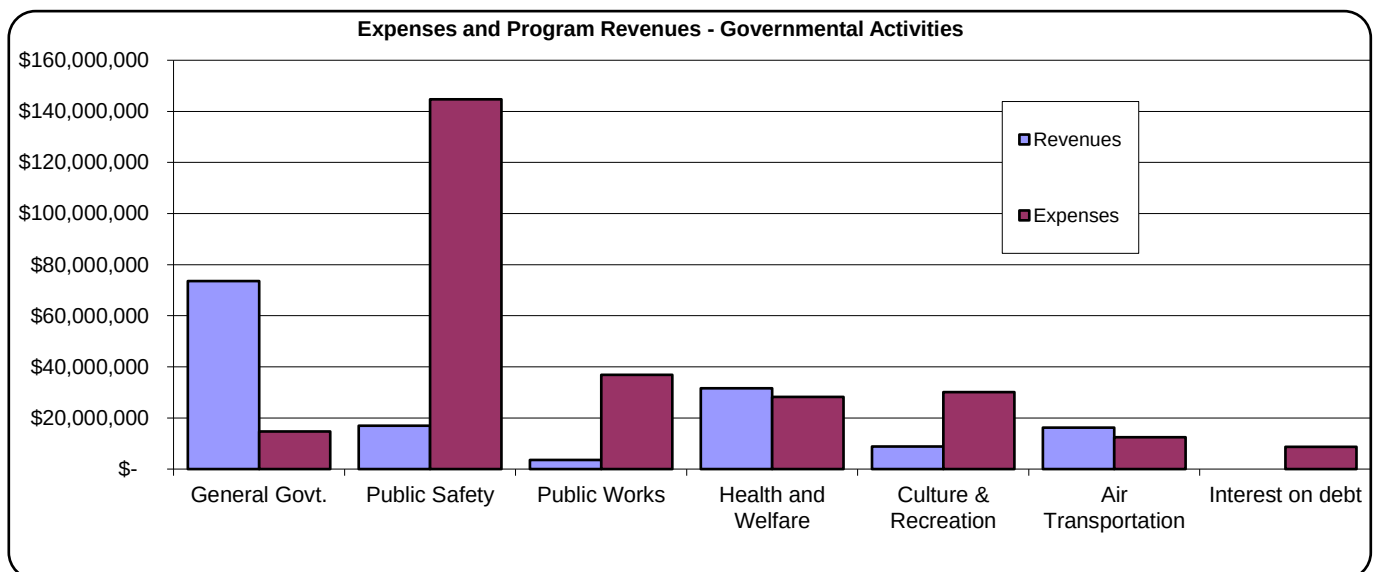
Table A-2

**City of Laredo's Changes in Net Position
September 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 99,634,877	\$ 84,515,973	\$183,617,223	\$ 175,100,361	\$ 283,252,100	\$ 259,616,334
Operating grants and contributions	24,927,052	21,047,107	4,064,792	4,091,169	-	25,138,276
Capital grants and contributions	26,064,998	41,090,817	12,507,179	6,735,114	38,572,177	47,825,931
General revenues:						
Sales tax	41,486,935	39,788,063	8,025,224	7,592,193	49,512,159	47,380,256
Property taxes	85,015,620	80,508,743	-	-	85,015,620	80,508,743
Other taxes	12,881,956	12,250,886	-	-	12,881,956	12,250,886
Other	2,390,291	3,229,084	4,292,728	3,420,634	6,683,019	6,649,718
Total revenue	<u>\$ 292,401,729</u>	<u>\$ 282,430,673</u>	<u>\$212,507,146</u>	<u>\$ 196,939,471</u>	<u>\$ 504,908,875</u>	<u>\$ 479,370,144</u>

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Expenses:						
General Government	\$ 14,669,141	\$ 44,803,625	\$ -	\$ -	\$ 14,669,141	\$ 44,803,625
Public Safety	144,679,796	132,796,643	-	-	144,679,796	132,796,643
Public Works	36,856,653	35,411,496	-	-	36,856,653	35,411,496
Health & Welfare	28,247,621	28,523,686	-	-	28,247,621	28,523,686
Culture & Recreation	30,060,439	28,661,521	-	-	30,060,439	28,661,521
Air Transportation	12,447,560	12,139,052	-	-	12,447,560	12,139,052
Interest & Other long - term debt	8,654,373	14,874,684	-	-	8,654,373	14,874,684
Transit System	-	-	18,223,323	18,103,372	18,223,323	18,103,372
Bridge System	-	-	52,412,200	49,498,472	52,412,200	49,498,472
Solid Waste	-	-	20,165,585	23,279,911	20,165,585	23,279,911
Water System	-	-	46,668,068	48,030,778	46,668,068	48,030,778
Sewer System	-	-	31,729,952	31,763,534	31,729,952	31,763,534
Municipal Housing	-	-	1,560,349	1,576,430	1,560,349	1,576,430
Other Business -Types	-	-	-	-	-	-
Total expenses	275,615,583	297,210,707	170,759,477	172,252,497	446,375,060	469,463,204
Inc (dec) in net position before transfers	16,786,146	(14,780,034)	41,747,669	24,686,974	58,533,815	9,906,940
Transfers	12,081,986	7,578,582	(12,081,986)	(7,578,582)	-	-
Change in Net Position	28,868,132	(7,201,452)	29,665,683	17,108,392	58,533,815	9,906,940
Net position, beginning	353,841,348	360,674,985	328,273,222	311,532,645	682,114,570	672,207,630
Prior Period Adj.	(59,936,549)	367,815	-	(367,815)	(59,936,549)	-
Net position, ending	\$ 322,772,931	\$ 353,841,348	\$ 357,938,905	\$ 328,273,222	\$ 680,711,836	\$ 682,114,570

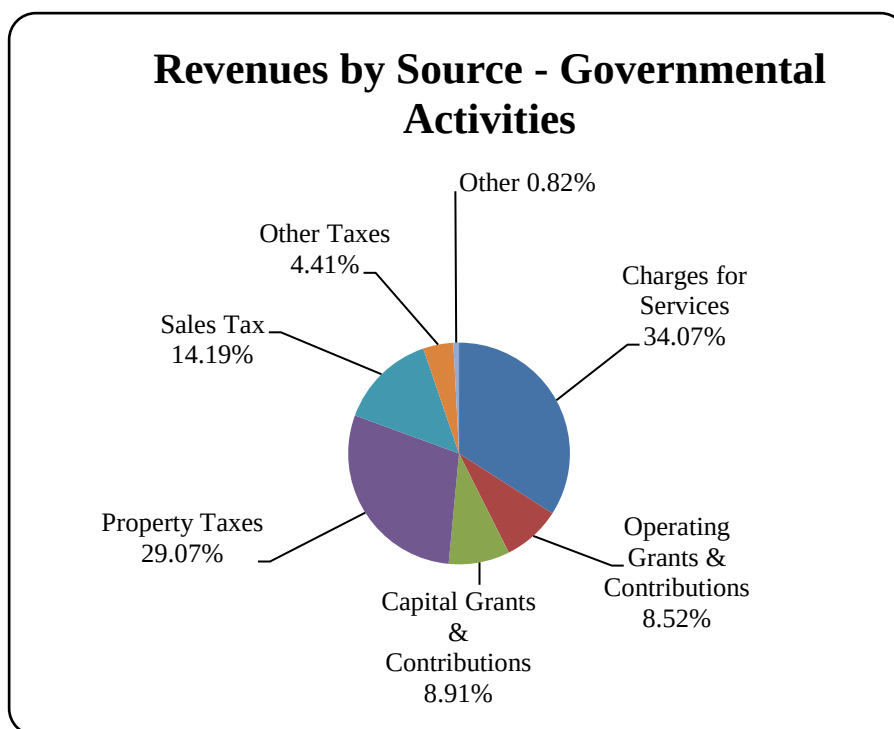
Graph 1



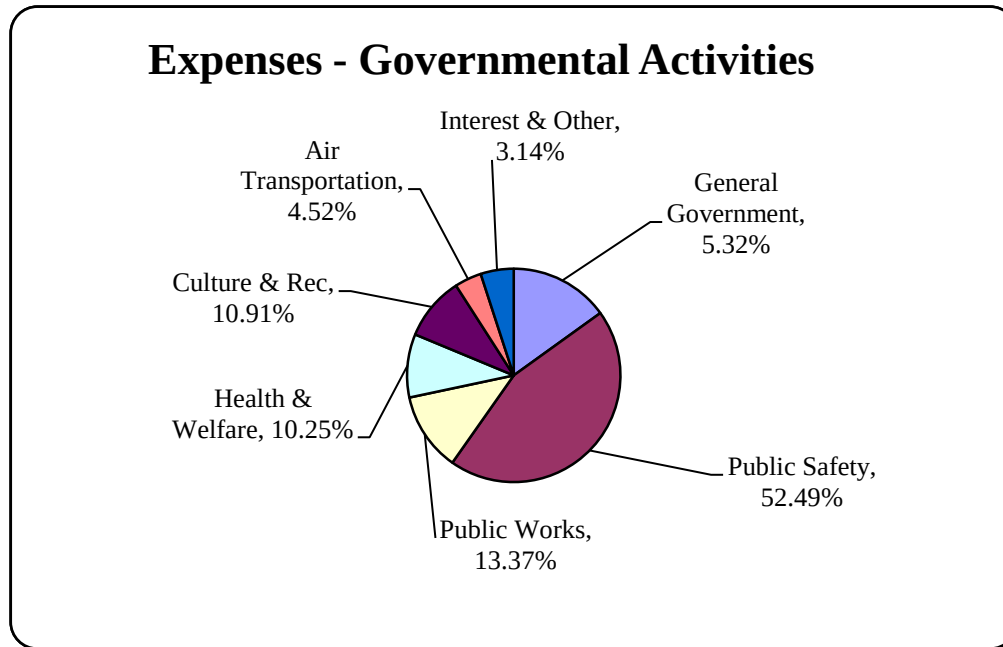
Graph 1 represents the cost of each of the City's seven largest programs as well as each of the programs revenue. The net cost is the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all Governmental activities this year was \$275.62 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 \$292.40 million.
- General Government expenses (support services) comprised approximately 5.32% of the total expenses in Fiscal Year 2018; this represents a decrease of 67.26% or \$30.13 million from prior year.
- Expenses for Public Safety represent 52.49% of total expenditures with an increase of 8.95% or \$11.88 million as compared to the prior year.
- Public Works expenses represent 13.37% of total expenditures and an increase of \$1.45 million or an increase of 4.08% as compared to the prior year.
- Health and Welfare expenses represent 10.25% of total expenditures with a minimal decrease of \$276 thousands or 0.97% as compared to the prior year.
- Cultural & Recreational expenses represent 10.91% of the total expenditures with an increase of \$1.4 million or 4.88% as compared to prior year.
- Air Transportation and Other expenditures represent 7.66% of total expenditures with a decrease of \$5.91 million or 39.28% from prior year.
- Business-Type Activities transferred to Governmental Activities a total of \$12.08 million; an increase of \$4.5 million from prior year.
- Overall, there was an increase in the net position of \$58.53 million for the City before prior period adjustments of \$59.94 million. There was a decrease of \$31.07 million in the governmental activities and an increase of \$29.67 million in the business type activities.
- Governmental Activity revenues were generated by charges for services 34.07%, property taxes 29.07%, sales tax and other taxes 18.60% and Capital and Operating Grants generated 17.43% (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City's business-type activities were \$212.51 million for the fiscal year ending September 30, 2018, an increase of \$15.57 million from prior year. Charges for Services increased by \$8.52 million; Operating Grants and Contributions decreased by \$26 thousand; Capital Grants and Contributions increased by \$5.77 million; while all other revenues increased by \$1.31 million. Expenses for the City's business-type activities were \$170.76 million for the year, representing a decrease of \$1.49 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 decreased by \$1.36 million. Operating expenses decreased by \$557 thousand and non-operating expenses increased decreased by \$803 thousand.
- Sewer System expenses decreased by \$34 thousand. Operating expenses decreased by \$319 thousand and non-operating expenses increased by \$285 thousand.
- Bridge System expenses increased by \$2.91 million; operating expenses increased by \$3.67 million and non-operating expenses decreased by \$753 thousand.
- Other business-type activities decreased by \$3.01 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 \$185.07 million. The fund balance is categorized as follows: \$198 thousand for non-spendable funds which are used for inventory items and an endowment fund; \$96.46 million which are restricted for debt and grants; \$38.07 million are committed for specific purposes as it relates to reserves, public safety, etc.; \$10.49 million are assigned for a specific use for Governmental Funds other than General Fund and \$39.86 million in unassigned.

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 \$46.85 million of which \$31.86 million is committed, and \$3.08 million is unassigned, \$11.90 million is restricted and \$7 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 26.1%. The unassigned fund balance in General Fund represents 6.57% of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by \$1.78 million as compared to prior year. The City was able to match its revenues to its expenditures while using a conservative spending approach. Some of the key factors are as follows:

- As compared to prior year, property tax revenues increased by \$3.05 million. Assessed valuations increased by \$895 million from prior year. The City has not increased its tax rate for the fourteenth consecutive year.
- Other tax revenues reflect an increase of \$1.72 million. Sales tax increased \$1.67 million as compared to prior years.
- Charges for Services increased by \$4.01 million as compared to prior year due to administrative fee charges to various funds but mainly the Bridge System which increased by \$3.72 million.
- General Fund expenses increased by \$5.23 million from prior year. While most of the departments remained stable, growth (increases) occurred in categories such as Public Safety by \$6.19; Health and Welfare by \$2.05 million; and Cultural and Recreational by \$1.02 million. Capital Outlay decreased by \$5.55 million. The major increase for public safety was in personnel expenses by \$4.83 million. This was due to contractual obligations with public safety personnel such as Fire and Police.

The Debt Service Fund has a total fund balance of \$5.4 million, all of which is reserved for the payment of debt. The fund balance increased by \$789 thousand.

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 \$357.9 million. The total net position increased by \$29.66 million as compared to prior year. The largest area of change was in the Waterworks System, with an increase of \$11.25 million, the Bridge System with an increase of \$3.98 million, the Sewer System increased by \$8.25 million and other enterprise funds increased by \$5.22 million.

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 26.10% of operating expenditures (excluding capital outlay) in FY 2018. Fund balance for General Fund increased by \$1.78 million while operating expenditures (excluding capital outlay) increased by \$10.78 million. General Fund experienced an overall increase of 2.16% in revenues. Property Tax revenues increased by \$3.04 million or 4.84% and Charges for Services increased by \$4.01 million or 8.19%. The City has been able to sustain its strong economic condition.

Original Budget vs. Final Amended Budget:

Revenues and Other Financing Sources:

- The General Fund revenue and other financing sources increase by \$125 thousand for additional revenues appropriated during the year for reimbursement received.

Expenditures and Other Financing Uses:

- General Fund expenditures and other financing uses budget was amend by a net increase of \$258 thousand. The operating budget for various departments were increased.

Amended Budget as compared to Actual Revenues and other Sources:

Revenues and Other Financing Sources:

- The actual revenues reflect an overall favorable variance of \$7.89 million as compared to the amended budget. This variance had various attributes:
 - Revenues exceeded projections in the following areas: Property taxes by \$227 thousand; Franchise fees \$395; Sales and Use Tax \$769 thousand; Charges for Services by \$957 thousand; Fines \$537 thousand; Interest, and other revenues by \$886 thousand. Contribution and Donations by \$15.74 million. Revenues that experience a shortfall of estimated revenues include; License and Permits \$2.02 million and Intergovernmental Revenues of \$1,976,992.
 - Contribution and Donations exceeded projection by \$15.74million. The variance was due to recognizing the value of donations related to infrastructure assets by developers.
 - Transfers In or other financing sources of \$7.61 million did not materialize during the year.

Expenditures and Other Financing Uses:

- Expenditures and Other Financing Uses reflect a negative variance of \$6.29 million when comparing the amended budget to the actual expenditures. A large portion of this unfavorable variance was due to capital outlay of \$15.83 million.
 - General Government realized savings of \$3.4 million from various areas including Municipal Court, Building Inspections, City Attorney's Office, Planning Zoning and Drafting & Surveying.
 - Public Safety realized savings of \$115 thousand. The Fire Department exceeded budget by \$1.31 million while the Police Department had savings of \$1.06 million. The Traffic Department realized savings of \$371 thousand.
 - Cultural and Recreation realized savings of \$1.46 million from various divisions from the Parks and Recreation divisions and the Public Library.
 - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remained strong and healthy.

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, 2018 was \$1.38 billion (net of accumulated depreciation). The City's investment in capital assets increased by \$85.83 million for the current fiscal year. Additions, to capital assets such as land, infrastructure, buildings, equipment and construction in progress for the year totaled \$42.59 million for governmental activities and \$43.24 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			
	2018	2017	2018	2017	2018	2017
Land	\$ 99,979,314	\$ 98,764,554	\$ 41,391,489	\$ 39,970,799	\$ 141,370,803	\$ 138,735,353
Buildings	223,243,913	219,059,837	332,321,765	283,955,212	555,565,678	503,015,049
Machinery & Equipment	145,603,484	136,653,446	98,751,089	97,071,298	244,354,573	233,724,744
Water Rights	-	-	51,800,919	51,013,419	51,800,919	51,013,419
Improve'ts other than Bldg	771,110,450	742,935,797	495,164,171	455,508,137	1,266,274,621	1,198,443,934
Construction in Progress	6,797,737	6,728,964	32,381,901	81,053,444	39,179,638	87,782,408
Total	<u>\$ 1,246,734,898</u>	<u>\$ 1,204,142,598</u>	<u>\$ 1,051,811,334</u>	<u>\$ 1,008,572,309</u>	<u>\$ 2,298,546,232</u>	<u>\$ 2,212,714,907</u>

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

Governmental

- Various land acquisitions totaling \$1.2 million. Land acquisition of \$585 thousand for airport improvements and noise abatement program and \$629 thousand for various parking and drainage improvements projects. Assets sold or conveyed to other agencies total \$130 thousand.
- Assets for the Building category increased by \$4.18 million for Fire Station Building Improvements, Recreation Centers and the Animal Care Facility.
- Infrastructure Improvements increased by \$28.17 million for various projects including Airport improvements of \$6.2 million; Parks improvements \$2.29; Street Improvements of \$9.82 million; and drainage improvements of \$9.68 million;
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$8.95 million for all departments within the City.
- Construction in Progress increased by \$68 thousand for various projects initiated during the year.

Proprietary

- Land and Water rights assets increased by \$2.21 million for the proprietary funds. The majority of the increases were in the Sewer System for \$1.1 million and Waterworks System for \$1.11 for water right acquisition and donated easements from developers.
- Improvements other than building increased by \$39.66 million, which include Water (\$11.57 million), Sewer (\$12.80 million) and Bridge System (\$10.34 million) in plant improvements, collections and distribution systems.
- Construction in progress decreased by \$48.67 million. The majority of the decreases were in the Waterworks System (\$6.59 million), Sewer System (\$56.61 million) and Bridge System (\$10.37 million).

The Governmental activities consist 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 \$1.15 billion in outstanding bonds and other long-term debt representing a net increase of \$7.5 million over last year. Net Pension Liability and net other net pension obligations increased by \$6.94 million. (See Table A-4). The Governmental Activities recorded a net increase of \$1.37 million while the Business Type Activities recorded a decrease of \$3.87 million. Detailed information about the City's long-term liabilities is presented in Note 11 and 12 of the financial statements.

New debt issues for Governmental activities were \$34.37 million in general obligation bonds and certificates of obligation bonds. Business Type activities issued \$61.59 million in general obligation bonds and contractual obligation bonds during fiscal year 2018. General obligation bonds were for a refunding issue of \$59.31 million. The issuance of \$36.65 million long-term debt is to finance the acquisition of equipment and vehicles for various city departments.

Bond Ratings

The City's 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 113,559,150	\$100,087,556	\$ 94,628,943	\$ 53,732,208	\$ 208,188,093	\$ 153,819,764
Certificates of obligation	85,450,142	98,811,954	27,880,255	71,942,015	113,330,397	170,753,969
Revenue bonds	24,444,531	27,095,437	353,405,017	350,511,203	377,849,548	377,606,640
Capital lease obligations	6,294,819	7,129,282	-	-	6,294,819	7,129,282
Compensated Absences	36,382,565	33,781,364	2,376,824	2,358,014	38,759,389	36,139,378
Notes payable	-	-	1,033,558	-	1,033,558	-
Landfill Post Closure	-	-	11,546,534	10,989,763	11,546,534	10,989,763
Net Penion Ob. - OPEB	165,831,405	125,019,712	-	-	165,831,405	125,019,712
Net Penion Liability	184,273,905	212,937,807	42,161,969	47,372,454	226,435,874	260,310,261
Total	\$ 616,236,517	\$604,863,112	\$533,033,100	\$536,905,657	\$1,149,269,617	\$1,141,768,769

Economic Factors and Next Year's Budgets and Rates

The City Management and City Council considered many factors when setting the fiscal year 2018-2019 budget. General Fund revenues for FY 2019 are estimated to be \$200.03 million an increase of \$5.6 million or 2.88% over the prior year's original budget. Expenditures are estimated at \$200.03 million; an increase of \$5.5 million or 2.85% over prior year budgeted expenditures. The City's unemployment rate remained at 3.6% as of September 30, 2018. This average, places it below the State of Texas average of 3.7%. Building

permit revenues, sales tax revenues, property taxes and bridge toll revenues are areas, which we use to measure the local economy. These areas are showing slight growth of \$6.58 million or 4.08% and are good indicators of the local state of the economy.

The FY 2019 consolidated budget for revenue reflects an appropriation of \$678.23 million. This represents a decrease in revenues of \$1.2 million or 0.17% over the FY 2018 Original Budget. The property tax rate for FY 2019 is 0.6340 per \$100 valuation, which reflects a decrease in the tax rate of from the previous rate of 0.637. Assessed valuations for FY 2019 are \$14.1 billion, which represents an increase of 6.21% over prior year with an estimated levy of \$89.69 million. Of the 0.6340 tax rate, 77.17 or 0.4892 cents are utilized for General Fund activities, the remaining 22.833% or 0.1447 cents are designated for Debt Service. The General Fund's portion of property tax revenue for FY 2019 is projected to be \$66.269 million. Sales tax revenues for the General Fund for FY 2018 are budgeted to be \$33.51 million, an increase of \$1.1 million or 3.30% as compared to prior year's budgeted amounts.

City Council approved cost of living increases that range from 1% to 2% depending on the position grade for all civilian personnel beginning October 1, 2018 at an estimated cost of \$722 thousand. The merit increase program was suspended for fiscal year 2019. The budget includes a 2.5% salary increase for the police officers at an estimated cost of \$1.3 million and a 1.5% salary increase for firefighters and 25% increase pension benefits, step increases and longevity pay at an estimated cost of \$767 thousand. The FY 2019 budget includes 2,961 full time equivalent positions with an estimated cost of \$223.01 million.

In order to serve the needs of the public successfully, city management will implement a new work ideology that promotes greater efficiencies with the use and sharing of data, technology and the development of partnerships. These initiatives include the promotion of more efficient work practices, promote transparency and accountability, maintain fiscal responsibilities, leverage resources and maintain a holistic view of our government mission.

Requests for Information

This financial report is design 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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 825,991	\$ 32,100	\$ 858,091
Equity in Investment Pool	1,262,446	870,610	2,133,056
Investments (Note 5)	202,665,921	133,071,656	335,737,577
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,420,331	955,337	2,375,668
Property Taxes, Penalty and Interest	7,964,611	-	7,964,611
Hotel-Motel Tax, Penalty and Interest	596,412	-	596,412
Accounts	15,992,650	13,176,907	29,169,557
Notes	16,472,058	13,660	16,485,718
Paving Assessments	3,030	-	3,030
Internal Balances (Note 13)	(5,539,712)	5,539,712	-
Due From Other Governments	7,420,419	3,445,045	10,865,464
Inventory, at cost	692,583	2,589,947	3,282,530
Prepaid Items	249,760	-	249,760
Total Current Assets	250,026,500	159,694,974	409,721,474
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	62,041,547	62,041,547
Accrued Interest (Note 6)	-	522,923	522,923
Notes Receivable (Note 6)	-	34	34
Due From Other Governments	-	1,000,683	1,000,683
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	99,979,314	93,192,408	193,171,722
Construction in Progress	6,797,737	32,381,901	39,179,638
Depreciable Assets:			
Buildings	223,243,913	332,321,765	555,565,678
Machinery and Equipment	145,603,484	98,751,089	244,354,573
Infrastructure	771,110,450	495,164,171	1,266,274,621
Accumulated Depreciation	(527,048,785)	(383,013,135)	(910,061,920)
Unamortized Bond Issuance Cost	-	128,421	128,421
Total Non Current Assets	719,686,113	732,491,807	1,452,177,920
TOTAL ASSETS	969,712,613	892,186,781	1,861,899,394
Deferred Outflows of Resources (Note 1)	33,437,518	20,876,386	54,313,904
TOTAL ASSETS AND DEFERRRED OUTFLOWS OF RESOURCES	\$ 1,003,150,131	\$ 913,063,167	\$ 1,916,213,298

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2018

(Continued)

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 9,340,035	\$ 4,505,674	\$ 13,845,709
Claims and Judgments Payable (Note 18)	4,542,697	-	4,542,697
Retainage Payable	486,922	1,219,342	1,706,264
Accrued Wages and Employee Benefits	3,387,896	837,001	4,224,897
Accrued Interest Payable	1,065,782	1,483,519	2,549,301
Compensated Absences (Note 11 & 12)	6,130,462	821,748	6,952,210
Contracts Payable	843,706	1,499,898	2,343,604
Customer and Tenant Deposits	218,138	5,917,522	6,135,660
Due To Other Governments	5,804	-	5,804
Due to Developers	639,535	-	639,535
Unearned Revenue	6,347,008	2,619,849	8,966,857
General Obligation Bonds (Note 11 & 12)	8,316,762	3,163,238	11,480,000
Certificates of Obligation (Note 11 & 12)	5,103,668	6,726,332	11,830,000
Revenue Bond Payable (Note 11 & 12)	2,445,000	14,881,000	17,326,000
Capital Lease Obligation (Note 11)	1,258,948	-	1,258,948
Total Current Liabilities	50,132,363	43,675,123	93,807,486
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	105,242,388	91,465,705	196,708,093
Certificates of Obligation (Note 11 & 12)	80,346,474	21,153,923	101,500,397
Revenue Bonds Payable (Note 11 & 12)	21,999,531	338,524,017	360,523,548
Notes Payable (Note 12)	-	1,033,558	1,033,558
Capital Lease Obligations (Note 11)	5,035,871	-	5,035,871
Compensated Absences (Note 11 & 12)	30,252,103	1,555,076	31,807,179
Net Pension Obligations - OPEB (Note 11)	165,831,405	-	165,831,405
Net Pension Liability (Note 9)	184,273,905	42,161,969	226,435,874
Landfill Closure & Postclosure Costs (Note 12)	-	11,546,534	11,546,534
Total Noncurrent Liabilities	592,981,677	507,440,782	1,100,422,459
TOTAL LIABILITIES	643,114,040	551,115,905	1,194,229,945
Deferred Inflows of Resources (Note 1)	37,263,160	4,008,357	41,271,517
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	680,377,200	555,124,262	1,235,501,462
NET POSITION			
Net Investments in Capital Assets	524,030,871	276,944,333	800,975,204
Restricted for:			
Debt Service	7,022,040	25,659,431	32,681,471
Capital Projects	38,680,209	-	38,680,209
Improvements	-	33,077,173	33,077,173
Nonexpendable	190,926	-	190,926
Unrestricted	(247,151,115)	22,257,968	(224,893,147)
TOTAL NET POSITION	\$ 322,772,931	\$ 357,938,905	\$ 680,711,836

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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 14,669,141	56,653,936	362,287	16,567,060	58,914,142	-	58,914,142
Public Safety	144,679,796	8,957,129	7,984,301	-	(127,738,366)	-	(127,738,366)
Public Works	36,856,653	1,510,684	125,000	1,877,568	(33,343,401)	-	(33,343,401)
Health and Welfare	28,247,621	17,797,657	13,191,101	590,548	3,331,685	-	3,331,685
Culture and Recreation	30,060,439	7,202,223	197,952	1,362,822	(21,297,442)	-	(21,297,442)
Air Transportation	12,447,560	7,513,248	3,066,411	5,667,000	3,799,099	-	3,799,099
Interest and Other on Long-Term Debt	8,654,373	-	-	-	(8,654,373)	-	(8,654,373)
Total Governmental Activities	275,615,583	99,634,877	24,927,052	26,064,998	(124,988,656)	-	(124,988,656)
Business-Type Activities:							
Transit System	18,223,323	4,361,730	4,060,344	768,012	-	(9,033,237)	(9,033,237)
Bridge System	52,412,200	68,042,892	-	-	-	15,630,692	15,630,692
Waterworks System	46,668,068	49,510,176	-	6,726,393	-	9,568,501	9,568,501
Sewer System	31,729,952	33,824,818	1,849	5,012,774	-	7,109,489	7,109,489
Solid Waste Management System	20,165,585	26,306,088	1,740	-	-	6,142,243	6,142,243
Municipal Housing	1,560,349	1,571,519	859	-	-	12,029	12,029
Total Business-Type Activities	170,759,477	183,617,223	4,064,792	12,507,179	-	29,429,717	29,429,717
Total Primary Government	\$ 446,375,060	283,252,100	28,991,844	38,572,177	(124,988,656)	29,429,717	(95,558,939)
General Revenues:							
Property Taxes					85,015,620	-	85,015,620
Sales Tax					41,486,935	8,025,224	49,512,159
Franchise Fees					8,174,902	-	8,174,902
Hotel Motel Tax					4,157,342	-	4,157,342
Alcoholic Beverage Tax					549,712	-	549,712
Unrestricted investment earnings					2,265,636	4,190,741	6,456,377
Gain on sale of capital assets					124,655	101,987	226,642
Transfers (Note 14)					12,081,986	(12,081,986)	-
Total general revenues and transfers					153,856,788	235,966	154,092,754
Change in net position					28,868,132	29,665,683	58,533,815
Net position-beginning					353,841,348	328,273,222	682,114,570
Prior Period Adjustment (Note 23)					(59,936,549)	-	(59,936,549)
Net position-ending					\$ 322,772,931	357,938,905	680,711,836

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

**CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ 24,758	-	800,833	825,591
Equity in Investment Pool	374,499	40,437	748,487	1,163,423
Investments (Note 5)	49,431,812	5,328,785	134,893,413	189,654,010
Receivable, net of allowances:				
Accrued Interest (Note 6)	361,374	38,956	924,878	1,325,208
Taxes, Penalty and Interest (Note 6)	6,800,335	1,107,878	182,218	8,090,431
Accounts (Note 6)	4,937,784	-	1,990,847	6,928,631
Notes (Note 6)	-	-	16,472,058	16,472,058
Paving Assessments (Note 6)	-	3,030	-	3,030
Due from Other Funds	2,491,715	-	37,656	2,529,371
Due from Other Governments	250,212	-	7,170,207	7,420,419
Inventory, at cost	7,080	-	140,926	148,006
TOTAL ASSETS	64,679,569	6,519,086	163,361,523	234,560,178
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	3,628,751	1,037	3,466,473	7,096,261
Retainage Payable	-	-	486,922	486,922
Accrued Wages and Employee Benefits	2,775,955	-	505,143	3,281,098
Contracts Payable	-	-	843,706	843,706
Customer and Tenant Deposits	2,925	-	215,213	218,138
Due to Other Funds	-	-	1,096,012	1,096,012
Due to Other Governments	-	-	5,804	5,804
Due to Developers	-	-	639,535	639,535
Unearned Revenue	11,424,964	1,111,272	23,285,492	35,821,728
TOTAL LIABILITIES	17,832,595	1,112,309	30,544,300	49,489,204
FUND BALANCES (Note 22)				
Nonspendable	7,080	-	190,926	198,006
Restricted	11,899,527	5,406,777	79,149,654	96,455,958
Committed	31,859,384	-	6,206,081	38,065,465
Assigned	-	-	10,491,733	10,491,733
Unassigned (Deficit)	3,080,983	-	36,778,829	39,859,812
TOTAL FUND BALANCES	46,846,974	5,406,777	132,817,223	185,070,974
TOTAL LIABILITIES AND FUND BALANCES	\$ 64,679,569	6,519,086	163,361,523	

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.	715,442,572
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	41,555,217
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.	2,292,394
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)	(621,588,226)
Net position of governmental activities	\$ 322,772,931

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, 2018

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes:				
Property	\$ 65,980,580	18,989,228	264,727	85,234,535
Sales	33,208,996	-	8,302,249	41,511,245
Bingo Tax	52,912	-	-	52,912
Alcoholic Beverage	552,905	-	-	552,905
Hotel Motel	-	-	4,138,626	4,138,626
Franchise Fees	8,133,889	-	-	8,133,889
Licenses and Permits	9,658,199	-	755,921	10,414,120
Intergovernmental Revenues	434,008	-	34,441,334	34,875,342
Charges for Services	52,996,333	-	11,919,675	64,916,008
Fines	3,883,378	-	473,562	4,356,940
Fees and Collections	1,498,407	-	3,201,213	4,699,620
Rents	-	-	8,562,331	8,562,331
Interest and Other	2,194,650	140,472	2,066,184	4,401,306
Miscellaneous	387,589	280,213	1,839,689	2,507,491
Contributions & Donations	15,994,122	-	132,705	16,126,827
Reimbursements	-	6,407	1,416,542	1,422,949
TOTAL REVENUES	194,975,968	19,416,320	77,514,758	291,907,046
EXPENDITURES:				
Current:				
General Government	25,151,930	33,437	613,547	25,798,914
Public Safety	126,615,585	-	10,349,928	136,965,513
Public Works	6,384,433	-	3,589,734	9,974,167
Health and Welfare	2,678,157	-	24,131,270	26,809,427
Cultural and Recreational	17,603,430	-	11,663,907	29,267,337
Air Transportation Services	-	-	6,806,224	6,806,224
Capital Outlay	16,466,390	-	27,383,028	43,849,418
Debt Service:				
Bond Costs	-	279,548	236,232	515,780
Principal Retirement	761,011	16,243,923	58,466	17,063,400
Interest and Fiscal Expenditures	305,528	9,263,835	6,887	9,576,250
TOTAL EXPENDITURES	195,966,464	25,820,743	84,839,223	306,626,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	(990,496)	(6,404,423)	(7,324,465)	(14,719,384)
OTHER FINANCING SOURCES (USES):				
Transfers In	7,383,660	6,908,567	22,179,091	36,471,318
Issuance of Debt (Note 11)	-	-	15,131,720	15,131,720
Issuance of Refunding Debt (Note 11)	-	19,564,840	-	19,564,840
Bond Premium (Note 11)	-	2,654,184	2,293,476	4,947,660
Transfers Out	(4,692,657)	-	(17,196,675)	(21,889,332)
Sale of Assets	83,544	-	41,111	124,655
Payment to Refunded Bond Escrow Agent	-	(21,934,126)	-	(21,934,126)
TOTAL OTHER FINANCING SOURCES (USES)	2,774,547	7,193,465	22,448,723	32,416,735
Net Change in Fund Balances	1,784,051	789,042	15,124,258	17,697,351
Fund Balances-Beginning	45,062,923	4,617,735	117,692,965	167,373,623
FUND BALANCES-ENDING	\$ 46,846,974	5,406,777	132,817,223	185,070,974

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, 2018

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

Net change in fund balances-total governmental funds	\$ 17,697,351
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)	5,087,299
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	263,637
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)	(646,694)
Accrued interest expense recorded for entity-wide statements.	1,662,949
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.	5,196,695
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.	(393,105)
Change in net position of governmental activities	\$ <u>28,868,132</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, 2018**

	<u>Budgeted Amounts</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
REVENUES:						
Taxes						
Property Taxes	\$ 64,089,674	64,089,674	64,316,271	-	64,316,271	226,597
Penalty and Interest	1,685,755	1,685,755	1,664,309	-	1,664,309	(21,446)
Alcoholic Beverage	496,451	496,451	552,905	-	552,905	56,454
Bingo Tax	69,828	69,828	52,912	-	52,912	(16,916)
Sales and Use	32,439,602	32,439,602	33,208,996	-	33,208,996	769,394
Franchise Fees	7,739,106	7,739,106	8,133,889	-	8,133,889	394,783
Licenses and Permits	11,679,823	11,679,823	9,658,199	-	9,658,199	(2,021,624)
Intergovernmental Revenues	2,411,000	2,411,000	434,008	-	434,008	(1,976,992)
Charges for Services	52,039,189	52,039,189	52,996,333	-	52,996,333	957,144
Fines	3,346,236	3,346,236	3,883,378	-	3,883,378	537,142
Fees and Collections	1,520,865	1,511,065	1,498,407	-	1,498,407	(12,658)
Interest and Other	1,390,164	1,390,164	2,194,650	-	2,194,650	804,486
Miscellaneous	172,312	306,487	387,589	-	387,589	81,102
Contributions and Donations	250,000	250,577	15,994,122	-	15,994,122	15,743,545
TOTAL REVENUES	179,330,005	179,454,957	194,975,968	-	194,975,968	15,521,011
EXPENDITURES:						
General Government						
Mayor and City Council	903,139	903,139	804,320	38,363	842,683	60,456
City Manager	1,667,080	1,672,580	1,255,687	3,858	1,259,545	413,035
Internal Audit	418,222	418,222	302,944	-	302,944	115,278
Council Support	499,638	499,638	390,393	9,067	399,460	100,178
Public Information Office	180,991	180,991	140,576	760	141,336	39,655
City Hall Annex II	130,702	130,056	119,028	10,111	129,139	917
Budget	465,324	465,324	367,628	6,452	374,080	91,244
Municipal Court	1,793,206	1,744,221	1,577,701	12,045	1,589,746	154,475
Building Inspections	1,511,537	1,509,546	1,328,241	68,220	1,396,461	113,085
Development Review Engineering	577,924	505,315	361,120	-	361,120	144,195
Code Enforcement	320,811	351,992	293,432	2,454	295,886	56,106
Public Right of Way	243,562	247,222	265,405	351	265,756	(18,534)
Geographic Information Systems	159,650	162,992	107,336	-	107,336	55,656
City Attorney	1,292,730	1,292,730	1,058,091	9,655	1,067,746	224,984
City Secretary	470,585	470,567	435,385	9,108	444,493	26,074
Elections	1,293	82,323	81,030	-	81,030	1,293
City Hall Maintenance	682,882	616,707	540,691	47,810	588,501	28,206
Tax Office	1,345,122	1,360,506	1,293,954	14,711	1,308,665	51,841
Accounting	1,259,137	1,250,637	991,502	2,434	993,936	256,701
Purchasing	561,608	570,108	498,951	95	499,046	71,062
Payroll	266,476	266,476	262,401	-	262,401	4,075
Accounts Payable	418,994	418,994	360,759	46	360,805	58,189
Personnel and Civil Service	643,147	643,147	593,195	1,611	594,806	48,341
Training	303,089	303,089	244,020	1,719	245,739	57,350
Municipal Civil Service	2,287	2,287	1,136	350	1,486	801
Planning	922,212	922,212	784,511	12,788	797,299	124,913
Section 112	1,199,253	1,199,253	268,281	244,944	513,225	686,028
Engineering	624,772	624,931	634,161	2,164	636,325	(11,394)
Drafting & Surveying	1,304,101	1,301,688	1,095,911	710	1,096,621	205,067
Construction & Inspections	592,560	594,814	571,986	9,398	581,384	13,430
311 Program	356,860	356,860	329,236	1,773	331,009	25,851
Public Acces Center	536,284	534,310	534,555	9,338	543,893	(9,583)
Center for Non-Profit	105,065	105,065	80,491	397	80,888	24,177
Real Estate	258,150	258,150	180,498	1,289	181,787	76,363
Economic Development	153,981	153,981	9,290	-	9,290	144,691
Public Safety						
Police	4,420,607	4,422,509	4,662,813	78,606	4,741,419	(318,910)
Records/Property	1,488,218	1,489,720	1,472,988	20,252	1,493,240	(3,520)
Autotheft Grant Match	837,442	889,042	889,659	26,400	916,059	(27,017)
Detective	8,010,187	8,021,213	7,542,449	37,355	7,579,804	441,409
Narcotics/Pipeline/K-9	3,389,201	3,397,201	3,308,980	8,779	3,317,759	79,442
911 Communications	3,179,476	3,179,476	2,734,897	479	2,735,376	444,100
Criminal Int. Acquisition	510,605	520,605	1,067,028	1,928	1,068,956	(548,351)
Patrols	49,387,690	49,441,810	47,944,129	502,811	48,446,940	994,870
Fire	38,314,890	38,263,358	39,351,133	64,549	39,415,682	(1,152,324)
Fire - EMS Division	7,596,601	7,636,842	7,550,522	40,339	7,590,861	45,981
Fire - EMS Trauma (Webb Co.)	4,000	4,000	3,361	-	3,361	639
Fire Civilians	999,347	970,347	934,687	1,655	936,342	34,005
Fire - Prevention & Arson	2,011,796	2,013,546	2,043,622	1,597	2,045,219	(31,673)
Fire Airport	1,241,604	1,226,026	1,271,141	1,515	1,272,656	(46,630)
Fire - Training (In House)	708,831	702,580	848,017	23,365	871,382	(168,802)
Fire Emergency Management	29,737	29,737	28,205	241	28,446	1,291
Traffic	2,974,188	3,026,139	2,744,226	37,845	2,782,071	244,068
Street Lighting	\$ 2,384,459	2,346,930	2,217,728	2,161	2,219,889	127,041

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2018

	<u>Budgeted Amounts</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>
						(Continued)
Public Works						
Administration	\$ 861,203	854,194	802,495	17,800	820,295	33,899
Street Maintenance	1,056,552	989,567	712,006	117	712,123	277,444
Street Construction	1,246,251	1,236,316	1,088,260	6,673	1,094,933	141,383
Street Cleaning	1,734,045	1,791,056	1,599,778	4,470	1,604,248	186,808
Building Rehabilitation	1,114,560	1,114,560	868,723	3,469	872,192	242,368
Warehouse	210,940	216,445	172,146	7,838	179,984	36,461
Special Construction Projects	566,261	566,261	1,141,025	-	1,141,025	(574,764)
Health and Welfare						
Third-Party Funding	333,725	344,975	305,622	3,251	308,873	36,102
Animal Care	2,650,129	2,741,414	2,169,731	46,260	2,215,991	525,423
Non CDBG Code Enforcement	242,602	289,326	202,804	7,841	210,645	78,681
Cultural and Recreational						
Parks	532,940	566,680	410,526	1,916	412,442	154,238
Maintenance	6,541,054	6,356,190	6,367,160	254,353	6,621,513	(265,323)
Construction	1,323,366	1,321,486	946,578	21,236	967,814	353,672
Horticulture/Forestry	-	123,600	113,960	10,556	124,516	(916)
Aquatics	1,692,037	1,712,037	1,495,640	146,614	1,642,254	69,783
Recreation Centers	4,944,419	4,743,614	4,085,164	206,494	4,291,658	451,956
Cemetery	393,382	384,746	335,602	9,583	345,185	39,561
Library	4,762,604	4,671,668	3,848,800	164,650	4,013,450	658,218
Other	9,365,641	9,400,557	6,988,084	170,019	7,158,103	2,242,454
Capital Outlay	412,712	629,492	16,466,390	-	16,466,390	(15,836,898)
Debt Service:						
Principal Retirement	761,011	761,011	761,011	-	761,011	-
Interest and Fiscal Expenditures	313,427	313,427	305,528	-	305,528	7,899
TOTAL EXPENDITURES	190,720,114	190,829,776	195,966,464	2,455,038	198,421,502	(7,591,726)
Excess (Deficiency) of Revenues Over Expenditures	(11,390,109)	(11,374,819)	(990,496)	(2,455,038)	(3,445,534)	7,929,285
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	160,818	160,818	143,730	-	143,730	(17,088)
Recreation Fund	340,517	340,517	340,517	-	340,517	-
Capital Improvements Fund	11,500,000	11,500,000	3,899,413	-	3,899,413	(7,600,587)
Parking Meters	250,000	250,000	250,000	-	250,000	-
Risk Management	2,500,000	2,500,000	2,500,000	-	2,500,000	-
Municipal Housing	250,000	250,000	250,000	-	250,000	-
Transfers Out:						
Auto Theft Task Force	(421,720)	(370,120)	(369,345)	-	(369,345)	775
Health Fund	(3,049,462)	(3,049,462)	(3,049,462)	-	(3,049,462)	-
Special Police Program	(898,997)	(898,997)	(394,252)	-	(394,252)	504,745
Special Fire Grants	(215,579)	(215,579)	(280,287)	-	(280,287)	(64,708)
Max Mandel Golf Course	(400,000)	(600,000)	(599,311)	-	(599,311)	689
Capital Improvements Fund	(856,633)	(856,633)	-	-	-	856,633
Sale of Assets	94,835	94,835	83,544	-	83,544	(11,291)
TOTAL OTHER FINANCING SOURCES (USES)	9,253,779	9,105,379	2,774,547	-	2,774,547	(6,330,832)
Net Change in Fund Balance	(2,136,330)	(2,269,440)	1,784,051	(2,455,038)	(670,987)	1,598,453
Fund Balances at Beginning of Year	42,183,514	45,062,923	45,062,923	(9,376)	45,053,547	(9,376)
FUND BALANCES AT END OF YEAR	\$ 40,047,184	42,793,483	46,846,974	(2,464,414)	44,382,560	1,589,077

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, 2018

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	SOLID WASTE MANAGEMENT
ASSETS				
Current Assets:				
Cash and Cash Equivalents: (Note 4)				
Cash	\$ 19,150	2,500	600	2,750
Equity in Investment Pool	38,563	341,824	268,325	210,437
Investments (Note 5)	8,788,181	49,185,337	41,231,092	32,351,935
Receivable:				
Accrued Interest (Note 6)	-	329,324	258,566	356,370
Accounts (Note 6)	445	6,240,053	5,148,159	1,761,243
Notes (Note 6)	-	1,491	12,169	-
Prepaid Items	-	-	-	-
Due from Other Governments	-	-	1,850	1,740
Due from Other Funds	-	89,497	-	556,572
Inventory, at Cost	-	2,162,511	160,861	1,104
Total Current Assets	8,846,339	58,352,537	47,081,622	35,242,151
Noncurrent Assets:				
Restricted Assets:				
Investments (Note 5)	371,222	17,612,824	34,815,297	9,242,204
Accrued Interest Receivable (Note 6)	93,304	142,650	286,969	-
Notes Receivable (Note 6)	-	34	-	-
Due from Other Funds	2,980,808	-	-	-
Due from Other Governments	-	1,000,683	-	-
Total Restricted Assets (Note 7)	3,445,334	18,756,191	35,102,266	9,242,204
Capital Assets: (Note 8)				
Transportation Vehicles and Equipment	18,290,816	11,958,954	13,909,694	31,814,529
Buildings	33,435,915	185,873,115	93,433,984	1,349,108
Improvements	78,672,514	231,650,209	160,578,310	13,224,393
Land and Improvements	11,265,265	56,596,726	9,749,688	624,668
Land Easements	-	4,024,225	1,038,012	-
Construction in Progress	368,728	4,232,990	24,846,911	-
Less Accumulated Depreciation	(59,244,620)	(160,745,832)	(108,141,433)	(23,724,148)
Total Capital Assets (net of accumulated depreciation)	82,788,618	333,590,387	195,415,166	23,288,550
Other Assets:				
Unamortized Bond Issuance Costs	128,421	-	-	-
Total Noncurrent Assets	86,362,373	352,346,578	230,517,432	32,530,754
TOTAL ASSETS	95,208,712	410,699,115	277,599,054	67,772,905
Deferred Outflows of Resources	2,052,302	13,563,232	3,191,784	1,305,688
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 97,261,014	424,262,347	280,790,838	69,078,593

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
7,100	32,100	400
11,461	870,610	99,023
1,515,111	133,071,656	13,011,911
11,077	955,337	95,123
27,007	13,176,907	23,693
-	13,660	-
-	-	249,760
3,441,455	3,445,045	-
418,125	1,064,194	786,414
265,471	2,589,947	544,577
<u>5,696,807</u>	<u>155,219,456</u>	<u>14,810,901</u>
-	62,041,547	-
-	522,923	-
-	34	-
-	2,980,808	-
-	1,000,683	-
<u>-</u>	<u>66,545,995</u>	<u>-</u>
22,777,096	98,751,089	14,671,831
18,229,643	332,321,765	420,681
11,038,745	495,164,171	19,616
9,893,824	88,130,171	-
-	5,062,237	-
2,933,272	32,381,901	-
(31,157,102)	(383,013,135)	(10,868,587)
<u>33,715,478</u>	<u>668,798,199</u>	<u>4,243,541</u>
-	128,421	-
<u>33,715,478</u>	<u>735,472,615</u>	<u>4,243,541</u>
<u>39,412,285</u>	<u>890,692,071</u>	<u>19,054,442</u>
<u>763,380</u>	<u>20,876,386</u>	<u>-</u>
<u>40,175,665</u>	<u>911,568,457</u>	<u>19,054,442</u>

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

(Continued)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	SOLID WASTE MANAGEMENT
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 281,060	1,494,728	1,089,757	873,343
Retainage Payable	-	206,837	1,012,505	-
Contracts Payable	-	107,511	1,392,387	-
Due to Other Funds (Note 13)	-	89,497	-	556,572
Accrued Interest	-	882,565	454,857	125,197
Accrued Wages & Employee Benefits	144,889	217,382	103,514	154,542
Claims and Judgments Payable	-	-	-	-
Compensated Absences	220,045	201,779	90,651	142,843
Capital Lease Obligation	-	-	-	-
Customer Deposits	8,000	5,807,090	-	-
Unearned Revenue	1,356,668	1,222,262	29,127	1,313
General Obligation Bonds (Note 12)	-	1,232,904	817,190	713,462
Certificates of Obligation (Note 12)	-	963,794	1,001,206	3,996,332
Revenue Bonds Payable (Note 12)	5,065,000	5,214,604	4,601,396	-
Total Current Liabilities	7,075,662	17,640,953	10,592,590	6,563,604
Noncurrent Liabilities:				
General Obligation Bonds (Note 12)	-	63,498,894	20,203,737	5,571,734
Certificates of Obligation (Note 12)	-	5,709,314	-	13,975,745
Revenue Bonds Payable (Note 12)	38,197,307	163,991,515	136,335,195	-
Notes Payable (Note 12)	-	1,033,558	-	-
Due to Other Funds (Note 13)	2,980,808	-	-	-
Capital Lease Obligations	-	-	-	-
Closure and Postclosure Cost (Note 12)	-	-	-	11,546,534
Net Pension Liability	11,125,921	14,160,162	5,575,762	8,655,109
Compensated Absences	404,935	427,283	186,982	395,336
Total Noncurrent Liabilities	52,708,971	248,820,726	162,301,676	40,144,458
TOTAL LIABILITIES	59,784,633	266,461,679	172,894,266	46,708,062
Deferred Inflows of Resources	961,353	1,318,371	667,908	848,937
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	60,745,986	267,780,050	173,562,174	47,556,999
NET POSITION				
Net Investment in Capital Assets	41,143,684	126,468,471	75,848,520	3,907,639
Restricted for Debt Service	3,445,334	12,104,558	10,109,539	-
Restricted for Improvements	-	19,730,680	13,346,493	-
Unrestricted (Deficit)	(8,073,990)	(1,821,412)	7,924,112	17,613,955
TOTAL NET POSITION	\$ 36,515,028	156,482,297	107,228,664	21,521,594

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

Net position of business-type activities

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

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

OTHER ENTERPRISE FUNDS	TOTALS	ADJUSTED TOTALS	INTERNAL SERVICE FUNDS
766,786	4,505,674	4,505,674	2,243,774
-	1,219,342	1,219,342	-
-	1,499,898	1,499,898	-
1,136,152	1,782,221	1,782,221	-
20,900	1,483,519	1,483,519	-
216,674	837,001	837,001	106,798
-	-	-	4,542,697
166,430	821,748	821,748	106,150
-	-	-	786,414
102,432	5,917,522	5,917,522	-
10,479	2,619,849	2,619,849	-
399,682	3,163,238	3,163,238	-
765,000	6,726,332	6,726,332	-
-	14,881,000	14,881,000	-
3,584,535	45,457,344	45,457,344	7,785,833
2,191,340	91,465,705	91,465,705	-
1,468,865	21,153,924	21,153,924	-
-	338,524,017	338,524,017	-
-	1,033,558	1,033,558	-
418,125	3,398,933	3,398,933	786,414
-	-	-	1,620,087
-	11,546,534	11,546,534	-
2,645,015	42,161,969	42,161,969	-
140,540	1,555,076	1,555,076	248,483
6,863,885	510,839,716	510,839,716	2,654,984
10,448,420	556,297,060	556,297,060	10,440,817
211,788	4,008,357	4,008,357	-
10,660,208	560,305,417	560,305,417	10,440,817
29,576,018	276,944,332	276,944,332	1,837,040
-	25,659,431	25,659,431	-
-	33,077,173	33,077,173	-
(60,561)	15,582,104	22,257,969	6,776,585
29,515,457	351,263,040	357,938,905	8,613,625
	6,675,865		
\$	357,938,905		

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2018

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
OPERATING REVENUES:			
Charges for Services	\$ -	41,288,759	33,452,820
Rental of Facilities	179,001	-	-
Toll Receipts	67,216,394	-	-
Miscellaneous	647,497	6,304,388	371,998
TOTAL OPERATING REVENUES	68,042,892	47,593,147	33,824,818
OPERATING EXPENSES:			
Costs of Services	-	-	-
Personnel Services	7,659,748	10,492,379	5,224,000
Materials and Supplies	639,830	3,824,867	1,399,318
Contractual Services	39,069,096	10,420,949	12,443,977
Other	5,003	165,818	133,992
Total Operating Expenses Before Depreciation	47,373,677	24,904,013	19,201,287
Depreciation Expense (Note 8)	3,210,959	11,597,522	7,312,109
TOTAL OPERATING EXPENSES	50,584,636	36,501,535	26,513,396
Operating Income (Loss)	17,458,256	11,091,612	7,311,422
NON-OPERATING REVENUES (EXPENSES):			
Sales Tax	-	-	-
Interest Earnings	197,948	589,686	511,757
Interest Earnings - Restricted	108,636	468,609	754,837
Discount Earnings	3	14,459	7,706
Interest Rebate	-	814,462	-
Closure/Post Closure	-	-	-
Water Availability Fees	-	1,917,029	-
Gain (Loss) on Sale of Assets	701	32,760	8,300
Interest Expense	(1,981,942)	(9,916,124)	(4,888,363)
Federal Operating Grant	-	-	1,849
Gain (Loss) on Advance Refunding	(183,129)	(594,698)	(318,779)
Water Rights Acq./Water Conservation	-	(32,236)	-
Other Non-Operating Expenses	(182,295)	(349,558)	(300,132)
Fiscal Agent Fees	(4,400)	(6,687)	(7,738)
Bond Issuance Cost/Premiums Amortized	393,128	498,263	161,140
State Operating Grant	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,651,350)	(6,564,035)	(4,069,423)

(Continued)

**BUSINESS TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
25,117,503	3,758,958	103,618,040	49,182,859
73,361	1,970,778	2,223,140	50
-	-	67,216,394	-
1,115,224	203,513	8,642,620	1,320,300
26,306,088	5,933,249	181,700,194	50,503,209
-	-	-	37,161,910
6,806,040	11,307,404	41,489,571	5,071,219
1,730,280	2,666,762	10,261,057	481,117
6,886,394	2,854,136	71,674,552	4,166,376
94,753	64,063	463,629	62
15,517,467	16,892,365	123,888,809	46,880,684
3,612,670	2,554,176	28,287,436	641,447
19,130,137	19,446,541	152,176,245	47,522,131
7,175,951	(13,513,292)	29,523,949	2,981,078
-	8,025,224	8,025,224	-
416,158	37,162	1,752,711	147,796
214,146	-	1,546,228	-
8,359	147	30,674	5,259
-	-	814,462	-
(556,772)	-	(556,772)	-
-	-	1,917,029	-
55,526	4,700	101,987	(2,244)
(1,043,655)	(183,229)	(18,013,313)	(63,233)
1,740	3,402,352	3,405,941	-
(157,283)	(47,289)	(1,301,178)	-
-	-	(32,236)	-
(2,330)	(162,184)	(996,499)	-
(2,404)	(1,042)	(22,271)	-
351,606	28,675	1,432,812	-
-	658,851	658,851	-
(714,909)	11,763,367	(1,236,350)	87,578

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2018

(Continued)

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
Income Before Contributions and Transfers	15,806,906	4,527,577	3,241,999
Capital Contributions-Intergovernmental	-	-	-
Capital Contributions-Other	-	1,145,682	563,319
Capital Contributions-Developers	-	5,580,711	4,449,455
Transfers In	-	-	-
Transfers Out	(11,823,530)	-	-
Change in Net Position	3,983,376	11,253,970	8,254,773
Total Net Position-Beginning	32,531,652	145,228,328	98,973,891
Total Net Position-Ending	\$ 36,515,028	156,482,298	107,228,664

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

Change in net position of business-type activities

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

(Continued)

**BUSINESS TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
6,461,042	(1,749,925)	28,287,599	3,068,656
-	633,222	633,222	-
-	134,790	1,843,791	-
-	-	10,030,166	-
-	-	-	390,852
-	(258,456)	(12,081,986)	(2,890,852)
6,461,042	(1,240,369)	28,712,792	568,656
15,060,552	30,755,826		8,044,969
21,521,594	29,515,457		8,613,625
		952,891	
		\$ 29,665,683	

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 68,488,203	46,403,296	33,220,378
Receipts from interfund services provided	-	790,237	639,716
Payments to suppliers	(2,540,758)	(12,057,237)	(10,590,509)
Payments to employees	(7,994,611)	(10,909,977)	(5,492,224)
Payments for interfund services used	(37,090,892)	(3,940,798)	(3,121,172)
Net cash provided (used) by operating activities	20,861,942	20,285,521	14,656,189
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer to other funds	(11,823,530)	-	(12,784,788)
Transfer from other funds	-	-	12,784,788
Subsidy from federal and state grants	-	32,875	-
Sales Tax	-	-	-
Net cash provided (used) by noncapital and related financing activities	(11,823,530)	32,875	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from capital debt	-	42,148,931	22,860,965
Subsidy from federal and state grants	-	-	-
Acquisition and construction of capital assets	(6,327,080)	(7,427,014)	(16,881,607)
Principal paid on capital debt	(7,050,000)	(45,453,371)	(8,909,165)
Interest paid on capital debt	(1,986,343)	(10,034,991)	(4,837,072)
Proceeds from sales of capital assets	701	33,372	83,300
Net cash provided (used) by capital and related financing activities	(15,362,722)	(20,733,073)	(7,683,579)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	6,087,310	(1,333,472)	(7,847,559)
Interest and dividends received	244,477	1,646,540	934,088
Issuance of Notes Receivable	-	193,886	-
Net cash provided (used) by investing activities	6,331,787	506,954	(6,913,471)
Net increase (decrease) in cash and cash equivalents	7,477	92,277	59,139
Cash and cash equivalents, October 1	50,236	252,047	209,786
Cash and cash equivalents, September 30	\$ 57,713	344,324	268,925

(Continued)

**BUSINESS-TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
26,068,102	5,529,915	179,709,894	26,378,914
357,488	404,179	2,191,620	24,112,648
(3,332,275)	(5,123,315)	(33,644,094)	(40,836,409)
(7,086,140)	(12,000,618)	(43,483,570)	(5,070,304)
(4,823,198)	(439,243)	(49,415,303)	(1,243,119)
11,183,977	(11,629,082)	55,358,547	3,341,730
(7,618,437)	(258,456)	(32,485,211)	(2,890,852)
7,618,437	1,113,050	21,516,275	390,852
-	4,105,911	4,138,786	-
-	8,025,224	8,025,224	-
-	12,985,729	1,195,074	(2,500,000)
4,944,753	-	69,954,649	-
-	633,222	633,222	-
(3,027,992)	(907,104)	(34,570,797)	(112,802)
(5,864,725)	(984,453)	(68,261,714)	(771,069)
(1,051,647)	(189,611)	(18,099,664)	(63,233)
55,526	4,700	177,599	5,138
(4,944,085)	(1,443,246)	(50,166,705)	(941,966)
(6,596,018)	55,386	(9,634,353)	(6,949)
407,498	34,121	3,266,724	123,254
-	-	193,886	-
(6,188,520)	89,507	(6,173,743)	116,305
51,372	2,908	213,173	16,069
161,815	15,653	689,537	83,354
213,187	18,561	902,710	99,423

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2018

(Continued)

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 17,458,256	11,091,612	7,311,422
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	3,210,959	11,597,522	7,312,109
(Increase) decrease in accounts receivable	255,977	(345,694)	(99,899)
Increase (decrease) in allowance for uncollectible accounts	-	148,393	135,177
(Increase) decrease in inventories	-	(95,766)	(560)
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in customer deposits	-	54,463	-
Increase (decrease) in accounts payable	82,279	(1,490,635)	266,166
Increase (decrease) in unearned revenues	189,334	(256,776)	(2)
Increase (decrease) in compensated absences payable	(874)	6,925	(389)
Increase (decrease) in deferred outflows-pension	(19,947)	25,002	(36,187)
Increase (decrease) in deferred inflows-pension	896,193	1,223,897	624,819
Increase (decrease) in net pension liability	(1,220,308)	(1,673,495)	(847,819)
Increase (decrease) in accrued wages and employee benefits	10,073	73	(8,648)
Increase (decrease) in claims & judgements payables	-	-	-
Total adjustments	3,403,686	9,193,909	7,344,767
Net cash provided (used) by operating activities	\$ 20,861,942	20,285,521	14,656,189
Noncash investing, capital, and financing activities:			
Bond issuance cost amortized	393,128	940,273	498,232
Contributions of capital assets from developers & others	-	5,580,611	4,444,249
Current landfill closure and postclosure cost	-	-	-
Sale of assets	-	(612)	(75,000)
Loss on advance refunding	(183,129)	2,475,347	(62,667)
Increase (Decrease) in accrued interest payable	-	118,867	(59,029)

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

(Continued)

BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			
SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
7,175,951	(13,513,292)	29,523,949	2,981,078
3,612,670	2,554,176	28,287,436	641,447
35,369	(9,126)	(163,373)	(11,647)
84,112	6,134	373,816	-
2,979	32,982	(60,365)	(94,968)
-	-	-	(39,000)
-	2,129	56,592	-
552,975	(10,579)	(599,794)	355,131
21	1,708	(65,715)	-
13,447	(299)	18,810	(8,870)
(42,604)	(331,200)	(404,936)	-
793,839	25,977	3,564,725	-
(1,077,611)	(391,252)	(5,210,485)	-
32,829	3,560	37,887	9,784
-	-	-	(491,225)
4,008,026	1,884,210	25,834,598	360,652
11,183,977	(11,629,082)	55,358,547	3,341,730
452,547	28,675	2,312,855	-
-	134,790	10,159,650	-
(556,772)	-	(556,772)	-
-	-	(75,612)	7,382
(99,869)	(47,289)	2,082,393	-
5,588	5,342	70,768	-

**CITY OF LAREDO, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018**

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 266,092	-
Equity in Investment Pool (Note 4)	-	26,894
Accrued Interest Receivable (Note 6)	180,324	26,031
Investments, at Fair Market Value (Note 5)	-	3,560,681
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	2,431,511	-
Private Equity	1,451,815	-
Domestic Corporate Bonds	29,677,061	-
Domestic Stocks	66,034,710	-
Foreign Stocks	54,909,477	-
Accounts Receivable (Note 6)	-	300,020
TOTAL ASSETS	154,950,990	3,913,626
LIABILITIES		
Accounts Payable	135,664	3,913,626
Accrued Wages and Employee Benefits	1,489	-
TOTAL LIABILITIES	137,153	3,913,626
NET POSITION RESTRICTED FOR PENSIONS		
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ 154,813,837	-

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, 2018

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
ADDITIONS:	
Contributions:	
Employer Contributions	\$ 8,927,888
Plan Members	5,520,297
Other Contributions	13,454
Total Contributions	14,461,639
Investment Earnings:	
Interest Earnings and Dividends	2,418,263
Net Increase (decrease) in the Fair Value of Investments	6,135,899
Gains (Loss) on Sale of Investment	2,777,042
Total Investment Earnings	11,331,204
Less: Investment Expense	(439,717)
Net Investment Earnings	10,891,487
TOTAL ADDITIONS	25,353,126
DEDUCTIONS:	
Benefits	12,142,916
Administrative Expenses	379,647
TOTAL DEDUCTIONS	12,522,563
Change in Net Position	12,830,563
Net Position - Beginning	141,983,274
NET POSITION - ENDING	\$ 154,813,837

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, 2018

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CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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". 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 basis for blending the component units is discussed below:

For the *Laredo Convention and Visitor's Bureau*, *Laredo Transit Management, Inc.*, *Sames Auto Arena*, *Max Mandel Golf Course*, and *Laredo Public Facilities Corporation-La Terraza, L.L.C.*, the component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit. In addition, the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with the resources of the primary government. The City Council is the governing board for these component units. 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.

For the *Laredo Firefighter's Retirement System*, the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. The Laredo Firefighters' Retirement System administers the retirement system for the City of Laredo Firefighters employees.

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 43 buses and 1 rubber-tire trolley. The El Lift program has a total fleet of 21 Paratransit vans that 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 provide 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 consist 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.

Sames Auto Arena. The Sames Auto Arena was established in September 2002 to provide entertainment for the entire family, such as concerts, rodeos, and basketball events, to name a few. The 178,000 square foot multi-purpose state of the art facility has a maximum 10,000 seating capacity and is managed by SMG. Sames Auto Arena is reported as a special revenue fund.

Max Mandel Golf Course. The Max Mandel Golf Course, a 270 acre signature golf course was built in 2012 to provide additional recreational activities for local and out of town golf enthusiasts. The 18 hole facility has a restaurant, club house, and pro shop. The course is open to the public 7 days a week and is managed by Landscapes Unlimited. Max Mandel 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).

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.

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 – These 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 Dependent's, and Fire Retirees Dependent's 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 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 72,859 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 67,676 customers.

Solid Waste Fund is used to account for the landfill and recycling center operations and revenues collected from garbage collections, landfill fees, and Federal and State Mandate fees.

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.

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, and Proprietary Funds. 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 is the 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. Deferred Inflows/Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The breakdowns of deferred inflows/outflows are as follows:

	Governmental Activities	Business Type Activities	Total
Deferred Outflows of Resources			
Deferred outflows from pension activities			
Difference in projected & actual earnings	\$ 4,637,286	\$ 450,719	\$ 5,088,005
Contributions after measurement date	22,444,143	2,769,548	25,213,691
Change in assumptions	3,131,871	-	3,131,871
Unamortized advance refunding loss from bonds	3,224,218	17,656,119	20,880,337
Total Deferred Outflows of Resources	<u>\$ 33,437,518</u>	<u>\$ 20,876,386</u>	<u>\$ 54,313,904</u>
Deferred Inflows of Resources			
Deferred inflows from pension activities			
Difference in expected and actual experience	\$ 1,014,255	\$ 316,987	\$ 1,331,242
Difference in projected earnings	20,231,965	3,691,370	23,923,335
Change in assumptions-OPEB	14,139,360	-	14,139,360
Unamortized deferred gain on refunding bonds	1,877,580	-	1,877,580
Total Deferred Inflows of Resources	<u>\$ 37,263,160</u>	<u>\$ 4,008,357</u>	<u>\$ 41,271,517</u>

L. 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 and business type capital assets, are recorded as bond proceeds in the governmental funds and business type funds.

Revenue bonds, which have been issued to fund capital projects of business type and governmental type funds, are to be repaid from net revenues of the business type and governmental funds. Debt related to business type projects are recorded in the business type funds.

M. 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.

N. 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.

O. 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.

P. Unamortized Bond Issuance Costs

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

Q. 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.

R. 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 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 \$621,588,226 difference are as follows:

Bonds, notes payable, and capital leases	\$ 229,219,721
Accrued interest	1,065,782
Deferred revenue	(29,474,720)
Compensated absences	36,382,565
Elimination of Interfund activity	(1,096,012)
Net Pension Liability	165,831,405
Net Pension Obligations-OPEB	<u>219,659,485</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	\$ <u>621,588,226</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 \$(646,694) difference are as follows:

Debt issued:	
Bond & Capital lease proceeds	\$ (34,696,560)
Premiums	(4,947,660)
Repayments:	
Bond & Notes payments	38,612,412
Capital lease	<u>385,114</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(646,694)</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 \$5,087,299. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$ 43,849,418
Assets that were disposed during the current fiscal year	(124,223)
Current year depreciation	<u>(38,637,896)</u>
Amount by which capital outlays exceed depreciation	\$ <u>5,087,299</u>

NOTE 3 - FUND DEFICITS

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds: Block Grants \$639,236; Emergency Shelter \$253,932; and Health Fund \$856,463. 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: Sames Auto Arena \$89,849 and Public Access \$61,900. 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. 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 \$6,135,899 for the Laredo Firefighters Retirement System.

As of September 30, 2018, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$ 103,283
Cash with Fiscal Agent	1,020,900
Cash in Pooled Funds	<u>2,159,950</u>
	<u>\$ 3,284,133</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 \$250,000 and collateralized with eligible securities in amounts of at least 102% of the book value of deposits. As of September 30, 2018, the book value of all the City's deposits was \$3,284,133. Deposits were properly secured during the fiscal year. Deposits were fully collateralized within one business day. 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, 2018 were as follows:

	Fair Value	Allocation (2)	Rating (3)	WAM
Short Term Money Market Accts (1) (4)	\$ 2,431,511	0.44%	N/A	N/A
Domestic Corporate Bonds (1)	29,677,061	5.34%	AA	7.8-8.3 years
Private Equity (1)	1,451,815	0.26%	N/A	N/A
Foreign & Domestic Stocks (1)	120,944,187	21.76%	N/A	N/A
Managed Pools	401,339,805	72.20%	AAAm	0
Total Investments	<u>\$ 555,844,379</u>	<u>100%</u>		

(1) Investments of the Laredo Firefighters Retirement System.

(2) Allocation is based on fair value.

(3) Standard & Poors rating.

(4) Laredo Firefighters do not invest in individual Government securities. The following numbers are equal to a percentage of the mutual fund held: iShares Core US AGG 43.66%, PIMCO Real Returns 83.40%.

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.

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.

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. As of September 30, 2018, the Laredo Firefighters Retirement System had the following Corporate Bonds subject to interest and credit risk: iShares U.S. Aggregate Bond Index Fund and PIMCO Real Return Fund.

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, 2018, 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 investments are not exposed to custodial credit risk because all securities are held by the System's custodial bank in the System's name.

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, 2017, upon which the 2018 levy was based, was \$13,330,945,213.

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

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

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2018 was \$.637000 per \$100 of assessed valuation

(\$491,887 for general government and \$145,113 for debt service). Thus, the City has a tax margin of approximately \$.863,000 per \$100, and could levy approximately \$115,046,057 in additional taxes per year from the present assessed valuation of \$13,330,945,213 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, 2018 are reflected in the following table:

	Accounts	Property Taxes	Hotel/Motel Taxes	Notes	Accrued Interest	Paving Assessment	Total Net Receivables
Governmental Activities	\$ 15,992,650	7,964,611	596,412	16,472,058	1,420,331	3,030	42,449,092
Business-Type Funds							
Bridge	\$ 445	-	-	-	93,304	-	93,749
Waterworks System	6,240,053	-	-	1,525	471,974	-	6,713,552
Sewer System	5,148,159	-	-	12,169	545,535	-	5,705,863
Solid Waste	1,761,243	-	-	-	356,370	-	2,117,613
Other Enterprise Funds	27,007	-	-	-	11,077	-	38,084
Total Business Type Funds	\$ 13,176,907	-	-	13,694	1,478,260	-	14,668,861
Allowance for Uncollectible	\$ 57,998,624	50,857	11,970	1,391,048	-	149,926	59,602,425

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 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, 2018:

	Other					
	Enterprise	Bridge	Waterworks	Sewer	Solid	
	Fund	System	System	System	Waste	Total
Revenue Bond Retirement Reserve \$	-	2,945,334	12,104,558	10,109,539	-	25,159,431
Revenue Bond Contingency	-	500,000	-	-	-	500,000
Construction Account	-	-	4,134,511	24,992,727	9,242,204	38,369,442
Water Rights	-	-	2,517,122	-	-	2,517,122
Total Restricted Assets	\$ -	3,445,334	18,756,191	35,102,266	9,242,204	66,545,995

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2017	Additions	Deletions and Transfers	Balance as of September 30, 2018
Capital Assets, Not Being Depreciated:				
Land	\$ 98,764,554	1,345,659	(130,899)	99,979,314
Construction in Progress	6,728,963	3,437,318	(3,368,544)	6,797,737
Total Capital Assets, Not Being Depreciated	105,493,517	4,782,977	(3,499,443)	106,777,051
Capital Assets Being Depreciated				
Buildings	219,059,837	927,701	3,256,375	223,243,913
Improvements Other Than Buildings	742,935,797	28,111,323	63,330	771,110,450
Machinery and Equipment	136,653,446	10,140,219	(1,190,180)	145,603,485
Total Assets Being Depreciated	1,098,649,080	39,179,243	2,129,525	1,139,957,848
Less Accumulated Depreciation For:				
Buildings	(62,171,282)	(5,315,753)	(34,425)	(67,521,460)
Improvements Other Than Buildings	(335,189,908)	(25,242,258)	9,349,962	(351,082,204)
Machinery and Equipment	(91,646,565)	(8,721,332)	(8,077,225)	(108,445,122)
Total Accumulated Depreciation	(489,007,755)	(39,279,343)	1,238,312	(527,048,786)
Total Capital Assets, Being Depreciated, Net	609,641,325	(100,100)	3,367,837	612,909,062
Governmental Activities Capital Assets, Net	\$ 715,134,842	4,682,877	(131,606)	719,686,113

B - Business Type Activities:

	Balance as of September 30, 2017	Additions	Deletions and Transfers	Balance as of September 30, 2018
Capital Assets, Not Being Depreciated:				
Land	\$ 39,970,799	402,670	1,018,020	41,391,489
Construction in Progress	81,053,444	29,767,403	(78,438,946)	32,381,901
Water rights	51,013,419	787,500	-	51,800,919
Total Capital Assets, Not Being Depreciated	<u>172,037,662</u>	<u>30,957,573</u>	<u>(77,420,926)</u>	<u>125,574,309</u>
Capital Assets Being Depreciated:				
Buildings	283,955,211	40,333	48,326,222	332,321,766
Improvements Other Than Buildings	455,508,136	15,286,704	24,369,331	495,164,171
Machinery and Equipment	<u>97,071,298</u>	<u>5,463,081</u>	<u>(3,783,290)</u>	<u>98,751,089</u>
Total Assets Being Depreciated	<u>836,534,645</u>	<u>20,790,118</u>	<u>68,912,263</u>	<u>926,237,026</u>
Less Accumulated Depreciation For:				
Buildings	(53,836,753)	(6,727,372)	-	(60,564,125)
Improvements Other Than Buildings	(232,618,387)	(14,410,592)	-	(247,028,979)
Machinery and Equipment	<u>(72,053,238)</u>	<u>(7,149,472)</u>	<u>3,782,678</u>	<u>(75,420,032)</u>
Total Accumulated Depreciation	<u>(358,508,378)</u>	<u>(28,287,436)</u>	<u>3,782,678</u>	<u>(383,013,136)</u>
Total Capital Assets, Being Depreciated, Net	<u>487,026,267</u>	<u>(7,497,318)</u>	<u>72,694,941</u>	<u>543,223,890</u>
Business Type Activities Capital Assets, Net	<u>\$ 650,063,929</u>	<u>23,460,255</u>	<u>(4,725,985)</u>	<u>668,798,199</u>

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

Government Activities:	
General Government	\$ 1,652,153
Public Health	1,724,078
Culture and Recreational	819,634
Public Works	27,024,496
Public Safety	1,754,279
Air Transportation	5,663,256
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>641,447</u>
Total depreciation expense-governmental activities	<u>\$ 39,279,343</u>
Business-Type Activities:	
Solid Waste Management	\$ 3,612,670
Municipal Transit System	2,515,149
Bridge System	3,210,959
Waterworks System	11,597,522
Sewer System	7,312,109
Municipal Housing	<u>39,027</u>
Total depreciation expense-business-type activities	<u>\$ 28,287,436</u>

NOTE 9 - RETIREMENT PLANS

Texas Municipal Retirement System (TMRS)

General Information

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 883 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits

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.

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The entry age normal 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, 2015 valuation is effective for rates beginning January 2017).

As of actuarial valuation and measurement date of 12/31/17, membership data for the City's pension plan is as follows:

Number of:

Inactive employees or beneficiaries currently receiving benefits	920
Inactive employees entitled to but not yet receiving benefits	544
Active employees	<u>2,089</u>
Total	<u>3,553</u>

Actuarial Assumptions

Actuarial Cost Method -	Entry Age Normal
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	17 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	6.75%
Projected Salary Increases	3.50% including inflation
Includes Inflation At	2.5%

The City of Laredo is one of 883 municipalities having the benefit plan administered by TMRS. Each of the 883 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2016 valuations are contained in the 2016 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

Net Pension Liability

Under GASB 68, the City is required to recognize specific pension amounts, which include Net Pension Liability (NPL), deferred outflows and inflows of resources, and pension expense. The Total Pension Liability (TPL) (present value of actuarially determined pension benefits) less the value of the assets available in the plan to pay the pension benefits (Fiduciary Net Position or FNP) results in the NPL; this NPL will appear on the City's Statement of Net Position. The City's NPL was measured as of December 31, 2017 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Valuation and Measurement Date, December 31, 2017

Total Pension Liability	\$619,865,257
Plan Fiduciary Net Position	<u>\$489,265,648</u>
Net Pension Liability	<u>\$130,599,609</u>

A schedule of Net Pension Liability, in addition to the information above, includes multi-year trend information (beginning with 2014) and is presented in the Required Supplementary Information section.

Schedule of Changes in Net Pension Liability

Changes in the City's Net Pension Liability and Related Ratios as of 12/31/17 are presented below:

Total pension liability

Service cost	\$ 18,055,726
Interest (on the Total Pension Liability)	39,304,497
Changes of benefit terms	-
Difference between expected and actual experience	(1,450,209)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(18,611,473)</u>
Net change in total pension liability	37,298,541
Total pension liability-beginning	<u>582,566,716</u>
Total pension liability-ending	<u><u>\$ 619,865,257</u></u>

Plan fiduciary net position

Contributions-employer	\$ 22,434,463
Contributions-employee	7,422,994
Net investment income	58,259,387
Benefit payments, including refunds of employee contributions	(18,611,473)
Administrative Expense	(301,727)
Other	<u>(15,292)</u>
Net change in plan fiduciary net position	69,188,352
Plan fiduciary net position-beginning	<u>420,077,296</u>
Plan fiduciary net position-ending	<u><u>\$ 489,265,648</u></u>

Net Change	(31,889,811)
Net pension liability-beginning	<u>162,489,420</u>
Net pension liability-ending	<u><u>\$ 130,599,609</u></u>

Pension Expense

Total Service Cost	\$ 18,055,726
Interest on the Total Pension Liability	39,304,497
Current Period Benefit Changes	-
Employee Contributions (Reduction of Expenses)	(7,422,994)
Projected Earnings on Plan Investments (Reduction of Expense)	(28,355,217)
Administrative Expense	301,727
Other Changes in Fiduciary Net Position	15,291
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(250,901)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	(5,980,834)
Amortization of Prior Year Outflow (Inflow) of Resources-Liabilities	(2,431,994)
Amortization of Prior Year Outflow (Inflow) of Resources-Assets	<u>5,907,802</u>
Total Pension Expense	<u><u>\$ 19,143,103</u></u>

Schedule of Deferred Outflow and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2017 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience (actuarial (gains) or losses)	5.78	\$ (1,450,209)	\$ (250,901)	(1,199,308)
Difference in assumption change (actuarial (gains) or losses)	5.78	-	-	-
			\$ <u>(250,901)</u>	<u>(1,199,308)</u>
Due to Assets:				
Difference in projected and actual earnings on pension plan investments (actuarial (gains) or losses)	5.00	(29,904,169)	(5,980,834)	(23,923,335)
Contributions after 12/31/17	0.00	17,949,103	-	17,949,103
			\$ <u>(5,980,834)</u>	<u>(5,974,232)</u>
Total:			\$	<u>(7,173,540)</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resource
2018	\$ 10,838,166
2019	(3,602,622)
2020	(7,687,092)
2021	(6,526,288)
2022	(195,704)
Thereafter	-
Total	\$ <u>(7,173,540)</u>

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of **6.75%**, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
City's net pension liability	\$ 224,313,165	\$ 130,599,609	\$ 53,995,498

Laredo Firefighters' Retirement System

The Financial Statements are reported using the economic resources measurement focus and the 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.

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, 2016, 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, 2016 is shown below.

	9/30/16
Retirees and beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	0
Active employees	388
Total	<u>536</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, 2016 valuation date, the present plan 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. The funding policy of the Laredo Firefighters Retirement System requires contributions equal to 15% of pay by the firefighters. Currently, the City contributes 20.10% of pay for each active firefighter. The actuarial valuation includes the assumption that the city contribution rate will be 20.10% over the UAAL amortization period.

Annual Pension Cost

For the fiscal year ending September 30, 2018, the City of Laredo's annual pension cost of \$11,939,946 for the Laredo Firefighters Retirement System was equal to the City's required and actual contributions during the year. While the required contributions were not actuarially determined but were a fixed percentage, the plan benefits which was most recently amended effective as of February 9, 2012 has been approved by the Board's actuary as having an adequate financing arrangement. For the year ending September 30, 2018 the city contribution rate was 20.10% of pay for all firefighters. The required contributions were reflected in the September 30, 2016 actuarial valuation.

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 7.90% per year (net of expenses), projected salary increases averaging 3.25% per year as a general salary increase. An inflation assumption of 3.25% 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 3.25% per year, and was 30 years as of September 30, 2016 actuarial valuation.

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Required Contribution	Contribution Contributed
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%
9/30/2015	20.10%	6,221,242	100%
9/30/2016	20.10%	6,801,034	100%
9/30/2017	20.10%	6,845,693	100%
9/30/2018	20.10%	7,264,588	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.

Net Pension Liability

The System's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total Pension Liability	\$235,965,683
Plan Fiduciary Net Position	<u>\$141,983,274</u>
Net Pension Liability	<u>\$ 93,982,409</u>

Schedule of Changes in Net Pension Liability

Changes in the System's Net Pension Liability and Related Ratios as of fiscal year ended 9/30/18 are presented below:

Total pension liability

Service cost	\$ 6,500,283
Interest (on the Total Pension Liability)	17,648,587
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(10,165,487)
Net change in total pension liability	13,983,383
Total pension liability-beginning	221,982,300
Total pension liability-ending	<u>\$ 235,965,683</u>

Plan fiduciary net position

Contributions-employer	\$ 6,845,693
Contributions-employee	5,109,297
Net investment income	14,198,072
Benefit payments, including refunds of employee contributions	(10,165,487)
Administrative Expense	(310,945)
Other	1,440
Net change in plan fiduciary net position	15,678,070
Plan fiduciary net position-beginning	126,305,204
Plan fiduciary net position-ending	<u>\$ 141,983,274</u>

Net Change	\$ (1,694,687)
Net pension liability-beginning	95,677,096
Net pension liability-ending	<u>\$ 93,982,409</u>

Pension Expense

Total Service Cost	\$ 6,500,283
Interest on the Total Pension Liability	17,648,587
Employee Contributions (Reduction of Expenses)	(5,109,297)
Projected Earnings on Plan Investments (Reduction of Expense)	(10,036,514)
Amortization of differences between projected and actual earnings on plan investments	2,028,668
Amortization of changes of assumptions	348,761
Amortization of differences between expected and actual experience	248,513
Pension Plan administrative expenses	310,945
Changes of benefit provisions	-
Total Pension Expense	<u>\$ 11,939,946</u>

Schedule of Deferred Outflows and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2018 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Difference in projected and actual earnings on pension plan investments (actuarial (gains) or losses)	5.00	\$ 6,914,467	\$ 2,277,181	\$ 4,637,286
Changes of assumptions	5.00	\$ 3,480,632	348,761	3,131,871
Contributions after 9/30/17	-	\$ 7,264,588	-	<u>7,264,588</u>
Total:				<u>\$ 15,033,745</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resource
2019	\$ 9,890,533
2020	2,697,946
2021	(293,827)
2022	(235,325)
2023	597,274
Thereafter	<u>2,377,144</u>
Total	<u>\$ 15,033,745</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.90%. No project of cash flows was used to determine the discount rate because the 9/30/16 actuarial valuation showed the expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 28 years. Because of the 28-year amortization period of the UAAL with the lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.90% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City of Laredo, calculated using the discount rate of 7.9%, as well as what the city's net position liability would be if it were calculated using a discounted rate that is 1-percentage-point lower (6.9%) or 1-percentage-point higher (8.9%) than the current rate:

	1% Decrease 6.90%	Discount Rate 7.90%	1% Increase 8.90%
City's net pension liability	\$ 124,038,500	\$ 93,982,409	\$ 68,791,434

Laredo Transit Management, Inc. System

The financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting.

The Laredo Transit Management System (LTMI) defined benefit plan is a single-employer defined benefit plan. The Laredo Transit Management System is considered part of the City of Laredo financial reporting entity and is included in the City's financial reports as an Enterprise Fund. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. The Plan's assets are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants.

LTMI defined benefit plan provides retirement benefits to eligible employees in the El Metro system. The table below summarizes the membership of the System reflected in the actuarial valuation as of September 30, 2018.

	<u>9/30/18</u>
Active Participants	160
Retirees and Beneficiaries	39
Inactive, Non-Retired Participants	<u>68</u>
Total	<u>267</u>

LTMI System provides service retirement, death, disability, and withdrawal benefits. These benefits vest after 5 years of vesting service. Employees may retire at age 50 and completion of 20 years of credited service. The benefit to each employee will equal \$52.08 multiplied by the total years of service before July 1, 2014 and \$57.08 multiplied by credit service earned on or after July 1, 2014. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Employees may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or termination, or they may elect to receive their benefits as a life annuity payable monthly from retirement.

There are no automatic increases (COLAs) applied to the benefit formula; however, from time to time, there is an ad hoc increase.

The contribution provisions of the plan are authorized by LTMI. Annual contribution amounts are based on the amounts agreed on their Labor Union Contract negotiated every five years.

For the fiscal year ended September 30, 2018, LTMI's annual pension cost of \$950,000 was equal to the required and actual contributions during the year.

The funding method being used by plan is Entry Age Normal. The benefit is not related to compensation. Thus, the normal cost and accrued liability are determined based upon the level dollar not a level percentage of pay. The period over which the normal cost is spread is the plan year containing the participant's hire date and the period ending with the plan year containing the participant normal retirement date.

Schedule of Contributions

FY Ending 9/30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as % of Covered Valuation Payroll
2016	643,000	600,000	43,000	6,772,317	8.86%
2017	790,120	877,000	(86,880)	6,873,995	12.76%
2018	927,081	950,000	(22,919)	7,045,845	13.48%

Additional years will be built prospectively.

A copy of the financial and pension plan report may be obtained by writing: Laredo Transit Management, Inc., 1301 Farragut St, 3rd Floor, Laredo, Tx 78040.

Net Pension Liability

Actuarial Valuation and Measurement Date, September 30, 2018.

The system's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total Pension Liability	\$11,487,074
Plan Fiduciary Net Position	<u>\$ 9,633,217</u>
Net Pension Liability	<u>\$ 1,853,857</u>

A. Schedule of Changes in Net Pension Liability

Total pension liability

Service cost	\$	164,279
Interest (on the Total Pension Liability)		722,028
Changes of benefit terms		-
Difference between expected and actual experience		247,987
Changes of assumptions		-
Benefit payments, including refunds of employee contributions		(191,901)
Net change in total pension liability		942,393
Total pension liability-beginning		10,544,681
Total pension liability-ending	\$	<u>11,487,074</u>

Plan fiduciary net position

Contributions-employer	\$	950,000
Contributions-employee		53,604
Net investment income		420,578
Benefit payments, including refunds of employee contributions		(191,901)
Administrative Expense		-
Other		-
Net change in plan fiduciary net position	\$	<u>1,232,281</u>
Plan fiduciary net position-beginning		8,400,936
Plan fiduciary net position-ending	\$	<u>9,633,217</u>

Net Change	\$	(289,888)
Net pension liability-beginning		2,143,745
Net pension liability-ending	\$	<u>1,853,857</u>

B. Pension Expense

Total Service Cost	\$	164,279
Interest on the Total Pension Liability		722,028
Employee Contributions (Reduction of Expenses)		(53,604)
Projected Earnings on Plan Investments (Reduction of Expense)		(594,458)
Difference between expected and actual experience		56,066
Difference between projected and actual investment earnings on plan investments		(13,544)
Total Pension Expense	\$	<u>280,767</u>

C. Schedule of Deferred Outflows and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2018 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Difference in projected and actual experience	6.00	\$ 541,561	\$ 90,842	\$ 450,719
Difference in projected and actual investment earnings	6.00	\$ (180,254)	\$ (48,320)	<u>(131,934)</u>
Total			\$	<u>318,785</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resource
2019	\$ 42,522
2020	42,520
2021	55,551
2022	90,842
2023	55,634
Thereafter	<u>31,716</u>
Total	<u>\$ 318,785</u>

D. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the net pension liability to changes in the discount rate

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
LTMI's net pension liability	\$ 3,695,591	\$ 1,853,857	\$ 370,217

Summary

Pension Expense for the fiscal year ended September 30, 2018 are as follows:

TMRS	\$	19,143,103
Laredo Firefighters		11,939,946
Laredo Transit		280,767
Total	\$	<u>31,363,816</u>

Deferred outflows of resources and deferred inflows of resources related to pensions for the fiscal year ended September 30, 2018 are as follows:

	TMRS		Laredo Firefighters		Laredo Transit	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in expected and actual experience	\$ -	(1,199,308)	4,637,286	-	450,719	(131,934)
Difference in projected and actual earnings	-	(23,923,335)	-	-	-	-
Changes of assumptions	-	-	3,131,871	-	-	-
Contributions after measurement date	17,949,103	-	7,264,588	-	-	-
Total	\$ 17,949,103	(25,122,643)	15,033,745	-	450,719	(131,934)

	Total	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in expected and actual experience	\$ 5,088,005	(1,331,242)
Difference in projected and actual earnings	-	(23,923,335)
Changes of assumption	3,131,871	-
Contributions after measurement date	25,213,691	-
Total	\$ 33,433,567	(25,254,577)

		Net Deferred Outflows/(Inflows) of Resources			
		TMRS	Laredo Fire	Laredo Transit	Total
2018	\$	10,838,166	-	-	10,838,166
2019		(3,602,622)	9,890,533	42,522	6,330,433
2020		(7,687,092)	2,697,946	42,520	(4,946,626)
2021		(6,526,288)	(293,827)	55,551	(6,764,564)
2022		(195,704)	(235,325)	90,842	(340,187)
2023		-	597,274	55,634	652,908
Thereafter		-	2,377,144	31,716	2,408,860
Total	\$	(7,173,540)	15,033,745	318,785	8,178,990

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description:

Police and City Employees who have twenty (20) years of service or have attained age sixty (60) with five years of service and Firefighters who have attained age forty-five with twenty years of service or have attained age sixty (60) with five (5) 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 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, 226 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 retiree's 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 (United American), 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 \$15 for generic and \$40 for brand name prescriptions and \$60 for preferred brand.

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

Annual contribution rates for retirees not currently eligible for Medicare:

	Retiree Only	Retiree & Spouse	Retiree & Family
Police	\$ 6,737	\$ 14,735	\$ 14,735
Fire	\$ 6,737	\$ 8,886	\$ 8,886
City Employees	\$ 3,621	\$ 8,886	\$ 8,886

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	\$ 5,023	\$ 9,733	N/A
Fire	\$ 4,709	\$ 9,419	N/A
City Employees	\$ 4,709	\$ 9,419	N/A

The City is required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters.

OPEB Liabilities:

At 09/30/2018, the City reported a liability of \$165,831,405 for its proportionate share of the net OPEB liability. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Total OPEB Liability:

	<u>September 30, 2017</u>	<u>September 30, 2018</u>
Total OPEB Liability	\$169,113,364	\$165,831,405
Covered Payroll	133,152,871	133,152,871
Total OPEB Liability as a % of Covered Payroll	127.01%	124.54%

Discount Rate:

	<u>September 30, 2017</u>	<u>September 30, 2018</u>
Discount Rate	3.64%	4.18%
20 Year Tax-Exempt Municipal Bond Yield	3.64%	4.18%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

	<u>September 30, 2017</u>	<u>September 30, 2018</u>
Valuation Date	October 1, 2016	October 1, 2016
Measurement Date	September 30, 2017	September 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Medical Trend Rate	See Actuarial Method Section	See Actuarial Method Section
Salary Increases including Inflation	3.00%	3.00%

Changes in Total OPEB Liability

	<u>Increase/ (Decrease) Total OPEB Liability</u>
Balances as of September 30, 2017	<u>\$ 169,113,364</u>
Changes for the Year:	
Service Cost	9,148,227
Interest on Total OPEB Liability	6,434,222
Effect of Plan Changes	-
Effect of economic/demographic gains or losses	-
Effect of Assumptions, Changes or Inputs	(15,842,897)
Benefit Payments	<u>(3,021,511)</u>
Balance as of September 30, 2018	<u><u>\$ 165,831,405</u></u>

Sensitivity of the City's total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, calculated using the discount rate of 4.18%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate.

	<u>1% Decrease 3.18%</u>	<u>Discount Rate 4.18%</u>	<u>1% Increase 5.18%</u>
Total OPEB Liability	\$ 196,922,420	\$ 165,831,405	\$ 141,319,559

The following presents the total liability of the City, calculated using the discount rate of 4.18%, as well as what the City's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease 3.18%	Current Trend Rate	1% Increase 5.18%
Total OPEB Liability	\$ 134,412,691	\$ 165,831,405	\$ 207,775,587

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability										
Service Cost	9,148,227	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	6,434,222	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic gains/(losses)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	(15,842,897)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(3,021,511)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total OPEB Liability	(3,281,959)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, Beginning	169,113,364	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, Ending	165,831,405	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	133,152,871	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of Covered Payroll	124.54%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OPEB Expense

October 1, 2017 to September 30, 2018

Service Cost	\$9,148,227
Interest on Total OPEB Liability	6,434,222
Effect of Plan Changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	-
Recognition of Assumption Changes or Inputs	<u>(1,703,537)</u>
OPEB Expense	<u>\$13,878,912</u>

As of September 30, 2018, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between Expected and Actual Experiences	\$0	\$0
Changes of Assumptions	<u>(14,139,360)</u>	<u>(14,139,360)</u>
Total	<u>(14,139,360)</u>	<u>(14,139,360)</u>

The amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended September 30:	
2019	(\$1,703,537)
2020	(1,703,537)
2021	(1,703,537)
2022	(1,703,537)
2023	(1,703,537)
Thereafter	(\$5,621,675)

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, 2016 with measurements at September 30, 2017 and September 30, 2018, the Entry Age Normal Actuarial Cost Method was used. Under this method a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost of the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

Other Assumptions:

Salary Increases: Salary is assumed to remain the same as October 1, 2016. This assumption is based off the use of October 1, 2016 census data.

Discount Rate: The discount rate is based on the Bond Buyer's 20-year General Obligation Index immediately prior to or coincident with the measurement date. The October 1, 2017 discount rate and the September 30, 2018 discount rate are 3.64% and 4.18%, respectively.

Inflation: The inflation rate is 2.50% per year.

Per Capita Medical Benefits Cost:

	Age	Retiree		Spouse	
		Male	Female	Male	Female
Medical/Rx	45	\$ 8,579	\$ 11,774	\$ 8,034	\$ 9,002
	50	8,476	10,209	8,653	9,760
	55	9,039	9,702	9,683	10,581
	60	10,823	10,704	11,298	11,532
	64	13,420	12,182	13,487	12,636
Fully Insured	65	3,892	4,502	3,892	4,502
	70	4,532	4,624	4,532	4,624
	75	5,061	4,740	5,061	4,740
	80	5,326	4,995	5,326	4,995
	85	\$ 5,521	\$ 5,072	\$ 5,521	\$ 5,072

Coverage: One Hundred percent (100%) of police and fire members are assumed to elect coverage at retirement. Twenty-five percent (25%) of all other

members are assumed to elect coverage at retirement.

Marriage: For actives it is assumed that husbands are three years older than their wives. Fifty percent (50%) of active participants making it to retirement are assumed to be married and elect spouse coverage.

Decrement Timing: Decrements are assumed to occur at the beginning of the year.

Mortality: Sex Distinct RP 2000 Employees & Annuitant Healthy Mortality Tables projected using Scale BB.

Medical Inflation (Trend Assumption):

Trend assumptions for medical, pharmacy, and dental cost and retiree premiums for the next 30 years.

Year	Pre-65	Post-65
2017	5.90%	3.50%
2018	5.50%	6.80%
2019	5.20%	6.00%
2020	5.10%	5.20%
2021	5.00%	5.10%
2022	5.00%	5.10%
2023	5.00%	5.00%
2024-2032	4.90%	5.00%
2033-2034	5.00%	5.00%
2035	5.10%	5.00%
2036-2037	5.30%	5.10%
2038	5.50%	5.10%
2039	5.90%	5.10%
2040-2041	6.00%	5.10%
2042	5.90%	5.10%
2043	5.80%	5.20%
2044	5.70%	5.50%
2045	5.60%	5.50%
2046	5.60%	5.40%
2047-2048	5.50%	5.40%

Disability:

Demographic assumptions regarding retirement, disability, and turnover are based on statistics taken from pension valuations, Texas Municipal Retirement System (TMRS) 2008 report.

Age	Male	Female
30	0.0095%	0.0043%
35	0.0265%	0.0131%
40	0.0673%	0.0359%
45	0.1295%	0.0754%
50	0.2082%	0.1333%
55	0.3061%	0.2178%

Retirement Rates:

Based on the 2008 TMRS Report

Age	Male	Female
40-44	6.0%	6.0%
45-49	6.0%	6.0%
50-54	8.0%	8.0%
55-59	14.0%	11.0%
60	20.0%	14.0%
61	25.0%	28.0%
62	32.0%	28.0%
63	32.0%	28.0%
64	32.0%	28.0%
65	2.0%	28.0%
66-69	22.0%	22.0%
70-74	20.0%	22.0%
75	100.0%	100.0%

Turnover Rates:

Leaving employment after becoming vested, without withdrawing member deposits. Based on the TMRS Report and a municipality size of 500 or more contributing members.

Service	Male	Female
5	4.1%	6.0%
8	3.5%	5.1%
11	3.0%	4.2%
14	2.4%	3.4%
17	1.9%	2.5%
20+	1.0%	1.0%

Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all

death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contribution to the TMRS SDBF for the years ended 2018, 2017, and 2016 were \$219,946, \$201,223, and \$200,750, respectively, which equaled the required contributions each year.

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, 2018:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations (OPEB)
Long Term Obligations:							
Beginning Balances	\$ 92,788,006	93,404,708	24,755,437	30,343,278	5,167,067	-	169,113,364
Increases	22,219,024	17,103,476	-	-	321,720	-	-
Amort-Premiums	(1,101,181)	(548,042)	(310,906)	-	-	-	-
Decreases	<u>(8,663,461)</u>	<u>(29,613,668)</u>	<u>(2,445,000)</u>	<u>(91,175)</u>	<u>(452,916)</u>	<u>-</u>	<u>(3,281,959)</u>
Ending Long-Term Liabilities	105,242,388	80,346,474	21,999,531	30,252,103	5,035,871	-	165,831,405
Current Liabilities:							
Due Within One Year	8,316,762	5,103,668	2,445,000	6,130,462	1,258,948	-	-
Total Liabilities	<u>\$ 113,559,150</u>	<u>85,450,142</u>	<u>24,444,531</u>	<u>36,382,565</u>	<u>6,294,819</u>	<u>-</u>	<u>165,831,405</u>

Compensated absences and Net Pension Obligations-OPEB are generally liquidated by General Fund.

Bonds payable as of September 30, 2018 are comprised of the following issues:

A - General Obligation Serial Bonds

\$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.	\$ 621,462
\$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.	1,449,061
\$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.	9,166,498
\$64,740,000 General Obligation Refunding Bonds, Series 2015 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 2026 with interest at 2.00% to 5.00% per annum.	52,602,301
\$54,545,000 General Obligation Refunding Bonds, Series 2016 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 2033 with interest at 2.00% to 5.00% per annum.	19,310,000
\$12,675,000 General Obligation Refunding Bonds, Series 2017 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 2030 with interest at 4.00% to 5.00% per annum.	8,940,528
\$4,635,000 General Obligation Refunding Bonds, Series 2018 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 2039 with interest at 4.00% to 5.00% per annum.	10,277,613
Subtotal	102,367,463
Deferred premiums/loss for various general obligation bonds	11,191,687
Total General Obligation Bonds	<u>\$ 113,559,150</u>
Due within one year	<u>\$ 8,316,762</u>

B – Certificates of Obligation

\$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.

\$ 1,260,000

\$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.

100,000

\$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.

1,410,000

\$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.

3,645,000

\$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 3.500% per annum.

\$ 5,745,000

\$3,800,000 Public Property Finance Contractual Obligations, Series 2012, 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 2022 with interest from 1.50% to 2.25% per annum.	\$ 1,605,000
\$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.	1,710,000
\$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.	575,000
\$6,780,000 2014 Public Property Finance Contractual Obligation for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022 with interest from 3.0% to 5.0% per annum.	2,218,000
\$5,600,000 Combination Tax and Revenue Contractual Obligations Series 2014, 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 2034 with interest from 2.00% to 5.00% per annum.	4,760,000
\$19,765,000 Combination Tax and Revenue Contractual Obligations Series 2015, 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 2020 with interest from 2.00% to 5.00% per annum.	\$ 12,995,000

\$22,610,000 Combination Tax and Revenue Certificates of Obligations Series 2016A for the purpose of planning, constructing City streets, sidewalks, drainage, traffic signals and lighting improvements, constructing/renovating buildings, parking lots, and parks and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2036 with interest from 3.00% to 5.00% per annum.	\$ 21,055,000
\$3,075,000 Combination Tax and Revenue Certificates of Obligations Series 2016B for the purpose of purchasing land in the downtown area for parking and buildings, including a City owned convention center, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2026 with interest from 0.90% to 2.62% per annum.	2,495,000
\$8,080,000 Public Property Financial Contractual Obligations Series 2016 for the purchase of personal property for various City departments. Principal is due in varying amounts through 2026 with interest from 3.00% to 5.00% per annum.	4,323,839
\$14,810,000 Combination Tax and Revenue Certificates of Obligations Series 2017 for the purpose of planning, constructing City streets, sidewalks, drainage, traffic signals and lighting improvements, constructing/renovating buildings, parking lots, parks, purchasing of land near Rio Grande River for recreational/environmental, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2037 with interest from 2.00% to 5.00% per annum.	<u>13,470,000</u>
Subtotal	77,366,839
Deferred Premiums for Various Certificates of Obligations	<u>8,083,303</u>
Total Certificate of Obligations	<u>\$ 85,450,142</u>
Due within one year	<u>\$ 5,103,668</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.

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, 2018 consist of the following:

\$20,545,000 2014 Sports Venue Sales Tax Revenue Refunding Bonds issued for the purpose refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2005 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 2.00% to 5.00% per annum.	\$ 14,085,000
\$8,970,000 2016 Sports Venue Sales Tax Revenue Refunding Bonds issued for the purpose refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2011 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 2036 with interest from 1.13% to 3.88% per annum.	<u>8,805,000</u>
Subtotal	22,890,000
Deferred Premiums for Various Revenue Bonds	<u>1,554,531</u>
Total Sales Tax Revenue Bonds	\$ <u><u>24,444,531</u></u>
Due Within One Year	\$ <u><u>2,445,000</u></u>

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.

\$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.	\$	3,327,900
\$285,061 Deere Credit Inc. for the purchase of heavy equipment for lawn maintenance. Payments are due in monthly installments in varying amounts through 2021. Interest is at 3.25% per annum.		166,739
\$16,580 Deere Credit Inc. for the purchase of lawn equipment. Payments are due in monthly installments in varying amounts through 2021. Interest is at 4.25% per annum.		9,790
\$62,168 AT&T for the purchase of Police Communications Equipment. Payments are due in monthly installments in varying amounts through 2021. Interest is at 5.399% per annum.		62,168
\$3,971,914 Motorola Solutions for the purchase of an 800Mhz equipment. Payments are due in annual payments in varying amounts through 2021. Interest is at 1.99% per annum.		2,406,502
\$321,720 Motorola Solutions for the purchase of Airport Police radio equipment. Payments are due in annual payments in varying amounts through 2023. Interest is at 3.07% per annum.		<u>321,720</u>
Total Present Value of Future Minimum Lease Payments		6,294,819
Plus Amount Representing Interest	\$	<u>313,824</u>
Total Minimum Lease Payments	\$	<u><u>6,608,643</u></u>

The assets acquired through capital leases are as follows:

Governmental Activities		
Asset:		
Machinery & Equipment	\$	9,240,443
Less: Accumulated Depreciation		(3,753,759)
Total	\$	<u>5,486,684</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, are as follows:

Year Ending Sep. 30	Governmental Activities	
2019	\$	1,258,947
2020		1,291,230
2021		1,309,935
2022		427,092
2023		438,043
2024		378,149
2025		387,490
2026		397,062
2027		406,871
Total Minimum lease payments		<u>6,294,819</u>
Add: amount representing interest		313,824
Present value of minimum lease payments	\$	<u>6,608,643</u>

E - Notes Payable

No Notes Payables are outstanding as of September 30, 2018.

F - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2017

On November 7, 2017, the City of Laredo issued \$9,287,227 in General Obligation Refunding Bonds, Series 2017 with an average interest rate of 4.93% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Comb. Tax & Revenue CO, Series 2009A	4.81%	\$ 2,705,000
Comb. Tax & Airport CO, Series 2010A	4.81%	\$ 2,995,000
Comb. Tax & Revenue CO, Series 2010	4.81%	\$ 2,880,000
Comb. Tax & Airport Refunding CO, Series 2010	4.81%	\$ 1,315,000

The net proceeds of \$9,732,148 (after payment of \$162,852 in underwriting fees, insurance, and other issuance costs and a premium of \$1,233,849) for the 2017 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 2009A Combination Tax & Revenue CO, 2010A Tax & Airport CO, 2010 Combination Tax & Revenue CO, and 2010 Combination Tax & Airport Refunding CO. As a result, the 2009A Combination Tax & Revenue CO, 2010A Tax & Airport CO, 2010 Combination Tax & Revenue CO, and 2010 Combination Tax & Airport Refunding CO are considered defeased and the liability for those bonds have 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 \$12,472,275. This difference, reported in the accompanying financial statements as a deduction from the General Obligation payable, is being charged to operations through the year 2030 using the effective interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$735,984 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$651,890.

General Obligation Refunding Bonds, Series 2018

On July 18, 2018 the City of Laredo issued \$10,277,613 in General Obligation Refunding Bonds, Series 2018 with an average interest rate of 4.83% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Certificates of Obligation, Series 2009B	6.53%	\$ 13,465,000

The net proceeds of \$13,342,953 (after payment of \$122,047 in underwriting fees, insurance, and other issuance costs and a premium of \$1,420,335) for the 2018 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 2009B Certificates of Obligation. As a result, the 2009B Certificates of Obligation are considered defeased and the liability for those bonds have 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 \$23,485,791. This difference, reported in the accompanying financial statements as a deduction from General Obligations bonds payable, is being charged to operations through the year 2039 using the effective interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twenty years by \$1,004,744 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$865,824.

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, 2018, \$114,402,042 in bonds outstanding are considered defeased.

H – OPEB

As per actuarial update issued on October 1, 2016, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$165,831,405. The unfunded actuarial liability is updated on a biannual basis and, as per the latest calculations stands at \$141,262,813.

NOTE 12 – PROPRIETARY 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, 2018:

	Revenue Bonds	Certificates of Obligation	General Oblig. Bond
Long Term Obligations:			
Beginning Balances	\$ 334,161,203	65,109,261	50,721,759
Increases	18,155,000	3,685,000	39,745,159
Decreases	(15,391,000)	(47,656,332)	(3,926,538)
Amortization of Premiums	1,598,814	15,994	4,925,325
Ending Long Term Liabilities	338,524,017	21,153,923	91,465,705
Current Liabilities:			
Due Within One Year	14,881,000	6,726,332	3,163,238
Total Liabilities	\$ 353,405,017	27,880,255	94,628,943

	Landfill Costs	Compensated Absences
Long Term Liabilities:		
Beginning Balances	\$ 10,989,763	1,529,018
Additions	556,771	225,444
Retirements	-	(199,386)
Ending Balances	11,546,534	1,555,076
Current Liabilities:		
Due Within One Year	-	821,748
Total Liabilities	\$ 11,546,534	2,376,824

A – Revenue Bonds

\$741,000 2002 Waterworks Systems Revenue Bond issued for the purpose of improving and extending the Water System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.	\$ 305,000
\$710,000 2002 Sewer Systems Revenue Bond issued for the purpose of improving and extending the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.	293,000
\$915,000 2008 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 2028, including interest at 4.21% to 5.26% per annum.	565,000
\$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 .0001 per annum.	2,865,000
\$82,175,000 2010 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 2040, including interest at 2.00% per annum.	3,625,000
\$30,875,000 2011 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 2041, including interest at 5.00% per annum.	26,215,000
\$48,750,000 2012 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 2042, including interest at 1.63% to 2.15% per annum.	40,260,000
\$7,640,000 2012 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 2022, including interest at 2.0% to 3.0% per annum.	\$ 3,460,000

\$41,120,000 2012 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 2042, including interest at 2.0% to 5.0% per annum.	\$ 35,940,000
\$17,260,000 2013 Waterworks & Sewer Systems Revenue Refunding Bond issued 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.	13,060,000
\$18,255,000 2013 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 2043, including interest at 2.0% to 5.0% per annum.	16,415,000
\$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 principal due in varying amounts through year 2027, including interest at 3.0% to 5.0% per annum.	12,795,000
\$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.	11,160,000
\$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.	2,650,000
\$11,585,000 2014 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 2044, including interest at 2.0% to 5.0% per annum.	8,645,000
\$15,045,000 2015 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 2045, including interest at 2.0% to 5.0% per annum.	14,350,000
\$5,500,000 2015 Subordinate 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 2030, including interest at .05% to 1.72% per annum.	\$ 5,020,000

\$9,585,000 2014 International Toll Bridge System Revenue Bond for the purpose of acquiring, purchasing, constructing, and improving the City's International Toll Bridge System with principal due in varying amounts through year 2022, including interest at 2.0% to 5.0% per annum.	\$ 7,580,000
\$4,600,000 2015A Subordinate 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 2045, including interest at 0.06% to 2.050% per annum.	4,180,000
\$22,075,000 2015B Subordinate 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 2045, including interest at 0.18% to 1.75% per annum.	20,035,000
\$75,395,000 2016 Waterworks & Sewer Systems Revenue Improvements and Refunding Bonds issued for the purpose of improving and extending the combined Water and Sewer System; refundi outstanding obligations of the City in order to achieve savings; and pay costs related to the issuance of bonds with principal due in varying amounts through year 2046, including interest at 3.125% to 5.00% per annum.	75,395,000
\$9,745,000 2016 Waterworks & Sewer Systems Revenue Refunding Bonds issued for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2027, including interest at 2.00% to 5.00% per annum.	8,960,000
\$8,700,000 2016 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding currently outstanding obligations of the City in order to achieve debt service savings and pay costs associated the issuance of the bonds with principal due in varying amounts through year 2028, including interest at 2.00% to 4.0% per annum.	2,095,000
\$18,155,000 2017 Waterworks & Sewer Systems Revenue Bonds for the purpose of improving and extending the City's combined Water and Sewer system with principal due in varying amounts through year 2034, including interest at 5.00% per annum.	<u>17,645,000</u>
Subtotal	333,513,000
Deferred Charges/Premiums for Various Revenue Refunding Bonds	<u>19,892,017</u>
Total Revenue Bonds	\$ <u><u>353,405,017</u></u>
Due Within One Year	\$ <u><u>14,881,000</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

\$3,555,555 2008 Public Property Finance Contractual Obligations, for the purpose of the purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.99% per annum	\$	720,000
\$13,475,000 2009 C 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 2021, including interest at 2.00% to 5.00% per annum.		1,255,000
\$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 5.00% per annum.		2,380,000
\$4,605,000 2012B 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 4.00% per annum.		3,445,000
\$10,095,000 2013 Public Property Finance Contractual 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.	\$	2,475,000

\$9,995,000 2013 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2025 with interest from 2.0% to 5.0% per annum.	\$	5,805,000
\$6,780,000 2014 Public Property Finance Contractual for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022, with interest from 3.0% to 5.0% per annum.		1,442,000
\$19,765,000 2015 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets, improving City buildings, acquiring equipment and vehicles for various City departments, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2020 with interest from 2.0% to 5.0% per annum.		2,125,000
\$8,080,000 2016 Public Property Finance Contractual for the purchase of planning, constructing, improving City streets , drainage, traffic/street signalization, improvign City buildings, acquiring equipment and vehicles, constructing and improving parks, and for paying legal, fiscal and engineering fees in connection with such projects. Principal is due in varying amounts through 2026, with interest from 3.0% to 5.0% per annum.		2,396,161
\$3,685,000 2017 Public Property Finance Contractual for the purchase of personal property for the Solid Waste Department and for paying legal, fiscal and engineering fees in connection with such projects. Principal is due in varying amounts through 2028, with interest from 3.00% to 5.0% per annum.		<u>3,370,000</u>
Subtotal		25,413,161
Deferred Charges/Premiums for various Certificates of Obligations		<u>2,467,094</u>
Total Certificates of Obligations	\$	<u><u>27,880,255</u></u>
Due Within One Year	\$	<u><u>6,726,332</u></u>

C - General Obligation Bonds

\$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.	\$ 1,918,631
\$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.	3,295,845
\$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.	403,501
\$64,740,000 2015 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 varying from 2.00% to 3.00% per annum.	5,197,698
\$54,545,000 2016 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 2033 with interest varying from 2.00% to 5.00% per annum.	33,370,000
\$12,675,000 2017 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 2030 with interest varying from 4.00% to 5.00% per annum.	3,354,472
\$46,635,000 2018 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 2039 with interest varying from 4.00% to 5.00% per annum.	<u>36,357,388</u>
Subtotal	83,897,535
Deferred Charges for Various General Obligation Bonds	<u>10,731,408</u>
Total General Obligation Bonds	\$ <u><u>94,628,943</u></u>
Due Within One Year	\$ <u><u>3,163,238</u></u>

D - Compensated Absences

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

<u>Fund</u>		<u>Amount</u>
Transit System	\$	115,845
Bridge System		404,935
Municipal Housing		24,695
Waterworks System		427,283
Sewer System		186,982
Solid Waste Fund		395,336
Total Long Term	\$	<u>1,555,076</u>

E - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2017

On November 7, 2017, the City of Laredo issued \$3,387,773 in General Obligation Refunding Bonds, Series 2017 with an average interest rate of 4.93% to advance the following:

<u>Bond Issue</u>	<u>Average Interest Rate</u>	<u>Principal Amount Refunded</u>
Comb. Tax & WW & SS Revenue CO, Series 2009C	4.81%	\$ 2,670,000
General Obligation Refunding Bond, Series 2010	4.81%	\$ 730,000

The net proceeds of \$3,340,595 (after payment of \$59,405 in underwriting fees, insurance, and other issuance costs and a premium of \$450,080) for the 2017 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 2009C Combination Tax & Water/Sewer CO and the 2010 General Obligation Refunding Bond. As a result, the 2009C Combination Tax & Water/Sewer CO and the 2010 General Obligation Refunding Bond are considered defeased and the liability for those bonds have 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 \$4,382,151. This difference, reported in the accompanying financial statements as a deduction from the General Obligation payable, is being charged to operations through the year 2030 using the effective interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$258,589 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$229,043.

General Obligation Refunding Bonds, Series 2018

On July 18, 2018 the City of Laredo issued \$36,357,387 in General Obligation Refunding Bonds, Series 2018 with an average interest rate of 4.83% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Comb. Tax & Water/Sewer Rev. Certificate of Oblig. Series 2009D	6.53%	\$ 37,945,000

The net proceeds of \$37,513,256 (after payment of \$431,744 in underwriting fees, insurance, and other issuance costs and a premium of \$5,024,480) for the 2018 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 2009D Tax & Water/Sewer Certificate of Obligation. As a result, the 2009D Tax & Water/Sewer Certificate of Obligation are considered defeased and the liability for those bonds have 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 \$66,841,172. This difference, reported in the accompanying financial statements as a deduction from General Obligations bonds payable, is being charged to operations through the year 2039 using the effective interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twenty years by \$2,895,658 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$2,464,267.

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, 2018 \$208,618,319 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, 2018 is \$16,101,996 of which \$11,546,534 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 \$11,546,534 as of September 30, 2018 represents the cumulative amount for 10,103 acres of the landfill filled with solid waste for closure and 3,986 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2018 is 71.71%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 13 years. Based on the remaining life, the landfill will be filled to capacity by the year 2031. The estimated total current cost of the landfill closure and post closure care (\$16,101,996) 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, 2018. However, the actual costs of closure and post closure care may be higher due to inflation, changes in technology, or changes in solid waste management laws and regulations.

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

Federal and State laws and regulations require the City of Laredo to make annual financial assurances regarding the financing of closure and post closure care. The City is in compliance with this requirement. It is anticipated that future inflation costs will be financed in part from earnings on investments and by a federal mandate fee of \$4.25 charged monthly to all garbage users. Commercial accounts, formerly exempt from the fee, are now charged the federal mandate fee. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements (for example, changes in technology or more rigorous environmental regulations) may need to be covered by charges to future landfill users, taxpayers, or both.

NOTE 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, 2018 are as follows:

	Interfund Receivables	Interfund Payables	Net
Governmental Activity			
Transit System	\$ 1,136,152	-	1,136,152
Due to Business Type Activities for for Internal Service			
Funds Allocation	\$ -	6,675,864	(6,675,864)
Total Governmental Activity	\$ 1,136,152	\$ 6,675,864	(5,539,712)
Business Type Activity			
General Fund	\$ -	1,136,152	(1,136,152)
Due from Governmental Activities for Internal Service			
Funds Allocation	\$ 6,675,864	-	6,675,864
Total Business Type Activity	\$ 6,675,864	\$ 1,136,152	5,539,712

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			
Municipal Housing	\$ 250,000	-	250,000
DEBT SERVICE			
Bridge	769,550	-	769,550
HOME INVESTMENT PARTNERSHIP			
Municipal Housing	8,456	-	8,456
CAPITAL IMPROVEMENTS			
Bridge	11,037,645	-	11,037,645
Sports & Community Sales Tax			
Bridge	16,335	-	16,335
TOTAL - GOVERNMENT TYPE	<u>12,081,986</u>	<u>-</u>	<u>12,081,986</u>
BUSINESS TYPE:			
BRIDGE			
Sports & Community Sales Tax	-	16,335	16,335
Debt Service	-	769,550	769,550
Capital Improvements	-	11,037,645	11,037,645
MUNICIPAL HOUSING			
General Fund	-	250,000	250,000
Home Investment Partnership	-	8,456	8,456
TOTAL - BUSINESS TYPE	<u>\$ -</u>	<u>12,081,986</u>	<u>12,081,986</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, 2018

Business-Type and Governmental Activities															
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
2019	17,326,000	12,895,850	30,221,850	1,258,948	146,161	1,405,109	11,830,000	4,262,856	16,092,856	11,480,000	8,359,800	19,839,800	41,894,948	25,664,667	67,559,615
2020	17,279,000	12,283,365	29,562,365	1,291,231	113,879	1,405,110	8,310,000	3,835,883	12,145,883	14,590,000	7,804,698	22,394,698	41,470,231	24,037,825	65,508,056
2021	17,370,001	11,680,598	29,050,599	1,309,933	84,284	1,394,217	6,920,000	3,506,844	10,426,844	15,485,001	7,128,592	22,613,593	41,084,935	22,400,318	63,485,253
2022	18,014,000	11,038,467	29,052,467	427,092	55,870	482,962	5,780,000	3,239,472	9,019,472	15,279,999	7,229,078	22,509,077	39,501,091	21,562,887	61,063,978
2023	18,037,000	10,336,366	28,373,366	438,043	44,919	482,962	5,340,000	3,006,148	8,346,148	15,099,999	6,574,817	21,674,816	38,915,042	19,962,250	58,877,292
2024	18,746,000	9,603,354	28,349,354	378,149	33,684	411,833	5,885,000	2,763,229	8,648,229	15,414,998	5,912,288	21,327,286	40,424,147	18,312,555	58,736,702
2025	15,475,000	8,915,174	24,390,174	387,490	24,343	411,833	6,190,000	2,491,502	8,681,502	15,650,001	5,221,862	20,871,863	37,702,491	16,652,881	54,355,372
2026	14,797,999	8,354,543	23,152,542	397,062	14,772	411,834	5,645,000	2,221,727	7,866,727	15,595,000	4,527,905	20,122,905	36,435,061	15,118,947	51,554,008
2027	14,102,000	7,784,836	21,886,836	406,871	4,964	411,835	4,785,000	1,989,883	6,774,883	15,314,999	4,564,609	19,879,608	34,608,870	14,344,292	48,953,162
2028	11,551,000	7,302,852	18,853,852	-	-	-	5,015,000	1,776,631	6,791,631	9,375,001	4,066,679	13,441,680	25,941,001	13,146,162	39,087,163
2029	11,720,000	6,877,136	18,597,136	-	-	-	4,820,000	1,551,292	6,371,292	7,165,000	3,779,715	10,944,715	23,705,000	12,208,143	35,913,143
2030	11,255,000	6,433,765	17,688,765	-	-	-	4,875,000	1,329,074	6,204,074	4,980,000	1,585,225	6,565,225	21,110,000	9,348,064	30,458,064
2031	11,690,000	6,010,314	17,700,314	-	-	-	4,740,000	1,108,710	5,848,710	4,815,000	1,377,999	6,192,999	21,245,000	8,497,023	29,742,023
2032	12,110,000	5,579,938	17,689,938	-	-	-	4,950,000	895,988	5,845,988	5,030,001	1,160,599	6,190,600	22,090,001	7,636,525	29,726,526
2033	12,549,999	5,143,771	17,693,770	-	-	-	4,335,000	698,663	5,033,663	5,270,000	917,750	6,187,750	22,154,999	6,760,184	28,915,183
2034	13,005,000	4,687,997	17,692,997	-	-	-	4,520,000	507,588	5,027,588	2,315,000	728,125	3,043,125	19,840,000	5,923,710	25,763,710
2035	13,485,001	4,210,777	17,695,778	-	-	-	4,310,000	306,675	4,616,675	2,430,000	609,500	3,039,500	20,225,001	5,126,952	25,351,953
2036	13,980,000	3,709,277	17,689,277	-	-	-	3,165,000	138,050	3,303,050	2,545,000	485,125	3,030,125	19,690,000	4,332,452	24,022,452
2037	13,840,000	3,197,393	17,037,393	-	-	-	1,365,000	34,125	1,399,125	2,675,000	354,625	3,029,625	17,880,000	3,586,143	21,466,143
2038	14,355,000	2,674,551	17,029,551	-	-	-	-	-	-	2,810,000	217,500	3,027,500	17,165,000	2,892,051	20,057,051
2039	14,905,000	2,128,239	17,033,239	-	-	-	-	-	-	2,945,000	73,625	3,018,625	17,850,000	2,201,864	20,051,864
2040	15,480,000	1,558,658	17,038,658	-	-	-	-	-	-	-	-	-	15,480,000	1,558,658	17,038,658
2041	10,610,000	1,128,448	11,738,448	-	-	-	-	-	-	-	-	-	10,610,000	1,128,448	11,738,448
2042	9,110,000	717,157	9,827,157	-	-	-	-	-	-	-	-	-	9,110,000	717,157	9,827,157
2043	5,080,000	471,576	5,551,576	-	-	-	-	-	-	-	-	-	5,080,000	471,576	5,551,576
2044	4,090,000	307,124	4,397,124	-	-	-	-	-	-	-	-	-	4,090,000	307,124	4,397,124
2045	3,700,000	181,864	3,881,864	-	-	-	-	-	-	-	-	-	3,700,000	181,864	3,881,864
2046	1,615,000	91,516	1,706,516	-	-	-	-	-	-	-	-	-	1,615,000	91,516	1,706,516
2047	1,125,000	28,125	1,153,125	-	-	-	-	-	-	-	-	-	1,125,000	28,125	1,153,125
Total	356,403,000	155,333,031	511,736,031	6,294,819	522,876	6,817,695	102,780,000	35,664,340	138,444,340	186,264,999	72,680,116	258,945,115	651,742,818	264,200,363	915,943,181

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2018, the City had encumbrances for construction contractual commitments of \$11,019,169 for various construction and improvement projects. The encumbrances are summarized as follows:

Project Description	Encumbrance	Financing Sources
Major Funds:		
Solid Waste System	\$ 11,720	Bond Proceeds
Waterworks System	1,712,452	Bond Proceeds
Sewer System	<u>6,760,406</u>	Bond Proceeds
Total Major Funds:	\$ <u>8,484,578</u>	
Non-Major Funds:		
Community Development	\$ 90,360	Grant Proceeds
Environmental Services	423,943	Bond Proceeds
Capital Improvements	228,172	Fund Revenues
Airport Construction	1,004,610	Grant Proceeds/ Fund Revenues
2015 C.O. Issue	116,550	Bond Proceeds
2016 C.O. Issue	484,663	Bond Proceeds
2017 C.O. Issue	<u>186,293</u>	Bond Proceeds
Total Non-Major Funds:	\$ <u>2,534,591</u>	
Total Significant Construction Encumbrances	\$ <u><u>11,019,169</u></u>	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2018, expenses in General Fund exceeded appropriations in the amount of \$7,591,726.

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 \$275,000.00 per employee, with no maximum lifetime benefit. There is a maximum medical aggregate liability of \$30,439,177.00 and projected net claims of \$27,057,046.00. Claims exceeding \$275,000.00 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 \$3,251,952 reported in the Fund as of September 30, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim liability can be reasonably estimated. Claim liabilities are calculated considering the recent claim settlements trends including frequency and amount of payouts and are due within one year of the date of the statement of net position. Changes in the Fund's claims liability amount in fiscal year 2016, 2017, and 2018 were:

<u>Year</u>	<u>Beginning of Fiscal Year</u>	<u>Changes in Estimates</u>	<u>Claims & Payments</u>	<u>Balance at Fiscal Year end ¹</u>
2015-2016	2,973,239	23,654,286	23,154,369	3,473,156
2016-2017	3,473,156	23,306,260	23,286,840	3,492,576
2017-2018	3,492,576	21,439,058	21,679,682	3,251,952

There were no changes or reductions in insurance coverage from 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 workers' 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 \$2,500,000.00 aggregated for FY15-16 and \$2,000,000.00 aggregated for FY16-17 and \$2,000,000.00 aggregated for FY17-18. 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, 2018, a liability was recorded based on fiscal year 2018 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 2016, 2017 and 2018 were:

<u>Year</u>	<u>Beginning of Fiscal Year</u>	<u>Changes in Estimates</u>	<u>Claims & Payments</u>	<u>Balance at Fiscal Year end ²</u>
2015-2016	1,489,067	1,782,902	1,614,801	1,657,168
2016-2017	1,657,168	2,041,904	2,157,726	1,541,346
2017-2018	1,541,346	1,659,818	1,910,419	1,290,745

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 grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations. As of September 30, 2018, 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 party to various lawsuits and claims arising in the ordinary course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material, adverse 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, 2018, the amount of unspent interest to date was \$25,590. 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)-	\$ 1,784,051
Adjustments:	
Timing Differences-Encumbrances	(2,464,414)
Basic Differences:	
Non Budgeted-Allowance for Doubtful Accounts	<u>9,376</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	(670,987)
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>45,053,547</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	<u>\$ 44,382,560</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:

	General Fund	Debt Service	Other Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	7,080	-	140,926
Permanent Fund Principal	-	-	50,000
Restricted for:			
Debt Service	-	5,406,777	1,615,263
Police	329,895	-	2,361,201
Fire	3,922,311	-	-
Municipal Court	474,563	-	-
Urban Redevelopment and Housing	-	-	378,615
Health Services	-	-	2,074,900
Welfare	7,082,477	-	-
Environmental Services	-	-	3,967,560
Noise Abatement	-	-	298,949
Convention and Tourism	-	-	5,406,843
Parks and Recreation	12,398	-	25,683,959
Education	77,883	-	1,095,792
Downtown TIRZ 1	-	-	264,727
Parking Meters	-	-	3,975
Permanent Fund Revenues	-	-	25,590
Capital Projects (Parks, Infrastructure, Municipal Improvements)	-	-	35,956,244
Transportation	-	-	16,036
Committed to:			
General Government	29,578,994	-	-
Police	676,610	-	2,038,440
Fire	133,261	-	-
Municipal Court	12,045	-	-
Traffic Safety	40,006	-	-
911 Emergency	-	-	670
Convention and Tourism	-	-	304,984
Parking Meters	-	-	135,358
Public Works	40,367	-	-
Urban Redevelopment and Housing	-	-	893,168
Health Services	-	-	537,417
Welfare	383,304	-	-
Environmental Services	-	-	569,152
Parks and Recreation	815,402	-	27,290
Education	-	-	61,900
Other	179,395	-	-
Transportation	-	-	1,030,261
Capital Purchases (Equipment)	-	-	49,927
Capital Projects	-	-	557,514
Assigned to:			
Parking Meters	-	-	1,336,406
Environmental Services	-	-	3,926,196
Parks and Recreation	-	-	503,031
Transportation	-	-	4,726,100
Unassigned	3,080,983	-	36,778,829
Total Fund Balances	46,846,974	5,406,777	132,817,223

NOTE 23 – PRIOR YEAR ADJUSTMENT

The City implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension”. As a result, the City is reporting a prior period adjustment to the beginning Net Position. The prior period adjustment will reflect as an increase to liabilities and a decrease to Unrestricted Net Position for Governmental Activities in the amount of \$59,936,549.

**CITY OF LAREDO, TEXAS
REQUIRED PENSION SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS (1)**

City Of Laredo (TMRS)

	12/31/2017	12/31/16	12/31/15	12/31/14
Total pension liability				
Service Cost	\$ 18,055,726	17,550,829	16,137,452	14,954,531
Interest (on the Total Pension Liability)	39,304,497	36,935,879	36,278,827	34,062,490
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,450,209)	(2,007,074)	(6,889,003)	(3,571,761)
Change of assumptions	-	-	(1,671,663)	-
Benefit payments, including refunds of employee contributions	(18,611,473)	(16,671,410)	(14,594,700)	(14,154,831)
Net Change in Total Pension Liability	37,298,541	35,808,224	29,260,913	31,290,429
Total Pension Liability-Beginning	582,566,716	546,758,492	517,497,579	486,207,150
Total Pension Liability-Ending	<u>\$ 619,865,257</u>	<u>582,566,716</u>	<u>546,758,492</u>	<u>517,497,579</u>
Plan Fiduciary Net Position				
Contributions-Employer	\$ 22,434,463	21,915,367	20,857,055	19,414,300
Contributions-Employee	7,422,994	7,206,069	6,894,937	6,639,377
Net Investment Income	58,259,387	25,837,605	544,191	19,324,455
Benefit payments, including refunds of employee contributions	(18,611,473)	(16,671,410)	(14,594,700)	(14,154,831)
Administrative Expense	(301,727)	(291,637)	(331,414)	(201,717)
Other	(15,292)	(15,713)	(16,368)	(16,584)
Net Change in Plan Fiduciary Net Position	69,188,352	37,980,281	13,353,701	31,005,000
Plan Fiduciary Net Position-Beginning	420,077,296	382,097,015	368,743,314	337,738,314
Plan Fiduciary Net Position-Ending	<u>\$ 489,265,648</u>	<u>420,077,296</u>	<u>382,097,015</u>	<u>368,743,314</u>
Net Pension Liability-Ending	<u>\$ 130,599,609</u>	<u>162,489,420</u>	<u>164,661,477</u>	<u>148,754,265</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 78.93%	 72.11%	 69.88%	 71.26%
 Covered Payroll	 \$ 106,023,054	 102,937,415	 98,459,134	 94,769,773
Net Pension Liability as a Percentage of Covered Payroll	123.18%	157.85%	167.24%	156.96%

(1) This schedule was implemented by GASB starting in fiscal year 2015. Schedule is intended to show ten years of information and will be built as information becomes available.

**CITY OF LAREDO, TEXAS
REQUIRED PENSION SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS (1)**

Laredo Firefighters Retirement System

	9/30/2017	9/30/16	9/30/15
Total pension liability			
Service Cost	\$ 5,959,061	5,757,547	5,562,847
Interest (on the Total Pension Liability)	16,635,239	15,644,420	14,710,813
Changes of benefit terms	(4,481,331)	-	-
Difference between expected and actual experience	2,728,669	-	-
Change of assumptions	3,829,393	-	-
Benefit payments, including refunds of employee contributions	(9,340,307)	(9,096,190)	(8,500,340)
Net Change in Total Pension Liability	15,330,724	12,305,777	11,773,320
Total Pension Liability-Beginning	206,651,576	194,345,799	182,572,479
Total Pension Liability-Ending	<u>\$ 221,982,300</u>	<u>206,651,576</u>	<u>194,345,799</u>
Plan Fiduciary Net Position			
Contributions-Employer	\$ 6,801,034	6,222,249	6,044,620
Contributions-Employee	5,075,400	4,642,722	4,521,220
Net Investment Income	9,529,045	(5,430,523)	9,030,933
Benefit payments, including refunds of employee contributions	(9,340,307)	(9,096,190)	(8,500,340)
Administrative Expense	(209,946)	(239,505)	(221,416)
Other	11,587	-	-
Net Change in Plan Fiduciary Net Position	11,866,813	(3,901,247)	10,875,017
Plan Fiduciary Net Position-Beginning	114,438,391	118,339,638	107,464,621
Plan Fiduciary Net Position-Ending	<u>\$ 126,305,204</u>	<u>114,438,391</u>	<u>118,339,638</u>
Net Pension Liability-Ending	<u>\$ 95,677,096</u>	<u>92,213,185</u>	<u>76,006,161</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 56.90%	 55.38%	 60.89%
 Covered Payroll	 \$ 33,836,000	 30,951,480	 30,141,467
Net Pension Liability as a Percentage of Covered Payroll	282.77%	297.93%	252.16%

(1) This schedule was implemented by GASB starting in fiscal year 2015. Schedule is intended to show ten years of information and will be built as information becomes available.

**CITY OF LAREDO, TEXAS
REQUIRED PENSION SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS (1)**

LTFI Defined Benefit Plan

	9/30/18	9/30/17	9/30/16
Total pension liability			
Service Cost	\$ 164,279	169,500	160,902
Interest (on the Total Pension Liability)	722,028	660,804	608,457
Changes of benefit terms	-	-	-
Difference between expected and actual experience	247,987	139,715	-
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(191,901)	(150,612)	(116,526)
Net Change in Total Pension Liability	942,393	819,407	652,833
Total Pension Liability-Beginning	10,544,681	9,725,274	9,072,441
Total Pension Liability-Ending	\$ 11,487,074	10,544,681	9,725,274
Plan Fiduciary Net Position			
Contributions-Employer	\$ 950,000	877,000	600,000
Contributions-Employee	53,604	54,373	54,264
Net Investment Income	420,578	671,821	483,385
Benefit payments, including refunds of employee contributions	(191,901)	(150,612)	(116,526)
Administrative Expense	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	1,232,281	1,452,582	1,021,123
Plan Fiduciary Net Position-Beginning	8,400,936	6,948,354	5,927,231
Plan Fiduciary Net Position-Ending	\$ 9,633,217	8,400,936	6,948,354
Net Pension Liability-Ending	\$ 1,853,857	2,143,745	2,776,920
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 83.86%	 79.67%	 71.45%
 Covered Payroll	 \$ 7,045,845	 6,873,995	 6,772,317
Net Pension Liability as a Percentage of Covered Payroll	26.31%	31.19%	41.00%

(1) This schedule was implemented by GASB starting in fiscal year 2015. Fiscal Year 2016 is the first year information provided. Schedule is intended to show ten years of information and will be built as information becomes available.

**CITY OF LAREDO, TEXAS
REQUIRED PENSION SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)**

City of Laredo (TMRS)

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2015	\$ 20,612,369	\$ 20,612,369	\$ -	\$ 94,422,211	21.83%	\$ 6,815,346
9/30/2016	\$ 22,695,362	\$ 22,695,362	\$ -	\$ 105,658,111	21.48%	\$ 7,406,657
9/30/2017	\$ 22,611,153	\$ 22,611,153	\$ -	\$ 105,907,042	21.35%	\$ 7,403,182
9/30/2018	\$ 23,171,347	\$ 23,171,347	\$ -	\$ 109,973,172	21.07%	\$ 7,675,369

Laredo Firefighters Retirement System

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2015	\$ 6,044,620	\$ 6,044,620	\$ -	\$ 30,141,467	20.05%	\$ 4,521,220
9/30/2016	\$ 6,221,242	\$ 6,221,242	\$ -	\$ 30,951,480	20.10%	\$ 4,642,722
9/30/2017	\$ 6,801,034	\$ 6,801,034	\$ -	\$ 33,836,000	20.10%	\$ 5,075,400
9/30/2018	\$ 6,845,693	\$ 6,845,693	\$ -	\$ 34,061,980	20.10%	\$ 5,109,297

LTFMI Defined Benefit Plan

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2016	\$ 643,000	\$ 600,000	\$ (43,000)	\$ 6,772,317	8.86%	\$ 54,264
9/30/2017	\$ 790,120	\$ 877,000	\$ 86,880	\$ 6,873,995	12.76%	\$ 54,373
9/30/2018	\$ 927,081	\$ 950,000	\$ 22,919	\$ 7,045,845	13.48%	\$ 53,604

(1) This schedule was implemented by GASB starting in fiscal year 2015. Fiscal Year 2016 is the first year information provided. Schedule is intended to show ten years of information and will be built as information becomes available.

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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, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes:				
Current	\$ 18,527,184	18,527,184	18,662,480	135,296
Delinquent - Prior	299,256	299,256	326,748	27,492
Total Taxes	18,826,440	18,826,440	18,989,228	162,788
Investment Income:				
Interest Earnings	55,300	55,300	140,472	85,172
Total Investment Income	55,300	55,300	140,472	85,172
Special Assessments:				
Paving Assessments	10,345	10,345	6,407	(3,938)
Total Special Assessments	10,345	10,345	6,407	(3,938)
Miscellaneous:				
Interest Rebates	279,313	279,313	280,213	900
Total Miscellaneous	279,313	279,313	280,213	900
TOTAL REVENUES	19,171,398	19,171,398	19,416,320	244,922
EXPENDITURES:				
Principal Retirement:				
General Obligations Debt	7,589,551	7,682,250	7,682,250	-
Revenue Bonds Debt	2,340,000	2,340,000	2,340,000	-
Contractual Obligations Debt	5,117,246	6,221,673	6,221,673	-
Total Principal Retirement	15,046,797	16,243,923	16,243,923	-
Interest:				
General Obligations Debt	4,028,848	4,329,801	4,329,800	1
Revenue Bonds Debt	1,039,165	1,039,165	1,039,165	-
Contractual Obligations Debt	4,148,540	3,894,873	3,894,870	3
Total Interest	9,216,553	9,263,839	9,263,835	4
Other:				
Contractual Services	18,000	24,596	21,083	3,513
Other	2,006,354	755,346	-	755,346
Fiscal Agent Fees	12,000	12,000	12,354	(354)
Bond Costs	-	284,899	279,548	5,351
Total Other	2,036,354	1,076,841	312,985	763,856
TOTAL EXPENDITURES	26,299,704	26,584,603	25,820,743	763,860
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (7,128,306)	(7,413,205)	(6,404,423)	1,008,782 (Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2018

(Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Environmental Services	\$ 2,523,729	2,523,729	2,538,491	14,762
Parking Meters	189,689	189,689	189,689	-
Sports and Community Venue	3,379,165	3,379,165	3,379,165	-
Contractual Obligations Fund	-	-	31,671	31,671
2008 Certificate of Obligation	-	-	1	1
Bridge System	769,550	769,550	769,550	-
Refunding Bonds Issued	-	19,564,841	19,564,840	(1)
Bond Premium	-	2,654,184	2,654,184	-
Payment to Refunded Bond Escrow Agent	-	(21,934,126)	(21,934,126)	-
TOTAL OTHER FINANCING SOURCES (USES):	6,862,133	7,147,032	7,193,465	46,433
Net Change in Fund Balances	(266,173)	(266,173)	789,042	1,055,215
Fund Balances-Beginning	4,089,479	4,617,735	4,617,735	-
Fund Balances-Ending	\$ 3,823,306	4,351,562	5,406,777	1,055,215

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.

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.

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.

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.

SAMES AUTO 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.

MAX MANDEL GOLF COURSE - to account for the golf course's operation. Its function is to provide a public golf course.

PARLAND ACQUISITION/PARKLAND IMPROVEMENTS - to account for the collection of park improvements fees for the acquisition and improvements to parklands in the City.

SPECIAL FIRE GRANTS – to account for various projects and improvements that increase the public safety for the citizens of Laredo. Major funding sources include State Homeland Security and Environmental Protection Agency.

DOWNTOWN TIRZ NO. 1 – to account for the tax increment reinvestment zone for improvements in the downtown area.

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 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 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.

CERTIFICATE OF OBLIGATION 2014 ISSUE - to account for \$5,600,000 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.

CERTIFICATE OF OBLIGATION 2015 ISSUE - to account for \$19,765,000 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.

CERTIFICATE OF OBLIGATION 2016 ISSUE - to account for \$3,075,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of purchasing land in the downtown area for parking and buildings.

CERTIFICATE OF OBLIGATION 2017 ISSUE - to account for \$14,810,000 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.

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, 2018

(Continued)

	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	7,006	285	1,823	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	910,091	14,756	221,404	-	-
Receivables, net of allowances:					
Accrued Interest	6,653	108	1,619	-	10,537
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	694	-	-	-	-
Notes	-	1,422,829	14,035,839	-	1,002,071
Due from Other Funds	-	-	-	-	-
Due from Other Governments	420,031	-	94,600	32,335	-
Inventory	-	-	-	-	-
TOTAL ASSETS	1,344,575	1,437,978	14,355,285	32,335	1,012,608
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	81,389	9	1,160	31,714	-
Retainage Payable	39,040	-	-	-	-
Accrued Wages and Employee Benefits	25,199	180	1,264	-	-
Contracts Payable	100,119	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	621	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	1,098,828	1,422,829	14,035,839	-	1,012,608
TOTAL LIABILITIES	1,344,575	1,423,018	14,038,263	32,335	1,012,608
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	14,960	317,022	-	-
Committed	639,236	-	-	253,932	-
Assigned	-	-	-	-	-
Unassigned	(639,236)	-	-	(253,932)	-
TOTAL FUND BALANCES	-	14,960	317,022	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,344,575	1,437,978	14,355,285	32,335	1,012,608

(Continued)

(Continued)

SPECIAL REVENUE					
AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 EMERGENCY COMM. FUND	HEALTH FUND	INT'L. AIRPORT
-	5,000	-	200	3,675	2,600
1,175	16,496	-	4,974	13,006	47,581
-	-	-	-	-	-
147,128	2,162,818	-	650,837	1,709,195	6,273,879
1,076	15,811	-	4,758	12,495	45,866
-	-	-	-	-	-
-	204	-	1,927	8,779	327,763
-	-	-	-	-	-
-	-	-	-	-	-
219,211	199,079	545,100	98,176	2,913,776	16,036
-	-	-	-	4,980	-
368,590	2,399,408	545,100	760,872	4,665,906	6,713,725
1,183	350,729	1,184	141,292	398,172	242,780
-	-	-	-	-	-
18,024	10,239	49,408	8,448	207,156	56,180
-	-	-	-	-	-
-	-	-	-	-	60,633
-	-	486,201	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	610,462	2,299,744	581,735
19,207	360,968	536,793	760,202	2,905,072	941,328
-	-	-	-	4,980	-
349,383	-	8,307	-	2,074,900	16,036
-	2,038,440	-	670	537,417	1,030,261
-	-	-	-	-	4,726,100
-	-	-	-	(856,463)	-
349,383	2,038,440	8,307	670	1,760,834	5,772,397
368,590	2,399,408	545,100	760,872	4,665,906	6,713,725

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

(Continued)

	SPECIAL REVENUE				
	SPECIAL FIRE GRANTS	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	LAREDO CONVENT. & VISITORS	RECREATION FUND
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	1,550	-
Equity in Investment Pool	-	41,090	7,799	4,094	3,566
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	5,411,313	1,016,809	530,460	475,535
Receivables, net of allowances:					
Accrued Interest	-	39,560	7,433	3,878	3,476
Hotel-Motel Tax, Penalty and Interest	-	177,977	-	-	-
Accounts	-	-	89,214	1,022	-
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	272,225	-	-	951	-
Inventory	-	-	-	-	-
TOTAL ASSETS	272,225	5,669,940	1,121,255	541,955	482,577
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	83,975	25,463	222,665	36,117
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	31,940	-	-	14,211	336
Contracts Payable	-	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	240,285	-	-	-	-
Due to Other Governments	-	-	-	95	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	179,122	-	-	-
TOTAL LIABILITIES	272,225	263,097	25,463	236,971	36,453
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	5,406,843	1,095,792	-	-
Committed	-	-	61,900	304,984	9,451
Assigned	-	-	-	-	436,673
Unassigned	-	-	(61,900)	-	-
TOTAL FUND BALANCES	-	5,406,843	1,095,792	304,984	446,124
TOTAL LIABILITIES AND FUND BALANCES	\$ 272,225	5,669,940	1,121,255	541,955	482,577

(Continued)

(Continued)

SPECIAL REVENUE					
PARKING METERS	ENVIRONMENTAL SERVICES	KEEP LAREDO BEAUTIFUL	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	SAMES AUTO ARENA
850	350	-	-	-	31,700
11,617	32,184	101	4,059	189,371	66
-	-	-	-	-	698,037
1,518,526	8,111,148	16,790	553,511	26,644,875	616,528
11,101	33,022	123	4,046	207,392	129
-	-	-	-	-	-
741,901	359,238	-	45,808	11,808	261,404
-	11,319	-	-	-	-
-	-	-	-	37,656	-
272	41,775	-	887	-	-
-	-	-	-	-	89,849
2,284,267	8,589,036	17,014	608,311	27,091,102	1,697,713
43,946	93,575	-	147,823	72,321	532,729
-	-	-	-	-	-
18,706	38,131	-	6,566	2,665	-
-	-	-	-	-	-
-	-	-	135,847	-	-
-	-	-	-	-	37,656
-	-	-	-	-	-
-	-	-	-	-	-
745,876	11,436	-	19,126	-	1,109,489
808,528	143,142	-	309,362	74,986	1,679,874
-	-	-	-	-	89,849
3,975	3,967,560	-	298,949	27,016,116	-
135,358	552,138	17,014	-	-	17,839
1,336,406	3,926,196	-	-	-	-
-	-	-	-	-	(89,849)
1,475,739	8,445,894	17,014	298,949	27,016,116	17,839
2,284,267	8,589,036	17,014	608,311	27,091,102	1,697,713

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018

(Continued)

	SPECIAL REVENUE				
	LDO PUBLIC FACILITY CORP.	MAX MANDEL GOLF COURSE	PARKLAND ACQUISITION PARK IMPROVEMENTS	DOWNTOWN TIRZ NO.1	POLICE TRUST FUND
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	482	1,171	2,186	1,858	15,363
Cash with Fiscal Agent	-	56,771	-	-	-
Investments	45,818	140,583	278,890	260,961	2,018,820
Receivables, net of allowances:					
Accrued Interest	335	1,028	2,039	1,908	14,759
Hotel-Motel Tax, Penalty and Interest	-	-	-	4,241	-
Accounts	-	52,114	-	-	1,078
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	-	46,097	-	-	-
TOTAL ASSETS	46,635	297,764	283,115	268,968	2,050,020
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	2	65,120	9	-	46,509
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	-	-	-	-	-
Contracts Payable	-	-	-	-	-
Customer Deposits	-	18,733	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	5,709	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	95,747	-	4,241	-
TOTAL LIABILITIES	2	185,309	9	4,241	46,509
Fund Balances:					
Nonspendable	-	46,097	-	-	-
Restricted	46,633	-	283,106	264,727	2,003,511
Committed	-	-	-	-	-
Assigned	-	66,358	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	46,633	112,455	283,106	264,727	2,003,511
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,635	297,764	283,115	268,968	2,050,020

(Continued)

(Continued)

CAPITAL PROJECTS					
SUBDIVISION TRUST FUND	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE
-	-	-	-	-	-
4,883	-	-	-	-	-
-	-	-	-	-	-
630,063	-	-	1,417,943	284	158,111
4,606	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	999	266,782	-	-	-
-	-	-	-	-	-
639,552	999	266,782	1,417,943	284	158,111
17	-	3,243	24,835	-	10,324
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	665	263,517	-	284	-
-	-	-	-	-	-
639,535	-	-	-	-	-
-	100	-	-	-	-
639,552	765	266,760	24,835	284	10,324
-	-	-	-	-	-
-	234	22	1,393,108	-	147,787
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	234	22	1,393,108	-	147,787
639,552	999	266,782	1,417,943	284	158,111

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 12 ISSUE	CERTIFICATE OF OBLIGATION 14 ISSUE	CERTIFICATE OF OBLIGATION 15 ISSUE	CERTIFICATE OF OBLIGATION 16 ISSUE	CERTIFICATE OF OBLIGATION 17 ISSUE
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	-	-	-	339	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	301,243	393,314	4,903,632	12,413,977	10,691,780
Receivables, net of allowances:					
Accrued Interest	-	-	2,976	32,062	132,572
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	-	-	-	-
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	301,243	393,314	4,906,608	12,446,378	10,824,352
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	11	15	2,737	88,671	212,497
Retainage Payable	-	7,228	67,029	30,357	51,514
Accrued Wages and Employee Benefits	-	-	-	1,904	8,631
Contracts Payable	-	-	33,929	210,327	361,887
Customer Deposits	-	-	-	-	-
Due to Other Funds	-	-	648	-	66,135
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	11	7,243	104,343	331,259	700,664
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	301,232	386,071	4,802,265	12,115,119	10,123,688
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	301,232	386,071	4,802,265	12,115,119	10,123,688
TOTAL LIABILITIES AND FUND BALANCES	\$ 301,243	393,314	4,906,608	12,446,378	10,824,352

(Continued)

		PERMANENT FUND	
AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
-	-	-	46,025
49,581	285,843	488	748,487
-	-	-	754,808
6,522,034	37,655,797	74,560	134,893,413
47,680	275,285	545	924,878
-	-	-	182,218
1,253	86,640	-	1,990,847
-	-	-	16,472,058
-	-	-	37,656
569,970	1,478,002	-	7,170,207
-	-	-	140,926
7,190,518	39,781,567	75,593	163,361,523
461,217	43,037	3	3,466,473
276,263	15,491	-	486,922
3,260	2,695	-	505,143
-	137,444	-	843,706
-	-	-	215,213
-	-	-	1,096,012
-	-	-	5,804
-	-	-	639,535
-	58,310	-	23,285,492
740,740	256,977	3	30,544,300
-	-	50,000	190,926
6,449,778	236,940	25,590	79,149,654
-	607,441	-	6,206,081
-	-	-	10,491,733
-	38,680,209	-	36,778,829
6,449,778	39,524,590	75,590	132,817,223
7,190,518	39,781,567	75,593	163,361,523

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2018

(Continued)

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
REVENUES:					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	4,374,165	-	466,348	320,176	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	401	2,730	-	-
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	156,672	62,689	200,503	-	51,597
Other	-	-	-	-	-
TOTAL REVENUES	4,530,837	63,090	669,581	320,176	51,597
EXPENDITURES:					
Public Safety	480,001	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	880,232	52,651	668,151	320,176	-
Cultural and Recreational	186,568	-	-	-	-
General Government	604,613	8,934	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	2,151,414	61,585	668,151	320,176	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	2,379,423	-	-	-	-
TOTAL EXPENDITURES	4,530,837	61,585	668,151	320,176	-
Excess (Deficiency) of Revenues Over Expenditures	-	1,505	1,430	-	51,597
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	60,053	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	-	-	-	-	(51,597)
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	60,053	-	(51,597)
Net Change in Fund Balance	-	1,505	61,483	-	-
Fund Balances at Beginning of Year	-	13,455	255,539	-	-
FUND BALANCE AT END OF YEAR	\$ -	14,960	317,022	-	-

(Continued)

(Continued)

SPECIAL REVENUE					
AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 REGIONAL COMM. FUND	HEALTH FUND	INT'L. AIRPORT
-	-	-	-	-	-
-	-	-	-	425,517	-
-	742,282	2,072,259	-	1,973,504	39,133
641,477	-	689,544	2,466,650	8,907,663	25,140
-	-	-	-	518,871	-
-	-	-	-	-	15
-	-	-	-	-	-
-	-	-	-	675,779	535,393
343	34,675	-	3,296	19,324	132,763
-	-	-	-	659	6,773,209
-	-	-	-	456	147
-	-	-	-	-	-
14,120	-	-	450	398,809	411,839
-	-	-	-	523,304	-
655,940	776,957	2,761,803	2,470,396	13,443,886	7,917,639
1,009,649	777,234	2,941,715	2,306,212	-	-
-	-	-	-	-	-
-	-	-	-	16,342,993	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	6,806,224
1,009,649	777,234	2,941,715	2,306,212	16,342,993	6,806,224
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	350,000	208,367	164,185	140,396	410,086
1,009,649	1,127,234	3,150,082	2,470,397	16,483,389	7,216,310
(353,709)	(350,277)	(388,279)	(1)	(3,039,503)	701,329
369,345	-	394,252	-	3,049,462	600,000
-	-	-	-	-	321,720
-	-	-	-	-	-
-	-	-	-	-	(2,569,381)
-	1,800	-	-	650	7,550
369,345	1,800	394,252	-	3,050,112	(1,640,111)
15,636	(348,477)	5,973	(1)	10,609	(938,782)
333,747	2,386,917	2,334	671	1,750,225	6,711,179
349,383	2,038,440	8,307	670	1,760,834	5,772,397

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2018

(Continued)

	SPECIAL REVENUE				
	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS
REVENUES:					
Taxes	\$ 4,138,626	-	-	-	-
Licenses and Permits	-	-	-	-	5,412
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	-	-	-
Other	-	-	951	-	572
Charges for Services	-	-	-	10	-
Fines	-	-	-	-	473,562
Fees and Collections	-	333,394	57,910	407,329	1,105,193
Investment Income:					
Interest Earnings	92,642	14,434	316	9,111	27,473
Rents and Royalties	-	-	-	-	51
Discount Earnings	-	-	-	-	456
Miscellaneous:					
Local Contributions	-	-	66,699	-	-
Reimbursements	150	-	680	300	169
Other	-	-	-	-	-
TOTAL REVENUES	4,231,418	347,828	126,556	416,750	1,612,888
EXPENDITURES:					
Public Safety	-	-	-	-	1,447,904
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	606,677	20,763	2,826,909	488,456	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	606,677	20,763	2,826,909	488,456	1,447,904
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	-	78,849	49,620	-	20,220
TOTAL EXPENDITURES	606,677	99,612	2,876,529	488,456	1,468,124
Excess (Deficiency) of Revenues Over Expenditures	3,624,741	248,216	(2,749,973)	(71,706)	144,764
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	2,836,482	(137,676)	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	(3,183,053)	-	(16,667)	-	(439,689)
Sale of Assets	-	-	-	-	1,926
TOTAL OTHER FINANCING SOURCES (USES)	(3,183,053)	-	2,819,815	(137,676)	(437,763)
Net Change in Fund Balance	441,688	248,216	69,842	(209,382)	(292,999)
Fund Balances at Beginning of Year	4,965,155	847,576	235,142	655,506	1,768,738
FUND BALANCE AT END OF YEAR	\$ 5,406,843	1,095,792	304,984	446,124	1,475,739

(Continued)

(Continued)

SPECIAL REVENUE					
ENVIRONMENTAL SERVICES	KEEP LAREDO BEAUTIFUL, INC. FUND	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	SAMES AUTO ARENA	LDO PUBLIC FACILITY CORP.
-	-	-	8,302,249	-	-
324,992	-	-	-	-	-
7,214	-	887	-	-	-
-	-	-	-	-	-
54,500	-	-	-	-	-
7,131,277	-	-	-	3,870,672	-
-	-	-	-	-	-
-	-	33,893	-	-	-
133,940	19	9,792	412,470	-	733
-	-	1,768,603	19,809	-	-
2,333	-	609	-	-	-
-	6,006	-	60,000	-	-
512	-	109,714	302	-	-
-	-	-	-	-	-
7,654,768	6,025	1,923,498	8,794,830	3,870,672	733
-	-	-	-	-	-
-	-	-	-	-	-
4,468,263	29,162	1,369,617	-	-	25
-	-	-	967,782	5,068,837	-
-	-	-	-	-	-
-	-	-	-	-	-
4,468,263	29,162	1,369,617	967,782	5,068,837	25
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
680,795	-	-	1,103,663	-	-
5,149,058	29,162	1,369,617	2,071,445	5,068,837	25
2,505,710	(23,137)	553,881	6,723,385	(1,198,165)	708
-	29,119	-	33,001	1,216,004	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,567,610)	-	(600,000)	(4,595,169)	-	-
3,460	-	-	-	-	-
(2,564,150)	29,119	(600,000)	(4,562,168)	1,216,004	-
(58,440)	5,982	(46,119)	2,161,217	17,839	708
8,504,334	11,032	345,068	24,854,899	-	45,925
8,445,894	17,014	298,949	27,016,116	17,839	46,633

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2018

(Continued)

	SPECIAL REVENUE				
	MAX MANDEL GOLF COURSE	PARKLAND ACQUISITION/ PARK IMPROVEMENTS	SPECIAL FIRE GRANTS	DOWNTOWN TIRZ NO. 1	POLICE TRUST FUND
REVENUES:					
Taxes	\$ -	-	-	264,727	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	834,839	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	917,701	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	52,322	-	-	-
Investment Income:					
Interest Earnings	-	3,855	-	-	22,036
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	230
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	-	-	2,263
Other	-	-	-	-	958,521
TOTAL REVENUES	917,701	56,177	834,839	264,727	983,050
EXPENDITURES:					
Public Safety	-	-	1,115,126	-	272,087
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	1,497,915	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	1,497,915	-	1,115,126	-	272,087
Debt Service:					
Principal	58,466	-	-	-	-
Interest	6,887	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	89,651
TOTAL EXPENDITURES	1,563,268	-	1,115,126	-	361,738
Excess (Deficiency) of Revenues Over Expenditures	(645,567)	56,177	(280,287)	264,727	621,312
OTHER FINANCING SOURCES (USES):					
Transfers In	599,311	-	280,287	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	-	-	-	-	-
Sale of Assets	-	-	-	-	25,725
TOTAL OTHER FINANCING SOURCES (USES)	599,311	-	280,287	-	25,725
Net Change in Fund Balance	(46,256)	56,177	-	-	647,037
Fund Balances at Beginning of Year	158,711	226,929	-	-	1,356,474
FUND BALANCE AT END OF YEAR	\$ 112,455	283,106	-	264,727	2,003,511

(Continued)

(Continued)

CAPITAL PROJECTS					
PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 12 ISSUE
-	-	-	-	-	-
-	-	-	-	-	-
-	92,734	-	-	-	-
-	129,199	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	21	26,394	369	2,953	4,448
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	221,954	26,394	369	2,953	4,448
-	-	-	-	-	-
-	-	51,555	6	983	635
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	51,555	6	983	635
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	275,310	415,065	15,062	10,743	2,150
-	275,310	466,620	15,068	11,726	2,785
-	(53,356)	(440,226)	(14,699)	(8,773)	1,663
-	53,377	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(1)	-	-
-	-	-	-	-	-
-	53,377	-	(1)	-	-
-	21	(440,226)	(14,700)	(8,773)	1,663
234	1	1,833,334	14,700	156,560	299,569
234	22	1,393,108	-	147,787	301,232

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2018

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 14 ISSUE	CERTIFICATE OF OBLIGATION 15 ISSUE	CERTIFICATE OF OBLIGATION 16 ISSUE	CERTIFICATE OF OBLIGATION 17 ISSUE	AIRPORT CONSTRUCTION FUND
REVENUES:	\$				
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	8,619,138
State	-	-	-	-	50,000
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	6,346	93,358	229,328	204,888	65,363
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	333	198	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	1,000	-	-
Other	-	-	-	-	617
TOTAL REVENUES	6,346	93,358	230,661	205,086	8,735,118
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	1,020	24,937	85,159	295,182	3,002,138
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	1,020	24,937	85,159	295,182	3,002,138
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	236,232	-
Capital Outlay	31,858	993,133	5,348,234	6,653,460	6,771,386
TOTAL EXPENDITURES	32,878	1,018,070	5,433,393	7,184,874	9,773,524
Excess (Deficiency) of Revenues Over Expenditures	(26,532)	(924,712)	(5,202,732)	(6,979,788)	(1,038,406)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	2,569,381
Proceeds - Long Term Debt	-	-	-	14,810,000	-
Bond Premiums	-	-	-	2,293,476	-
Transfers Out	-	(44,010)	(23,183)	-	(31,670)
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(44,010)	(23,183)	17,103,476	2,537,711
Net Change in Fund Balance	(26,532)	(968,722)	(5,225,915)	10,123,688	1,499,305
Fund Balances at Beginning of Year	412,603	5,770,987	17,341,034	-	4,950,473
FUND BALANCE AT END OF YEAR	\$ 386,071	4,802,265	12,115,119	10,123,688	6,449,778

(Continued)

	PERMANENT FUND	
CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
-	-	12,705,602
-	-	755,921
1,233,825	-	20,776,504
55,263	-	12,964,936
125,000	-	699,894
-	-	11,919,675
-	-	473,562
-	-	3,201,213
511,189	1,174	2,066,184
-	-	8,562,331
11	-	4,773
-	-	132,705
-	-	1,411,769
357,247	-	1,839,689
2,282,535	1,174	77,514,758
-	-	10,349,928
128,119	-	3,589,734
-	-	24,131,270
-	-	11,663,907
-	-	613,547
-	-	6,806,224
128,119	-	57,154,610
-	-	58,466
-	-	6,887
-	-	236,232
1,191,372	-	27,383,028
1,319,491	-	84,839,223
963,044	1,174	(7,324,465)
11,051,461	-	23,003,859
-	-	15,131,720
-	-	2,293,476
(3,899,413)	-	(18,021,443)
-	-	41,111
7,152,048	-	22,448,723
8,115,092	1,174	15,124,258
31,409,498	74,416	117,692,965
39,524,590	75,590	132,817,223

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, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
CDBG Grants	\$ 29,603,251	4,374,165	33,977,416	36,751,820
Miscellaneous:				
Reimbursements	<u>1,472,998</u>	<u>156,672</u>	<u>1,629,670</u>	<u>2,697,567</u>
TOTAL REVENUES	<u>31,076,249</u>	<u>4,530,837</u>	<u>35,607,086</u>	<u>39,449,387</u>
EXPENDITURES:				
Public Safety	3,890,417	480,001	4,370,418	4,616,400
Health and Welfare	6,697,781	880,232	7,578,013	8,517,073
Cultural and Recreational	766,470	186,568	953,038	994,967
General Government	6,095,339	604,613	6,699,952	6,786,301
Capital Outlay	<u>13,626,242</u>	<u>2,379,423</u>	<u>16,005,665</u>	<u>18,534,646</u>
TOTAL EXPENDITURES	<u>31,076,249</u>	<u>4,530,837</u>	<u>35,607,086</u>	<u>39,449,387</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, 2018

	<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	\$ 100	100	401	-	401	301
Miscellaneous:						
Reimbursements	72,000	72,000	62,689	-	62,689	(9,311)
TOTAL REVENUES	72,100	72,100	63,090	-	63,090	(9,010)
EXPENDITURES:						
Administration:						
Personnel Services	9,072	9,072	8,934	-	8,934	138
Contractual Services	100	100	91	-	91	9
Total Administration	9,172	9,172	9,025	-	9,025	147
Housing Rehabilitation Loans:						
Contractual Services	63,028	63,028	52,560	-	52,560	10,468
Total Housing Rehabilitation Loans	63,028	63,028	52,560	-	52,560	10,468
TOTAL EXPENDITURES	72,200	72,200	61,585	-	61,585	10,615
Excess (Deficiency) of Revenues Over Expenditures	(100)	(100)	1,505	-	1,505	1,605
Fund Balances at Beginning of Year	18,114	13,455	13,455	-	13,455	-
FUND BALANCE AT END OF YEAR	\$ 18,014	13,355	14,960	-	14,960	1,605

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
HOME Grants	\$ 3,306,474	466,348	3,772,822	5,208,217
Investment Income:				
Interest Earnings	3,411	2,730	6,141	2,970
Miscellaneous:				
Reimbursements	1,170,882	200,503	1,371,385	1,405,020
TOTAL REVENUES	4,480,767	669,581	5,150,348	6,616,207
EXPENDITURES:				
Personnel Services	312,766	63,948	376,714	392,142
Materials and Supplies	5,803	1,025	6,828	7,387
Contractual Services	4,188,392	603,178	4,791,570	6,862,156
Other	-	-	-	30,103
Capital Outlay	463,407	-	463,407	-
TOTAL EXPENDITURES	4,970,368	668,151	5,638,519	7,291,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(489,601)	1,430	(488,171)	(675,581)
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Inv. Afford. Housing	732,133	51,597	783,730	680,054
Municipal Housing	17,480	8,456	25,936	-
Transfer Out:				
Home Inv. Afford. Housing	(4,473)	-	(4,473)	(4,473)
TOTAL OTHER FINANCING SOURCES:	745,140	60,053	805,193	675,581
Net Change in Fund Balances	\$ 255,539	61,483	317,022	-
Fund Balances-Beginning		255,539		
Fund Balances-Ending		\$ 317,022		

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>638,889</u>	<u>320,176</u>	<u>959,065</u>	<u>1,230,473</u>
TOTAL REVENUES	<u>638,889</u>	<u>320,176</u>	<u>959,065</u>	<u>1,230,473</u>
EXPENDITURES:				
Personnel Services	38,290	7,638	45,928	47,539
Materials and Supplies	2,127	299	2,426	10,108
Contractual Services	<u>598,472</u>	<u>312,239</u>	<u>910,711</u>	<u>1,172,826</u>
TOTAL EXPENDITURES	<u>638,889</u>	<u>320,176</u>	<u>959,065</u>	<u>1,230,473</u>
Net Change in Fund Balances	\$ <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, 2018

	<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	470,623
Fernando Salinas Elderly Project	-	-	-	44,567
Investment Income:				
Interest Earnings	1,821	-	1,821	1,821
Miscellaneous:				
Reimbursements	1,463,854	51,597	1,515,451	1,515,892
TOTAL REVENUES	1,936,298	51,597	1,987,895	2,032,903
EXPENDITURES:				
Contractual Services	171	-	171	43,157
Other	8,467	-	8,467	10,047
Capital Outlay	1,200,000	-	1,200,000	1,200,000
TOTAL EXPENDITURES	1,208,638	-	1,208,638	1,253,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	727,660	51,597	779,257	779,699
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Investment Partnership	4,473	-	4,473	4,473
Transfer Out:				
Home Investment Fund	(732,133)	(51,597)	(783,730)	(784,172)
TOTAL OTHER FINANCING SOURCES:	(727,660)	(51,597)	(779,257)	(779,699)
Net Change in Fund Balances	\$ -	-	-	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ -		

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, 2018

	<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	\$ 715,281	1,297,314	641,477	-	641,477	(655,837)
Investment Income:						
Interest Earnings	100	100	343	-	343	243
Miscellaneous:						
Reimbursements	-	51,600	14,120	-	14,120	(37,480)
TOTAL REVENUES	715,381	1,349,014	655,940	-	655,940	(693,074)
EXPENDITURES:						
Personnel Services	950,462	1,726,314	910,684	-	910,684	815,630
Contractual Services	-	196,580	98,965	79,200	178,165	18,415
Other	186,639	129,988	-	-	-	129,988
TOTAL EXPENDITURES	1,137,101	2,052,882	1,009,649	79,200	1,088,849	964,033
Excess (Deficiency) of Revenues Over Expenditures	(421,720)	(703,868)	(353,709)	(79,200)	(432,909)	270,959
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	421,720	370,121	369,345	-	369,345	(776)
TOTAL OTHER FINANCING SOURCES (USES)	421,720	370,121	369,345	-	369,345	(776)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	(333,747)	15,636	(79,200)	(63,564)	270,183
Fund Balances at Beginning of Year	-	333,747	333,747	-	333,747	-
FUND BALANCES AT END OF YEAR	\$ -	-	349,383	(79,200)	270,183	270,183

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, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	\$ 1,059,403	1,667,494	742,282	-	742,282	(925,212)
Investment Income:						
Interest Earnings	17,900	17,900	34,675	-	34,675	16,775
Miscellaneous:						
Forfeitures	320,000	320,000	-	-	-	(320,000)
TOTAL REVENUES	1,397,303	2,005,394	776,957	-	776,957	(1,228,437)
EXPENDITURES:						
Personnel Services	523,265	1,485,163	738,430	-	738,430	746,733
Material and Supplies	40,437	67,949	13,724	2,548	16,272	51,677
Contractual Services	57,395	560,580	25,080	463,983	489,063	71,517
Other	640,683	216,785	-	-	-	216,785
Total Operating Expenditures	1,261,780	2,330,477	777,234	466,531	1,243,765	1,086,712
Capital Outlay	8,911	937,017	350,000	-	350,000	587,017
TOTAL EXPENDITURES	1,270,691	3,267,494	1,127,234	466,531	1,593,765	1,673,729
Excess (Deficiency) of Revenues Over Expenditures	126,612	(1,262,100)	(350,277)	(466,531)	(816,808)	445,292
OTHER FINANCING SOURCES (USES):						
Sale of Assets	-	-	1,800	-	1,800	1,800
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,800	-	1,800	1,800
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	126,612	(1,262,100)	(348,477)	(466,531)	(815,008)	447,092
Fund Balances at Beginning of Year	2,502,312	2,386,917	2,386,917	-	2,386,917	-
FUND BALANCES AT END OF YEAR	\$ 2,628,924	1,124,817	2,038,440	(466,531)	1,571,909	447,092

**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, 2018**

	<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	\$ 2,571,100	3,631,296	2,072,259	-	2,072,259	(1,559,037)
State	<u>1,002,123</u>	<u>1,404,480</u>	<u>689,544</u>	<u>-</u>	<u>689,544</u>	<u>(714,936)</u>
TOTAL REVENUES	<u>3,573,223</u>	<u>5,035,776</u>	<u>2,761,803</u>	<u>-</u>	<u>2,761,803</u>	<u>(2,273,973)</u>
EXPENDITURES:						
Police Grants:						
Click It or Ticket	24,000	24,000	20,213	-	20,213	3,787
Impaired Driving Mobilization	65,000	65,000	48,876	-	48,876	16,124
Alcohol Tobacco Firearms	97,014	97,014	90,561	-	90,561	6,453
Comprehensive Comm. Vehicle STEP	118,000	118,000	119,084	-	119,084	(1,084)
Comprehensive STEP	146,000	146,000	146,366	-	146,366	(366)
Rifle Resist Body Armor	-	182,174	181,920	-	181,920	254
Customs Narcotics	117,711	117,711	56,249	-	56,249	61,462
Bulletproof Vest Partnership	136,630	136,630	-	-	-	136,630
Justice Assistance Grant	202,929	247,682	109,914	-	109,914	137,768
Body-Worn Camera Project	407,080	407,080	-	67,500	67,500	339,580
Jim Hogg	-	58,361	58,360	-	58,360	1
Fugitive Apprehension	19,403	19,403	19,933	-	19,933	(530)
Ldo. Joint Terrorism TF	22,251	22,251	20,186	-	20,186	2,065
Violence of Crime Act	51,165	51,165	45,180	-	45,180	5,985
Cops Program	991,466	991,466	655,534	-	655,534	335,932
OCDETF	55,520	55,520	39,861	-	39,861	15,659
FBI-Safe Streets	44,502	44,502	44,602	-	44,602	(100)
Stonegarden Grant	1,500,000	2,331,898	1,014,793	-	1,014,793	1,317,105
CBP Task Force	132,930	132,930	133,083	-	133,083	(153)
GDEM Border Security	300,000	437,000	137,000	-	137,000	300,000
TXDOT General	<u>50,576</u>	<u>50,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,576</u>
Total Operating Expenditures	4,482,177	5,736,363	2,941,715	67,500	3,009,215	2,727,148
Capital Outlay	<u>-</u>	<u>208,367</u>	<u>208,367</u>	<u>-</u>	<u>208,367</u>	<u>-</u>
TOTAL EXPENDITURES	<u>4,482,177</u>	<u>5,944,730</u>	<u>3,150,082</u>	<u>67,500</u>	<u>3,217,582</u>	<u>2,727,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(908,954)</u>	<u>(908,954)</u>	<u>(388,279)</u>	<u>(67,500)</u>	<u>(455,779)</u>	<u>453,175</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	<u>898,997</u>	<u>898,997</u>	<u>394,252</u>	<u>-</u>	<u>394,252</u>	<u>(504,745)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>898,997</u>	<u>898,997</u>	<u>394,252</u>	<u>-</u>	<u>394,252</u>	<u>(504,745)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(9,957)</u>	<u>(9,957)</u>	<u>5,973</u>	<u>(67,500)</u>	<u>(61,527)</u>	<u>(51,570)</u>
Fund Balances at Beginning of Year	<u>9,957</u>	<u>2,334</u>	<u>2,334</u>	<u>-</u>	<u>2,334</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>-</u>	<u>(7,623)</u>	<u>8,307</u>	<u>(67,500)</u>	<u>(59,193)</u>	<u>(51,570)</u>

CITY OF LAREDO, TEXAS
911 EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	<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	\$ 2,464,520	6,411,864	2,466,650	-	2,466,650	(3,945,214)
Investment Income:						
Interest Earnings	1,300	1,300	3,296	-	3,296	1,996
Miscellaneous:						
Reimbursements	-	-	450	-	450	450
TOTAL REVENUES	<u>2,465,820</u>	<u>6,413,164</u>	<u>2,470,396</u>	<u>-</u>	<u>2,470,396</u>	<u>(3,942,768)</u>
EXPENDITURES:						
Personnel Services	429,222	801,965	421,151	-	421,151	380,814
Materials and Supplies	234,000	411,769	249,113	2,466	251,579	160,190
Contractual Services	1,655,637	4,499,121	1,635,947	1,202,644	2,838,591	1,660,530
Other	66,960	1,300	1	-	1	1,299
Total Operating Expenditures	2,385,819	5,714,155	2,306,212	1,205,110	3,511,322	2,202,833
Capital Outlay	80,001	699,009	164,185	13,662	177,847	521,162
TOTAL EXPENDITURES	<u>2,465,820</u>	<u>6,413,164</u>	<u>2,470,397</u>	<u>1,218,772</u>	<u>3,689,169</u>	<u>2,723,995</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(1)	(1,218,772)	(1,218,773)	(1,218,773)
Fund Balances at Beginning of Year	-	671	671	-	671	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>671</u>	<u>670</u>	<u>(1,218,772)</u>	<u>(1,218,102)</u>	<u>(1,218,773)</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, 2018**

	<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	\$ 2,673,455	5,839,112	1,973,504	-	1,973,504	(3,865,608)
State Grants	9,787,402	14,300,475	8,907,663	-	8,907,663	(5,392,812)
Other	667,636	1,172,919	518,871	-	518,871	(654,048)
Licenses and Permits	460,404	460,404	425,517	-	425,517	(34,887)
Fees and Collections	786,992	776,772	675,779	-	675,779	(100,993)
Investment Income:						
Interest Earnings	6,400	6,400	19,324	-	19,324	12,924
Rents and Royalties	500	500	659	-	659	159
Discount Earnings	-	-	456	-	456	456
Miscellaneous:						
Contributions	350,000	638,388	-	-	-	(638,388)
Reimbursements	414,320	465,284	398,809	-	398,809	(66,475)
Other	446,329	736,535	523,304	-	523,304	(213,231)
TOTAL REVENUES	15,593,438	24,396,789	13,443,886	-	13,443,886	(10,952,903)
EXPENDITURES:						
Administrative Divisions:						
Administration	1,413,867	1,432,480	1,359,816	(25,285)	1,334,531	97,949
Health Education	105,402	97,785	86,510	10,479	96,989	796
Vital Statistics	252,676	251,147	221,673	18	221,691	29,456
E.M.S. Billing	271,777	267,506	255,918	10,473	266,391	1,115
STD Clinic	82,918	82,918	77,008	5,801	82,809	109
Maternity	92,766	93,620	36,597	23,826	60,423	33,197
Immunization	281,722	276,734	238,861	-	238,861	37,873
Tuberculosis	156,465	148,826	129,200	3,185	132,385	16,441
Adult Health	51,588	51,588	49,378	-	49,378	2,210
Laboratory	826,217	827,207	772,452	28,182	800,634	26,573
Personal Health Services	113,872	113,978	11,573	94,906	106,479	7,499
Budget and Grant Management	418,206	422,477	413,341	2,789	416,130	6,347
Environmental	825,220	826,430	731,247	-	731,247	95,183
Total Administrative Divisions	4,892,696	4,892,696	4,383,574	154,374	4,537,948	354,748
State Grants:						
H.I.V. - Prevention	300,600	402,570	266,062	9,618	275,680	126,890
T.B. Federal - Tuberculosis	182,972	296,217	174,432	-	174,432	121,785
Primary Care	189,377	369,604	164,363	-	164,363	205,241
Tuberculosis Elimination	207,130	408,862	192,622	-	192,622	216,240
Immunization Action Plan	433,413	653,534	340,735	-	340,735	312,799
Bureau of Regional/Local Health Operations	887,140	1,968,665	575,698	-	575,698	1,392,967
Women Infant and Children (W.I.C.)	4,331,925	4,659,831	4,102,996	72,456	4,175,452	484,379
W.I.C. Counties Expansion	1,083,715	1,097,312	1,084,447	1,309	1,085,756	11,556
Bio-Terrorism Preparedness	331,135	638,929	349,862	39	349,901	289,028
Office of Border Health - Surveillance	-	7,150	5,111	1,598	6,709	441
Associateship for Community Health and Resource Development - Dental	69,750	231,500	101,176	-	101,176	130,324
Associateship for Community Health and Resource Development - Prenatal	\$ 40,446	78,746	32,350	-	32,350	46,396

(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, 2018**

(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.)	\$ 78,007	236,267	75,169	23,894	99,063	137,204
H.I.V. - Consortia (Ryan White)	402,227	652,531	415,986	84,943	500,929	151,602
HIV Social Services	323,072	630,001	318,843	261	319,104	310,897
Healthy Texas Babies	-	185,625	30,596	-	30,596	155,029
Hospital Preparedness Program	125,604	125,604	-	-	-	125,604
Texas Healthy Communities	50,000	50,000	49,517	453	49,970	30
Ebola Surveillance	82,500	242,412	66,984	14,014	80,998	161,414
Texas Adolescent Initiative	200,000	390,386	148,238	-	148,238	242,148
Zika PHPR	470,693	936,365	335,135	16,042	351,177	585,188
Obesity Prevention Program	-	250,000	105,488	635	106,123	143,877
Zika Health Care Services Program	-	692,183	138,393	42,861	181,254	510,929
Nurse-Family Partnership	559,942	1,264,275	584,710	-	584,710	679,565
1115 Wavier Program	990,000	2,249,191	509,608	7,252	516,860	1,732,331
HIV and Mental Health Project	500,000	1,025,863	500,219	9,150	509,369	516,494
Healthy Disparities Initiative	30,000	29,995	30,077	-	30,077	(82)
Healthy Texas Women	405,010	618,309	294,130	-	294,130	324,179
Family Planning Open Enrollment	85,500	218,418	143,900	-	143,900	74,518
Ryan White Part C	-	300,000	16,656	-	16,656	283,344
Women's Health and Family Planning	103,003	265,997	101,799	6,600	108,399	157,598
Zika Data Collection	-	4,845	-	-	-	4,845
TAMIU Si Texas	479,656	467,176	173,779	-	173,779	293,397
CHIP Perinate	24,317	24,317	-	-	-	24,317
Ventanilla de Salud Program	31,432	43,579	35,021	5,471	40,492	3,087
Fernando Salinas Trust	40,000	10,038	8,530	-	8,530	1,508
Ryan White Part D	54,662	89,834	46,697	-	46,697	43,137
Coastal Bend Wellness	-	9,575	10,126	-	10,126	(551)
Tackle HIV/ HCV People	-	100,478	57,856	-	57,856	42,622
Pillar-High Risk HIV	-	234,087	1,547	-	1,547	232,540
Ventanilla de Salud Program-Salud Emocional	-	25,000	-	-	-	25,000
Hepatitis B Program	15,750	15,750	7,783	-	7,783	7,967
Women and Children Health Program	361,978	361,978	361,803	175	361,978	-
Special Projects	350,000	638,388	975	-	975	637,413
Total State Grant Expenses	13,820,956	23,201,387	11,959,419	296,771	12,256,190	10,945,197
Total Operating Expenses	18,713,652	28,094,083	16,342,993	451,145	16,794,138	11,299,945
Capital Outlay	91,466	213,410	140,396	44,272	184,668	28,742
TOTAL EXPENDITURES	18,805,118	28,307,493	16,483,389	495,417	16,978,806	11,328,687
Excess (Deficiency) of Revenues Over Expenditures	(3,211,680)	(3,910,704)	(3,039,503)	(495,417)	(3,534,920)	375,784
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	3,049,462	3,049,462	3,049,462	-	3,049,462	-
Sale of Assets	-	-	650	-	650	650
TOTAL OTHER FINANCING SOURCES (USES)	3,049,462	3,049,462	3,050,112	-	3,050,112	650
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(162,218)	(861,242)	10,609	(495,417)	(484,808)	376,434
Fund Balances at Beginning of Year	100,000	1,750,225	1,750,225	(42,000)	1,708,225	(42,000)
FUND BALANCE AT END OF YEAR	\$ (62,218)	888,983	1,760,834	(537,417)	1,223,417	334,434

**CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018**

	<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	\$ 41,400	41,400	39,133	-	39,133	(2,267)
State	11,800	11,800	25,140	-	25,140	13,340
Charges for Services	-	-	15	-	15	15
Fees and Collections	504,025	504,025	535,393	-	535,393	31,368
Investment Income:						
Interest Earnings	12,800	12,800	132,763	-	132,763	119,963
Discount Earnings	-	-	147	-	147	147
Rents and Royalties	6,833,621	6,833,621	6,773,209	-	6,773,209	(60,412)
Miscellaneous:						
Reimbursements	448,761	448,761	411,839	-	411,839	(36,922)
TOTAL REVENUES	7,852,407	7,852,407	7,917,639	-	7,917,639	65,232
EXPENDITURES:						
Administration:						
Personnel Services	793,597	793,597	556,024	-	556,024	237,573
Materials and Supplies	40,645	51,498	38,245	4,298	42,543	8,955
Contractual Services	2,713,893	2,764,139	2,506,143	68,980	2,575,123	189,016
Other	30,000	192	(11)	-	(11)	203
Total Administration	3,578,135	3,609,426	3,100,401	73,278	3,173,679	435,747
Building Maintenance:						
Personnel Services	650,259	546,840	523,260	-	523,260	23,580
Materials and Supplies	165,287	235,601	150,141	36,046	186,187	49,414
Contractual Services	915,520	921,248	570,417	290,387	860,804	60,444
Total Building Maintenance	1,731,066	1,703,689	1,243,818	326,433	1,570,251	133,438
Ground Maintenance:						
Personnel Services	411,624	413,977	408,870	-	408,870	5,107
Materials and Supplies	51,923	51,945	30,934	1,451	32,385	19,560
Contractual Services	136,213	163,518	146,963	2,736	149,699	13,819
Total Ground Maintenance	599,760	629,440	586,767	4,187	590,954	38,486
Airport Security:						
Personnel Services	1,352,442	1,359,541	1,269,154	-	1,269,154	90,387
Materials and Supplies	228,067	166,331	110,961	13,754	124,715	41,616
Contractual Services	209,951	272,502	176,488	18,200	194,688	77,814
Total Airport Security	1,790,460	1,798,374	1,556,603	31,954	1,588,557	209,817
Foreign Trade Zone:						
Personnel Services	37,728	37,762	23,624	-	23,624	14,138
Materials and Supplies	500	200	198	-	198	2
Contractual Services	5,500	5,500	500	-	500	5,000
Total Foreign Trade Zone	43,728	43,462	24,322	-	24,322	19,140
Federal Inspection Services:						
Personnel Services	234,295	236,900	232,333	-	232,333	4,567
Materials and Supplies	15,917	16,031	8,971	847	9,818	6,213
Contractual Services	96,181	71,236	39,377	294	39,671	31,565
Total Federal Inspection Services	\$ 346,393	324,167	280,681	1,141	281,822	42,345

(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, 2018

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
Operation Stonegarden:						
Personnel Services	\$ -	20,000	13,632	-	13,632	6,368
Other	10,000	-	-	-	-	-
Total Operation Stonegarden	10,000	20,000	13,632	-	13,632	6,368
Ice Airport:						
Personnel Services	-	1,000	-	-	-	1,000
Total Ice Airport	-	1,000	-	-	-	1,000
Total Operating Expenditures	8,099,542	8,128,558	6,806,224	436,993	7,243,217	885,341
Capital Outlay	562,602	854,307	410,086	11,533	421,619	432,688
TOTAL EXPENDITURES	8,662,144	8,982,865	7,216,310	448,526	7,664,836	1,318,029
Excess (Deficiency) of Revenues Over Expenditures	(809,737)	(1,130,458)	701,329	(448,526)	252,803	1,383,261
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Noise Abatement Fund	600,000	600,000	600,000	-	600,000	-
Proceeds - Long Term Debt		321,721	321,720	-	321,720	(1)
Transfers Out:						
Airport Construction Fund	(680,326)	(2,569,215)	(2,569,381)	-	(2,569,381)	(166)
Sale of Assets	-	-	7,550	-	7,550	7,550
TOTAL OTHER FINANCING SOURCES (USES)	(80,326)	(1,647,494)	(1,640,111)	-	(1,640,111)	7,383
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(890,063)	(2,777,952)	(938,782)	(448,526)	(1,387,308)	1,390,644
Fund Balances at Beginning of Year	535,809	6,711,179	6,711,179	-	6,711,179	-
FUND BALANCE AT END OF YEAR	\$ (354,254)	3,933,227	5,772,397	(448,526)	5,323,871	1,390,644

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, 2018

	<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	\$ 3,753,944	3,753,944	4,123,814	-	4,123,814	369,870
Penalty and Interest	9,328	9,328	14,812	-	14,812	5,484
Investment Income:						
Interest Earnings	41,700	41,700	92,642	-	92,642	50,942
Miscellaneous:						
Reimbursements	-	-	150	-	150	150
TOTAL REVENUES	<u>3,804,972</u>	<u>3,804,972</u>	<u>4,231,418</u>	<u>-</u>	<u>4,231,418</u>	<u>426,446</u>
EXPENDITURES:						
Contractual Services:						
Administration	-	-	1,020	-	1,020	(1,020)
Tourism and Promotion	315,121	315,121	297,209	371	297,580	17,541
Historical and Arts	<u>1,166,934</u>	<u>1,166,934</u>	<u>308,448</u>	<u>47,008</u>	<u>355,456</u>	<u>811,478</u>
TOTAL EXPENDITURES	<u>1,482,055</u>	<u>1,482,055</u>	<u>606,677</u>	<u>47,379</u>	<u>654,056</u>	<u>827,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,322,917</u>	<u>2,322,917</u>	<u>3,624,741</u>	<u>(47,379)</u>	<u>3,577,362</u>	<u>1,254,445</u>
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
General Fund	(160,818)	(160,818)	(143,730)	-	(143,730)	17,088
Convention and Visitors Bureau	(3,297,333)	(3,297,333)	(2,836,482)	-	(2,836,482)	460,851
Recreation Fund	<u>(150,000)</u>	<u>(150,000)</u>	<u>(202,841)</u>	<u>-</u>	<u>(202,841)</u>	<u>(52,841)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,608,151)</u>	<u>(3,608,151)</u>	<u>(3,183,053)</u>	<u>-</u>	<u>(3,183,053)</u>	<u>425,098</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(1,285,234)</u>	<u>(1,285,234)</u>	<u>441,688</u>	<u>(47,379)</u>	<u>394,309</u>	<u>1,679,543</u>
Fund Balances at Beginning of Year	<u>4,808,190</u>	<u>4,965,155</u>	<u>4,965,155</u>	<u>-</u>	<u>4,965,155</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>3,522,956</u>	<u>3,679,921</u>	<u>5,406,843</u>	<u>(47,379)</u>	<u>5,359,464</u>	<u>1,679,543</u>

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, 2018

	<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:						
Peg Funds	\$ 305,925	305,925	333,394	-	333,394	27,469
Investment Income:						
Interest Earnings	5,100	5,100	14,434	-	14,434	9,334
TOTAL REVENUES	311,025	311,025	347,828	-	347,828	36,803
EXPENDITURES:						
Materials and Supplies	40,000	40,000	20,763	-	20,763	19,237
Other	735,507	735,507	-	-	-	735,507
Total Operating Expenditures	775,507	775,507	20,763	-	20,763	754,744
Capital Outlay	235,000	235,133	78,849	74,632	153,481	81,652
TOTAL EXPENDITURES	1,010,507	1,010,640	99,612	74,632	174,244	836,396
Excess (Deficiency) of Revenues Over Expenditures	(699,482)	(699,615)	248,216	(74,632)	173,584	873,199
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(699,482)	(699,615)	248,216	(74,632)	173,584	873,199
Fund Balances at Beginning of Year	699,482	847,576	847,576	-	847,576	-
FUND BALANCE AT END OF YEAR	\$ -	147,961	1,095,792	(74,632)	1,021,160	873,199

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, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Positive (Negative)
REVENUES:						
Intergovernmental Revenue:						
F.E.M.A.	\$ -	-	951	-	951	951
Fees and Collections	46,400	46,400	57,910	-	57,910	11,510
Investment Income:						
Interest Earnings	-	-	316	-	316	316
Miscellaneous:						
Contributions	108,000	108,000	66,699	-	66,699	(41,301)
Reimbursements	1,200	1,200	680	-	680	(520)
TOTAL REVENUES	155,600	155,600	126,556	-	126,556	(29,044)
EXPENDITURES:						
Personnel Services	749,181	749,181	767,098	-	767,098	(17,917)
Materials and Supplies	212,158	365,713	215,802	1,149	216,951	148,762
Contractual Services	2,534,794	2,481,513	1,844,009	279,437	2,123,446	358,067
Other	191,942	1	-	-	-	1
Total Operating Expenditures	3,688,075	3,596,408	2,826,909	280,586	3,107,495	488,913
Capital Outlay	-	75,000	49,620	24,398	74,018	982
TOTAL EXPENDITURES	3,688,075	3,671,408	2,876,529	304,984	3,181,513	489,895
Excess (Deficiency) of Revenues Over Expenditures	(3,532,475)	(3,515,808)	(2,749,973)	(304,984)	(3,054,957)	460,851
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	3,297,333	3,297,333	2,836,482	-	2,836,482	(460,851)
Transfers Outs:						
New Airport Terminal	-	(16,667)	(16,667)	-	(16,667)	-
TOTAL OTHER FINANCING SOURCES (USES)	3,297,333	3,280,666	2,819,815	-	2,819,815	(460,851)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(235,142)	(235,142)	69,842	(304,984)	(235,142)	-
Fund Balances at Beginning of Year	-	235,142	235,142	-	235,142	-
FUND BALANCE AT END OF YEAR	\$ (235,142)	-	304,984	(304,984)	-	-

CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	\$ 4,300	4,300	9,111	-	9,111	4,811
Charges for Services	-	-	10	-	10	10
Fees and Collections	358,030	358,030	407,329	-	407,329	49,299
Miscellaneous:						
Reimbursements	-	-	300	-	300	300
TOTAL REVENUES	362,330	362,330	416,750	-	416,750	54,420
EXPENDITURES:						
Personnel Services	77,008	77,008	113,124	-	113,124	(36,116)
Materials and Supplies	183,639	177,139	129,098	-	129,098	48,041
Contractual Services	143,215	264,715	246,239	2,791	249,030	15,685
Other	100,015	(14,985)	(5)	6,660	6,655	(21,640)
TOTAL EXPENDITURES	503,877	503,877	488,456	9,451	497,907	5,970
Excess (Deficiency) of Revenues Over Expenditures	(141,547)	(141,547)	(71,706)	(9,451)	(81,157)	60,390
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	150,000	150,000	202,841	-	202,841	52,841
Transfer Out:						
General Fund	(340,517)	(340,517)	(340,517)	-	(340,517)	-
TOTAL OTHER FINANCING SOURCES (USES)	(190,517)	(190,517)	(137,676)	-	(137,676)	52,841
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(332,064)	(332,064)	(209,382)	(9,451)	(218,833)	113,231
Fund Balances at Beginning of Year	697,268	655,506	655,506	-	655,506	-
FUND BALANCES AT END OF YEAR	\$ 365,204	323,442	446,124	(9,451)	436,673	113,231

**CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018**

	<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	572	-	572	272
License and Permits	9,000	9,000	5,412	-	5,412	(3,588)
Fines	600,000	600,000	473,562	-	473,562	(126,438)
Fees and Collections	1,381,315	1,381,315	1,105,193	-	1,105,193	(276,122)
Investment Income:						
Interest Earnings	12,800	12,800	27,473	-	27,473	14,673
Rents	-	-	51	-	51	51
Discount Earnings	-	-	456	-	456	456
Miscellaneous:						
Reimbursements	-	-	169	-	169	169
TOTAL REVENUES	2,003,415	2,003,415	1,612,888	-	1,612,888	(390,527)
EXPENDITURES:						
Personnel Services	1,052,945	1,052,945	997,196	-	997,196	55,749
Materials and Supplies	136,540	121,969	72,186	20,858	93,044	28,925
Contractual Services	498,113	537,752	379,136	114,500	493,636	44,116
Other	300,000	300,000	(614)	-	(614)	300,614
Total Operating Expenditures	1,987,598	2,012,666	1,447,904	135,358	1,583,262	429,404
Capital Outlay	112,852	87,852	20,220	-	20,220	67,632
TOTAL EXPENDITURES	2,100,450	2,100,518	1,468,124	135,358	1,603,482	497,036
Excess (Deficiency) of Revenues Over Expenditures	(97,035)	(97,103)	144,764	(135,358)	9,406	106,509
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Debt Service Fund	(189,689)	(189,689)	(189,689)	-	(189,689)	-
General Fund	(250,000)	(250,000)	(250,000)	-	(250,000)	-
Sale of Assets	-	-	1,926	-	1,926	1,926
TOTAL OTHER FINANCING SOURCES (USES)	(439,689)	(439,689)	(437,763)	-	(437,763)	1,926
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(536,724)	(536,792)	(292,999)	(135,358)	(428,357)	108,435
Fund Balances at Beginning of Year	1,752,561	1,768,738	1,768,738	-	1,768,738	-
FUND BALANCE AT END OF YEAR	\$ 1,215,837	1,231,946	1,475,739	(135,358)	1,340,381	108,435

CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	<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	\$ 7,289,865	7,289,865	7,131,277	-	7,131,277	(158,588)
Hazardous Materials Fees	305,000	319,000	324,992	-	324,992	5,992
Intergovernmental:						
Federal Emergency Management Agency	-	-	7,214	-	7,214	7,214
STDC Glass Pulverizer	50,000	50,000	-	-	-	(50,000)
TXDOT-Zacate Hike/Bike	1,000,000	1,000,000	46,000	-	46,000	(954,000)
TXDOT-River Vega Hike/Bike	718,903	718,903	-	-	-	(718,903)
Universities and Colleges	17,000	17,000	8,500	-	8,500	(8,500)
Investment Income:						
Interest Earnings	43,850	43,850	69,932	-	69,932	26,082
Rents	-	-	2	-	2	2
Discount Earnings	8,404	8,404	2,333	-	2,333	(6,071)
Miscellaneous:						
Contributions	30,975	30,975	-	-	-	(30,975)
Reimbursements	25	25	512	-	512	487
TOTAL REVENUES	9,464,022	9,478,022	7,590,762	-	7,590,762	(1,887,260)
EXPENDITURES:						
Administration:						
Personnel Services	262,096	262,096	261,900	-	261,900	196
Contractual Services	53,845	53,891	8,169	368	8,537	45,354
Other	-	-	30,146	(30,146)	-	-
Total Administration	315,941	315,987	300,215	(29,778)	270,437	45,550
Creek Cleaning:						
Personnel Services	983,716	878,516	744,931	-	744,931	133,585
Materials and Supplies	123,037	123,037	69,429	1,120	70,549	52,488
Contractual Services	249,358	354,558	338,696	6,423	345,119	9,439
Total Creek Cleaning	1,356,111	1,356,111	1,153,056	7,543	1,160,599	195,512
Stormwater:						
Personnel	848,349	848,349	744,475	-	744,475	103,874
Materials and Supplies	127,852	124,229	71,067	12,022	83,089	41,140
Contractual Services	1,663,194	1,669,572	1,413,588	132,607	1,546,195	123,377
Total Stormwater	2,639,395	2,642,150	2,229,130	144,629	2,373,759	268,391
CD Code Enforcement:						
Personnel Services	64,750	64,750	60,060	-	60,060	4,690
Materials and Supplies	610	610	322	80	402	208
Contractual Services	2,801	2,801	-	-	-	2,801
Total CD Code Enforcement	68,161	68,161	60,382	80	60,462	7,699
Hazardous Materials:						
Personnel Services	212,983	212,983	203,651	-	203,651	9,332
Materials and Supplies	7,571	7,571	5,303	-	5,303	2,268
Contractual Services	20,497	17,504	9,603	3,000	12,603	4,901
Total Hazardous Materials	241,051	238,058	218,557	3,000	221,557	16,501
STDC- Glass Pulverizer Project:						
Other	50,000	50,000	-	-	-	50,000
Total STDC-Glass Pulverizer Project	\$ 50,000	50,000	-	-	-	50,000

(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, 2018**

(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>
EXPENDITURES (Continued)						
Zacate Hike & Bike Trail:						
Other	\$ 1,250,000	-	-	-	-	-
Total Zacate Hike & Bike Trail	1,250,000	-	-	-	-	-
River Vega Hike:						
Other	897,378	65,265	-	-	-	65,265
Total River Vega Hike	897,378	65,265	-	-	-	65,265
Tree Fund:						
Other	30,975	30,975	-	-	-	30,975
Total Tree Fund	30,975	30,975	-	-	-	30,975
Storm Water Improvements:						
Contractual Services	896,853	947,328	506,027	261,199	767,226	180,102
Reserve Appropriation	576,989	526,514	-	-	-	526,514
Total Storm Water Improvements	1,473,842	1,473,842	506,027	261,199	767,226	706,616
2013 C.O. Issue:						
Contractual Services	-	69	1	-	1	68
Reserve Appropriation	191	5,396	-	-	-	5,396
Total 2013 C.O. Issue	191	5,465	1	-	1	5,464
2016 C.O. Issue:						
Contractual Services	-	896	895	-	895	1
Reserve Appropriation	50,879	50,198	-	-	-	50,198
Total 2016 C.O. Issue	50,879	51,094	895	-	895	50,199
Total Operating Expenditures	8,373,924	6,297,108	4,468,263	386,673	4,854,936	1,442,172
Capital Outlay	779,897	7,000,068	680,795	559,262	1,240,057	5,760,011
TOTAL EXPENDITURES	9,153,821	13,297,176	5,149,058	945,935	6,094,993	7,202,183
Excess (Deficiency) of Revenues Over Expenditures	310,201	(3,819,154)	2,441,704	(945,935)	1,495,769	5,314,923
OTHER FINANCING SOURCES (USES):						
Sale of Assets	4,000	4,000	3,460	-	3,460	(540)
Miscellaneous	6,908	-	-	-	-	-
Interest Earnings	43,971	5,776	64,006	-	64,006	58,230
Transfers Out:						
Debt Service	(2,523,729)	(2,523,729)	(2,538,491)	-	(2,538,491)	(14,762)
Keep Laredo Beautiful	(135,000)	(135,000)	(29,119)	-	(29,119)	105,881
TOTAL OTHER FINANCING SOURCES (USES)	(2,603,850)	(2,648,953)	(2,500,144)	-	(2,500,144)	148,809
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(2,293,649)	(6,468,107)	(58,440)	(945,935)	(1,004,375)	5,463,732
Fund Balances at Beginning of Year	4,037,419	8,504,334	8,504,334	(30,146)	8,474,188	(30,146)
FUND BALANCE AT END OF YEAR	\$ 1,743,770	2,036,227	8,445,894	(976,081)	7,469,813	5,433,586

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, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
REVENUES:						
Investment Income:						
Interest Earnings	\$ -	-	19	-	19	19
Miscellaneous:						
Contributions	25,000	25,000	6,006	-	6,006	(18,994)
TOTAL REVENUES	25,000	25,000	6,025	-	6,025	(18,975)
EXPENDITURES:						
Personnel Services	85,989	85,989	3,201	-	3,201	82,788
Materials and Supplies	47,665	45,665	19,809	16,048	35,857	9,808
Contractual Services	9,657	11,657	6,152	966	7,118	4,539
Other	27,721	27,721	-	-	-	27,721
TOTAL EXPENDITURES	171,032	171,032	29,162	17,014	46,176	124,856
Excess (Deficiency) of Revenues Over Expenditures	(146,032)	(146,032)	(23,137)	(17,014)	(40,151)	105,881
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	135,000	135,000	29,119	-	29,119	(105,881)
TOTAL OTHER FINANCING SOURCES (USES)	135,000	135,000	29,119	-	29,119	(105,881)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(11,032)	(11,032)	5,982	(17,014)	(11,032)	-
Fund Balances at Beginning of Year	-	11,032	11,032	-	11,032	-
FUND BALANCE AT END OF YEAR	\$ (11,032)	-	17,014	(17,014)	-	-

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, 2018

	<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	\$ -	-	887	-	887	887
Investment Income:						
Interest Earnings	6,000	6,000	9,792	-	9,792	3,792
Fees and Collections	40,150	40,150	33,893	-	33,893	(6,257)
Rents and Royalties	1,718,402	1,718,402	1,768,603	-	1,768,603	50,201
Discount Earnings	214	214	609	-	609	395
Miscellaneous:						
Reimbursements	6,305	6,305	109,714	-	109,714	103,409
TOTAL REVENUES	<u>1,771,071</u>	<u>1,771,071</u>	<u>1,923,498</u>	<u>-</u>	<u>1,923,498</u>	<u>152,427</u>
EXPENDITURES:						
Personnel Services	380,852	384,352	366,494	-	366,494	17,858
Materials and Supplies	168,919	166,319	151,395	9,945	161,340	4,979
Contractual Services	939,156	1,013,519	834,334	89,088	923,422	90,097
Other	75,263	-	17,394	(17,394)	-	-
TOTAL EXPENDITURES	<u>1,564,190</u>	<u>1,564,190</u>	<u>1,369,617</u>	<u>81,639</u>	<u>1,451,256</u>	<u>112,934</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>206,881</u>	<u>206,881</u>	<u>553,881</u>	<u>(81,639)</u>	<u>472,242</u>	<u>265,361</u>
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Airport Fund	(600,000)	(600,000)	(600,000)	-	(600,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>	<u>(600,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(393,119)</u>	<u>(393,119)</u>	<u>(46,119)</u>	<u>(81,639)</u>	<u>(127,758)</u>	<u>265,361</u>
Fund Balances at Beginning of Year	<u>367,946</u>	<u>345,068</u>	<u>345,068</u>	<u>(17,394)</u>	<u>327,674</u>	<u>(17,394)</u>
FUND BALANCES AT END OF YEAR	<u>\$ (25,173)</u>	<u>(48,051)</u>	<u>298,949</u>	<u>(99,033)</u>	<u>199,916</u>	<u>247,967</u>

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, 2018

	<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:						
Taxes:						
General Sales & Use Tax	\$ 8,047,315	8,047,315	8,302,249	-	8,302,249	254,934
Investment Income:						
Interest Earnings	163,200	163,200	412,470	-	412,470	249,270
Rents and Royalties	-	-	19,809	-	19,809	19,809
Miscellaneous:						
Contributions	-	-	60,000	-	60,000	60,000
Reimbursements	-	-	302	-	302	302
TOTAL REVENUES	8,210,515	8,210,515	8,794,830	-	8,794,830	584,315
EXPENDITURES:						
Personnel	175,151	193,765	213,043	-	213,043	(19,278)
Materials and Supplies	141,288	146,447	132,039	10,396	142,435	4,012
Contractual Services	357,375	567,505	489,698	75,304	565,002	2,503
Other	2,256,994	2,006,791	133,002	-	133,002	1,873,789
Total Operating Expenditures	2,930,808	2,914,508	967,782	85,700	1,053,482	1,861,026
Capital Outlay	7,181,307	11,197,607	1,103,663	547,561	1,651,224	9,546,383
TOTAL EXPENDITURES	10,112,115	14,112,115	2,071,445	633,261	2,704,706	11,407,409
Excess (Deficiency) of Revenues Over Expenditures	(1,901,600)	(5,901,600)	6,723,385	(633,261)	6,090,124	11,991,724
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	3,277,061	3,277,061	-	3,074,645	3,074,645	(202,416)
Conventions and Visitors	-	-	16,667	-	16,667	16,667
Transfers Out:						
Sports & Community Debt Service	(3,277,061)	(3,277,061)	-	(3,074,645)	(3,074,645)	202,416
Laredo Energy Arena Operations	(1,641,466)	(1,641,466)	(1,216,004)	-	(1,216,004)	425,462
Debt Service	(3,379,165)	(3,379,165)	(3,379,165)	-	(3,379,165)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,020,631)	(5,020,631)	(4,562,168)	-	(4,562,168)	458,463
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(6,922,231)	(10,922,231)	2,161,217	(633,261)	1,527,956	12,450,187
Fund Balances at Beginning of Year	12,752,404	24,854,899	24,854,899	-	24,854,899	-
FUND BALANCES AT END OF YEAR	\$ 5,830,173	13,932,668	27,016,116	(633,261)	26,382,855	12,450,187

CITY OF LAREDO, TEXAS
SAMES AUTO ARENA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Charges for Services	\$ 3,921,988	3,921,988	3,870,672	-	3,870,672	(51,316)
TOTAL REVENUES	3,921,988	3,921,988	3,870,672	-	3,870,672	(51,316)
EXPENDITURES:						
Contractual Services	5,563,454	5,563,454	5,068,837	-	5,068,837	494,617
TOTAL EXPENDITURES	5,563,454	5,563,454	5,068,837	-	5,068,837	494,617
Excess (Deficiency) of Revenues Over Expenditures	(1,641,466)	(1,641,466)	(1,198,165)	-	(1,198,165)	443,301
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	1,641,466	1,641,466	1,216,004	-	1,216,004	(425,462)
TOTAL OTHER FINANCING SOURCES (USES)	1,641,466	1,641,466	1,216,004	-	1,216,004	(425,462)
FUND BALANCES AT END OF YEAR	\$ -	-	17,839	-	17,839	17,839

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 3,517	733	4,250	4,478
Miscellaneous:				
Reimbursements	<u>681,195</u>	<u>-</u>	<u>681,195</u>	<u>656,828</u>
TOTAL REVENUES	<u>684,712</u>	<u>733</u>	<u>685,445</u>	<u>661,306</u>
EXPENDITURES:				
Contractual Services	50,721	25	50,746	57,109
Other	<u>105,066</u>	<u>-</u>	<u>105,066</u>	<u>121,197</u>
TOTAL EXPENDITURES	<u>155,787</u>	<u>25</u>	<u>155,812</u>	<u>178,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>528,925</u>	<u>708</u>	<u>529,633</u>	<u>483,000</u>
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
General Fund	<u>(483,000)</u>	<u>-</u>	<u>(483,000)</u>	<u>(483,000)</u>
TOTAL OTHER FINANCING SOURCES:	<u>(483,000)</u>	<u>-</u>	<u>(483,000)</u>	<u>(483,000)</u>
Net Change in Fund Balances	<u>\$ 45,925</u>	<u>708</u>	<u>46,633</u>	<u>-</u>
Fund Balances-Beginning		<u>45,925</u>		
Fund Balances-Ending		<u>\$ 46,633</u>		

CITY OF LAREDO, TEXAS
MAX MANDEL GOLF COURSE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Charges for Services	\$ 1,086,290	1,086,290	917,701	-	917,701	(168,589)
TOTAL REVENUES	1,086,290	1,086,290	917,701	-	917,701	(168,589)
EXPENDITURES:						
Contractual Services	1,580,896	1,580,896	1,497,915	-	1,497,915	82,981
Total Operating Expenditures	1,580,896	1,580,896	1,497,915	-	1,497,915	82,981
Debt Service:						
Principal	-	-	58,466	-	58,466	(58,466)
Interest	-	-	6,887	-	6,887	(6,887)
TOTAL EXPENDITURES	1,580,896	1,580,896	1,563,268	-	1,563,268	17,628
Excess (Deficiency) of Revenues Over Expenditures	(494,606)	(494,606)	(645,567)	-	(645,567)	(150,961)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	400,000	400,000	599,311	-	599,311	199,311
TOTAL OTHER FINANCING SOURCES (USES)	400,000	400,000	599,311	-	599,311	199,311
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(94,606)	(94,606)	(46,256)	-	(46,256)	48,350
Fund Balances at Beginning of Year	158,711	158,711	158,711	-	158,711	-
FUND BALANCE AT END OF YEAR	\$ 64,105	64,105	112,455	-	112,455	48,350

CITY OF LAREDO, TEXAS
PARKLAND ACQUISITION/PARK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	<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	\$ -	-	52,322	-	52,322	52,322
Investment Income:						
Interest Earnings	-	-	3,855	-	3,855	3,855
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>56,177</u>	<u>-</u>	<u>56,177</u>	<u>56,177</u>
Excess (Deficiency) of Revenues Over						
Expenditures	-	-	56,177	-	56,177	56,177
Fund Balances at Beginning of Year	-	-	226,929	-	226,929	226,929
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>283,106</u>	<u>-</u>	<u>283,106</u>	<u>283,106</u>

CITY OF LAREDO, TEXAS
SPECIAL FIRE GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Intergovernmental:						
Federal	\$ 5,712,952	5,712,952	834,839	-	834,839	(4,878,113)
TOTAL REVENUES	5,712,952	5,712,952	834,839	-	834,839	(4,878,113)
EXPENDITURES:						
Assistance to FF Grant (AFG)	400,000	400,000	-	-	-	400,000
SAFER Grant	1,786,178	1,786,178	1,115,126	-	1,115,126	671,052
Other	3,742,353	3,742,353	-	-	-	3,742,353
TOTAL EXPENDITURES	5,928,531	5,928,531	1,115,126	-	1,115,126	4,813,405
Excess (Deficiency) of Revenues Over Expenditures	(215,579)	(215,579)	(280,287)	-	(280,287)	(64,708)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	215,579	215,579	280,287	-	280,287	64,708
TOTAL OTHER FINANCING SOURCES (USES)	215,579	215,579	280,287	-	280,287	64,708
FUND BALANCES AT END OF YEAR	\$ -	-	-	-	-	-

CITY OF LAREDO, TEXAS
DOWNTOWN TIRZ NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Taxes:						
Property Taxes	\$ 246,186	246,186	264,727	-	264,727	18,541
TOTAL REVENUES	246,186	246,186	264,727	-	264,727	18,541
EXPENDITURES:						
Other	246,186	246,186	-	-	-	246,186
TOTAL EXPENDITURES	246,186	246,186	-	-	-	246,186
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	264,727	-	264,727	264,727
FUND BALANCES AT END OF YEAR	\$ -	-	264,727	-	264,727	264,727

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, 2018

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	\$ 8,500	8,500	22,036	-	22,036	13,536
Discount Earnings	-	-	230	-	230	230
Miscellaneous:						
Forfeitures	350,000	350,000	958,521	-	958,521	608,521
Reimbursements	-	-	2,263	-	2,263	2,263
TOTAL REVENUES	358,500	358,500	983,050	-	983,050	624,550
EXPENDITURES:						
Materials and Supplies	516,125	323,062	85,236	74,062	159,298	163,764
Contractual Services	202,865	293,929	186,851	47,205	234,056	59,873
Capital Outlay	28,860	130,860	89,651	5,210	94,861	35,999
TOTAL EXPENDITURES	747,850	747,851	361,738	126,477	488,215	259,636
Excess (Deficiency) of Revenues Over Expenditures	(389,350)	(389,351)	621,312	(126,477)	494,835	884,186
OTHER FINANCING SOURCES (USES):						
Sale of Assets	-	-	25,725	-	25,725	25,725
TOTAL OTHER FINANCING SOURCES (USES)	-	-	25,725	-	25,725	25,725
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(389,350)	(389,351)	647,037	(126,477)	520,560	909,911
Fund Balances at Beginning of Year	897,210	1,356,474	1,356,474	-	1,356,474	-
FUND BALANCES AT END OF YEAR	\$ 507,860	967,123	2,003,511	(126,477)	1,877,034	909,911

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 2,081,476	-	2,081,476	3,437,398
Investment Income:				
Interest Earnings	265	-	265	265
Miscellaneous:				
Contributions and Donations	-	-	-	4,030,189
TOTAL REVENUES	<u>2,081,741</u>	<u>-</u>	<u>2,081,741</u>	<u>7,467,852</u>
EXPENDITURES:				
Other	-	-	-	1,891,008
Capital Outlay	2,340,938	-	2,340,938	5,909,227
TOTAL EXPENDITURES	<u>2,340,938</u>	<u>-</u>	<u>2,340,938</u>	<u>7,800,235</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(259,197)</u>	<u>-</u>	<u>(259,197)</u>	<u>(332,383)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
2008 C.O. Bond	193,896	-	193,896	193,896
Capital Improvements	65,535	-	65,535	138,487
TOTAL OTHER FINANCING SOURCES:	<u>259,431</u>	<u>-</u>	<u>259,431</u>	<u>332,383</u>
Net Change in Fund Balances	<u>\$ 234</u>	<u>-</u>	<u>234</u>	<u>-</u>
Fund Balances-Beginning		<u>234</u>		
Fund Balances-Ending		<u>\$ 234</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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ -	92,734	92,734	480,000
State	2,051,306	129,199	2,180,505	19,283,624
Investment Income:				
Interest Earnings	46	21	67	45
TOTAL REVENUES	<u>2,051,352</u>	<u>221,954</u>	<u>2,273,306</u>	<u>19,763,669</u>
EXPENDITURES:				
Other	-	-	-	245,007
Capital Outlay	2,442,523	275,310	2,717,833	22,883,365
TOTAL EXPENDITURES	<u>2,442,523</u>	<u>275,310</u>	<u>2,717,833</u>	<u>23,128,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(391,171)</u>	<u>(53,356)</u>	<u>(444,527)</u>	<u>(3,364,703)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	397	-	397	1,427,224
2012 C.O. Bond	349,246	-	349,246	609,219
2015 C.O. Bond	26,529	30,194	56,723	1,193,260
2016 C.O. Bond	15,000	23,183	38,183	135,000
TOTAL OTHER FINANCING SOURCES:	<u>391,172</u>	<u>53,377</u>	<u>444,549</u>	<u>3,364,703</u>
Net Change in Fund Balances	\$ <u><u>1</u></u>	<u>21</u>	<u>22</u>	<u>-</u>
Fund Balances-Beginning		<u>1</u>		
Fund Balances-Ending		\$ <u><u>22</u></u>		

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 41,042	26,394	67,436	46,583
Miscellaneous:				
Other	46,001	-	46,001	35,580
TOTAL REVENUES	87,043	26,394	113,437	82,163
EXPENDITURES:				
Materials and Supplies	544,488	8,750	553,238	553,243
Contractual Services	166,713	42,805	209,518	1,495,273
Other	-	-	-	24,241
Bond Costs	243,797	-	243,797	248,715
Capital Outlay	12,552,310	415,065	12,967,375	13,025,617
TOTAL EXPENDITURES	13,507,308	466,620	13,973,928	15,347,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,420,265)	(440,226)	(13,860,491)	(15,264,926)
OTHER FINANCING SOURCES (USES):				
Bond Issues	13,407,000	-	13,407,000	13,407,000
Bond Premium	1,846,930	-	1,846,930	1,846,926
Transfers Out:				
Debt Service Fund	(11,331)	-	(11,331)	-
Sale of Assets	11,000	-	11,000	11,000
TOTAL OTHER FINANCING SOURCES:	15,253,599	-	15,253,599	15,264,926
Net Change in Fund Balances	\$ 1,833,334	(440,226)	1,393,108	-
Fund Balances-Beginning		1,833,334		
Fund Balances-Ending		\$ 1,393,108		

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, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,338,638	369	1,339,007	1,339,454
Other	332,095	-	332,095	332,095
TOTAL REVENUES	1,670,733	369	1,671,102	1,671,549
EXPENDITURES:				
Materials and Supplies	96,653	-	96,653	96,654
Contractual Services	1,106,820	6	1,106,826	39,278
Other	-	-	-	410
Bond Costs	520,293	-	520,293	520,293
Capital Outlay	31,760,652	15,062	31,775,714	32,843,299
TOTAL EXPENDITURES	33,484,418	15,068	33,499,486	33,499,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,813,685)	(14,699)	(31,828,384)	(31,828,385)
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
Sale of Assets	302,006	-	302,006	302,005
Transfer In:				-
2010 C.O. Bond Issue	1,500,000	-	1,500,000	1,500,000
Transfers Out:				
Debt Service	(299,620)	(1)	(299,621)	(299,620)
Parks Capital Grant	(193,897)	-	(193,897)	(193,896)
Capital Grants Fund	(397)	-	(397)	(397)
TOTAL OTHER FINANCING SOURCES:	31,828,385	(1)	31,828,384	31,828,385
Net Change in Fund Balances	\$ 14,700	(14,700)	-	-
Fund Balances-Beginning		14,700		
Fund Balances-Ending		\$ -		

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, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 248,961	2,953	251,914	251,666
Other	71,944	-	71,944	71,943
TOTAL REVENUES	320,905	2,953	323,858	323,609
EXPENDITURES:				
Materials and Supplies	49,149	-	49,149	49,150
Contractual Services	185,551	983	186,534	24,948
Other	-	-	-	3,431
Debt Service	480,247	-	480,247	480,248
Capital Outlay	26,942,145	10,743	26,952,888	27,258,579
TOTAL EXPENDITURES	27,657,092	11,726	27,668,818	27,816,356
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,336,187)	(8,773)	(27,344,960)	(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	\$ 156,560	(8,773)	147,787	-
Fund Balances-Beginning		156,560		
Fund Balances-Ending		\$ 147,787		

**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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 52,655	4,448	57,103	49,144
Miscellaneous:				
Reimbursements	30,499	-	30,499	-
TOTAL REVENUES	83,154	4,448	87,602	49,144
EXPENDITURES:				
Materials and Supplies	86,423	-	86,423	86,423
Contractual Services	146,836	635	147,471	150,076
Bond Cost	166,174	-	166,174	166,175
Capital Outlay	3,329,933	2,150	3,332,083	3,332,087
TOTAL EXPENDITURES	3,729,366	2,785	3,732,151	3,734,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,646,212)	1,663	(3,644,549)	(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	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Improvements Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Grants	(739,836)	-	(739,836)	(1,000,000)
TOTAL OTHER FINANCING SOURCES:	3,945,781	-	3,945,781	3,685,617
Net Change in Fund Balances	\$ 299,569	1,663	301,232	-
Fund Balances-Beginning		299,569		
Fund Balances-Ending		\$ 301,232		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2014 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 27,275	6,346	33,621	28,928
TOTAL REVENUES	27,275	6,346	33,621	28,928
EXPENDITURES:				
Materials and Supplies	213	-	213	-
Contractual Services	20,736	1,020	21,756	5,068
Other	-	-	-	4,140
Bond Cost	128,366	-	128,366	135,366
Capital Outlay	5,602,086	31,858	5,633,944	6,021,083
TOTAL EXPENDITURES	5,751,401	32,878	5,784,279	6,165,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,724,126)	(26,532)	(5,750,658)	(6,136,729)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	5,600,000	-	5,600,000	5,600,000
Bond Premium	536,729	-	536,729	536,729
TOTAL OTHER FINANCING SOURCES:	6,136,729	-	6,136,729	6,136,729
Net Change in Fund Balances	\$ 412,603	(26,532)	386,071	-
Fund Balances-Beginning		412,603		
Fund Balances-Ending		\$ 386,071		

CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 2015 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 112,441	93,358	205,799	127,075
Miscellaneous:				
Reimbursements	145,581	-	145,581	136,319
TOTAL REVENUES	258,022	93,358	351,380	263,394
EXPENDITURES:				
Materials and Supplies	89,583	-	89,583	90,532
Contractual Services	862,083	24,937	887,020	768,355
Other	-	-	-	19,779
Bond Cost	219,742	-	219,742	219,742
Capital Outlay	8,209,674	993,133	9,202,807	12,567,263
TOTAL EXPENDITURES	9,381,082	1,018,070	10,399,152	13,665,671
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,123,060)	(924,712)	(10,047,772)	(13,402,277)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	14,790,000	-	14,790,000	14,790,000
Bond Premium	969,031	-	969,031	969,031
Transfers Out:				
Capital Improvements Fund	(838,455)	(13,816)	(852,271)	(1,163,494)
Capital Grants	(26,529)	(30,194)	(56,723)	(1,193,260)
TOTAL OTHER FINANCING SOURCES:	14,894,047	(44,010)	14,850,037	13,402,277
Net Change in Fund Balances	\$ 5,770,987	(968,722)	4,802,265	-
Fund Balances-Beginning		5,770,987		
Fund Balances-Ending		\$ 4,802,265		

**CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 2016 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 181,520	229,328	410,848	232,373
Discount Earnings	4	333	337	4
Miscellaneous				
Reimbursements	37,678	1,000	38,678	37,678
TOTAL REVENUES	219,202	230,661	449,863	270,055
EXPENDITURES:				
Contractual Services	38,265	85,159	123,424	139,587
Other	-	-	-	356,480
Bond Cost	339,481	-	339,481	339,481
Capital Outlay	7,069,903	5,348,234	12,418,137	23,883,988
TOTAL EXPENDITURES	7,447,649	5,433,393	12,881,042	24,719,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,228,447)	(5,202,732)	(12,431,179)	(24,449,481)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	21,378,000	-	21,378,000	21,378,000
Bond Premium	3,206,481	-	3,206,481	3,206,481
Transfers Out:				
Capital Grants	(15,000)	(23,183)	(38,183)	(135,000)
TOTAL OTHER FINANCING SOURCES:	24,569,481	(23,183)	24,546,298	24,449,481
Net Change in Fund Balances	\$ 17,341,034	(5,225,915)	12,115,119	-
Fund Balances-Beginning		17,341,034		
Fund Balances-Ending		\$ 12,115,119		

**CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2017 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ -	204,888	204,888	-
Discount Earnings	-	198	198	-
TOTAL REVENUES	<u>-</u>	<u>205,086</u>	<u>205,086</u>	<u>-</u>
EXPENDITURES:				
Contractual Services	-	295,182	295,182	-
Bond Cost	-	236,232	236,232	243,414
Capital Outlay	-	6,653,460	6,653,460	16,860,062
TOTAL EXPENDITURES	<u>-</u>	<u>7,184,874</u>	<u>7,184,874</u>	<u>17,103,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(6,979,788)</u>	<u>(6,979,788)</u>	<u>(17,103,476)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	14,810,000	14,810,000	14,810,000
Bond Premium	-	2,293,476	2,293,476	2,293,476
TOTAL OTHER FINANCING SOURCES:	<u>-</u>	<u>17,103,476</u>	<u>17,103,476</u>	<u>17,103,476</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>10,123,688</u>	<u>10,123,688</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		<u>\$ 10,123,688</u>		

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, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
FAA Grants	\$ 18,952,847	8,619,138	27,571,985	42,163,807
Texas Department of Transportation	49,996	50,000	99,996	100,000
Investment Income:				
Interest Earnings	118,302	65,363	183,665	142,258
Miscellaneous:				
Other	471,563	617	472,180	378,206
TOTAL REVENUES	<u>19,592,708</u>	<u>8,735,118</u>	<u>28,327,826</u>	<u>42,784,271</u>
EXPENDITURES:				
Personnel	183,359	192,323	375,682	1,026,678
Materials and Supplies	395,301	56,853	452,154	458,531
Contractual Services	3,347,958	2,752,844	6,100,802	8,473,643
Other	(2)	118	116	11,539,946
Bond Cost	95,000	-	95,000	95,000
Capital Outlay	24,290,701	6,771,386	31,062,087	41,200,028
TOTAL EXPENDITURES	<u>28,312,317</u>	<u>9,773,524</u>	<u>38,085,841</u>	<u>62,793,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,719,609)</u>	<u>(1,038,406)</u>	<u>(9,758,015)</u>	<u>(20,009,555)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Bond Issues	4,095,000	-	4,095,000	4,095,000
Sale of Assets	863,167	-	863,167	863,167
Transfers In:				
General Fund	787,986	-	787,986	787,985
International Airport	9,932,303	2,569,381	12,501,684	12,501,684
Capital Improvements Fund	\$ -	-	-	3,800,000

(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, 2018

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
Debt Service	\$ -	(31,670)	(31,670)	-
Airport Construction	<u>(2,008,374)</u>	<u>-</u>	<u>(2,008,374)</u>	<u>(2,038,281)</u>
TOTAL OTHER FINANCING SOURCES:	<u>13,670,082</u>	<u>2,537,711</u>	<u>16,207,793</u>	<u>20,009,555</u>
Net Change in Fund Balances	\$ <u>4,950,473</u>	1,499,305	<u>6,449,778</u>	<u>-</u>
Fund Balances-Beginning		<u>4,950,473</u>		
Fund Balances-Ending		\$ <u>6,449,778</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, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 3,272,819	1,233,825	4,506,644	1,694,888
State	1,958,651	55,263	2,013,914	2,845,747
Other	-	125,000	125,000	125,000
Investment Income:				
Interest Earnings	4,773,000	511,189	5,284,189	4,933,501
Discount Earnings	-	11	11	-
Miscellaneous:				
Contribution	4,273,573	-	4,273,573	4,111,047
Other	12,840,281	357,247	13,197,528	13,013,647
TOTAL REVENUES	27,118,324	2,282,535	29,400,859	26,723,830
EXPENDITURES:				
Materials and Supplies	78,121	27,054	105,175	111,773
Contractual Services	3,532,139	74,396	3,606,535	5,689,982
Other	-	26,669	26,669	13,872,140
Capital Outlay	6,636,111	1,191,372	7,827,483	10,494,781
TOTAL EXPENDITURES	10,246,371	1,319,491	11,565,862	30,168,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,871,953	963,044	17,834,997	(3,444,846)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	-	-	-	856,633
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	62,088
2008 C.O. Issue	-	-	-	299,620
2010 C.O. Issue	750,000	-	750,000	750,000
2012 C.O. Issue	1,500,000	-	1,500,000	1,500,000
2015 C.O. Issue	838,455	13,816	852,271	1,163,494
Bridge System	\$ 8,045,191	11,037,645	19,082,836	13,863,791

(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, 2018**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ -	(3,899,413)	(3,899,413)	(13,092,812)
Civic Center	(54,101)	-	(54,101)	(54,101)
Parks Capital Grants	(65,535)	-	(65,535)	(138,487)
Capital Grants Fund	(557,623)	-	(557,623)	(1,984,450)
Airport Construction Fund	-	-	-	(3,800,000)
TOTAL OTHER FINANCING SOURCES:	<u>14,537,545</u>	<u>7,152,048</u>	<u>21,689,593</u>	<u>3,444,846</u>
Net Change in Fund Balances	\$ <u>31,409,498</u>	8,115,092	<u>39,524,590</u>	<u>-</u>
Fund Balances-Beginning		<u>31,409,498</u>		
Fund Balances-Ending		\$ <u><u>39,524,590</u></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, 2018

	<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	\$ 600	600	1,174	-	1,174	574
TOTAL REVENUES	<u>600</u>	<u>600</u>	<u>1,174</u>	<u>-</u>	<u>1,174</u>	<u>574</u>
EXPENDITURES:						
Materials and Supplies	18,000	18,000	-	-	-	18,000
TOTAL EXPENDITURES	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,400)	(17,400)	1,174	-	1,174	18,574
Fund Balances at Beginning of Year	24,353	74,416	74,416	-	74,416	-
FUND BALANCES AT END OF YEAR	<u>\$ 6,953</u>	<u>57,016</u>	<u>75,590</u>	<u>-</u>	<u>75,590</u>	<u>18,574</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, 2018

	<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	\$ -	-	400	-	400
Equity in Investment Pool	24,530	58,256	6,682	9,555	99,023
Investments	3,234,551	7,670,320	864,843	1,242,197	13,011,911
Accounts Receivable	-	-	3,693	20,000	23,693
Due from Other Funds	-	-	-	786,414	786,414
Accrued Interest Receivable	23,646	56,074	6,322	9,081	95,123
Inventory	-	-	544,577	-	544,577
Prepaid items	240,000	9,760	-	-	249,760
Total Current Assets	<u>3,522,727</u>	<u>7,794,410</u>	<u>1,426,517</u>	<u>2,067,247</u>	<u>14,810,901</u>
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	419,493	-	420,681
Improvements	-	-	11,391	8,225	19,616
Machinery and Equipment	46,719	17,217	496,731	5,204,227	5,764,894
Transportation Vehicles and Equipment	101,568	-	8,710,414	94,955	8,906,937
Less Accumulated Depreciation	<u>(73,849)</u>	<u>(17,217)</u>	<u>(9,060,202)</u>	<u>(1,717,319)</u>	<u>(10,868,587)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>75,626</u>	<u>-</u>	<u>577,827</u>	<u>3,590,088</u>	<u>4,243,541</u>
TOTAL ASSETS	<u>3,598,353</u>	<u>7,794,410</u>	<u>2,004,344</u>	<u>5,657,335</u>	<u>19,054,442</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	508,526	669,093	909,679	156,476	2,243,774
Claims and Judgments Payable	1,290,745	3,251,952	-	-	4,542,697
Accrued Wages and Employee Benefits	17,119	8,034	41,028	40,617	106,798
Compensated Absences	19,449	2,938	39,952	43,811	106,150
Capital Lease Obligation	-	-	-	786,414	786,414
Total Current Liabilities	<u>1,835,839</u>	<u>3,932,017</u>	<u>990,659</u>	<u>1,027,318</u>	<u>7,785,833</u>
Noncurrent Liabilities:					
Due to Other Funds	-	-	-	786,414	786,414
Capital Lease Obligations	-	-	-	1,620,087	1,620,087
Compensated Absences	<u>37,318</u>	<u>5,288</u>	<u>83,246</u>	<u>122,631</u>	<u>248,483</u>
Total Noncurrent Liabilities	<u>37,318</u>	<u>5,288</u>	<u>83,246</u>	<u>2,529,132</u>	<u>2,654,984</u>
TOTAL LIABILITIES	<u>1,873,157</u>	<u>3,937,305</u>	<u>1,073,905</u>	<u>3,556,450</u>	<u>10,440,817</u>
NET POSITION					
Net Investment in Capital Assets	75,626	-	577,827	1,183,587	1,837,040
Unrestricted	<u>1,649,570</u>	<u>3,857,105</u>	<u>352,612</u>	<u>917,298</u>	<u>6,776,585</u>
TOTAL NET POSITION	<u>\$ 1,725,196</u>	<u>3,857,105</u>	<u>930,439</u>	<u>2,100,885</u>	<u>8,613,625</u>

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year ended September 30, 2018

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
OPERATING REVENUES:					
Charges for Services	\$ 7,384,249	27,687,513	9,827,745	4,283,352	49,182,859
Rents	-	-	50	-	50
Reimbursements	50,274	1,069,785	132,725	67,516	1,320,300
TOTAL OPERATING REVENUES	7,434,523	28,757,298	9,960,520	4,350,868	50,503,209
OPERATING EXPENSES:					
Cost of Services	4,367,816	25,128,748	6,763,367	901,979	37,161,910
Personnel Services	920,623	307,862	2,403,341	1,439,393	5,071,219
Materials and Supplies	80,059	3,582	96,216	301,260	481,117
Contractual Services	779,007	1,892,350	1,033,191	461,828	4,166,376
Other	-	-	-	62	62
Depreciation	14,402	-	162,443	464,602	641,447
TOTAL OPERATING EXPENSES	6,161,907	27,332,542	10,458,558	3,569,124	47,522,131
Operating Income (Loss)	1,272,616	1,424,756	(498,038)	781,744	2,981,078
NON-OPERATING REVENUES (EXPENSES):					
Investment Income:					
Interest Earnings	44,614	80,973	10,560	11,649	147,796
Discount Earnings	-	-	5,259	-	5,259
Interest Expense	-	-	-	(63,233)	(63,233)
Gain/(Loss) on Sale of Assets	-	-	(2,244)	-	(2,244)
TOTAL NON-OPERATING REVENUES (EXPENSES)	44,614	80,973	13,575	(51,584)	87,578
Income Before Contributions and Transfers	1,317,230	1,505,729	(484,463)	730,160	3,068,656
OPERATING TRANSFERS IN/(OUT):					
Transfers In	390,852	-	-	-	390,852
Transfers Out	(2,500,000)	(390,852)	-	-	(2,890,852)
TOTAL OPERATING TRANSFERS IN/(OUT)	(2,109,148)	(390,852)	-	-	(2,500,000)
Change in Net Position	(791,918)	1,114,877	(484,463)	730,160	568,656
Total Net Position - Beginning	2,517,114	2,742,228	1,414,902	1,370,725	8,044,969
TOTAL NET POSITION- ENDING	\$ 1,725,196	3,857,105	930,439	2,100,885	8,613,625

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2018

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 50,274	26,062,380	130,378	135,882	26,378,914
Receipts from interfund services provided	7,384,249	2,694,918	9,827,745	4,205,736	24,112,648
Payment to suppliers	(5,092,780)	(27,386,694)	(6,962,621)	(1,394,314)	(40,836,409)
Payment to employees	(916,037)	(305,573)	(2,439,738)	(1,408,956)	(5,070,304)
Payment for interfund services used	(393,943)	(3,317)	(651,084)	(194,775)	(1,243,119)
Net cash provided (used) by operating activities	1,031,763	1,061,714	(95,320)	1,343,573	3,341,730
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	390,852	-	-	-	390,852
Transfer to Other Funds	(2,500,000)	(390,852)	-	-	(2,890,852)
Net cash provided (used) by noncapital and related financing activities	(2,109,148)	(390,852)	-	-	(2,500,000)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(27,457)	-	(18,000)	(67,345)	(112,802)
Principle Paid on capital debt	-	-	-	(771,069)	(771,069)
Interest Paid on capital debt	-	-	-	(63,233)	(63,233)
Proceeds from sales of capital assets	-	-	5,138	-	5,138
Net cash provided (used) by capital and related financing activities	(27,457)	-	(12,862)	(901,647)	(941,966)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	1,059,354	(716,711)	94,356	(443,948)	(6,949)
Interest and dividends received	42,534	59,827	14,315	6,578	123,254
Net cash provided (used) by investing activities	1,101,888	(656,884)	108,671	(437,370)	116,305
Net increase (decrease) in cash and cash equivalents	(2,954)	13,978	489	4,556	16,069
Cash and cash equivalents - October 1	27,484	44,278	6,593	4,999	83,354
Cash and cash equivalents - September 30	\$ 24,530	58,256	7,082	9,555	99,423
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	\$ 1,272,616	1,424,756	(498,038)	781,744	2,981,078
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	14,402	-	162,443	464,602	641,447
(Increase) decrease in accounts receivable	-	-	(2,397)	(9,250)	(11,647)
(Increase) decrease in inventories	-	-	(94,968)	-	(94,968)
(Increase) decrease in prepaid items	(39,000)	-	-	-	(39,000)
Increase (decrease) in accounts payable	29,760	(124,707)	374,038	76,040	355,131
Increase (decrease) in compensated absences payable	6,287	1,302	(32,014)	15,555	(8,870)
Increase (decrease) in accrued wages and employee benefits	(1,701)	987	(4,384)	14,882	9,784
Increase (decrease) in claims and judgements payable	(250,601)	(240,624)	-	-	(491,225)
Total adjustments	(240,853)	(363,042)	402,718	561,829	360,652
Net cash provided by operating activities	\$ 1,031,763	1,061,714	(95,320)	1,343,573	3,341,730
Noncash investing, capital, and financing activities:					
Disposition of Assets	-	-	7,382	-	7,382

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Budget</u>				
OPERATING REVENUES:						
Charges for Services	\$ 6,985,094	6,985,094	7,384,249	-	7,384,249	399,155
Reimbursements	-	-	50,274	-	50,274	50,274
TOTAL OPERATING REVENUES	6,985,094	6,985,094	7,434,523	-	7,434,523	449,429
OPERATING EXPENSES:						
Cost of Services	4,143,341	4,575,448	4,367,816	-	4,367,816	207,632
Personnel Services	1,035,112	1,028,262	920,623	(6,287)	914,336	113,926
Materials and Supplies	130,659	122,867	80,059	-	80,059	42,808
Contractual Services	886,981	881,631	779,007	-	779,007	102,624
Other	500,000	59,885	-	-	-	59,885
Capital Outlay	-	28,000	-	27,457	27,457	543
Depreciation	-	-	14,402	(14,402)	-	-
TOTAL OPERATING EXPENSES	6,696,093	6,696,093	6,161,907	6,768	6,168,675	527,418
Operating Income (Loss)	289,001	289,001	1,272,616	(6,768)	1,265,848	976,847
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	38,300	38,300	44,614	-	44,614	6,314
TOTAL NON-OPERATING REVENUES (EXPENSES)	38,300	38,300	44,614	-	44,614	6,314
Income (Loss) Before Contributions and Transfers	327,301	327,301	1,317,230	(6,768)	1,310,462	983,161
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	390,852	390,852	390,852	-	390,852	-
Transfers Out:						
General Fund	(2,500,000)	(2,500,000)	(2,500,000)	-	(2,500,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(2,109,148)	(2,109,148)	(2,109,148)	-	(2,109,148)	-
Change in Net Position	(1,781,847)	(1,781,847)	(791,918)	(6,768)	(798,686)	983,161
Total Net Position - Beginning	2,517,114	2,517,114	2,517,114	-	2,517,114	-
TOTAL NET POSITION - ENDING	\$ 735,267	735,267	1,725,196	(6,768)	1,718,428	983,161

**CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 50,274
Receipts from interfund services provided	7,384,249
Payment to suppliers	(5,092,780)
Payment to employees	(916,037)
Payment for interfund services used	<u>(393,943)</u>
Net cash provided (used) by operating activities	<u>1,031,763</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	390,852
Transfer to other funds	<u>(2,500,000)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(2,109,148)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	<u>(27,457)</u>
Net cash provided (used) by capital and related financing activities	<u>(27,457)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	1,059,354
Interest and dividends received	<u>42,534</u>
Net cash provided (used) by investing activities	<u>1,101,888</u>

Net increase (decrease) in cash and cash equivalents	<u>(2,954)</u>
Cash and cash equivalents - October 1	<u>27,484</u>

Cash and cash equivalents - September 30	<u>\$ 24,530</u>

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

Operating income	\$ <u>1,272,616</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	14,402
(Increase) decrease in prepaid items	(39,000)
Increase (decrease) in accounts payable	29,760
Increase (decrease) in compensated absences payable	6,287
Increase (decrease) in accrued wages and employee benefits	(1,701)
Increase (decrease) in claims and judgments payable	<u>(250,601)</u>
Total adjustments	<u>(240,853)</u>
Net cash provided by operating activities	<u>\$ 1,031,763</u>

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2018

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 26,928,466	26,928,466	27,687,513	-	27,687,513	759,047
Reimbursements	456,026	456,026	1,069,785	-	1,069,785	613,759
TOTAL OPERATING REVENUES	27,384,492	27,384,492	28,757,298	-	28,757,298	1,372,806
OPERATING EXPENSES:						
Cost of Services	26,351,996	26,302,409	25,128,748	-	25,128,748	1,173,661
Personnel Services	318,824	320,126	307,862	(1,302)	306,560	13,566
Materials and Supplies	7,700	7,700	3,582	-	3,582	4,118
Contractual Services	1,881,908	1,930,193	1,892,350	-	1,892,350	37,843
Other	48,630	48,630	-	-	-	48,630
TOTAL OPERATING EXPENSES	28,609,058	28,609,058	27,332,542	(1,302)	27,331,240	1,277,818
Operating Income (Loss)	(1,224,566)	(1,224,566)	1,424,756	1,302	1,426,058	2,650,624
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	51,000	51,000	80,973	-	80,973	29,973
TOTAL NON-OPERATING REVENUES (EXPENSES)	51,000	51,000	80,973	-	80,973	29,973
Income Before Contributions and Transfers	(1,173,566)	(1,173,566)	1,505,729	1,302	1,507,031	2,680,597
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
Risk Management Fund	(390,852)	(390,852)	(390,852)	-	(390,852)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(390,852)	(390,852)	(390,852)	-	(390,852)	-
Change in Net Position	(1,564,418)	(1,564,418)	1,114,877	1,302	1,116,179	2,680,597
Total Net Position - Beginning	2,742,228	2,742,228	2,742,228	-	2,742,228	-
TOTAL NET POSITION-ENDING	\$ 1,177,810	1,177,810	3,857,105	1,302	3,858,407	2,680,597

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 26,062,380
Receipts from interfund services provided	2,694,918
Payment to suppliers	(27,386,694)
Payment to employees	(305,573)
Payment for interfund services used	<u>(3,317)</u>
Net cash provided (used) by operating activities	<u>1,061,714</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(390,852)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(390,852)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(716,711)
Interest and dividends received	<u>59,827</u>
Net cash provided (used) by investing activities	<u>(656,884)</u>

Net increase (decrease) in cash and cash equivalents	13,978
Cash and cash equivalents - October 1	<u>44,278</u>
Cash and cash equivalents - September 30	\$ <u>58,256</u>

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

Operating income	\$ <u>1,424,756</u>
Adjustments to reconcile operating income to net cash provided (used)	
Increase (decrease) in accounts payable	(124,707)
Increase (decrease) in compensated absences payable	1,302
Increase (decrease) in accrued wages and employee benefits	987
Increase (decrease) in claims and judgements payable	<u>(240,624)</u>
Total adjustments	<u>(363,042)</u>
Net cash provided by operating activities	\$ <u>1,061,714</u>

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2018

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 11,090,765	11,090,765	9,827,745	-	9,827,745	(1,263,020)
Rents	-	-	50	-	50	50
Reimbursements	225,000	225,000	132,725	-	132,725	(92,275)
TOTAL OPERATING REVENUES	11,315,765	11,315,765	9,960,520	-	9,960,520	(1,355,245)
OPERATING EXPENSES:						
Cost of Services	7,816,765	8,203,730	6,763,367	-	6,763,367	1,440,363
Personnel Services	2,517,148	2,517,148	2,403,341	32,014	2,435,355	81,793
Materials and Supplies	118,221	124,402	96,216	-	96,216	28,186
Contractual Services	1,325,167	1,175,835	1,033,191	-	1,033,191	142,644
Other	83,204	204	-	-	-	204
Capital Outlay	-	26,000	-	18,000	18,000	8,000
Depreciation	-	-	162,443	(162,443)	-	-
TOTAL OPERATING EXPENSES	11,860,505	12,047,319	10,458,558	(112,429)	10,346,129	1,701,190
Operating Income (Loss)	(544,740)	(731,554)	(498,038)	112,429	(385,609)	345,945
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	6,000	6,000	10,560	-	10,560	4,560
Discount Earnings	-	-	5,259	-	5,259	5,259
Gain/(Loss) on Sale of Assets	-	-	(2,244)	7,382	5,138	5,138
TOTAL NON-OPERATING REVENUES (EXPENSES)	6,000	6,000	13,575	7,382	20,957	14,957
Change in Net Position	(538,740)	(725,554)	(484,463)	119,811	(364,652)	360,902
Total Net Position - Beginning	1,414,902	1,414,902	1,414,902	-	1,414,902	-
TOTAL NET POSITION- ENDING	\$ 876,162	689,348	930,439	119,811	1,050,250	360,902

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 130,378
Receipts from interfund services provided	9,827,745
Payment to suppliers	(6,962,621)
Payment to employees	(2,439,738)
Payment for interfund services used	<u>(651,084)</u>
Net cash provided (used) by operating activities	<u>(95,320)</u>

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

Purchase of capital assets	(18,000)
Proceeds from sales of capital assets	<u>5,138</u>
Net cash provided (used) by capital and related financing activities	<u>(12,862)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	94,356
Interest and dividends received	<u>14,315</u>
Net cash provided (used) by investing activities	<u>108,671</u>

Net increase (decrease) in cash and cash equivalents	489
Cash and cash equivalents - October 1	<u>6,593</u>
Cash and cash equivalents - September 30	\$ <u><u>7,082</u></u>

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

Operating income	\$ <u>(498,038)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	162,443
(Increase) decrease in accounts receivable	(2,397)
(Increase) decrease in inventories	(94,968)
Increase (decrease) in accounts payable	374,038
Increase (decrease) in compensated absences payable	(32,014)
Increase (decrease) in accrued wages and employee benefits	<u>(4,384)</u>
Total adjustments	<u>402,718</u>

Net cash provided by operating activities	\$ <u><u>(95,320)</u></u>

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

Dispositions of assets	7,382

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2018

	<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	\$ 4,540,840	4,540,840	4,283,352	-	4,283,352	(257,488)
Reimbursements	58,287	58,287	67,516	-	67,516	9,229
TOTAL OPERATING REVENUES	4,599,127	4,599,127	4,350,868	-	4,350,868	(248,259)
OPERATING EXPENSES:						
Cost of Services	885,346	957,529	901,979	-	901,979	55,550
Personnel Services	1,536,247	1,536,247	1,439,393	-	1,439,393	96,854
Materials and Supplies	364,314	344,042	301,260	(15,555)	285,705	58,337
Contractual Services	966,984	785,721	461,828	-	461,828	323,893
Other	207,984	207,984	62	-	62	207,922
Capital Outlay	119,735	249,087	-	67,345	67,345	181,742
Depreciation	-	-	464,602	(464,602)	-	-
TOTAL OPERATING EXPENSES	4,080,610	4,080,610	3,569,124	(412,812)	3,156,312	924,298
Operating Income (Loss)	518,517	518,517	781,744	412,812	1,194,556	676,039
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	2,600	2,600	11,649	-	11,649	9,049
Capital Leases Payments	(771,070)	(771,070)	-	(771,069)	(771,069)	1
Interest Expense	(63,234)	(63,234)	(63,233)	-	(63,233)	1
TOTAL NON-OPERATING REVENUES (EXPENSES)	(831,704)	(831,704)	(51,584)	(771,069)	(822,653)	9,051
Change in Net Position	(313,187)	(313,187)	730,160	(358,257)	371,903	685,090
Total Net Position - Beginning	1,370,725	1,370,725	1,370,725	-	1,370,725	-
TOTAL NET POSITION - ENDING	\$ 1,057,538	1,057,538	2,100,885	(358,257)	1,742,628	685,090

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2018

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 135,882
Receipts from interfund services provided	4,205,736
Payment to suppliers	(1,394,314)
Payment to employees	(1,408,956)
Payment for interfund services used	<u>(194,775)</u>
Net cash provided (used) by operating activities	<u>1,343,573</u>

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

Purchase of capital assets	(67,345)
Principle Paid on capital debt	(771,069)
Interest Paid on capital debt	<u>(63,233)</u>
Net cash provided (used) by capital and related financing activities	<u>(901,647)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(443,948)
Interest and dividends received	<u>6,578</u>
Net cash provided (used) by investing activities	<u>(437,370)</u>

Net increase (decrease) in cash and cash equivalents	4,556
Cash and cash equivalents - October 1	<u>4,999</u>
Cash and cash equivalents - September 30	\$ <u><u>9,555</u></u>

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

Operating income	\$ <u>781,744</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	464,602
(Increase) decrease in accounts receivable	(9,250)
Increase (decrease) in accounts payable	76,040
Increase (decrease) in compensated absences payable	15,555
Increase (decrease) in accrued wages and employee benefits	<u>14,882</u>
Total adjustments	<u>561,829</u>
Net cash provided by operating activities	\$ <u><u>1,343,573</u></u>

CAPITAL ASSETS

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CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source (1)
September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Governmental Funds Capital Assets:		
Land	\$ 99,979,314	98,764,554
Buildings	222,823,232	218,639,156
Improvements Other Than Buildings	771,090,834	742,924,406
Vehicles	79,620,216	74,852,105
Machinery & Equipment	51,311,437	48,483,152
Construction in Progress	<u>6,797,737</u>	<u>6,728,964</u>
Total Governmental Funds Capital Assets	<u>1,231,622,770</u>	<u>1,190,392,337</u>
 Investments in Governmental Funds Capital Assets by Source:		
General Fund	431,743,397	414,700,326
Special Revenue Funds	224,999,444	220,524,843
Capital Projects Funds	<u>574,879,929</u>	<u>555,167,168</u>
Total Investments in Governmental Funds \$	<u>1,231,622,770</u>	<u>1,190,392,337</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, 2018

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ -	-	5,761	5,761
City Manager	26,459	-	-	26,459
Municipal Court	389,292	27,712	-	417,004
Human Resources	26,292	-	-	26,292
Building Inspections	333,300	12,456	-	345,756
City Secretary	37,573	-	-	37,573
Tax Office	94,937	-	-	94,937
City Planning	42,625	-	-	42,625
Finance	37,097	-	-	37,097
Real Estate	7,393,713	335,855	-	7,729,568
City Hall Maintenance	7,333,145	-	-	7,333,145
City Hall Annex	24,537	57,045	-	81,582
Engineering	53,121	-	(35,525)	17,596
Information Technology	573,999	-	23,044	597,043
Communications and Support	48,432	-	-	48,432
Community Development	32,758,882	1,416,091	(126,359)	34,048,614
Telecommunications	276,760	-	-	276,760
General Government	49,450,164	1,849,159	(133,079)	51,166,244
Public Safety:				
Police	8,061,147	125	138,681	8,199,953
Police Trust Fund	12,444,365	89,652	(702,882)	11,831,135
Auto Theft Task Force	223,607	-	-	223,607
Financial Task Force	1,010,811	350,000	-	1,360,811
Special Police	3,393,869	208,367	(135,764)	3,466,472
Laredo Border Violence	69,975	-	(22,191)	47,784
Homeland Security Grant	2,330,836	-	-	2,330,836
Fire	6,549,227	16,316	(17,478)	6,548,065
Hazardous Materials	9,085	-	-	9,085
Parking Meters	4,136,288	20,220	(28,484)	4,128,024
911 Administration	612,572	164,185	(46,089)	730,668
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	1,179,355	-	-	1,179,355
Traffic Safety	8,007,774	-	16,569	8,024,343
Public Safety	54,960,530	848,865	(797,638)	55,011,757
Public Works:				
Capital Improvements Project	81,105,225	818,161	15,298	81,938,684
1998 CO Issue	1,789,903	-	-	1,789,903
Infrastructure Maint.	131,017	-	-	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	1,807,503	-	-	1,807,503
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	14,262,676	-	(10,547)	14,252,129
2006 CO Issue	18,552,783	-	-	18,552,783
2007 CO Issue	51,527,837	-	(539,023)	50,988,814
2008 CO Issue	30,537,267	15,062	(73,781)	30,478,548
2009 CO Issue	26,547,369	10,743	-	26,558,112
2010 CO Issue	4,990,905	-	-	4,990,905
2012 CO Issue	3,329,933	2,150	-	3,332,083
2014 CO Issue	5,599,336	30,608	-	5,629,944
2015 CO Issue	8,186,152	975,633	23,522	9,185,307
2016 CO Issue	5,796,147	3,541,519	3,080,471	12,418,137
2017 CO Issue	-	6,653,459	-	6,653,459
FAA-Noise Abatement	\$ 18,944,149	-	-	18,944,149

(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, 2018

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Public Works: (Cont.)				
Airport Construction Fund	\$ 144,626,372	6,771,386	-	151,397,758
Ryan Street Railroad Bridge	668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	27,645,366	415,065	(1,368,245)	26,692,186
Parks Capital Grants	3,836,163	-	-	3,836,163
Capital Grants	29,718,612	-	-	29,718,612
Public Works	347,798,987	15,626,593	186,756	363,612,336
Public Works	889,693,766	34,860,379	1,314,451	925,868,596
Health & Welfare:				
Animal Shelter	-	41,721	-	41,721
Health	7,553,048	140,395	139,402	7,832,845
Noise Abatement Lease	186,579	-	-	186,579
Home Investment Partnership	463,407	-	-	463,407
A.R.R.A. - C.D.	975,026	-	-	975,026
Environmental Services	37,321,259	680,795	48,436	38,050,490
Health & Welfare	46,499,319	862,911	187,838	47,550,068
Cultural & Recreational:				
Parks & Recreation	17,112,229	348,568	258,873	17,719,670
Library	7,916,195	-	-	7,916,195
New Public Library	56,167	-	-	56,167
Cemetery	180,591	-	-	180,591
Friends of the Library	1,017,154	-	-	1,017,154
Public Access Channel	3,987,411	78,849	-	4,066,260
Mercado	1,162,235	-	-	1,162,235
Convention & Visitors Bureau	120,632	49,620	-	170,252
Sports & Community Venue	9,468,288	1,103,663	-	10,571,951
Recreation Fund	228,069	-	(8,908)	219,161
Baseball Stadium	19,447,094	-	-	19,447,094
Max Mandel Golf Course	319,049	-	-	319,049
Cultural & Recreational	61,015,114	1,580,700	249,965	62,845,779
Air Transportation Services:				
Airport	82,044,480	410,086	(71,977)	82,382,589
Air Transportation Services	82,044,480	410,086	(71,977)	82,382,589
Total Assets In Service	1,183,663,373	40,412,100	749,560	1,224,825,033
Construction in Progress	6,728,964	3,437,318	(3,368,545)	6,797,737
Total Governmental Funds				
Capital Assets	\$ 1,190,392,337	43,849,418	(2,618,985)	1,231,622,770

(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, 2018

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
General Government:						
Mayor and City Council	\$ 15,669	-	-	-	9,908	5,761
City Manager	26,459	-	-	-	-	26,459
Municipal Court	417,004	39,981	63,911	-	-	313,112
Human Resources	26,292	-	-	-	26,292	-
Building	698,541	-	62,782	352,785	83,046	199,928
City Secretary	37,573	-	-	-	14,643	22,930
Tax Office	94,937	-	-	-	-	94,937
City Planning	42,625	-	-	-	15,125	27,500
Finance	19,012	-	-	-	-	19,012
Real Estate	7,729,567	6,190,567	1,539,000	-	-	-
City Hall Maintenance	7,390,190	3,066,074	4,181,666	-	-	142,450
City Hall Annex	24,537	-	-	-	24,537	-
Engineering	53,121	-	-	-	18,528	34,593
Information Technology	597,043	-	-	-	-	597,043
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	34,048,613	6,432,494	4,377,785	21,360,911	1,739,090	138,333
Telecommunications	284,575	-	18,683	27,808	-	238,084
General Government	51,554,190	15,729,116	10,243,827	21,741,504	1,945,137	1,894,606
Public Safety:						
Police	8,118,083	-	6,310,720	11,425	774,863	1,021,075
Police Trust Fund	11,831,134	-	920,960	-	7,663,761	3,246,413
Auto Theft Task Force	223,608	-	-	-	187,268	36,340
Financial Task Force	1,360,811	-	-	-	285,202	1,075,609
Special Police	3,466,472	-	-	-	1,671,725	1,794,747
Laredo Border Violence	47,784	-	-	-	23,712	24,072
Homeland Security Grant	2,330,836	-	-	-	427,219	1,903,617
Fire	6,528,005	767,503	1,439,105	-	3,665,083	656,314
Hazardous Materials	9,085	-	9,085	-	-	-
Parking Meters	4,128,025	1,247,536	60,342	2,309,719	141,015	369,413
911 Administration	730,668	-	-	-	-	730,668
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,179,355	-	47,015	-	850,000	282,340
Traffic Safety	8,024,657	-	13,524	7,461,924	137,180	412,029
Public Safety	54,910,142	2,015,039	8,800,751	9,783,068	15,860,618	18,450,666
Public Works:						
Capital Improvements Projects	81,938,685	1,729,840	8,569,047	65,847,440	2,924,548	2,867,810
1998 C.O. Issue	1,789,903	108,232	864,429	626,445	190,797	-
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	1,807,503	455,769	1,184,184	-	-	167,550
2000 CO Issue	7,980,197	933,003	3,278,920	3,768,274	-	-
LEC Construction Project	33,348,400	258,500	30,505,966	-	180,622	2,403,312
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	14,252,130	1,493,130	1,097,865	10,278,613	1,235,890	146,632
2006 CO Issue	18,552,783	-	8,053,796	10,054,327	444,660	-
2007 CO Issue	50,988,814	638,763	10,741,662	28,675,343	10,002,600	930,446
2008 CO Issue	30,478,548	521,679	15,098,007	11,493,484	3,016,299	349,079
2009 CO Issue	26,558,112	222,365	11,732,191	13,034,614	1,384,782	184,160
2010 CO Issue	4,990,905	92,264	218,104	4,619,343	13,167	48,027
2012 CO Issue	3,332,083	56,331	886,402	1,913,921	383,669	91,760
2014 CO Issue	5,629,944	-	-	5,582,087	-	47,857
2015 CO Issue	9,185,306	1,170,661	283,475	4,770,978	2,947,888	12,304
2016 CO Issue	12,418,136	909,235	3,449,238	4,146,536	3,863,352	49,775
2017 CO Issue	6,653,459	-	490,062	934,823	4,708,836	519,738
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	\$ 151,397,758	19,916,575	8,992,048	118,499,114	1,605,247	2,384,774

(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, 2018

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
Public Works: (Cont.)						
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019	-	-
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524	-	-
Contractual Obligations	26,692,187	-	61,528	13,157	17,048,569	9,568,933
Parks Capital Grants	3,836,162	498,762	-	3,219,707	111,222	6,471
Capital Grants	29,718,613	4,601	398,390	29,315,622	-	-
Public Works	<u>363,594,269</u>	<u>3,930,258</u>	<u>3,877,909</u>	<u>351,749,130</u>	<u>3,953,900</u>	<u>83,072</u>
Public Works	<u>925,850,531</u>	<u>55,124,839</u>	<u>123,624,601</u>	<u>672,585,003</u>	<u>54,654,388</u>	<u>19,861,700</u>
Health & Welfare:						
Health	7,832,844	421,278	4,641,198	171,500	293,521	2,305,347
Noise Abtm. Lease	186,579	-	-	-	174,296	12,283
Home Investment Partnership	463,407	-	463,407	-	-	-
Animal Shelter	41,721	-	-	-	-	41,721
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	<u>38,050,489</u>	<u>4,214,943</u>	<u>1,623,806</u>	<u>29,482,057</u>	<u>2,247,946</u>	<u>481,737</u>
Health & Welfare	<u>47,550,066</u>	<u>4,636,221</u>	<u>6,728,411</u>	<u>30,628,583</u>	<u>2,715,763</u>	<u>2,841,088</u>
Cultural & Recreational:						
Parks & Recreation	17,451,407	11,017,735	3,406,584	165,321	1,890,868	970,899
Library	7,916,195	-	7,124,408	33,000	89,755	669,032
New Public Library	56,168	-	22,347	-	-	33,821
Cemetery	180,591	-	7,900	-	145,441	27,250
Friends of the Library	1,017,154	-	261,792	-	-	755,362
Public Access Channel	4,066,260	-	1,406,518	178,730	105,655	2,375,357
Mercado	1,162,235	-	1,162,235	-	-	-
Convention & Visitor's Bureau	170,252	-	17,300	-	152,952	-
Sports & Community Venue	10,571,951	6,663,649	968,751	796,218	244,350	1,898,983
Recreation Fund	219,161	-	-	-	176,878	42,283
Baseball Stadium	19,447,094	-	17,975,174	541,760	-	930,160
Max Mandel Golf Course	<u>319,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,896</u>	<u>65,153</u>
Cultural & Recreational	<u>62,577,517</u>	<u>17,681,384</u>	<u>32,353,009</u>	<u>1,715,029</u>	<u>3,059,795</u>	<u>7,768,300</u>
Air Transportation Services:						
Airport	<u>82,382,587</u>	<u>4,792,715</u>	<u>41,072,633</u>	<u>34,637,647</u>	<u>1,384,515</u>	<u>495,077</u>
Air Transportation Services	<u>82,382,587</u>	<u>4,792,715</u>	<u>41,072,633</u>	<u>34,637,647</u>	<u>1,384,515</u>	<u>495,077</u>
Total Assets in service	<u>1,224,825,033</u>	<u>99,979,314</u>	<u>222,823,232</u>	<u>771,090,834</u>	<u>79,620,216</u>	<u>51,311,437</u>
Construction in Progress	<u>6,797,737</u>					
Total Governmental Funds Capital Assets	<u>\$ 1,231,622,770</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.

ENTERPRISE FUNDS

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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 FUND- 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
COMBINING NONMAJOR
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2018**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash	\$ 6,900	200	7,100
Equity in Investment Pool	6,205	5,256	11,461
Investments	816,179	698,932	1,515,111
Receivables, net of allowances:			
Accrued Interest	5,967	5,110	11,077
Accounts	203	26,804	27,007
Due from Other Funds	418,125	-	418,125
Due from Other Governments	3,440,596	859	3,441,455
Inventory, at cost	265,471	-	265,471
	<u>4,959,646</u>	<u>737,161</u>	<u>5,696,807</u>
Total Current Assets			
Capital Assets:			
Transportation Vehicles and Equipment	22,476,441	300,655	22,777,096
Buildings	14,574,019	3,655,624	18,229,643
Improvements	10,907,383	131,362	11,038,745
Land and Improvements	9,521,557	372,267	9,893,824
Construction in Progress	2,933,272	-	2,933,272
Less Accumulated Depreciation	(27,321,312)	(3,835,790)	(31,157,102)
	<u>33,091,360</u>	<u>624,118</u>	<u>33,715,478</u>
Total Capital Assets (net of accumulated depreciation)			
Total Noncurrent Assets	<u>33,091,360</u>	<u>624,118</u>	<u>33,715,478</u>
TOTAL ASSETS	<u>38,051,006</u>	<u>1,361,279</u>	<u>39,412,285</u>
Deferred Outflows of Resources	<u>706,327</u>	<u>57,053</u>	<u>763,380</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>38,757,333</u>	<u>1,418,332</u>	<u>40,175,665</u>

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2018

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 673,704	93,082	766,786
Due to Other Funds	1,136,152	-	1,136,152
Accrued Interest Payable	20,900	-	20,900
Accrued Wages and Employee Benefits	204,721	11,953	216,674
Compensated Absences	152,500	13,930	166,430
Customer Deposits	14,885	87,547	102,432
Unearned Revenue	-	10,479	10,479
General Obligation Bonds	399,682	-	399,682
Certificates of Obligation	765,000	-	765,000
	<u>3,367,544</u>	<u>216,991</u>	<u>3,584,535</u>
Total Current Liabilities			
Noncurrent Liabilities:			
General Obligation Bonds	2,191,340	-	2,191,340
Certificates of Obligation	1,468,865	-	1,468,865
Due to Other Funds	418,125	-	418,125
Net Pension Liability	1,853,857	791,158	2,645,015
Compensated Absences	115,845	24,695	140,540
	<u>6,048,032</u>	<u>815,853</u>	<u>6,863,885</u>
Total Noncurrent Liabilities			
TOTAL LIABILITIES	<u>9,415,576</u>	<u>1,032,844</u>	<u>10,448,420</u>
Deferred Inflows of Resources	<u>131,934</u>	<u>79,854</u>	<u>211,788</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>9,547,510</u>	<u>1,112,698</u>	<u>10,660,208</u>
NET POSITION			
Net Investment in Capital Assets	28,951,900	624,118	29,576,018
Unrestricted	<u>257,923</u>	<u>(318,484)</u>	<u>(60,561)</u>
TOTAL NET POSITION	<u>\$ 29,209,823</u>	<u>305,634</u>	<u>29,515,457</u>

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Year ended September 30, 2018

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
OPERATING REVENUES:			
Charges for Services	\$ 3,572,145	186,813	3,758,958
Rental of Facilities	615,650	1,355,128	1,970,778
Fees and Collections	-	23,315	23,315
Miscellaneous	173,935	6,263	180,198
TOTAL OPERATING REVENUES	4,361,730	1,571,519	5,933,249
OPERATING EXPENSES:			
Personnel Services	10,690,324	617,080	11,307,404
Materials and Supplies	2,474,789	191,973	2,666,762
Contractual Services	2,134,927	719,209	2,854,136
Other	57,034	7,029	64,063
Total Operating Expenses Before Depreciation	15,357,074	1,535,291	16,892,365
Depreciation Expense	2,515,149	39,027	2,554,176
TOTAL OPERATING EXPENSES	17,872,223	1,574,318	19,446,541
Operating Income (Loss)	(13,510,493)	(2,799)	(13,513,292)
NONOPERATING REVENUES (EXPENSES):			
Investment Income:			
Interest Earnings	23,246	13,916	37,162
Discount Earnings	147	-	147
Sales Tax	8,025,224	-	8,025,224
Gain (Loss) on Sale of Assets	-	4,700	4,700
Interest Expense	(183,229)	-	(183,229)
Gain (Loss) on Advance Refunding	(47,289)	-	(47,289)
Federal Operating Grant	3,401,493	-	3,401,493
FEMA	-	859	859
Fiscal Agent Fees	(1,042)	-	(1,042)
Bond Issuance Cost/Premiums Amortized	28,675	-	28,675
Other Non-Operating Expenses	(162,184)	-	(162,184)
State Operating Grant	658,851	-	658,851
TOTAL NONOPERATING REVENUES (EXPENSES)	11,743,892	19,475	11,763,367
Income (Loss) Before Contributions and Transfers	(1,766,601)	16,676	(1,749,925)
Capital Contributions-Grants	633,222	-	633,222
Operating Contributions	134,790	-	134,790
Transfers Out:			
General Fund	-	(250,000)	(250,000)
Home Investment	-	(8,456)	(8,456)
Change in Net Position	(998,589)	(241,780)	(1,240,369)
Total Net Position-Beginning	30,208,412	547,414	30,755,826
Total Net Position-Ending	\$ 29,209,823	305,634	29,515,457

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2018

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 3,959,174	1,570,741	5,529,915
Receipts from interfund services provided	404,179	-	404,179
Payments to suppliers	(4,491,499)	(631,816)	(5,123,315)
Payments to employees	(11,346,575)	(654,043)	(12,000,618)
Payments for interfund services used	(223,868)	(215,375)	(439,243)
Net cash provided (used) by operating activities	(11,698,589)	69,507	(11,629,082)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer to other funds	-	(258,456)	(258,456)
Subsidy from federal and state grants	4,105,911	-	4,105,911
Sales Tax	8,025,224	-	8,025,224
Transfer from other funds	1,113,050	-	1,113,050
Net cash provided (used) by noncapital and related financing activities	13,244,185	(258,456)	12,985,729
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	-	(26,975)	(26,975)
Subsidy from federal and state grants	633,222	-	633,222
Principal paid on capital debt	(984,453)	-	(984,453)
Interest paid on capital debt	(189,611)	-	(189,611)
Acquisition and construction of capital assets	(880,129)	-	(880,129)
Proceeds from sales of capital assets	-	4,700	4,700
Net cash provided (used) by capital and related financing activities	(1,420,971)	(22,275)	(1,443,246)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	(141,957)	197,343	55,386
Interest and dividends received	20,813	13,308	34,121
Net cash provided (used) by investing activities	(121,144)	210,651	89,507
Net increase (decrease) in cash and cash equivalents	3,481	(573)	2,908
Cash and cash equivalents, October 1	9,624	6,029	15,653
Cash and cash equivalents, September 30	\$ 13,105	5,456	18,561

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2018

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ (13,510,493)	(2,799)	(13,513,292)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	2,515,149	39,027	2,554,176
(Increase) decrease in accounts receivable	473	(9,599)	(9,126)
Increase in allowance for uncollectible accounts	-	6,134	6,134
(Increase) decrease in inventories	32,982	-	32,982
Increase in customer deposits	1,150	979	2,129
Increase (decrease) in accounts payable	(81,599)	71,020	(10,579)
Increase (decrease) in deferred revenues	-	1,708	1,708
Increase (decrease) in compensated absences payable	8,714	(9,013)	(299)
Increase (decrease) in deferred outflows-pension	(331,025)	(175)	(331,200)
Increase (decrease) in deferred inflows-pension	(48,320)	74,297	25,977
Increase (decrease) in net pension liability	(289,888)	(101,364)	(391,252)
Increase (decrease) in accrued wages and employee benefits	4,268	(708)	3,560
Total adjustments	1,811,904	72,306	1,884,210
Net cash provided (used) by operating activities	\$ (11,698,589)	69,507	(11,629,082)
Noncash investing, capital, and financing activities:			
Contribution	134,790	-	134,790
Bond issuance cost amortized	28,675	-	28,675
Loss on advance refunding	(47,289)	-	(47,289)
Accrued interest payable	5,342	-	5,342

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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, 2018

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 3,841,500	3,557,716	3,572,145	-	3,572,145	14,429
Miscellaneous	149,359	196,794	173,935	-	173,935	(22,859)
Rental of Facilities	576,000	576,000	615,650	-	615,650	39,650
TOTAL OPERATING REVENUES	4,566,859	4,330,510	4,361,730	-	4,361,730	31,220
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	6,493,163	6,504,293	6,026,941	(2,680)	6,024,261	480,032
Materials and Supplies	972,626	889,248	909,470	-	909,470	(20,222)
Contractual Services	560,096	547,876	510,247	-	510,247	37,629
Other	80,588	57,678	45,146	-	45,146	12,532
Total Opt-Fixed Route	8,106,473	7,999,095	7,491,804	(2,680)	7,489,124	509,971
Opt-Para Transit:						
Personnel Services	1,447,873	1,483,907	1,522,118	3,004	1,525,122	(41,215)
Materials and Supplies	133,630	139,680	126,253	-	126,253	13,427
Contractual Services	172,081	209,805	200,160	-	200,160	9,645
Other	13,008	20,642	11,854	-	11,854	8,788
Total Opt-Para Transit	1,766,592	1,854,034	1,860,385	3,004	1,863,389	(9,355)
Maint-Fixed Route:						
Personnel Services	1,673,686	1,675,057	1,689,033	(3,975)	1,685,058	(10,001)
Materials and Supplies	934,142	1,142,242	1,149,488	-	1,149,488	(7,246)
Contractual Services	424,379	344,474	257,565	-	257,565	86,909
Total Maint-Fixed Route	3,032,207	3,161,773	3,096,086	(3,975)	3,092,111	69,662
Maint-Para Transit:						
Personnel Services	235,367	259,097	270,254	(1,075)	269,179	(10,082)
Materials and Supplies	117,752	106,917	88,649	-	88,649	18,268
Contractual Services	38,318	66,249	45,417	-	45,417	20,832
Total Maint-Para Transit	391,437	432,263	404,320	(1,075)	403,245	29,018
Training and Safety:						
Personnel Services	70,387	70,327	71,403	944	72,347	(2,020)
Materials and Supplies	18,888	17,038	14,724	-	14,724	2,314
Contractual Services	1,705	3,305	2,908	-	2,908	397
Total Training and Safety	90,980	90,670	89,035	944	89,979	691
Building/Grounds:						
Personnel Services	289,823	295,173	302,265	676	302,941	(7,768)
Materials and Supplies	70,078	53,078	36,510	-	36,510	16,568
Contractual Services	503,747	328,006	206,731	-	206,731	121,275
Total Building/Grounds	\$ 863,648	676,257	545,506	676	546,182	130,075
						(Continued)

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018**

(Continued)

	<u>Budgeted Amount</u>				<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>		
Bus Stop/Shelters:						
Personnel Services	\$ 86,167	83,250	79,818	-	79,818	3,432
Materials and Supplies	26,248	55,248	30,709	-	30,709	24,539
Contractual Services	44,681	49,681	38,158	-	38,158	11,523
Total Bus Stop/Shelters	157,096	188,179	148,685	-	148,685	39,494
General Administration:						
Personnel Services	347,317	402,517	424,951	(5,156)	419,795	(17,278)
Materials and Supplies	32,644	31,244	30,070	-	30,070	1,174
Contractual Services	711,231	666,726	632,205	-	632,205	34,521
Other	5,270	2,270	-	-	-	2,270
Total General Administration	1,096,462	1,102,757	1,087,226	(5,156)	1,082,070	20,687
Transit Center Building:						
Personnel Services	190,595	235,992	235,689	1,576	237,265	(1,273)
Materials and Supplies	56,691	101,841	88,366	-	88,366	13,475
Contractual Services	355,720	270,764	225,828	-	225,828	44,936
Total Transit Center Building	603,006	608,597	549,883	1,576	551,459	57,138
Transit Center Facility:						
Personnel Services	63,041	64,666	67,852	(2,027)	65,825	(1,159)
Materials and Supplies	2,100	550	550	-	550	-
Contractual Services	26,622	19,995	15,708	-	15,708	4,287
Other	550	470	34	-	34	436
Total Transit Center Facility	92,313	85,681	84,144	(2,027)	82,117	3,564
Total Operating Expenses Before Depreciation	16,200,214	16,199,306	15,357,074	(8,713)	15,348,361	850,945
Depreciation	-	-	2,515,149	(2,515,149)	-	-
TOTAL OPERATING EXPENSES	16,200,214	16,199,306	17,872,223	(2,523,862)	15,348,361	850,945
Operating Income (Loss)	\$ (11,633,355)	(11,868,796)	(13,510,493)	2,523,862	(10,986,631)	882,165

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018**

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 41,700	41,700	23,246	-	23,246	(18,454)
Interest Earnings-Restricted	100	-	-	-	-	-
Discount Earnings	100	100	147	-	147	47
Sales Tax	7,748,888	7,748,888	8,025,224	-	8,025,224	276,336
Interest Expense	(188,570)	(188,570)	(183,229)	(5,342)	(188,571)	(1)
Principal Paid Revenue Bonds	(1,020,453)	(984,453)	-	(984,453)	(984,453)	-
Loss on Advanced Refunding	-	-	(47,289)	47,289	-	-
Bond Issuance Costs/Premiums Amortized	-	-	28,675	(28,675)	-	-
FTA Operating Grant	3,304,105	3,304,105	3,401,493	-	3,401,493	97,388
Fiscal Agent Fees	-	(1,042)	(1,042)	-	(1,042)	-
State Operating Grant	576,518	653,814	658,851	-	658,851	5,037
Construction	-	(4,025,837)	-	(717,946)	(717,946)	3,307,891
Other Non-Operating Expenses	-	(400,420)	(162,184)	-	(162,184)	238,236
TOTAL NONOPERATING REVENUES AND (EXPENSES)	10,462,388	6,148,285	11,743,892	(1,689,127)	10,054,765	3,906,480
Income (Loss) Before Contributions and Transfers	(1,170,967)	(5,720,511)	(1,766,601)	834,735	(931,866)	4,788,645
Capital Contributions:						
Federal Capital Grant	515,138	3,433,414	633,222	-	633,222	(2,800,192)
Operating Contributions	-	-	134,790	(134,790)	-	-
Transfers In:						
Transit Sales Tax	7,960,414	7,960,414	-	7,080,352	7,080,352	(880,062)
Transfers Out:						
Transit Operations	(7,831,629)	(7,831,629)	-	(6,951,567)	(6,951,567)	880,062
Capital and Planning	(128,785)	(128,785)	-	(128,785)	(128,785)	-
Change in Net Position	(655,829)	(2,287,097)	(998,589)	699,945	(298,644)	1,988,453
Total Net Position-Beginning	30,208,412	30,208,412	30,208,412	-	30,208,412	-
Total Net Position-Ending	\$ 29,552,583	27,921,315	29,209,823	699,945	29,909,768	1,988,453

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 3,959,174
Receipts from interfund services provided	404,179
Payments to suppliers	(4,491,499)
Payments to employees	(11,346,575)
Payments for interfund services used	(223,868)
Net cash provided (used) by operating activities	(11,698,589)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Advances from other funds	1,113,050
Subsidy from federal and state grants	4,105,911
Sales Tax	8,025,224
Net cash provided (used) by noncapital and related financing activities	13,244,185

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Subsidy from federal and state grants	633,222
Acquisition and construction of capital assets	(880,129)
Principal paid on capital debt	(984,453)
Interest paid on capital debt	(189,611)
Net cash provided (used) by capital and related financing activities	(1,420,971)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(141,957)
Interest and dividends received	20,813
Net cash provided (used) by investing activities	(121,144)

Net increase (decrease) in cash and cash equivalents

3,481

Cash and cash equivalents, October 1

9,624

Cash and cash equivalents, September 30

\$ 13,105

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$	(13,510,493)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,515,149
(Increase) decrease in accounts receivable		473
(Increase) decrease in inventories		32,982
Increase in customer deposits		1,150
Increase (decrease) in accounts payable		(81,599)
Increase (decrease) in compensated absences payable		8,714
Increase (decrease) in net pension liability		(289,888)
Increase (decrease) in deferred outflows-pension		(331,025)
Increase (decrease) in deferred inflows-pension		(48,320)
Increase (decrease) in accrued wages and employee benefits		4,268

Total adjustments		1,811,904

Net cash provided (used) by operating activities	\$	(11,698,589)

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

Contribution	134,790
Bond issuance cost amortized	28,675
Accrued interest payable	5,342
Loss on Advance Refunding	(47,289)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 213,927	213,927	179,001	-	179,001	(34,926)
Toll Receipts	65,048,846	65,048,846	67,216,394	-	67,216,394	2,167,548
Miscellaneous	512,101	512,101	647,497	-	647,497	135,396
TOTAL OPERATING REVENUES	65,774,874	65,774,874	68,042,892	-	68,042,892	2,268,018
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,283,909	2,283,909	1,902,889	16,910	1,919,799	364,110
Materials and Supplies	209,518	298,904	229,248	-	229,248	69,656
Contractual Services	36,818,787	36,869,863	37,717,232	-	37,717,232	(847,369)
Other	573,073	10,000	5,003	-	5,003	4,997
Capital Outlay	-	100,862	-	84,024	84,024	16,838
Total Laredo Bridge Operations	39,885,287	39,563,538	39,854,372	100,934	39,955,306	(391,768)
Bridge II Operations:						
Personnel Services	2,432,096	2,385,096	2,175,959	(9,722)	2,166,237	218,859
Materials and Supplies	105,848	185,499	160,420	-	160,420	25,079
Contractual Services	383,616	411,797	254,648	-	254,648	157,149
Capital Outlay	-	64,039	-	63,960	63,960	79
Total Bridge II Operations	2,921,560	3,046,431	2,591,027	54,238	2,645,265	401,166
Colombia Bridge Operations:						
Personnel Services	1,291,793	1,291,793	1,146,991	(8,133)	1,138,858	152,935
Materials and Supplies	24,556	31,152	9,295	-	9,295	21,857
Contractual Services	266,303	258,368	172,422	-	172,422	85,946
Total Colombia Bridge Operations	1,582,652	1,581,313	1,328,708	(8,133)	1,320,575	260,738
Refrigerated Facility:						
Contractual Services	179,634	179,634	12,894	-	12,894	166,740
Total Refrigerated Facility	179,634	179,634	12,894	-	12,894	166,740
Port Police:						
Personnel Services	242,117	279,117	278,951	-	278,951	166
Materials and Supplies	20,000	-	-	-	-	-
Contractual Services	-	1,500	1,263	-	1,263	237
Capital Outlay	195,000	208,693	-	208,692	208,692	1
Total Port Police	457,117	489,310	280,214	208,692	488,906	404
Fourth Bridge Operations:						
Personnel Services	2,331,315	2,241,372	2,154,958	(1,819)	2,153,139	88,233
Materials and Supplies	177,330	261,021	240,867	-	240,867	20,154
Contractual Services	898,523	1,054,131	910,637	-	910,637	143,494
Total Fourth Bridge Operations	3,407,168	3,556,524	3,306,462	(1,819)	3,304,643	251,881
Total Operating Expenses Before Depreciation	48,433,418	48,416,750	47,373,677	353,912	47,727,589	689,161
Depreciation	-	-	3,210,959	(3,210,959)	-	-
TOTAL OPERATING EXPENSES	48,433,418	48,416,750	50,584,636	(2,857,047)	47,727,589	689,161
Operating Income (Loss)	\$ 17,341,456	17,358,124	17,458,256	2,857,047	20,315,303	2,957,179

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 54,404	54,404	197,948	-	197,948	143,544
Interest Earnings - Restricted	124,931	55,690	108,636	-	108,636	52,946
Discount Earnings	-	-	3	-	3	3
Gain/(Loss) On Sale of Assets	-	-	701	-	701	701
Bond Issues	11,515,000	11,515,000	-	-	-	(11,515,000)
Interest Expense	(1,981,943)	(1,981,943)	(1,981,942)	-	(1,981,942)	1
Principal Paid	(7,050,000)	(7,050,000)	-	(7,050,000)	(7,050,000)	-
Fiscal Agent Fees	-	(5,000)	(4,400)	-	(4,400)	600
Bond Issuance Cost/Premiums Amortized	-	-	393,128	(393,128)	-	-
Loss on Advance Refunding	-	-	(183,129)	183,129	-	-
Other Non-Operating Expenses	(12,879,103)	(12,310,000)	-	-	-	12,310,000
Construction	(2,123,634)	(7,893,182)	(182,295)	(5,788,109)	(5,970,404)	1,922,778
TOTAL NONOPERATING REVENUES (EXPENSES)	(12,340,345)	(17,615,031)	(1,651,350)	(13,048,108)	(14,699,458)	2,915,573
Income (Loss) Before Contributions and Transfers	5,001,111	(256,907)	15,806,906	(10,191,061)	5,615,845	5,872,752
Transfers In:						
Bridge Operating Fund	10,033,615	10,033,615	-	9,215,106	9,215,106	(818,509)
Transfers Out:						
Capital Improvements Fund	(6,266,639)	(6,366,639)	(11,037,645)	-	(11,037,645)	(4,671,006)
Sports & Community Venue	-	(16,667)	(16,335)	-	(16,335)	332
Debt Service	(769,550)	(769,550)	(769,550)	-	(769,550)	-
Bridge Construction	(600,000)	(600,000)	-	(600,000)	(600,000)	-
Bridge Refrigerated Facility	(15,000)	(15,000)	-	(15,218)	(15,218)	(218)
Bridge Debt Service	(9,418,615)	(9,418,615)	-	(8,599,888)	(8,599,888)	818,727
Change in Net Position	(2,035,078)	(7,409,763)	3,983,376	(10,191,061)	(6,207,685)	1,202,078
Total Net Position-Beginning	32,531,652	32,531,652	32,531,652	-	32,531,652	-
Total Net Position-Ending	\$ 30,496,574	25,121,889	36,515,028	(10,191,061)	26,323,967	1,202,078

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 68,488,203
Payments to suppliers	(2,540,758)
Payments to employees	(7,994,611)
Payments for interfund services used	(37,090,892)
Net cash provided by operating activities	20,861,942

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(11,823,530)
Net cash provided (used) by noncapital and related financing activities	(11,823,530)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(6,327,080)
Principal paid on capital debt	(7,050,000)
Interest paid on capital debt	(1,986,343)
Proceeds from sales of capital assets	701
Net cash provided (used) by capital and related financing activities	(15,362,722)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	6,087,310
Interest and dividends received	244,477
Net cash provided (used) by investing activities	6,331,787

Net increase (decrease) in cash and cash equivalents	7,477
Cash and cash equivalents, October 1	50,236
Cash and cash equivalents, September 30	\$ 57,713

(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$ 17,458,256
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,210,959
(Increase) decrease in accounts receivable	255,977
Increase (decrease) in accounts payable	82,279
Increase (decrease) in deferred revenues	189,334
Increase (decrease) in compensated absences payable	(874)
Increase (decrease) in net pension liability	(1,220,308)
Increase (decrease) in deferred outflows-pension	(19,947)
Increase (decrease) in deferred inflows-pension	896,193
Increase (decrease) in accrued wages and employee benefits	10,073

Total adjustments	3,403,686

Net cash provided by operating activities	\$ 20,861,942

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

Bond issuance cost amortized	393,128
Loss on advance refunding	(183,129)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

	<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:						
Rental of Facilities	\$ 1,364,043	1,364,043	1,355,128	-	1,355,128	(8,915)
Charges for Services	171,058	171,058	186,813	-	186,813	15,755
Fees and Collections	28,000	28,000	23,315	-	23,315	(4,685)
Miscellaneous	920	870	6,263	-	6,263	5,393
TOTAL OPERATING REVENUES	1,564,021	1,563,971	1,571,519	-	1,571,519	7,548
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	575,603	575,603	516,382	9,395	525,777	49,826
Materials and Supplies	176,562	169,804	149,718	-	149,718	20,086
Contractual Services	550,888	678,922	568,956	-	568,956	109,966
Other	99,033	900	7,029	(6,135)	894	6
Capital Outlay	26,500	38,107	-	26,975	26,975	11,132
Total Airport Housing	1,428,586	1,463,336	1,242,085	30,235	1,272,320	191,016
West Laredo Housing:						
Personnel Services	105,033	105,033	100,663	(382)	100,281	4,752
Materials and Supplies	43,463	43,463	39,276	-	39,276	4,187
Contractual Services	189,048	154,048	139,678	-	139,678	14,370
Total West Laredo Housing	337,544	302,544	279,617	(382)	279,235	23,309
Downtown Elderly Duplex:						
Personnel Services	-	77	35	-	35	42
Materials and Supplies	5,086	5,009	2,979	-	2,979	2,030
Contractual Services	16,500	16,500	10,575	-	10,575	5,925
Total Downtown Elderly Duplex Project	21,586	21,586	13,589	-	13,589	7,997
Total Operating Expenses Before Depreciation	1,787,716	1,787,466	1,535,291	29,853	1,565,144	222,322
Depreciation Expense	-	-	39,027	(39,027)	-	-
TOTAL OPERATING EXPENSES	1,787,716	1,787,466	1,574,318	(9,174)	1,565,144	222,322
Operating Income (Loss)	(223,695)	(223,495)	(2,799)	9,174	6,375	229,870
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	10,200	10,200	13,916	-	13,916	3,716
Discount Earnings	4	4	-	-	-	(4)
Intergovernmental Revenues						
FEMA	-	-	859	-	859	859
Gain (Loss) From Sales of Assets	-	50	4,700	-	4,700	4,650
TOTAL NONOPERATING REVENUES (EXPENSES)	10,204	10,254	19,475	-	19,475	9,221
Income (Loss) Before Contributions and Transfers	(213,491)	(213,241)	16,676	9,174	25,850	239,091
Transfer Out:						
General Fund	(250,000)	(250,000)	(250,000)	-	(250,000)	-
Home Investment	-	-	(8,456)	-	(8,456)	(8,456)
Change in Net Assets	(463,491)	(463,241)	(241,780)	9,174	(232,606)	230,635
Total Net Assets-Beginning	547,414	547,414	547,414	-	547,414	-
Total Net Position-Ending	\$ 83,923	84,173	305,634	9,174	314,808	230,635

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**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,570,741
Payments to suppliers	(631,816)
Payments to employees	(654,043)
Payments for interfund services used	(215,375)
Net cash provided by operating activities	69,507

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(258,456)
Net cash provided (used) by noncapital and related financing activities	(258,456)

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

Purchases of capital assets	(26,975)
Proceeds from sales of capital assets	4,700
Net cash provided (used) by capital and related financing activities	(22,275)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	197,343
Interest and dividends received	13,308
Net cash provided (used) by investing activities	210,651

Net increase (decrease) in cash and cash equivalents	(573)
Cash and cash equivalents, October 1	6,029

Cash and cash equivalents, September 30	\$ 5,456

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$	(2,799)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		39,027
(Increase) decrease in accounts receivable		(9,599)
Increase in allowance for uncollectible accounts		6,134
Increase (decrease) in customer deposits		979
Increase (decrease) in accounts payable		71,020
Increase (decrease) in deferred revenues		1,708
Increase (decrease) in compensated absences payable		(9,013)
Increase (decrease) in deferred outflows-pension		(175)
Increase (decrease) in deferred inflows-pension		74,297
Increase (decrease) in net pension liability		(101,364)
Increase (decrease) in accrued wages and employee benefits		(708)
Total adjustments		72,306
Net cash provided by operating activities	\$	69,507

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018**

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 39,781,391	39,781,391	41,288,759	-	41,288,759	1,507,368
Miscellaneous	5,857,818	5,857,818	6,304,388	-	6,304,388	446,570
TOTAL OPERATING REVENUES	45,639,209	45,639,209	47,593,147	-	47,593,147	1,953,938
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,249,592	1,245,592	740,321	(1,330)	738,991	506,601
Materials and Supplies	70,431	72,408	37,143	-	37,143	35,265
Contractual Services	3,548,924	3,617,718	3,508,343	-	3,508,343	109,375
Other	71,493	30,272	158,047	(151,579)	6,468	23,804
Total General and Administrative	4,940,440	4,965,990	4,443,854	(152,909)	4,290,945	675,045
GIS:						
Personnel Services	334,735	334,780	334,674	(3,351)	331,323	3,457
Materials and Supplies	30,596	33,417	8,389	-	8,389	25,028
Contractual Services	102,706	102,143	60,337	-	60,337	41,806
Total GIS	468,037	470,340	403,400	(3,351)	400,049	70,291
Utility Engineering:						
Personnel Services	1,414,547	1,414,547	1,003,266	18,555	1,021,821	392,726
Materials and Supplies	57,702	61,387	54,765	-	54,765	6,622
Contractual Services	141,513	138,579	106,346	-	106,346	32,233
Total Utility Engineering	1,613,762	1,614,513	1,164,377	18,555	1,182,932	431,581
Utility Billing:						
Personnel Services	2,478,325	2,447,118	2,260,743	(3,256)	2,257,487	189,631
Materials and Supplies	1,202,763	1,130,825	1,007,146	-	1,007,146	123,679
Contractual Services	1,376,491	1,511,640	1,193,892	-	1,193,892	317,748
Other	-	1,426	1,349	-	1,349	77
Capital Outlay	-	50,158	-	40,068	40,068	10,090
Total Utility Billing	5,057,579	5,141,167	4,463,130	36,812	4,499,942	641,225
Asset Management:						
Personnel Services	306,366	306,366	318,066	(1,210)	316,856	(10,490)
Materials and Supplies	41,746	38,464	14,644	-	14,644	23,820
Contractual Services	88,292	93,808	56,793	-	56,793	37,015
Total Asset Management	436,404	438,638	389,503	(1,210)	388,293	50,345
Water Treatment:						
Personnel Services	2,962,245	3,082,245	3,047,592	1,687	3,049,279	32,966
Materials and Supplies	1,691,084	1,939,999	1,688,866	-	1,688,866	251,133
Contractual Services	5,117,192	5,069,057	4,221,629	-	4,221,629	847,428
Total Water Treatment	9,770,521	10,091,301	8,958,087	1,687	8,959,774	1,131,527
Transmission and Distribution:						
Personnel Services	2,830,859	2,694,359	2,215,087	(16,103)	2,198,984	495,375
Materials and Supplies	827,760	912,465	987,308	-	987,308	(74,843)
Contractual Services	1,256,986	1,319,303	1,221,497	-	1,221,497	97,806
Other	-	500	(2,578)	-	(2,578)	3,078
Total Transmission and Distribution	\$ 4,915,605	4,926,627	4,421,314	(16,103)	4,405,211	521,416

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018**

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
Water Pollution Control:						
Personnel Services	\$ 725,470	699,470	572,630	(1,915)	570,715	128,755
Materials and Supplies	81,072	79,861	26,606	-	26,606	53,255
Contractual Services	103,196	132,098	52,112	-	52,112	79,986
Other	46,600	46,600	9,000	-	9,000	37,600
Total Water Pollution Control	956,338	958,029	660,348	(1,915)	658,433	299,596
Total Operating Expenses Before Depreciation	28,158,686	28,606,605	24,904,013	(118,434)	24,785,579	3,821,026
Depreciation Expense	-	-	11,597,522	(11,597,522)	-	-
TOTAL OPERATING EXPENSES	28,158,686	28,606,605	36,501,535	(11,715,956)	24,785,579	3,821,026
Operating Income (Loss)	17,480,523	17,032,604	11,091,612	11,715,956	22,807,568	5,774,964
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	223,040	223,040	589,686	-	589,686	366,646
Interest Earnings Restricted	305,332	305,332	468,609	-	468,609	163,277
Discount Earnings	13,964	13,964	14,459	-	14,459	495
Interest Rebate	811,845	811,845	814,462	-	814,462	2,617
Premiums	-	5,096,532	-	5,096,531	5,096,531	(1)
Water Availability Fees	1,735,032	1,735,032	1,917,029	-	1,917,029	181,997
Gain on Sale of Assets	2,026	2,026	32,760	612	33,372	31,346
Bond Issues	-	36,899,712	-	36,899,712	36,899,712	-
Interest Expense	(10,053,480)	(10,053,480)	(9,916,124)	(118,867)	(10,034,991)	18,489
Principal Paid	(6,962,234)	(45,447,178)	-	(45,453,371)	(45,453,371)	(6,193)
Fiscal Agent Fees	-	-	(6,687)	-	(6,687)	(6,687)
Bond Issuance Cost/Premiums Amortized	-	(443,693)	498,263	(940,273)	(442,010)	1,683
Loss on Advance Funding	-	(3,070,046)	(594,698)	(2,475,347)	(3,070,045)	1
Water Rights Acq./Water Conservation	(1,060,000)	(1,165,823)	(32,236)	(787,500)	(819,736)	346,087
Other Non-Operating Expenses	(479,845)	(1,405,034)	(349,558)	-	(349,558)	1,055,476
Construction	(1,271,147)	(1,841,562)	-	(9,280,465)	(9,280,465)	(7,438,903)
TOTAL NONOPERATING REVENUES (EXPENSES)	(16,735,467)	(18,339,333)	(6,564,035)	(17,058,968)	(23,623,003)	(5,283,670)
Income (Loss) Before Contributions and Transfers	745,056	(1,306,729)	4,527,577	(5,343,012)	(815,435)	491,294
Capital Contributions:						
Intergovernmental Revenue	-	1,033,558	-	1,033,558	1,033,558	-
Contributions - Developers	-	-	5,580,711	(5,580,711)	-	-
Contributions - Other	-	-	1,145,682	100	1,145,782	1,145,782
Transfer In:						
Waterworks Operations to Construction	732,705	732,705	-	190,748	190,748	(541,957)
Water Availability to Debt Service	380,000	380,000	-	380,000	380,000	-
Waterworks Operations to Debt Service	16,801,869	16,801,869	-	15,636,467	15,636,467	(1,165,402)
Transfers Out:						
Water Construction Fund	(732,705)	(732,705)	-	(190,748)	(190,748)	541,957
Water Debt Service-Water Availability	(380,000)	(380,000)	-	(380,000)	(380,000)	-
Water Debt Service-Operations	(16,801,869)	(16,801,869)	-	(15,636,467)	(15,636,467)	1,165,402
Change in Net Position	745,056	(273,171)	11,253,970	(9,890,065)	1,363,905	1,637,076
Total Net Position-Beginning	145,228,328	145,228,328	145,228,328	-	145,228,328	-
Total Net Position-Ending	\$ 145,973,384	144,955,157	156,482,298	(9,890,065)	146,592,233	1,637,076

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 46,403,296
Receipts from interfund services provided	790,237
Payments to suppliers	(12,057,237)
Payments to employees	(10,909,977)
Payments for interfund services used	(3,940,798)
Net cash provided by operating activities	20,285,521

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Subsidiary from federal and state grants	32,875
Net cash provided (used) by noncapital and related financing activities	32,875

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	42,148,931
Purchases of capital assets	(7,427,014)
Principal paid on capital debt	(45,453,371)
Interest paid on capital debt	(10,034,991)
Proceeds from sales of capital assets	33,372
Net cash provided (used) by capital and related financing activities	(20,733,073)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(1,333,472)
Interest and dividends received	1,646,540
Issuance of notes receivable	193,886
Net cash provided (used) by investing activities	506,954

Net increase (decrease) in cash and cash equivalents	92,277
Cash and cash equivalents, October 1	252,047
Cash and cash equivalents, September 30	\$ 344,324

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$ 11,091,612
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	11,597,522
(Increase) decrease in accounts receivable	(345,694)
Increase (decrease) in allowance for uncollectible accounts	148,393
(Increase) decrease in inventories	(95,766)
Increase (decrease) in customer deposits	54,463
Increase (decrease) in accounts payable	(1,490,635)
Increase (decrease) in deferred revenues	(256,776)
Increase (decrease) in compensated absences payable	6,925
Increase (decrease) in net pension liability	(1,673,495)
Increase (decrease) in deferred inflows-pension	1,223,897
Increase (decrease) in deferred outflows-pension	25,002
Increase (decrease) in accrued wages and employee benefits	73
Total adjustments	9,193,909
Net cash provided by operating activities	\$ 20,285,521

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

Bond issuance cost amortized	940,273
Contributions of capital assets from developers	5,580,711
Contributions of capital assets from other	(100)
Accrued interest payable	118,867
Loss on advance refunding	2,475,347
Disposition of Assets	(612)

CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 34,935,790	34,935,790	33,452,820	-	33,452,820	(1,482,970)
Miscellaneous	260,941	260,941	371,998	-	371,998	111,057
TOTAL OPERATING REVENUES	35,196,731	35,196,731	33,824,818	-	33,824,818	(1,371,913)
OPERATING EXPENSES:						
Administrative:						
Contractual Services	7,506,071	7,518,851	7,510,168	-	7,510,168	8,683
Other	130,535	119,450	135,177	(135,177)	-	119,450
Total Administrative	7,636,606	7,638,301	7,645,345	(135,177)	7,510,168	128,133
Wastewater Treatment:						
Personnel Services	3,002,423	2,955,423	2,651,075	10,686	2,661,761	293,662
Materials and Supplies	813,709	862,113	694,211	-	694,211	167,902
Contractual Services	4,065,277	4,235,068	3,769,113	-	3,769,113	465,955
Total Wastewater Treatment	7,881,409	8,052,604	7,114,399	10,686	7,125,085	927,519
Wastewater Collection:						
Personnel Services	2,660,114	2,710,114	2,572,925	(10,297)	2,562,628	147,486
Materials and Supplies	825,925	840,164	705,107	-	705,107	135,057
Contractual Services	1,492,000	1,525,499	1,164,696	-	1,164,696	360,803
Other	-	-	(1,185)	-	(1,185)	1,185
Capital Outlay	-	6,565	-	-	-	6,565
Total Wastewater Collection	4,978,039	5,082,342	4,441,543	(10,297)	4,431,246	651,096
Total Operating Expenses Before Depreciation	20,496,054	20,773,247	19,201,287	(134,788)	19,066,499	1,706,748
Depreciation Expense	-	-	7,312,109	(7,312,109)	-	-
TOTAL OPERATING EXPENSES	20,496,054	20,773,247	26,513,396	(7,446,897)	19,066,499	1,706,748
Operating Income (Loss)	\$ 14,700,677	14,423,484	7,311,422	7,446,897	14,758,319	334,835
						(Continued)

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018**

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 224,326	224,326	511,757	-	511,757	287,431
Interest Earnings Restricted	282,540	282,540	754,837	-	754,837	472,297
Discount Earnings	11,789	11,789	7,706	-	7,706	(4,083)
Premium	-	3,159,721	-	3,159,721	3,159,721	-
Gain/Loss On Sale of Equipment	-	1,500,000	8,300	75,000	83,300	(1,416,700)
Bond Issues	21,800,000	20,294,448	-	20,294,448	20,294,448	-
Miscellaneous	-	-	-	-	-	-
Intergovernmental Revenue	-	-	1,849	-	1,849	1,849
Interest Expense	(4,201,151)	(4,201,151)	(4,888,363)	59,029	(4,829,334)	(628,183)
Principal Paid	(6,244,680)	(8,374,736)	-	(8,909,165)	(8,909,165)	(534,429)
Fiscal Agent Fees	-	-	(7,738)	-	(7,738)	(7,738)
Bond Issuance Cost/Premiums Amortized	-	(347,539)	161,140	(498,232)	(337,092)	10,447
Loss on Advance Refunding	-	(256,112)	(318,779)	62,667	(256,112)	-
Other Non-Operating Expenses	(300,000)	(300,000)	-	-	-	300,000
Construction	(22,787,732)	(22,805,533)	(300,132)	(17,149,997)	(17,450,129)	5,355,404
TOTAL NONOPERATING REVENUES (EXPENSES)	(11,214,908)	(10,812,247)	(4,069,423)	(2,906,529)	(6,975,952)	3,836,295
Income (Loss) Before Contributions and Transfers	3,485,769	3,611,237	3,241,999	4,540,368	7,782,367	4,171,130
Capital Contributions:						
Contributions - Others	-	100,000	563,319	5,206	568,525	468,525
Contributions - Developers	-	-	4,449,455	(4,449,455)	-	-
Transfers In:						
Sewer Operations to Debt Service	10,692,320	10,692,320	-	11,939,677	11,939,677	1,247,357
Sewer Bond Funds	-	720,462	-	720,462	720,462	-
Sewer Operations to Construction	763,465	763,465	-	124,649	124,649	(638,816)
Transfers Out:						
Sewer Debt Service-Bonds	-	(720,462)	-	(720,462)	(720,462)	-
Sewer Debt Service	(10,692,320)	(10,692,320)	-	(11,939,677)	(11,939,677)	(1,247,357)
Sewer Construction Fund	(763,465)	(763,465)	-	(124,649)	(124,649)	638,816
Change in Net Position	3,485,769	3,711,237	8,254,773	96,119	8,350,892	4,639,655
Total Net Position-Beginning	98,973,891	98,973,891	98,973,891	-	98,973,891	-
Total Net Position-Ending	\$ 102,459,660	102,685,128	107,228,664	96,119	107,324,783	4,639,655

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 33,220,378
Receipts from interfund services provided	639,716
Payments to suppliers	(10,590,509)
Payments to employees	(5,492,224)
Payments for interfund services used	(3,121,172)
Net cash provided by operating activities	14,656,189

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	12,784,788
Transfer to other funds	(12,784,788)
Net cash provided (used) by noncapital and related financing activities	-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	22,860,965
Acquisition and construction of capital assets	(16,881,607)
Principal paid on capital debt	(8,909,165)
Interest paid on capital debt	(4,837,072)
Proceeds from sales of capital assets	83,300
Net cash provided (used) by capital and related financing activities	(7,683,579)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(7,847,559)
Interest and dividends received	934,088
Net cash provided (used) by investing activities	(6,913,471)

Net increase (decrease) in cash and cash equivalents

59,139

Cash and cash equivalents, October 1

209,786

Cash and cash equivalents, September 30

\$ 268,925

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$ 7,311,422
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	7,312,109
(Increase) decrease in accounts receivable	(99,899)
Increase (decrease) in allowance for uncollectible accounts	135,177
(Increase) decrease in inventories	(560)
Increase (decrease) in accounts payable	266,166
Increase (decrease) in deferred revenues	(2)
Increase (decrease) in compensated absences payable	(389)
Increase (decrease) in net pension liability	(847,819)
Increase (decrease) in deferred inflows-pension	624,819
Increase (decrease) in deferred outflows-pension	(36,187)
Increase (decrease) in accrued wages and employee benefits	(8,648)
Total adjustments	7,344,767
Net cash provided by operating activities	\$ 14,656,189

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

Contributions of capital assets from developers & others	4,444,249
Bond issuance cost amortized	498,232
Accrued interest payable	(59,029)
Disposition of Assets	(75,000)
Loss on advance refunding	(62,667)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 24,624,334	24,624,334	25,117,503	-	25,117,503	493,169
Rental of Facilities	36,000	36,000	73,361	-	73,361	37,361
Miscellaneous	-	-	1,115,224	-	1,115,224	1,115,224
TOTAL OPERATING REVENUES	24,660,334	24,660,334	26,306,088	-	26,306,088	1,645,754
OPERATING EXPENSES:						
Administration:						
Personnel Services	366,278	366,478	58,258	(20,635)	37,623	328,855
Materials and Supplies	13,233	15,383	11,733	-	11,733	3,650
Contractual Services	79,440	91,050	56,416	-	56,416	34,634
Other	-	-	846	(846)	-	-
Total Administration	458,951	472,911	127,253	(21,481)	105,772	367,139
Branch Division:						
Personnel Services	688,135	688,135	617,872	2,371	620,243	67,892
Materials and Supplies	73,555	76,505	49,019	-	49,019	27,486
Contractual Services	25,500	27,850	24,321	-	24,321	3,529
Total Branch Division	787,190	792,490	691,212	2,371	693,583	98,907
Recycling:						
Personnel Services	860,653	860,653	790,143	(1,582)	788,561	72,092
Materials and Supplies	125,596	154,241	74,628	-	74,628	79,613
Contractual Services	379,554	385,175	292,819	-	292,819	92,356
Capital Outlay	1,581	1,783	-	744	744	1,039
Total Recycling	1,367,384	1,401,852	1,157,590	(838)	1,156,752	245,100
Sanitation:						
Personnel Services	4,013,530	4,079,675	4,112,234	7,437	4,119,671	(39,996)
Materials and Supplies	1,304,037	1,313,247	1,116,876	-	1,116,876	196,371
Contractual Services	3,422,830	3,271,569	3,176,547	-	3,176,547	95,022
Other	625,906	140,663	93,903	(93,903)	-	140,663
Capital Outlay	-	31,837	-	29,773	29,773	2,064
Total Sanitation	9,366,303	8,836,991	8,499,560	(56,693)	8,442,867	394,124
Landfill:						
Personnel Services	1,278,755	1,278,755	1,227,533	(1,038)	1,226,495	52,260
Materials and Supplies	629,581	532,145	478,024	-	478,024	54,121
Contractual Services	4,140,303	4,665,919	3,336,291	-	3,336,291	1,329,628
Other	6,850,000	5	4	-	4	1
Capital Outlay	7,680	55,080	-	47,350	47,350	7,730
Total Landfill	12,906,319	6,531,904	5,041,852	46,312	5,088,164	1,443,740
Total Operating Expenses Before Depreciation	24,886,147	18,036,148	15,517,467	(30,329)	15,487,138	2,549,010
Depreciation Expense	-	-	3,612,670	(3,612,670)	-	-
TOTAL OPERATING EXPENSES	24,886,147	18,036,148	19,130,137	(3,642,999)	15,487,138	2,549,010
Operating Income (Loss)	\$ (225,813)	6,624,186	7,175,951	3,642,999	10,818,950	4,194,764

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2018

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 157,300	157,300	416,158	-	416,158	258,858
Interest Earnings-Restricted	122,108	85,647	214,146	-	214,146	128,499
Premiums	-	611,168	-	611,168	611,168	-
Discount Earnings	5,572	5,572	8,359	-	8,359	2,787
Closure/Post Closure	-	(6,850,000)	(556,772)	-	(556,772)	6,293,228
Gain (Loss) From Sale of Assets	27,000	27,000	55,526	-	55,526	28,526
Bond Issues	4,240,000	4,390,999	-	4,390,999	4,390,999	-
Interest Expense	(943,362)	(1,075,747)	(1,043,655)	(5,588)	(1,049,243)	26,504
Gain (Loss) on Advance Refunding	-	(57,415)	(157,283)	99,869	(57,414)	1
Principal Paid	(4,817,046)	(5,864,727)	-	(5,864,725)	(5,864,725)	2
FEMA	-	-	1,740	-	1,740	1,740
Fiscal Agent Fees	(2,942)	(2,942)	(2,404)	-	(2,404)	538
Bond Issuance Cost/Premiums Amortized	-	(104,753)	351,606	(452,547)	(100,941)	3,812
Other Non-Operating Expenses	(750,000)	(335,475)	(2,330)	-	(2,330)	333,145
Construction	(4,295,478)	(5,295,007)	-	(2,846,854)	(2,846,854)	2,448,153
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,256,848)	(14,308,380)	(714,909)	(4,067,678)	(4,782,587)	9,525,793
Income (Loss) Before Contributions and Transfers	(6,482,661)	(7,684,194)	6,461,042	(424,679)	6,036,363	13,720,557
Contributions						
Transfers In:						
Solid Waste Fund	6,513,350	6,513,350	-	6,185,966	6,185,966	(327,384)
Transfers Out:						
Solid Waste Fund	(6,513,350)	(6,513,350)	-	(6,185,966)	(6,185,966)	327,384
Change in Net Position	(6,482,661)	(7,684,194)	6,461,042	(424,679)	6,036,363	13,720,557
Total Net Position-Beginning	15,060,552	15,060,552	15,060,552	-	15,060,552	-
Total Net Position-Ending	\$ 8,577,891	7,376,358	21,521,594	(424,679)	21,096,915	13,720,557

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 26,068,102
Receipts from interfund services provided	357,488
Payments to suppliers	(3,332,275)
Payments to employees	(7,086,140)
Payments for interfund services used	(4,823,198)
Net cash provided by operating activities	11,183,977

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(7,618,437)
Transfer from other funds	7,618,437
Net cash provided (used) by noncapital and related financing activities	-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	4,944,753
Principal paid on capital debt	(5,864,725)
Interest paid on capital debt	(1,051,647)
Acquisition and construction of capital assets	(3,027,992)
Proceeds from sales of capital assets	55,526
Net cash provided (used) by capital and related financing activities	(4,944,085)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	(6,596,018)
Interest and dividends received	407,498
Net cash provided (used) by investing activities	(6,188,520)

Net increase (decrease) in cash and cash equivalents

51,372

Cash and cash equivalents, October 1

161,815

Cash and cash equivalents, September 30

\$ 213,187

(Continued)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2018**

(Continued)

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

Operating income	\$ 7,175,951
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,612,670
(Increase) decrease in accounts receivable	35,369
Increase (decrease) in allowance for uncollectible accounts	84,112
(Increase) decrease in inventories	2,979
Increase (decrease) in accounts payable	552,975
Increase (decrease) in deferred revenues	21
Increase (decrease) in compensated absences payable	13,447
Increase (decrease) in deferred outflows-pension	(42,604)
Increase (decrease) in deferred inflows-pension	793,839
Increase (decrease) in net pension liability	(1,077,611)
Increase (decrease) in accrued wages and employee benefits	32,829
Total adjustments	4,008,026
Net cash provided by operating activities	\$ 11,183,977

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

Current closure and post closure costs	(556,772)
Bond issuance cost amortized	452,547
Loss on advance refunding	(99,869)
Accrued interest payable	5,588

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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.

LAREDO FIREFIGHTERS' RETIREMENT SYSTEM – administers the retirement system for the City of Laredo firefighter employees.

**CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2018**

	AGENCY FUNDS			
	POLICE RETIREE DEPENDENTS FUND	FIRE RETIREE DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS
ASSETS				
Equity in Investment Pool	\$ -	-	26,894	26,894
Accounts Receivable	238,612	58,594	2,814	300,020
Accrued Interest Receivable	-	-	26,031	26,031
Investments, at Fair Market Value	-	-	3,560,681	3,560,681
TOTAL ASSETS	238,612	58,594	3,616,420	3,913,626
LIABILITIES				
Accounts Payable	238,612	58,594	3,616,420	3,913,626
TOTAL LIABILITIES	238,612	58,594	3,616,420	3,913,626
NET POSITION				
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ -	-	-	-

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CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2018

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	\$ -	1,092,937	1,092,937	-
Accounts Receivable	369,135	238,612	369,135	238,612
TOTAL ASSETS	<u>369,135</u>	<u>1,331,549</u>	<u>1,462,072</u>	<u>238,612</u>
LIABILITIES				
Accounts Payable	369,135	238,612	369,135	238,612
TOTAL LIABILITIES	<u>\$ 369,135</u>	<u>238,612</u>	<u>369,135</u>	<u>238,612</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	\$ -	750,523	750,523	-
Accounts Receivable	79,349	58,594	79,349	58,594
TOTAL ASSETS	<u>79,349</u>	<u>809,117</u>	<u>829,872</u>	<u>58,594</u>
LIABILITIES				
Accounts Payable	79,349	58,594	79,349	58,594
TOTAL LIABILITIES	<u>\$ 79,349</u>	<u>58,594</u>	<u>79,349</u>	<u>58,594</u>

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2018

(Continued)

PAYROLL CLEARING FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 28,751	119,355,712	119,357,569	26,894
Accounts Receivable	2,804	74,927	74,917	2,814
Accrued Interest Receivable	22,599	26,031	22,599	26,031
Investments, at Fair Market Value	4,499,057	3,560,681	4,499,057	3,560,681
TOTAL ASSETS	<u>4,553,211</u>	<u>123,017,351</u>	<u>123,954,142</u>	<u>3,616,420</u>
LIABILITIES				
Accounts Payable	4,553,211	107,615,139	108,551,930	3,616,420
Accrued Wages and Benefits	-	62,888,273	62,888,273	-
TOTAL LIABILITIES	<u>\$ 4,553,211</u>	<u>170,503,412</u>	<u>171,440,203</u>	<u>3,616,420</u>

TOTALS-ALL AGENCY FUNDS

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 28,751	121,199,172	121,201,029	26,894
Accounts Receivable	451,288	372,133	523,401	300,020
Accrued Interest Receivable	22,599	26,031	22,599	26,031
Investments, at Fair Market Value	4,499,057	3,560,681	4,499,057	3,560,681
TOTAL ASSETS	<u>5,001,695</u>	<u>125,158,017</u>	<u>126,246,086</u>	<u>3,913,626</u>
LIABILITIES				
Accounts Payable	5,001,695	107,912,345	109,000,414	3,913,626
Accrued Wages and Benefits	-	62,888,273	62,888,273	-
TOTAL LIABILITIES	<u>\$ 5,001,695</u>	<u>170,800,618</u>	<u>171,888,687</u>	<u>3,913,626</u>

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	CITY ANNUITY PENSION TRUST FUND	TOTAL PENSION TRUST FUNDS
ADDITIONS:			
Contributions:			
Employer Contributions	\$ 7,264,588	1,663,299	8,927,887
Plan Members	5,416,147	104,150	5,520,297
Other Contributions	2,461	10,994	13,455
Total Contributions	<u>12,683,196</u>	<u>1,778,443</u>	<u>14,461,639</u>
Investment Earnings:			
Interest Earnings and Dividends	2,418,263	-	2,418,263
Net Increase (decrease) in the Fair Value of Investments	6,135,899	-	6,135,899
Gains (Loss) on Sale of Investment	<u>2,777,042</u>	<u>-</u>	<u>2,777,042</u>
Total Investment Earnings	11,331,204	-	11,331,204
Less: Investment Expense	<u>(439,717)</u>	<u>-</u>	<u>(439,717)</u>
Net Investment Earnings	<u>10,891,487</u>	<u>-</u>	<u>10,891,487</u>
TOTAL ADDITIONS	<u>23,574,683</u>	<u>1,778,443</u>	<u>25,353,126</u>
DEDUCTIONS:			
Benefits	10,471,721	1,671,195	12,142,916
Administrative Expenses	<u>272,399</u>	<u>107,248</u>	<u>379,647</u>
TOTAL DEDUCTIONS	<u>10,744,120</u>	<u>1,778,443</u>	<u>12,522,563</u>
Change in Net Position	12,830,563	-	12,830,563
Net Position - Beginning	<u>141,983,274</u>	<u>-</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 154,813,837</u>	<u>-</u>	<u>12,830,563</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 327,113,377	\$ 371,030,290	\$ 404,332,329	\$ 426,071,062	\$ 435,213,156	\$ 454,275,907	\$ 487,452,144	\$ 497,557,400	\$ 513,425,058	\$ 524,030,871
Restricted	21,193,295	23,051,240	24,098,965	22,027,504	32,487,338	52,746,758	39,488,100	41,402,347	42,852,730	45,893,175
Unrestricted	71,981,867	36,509,233	26,981,198	15,921,760	24,657,948	(9,084,181)	(103,494,138)	(178,284,762)	(202,436,440)	(247,151,115)
Total governmental activities net position	\$ 420,288,539	\$ 430,590,763	\$ 455,412,492	\$ 464,020,326	\$ 492,358,442	\$ 497,938,484	\$ 423,446,106	\$ 360,674,985	\$ 353,841,348	\$ 322,772,931
Business-type activities										
Net investment in capital assets	\$ 241,824,056	\$ 251,995,464	\$ 273,496,354	\$ 235,628,019	\$ 308,880,051	\$ 279,700,006	\$ 266,890,409	\$ 254,793,229	\$ 262,866,023	\$ 276,944,333
Restricted	17,621,503	16,695,175	25,679,932	29,616,876	32,833,893	31,079,396	57,971,427	74,371,213	74,243,372	58,736,604
Unrestricted	38,022,700	36,287,912	44,344,017	91,031,789	21,798,947	44,775,230	(12,769,768)	(17,631,797)	(8,836,173)	22,257,968
Total business-type activities net position	\$ 297,468,259	\$ 304,978,551	\$ 343,720,303	\$ 356,276,684	\$ 363,512,891	\$ 355,554,632	\$ 312,092,068	\$ 311,532,645	\$ 328,273,222	\$ 357,938,905
Primary government										
Net investment in capital assets	\$ 568,937,433	\$ 623,025,754	\$ 677,826,683	\$ 661,699,081	\$ 744,093,207	\$ 733,975,913	\$ 754,342,553	\$ 752,350,629	\$ 776,291,081	\$ 800,975,204
Restricted	38,614,798	39,746,415	49,978,897	51,644,360	65,321,231	83,826,154	97,459,527	115,773,960	117,096,102	104,629,779
Unrestricted	110,004,567	72,797,145	71,325,215	106,953,549	46,456,895	35,691,049	(116,263,906)	(195,916,559)	(211,272,613)	(224,893,147)
Total primary government net position	\$ 717,756,798	\$ 735,569,314	\$ 799,132,795	\$ 820,297,010	\$ 855,871,333	\$ 853,493,116	\$ 735,538,174	\$ 672,207,630	\$ 682,114,570	\$ 680,711,836

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 20,403,447	\$ 33,057,032	\$ 33,212,469	\$ 31,034,892	\$ 36,517,099	\$ 31,483,857	\$ 30,754,775	\$ 31,282,913	\$ 44,803,625	\$ 14,669,141
Public Safety	101,317,492	96,731,529	108,220,849	109,306,566	114,298,448	116,740,217	123,569,785	136,161,243	132,796,643	144,679,796
Public Works	33,983,968	31,945,598	28,971,676	35,937,652	29,742,584	29,275,673	30,339,614	32,262,592	35,411,496	36,856,653
Health and Welfare	19,374,716	21,408,808	21,559,624	23,663,834	25,149,324	25,049,024	25,392,674	26,694,339	28,523,686	28,247,621
Culture and Recreation	19,137,914	21,989,636	24,351,217	25,468,060	25,636,585	28,166,961	27,531,357	29,029,634	28,661,521	30,060,439
Air Transportation	6,014,102	5,592,799	8,337,337	5,896,045	10,379,579	10,866,517	11,424,789	12,068,122	12,447,560	12,447,560
Interest on Long Term Debt	29,610,058	11,170,771	11,330,317	11,215,644	11,253,582	15,939,639	14,675,052	14,833,434	14,874,684	8,654,373
Total Governmental Activities Expenses	229,841,697	221,896,173	235,983,489	242,522,693	252,977,201	257,521,888	263,688,046	282,332,277	297,210,707	275,615,583
Business-Type Activities										
Bridge System	39,335,750	40,917,048	41,558,090	41,674,262	40,886,900	53,740,997	47,492,006	50,002,193	49,498,472	52,412,200
Solid Waste Management System	18,828,910	14,516,888	15,794,014	16,279,971	19,527,143	17,714,332	18,207,099	19,076,156	23,279,911	20,165,585
Water System	28,536,428	40,110,255	42,840,185	43,022,231	43,113,971	46,627,133	53,339,444	60,707,954	48,030,778	46,668,068
Sewer System	18,235,772	25,526,830	24,269,283	28,980,517	31,051,237	32,680,138	32,339,112	37,537,057	31,763,534	31,729,952
Other Business-Type Activities	15,734,541	17,278,725	16,439,140	17,238,383	17,817,971	18,016,163	18,198,854	19,560,225	19,679,802	19,783,672
Total Business-Type Activities Expenses	120,671,401	138,349,746	140,900,712	147,195,364	152,397,222	168,778,763	169,576,515	186,883,585	172,252,497	170,759,477
Total Primary Government Expenses	\$ 350,513,098	\$ 360,245,919	\$ 376,884,201	\$ 389,718,057	\$ 405,374,423	\$ 426,300,651	\$ 433,264,561	\$ 469,215,862	\$ 469,463,204	\$ 446,375,060
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 33,923,642	\$ 36,183,314	\$ 40,374,802	\$ 37,543,445	\$ 40,285,380	\$ 48,476,887	\$ 49,951,513	\$ 52,780,001	\$ 53,273,825	\$ 56,653,936
General Government	10,016,804	12,060,974	8,589,950	7,515,182	10,135,563	9,689,452	10,161,855	9,347,027	8,685,210	8,957,129
Public Safety	3,675,472	4,528,772	2,158,284	5,556,032	13,359,717	681,523	570,033	1,057,448	1,336,890	1,510,684
Public Works	10,452,002	9,832,614	11,998,683	13,793,256	15,564,387	16,082,560	15,328,529	16,664,531	8,467,793	17,797,657
Health and Welfare	4,029,673	5,157,950	5,412,318	7,116,481	5,874,092	6,700,618	5,760,979	6,764,430	6,162,968	7,202,223
Culture and Recreation	4,624,053	5,516,704	4,586,437	4,966,208	7,105,179	6,213,731	8,428,408	5,983,576	6,589,287	7,513,248
Air Transportation	18,369,080	21,833,031	23,499,860	22,085,334	25,228,899	21,012,892	22,967,325	21,731,076	21,047,107	24,927,052
Capital Grants and Contributions	30,660,626	48,006,390	36,020,500	29,325,040	22,102,012	29,152,539	35,294,592	40,400,218	41,090,817	26,064,998
Total Governmental Activities Program Revenues	115,751,352	143,119,749	132,640,834	127,900,978	139,655,229	138,010,202	148,463,234	154,728,307	146,653,897	150,626,927
Business-Type Activities:										
Charges for Services										
Bridge System	43,736,439	45,913,716	46,433,396	47,365,449	47,628,417	55,703,827	58,289,089	60,192,764	61,381,489	68,042,892
Solid Waste Management System	15,570,572	16,014,354	16,657,612	16,625,595	18,773,794	19,938,264	21,422,714	24,141,768	25,314,209	26,306,088
Water System	30,032,089	29,859,060	36,301,316	38,825,686	41,279,848	42,744,943	40,933,158	46,018,021	49,522,342	49,510,176
Sewer System	21,401,432	22,884,626	27,711,393	28,734,011	28,941,911	30,383,531	28,409,350	31,850,492	33,365,973	33,824,818
Other Business-Type Activities	5,938,258	5,447,624	5,384,915	5,453,483	5,593,161	5,516,063	5,581,664	5,367,622	5,516,348	5,933,249
Operating Grants and Contributions	4,433,244	5,439,854	4,279,722	4,473,530	5,504,473	4,425,506	3,914,991	3,837,360	4,091,169	4,064,792
Capital Grants and Contributions	41,035,105	26,282,072	36,609,025	12,928,054	6,365,385	5,746,419	6,313,419	9,332,615	6,735,114	12,507,179
Total Business-Type Activities Program Revenues	161,602,139	151,841,306	173,377,379	154,405,808	154,076,989	164,458,553	164,864,385	180,740,642	185,926,644	200,189,194
Total Primary Government Program Revenues	\$ 277,353,491	\$ 294,961,055	\$ 306,018,213	\$ 282,306,786	\$ 293,732,218	\$ 302,468,755	\$ 313,327,619	\$ 335,468,949	\$ 332,580,541	\$ 350,816,121

(Continued)

**CHANGES IN NET POSITION
LAST TEN FISCAL PERIODS
(ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 2

(Continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (114,090,345)	\$ (78,776,424)	\$ (103,342,655)	\$ (114,621,715)	\$ (113,321,972)	\$ (119,511,686)	\$ (115,224,812)	\$ (127,603,970)	\$ (150,556,810)	\$ (124,988,656)
Business-Type Activities	40,930,738	13,491,560	32,476,667	7,210,444	1,679,767	(4,320,210)	(4,712,130)	(6,142,943)	13,674,147	29,429,717
Total Primary Government Net Expense	<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>	<u>\$ (119,936,942)</u>	<u>\$ (133,746,913)</u>	<u>\$ (136,882,663)</u>	<u>\$ (95,558,939)</u>
General Revenues and Other Changes in										
Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 68,693,562	\$ 69,155,582	\$ 69,142,902	\$ 68,704,058	\$ 69,563,546	\$ 68,900,077	\$ 72,930,004	\$ 76,362,877	\$ 80,508,743	\$ 85,015,620
Sales Tax	29,801,861	29,790,610	39,050,113	38,152,946	40,383,050	39,842,711	41,000,767	38,983,785	39,788,063	41,486,935
Franchise Taxes	6,714,232	6,681,712	7,018,602	7,085,923	7,089,931	7,434,775	7,613,857	7,656,015	7,798,793	8,174,902
Hotel/Motel Tax	2,718,253	3,087,561	4,117,956	4,228,417	4,218,974	4,322,485	4,219,474	3,797,579	3,939,200	4,157,342
Alcoholic Beverage Taxes	323,349	308,966	329,521	298,772	345,476	436,204	463,447	467,361	512,893	549,712
Investment Earnings	1,980,307	703,433	505,944	399,151	379,330	428,693	581,016	780,283	2,148,609	2,265,636
Gain on Sale of Capital Assets	122,890	36,680	1,327,296	314,627	15,898,197	177,320	50,721	512,275	1,080,474	124,655
Bond Premium	1,893,419	-	829,086	84,484	-	-	-	-	-	-
Transfers	8,108,009	4,683,701	5,842,964	3,961,171	3,781,584	7,585,617	9,252,910	6,345,593	7,578,583	12,081,986
Total Governmental Activities	<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>	<u>136,112,196</u>	<u>134,905,768</u>	<u>143,355,358</u>	<u>153,856,788</u>
Business-Type Activities:										
Sales Tax	5,760,681	5,512,908	6,311,745	7,082,464	7,666,150	7,716,898	7,966,064	7,474,608	7,592,193	8,025,224
Investment Earnings	-	288,222	203,743	1,811,816	1,651,558	1,409,876	1,445,291	1,818,713	1,751,860	4,190,741
Gain/(Loss) on Sale of Capital Assets	512,769	(533,697)	152,893	23,254	20,316	352,807	(26,589)	389,708	1,668,774	101,987
Bond Premium	-	-	5,439,668	389,574	-	-	-	-	-	-
Transfers	(8,108,009)	(4,683,701)	(5,842,964)	(3,961,171)	(3,781,584)	(7,585,617)	(9,252,910)	(6,345,593)	(7,578,582)	(12,081,986)
Total Business-Type Activities	<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>	<u>131,856</u>	<u>3,337,436</u>	<u>3,434,245</u>	<u>235,966</u>
Total Primary Government	<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>	<u>\$ 136,244,052</u>	<u>\$ 138,243,204</u>	<u>\$ 146,789,603</u>	<u>\$ 154,092,754</u>
Change in Net Position										
Governmental Activities	\$ 6,265,537	\$ 35,671,821	\$ 24,821,729	\$ 8,607,834	\$ 28,338,116	\$ 9,616,196	\$ 20,887,384	\$ 7,301,798	\$ (7,201,452)	\$ 28,868,132
Business-Type Activities	39,096,179	14,075,292	38,741,752	12,556,381	7,236,207	(2,426,246)	(4,580,274)	(2,805,507)	17,108,392	29,665,683
Total Primary Government	<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>	<u>\$ 16,307,110</u>	<u>\$ 4,496,291</u>	<u>\$ 9,906,940</u>	<u>\$ 58,533,815</u>

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									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ 14,937	\$ 4,349	\$ 19,335	\$ 5,960	\$ 7,920	\$ 11,197	\$ 17,258	\$ 7,080
Restricted	-	-	786,681	1,641,354	3,644,122	11,981,702	11,445,903	12,490,116	12,650,292	11,899,527
Committed	-	-	22,393,198	22,988,878	27,564,635	27,842,577	29,091,945	31,053,457	30,688,417	31,859,384
Assigned	-	-	1,613,435	-	-	-	-	-	-	-
Unassigned	-	-	10,712,189	12,230,458	10,343,359	2,781,899	3,603,026	885,453	1,706,956	3,080,983
Reserved	1,516,661	2,122,655	-	-	-	-	-	-	-	-
Unreserved	29,175,762	32,823,677	-	-	-	-	-	-	-	-
Total General Fund	\$ 30,692,423	\$ 34,946,332	\$ 35,520,440	\$ 36,865,039	\$ 41,571,451	\$ 42,612,138	\$ 44,148,794	\$ 44,440,223	\$ 45,062,923	\$ 46,846,974
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ -	\$ 119,161	\$ 106,717	\$ 95,436	\$ 95,310	\$ 143,068	\$ 124,468	\$ 178,297	\$ 190,926
Restricted	-	-	104,259,849	72,008,350	57,826,607	60,868,607	75,004,683	89,143,791	75,686,929	84,556,431
Committed	-	-	6,756,570	7,729,123	5,263,091	3,559,782	6,018,039	6,205,935	3,641,281	6,206,081
Assigned	-	-	11,709,333	13,515,966	39,401,130	33,525,417	41,356,354	38,986,497	44,550,201	10,491,733
Unassigned (Deficit)	-	-	(125,741)	(2,386,759)	(1,377,349)	(3,086,248)	(5,220,468)	(3,440,082)	(1,746,008)	36,778,829
Reserved	36,478,312	81,538,217	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	25,473,486	27,153,981	-	-	-	-	-	-	-	-
Debt Service Funds	6,636,000	-	-	-	-	-	-	-	-	-
Capital Project Funds	84,709,516	25,754,862	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 153,297,314	\$ 134,447,060	\$ 122,719,172	\$ 90,973,397	\$ 101,208,915	\$ 94,962,868	\$ 117,301,676	\$ 131,020,609	\$ 122,310,700	\$ 138,224,000

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
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
2015	73,314,227	41,364,145	463,398	68,575	4,204,569	7,588,858	127,003,772
2016	75,826,000	38,685,571	456,784	67,340	3,851,082	7,651,588	126,538,365
2017	80,589,128	39,417,857	490,013	68,077	3,842,751	7,776,288	132,184,114
2018	\$ 93,536,784	\$ 33,208,996	\$ 552,905	\$ 52,912	\$ 4,138,626	\$ 8,133,889	\$ 139,624,112

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			
2009	\$	65,419,993	\$	63,194,853	96.60	\$	1,954,702	\$	65,149,555	99.59
2010		66,652,507		64,379,305	96.59		1,999,001		66,378,306	99.59
2011		67,016,086		65,241,316	97.35		1,537,486		66,778,802	99.65
2012		66,842,112		64,818,395	96.97		1,762,959		66,581,354	99.61
2013		67,621,015		65,858,772	97.39		1,484,568		67,343,340	99.59
2014		69,529,157		68,117,096	97.97		1,111,845		69,228,941	99.57
2015		71,691,453		70,277,149	98.03		1,042,194		71,319,343	99.48
2016		75,020,129		73,312,814	97.72		1,275,157		74,587,971	99.42
2017		78,914,153		77,288,444	97.94		958,049		78,246,493	99.15
2018	\$	83,721,163	\$	82,159,879	98.14	\$	-	\$	82,159,879	98.14

SOURCE:

City of Laredo, Texas

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**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	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
2009	\$ 6,654,553,665	\$ 6,654,553,665	\$ 4,402,760,384	\$ 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	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	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	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	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	4,531,514,190	800,231,949	10,998,820,849	10,998,820,849	0.637000	100%
2015	6,765,571,005	6,765,571,005	4,605,136,567	4,605,136,567	4,605,136,567	793,760,615	11,370,707,572	11,370,707,572	0.637000	100%
2016	6,996,535,128	6,996,535,128	5,184,897,773	5,184,897,773	5,184,897,773	872,562,927	11,857,665,347	11,857,665,347	0.637000	100%
2017	7,388,931,473	7,388,931,473	5,383,367,215	5,383,367,215	5,383,367,215	880,762,593	12,490,928,773	12,490,928,773	0.637000	100%
2018	\$ 8,019,104,900	\$ 8,019,104,900	\$ 5,585,863,430	\$ 5,585,863,430	\$ 5,585,863,430	\$ 880,948,630	\$ 13,330,945,213	\$ 13,330,945,213	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)

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
2015	0.63700	0.41470	1.41080	1.21486	0.29716
2016	0.63700	0.41470	1.39550	1.22486	0.33024
2017	0.63700	0.41470	1.38970	1.22486	0.34300
2018	0.63700	0.41470	1.36970	1.27030	0.33805

TAX LEVIES

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
2015		71,691,453		76,580,966		29,450,271		180,574,086		33,605,043
2016		75,020,129		79,217,751		28,362,620		196,450,033		37,132,750
2017		78,914,153		72,900,284		29,103,820		170,690,335		42,288,131
2018	\$	83,721,163	\$	80,593,657	\$	30,105,538	\$	195,624,061	\$	44,267,540

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
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
2015	7,711	6,214	9,150	65.71%	4,775
2016	4,775	10,072	10,875	73.25%	3,972
2017	3,972	3,433	3,520	47.54%	3,885
2018	\$ 3,885	\$ 5,552	\$ 6,407	67.89%	\$ 3,030

(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, 2018**

CITY OF LAREDO, TEXAS

TABLE 10

TAXPAYER	TYPE OF BUSINESS	2018 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
AEP Texas Central Company	Electricity	\$195,855,660	1.38%
Laredo Texas Hospital Co. LP	Hospital	96,147,480	0.68%
Laredo Outlet Shoppes, LLC	Retail	63,629,750	0.45%
Mall Del Norte, LLC	Real Estate	58,140,690	0.41%
The Geo Group, Inc.	Jail	56,722,760	0.40%
Farias Development LTD	Real Estate	53,361,860	0.38%
Laredo Regional Medical CTR LP	Medical	48,907,150	0.34%
Killam Industrial Dev. Partnership, Ltd.	Real Estate	41,412,290	0.30%
AEP Electric Transmission of Texas, LLC	Electric Transmission	40,938,330	0.29%
Card Border, LLC.	Real Estate	37,470,000	0.26%
TOTAL		\$692,585,970	4.89%

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2008**

TAXPAYER	TYPE OF BUSINESS	2008 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	\$105,123,350	1.01%
AEP Texas Central Company	Electricity	66,400,040	0.64%
Electric Transmission of Texas LLC	Electricity	62,452,800	0.60%
Laredo/MDN Limited Partnership	Partnership	52,617,210	0.51%
Laredo Regional Medical Ctr. LP	Medical Center	43,618,800	0.42%
International Bank of Commerce	Bank	33,899,320	0.33%
Killam Ind. Dev Partnership LTD	Partnership	33,724,400	0.32%
The Geo Group Inc.	Jail	32,232,930	0.31%
Laredo Levcal LLC	Ranch Land	29,831,170	0.29%
H.E. Butt Grocery Company	Retail	28,751,300	0.28%
Total		\$488,651,320	4.71%

Numbers show total comparison for principal taxpayers as of 2018 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 \$.145280 of the total tax rate.

Assessed value based on 2017 tax roll	\$13,330,945,213
Maximum amount of bonded indebtedness based on such assessed value (10%).....	\$1,333,094,521
Amount of debt applicable to said maximum debt limit:	
Total General Obligation Bonds and Certificates of Obligations .	\$199,009,292
(Percentage of G. O. and C. O. debt to assessed value)	1.49%
Less: Debt Service Fund Balance as of September 30, 2018....	\$5,406,777
Total Amount of debt applicable to debt limit	\$193,602,515
The Debt Margin between current indebtedness and maximum allowable indebtedness	\$1,139,492,006

**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
2009	\$ 233,152	\$ 9,393,528,747	\$ 358,833,263	\$ 6,636,000	\$ 352,197,263	3.7494%	\$ 1,510.59
2010	237,032	10,385,975,045	342,955,001	6,529,078	336,425,923	3.2392%	1,419.33
2011	241,188 (2)	10,634,156,096	334,374,769	8,272,028	326,102,741	3.0666%	1,352.07
2012	245,461 (2)	10,576,729,269	321,438,433	6,102,576	315,335,857	2.9814%	1,284.67
2013	249,297 (2)	10,691,073,245	318,130,275	4,653,312	313,476,963	2.9321%	1,257.44
2014	252,309 (2)	10,998,820,849	315,056,642	3,775,973	311,280,669	2.8301%	1,233.73
2015	253,747 (2)	11,370,707,572	316,580,001	3,025,147	313,554,854	2.7576%	1,235.70
2016	255,789 (2)	11,857,665,347	349,398,612	4,348,066	345,050,546	2.9099%	1,348.97
2017	257,156 (2)	12,490,928,773	324,573,733	4,617,735	319,955,998	2.5615%	1,244.21
2018	260,654 (2)	\$ 13,330,945,213	\$ 321,518,490	\$ 5,406,777	\$ 316,111,713	2.3713%	\$ 1,212.76

(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
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%
2015	39,178,502	9,097,392	48,275,894	312,340,668	15.46%
2016	23,395,142	9,127,731	32,522,873	320,342,831	10.15%
2017	15,584,619	9,764,959	25,349,578	301,976,278	8.39%
2018	\$ 17,063,400	\$ 9,576,250	\$ 26,639,650	\$ 306,626,430	8.69%

(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, 2018**

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>\$229,748,642</u>	100.00%	<u>\$229,748,642</u>
Overlapping:			
Webb County	66,829,000	64.87%	43,351,972
Laredo Independent School District	291,920,000	100.00%	291,920,000
United Independent School District	457,535,933	78.37%	358,570,911
Laredo Community College	<u>195,965,000</u>	100.00%	<u>195,965,000</u>
Total Overlapping	<u>1,012,249,933</u>		<u>889,807,883</u>
Total	<u><u>\$1,241,998,575</u></u>		<u><u>\$1,119,556,525</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	\$ 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
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

(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	\$ 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
Bridge	\$ 58,361,560	\$ 12,408,494	\$ 45,953,066	\$ 6,663,629	\$ 2,786,624	\$ 9,450,253	4.86
Water	39,691,665	22,232,943	17,458,722	9,986,379	10,574,298	20,560,677	0.85
Sewer	28,523,438	16,518,110	12,005,328	7,997,154	4,362,748	12,359,902	0.97
Sports Venue	8,359,484	1,536,555	6,822,929	2,635,000	1,228,804	3,863,804	1.77
Total 2015	\$ 134,936,147	\$ 52,696,102	\$ 82,240,045	\$ 27,282,162	\$ 18,952,474	\$ 46,234,636	1.78
Bridge	\$ 60,191,985	\$ 44,063,764	\$ 16,128,221	\$ 6,515,000	\$ 2,544,689	\$ 9,059,689	1.78
Water	46,005,339	25,089,331	20,916,008	4,460,137	6,671,362	11,131,499	1.88
Sewer	31,843,713	18,764,427	13,079,286	4,031,863	3,424,431	7,456,294	1.75
Sports Venue	7,865,883	2,069,960	5,795,923	2,470,000	1,391,627	3,861,627	1.50
Total 2016	\$ 145,906,920	\$ 89,987,482	\$ 55,919,438	\$ 17,477,000	\$ 14,032,109	\$ 31,509,109	1.77
Bridge	\$ 61,142,936	\$ 13,895,138	\$ 47,247,798	\$ 6,815,000	\$ 2,192,787	\$ 9,007,787	5.25
Water	46,727,955	25,755,467	20,972,488	4,967,900	6,346,412	11,314,312	1.85
Sewer	33,305,843	20,011,001	13,294,842	3,763,100	3,331,047	7,094,147	1.87
Sports Venue	8,128,168	684,885	7,443,283	2,245,000	1,131,413	3,376,413	2.20
Total 2017	\$ 149,304,902	\$ 60,346,491	\$ 88,958,411	\$ 17,791,000	\$ 13,001,659	\$ 30,792,659	2.89
Bridge	\$ 68,349,206	\$ 13,765,480	\$ 54,583,726	\$ 7,050,000	\$ 1,986,342	\$ 9,036,342	6.04
Water	48,182,833	24,904,013	23,278,820	5,043,524	6,309,328	11,352,852	2.05
Sewer	34,336,575	19,201,287	15,135,288	4,766,476	3,944,973	8,711,449	1.74
Sports Venue	8,794,830	967,782	7,827,048	2,340,000	1,039,165	3,379,165	2.32
Total 2018	\$ 159,663,444	\$ 58,838,562	\$ 100,824,882	\$ 19,200,000	\$ 13,279,808	\$ 32,479,808	3.10

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
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	-	-
2015	74,583,210	104,688,104	29,510,000	4,420,308	340,000	19,206,791	118,101,896	329,064,000	-	-
2016	103,951,365	109,405,572	29,651,343	4,333,835	255,000	56,735,044	79,306,631	367,711,220	-	-
2017	100,087,556	98,811,954	27,095,437	7,129,282	-	53,732,208	71,942,015	350,511,203	-	-
2018	\$ 113,559,150	\$ 85,450,142	\$ 24,444,531	\$ 6,294,818	\$ -	\$ 94,628,943	\$ 27,880,255	\$ 353,405,017	\$ -	\$ -
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	7,561,382,000	2,639	8.74%						
2015	679,914,309	7,939,451,100	2,679	8.56%						
2016	751,350,010	8,031,782,000	2,786	9.35%						
2017	709,309,655	7,980,237,000	2,758	8.89%						
2018	\$ 705,662,856	\$ 8,246,000,000	2,707	8.56%						

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
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
2015	105,983	4,441	4.20%	101,542
2016	110,626	5,060	4.60%	105,566
2017	114,560	4,148	3.60%	110,412
2018	114,382	4,163	3.60%	110,219

SOURCE:

U.S. Bureau of Labor Statistics

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)
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
2015	86,146	30,069	69,343	64,286	16,661,852
2016	87,797	30,144	70,545	65,291	15,362,228
2017	88,536	30,370	71,788	66,707	14,117,888
2018	89,404	30,442	72,859	67,676	\$ 13,821,412

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
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	1,034	207,923,276	12,512,568,000	4,863,861,131	6,554,541,075	387,782,150
2015	231	207,112,512	1,096	156,254,633	12,629,167,000	4,975,763,549	6,846,769,974	356,633,107
2016	258	271,214,041	1,202	157,224,474	12,639,632,000	5,184,897,773	6,996,535,128	560,503,540
2017	332	294,300,035	1,121	168,546,999	11,640,413,000	5,383,367,215	7,388,931,473	609,317,008
2018	299	\$ 213,470,706	1,215	\$ 152,098,324	\$ 11,456,008,000	\$ 5,595,863,430	\$ 8,019,104,900	\$ 628,569,861
								\$ 880,948,630

(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) Limited to locally-owned banks:
Commerce Bank, N.A.
Falcon International Bank
International Bank of Commerce
Texas Community Bank, N.A.

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2018**

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	7,400	5.90%
Laredo Independent School District	4,157	3.90%
City of Laredo	2,651	2.30%
Wal-Mart (4 locations)	2,125	2.00%
U.S. CBP - Customs Field Officers	1,950	1.80%
H.E.B Grocery	1,830	1.70%
McDonald's Restaurant	1,520	1.40%
Webb County	1,500	1.60%
Laredo Medical Center	1,450	1.30%
Laredo Sector Border Patrol	1,400	1.20%

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2008**

United Independent School District	5,941	7.28%
Laredo Independent School District	4,619	5.66%
City of Laredo	2,347	2.88%
HEB Grocery Store	1,666	2.04%
Laredo Sector Border Patrol	1,600	1.96%
Laredo Medical Center	1,475	1.81%
Webb County	1,454	1.78%
McDonald's Restaurant	1,445	1.77%
The Laredo National Bank	1,126	1.38%
Walmart (3 locations)	1,125	1.38%

Principal Employers numbers as of September 2018 and 10 years ago.

Source:

Laredo Development Foundation
Texas Workforce Commission

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2018**

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
United I.S.D.	Education	90,740,600
Laredo Medical Center	Medical	70,962,400
Texas A&M University System	Education	64,472,300
Laredo Community College	Education	32,473,400
New Webb County Jail	County Jail	25,544,400
Laredo Regional Medical Center	Medical	15,546,900
City of Laredo Parks & Recreation	Municipal Government	15,218,300
Laredo Arena Prop Owner Association	Real Estate	14,168,300
Clark's Crossing Apartments	Real Estate	13,683,700
Travel Centers of America	Truck Travel Center	13,576,200

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2008**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	82,153,700
Texas A&M University System	Education	30,815,536
Laredo Municipal Housing Corp.	Housing	26,033,900
New Webb County Jail	County Jail	25,173,000
C.P.L. Power Plant	Utility	20,341,800
Webb County (Irrigation)	County Water Point	17,846,200
Laredo Community College	Education	14,864,500
Laredo Regional Medical Center	Hospital	12,054,700
Towne North Mobil Homes	Housing	11,859,500
Retama Manor Nursing Center	Nursing Home	11,711,600

NOTES:

(1) Total consumption in gallons

Numbers show total comparison for principal water consumers as of fiscal year 2018 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, November 7, 2006, November 2, 2010, and November 8, 2016.
Number of City Employees as of September 30, 2018:	2,550
Number of City Departments as of September 30, 2018:	29

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
2005	84.40	1.35	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.57	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.66	92.06
2012	92.06	0.77	92.83
2013	92.83	0.03	92.86
2014	92.86	9.04	101.90
2015	101.90	N/A	101.90
2016	101.90	2.99	104.89
2017	104.89	0.11	105.00
2018	105.00	N/A	N/A

*Annexations are effective December 31st of the respective year.

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2018**

CITY OF LAREDO, TEXAS

TABLE 21

ELECTIONS

(continued)

Number of Registered Voters: 117,881

NUMBER OF VOTES CAST IN

Last Municipal Election: Nov 8, 2016 49,286

% OF REGISTERED VOTERS VOTING IN

Last Municipal Election: Nov 8, 2016 42.53%

TRANSPORTATION

AIRPORTS

Number of Airports: 1

Name of Airport: Laredo International Airport
Flights Daily to/from
Houston, Dallas, and Las Vegas

Scheduled Airplane Flights
Per Day Departing: 9

Scheduled Airplane Flights
Per Day Arriving: 9

Passengers Enplaning: 83,287 per year

Passengers Deplaned: 91,553 per year

BRIDGES

Number of Bridges: 4

Name of Bridges: Gateway to the Americas Bridge
Juarez - Lincoln International Bridge
Colombia Solidarity Bridge
World Trade Bridge

Number of Crossing Pick-ups,
Motorcycles, Autos & 2 Axle
Vehicles: 5,011,763

Number of Crossing Commercial
Vehicles: 2,281,786

Number of Crossing Pedestrians
(includes bicycles): 3,182,403

Total Tolls: \$ 67,216,394

RAILROADS

(continued)

Number of Railroads: 2

Names of Railroads: Union Pacific Railroad
 Kansas City Southern Railroad

HIGHWAYS

Number of Highways: 6

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
 FM1472 (Mines Rd)

BUS LINES

Name of Local Bus Lines: Laredo Transportation Management Inc. (El Metro)
 El Aguila Rural Transportation (Webb County)

Number of Adult Passengers: 1,464,993

Number of Elderly & Handicapped - Paid: 200,520

Number of Elderly & Handicapped - Free: 459,546

Number of Students: 180,794

Number of Children - Paid: 75,167

Number of Children - Free: 25,657

Number of I.D. Cards for Elderly: 2,698

Number of Medicaid Cards: 6,433

Number of Service Miles: 1,738,502

Number of Charter Miles: 0

Number of Employees: 178

Name of Interstate Bus Lines: Americanos USA
 Cougar Bus Lines
 Greyhound
 Tornado
 El Expreso Bus Co.
 Turimex
 El Conejo

FIRE PROTECTION

(continued)

Number of Stations:	15
Number of Hydrants:	7,980
Number of Fire Pumps:	14
Number of Aerial Trucks:	3
Number of Ambulances:	11
Number of Crash Trucks:	1
Number of Brush Trucks:	5
Number of Haz-Mat Trucks:	1
Number of Firefighters / EMT's / Paramedics:	682
Employees per 1,000 Population:	1.32

POLICE PROTECTION

Number of Stations:	2 Police Headquarters
Number of Neighborhood Policing Stations:	10
Number of Sworn Officers:	493
Number of Vehicular Patrol Units:	328
Employees per 1,000 Population:	1.97
Number of Law Violations:	21,632
Number of Physical Arrests:	6,919
Number of Traffic Violations:	33,376
Number of 911 Calls:	153,314
Number of Non-911 Calls:	203,144

PUBLIC WORKS

(continued)

WATERWORKS SYSTEM

Miles of Water Mains:	1,108
Daily Average Consumption:	33.77 MG
Plant Capacity:	85.5 MGD
Storage Capacity:	42.4 MG
Water Rights Owned:	62,009 ac/ft
Source of Water:	Rio Grande River with 3 intake structures
Number of Service Connections:	72,859

SEWER SYSTEM

Miles of Sanitary Sewer:	775
Number of Lift Stations:	71
Daily Average Treatment:	19.12 MGD
Maximum Capacity of Treatment Plants:	29.2 MGD
Number of Disposal Plants:	6
Number of Service Connections:	67,676

SOLID WASTE

Number of Garbage Clients:	62,000
Solid Waste Disposal Type:	Type I Landfill

STREETS

Number of Paved Streets:	11,431
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	695
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:	351
Number of Administrative Personnel:	79
Number of Teachers:	435
Number of Students:	6,263
Annual Budget:	\$43,517,332
Number of Middle Schools:	4
Number of Classrooms:	203
Number of Administrative Personnel:	43
Number of Teachers:	294
Number of Students:	4,667
Annual Budget:	\$26,292,729
Number of Elementary Schools:	20
Number of Classrooms:	685
Number of Administrative Personnel:	109
Number of Teachers:	799
Number of Students:	12,703
Annual Budget:	\$74,243,092

UNITED INDEPENDENT SCHOOL DISTRICT

(continued)

Number of Senior High Schools:	8
Number of Magnet Schools:	3
Number Alternative Education Schools:	1
Number of Classrooms:	836
Number of Administrative Personnel:	131
Number of Teachers:	818
Number of Students:	13,521
Annual Budget:	\$82,904,250
Number of Middle Schools:	10
Number of Classrooms:	579
Number of Administrative Personnel:	97
Number of Teachers:	590
Number of Students:	9,811
Annual Budget:	\$59,440,464
Number of Elementary Schools:	29
Number of Classrooms:	1,464
Number of Administrative Personnel:	157
Number of Teachers:	1,194
Number of Students:	20,018
Annual Budget:	\$117,396,418

LIBRARIES

(continued)

Number of Public Libraries:	1
Number of Volumes:	306,796
Circulation Transactions:	1,440,546
Circulation Per Capita:	6
New Library Cards Issued:	13,181
Library Cards in Force:	215,872
Number of Subscriptions:	234
Number of Titles:	264,409
Number of Library Visits:	409,332
Number of Materials Used:	143,696
Library Programs Presented:	3,277
Number Attending Library Programs:	77,336
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:	97
Number of Non-Faculty Staff:	
Full-time	459
Part-Time	100
Number of Full-Time Faculty:	215
Number of Part-Time Faculty:	148
Number of Full-Time Students:	5,572
Number of Part-Time Students:	2,423

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:	392
Total Gross Square Footage:	1,402,370 Sq. Ft.
Number of Administrators:	43
Number of Full-Time Faculty:	188
Number of Part-Time Faculty:	215
Number of Full-Time Students:	8,262
Number of Part-Time Students:	4,894
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$59,517,000

RECREATIONAL

(continued)

PARKS

Number of Acres Maintained:	854.5
Number of Parks:	64
Number of Plazas:	5
Baseball and Softball Fields:	58
Number of Swimming Pools:	9
Number of Soccer Fields:	27
Number of Tennis Court Facilities:	5
Number of Racquetball Facilities:	3
Number of Recreational Centers:	8
Number of Splash Parks:	10
Number of Skate Parks:	9

CEMETERY

City:	1
Catholic:	1
Private:	3
Burials Served:	231
Cemetery Lots Sold:	119

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	41 with 4,050 Rooms
Meeting Facilities:	35

TABLE 21

MAJOR ATTRACTIONS

(continued)

Number of Rodeo Arenas:	2
Number of Museums:	10
Number of Golf Courses:	3
Number of Tennis Courts:	21
Number of Tennis Court Facilities:	5
Number of Malls:	2
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Washington's Birthday Celebration 16 de Septiembre Laredo International Fair & Exposition Laredo Birding Festival Memorial Day Pow Wow 4th of July Celebration Laredo Sister Cities Festival Urban Fest Autmus Fest Navidad Fest Jalapeno Festival Jamboozie Farmers Market City Kite Festival Cycling Race Laredo Big Bad BBQ Cook-off

CHURCHES

Number of Catholic Churches:	23
Other Churches:	55

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, WBCA Carnival, Graduations, and Special Events

BASEBALL STADIUM

Facility Area:	39.71 Acres
Seat Capacity:	6,014
Stadium Capacity:	16,000
Luxury Suites:	11
Meeting Rooms:	3
Food Courts:	4
Team Stores:	1
Parking Spaces:	985
Major Attractions:	Baseball 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

**INSURANCE IN FORCE FOR THE CITY OF LAREDO
INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM,
LAREDO WATERWORKS SYSTEM, AND THE LAREDO
SEWER SYSTEM
SEPTEMBER 30, 2018**

CITY OF LAREDO, TEXAS

TABLE 22

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$ 693,271,222
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	26,301,413 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 50,000,000 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	424,025 300,000 2,000,000 1,000,000 240,000
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 NINE FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

Table 23

FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30									
FUNCTION	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	296.14	292.14	295.18	309.66	300.70	340.75	338.25	349.10	347.10
Public Safety:									
Police:									
Officers	513	485	486.00	482.00	482.00	482.00	482.00	482.00	455.00
Civilians	92	88	88.00	89.00	90.00	90.00	89.00	89.00	89.00
Fire:									
Firefighters and Officers	407	382	383.00	383.00	362.00	362.00	357.00	357.00	357.00
Civilians	19	19	19.00	19.00	14.00	14.00	10.00	10.00	10.00
Other Civilians	69	62	62.00	63.00	62.00	62.00	62.00	62.00	62.00
Public Works	164	164	164.00	164.00	159.00	112.00	113.00	118.00	118.00
Health and Welfare	327.96	326	309.96	280.48	302.50	304.88	291.38	289.88	279.88
Culture and Recreation	309.3	301	297.83	296.83	274.09	246.24	243.97	245.93	245.93
Air Transportation	68	68	63.00	63.00	60.00	54.00	48.00	48.00	47.00
Bridge System	189	189	189.00	189.00	189.00	190.00	190.00	207.00	207.00
Solid Waste Management System	144	141	136.00	136.00	131.00	128.00	128.00	128.00	132.00
Water System	227	226	224.00	224.00	207.00	190.00	195.00	188.00	188.00
Sewer System	117	118	120.00	120.00	102.00	81.00	75.00	72.00	72.00
Transit System	182.1	181.1	181.10	171.00	171.00	181.00	162.00	185.10	184.70
Municipal Housing	13	13	13.00	13.00	13.00	12.00	12.00	11.00	11.00
Total	3,137.50	3,055.24	3,031.07	3,002.97	2,919.29	2,849.87	2,796.60	2,842.01	2,805.61

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2010

SOURCE:

City of Laredo Budget Division

OPERATING INDICATORS BY FUNCTION
LAST NINE FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 24

FUNCTION	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	FISCAL YEAR 2017	FISCAL YEAR 2018
Police									
Physical Arrests	7,832	7,827	8,613	9,576	9,603	9,076	9,113	6,983	6,919
Vehicle Inspections (used dealerships)	29	34	40	36	42	330	429	316	40
Bridge Operations Conducted	115	63	151	177	81	36	19	39	-
Emergency Calls	158,922	120,567	196,802	180,305	184,987	198,856	223,292	170,309	153,314
Non-Emergency Calls	222,698	271,832	264,904	250,351	239,532	202,602	225,137	213,834	203,144
Dispatched Calls	381,620	392,399	461,706	430,656	424,519	401,458	448,429	384,143	356,458
Public Awareness/Training/Education	63	108	112	54	75	49	84	74	116
Fire									
Fire Department Responses	9,333	9,092	26,733	24,559	19,470	6,216	9,763	10,014	13,291
Inspections	1,873	1,712	4,610	4,600	5,860	5,397	5,530	4,394	6,773
Arson Cases Investigated	80	87	94	95	64	49	48	55	37
Public Education Presentations	77	81	107	150	150	139	174	92	116
Public Works									
Street Resurfaced	490	462	388	244	346	426	363	205	122
Potholes Repaired	23,967	22,247	24,490	24,694	24,816	23,975	21,750	25,620	17,262
Bridge									
Pedestrian Crossings	3,746,170	3,161,627	2,946,244	2,973,056	3,032,333	3,029,608	3,074,538	3,116,492	3,182,403
Gateway Passes Sold	3,638,851	3,110,189	2,923,079	2,934,065	2,913,971	2,614,406	2,582,783	2,650,455	1,148,864
Non-Commercial Vehicle Crossings	4,669,024	4,401,849	4,418,558	4,551,845	6,732,956	5,060,633	5,212,091	4,992,233	5,013,214
Commercial Vehicle Crossings	1,575,893	1,725,335	1,784,104	1,835,110	1,924,842	2,005,177	2,087,586	2,176,995	2,281,483
Non-Commercial AVI Accounts	14,033	10,448	10,406	10,632	11,476	12,433	13,418	12,090	13,124
Commercial AVI Accounts	2,819	3,388	3,721	3,931	4,374	4,852	5,243	5,025	5,540
Culture and Recreation									
Community Center Admissions	265,265	345,442	382,769	523,699	466,400	447,269	506,177	510,658	398,095
Community Service Special Events	63	71	70	93	90	217	90	63	81
After School Programs	14	7	6	9	8	8	8	8	27
Transit System									
Passenger Ridership	3,365,661	2,858,252	2,884,245	2,998,121	2,898,000	2,816,479	2,762,991	2,750,572	2,406,677
Miles Driven	1,968,004	1,953,600	1,961,651	1,961,745	1,941,131	1,684,067	1,721,527	1,716,803	1,738,502

OPERATING INDICATORS BY FUNCTION LAST EIGHT FISCAL YEARS (1)	CITY OF LAREDO, TEXAS

TABLE 24

(Continued)

FUNCTION	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016	FISCAL YEAR 2017	FISCAL YEAR 2018
Sanitation									
Household Customers	54,850	55,839	56,797	56,936	58,427	59,118	60,102	61,091	62,000
Refuse Collected (tons)	95,384	104,680	94,549	99,613	87,406	103,049	109,346	91,365	92,124
Recyclables Collected (tons)	4,200	3,684	3,378	3,128	11,506	11,940	7,661	11,330	12,147
Water									
Average Consumption (MGD)	32.60	40.00	28.40	35.00	26.00	31.90	36.29	34.07	33.55
Meters Read (per month)	61,675	63,031	64,561	66,512	67,662	68,897	70,072	71,278	72,392
Service Calls (per month)	6,943	7,561	8,415	9,030	9,785	11,301	12,890	12,895	12,107
Wastewater									
Average Sewage Treatment (MGD)	18.00	17.90	18.90	18.90	18.80	19.70	20.64	19.50	19.12
Airport									
Commercial Service Airlines	3	3	3	3	3	3	3	3	3
Land/Building Leases	89	83	86	86	90	95	94	95	84
Inbound/Outbound Passengers	221,558	208,173	192,869	200,803	204,496	206,332	187,750	172,429	172,152
Scheduled Flights Per Day	8	8	8	9	8	8	8	9	9

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2010.

SOURCE:

City of Laredo, Texas

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 25

FUNCTION	FISCAL YEAR 2018	FISCAL YEAR 2017	FISCAL YEAR 2016	FISCAL YEAR 2015	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010
Public Safety									
Police:									
Stations	12	10	12	10	18	18	18	18	18
Patrol Units	328	324	301	292	294	261	297	381	468
Fire:									
Stations	15	15	15	15	15	14	14	14	14
EMS Units	11	10	9	9	9	9	9	10	9
Ladder Trucks	3	3	3	3	3	3	3	3	3
Pumper Trucks	14	14	14	14	14	14	14	14	14
Highways and Streets									
Public Works:									
Streets - Lane Miles	695	681	673	685	676	670	664	663	660
Traffic:									
Traffic Signals	252	252	248	248	246	248	242	243	246
Street Lights	13,500	13,442	13,032	12,850	12,761	12,480	12,400	13,649	13,261
Other Traffic Control Signs	36,946	36,648	36,360	36,000	35,331	34,862	34,624	34,209	33,775
Bridge System									
International Bridges	4	4	4	4	4	4	4	4	4
Cultural and Recreation									
Parks Acreage	854.5	854	830	735	886	860	863	882	878
Parks	64	55	83	83	74	74	73	72	71
Swimming Pools	9	9	8	8	8	7	7	6	6
Community Centers	11	11	9	10	9	9	10	8	10
Convention Centers	0	0	0	0	0	1	1	1	1
Stadiums	2	2	2	2	2	1	1	0	0
Transit System									
Buses	43	42	48	48	48	48	47	47	48
Trolleys	1	1	1	1	1	1	2	2	3

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS (1)TABLE 25
(Continued)

FUNCTION	FISCAL YEAR 2018	FISCAL YEAR 2017	FISCAL YEAR 2016	FISCAL YEAR 2015	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010
Sanitation									
Collection Trucks - Rear Loaders	21	20	20	21	25	24	23	23	20
Collection Trucks - Automated	41	41	30	39	43	38	40	41	41
Collection Trucks - Dump Trucks	0	0	3	0	0	2	0	0	3
Collection Trucks - Grapplers	8	8	7	7	8	8	5	5	6
Collection Trucks - F Loaders/Recycle	3	3	3	3	3	3	4	0	0
Collection Trucks - Roll-off Trucks	3	3	3	2	2				
Water									
Water Mains (miles)	1108	793	785	765	721	721	716	711	702
Fire Hydrants	7980	7374	7,271	6,380	6,208	3,381	3,316	3,257	3,221
Maximum Capacity (MGD)	85	85.5	85	85	65	65	65	65	65
Wastewater									
Sanitary Sewer (miles)	814	546	537	513	513	504	500	498	450
Maximum Capacity (MGD)	29.2	29.2	29.25	29.20	24.70	25.10	25.10	24.70	22.70
Environmental Services									
Storm Drainage (miles)	218	214	212	201	201	198	187	183	230
Air Transportation									
Airports	1	1	1	1	1	1	1	1	1

NOTES:

(1) This table was implemented by GASB starting in fiscal year 2010.

SOURCE:

City of Laredo, Texas

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CONTINUING DISCLOSURES INFORMATION

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 2002-2018. The table applies to the following issues:

Sewer System Revenue Bond, Series 2002	\$ 710,000
Waterworks Revenue Bond, Series 2002	741,000
Public Property Finance Contractual Obligations, Series 2008	3,555,000
Waterworks & Sewer System Revenue Bond, Series 2008	915,000
Combination Tax and Revenue Certificate of Obligation, Series 2009A	11,270,000
Waterworks & Sewer System Revenue Bond, Series 2009C	13,475,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2009	7,500,000
Combination Tax and 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
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
Combination Tax and Airport Revenue Certificate of Obligation, Series 2014	5,600,000
International Toll Bridge System Refunding Bond, Series 2014	14,175,000
International Toll Bridge System Revenue Bond, Series 2014	9,585,000
International Toll Bridge System Taxable Refunding Bond, Series 2014	3,885,000
International Toll Bridge System Subordinated Refunding Bond, Series 2014	17,365,000
Public Property Finance Contractual Obligations, Series 2014	6,780,000
Sports Venue Sales Tax Revenue Bonds, Series 2014	20,545,000
Waterworks & Sewer System Revenue Bond, Series 2014	11,585,000
General Obligation Refunding Bonds, Series 2015	64,740,000
Tax and Revenue Certificate of Obligation, Series 2015	19,765,000
Waterworks & Sewer System Revenue Bond, Series 2015	15,045,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015	5,500,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015A	4,600,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015B	22,075,000
Waterworks & Sewer System Revenue Bond, Series 2016	75,395,000
Waterworks & Sewer System Revenue Bond, Series 2016	9,745,000
Waterworks & Sewer System Revenue Bond, Series 2016	75,395,000
Sports Venue Sales Tax Revenue Bonds, Series 2016	8,970,000
Tax and Revenue Certificate of Obligation, Series 2016 T/E	22,610,000
Tax and Revenue Certificate of Obligation, Series 2016	3,075,000

Public Property Finance Contractual Obligations, Series 2016	8,080,000
General Obligation Refunding Bonds, Series 2016	54,540,000
International Toll Bridge System Refunding Bond, Series 2016	8,700,000
Waterworks & Sewer System Revenue Bond, Series 2017	18,155,000
Public Property Finance Contractual Obligations, Series 2017	3,685,000
General Obligation Refunding Bonds, Series 2017	12,675,000
Certificates of Obligation, Series 2017	14,810,000
General Obligation Refunding Bonds, Series 2018	\$ 46,635,000

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2017 Market Valuation Established by Webb County Appraisal District (as of September 2017)		14,233,538,191
Less Supplemental Tax Levy Adjustment	21,644,348	
Total Adjusted Levy		14,211,893,843
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	317,258,233	
Disabled Veterans Exemptions	64,763,031	
Agricultural and Open Space Land Use Reductions	210,858,602	
Free Port Exemptions	231,655,380	
Property Redevelopment and Tax Abatement	40,854,394	
Pollution Control	5,682,410	
Other Exemptions	<u>9,876,580</u>	<u>880,948,630</u>
2017 Taxable Assessed Valuation		<u><u>13,330,945,213</u></u>
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	113,559,150	
Certificates of Obligation	<u>85,450,142</u>	
Funded Debt Payable from Ad Valorem Taxes		199,009,292
Less: Self-supporting Debt		
Bridge System General Obligation Debt	2,226,765	
Airport System Certificates of Obligation	4,215,000	
Environmental Services General Obligation Debt	13,569,189	
Environmental Services Certificates of Obligation	5,541,667	
Parking System General Obligation Debt	<u>888,699</u>	<u>26,441,320</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes		<u><u>172,567,972</u></u>
Interest and Sinking Fund		5,406,777
Ratio Funded Debt to Taxable Assessed Valuation		1.49%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.29%
2018 Estimated Population- 260,654		
Per Capita Taxable Assessed Valuation- \$51,144		
Per Capita Funded Debt- \$763		
Per Capita General Purpose Funded Debt- \$662		

- (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: \$221,237,425 Waterworks System Revenue Bonds; \$155,282,132 Sewer System Revenue Bonds; \$39,740,000 International Toll Bridge System Revenue Bonds; \$4,611,022 Transit System Revenue Bonds; \$21,953,118 Solid Waste Revenue Bonds; and \$22,890,000 Sports Venue Sales Tax Revenue Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2018	2017		2016		% of Total
	Amount	% of Total	Amount	% of Total	Amount	
Real, Residential, Single Family	7,306,354,273	51.41%	6,688,911,938	50.02%	6,309,253,390	49.56%
Real, Residential, Multifamily	531,944,021	3.74%	536,455,633	4.01%	467,837,808	3.68%
Real, Vacant Lots/Tracts	416,010,091	2.93%	387,741,045	2.90%	345,104,220	2.71%
Real, Acreage (Land Only)	212,184,436	1.49%	221,473,241	1.66%	215,123,781	1.69%
Real, Farm and Ranch Improvements	117,409,310	0.83%	108,400,727	0.81%	139,950,625	1.10%
Real, Commercial/Industrial	3,708,240,026	26.09%	3,541,912,142	26.49%	3,346,191,171	26.29%
Real, Oil, Gas, and Other Mineral Reserves	1,209,937	0.01%	1,980,040	0.01%	4,250,366	0.03%
Goods In-Transit	9,540,211	0.07%	1,436,504	0.01%	1,670,134	0.01%
Real and Tangible Personal, Utilities	317,485,268	2.23%	292,970,420	2.19%	290,518,596	2.28%
Tangible Personal, Commercial/Industrial	1,461,543,251	10.28%	1,466,051,945	10.96%	1,465,292,959	11.51%
Tangible Personal, Other	50,622,472	0.36%	49,334,083	0.37%	72,824,917	0.57%
Real Property, Inventory (1)	35,482,906	0.25%	30,973,122	0.23%	31,820,015	0.25%
Special Inventory	43,867,641	0.31%	44,050,526	0.33%	40,390,292	0.32%
Total Appraised Value Before Exemptions	14,211,893,843	100.00%	13,371,691,366	100.00%	12,730,228,274	100.00%
Less: Total Exemptions/Reductions	880,948,630		880,762,593		872,562,927	
Taxable Assessed Value	<u>13,330,945,213</u>		<u>12,490,928,773</u>		<u>11,857,665,347</u>	
Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2015	2014		2013		% of Total
	Amount	% of Total	Amount	% of Total	Amount	
Real, Residential, Single Family	5,975,815,013	49.13%	5,702,411,868	48.33%	5,640,577,811	49.06%
Real, Residential, Multifamily	434,278,245	3.57%	406,542,266	3.45%	375,691,113	3.27%
Real, Vacant Lots/Tracts	356,203,470	2.93%	387,547,909	3.28%	396,528,886	3.45%
Real, Acreage (Land Only)	212,511,779	1.75%	221,567,102	1.88%	355,696,350	3.09%
Real, Farm and Ranch Improvements	140,504,891	1.16%	143,009,485	1.21%	1,611,188	0.01%
Real, Commercial/Industrial	3,219,551,034	26.47%	3,100,899,447	26.28%	3,050,782,350	26.53%
Real, Oil, Gas, and Other Mineral Reserves	7,517,248	0.06%	6,432,922	0.05%	7,805,378	0.07%
Goods In-Transit	1,250,322	0.01%	1,787,779	0.02%	1,655,666	0.01%
Real and Tangible Personal, Utilities	250,433,728	2.06%	248,901,579	2.11%	229,889,347	2.00%
Tangible Personal, Commercial/Industrial	1,433,730,338	11.79%	1,437,850,956	12.19%	1,292,946,066	11.24%
Tangible Personal, Other	75,411,725	0.62%	77,050,967	0.65%	76,391,179	0.66%
Real Property, Inventory (1)	17,430,686	0.14%	32,287,021	0.27%	41,995,477	0.37%
Special Inventory	39,829,708	0.33%	32,763,497	0.28%	26,823,514	0.23%
Total Appraised Value Before Exemptions	12,164,468,187	100.00%	11,799,052,798	100.00%	11,498,394,325	100.00%
Less: Total Exemptions/Reductions	793,760,615		800,231,949		807,321,080	
Taxable Assessed Value	<u>11,370,707,572</u>		<u>10,998,820,849</u>		<u>10,691,073,245</u>	

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>
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
2015	253,747	11,370,707,572	44,811	179,271,315	1.58%	706
2016	255,789	11,857,665,347	46,357	213,356,937	1.80%	834
2017	257,156	12,490,928,773	48,573	198,899,510	1.59%	773
2018	260,654	13,330,945,213	51,144	199,009,292	1.49%	763

(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>
2009	0.637000	0.512737	0.124263	65,419,993	96.60%	99.59%
2010	0.637000	0.512772	0.124228	66,652,507	96.59%	99.59%
2011	0.637000	0.512304	0.124696	67,016,086	97.35%	99.65%
2012	0.637000	0.512326	0.124674	66,842,112	96.97%	99.61%
2013	0.637000	0.498866	0.138134	67,621,015	97.39%	99.59%
2014	0.637000	0.488257	0.148743	69,529,157	97.97%	99.57%
2015	0.637000	0.491720	0.145280	71,691,453	98.03%	99.48%
2016	0.637000	0.493751	0.143249	75,020,129	97.72%	99.42%
2017	0.637000	0.494068	0.142932	78,914,153	97.94%	99.15%
2018	0.637000	0.491887	0.145113	83,721,163	98.14%	98.14%

Tax collections as of September 30, 2018

TABLE 5 – TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	2017 Assessed Valuation Real & Personal <u>Property</u>	Percentage of Total Assessed <u>Valuation</u>
AEP Texas Central Company	Utility	195,855,660	1.38%
Laredo Texas Hospital Co., LP	Hospital	96,147,480	0.68%
Laredo Outlet Shoppes, LLC	Retail	63,629,750	0.45%
Mall Del Norte, LLC	Retail	58,140,690	0.41%
The GEO Group, Inc.	Correctional	56,722,760	0.40%
Farias Development, LTD.	Real Estate	53,361,860	0.38%
Laredo Regional Medical Center, LP	Medical	48,907,150	0.34%
Killam Development LTD	Real Estate	41,412,290	0.30%
AEP Electric Transmission of Texas, LLC	Utility	40,938,330	0.29%
Card Border, LLC.	Real Estate	37,470,000	0.26%
		<u>692,585,970</u>	4.89%

NOTE: As of March 5, 2019, none of the taxpayer above are delinquent.

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>2017 Taxable Assessed Valuation</u>	<u>2017 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-18</u>
City of Laredo	13,330,945,213	0.637000	199,009,292	100.00%	199,009,292
Laredo Independent School District	2,403,924,582	1.369700	291,920,000	100.00%	291,920,000
Laredo Community College District	14,103,401,890	0.338050	195,965,000	100.00%	195,965,000
United Independent School District	17,053,381,889	1.270300	457,535,933	78.37%	358,570,911
Webb County	21,287,316,660	0.414700	66,829,000	64.87%	<u>43,351,972</u>
Total Direct and Overlapping G.O. Tax Debt					<u><u>1,088,817,175</u></u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.60%
Per Capita Overlapping G. O. Tax Debt					4,177.25

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2019.....	\$	26,881,292
Interest and Sinking Fund, 9-30-2018.....	5,406,777	
Property Taxes for Interest and Sinking Fund.....	19,890,006	
Paving Assessments.....	11,698	
Budgeted Transfers.....	6,774,258	
Estimated Investment Income.....	<u>176,200</u>	<u>32,258,939</u>
Estimated Balance, 9-30-2019.....	\$	<u><u>5,377,647</u></u>

TABLE 8A – GENERAL OBLIGATION DEBT SERVICE

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2018 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2019	17,667,998	2,171,800	19,839,798	6,925,011	12,914,787	9.42%
2020	20,216,846	2,177,850	22,394,696	8,206,877	14,187,819	
2021	20,435,743	2,177,850	22,613,593	8,193,598	14,419,995	
2022	18,160,527	4,348,550	22,509,077	8,192,008	14,317,069	
2023	17,326,666	4,348,150	21,674,816	7,388,671	14,286,145	
2024	16,983,136	4,344,150	21,327,286	7,285,393	14,041,893	61.42%
2025	16,540,213	4,331,650	20,871,863	6,787,231	14,084,632	
2026	15,792,455	4,330,450	20,122,905	6,786,365	13,336,540	
2027	14,834,058	5,045,550	19,879,608	6,780,295	13,099,313	
2028	8,398,680	5,043,000	13,441,680	6,209,453	7,232,227	
2029	5,909,590	5,035,125	10,944,715	6,201,772	4,742,943	99.73%
2030	3,511,354	3,053,875	6,565,229	6,192,929	372,300	100.00%
2031	3,141,749	3,051,250	6,192,999	6,192,999	-	
2032	3,141,850	3,048,750	6,190,600	6,190,600	-	
2033	3,141,625	3,046,125	6,187,750	6,187,750	-	
2034	-	3,043,125	3,043,125	3,043,125	-	
2035	-	3,039,500	3,039,500	3,039,500	-	
2036	-	3,030,125	3,030,125	3,030,125	-	
2037	-	3,029,625	3,029,625	3,029,625	-	
2038	-	3,027,500	3,027,500	3,027,500	-	
2039	-	3,018,625	3,018,625	3,018,625	-	100.00%
Total	<u>185,202,490</u>	<u>73,742,625</u>	<u>258,945,115</u>	<u>121,909,452</u>	<u>137,035,663</u>	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2017	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2018	15,267,981	824,875	16,092,856	7,728,539	8,364,317	7.67%
2019	11,323,508	822,375	12,145,883	5,156,571	6,989,312	
2020	9,610,169	816,675	10,426,844	3,670,980	6,755,864	
2021	8,198,697	820,775	9,019,472	2,777,630	6,241,842	
2022	7,526,423	819,725	8,346,148	2,088,325	6,257,823	31.75%
2023	7,827,916	820,313	8,648,229	2,086,425	6,561,804	
2024	7,861,777	819,725	8,681,502	2,085,462	6,596,040	
2025	7,044,727	822,000	7,866,727	1,105,513	6,761,214	
2026	5,373,133	1,401,750	6,774,883	742,806	6,032,077	
2027	5,387,506	1,404,125	6,791,631	742,475	6,049,156	61.11%
2028	4,971,917	1,399,375	6,371,292	316,300	6,054,992	
2029	4,806,574	1,397,500	6,204,074	315,100	5,888,974	
2030	4,450,460	1,398,250	5,848,710	318,400	5,530,310	
2031	4,444,613	1,401,375	5,845,988	316,200	5,529,788	
2032	3,631,913	1,401,750	5,033,663	-	5,033,663	86.84%
2033	3,628,213	1,399,375	5,027,588	-	5,027,588	
2034	3,217,550	1,399,125	4,616,675	-	4,616,675	
2035	1,902,300	1,400,750	3,303,050	-	3,303,050	
2036	-	1,399,125	1,399,125	-	1,399,125	100.00%
Total	<u>116,475,377</u>	<u>21,968,963</u>	<u>138,444,340</u>	<u>29,450,726</u>	<u>108,993,614</u>	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Revenue from Fiscal Year Ended 9-30-18	1,111,415
Less: Airport Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	1,111,415
Airport Certificate Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>165,850</u>
Balance	<u>945,565</u>
Percentage of Airport Certificate Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-18	15,135,288
Less: Sewer System Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>8,718,736</u>
Balance Available for Other Purposes	6,416,552
Sewer System General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>2,655,420</u>
Balance	<u>3,761,132</u>
Percentage of Sewer System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Waterworks System	
Net Revenue from Fiscal Year Ended 9-30-18	23,278,820
Less: Waterworks Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>11,340,719</u>
Balance Available for Other Purposes	11,938,101
Waterworks System General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>5,086,352</u>
Balance	<u>6,851,749</u>
Percentage of Waterworks System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Mass Transit	
Net Revenue from Fiscal Year Ended 9-30-18	951,433
Less: Mass Transit Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	951,433
Mass Transit General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>1,309,608</u>
Balance	<u>(358,175)</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 9-30-18	11,268,074
Less: Solid Waste Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	11,268,074
Solid Waste General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>5,602,173</u>
Balance	<u><u>5,665,901</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 9-30-18	54,583,726
Less: Bridge Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>6,787,063</u>
Balance Available for Other Purposes	47,796,663
Bridge General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance	<u><u>47,796,663</u></u>
Percentage of Bridge General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Environmental Fund	
Net Revenue from Fiscal Year Ended 9-30-18	3,122,499
Less: Environmental Fund Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	3,122,499
Environmental Fund General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>2,441,184</u>
Balance	<u><u>681,315</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 9-30-18	164,984
Less: Parking Meters Fund Revenue Bond Requirements, 2019 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	164,984
Parking Meters Fund General Obligation Bond Requirements, 2019 Fiscal Year Ended	<u>187,861</u>
Balance	<u><u>(22,877)</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>
2019	\$ 1,405,109
2020	1,405,110
2021	1,394,217
2022	482,962
2023	482,962
2024	411,833
2025	411,833
2026	411,834
2027	<u>411,835</u>
Total Minimum Lease Payments	\$ <u>6,817,695</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,				
	2018	2017	2016	2015	2014
Revenues:					
Taxes	99,795,393	95,026,773	90,302,500	90,579,673	87,841,771
Franchises	8,133,889	7,776,288	7,651,588	7,588,828	7,408,310
Licenses & Permits	9,658,199	9,421,119	9,229,632	9,047,461	8,475,493
Intergovernmental	434,008	894,876	595,857	963,076	623,605
Charges for Services	52,996,333	48,983,032	48,020,795	46,174,319	44,017,007
Fine and Special Assessments	5,381,785	5,100,557	4,736,734	4,446,428	4,405,309
Interest and Other	2,194,650	1,443,193	1,420,305	1,043,228	208,691
Other	16,381,711	22,204,979	28,358,710	23,114,966	1,165,668
Total Revenues	194,975,968	190,850,817	190,316,121	182,957,979	154,145,854
Expenditures:					
General Government	25,151,930	24,444,362	23,381,194	22,935,953	19,086,641
Public Safety	126,615,585	120,422,538	117,117,831	110,182,155	106,976,068
Public Works	6,384,433	6,229,622	6,198,320	5,669,633	7,516,367
Health and Welfare	2,678,157	628,047	583,255	510,518	472,667
Culture and Recreation	17,603,430	16,580,772	16,043,063	16,116,735	16,702,160
Capital Outlay	16,466,390	22,017,357	28,332,168	23,188,472	22,378,959
Interest and Fiscal Expenditures	1,066,539	411,834	411,833	411,834	111,947
Total Expenditures	195,966,464	190,734,532	192,067,664	179,015,300	173,244,809
Excess (Deficiency) of Revenues Over Expenditures	(990,496)	116,285	(1,751,543)	3,942,679	(19,098,955)
Other Financing Sources (Uses):					
Transfers In	7,383,660	10,807,278	7,684,137	4,252,000	8,056,943
Bond/Capital Lease Proceeds	-	62,168	-	-	-
Contributions	-	-	-	-	19,667,880
Transfers Out	(4,692,657)	(5,774,122)	(6,025,692)	(6,693,630)	(7,740,352)
Sale of Assets	83,544	41,247	384,527	35,607	155,171
Total Other Financing Sources (Uses):	2,774,547	5,136,571	2,042,972	(2,406,023)	20,139,642
Net Increase (Decrease)	1,784,051	5,252,856	291,429	1,536,656	1,040,687
Prior Period Adjustment	-	(4,630,156)	-	-	-
Beginning Fund Balance	45,062,923	44,440,223	44,148,794	42,612,138	41,571,451
Ending Fund Balance	46,846,974	45,062,923	44,440,223	44,148,794	42,612,138

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>Valorem Tax Levy</u>	<u>Ad Valorem Tax Rate</u>	<u>Per Capita (1)</u>
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
2015	41,364,145	57%	0.3659	163.01
2016	38,685,571	52%	0.3283	151.24
2017	39,417,857	50%	0.3179	153.28
2018	33,208,996	40%	0.2519	127.41

(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, 2018, 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 270 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 155,388,783
Certificates of Deposit	<u>245,951,022</u>
Total	\$ <u><u>401,339,805</u></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 140 employees, approximately 71 of which are directly involved in toll collection operations. Another 69 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
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
2015	5,060,633	2,005,177	7,065,810	3,029,608
2016	5,212,091	2,087,586	7,299,677	3,074,538
2017	4,992,263	2,176,965	7,169,228	3,116,492
2018	5,011,763	2,281,786	7,293,549	3,182,403

TABLE 2 - TOLL RATES FOR THE SYSTEMNew Rate Schedule (Southbound only) EffectiveApril 1, 2018:

Pedestrians	\$1.00
Children under 6 years of age	Free
Bicycle and Rider	\$1.00
Non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) (per axle)	\$1.75
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
Non-commercial vehicles utilizing the AVI (per axle)	\$1.65
Commercial Vehicles (per axle)	\$4.75
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

Old Rate Schedule (Southbound only) EffectiveOctober 18, 2013:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
Non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) (per axle)	\$1.75
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
Non-commercial vehicles utilizing the AVI (per axle)	\$1.65
Commercial Vehicles (per axle)	\$4.25
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2018</u>	<u>FISCAL YEAR</u> <u>2017</u>	<u>FISCAL YEAR</u> <u>2016</u>	<u>FISCAL YEAR</u> <u>2015</u>	<u>FISCAL YEAR</u> <u>2014</u>
OCT	5,429,148	4,964,412	4,955,045	4,968,175	4,364,888
NOV	5,531,001	4,914,181	4,872,898	4,500,124	4,396,270
DEC	5,425,310	5,077,817	4,772,885	4,713,485	4,456,362
JAN	5,297,699	4,715,223	4,798,046	4,508,842	4,323,100
FEB	5,141,280	4,553,547	4,830,374	4,340,487	4,131,500
MAR	5,676,877	5,273,804	5,411,377	4,787,194	4,579,634
APR	5,756,988	4,803,943	5,105,546	4,851,498	4,530,638
MAY	5,984,152	5,090,443	4,921,404	4,844,978	4,756,878
JUN	5,790,623	5,281,603	4,999,924	4,854,814	4,574,275
JUL	5,688,560	5,002,491	4,818,895	5,027,472	4,775,062
AUG	6,036,736	5,312,779	5,078,869	4,895,665	4,693,004
SEP	<u>5,458,020</u>	<u>4,976,103</u>	<u>4,905,890</u>	<u>4,798,090</u>	<u>4,499,933</u>
TOTAL	<u>67,216,394</u>	<u>59,966,346</u>	<u>59,471,153</u>	<u>57,090,824</u>	<u>54,081,544</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>			
2019	3,900,000	1,164,713	5,064,713	1,722,350	6,787,063	14.16%
2020	3,395,000	1,007,313	4,402,313	1,724,100	6,126,413	
2021	3,540,000	872,513	4,412,513	1,727,850	6,140,363	
2022	3,695,000	720,013	4,415,013	1,728,350	6,143,363	52.57%
2023	2,930,000	559,213	3,489,213	1,730,600	5,219,813	
2024	3,065,000	418,863	3,483,863	1,734,350	5,218,213	
2025	2,690,000	271,913	2,961,913	1,719,350	4,681,263	
2026	910,000	175,413	1,085,413	1,720,600	2,806,013	89.97%
2027	955,000	131,513	1,086,513	1,723,275	2,809,788	
2028	995,000	88,713	1,083,713	-	1,083,713	
2029	870,000	43,500	913,500	-	913,500	100%
TOTAL	<u>26,945,000</u>	<u>5,453,680</u>	<u>32,398,680</u>	<u>15,530,825</u>	<u>47,929,505</u>	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>REVENUES</u>					
Toll Receipts	67,216,394	59,966,346	59,471,153	57,090,824	54,081,544
Rental of Facilities	179,001	213,171	240,289	759,911	804,762
Miscellaneous	647,497	759,160	480,543	434,646	339,775
Total	<u>68,042,892</u>	<u>60,938,677</u>	<u>60,191,985</u>	<u>58,285,381</u>	<u>55,226,081</u>
<u>EXPENSES</u>					
Personnel Services	7,659,748	8,330,870	8,710,828	7,465,971	7,439,512
Materials and Supplies	639,830	276,037	595,027	441,607	539,943
Contractual Services (1)	5,460,899	5,283,464	5,017,307	4,499,331	4,381,050
Other	5,003	4,767	5,025	1,585	2,964
Total	<u>13,765,480</u>	<u>13,895,138</u>	<u>14,328,187</u>	<u>12,408,494</u>	<u>12,363,469</u>
<u>NON-OPERATING REVENUE</u>					
Interest Earnings-Restricted	108,363	142,806	90,924	52,309	18,975
Interest Earnings-Unrestricted	<u>197,951</u>	<u>61,453</u>	<u>35,372</u>	<u>23,870</u>	<u>30,172</u>
Net Revenues Available for for Debt Service	54,583,726	47,247,798	45,990,094	45,953,066	42,911,759
Debt Service	<u>9,036,342</u>	<u>9,012,187</u>	<u>9,403,991</u>	<u>9,450,253</u>	<u>7,909,872</u>
Surplus Revenues	<u>45,547,384</u>	<u>38,235,611</u>	<u>36,586,103</u>	<u>36,502,813</u>	<u>35,001,887</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, 2019 through 2029	\$ 2,945,335
Coverage of Average Requirements by 9-30-18 Net Income	15.46
Maximum Annual Principal and Interest Requirements, after FY 2019 through 2029	
	\$ 5,064,713
Coverage of Maximum Requirements by 9-30-18 Net Income	8.99
Reserve Fund	\$ 2,945,334
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, 2019 through 2029	\$ 4,357,228
Coverage of Average Requirements by 9-30-18 Net Income	10.45
Maximum Annual Principal and Interest Requirements, after FYE 2019 through 2029	\$ 6,787,063
Coverage of Maximum Requirements by 9-30-18 Net Income	6.71

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
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
2015	58,361,560	12,408,494	45,953,066	9,450,253	5
2016	60,318,281	14,328,187	45,990,094	9,403,991	5
2017	61,142,936	13,895,138	47,247,798	9,012,187	5
2018	68,349,206	13,765,480	54,583,726	9,036,342	6

(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 (LRD) 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.

Furthermore, our passenger terminal also houses a full service restaurant, ATM, four car rental companies, Federal Inspection Facility with 24/7 services, and Transportation Security Administration.

The airport passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges. The passenger capacity for the terminal is 600 passengers per hour and the Federal Inspection Station has capacity for 300 passengers per hour.

Three (3) scheduled cargo operators and twenty-two (22) charter air cargo companies are currently serving the Airport. Major scheduled service air cargo operators include Federal Express, DHL, and UPS Supply Chain Solutions. In terms of all-air cargo activity in 2017, LRD ranking improved to 42nd – an 11% increase from previous year. Laredo International Airport is ranked 5th in Texas for Air Cargo.

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-inspection Mexico bound air cargo. Whereas, other countries may have passenger pre-clearance, LRD is the only airport worldwide with a cargo pre-inspection. Air cargo shipments to Mexico are 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 2018 included Taxiway E Widening, Cargo Apron Phase 10 Reconstruction, Cargo Apron Phase 11 Reconstruction Design, and FAR Part 150 Noise Abatement Program.

Projects for 2019 include, but not limited to, Cargo Apron Phase 11 & 12 construction, Cargo Apron Phase 13 Design, and FAR Part 150 Noise Abatement Program.

During the past twenty-four (24) years, the City and the Federal Aviation Administration have invested over \$250 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue 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.)
2009	102,065	105,107	265,480,642
(1)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
2015	98,854	104,087	426,405,000
2016	93,483	94,308	450,435,440
2017	85,508	90,326	587,517,683
2018	83,287	91,553	677,913,518

(1) 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

	2018	2017	2016	2015	2014	2013
Revenues:						
FAA	\$ 39,133	\$ 43,388	\$ 215,013	\$ 43,023	\$ 41,400	\$ 53,680
State Operating Grants	25,140	1,541	245	924	1,020	-
Rents	6,773,209	5,513,625	5,067,020	6,981,197	5,048,768	6,487,377
Interest Earnings	132,763	23,022	23,029	29,763	39,846	16,517
Discount Earnings	147	148	159	-	-	-
Fees & Collections	535,393	508,841	491,738	-	-	-
Miscellaneous	411,854	391,453	424,639	1,224,973	1,064,719	890,543
Total Revenues	<u>7,917,639</u>	<u>6,482,018</u>	<u>6,221,843</u>	<u>8,279,880</u>	<u>6,195,753</u>	<u>7,448,117</u>
Expenditures:						
Administration	3,100,400	3,176,124	3,342,143	3,149,108	3,022,377	3,267,114
Building Maintenance	1,243,819	1,220,494	1,143,788	1,254,836	1,052,504	972,596
Ground Maintenance	586,767	541,686	574,084	538,429	589,807	512,992
Airport Security	1,556,603	1,492,049	1,527,184	1,239,920	1,192,452	1,060,180
Foreign Trade Zone	24,322	5,648	24,479	15,092	19,236	15,924
Federal Inspection Services	280,681	273,907	271,586	269,651	282,113	178,036
Operation Stonegarden	13,632	-	-	-	-	-
Total Expenditures	<u>6,806,224</u>	<u>6,709,908</u>	<u>6,883,264</u>	<u>6,467,036</u>	<u>6,158,489</u>	<u>6,006,842</u>
Net Operating Revenues	1,111,415	(227,890)	(661,421)	1,812,844	37,264	1,441,275
Other Sources (Uses):						
Debt Service	-	-	(495,000)	(497,247)	(493,877)	(494,890)
Capital Outlay	(410,086)	(182,450)	(104,041)	(780,077)	(620,141)	(300,763)
Airport Construction Fund	(2,569,381)	(1,158,003)	(2,450,000)	(2,549,996)	(4,728,815)	(493,572)
General Fund	-	-	(78,141)	(78,141)	(828,141)	-
Noise Abatement	600,000	750,000	600,000	600,000	400,000	600,000
Proceeds - Long Term Debt	321,720	-	-	-	-	-
Sale of Assets	7,550	576,045	-	-	1,249	11,679,674
Total Other Sources (Uses)	<u>(2,050,197)</u>	<u>(14,408)</u>	<u>(2,527,182)</u>	<u>(3,305,461)</u>	<u>(6,269,725)</u>	<u>10,990,449</u>
Excess (Deficiency) of						
Revenues Over Expenditures	(938,782)	(242,298)	(3,188,603)	(1,492,617)	(6,232,461)	12,431,724
Beginning Fund Balance	6,711,179	1,785,048	4,973,651	6,466,268	12,698,729	267,005
Prior Period Adjustment	-	5,168,429	-	-	-	-
Ending Fund Balance	<u>\$ 5,772,397</u>	<u>\$ 6,711,179</u>	<u>\$ 1,785,048</u>	<u>\$ 4,973,651</u>	<u>\$ 6,466,268</u>	<u>\$ 12,698,729</u>

TABLE 2 - DEBT SERVICE REQUIREMENT

Fiscal Year Ended 9-30	Certificates of Obligation Series 2010 - B		Total Outstanding Debt	% of Principal Retired
	Principal	Interest		
2019	95,000	70,850	165,850	
2020	100,000	65,780	165,780	
2021	110,000	60,320	170,320	27.10%
2022	115,000	54,470	169,470	
2023	120,000	48,360	168,360	
2024	125,000	41,990	166,990	
2025	135,000	35,230	170,230	63.54%
2026	140,000	28,080	168,080	
2027	150,000	20,540	170,540	
2028	155,000	12,610	167,610	
2029	165,000	4,290	169,290	100.00%
	<u>\$ 1,410,000</u>	<u>442,520</u>	<u>1,852,520</u>	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2019-2029	177,105
Coverage of Average Requirements by 9-30-18 Net Income	6.28
Maximum Annual Principal and Interest Requirements, after FYE 2019 through 2029	170,540
Coverage of Maximum Requirements by 9-30-18 Net Income	6.52

THE 2018 UTILITY SYSTEM

WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. The three plants in the City of Laredo are the Jefferson Water Treatment Plant 65 MGD and El Pico Water Treatment Plant 20 MGD and Colombia Water Treatment Plan 0.5 MGD for a combined capacity of 85.5 MGD. The average daily consumption during fiscal year 2018 was approximately 33.77 million gallons per day and peak demand for fiscal year 2018 was 53.43 million gallons per day. Connections to the water system as of September 30, 2018 were 72,859. The monthly average of meters read is 72,392. The average number of service calls per month is 12,107 for a FY 2017-18 total of 145,284. Currently, the system consists of approximately 1,108 miles of transmission and distribution lines and 7,980 fire hydrants.

The City of Laredo owns approximately 62,009 acre-feet of municipal water rights. The Jefferson Water Treatment Plant has two separate river intakes, two separate river pump structures and related multiple pump units. The lower treatment plant has been closed down permanently since 2013. The electrical system includes an underground electrical power distribution system, including three electrical buildings housing motor control centers. The Supervisory Control and Data Acquisition (SCADA) system combined with magnetic flow meters and motors operated valves allow increased precision in chemical addition for reduced operating costs. The traveling water screens, flocculators, re-lift pumps and five clarifiers provide more reliable hydraulic capacity. Twelve gravity filters allow the facility to respond to wide variations in river water turbidity. The two high service pump stations and three clear wells provide a uniform water system pressure. The actual process and electrical system enhance the reliability of the treatment process.

El Pico Water Treatment Plant was put into operation on April 2015. El Pico Water Treatment Plant consists of a forebay for the raw water intake followed by the raw water pump station, rapid mix, flocculation, sedimentation, filtration, filter building, backwash pumping, backwash equalization, backwash clarifier, intermediate pumping, clearwell, high service pump station, sludge thickener, sludge holding tank, sludge dewatering, dewatering building, chemical building, chemical feed and bulk storage, administration building, effluent transmission main, electrical and instrumentation, including the SCADA control.

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.

WASTEWATER SYSTEM

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 29.251 million gallons per day ("MGD"). The pounds of Biochemical Oxygen demand (BOD) treated is 12,200,328 by all six wastewater treatment plants and a Total Bio-Solids cost of \$815,235. The Sewer System includes approximately 775 miles of sewer lines and 71 lift stations. The average daily treatment is 19.12 MGD with 67,676 connections as of September 30, 2018.

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
El Pico Water Treatment Plant		1	5,000,000 gallons
Colombia Water Treatment Plan		1	200,000 gallons
Lyon Street and Meadow Avenue	1		5,000,000 gallons
Milmo and Texas Avenue	2		2,000,000 gallons
Pinto Valle #1	1		200,000 gallons
MHOC	2		10,000,000 gallons
Sierra Vista	1		5,000,000 gallons
San Isidro NE	1		300,000 gallons
359 Hwy Booster	1		200,000 gallons
South Laredo	1 (elevated)		1,000,000 gallons
North Laredo (Highlands)	1 (elevated)		1,000,000 gallons
Northwest Laredo	1 (elevated)		1,000,000 gallons
Las Blancas	1 (elevated)		500,000 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
Daugherty and Hillside	1 (elevated)		<u>500,000 gallons</u>
Total Treated Water Storage			<u>42,400,000 gallons</u>

TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)

Historical water usage for the City is as follows:

<u>Fiscal Year Ended 9/30</u>	<u>Average Day Pumpage (1,000 Gallons)</u>	<u>Peak Day Pumpage (1,000 Gallons)</u>	<u>Total Yearly Pumpage (1,000 Gallons)</u>
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
2015	31,900	54,389	11,654,700
2016	36,291	58,506	12,520,848
2017	34,050	49,616	12,434,677
2018	33,770	53,430	12,326,452

TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)

Fiscal Year Ended 9/30	Average Day Pumpage (1,000 Gallons)	Peak Day Pumpage (1,000 Gallons)	Total Yearly Pumpage (1,000 Gallons)
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
2015	19,701	29,824	7,190,787
2016	20,637	30,400	7,241,500
2017	19,500	43,375	6,917,746
2018	18,829	31,028	6,873,430

TABLE 4 - TEN LARGEST WATER/SEWER USERS (GALLONS) (1)

TYPE OF BUSINESS	WATER CONSUMPTION (1)
United I.S.D.	90,740,600
Laredo Medical Center	70,962,400
Texas A&M University System	64,472,300
Laredo Community College	32,473,400
New Webb County Jail	25,544,400
Laredo Regional Medical Center	15,546,900
City of Laredo - Parks and Leisure	15,218,300
Laredo Arena Prop. Owners Assoc.	14,168,300
Clarks Crossing Apartments	14,974,500
Travel Centers of America	13,576,200

TYPE OF BUSINESS**SEWER BILLED (1)**

Laredo Medical Center	70,962,400
Texas A&M University System	30,300,100
New Webb County Jail	25,544,400
Laredo Regional Medical Center	15,546,900
Clarks Crossing Apartments	13,683,700
Travel Centers of America	13,576,200
Dorel Laredo Holdings LLC	11,588,200
CPL Power Plant	11,517,900
International Bank of Commerce	10,734,100
Blue Beacon 68	10,533,200

(1) Source: City of Laredo, Texas

TABLE 5 - MONTHLY WATER RATES (BASED ON WATER CONSUMPTION)

Water Rates
(Effective October 1, 2017)

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	9.82
1" meter	21.38
1 1/2" meter	30.24
2" meter	46.96
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.92
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.05
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	2.12
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.40
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.51
Per 1,000 gallons per month in excess of 50,000 gallons per month	5.00
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	36.99
1" meter	40.18
1 1/2" meter	44.69
2" meter	61.67
3" meter	122.69
4" meter	185.29
6" meter	333.71
8" meter	491.88
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.05
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.52
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	3.17
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.35
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.62
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	4.00
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.72
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.83
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, 2016)**

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	9.63
1" meter	20.96
1 1/2" meter	29.65
2" meter	46.04
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.84
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.97
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	2.04

Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.17
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.30
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.41
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.80
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	36.26
1" meter	39.39
1 1/2" meter	43.81
2" meter	60.46
3" meter	120.28
4" meter	181.66
6" meter	327.17
8" meter	482.24
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.97
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.42
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	3.05
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.22
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.48
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.84
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.54
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.65
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, 2017)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	9.66
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.30
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.36
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.54
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.79
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	25.87
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.46
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.51
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	2.87
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.97
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.79
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.79
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.34
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	5.26

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, 2016)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	9.48
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.24
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.29
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.47
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.72
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	3.72
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	25.37
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.42
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.46
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	2.82
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.92
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.25
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.58
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.25
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	5.16

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 74 warnings issued and 4 citations. For public education, there were 15 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 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 2017-2018, there were a total of 99 approved toilet rebates applied to customer accounts. A total of 5 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,	2018			2017			2016		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 231,650,209	160,578,310	392,228,519	220,079,310	147,779,878	367,859,188	192,761,074	142,714,252	335,475,326
Vehicles and Equipment	11,958,954	13,909,694	25,868,648	12,230,670	12,804,366	25,035,036	12,031,162	12,636,646	24,667,808
Buildings	185,873,115	93,433,984	279,307,099	185,707,175	45,273,703	230,980,878	180,552,155	43,985,694	224,537,849
Land and Improvements	56,596,726	9,749,688	66,346,414	55,809,226	8,719,483	64,528,709	54,218,446	9,017,104	63,235,550
Easements	4,024,225	1,038,012	5,062,237	3,654,058	1,018,169	4,672,227	3,023,577	852,199	3,875,776
Construction in Progress	4,232,990	24,846,911	29,079,901	1,543,418	66,699,941	68,243,359	23,777,372	54,956,454	78,733,826
Less: Total Depreciation	(160,745,832)	(108,141,433)	(268,887,265)	(149,523,980)	(101,087,511)	(250,611,491)	(138,571,644)	(94,321,130)	(232,892,774)
Value After Depreciation	\$ 333,590,387	195,415,166	529,005,553	329,499,877	181,208,029	510,707,906	327,792,142	169,841,219	497,633,361
	2015			2014			2013		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 189,316,812	139,046,539	328,363,351	179,983,483	126,911,984	306,895,467	166,862,379	124,466,870	291,329,249
Vehicles and Equipment	11,771,180	12,258,403	24,029,583	10,775,057	11,803,394	22,578,451	9,352,381	10,915,689	20,268,070
Buildings	180,537,830	43,276,125	223,813,955	179,552,009	43,266,210	222,818,219	69,332,750	43,267,510	112,600,260
Land and Improvements	49,857,546	5,270,559	55,128,105	48,077,778	5,240,513	53,318,291	45,386,814	4,648,513	50,035,327
Easements	1,856,984	572,519	2,429,503	658,929	253,880	912,809	602,622	251,880	854,502
Construction in Progress	21,180,364	55,425,994	76,606,358	23,280,822	58,682,600	81,963,422	108,379,921	26,657,118	135,037,039
Less: Total Depreciation	(127,758,039)	(87,424,004)	(215,182,043)	(116,947,749)	(80,933,880)	(197,881,629)	(107,727,213)	(74,303,349)	(182,030,562)
Value After Depreciation	\$ 326,762,677	168,426,135	495,188,812	325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

For Fiscal Year Ended
September 30,

	2018			2017			2016		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:									
Net System Value	\$ 333,590,387	195,415,166	529,005,553	329,499,877	181,208,029	510,707,906	327,792,142	169,841,219	497,633,361
Cash and Investments	67,614,459	76,860,849	144,475,308	69,423,048	68,566,862	137,989,910	72,421,282	79,700,362	152,121,644
Other Sources	23,057,501	8,514,823	31,572,324	19,634,858	8,667,894	28,302,752	21,273,458	9,234,460	30,507,918
Total Resources	424,262,347	280,790,838	705,053,185	418,557,783	258,442,785	677,000,568	421,486,882	258,776,041	680,262,923
Obligations:									
Bonds Payable	240,611,024	162,958,724	403,569,748	245,008,424	148,911,953	393,920,377	252,728,946	155,384,654	408,113,600
Less: Bond Funds	(12,104,558)	(10,109,539)	(22,214,097)	(29,904,668)	(8,936,524)	(38,841,192)	(29,748,964)	(8,988,269)	(38,737,233)
Other Obligations	228,506,466	152,849,185	381,355,651	215,103,756	139,975,429	355,079,185	222,979,982	146,396,385	369,376,367
	39,273,583	20,712,989	59,986,572	58,225,699	19,493,465	77,719,164	59,301,285	18,739,204	78,040,489
Total Obligations	267,780,049	173,562,174	441,342,223	273,329,455	159,468,894	432,798,349	282,281,267	165,135,589	447,416,856
City's Equity in System	\$ 156,482,298	107,228,664	263,710,962	145,228,328	98,973,891	244,202,219	139,205,615	93,640,452	232,846,067
Percentage City's Equity In System	36.88%	38.19%	37.40%	34.70%	38.30%	36.07%	33.03%	36.19%	34.23%

For Fiscal Year Ended
September 30,

	2015			2014			2013		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:									
Net System Value	\$ 326,762,677	168,426,135	495,188,812	325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885
Cash and Investments	71,561,005	69,663,599	141,224,604	71,965,756	71,424,687	143,390,443	118,326,865	94,097,469	212,424,334
Other Sources	11,178,167	6,895,648	18,073,815	8,170,889	5,278,605	13,449,494	8,405,047	5,589,881	13,994,928
Total Resources	409,501,849	244,985,382	654,487,231	405,516,974	241,927,993	647,444,967	418,921,566	235,591,581	654,513,147
Obligations:									
Bonds Payable	232,162,040	136,431,409	368,593,449	221,870,994	130,825,233	352,696,227	210,973,680	128,543,954	339,517,634
Less: Bond Funds	(12,187,063)	(7,953,603)	(20,140,666)	(13,886,950)	(8,924,685)	(22,811,635)	(11,211,241)	(6,826,501)	(18,037,742)
Other Obligations	219,974,977	128,477,806	348,452,783	207,984,044	121,900,548	329,884,592	199,762,439	121,717,453	321,479,892
	44,035,449	18,713,553	62,749,002	30,236,743	14,810,857	45,047,600	42,150,001	14,394,389	56,544,390
Total Obligations	264,010,426	147,191,359	411,201,785	238,220,787	136,711,405	374,932,192	241,912,440	136,111,842	378,024,282
City's Equity in System	\$ 145,491,423	97,794,023	243,285,446	167,296,187	105,216,588	272,512,775	177,009,126	99,479,739	276,488,865
Percentage City's Equity In System	35.53%	39.92%	37.17%	41.26%	43.49%	42.09%	42.25%	42.23%	42.24%

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

For Fiscal Year Ended
September 30,

	2018			2017			2016		
	Total			Total			Total		
	Water	Sewer	Utilities	Water	Sewer	Utilities	Water	Sewer	Utilities
<u>Revenues</u>									
Charges for Services	\$ 41,288,759	33,452,820	74,741,579	39,526,105	32,670,580	72,196,685	39,459,935	31,509,797	70,969,732
Interest	589,686	511,757	1,101,443	280,299	260,129	540,428	143,573	156,096	299,669
Miscellaneous	6,304,388	371,998	6,676,386	6,921,551	375,134	7,296,685	6,545,404	333,916	6,879,320
Total Revenues	48,182,833	34,336,575	82,519,408	46,727,955	33,305,843	80,033,798	46,148,912	31,999,809	78,148,721
<u>Expenses</u>									
Administrative	4,443,854	7,645,345	12,089,199	5,115,237	7,983,696	13,098,933	5,764,291	8,051,170	13,815,461
GIS	403,400	-	403,400	360,277	-	360,277	-	-	-
Utility Engineering	1,164,377	-	1,164,377	1,176,223	-	1,176,223	1,401,321	-	1,401,321
Utility Billing	4,463,130	-	4,463,130	4,472,158	-	4,472,158	4,029,783	-	4,029,783
Asset Management	389,503	-	389,503	376,033	-	376,033	370,581	-	370,581
Water Treatment Plant	8,958,087	-	8,958,087	9,509,601	-	9,509,601	8,925,619	-	8,925,619
Transmission and Distribution	4,421,314	-	4,421,314	4,163,536	-	4,163,536	4,155,910	-	4,155,910
Water Pollution Control	660,348	-	660,348	582,402	-	582,402	441,826	-	441,826
Wastewater Treatment	-	7,114,399	7,114,399	-	7,669,561	7,669,561	-	7,377,534	7,377,534
Wastewater Collection	-	4,441,543	4,441,543	-	4,357,744	4,357,744	-	3,335,723	3,335,723
Total Expenses	24,904,013	19,201,287	44,105,300	25,755,467	20,011,001	45,766,468	25,089,331	18,764,427	43,853,758
Net Available for Debt Service	\$ 23,278,820	15,135,288	38,414,108	20,972,488	13,294,842	34,267,330	21,059,581	13,235,382	34,294,963
Number of Customers	72,859	67,676		71,788	66,707		70,545	65,291	

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended
September 30,

	2015			2014			2013		
	Total			Total			Total		
	Water	Sewer		Water	Sewer		Water	Sewer	
<u>Revenues</u>									
Charges for Services	\$ 34,643,695	27,994,808	62,638,503	36,738,275	30,178,398	66,916,673	35,457,341	28,757,673	64,215,014
Interest	93,307	114,088	207,395	66,707	77,484	144,191	78,506	78,638	157,144
Miscellaneous	4,954,663	414,542	5,369,205	5,121,754	217,778	5,339,532	4,758,404	155,805	4,914,209
Total Revenues	39,691,665	28,523,438	68,215,103	41,926,736	30,473,660	72,400,396	40,294,251	28,992,116	69,286,367
<u>Expenses</u>									
Administrative	4,521,549	6,361,486	10,883,035	4,380,112	6,353,152	10,733,264	3,835,991	5,942,302	9,778,293
GIS	-	-	-	-	-	-	-	-	-
Utility Engineering	1,005,318	-	1,005,318	1,239,415	-	1,239,415	1,203,525	-	1,203,525
Utility Billing	3,813,221	-	3,813,221	3,594,252	-	3,594,252	3,696,993	-	3,696,993
Asset Management	351,625	-	351,625	345,740	-	345,740	331,829	-	331,829
Water Treatment Plant	8,618,483	-	8,618,483	8,602,608	-	8,602,608	7,796,657	-	7,796,657
Transmission and Distribution	3,566,371	-	3,566,371	3,175,360	-	3,175,360	2,866,383	-	2,866,383
Water Pollution Control	356,376	-	356,376	341,477	-	341,477	360,632	-	360,632
Wastewater Treatment	-	6,938,751	6,938,751	-	6,496,735	6,496,735	-	6,462,672	6,462,672
Wastewater Collection	-	3,217,873	3,217,873	-	3,564,648	3,564,648	-	3,402,881	3,402,881
Total Expenses	22,232,943	16,518,110	38,751,053	21,678,964	16,414,535	38,093,499	20,092,010	15,807,855	35,899,865
Net Available for Debt Service	\$ 17,458,722	12,005,328	29,464,050	20,247,772	14,059,125	34,306,897	20,202,241	13,184,261	33,386,502
Number of Customers	69,343	64,286		68,213	63,410		67,033	62,426	

TABLE 10 Debt Service Requirements

Fiscal Year Ended 9-30	Plus Contractual & General Obligation				Plus Contractual & General Obligation				% of Grand Total Retired			
	Water Revenue Debt Requirement	Water System Debt Service Requirements	Water Total	Sewer Revenue Debt	Sewer System Debt Service Requirements	Sewer Total	Utility Grand Total					
2019	11,340,719	5,086,352	16,427,071	8,718,736	2,655,420	11,374,156	27,801,227					
2020	11,338,640	4,945,804	16,284,444	8,719,301	2,797,915	11,517,216	27,801,660					
2021	10,839,869	4,932,501	15,772,370	8,696,204	2,800,095	11,496,299	27,268,669					
2022	10,884,667	6,047,609	16,932,276	8,650,775	1,685,256	10,336,031	27,268,307					
2023	10,997,195	5,702,160	16,699,355	8,775,397	1,620,548	10,395,945	27,095,300					24.68%
2024	10,980,826	5,790,770	16,771,596	8,764,656	1,426,467	10,191,123	26,962,719					
2025	10,558,201	5,774,812	16,333,013	8,488,174	1,418,919	9,907,093	26,240,106					
2026	11,244,262	4,789,153	16,033,415	8,442,193	1,420,837	9,863,030	25,896,445					
2027	10,375,110	4,791,027	15,166,137	8,067,368	1,415,268	9,482,636	24,648,773					
2028	9,742,180	4,789,590	14,531,770	7,367,120	1,419,862	8,786,982	23,318,752					47.53%
2029	9,684,600	4,785,642	14,470,242	7,335,836	1,416,130	8,751,966	23,222,208					
2030	9,690,335	4,776,925	14,467,260	7,338,500	1,416,000	8,754,500	23,221,760					
2031	9,696,602	4,776,124	14,472,726	7,342,682	1,416,875	8,759,557	23,232,283					
2032	9,692,361	4,774,876	14,467,237	7,336,944	1,415,724	8,752,668	23,219,905					
2033	9,688,733	4,769,500	14,458,233	7,346,326	1,418,250	8,764,576	23,222,809					68.41%
2034	9,689,169	3,043,125	12,732,294	7,342,912	-	7,342,912	20,075,206					
2035	9,698,121	3,039,500	12,737,621	7,335,506	-	7,335,506	20,073,127					
2036	9,730,978	3,030,125	12,761,103	7,300,786	-	7,300,786	20,061,889					
2037	9,737,636	3,029,625	12,767,261	7,299,757	-	7,299,757	20,067,018					
2038	9,729,913	3,027,500	12,757,413	7,299,638	-	7,299,638	20,057,051					86.45%
2039	9,718,121	3,018,625	12,736,746	7,315,118	-	7,315,118	20,051,864					
2040	9,732,196	4	9,732,200	7,306,462	-	7,306,462	17,038,662					
2041	5,050,734	-	5,050,734	6,687,714	-	6,687,714	11,738,448					
2042	4,035,412	-	4,035,412	5,791,745	-	5,791,745	9,827,157					
2043	2,308,456	-	2,308,456	3,243,120	-	3,243,120	5,551,576					98.00%
2044	1,728,162	-	1,728,162	2,668,962	-	2,668,962	4,397,124					
2045	1,469,414	-	1,469,414	2,412,450	-	2,412,450	3,881,864					
2046	553,516	-	553,516	1,153,000	-	1,153,000	1,706,516					
2047	-	-	-	1,153,125	-	1,153,125	1,153,125					100.00%
Total	239,936,128	94,721,349	334,657,477	195,700,507	25,743,566	221,444,073	556,101,550					

TABLE 11: COVERAGE AND FUND BALANCES**Waterworks:**

Average Annual Principal and Interest Requirements	\$	8,771,680
Coverage of Average Requirements by 2018 Net Income		2.65
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2018	\$	11,340,719
Coverage of Maximum Requirements by 2018 Net Income		2.05
Outstanding New Series Water Revenue Bonds	\$	158,172,216
Interest and Sinking Fund as of September 30, 2018	\$	3,332,878
Reserve Fund as of September 30, 2018	\$	8,771,680

Sewer:

Average Annual Principal and Interest Requirements	\$	7,099,471
Coverage of Average Requirements by 2018 Net Income		2.13
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2018	\$	8,775,397
Coverage of Maximum Requirements by 2018 Net Income		1.72
Outstanding New Series Sewer Revenue Bonds	\$	135,600,784
Interest and Sinking Fund as of September 30, 2018	\$	3,010,068
Reserve Fund as of September 30, 2018	\$	7,099,471

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

	Waterworks	Sewer	Total
Net Funds Available for Debt Service	\$ 23,278,820	15,135,288	38,414,108
Average Annual Principal and Interest Requirements	\$ 8,771,680	7,099,471	15,871,151
Coverage of Average Annual Requirements by Funds Available for Debt Service	2.65	2.13	2.42
Maximum Principal and Interest Revenue Bond Requirements	\$ 16,932,276	11,517,216	28,449,492
Coverage of Maximum Requirement by Funds Available for Debt Service	1.37	1.31	1.35
Outstanding Revenue Bonds as of 09/30/2018	\$ 158,172,216	135,600,784	293,773,000
Interest and Sinking Fund as of 9/30/2018	\$ 3,332,878	3,010,068	6,342,946
Reserve Funds as of 9/30/2018	\$ 8,771,680	7,099,471	15,871,151

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SPORTS VENUE SALES TAX REVENUE BONDS

SAMES AUTO 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 Sames Auto 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 the arena was completed by September 2002 under the name Laredo Entertainment Center. This enormous entertainment center provides inexpensive world class entertainment for the whole family such as concerts, rodeos, circuses, civic events, sporting events, and more. After the construction 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 Arena's daily operations.

The 178,000 square foot, \$36.5 million facility opened in October 2002. It has a 10,000 seating capacity and over 2,000 parking spaces. On March 18, 2010, the City of Laredo changed the Laredo Entertainment Center name to Laredo Energy Arena after signing a four year naming rights agreement with Laredo Energy, with options for extension.

With the City of Laredo's approval on July 1st, 2018, the arena signed a five year contract with the oldest local dealership Sames Auto Group. The now Sames Auto Arena continued to host more than 130 events that include concerts, sporting events, entertainment shows, assemblies, family shows, festivals, carnivals, graduations and other special events.

Major concerts included top artists J Balvin, Enrique Iglesias & Pitbull, Stone Temple Pilots, The Cult and Bush with sold out shows from Maluma, Bad Bunny, Luis Miguel, Ozuna, and Chayanne. Other major entertainment included WWE Smackdown, WWE LIVE, Monster Jam, Disney on Ice, Harlem Globetrotters, Monster Jam, local school and college graduations, International Sisters Cities Festival, Holiday Skate Days and many more.

UNITRADE 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.

The City of Laredo, Texas approved a naming rights contract on March 19, 2018 with Unitrade for a period of two years. The City has entered a lease agreement with 2L4L, LLC for hosting Laredo Tecos baseball events. Such lease agreement is for a two-year term starting March 1, 2018 and ending October 31, of each lease term year. On March 1, 2018, the now UniTrade Stadium serves as the Laredo home stadium for the Tecolotes "Tecos" Baseball team. The stadium is also home to many other special events.

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
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
2015	33,091,316	8,272,829	3,867,826	2.14
2016	30,948,457	7,737,114	3,385,660	2.29
2017	31,534,286	7,883,571	3,385,660	2.33
2018	33,208,996	8,302,249	3,385,660	2.45

(*) 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, 2019-2036	1,704,770
Fiscal Year 2018 Sales Tax Revenues	8,302,249
Coverage of Average Requirements for Fiscal Year 2018	4.87
Maximum Principal and Interest Requirements, 2019-2036	3,385,660
Fiscal Year 2018 Sales Tax Revenues	8,302,249
Coverage of Maximum Requirements for Fiscal Year 2018	2.45

TABLE 3 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Sports Venue Sales Tax Revenue Bonds, Taxable Series			Total Outstanding Debt	% of Debt Service Retired
	Outstanding Debt	Principal	Interest		
2019	2,712,750	385,000	277,583	3,375,333	
2020	2,717,000	390,000	271,012	3,378,012	
2021	2,715,750	395,000	263,414	3,374,164	35.92%
2022	2,713,875	405,000	254,788	3,373,663	
2023	2,720,875	415,000	245,087	3,380,962	
2024	2,721,375	430,000	234,285	3,385,660	
2025	-	440,000	222,537	662,537	
2026	-	450,000	210,075	660,075	76.57%
2027	-	465,000	196,571	661,571	
2028	-	480,000	180,840	660,840	
2029	-	500,000	163,200	663,200	
2030	-	515,000	144,930	659,930	
2031	-	535,000	126,030	661,030	88.30%
2032	-	555,000	105,633	660,633	
2033	-	575,000	83,711	658,711	
2034	-	600,000	60,916	660,916	
2035	-	625,000	37,151	662,151	
2036	-	645,000	12,513	657,513	100.00%
	<u>\$ 16,301,625</u>	<u>8,805,000</u>	<u>\$ 3,090,276</u>	<u>\$ 28,196,901</u>	

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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 THE UNIFORM
GUIDANCE 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 *OMB 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, 2018. 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; the audit requirements of Title 2 U.S. *Code of Federal regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the provisions of the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, 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, 2018.

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 the Uniform Guidance, 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 the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Canales, Garza & Baum, PLLC

Laredo, Texas
March 11, 2019

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
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	93.116 93.116	2016-001424-00 HHS000036000007	\$ 178,721 178,721	22,015 -	74,297 84,789	96,312 72,503	- 12,286
Center for Disease Control and Prevention, Public Health Services: Immunization Cooperative Agreements: Immunization Cooperative Agreements 17 Immunization Cooperative Agreements 18 Immunization Cooperative Agreements 19	93.268 93.268 93.268	2016-001135-01 537-18-0061-00001 HHS000103500001	230,491 230,491 230,491	45,146 17,890 -	- 211,459 19,513	45,146 162,662 -	- 66,687 19,513
Center for Disease Control and Prevention Public Health Emergency Preparedness: Public Health Emergency Preparedness - 17-18 Public Health Emergency Preparedness - 18-19	93.069 93.069 93.069	537-18-0168-00001 537-18-0168-00001 537-18-0346-00001	333,635 331,135 198,969	81,409 - 39,934	237,921 72,130 106,997	288,119 - 146,931	31,211 72,130 -
Epidemiology & Laboratory Capacity for Infectious Diseases Epidemiology & Laboratory Capacity for Infectious Diseases-Vector Control Department of Health and Human Services, Office of the Secretary State Partnership Grant Program to Improve Minority Health 16-17 State Partnership Grant Program to Improve Minority Health 17-18 State Partnership Grant Program to Improve Minority Health 18-19	93.323 93.323 93.296 93.296 93.296	537-18-0346-00001 537-18-0346-00001 529-16-0131-00001 529-16-0131-00001 529-16-0131-00001	283,004 80,186 30,000 30,000 30,000	28,396 7,560 5 -	198,840 39,853 - 29,995 82	211,216 66,209 7,560 30,000 -	83,220 2,040 - - 82
Passed Through The University of Texas Health Science Center Special Projects of National Significance: Tackle HIV/ HCV Grants to Provide Outpatient Early Intervention Services	93.928	U90HA31461-01-00	231,319	-	183,697	171,469	12,228
Ryan White HIV/AIDS Program Part C Early Intervention Services Maternal and Child Health Services Block Grant Maternal and Child Health Services Block Grant- 18-18 Maternal and Child Health Services Block Grant- 18-19 Maternal and Child Health Services Block Grant- 19-20	93.918 93.994 93.994 93.994 93.994	1H76HA31754-01-00 HHS000085000001 HHS000085000001-1 HHS000085000001-1 HHS000059700001-1	300,000 50,625 67,500 67,500 224,584	- - - - -	16,656 26,027 4,569 - 78,184	6,794 4,435 - - 78,184	9,862 21,592 4,569 - -
Maternal and Child Health Services Block Grant- 18-19 Zika Health Care Passed Through South Texas Development Council: HIV Care Formula Grants: H.I.V. Care Formula Grant - 17-18 H.I.V. Care Formula Grant - 18-19 H.I.V. Care Formula Grant (Supplemental) - 18-18 H.I.V. Care Formula Grant (Supplemental) - 18-19 H. I. V. Prevention Activities - Health Department Based	93.994 93.917 93.917 93.917 93.917	224,584 467,599 019-01-17 (18) 019-01-18 (19) 019-01-18 (19) 019-01-18 (19)	467,599 402,227 391,367 15,000 10,000	- 105,386 - - -	60,209 225,384 177,259 13,343 -	3,834 330,770 53,566 - -	56,375 - 123,693 13,343 -
Center for Disease Control and Prevention Epidemiologic Research Studies of AIDS & HIV in Selected Population Groups Epidemiologic Research Studies of AIDS & HIV Infection '17 Epidemiologic Research Studies of AIDS & HIV Infection '18 Centers for Disease Control and Prevention: Preventive Health & Health Services Block Grant Preventive Health and Health Service Block Grant - 16-17/ O.P.H.P. Preventive Health and Health Service Block Grant - 17-18/ O.P.H.P. Preventive Health and Health Service Block Grant - 18-19/ O.P.H.P. Preventive Health and Health Service Block Grant - 18-19/ O.CDS	93.943 93.943 93.991 93.758 93.758 93.758	2016-001325-02 2016-001325-00 2017-001192-001 537-18-0230-00001 537-18-0230-00001 HHS000069100001	300,600 300,600 497,072 497,072 497,072 250,000	58,426 - 60,764 9,707 -	77,817 188,245 - 237,093 16,496 105,488	136,243 161,046 60,764 104,172 - 29,201	- 27,199 - 142,628 16,496 76,287 (Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
Office of Population Affairs: Family Planning Services - Title X Family Planning Services Substance Abuse and Mental Health Services Administration Center for Substance Abuse Treatment	93.217	N/A	\$ -	(73,589)	101,799	132,627	(104,417)
Substance Abuse & Mental Health Svs Prj of Regional&Natl Significance 16-17	93.243	1H79T025893-03	500,000	64,029	-	64,029	-
Substance Abuse & Mental Health Svs Prj of Regional&Natl Significance 17-18	93.243	5H79T025893-04	500,000	170	500,220	442,275	58,115
Center for Disease Control and Prevention Health Promotions & Chronic Disease Prevention	93.991	2016-003854-01	50,000	4,171	-	4,171	-
Preventive Health & Health Svs Block Grant - Texas Healthy Communities	93.991	2016-003854-02	50,000	-	49,517	38,746	10,771
Preventive Health & Health Svs Block Grant - Texas Healthy Communities							
Total U. S. Department of Health and Human Services			\$ 8,035,981	567,015	3,137,879	2,948,984	755,910

U.S. Department of Housing and Urban Development (HUD)

Direct Programs:

Community Planning and Development: Community Development Block Grants / Entitlement Grants 10	14.218	B-10-MC-48-0505	\$ 3,678,968	20,000	52,500	50,000	22,500
Community Development Block Grants / Entitlement Grants 11	14.218	B-11-MC-48-0505	3,290,569	-	-	-	-
Community Development Block Grants / Entitlement Grants 12	14.218	B-12-MC-48-0505	3,347,669	-	11,031	11,031	-
Community Development Block Grants / Entitlement Grants 13	14.218	B-13-MC-48-0505	3,605,219	1,924	17,567	19,491	-
Community Development Block Grants / Entitlement Grants 14	14.218	B-14-MC-48-0505	3,553,204	9,711	221,878	194,569	37,020
Community Development Block Grants / Entitlement Grants 15	14.218	B-15-MC-48-0505	3,459,923	46,740	838,699	867,636	17,803
Community Development Block Grants / Entitlement Grants 16	14.218	B-16-MC-48-0505	3,436,805	95,007	1,438,129	1,421,948	111,188
Community Development Block Grants / Entitlement Grants 17	14.218	B-17-MC-48-0505	3,401,417	-	1,794,361	1,562,841	231,520
Emergency Solutions Grant Program 2016	14.231	E-16-MC-48-0505	311,462	411	282,177	282,588	-
Emergency Solutions Grant Program 2017	14.231	E-17-MC-48-0505	309,407	-	37,999	5,664	32,335
HOME Investment Partnerships Program 2013 GRANT	14.239	M-13-MC-48-0505	631,123	-	7,177	7,177	-
HOME Investment Partnerships Program 2014 GRANT	14.239	M-14-MC-48-0505	685,083	14,999	7,822	22,821	-
HOME Investment Partnerships Program 2015 GRANT	14.239	M-15-MC-48-0505	810,705	100,043	21,366	121,409	-
HOME Investment Partnerships Program 2016 GRANT	14.239	M-16-MC-48-0505	854,378	27,628	356,061	296,872	86,817
HOME Investment Partnerships Program 2017 GRANT	14.239	M-17-MC-48-0505	847,266	-	73,922	66,139	7,783
Passed Through South Texas Development Council: Housing Opportunities for Persons with AIDS: Housing Opportunities for Persons with Aids - 17-18	14.241	019-3-17 (18)	78,007	13,586	21,828	35,414	-
Housing Opportunities for Persons with Aids - 18-19	14.241	019-3-18 (19)	201,076	-	53,341	23,052	30,289
Total U. S. Department of HUD			\$ 32,502,281	330,049	5,235,858	4,988,652	577,255

U. S. Department of Transportation

Direct Programs:

Federal Transit Administration: Federal Transit Capital Investment Grants: Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	\$ 714,000	2,096	27,346	21,735	7,707
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	2,549,000	-	-	-	-
							(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
Federal Transit Formula Grants:							
Urbanized Area Formula Program	20.507				1,350	6,906	-
Urbanized Area Formula Program	20.507		\$	5,556	-	3,317,200	-
Urbanized Area Formula Program	20.507			3,317,200	-		3,401,493
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			153,758	3,401,493	153,758	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			7,553	239,516	247,069	-
Bus and Bus Facilities Formula Program:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526			-	52,300	20,904	31,396
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526			-	312,710	312,710	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526			-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526			-	-	-	-
Federal Aviation Administration:							
Airport Improvement Program (Airport Improv)	20.106			73,506	735,023	737,626	70,903
Airport Improvement Program	20.106						
Airport Improvement Program	20.106			190,595	2,170,768	2,286,457	74,906
Airport Improvement Program	20.106			-	200,505	198,574	1,931
Airport Improvement Program	20.106			387,333	167,808	555,140	1
Airport Improvement Program	20.106			-	5,345,034	4,945,600	399,434
Airport Improvement Program	20.106			-	-	-	-
Airport Improvement Program	20.106			-	-	-	-
Airport Improvement Program	20.106			-	-	-	-
Airport Improvement Program	20.106			-	-	-	-
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090			9,962	39,133	36,801	12,294
FY 16 Law Enforcement Officer Reimbursement Program							
Pass Through Texas Department of Transportation:							
National Highway Traffic Safety - State and Community Highway Safety							
STEP - 2017 CMV	20.600			33,476	-	33,476	-
STEP - 2018 CMV	20.600			-	87,989	64,746	23,243
STEP - 2017 Comprehensive	20.600			30,653	-	30,653	-
STEP - 2018 Comprehensive	20.600			-	100,000	86,080	13,920
STEP - Click It Or Ticket	20.600			-	20,213	20,213	-
National Highway Traffic Safety - Alcohol Impaired Driving Countermeasures Incentive Grants:							
Step - Impaired Driving Mobilization 2017	20.601			5,500	-	5,500	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.601			-	37,028	21,763	15,265
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205			55,406	-	55,406	-
Highway Planning and Construction-Scott & Sanchez Streets RR Grade Separation	20.205			-	268,281	80,274	188,007
Highway Planning and Construction-Zacate Creek Hike & Bike Trail	20.205			-	-	-	-
Highway Planning and Construction-West Laredo Multimodal Trade Corridor-II	20.205			117,355	46,000	128,795	34,560
Highway Planning and Construction- West Laredo Multimodal Trade Corridor-III	20.205			230,520	55,263	41,606	244,177
Highway Planning and Construction- Chacon Creek Hike & Bike Phase II	20.205			169,567	129,199	124,718	174,048
Highway Planning and Construction- Chacon Creek Hike & Bike Phase III	20.205			999	-	-	999
Highway Planning and Construction- Citywide Traffic Signal Upgrade-Synchronization	20.205			-	92,734	-	92,734
Total U. S. Department of Transportation			\$	4,791,035	13,529,693	13,533,710	4,787,018
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 16-17	10.557			969,458	17,402	986,860	-
Women, Infants and Children 17-18	10.557			-	4,085,594	2,860,022	1,225,572
Women, Infants and Children Counties 16-17	10.557			215,692	-	215,692	-
Women, Infants and Children Counties 17-18	10.557			-	1,084,447	773,712	310,735
Total U. S. Department of Agriculture			\$	1,185,150	5,187,443	4,836,286	1,536,307

(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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
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:							
Edward Byrne Memorial Justice Assistance Grant Program FY15 JAG Program	16.738		\$ 79,329	-	5,846	5,846	-
Edward Byrne Memorial Justice Assistance Grant Program FY16 JAG Program	16.738		81,341	1,655	4,615	6,270	-
Edward Byrne Memorial Justice Assistance Grant Program FY17 JAG Program	16.738		76,374	-	38,187	38,120	67
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2878302	44,294	-	42,211	42,211	-
Public Safety Partnership and Community Policing Grants							
COPS Hiring Program - 2018	16.71	2017-UL-WX-0016	1,500,000	-	491,650	341,140	150,510
Passed Through Office of the Governor:							
Victims of Crime Act Formula Grant Program	16.575	3362901	33,257	-	28,116	20,283	7,833
The Department of Justice Asset Forfeiture Program - Financial Task Force	16.922	N/A	-	-	384,952	384,952	-
The Department of Justice Asset Forfeiture Program - Laredo Police Department	16.922	N/A	-	-	60,040	60,040	-
Total U. S. Department of Justice			\$ 1,814,595	1,655	1,055,617	898,862	158,410

Executive Office of the President					
High Intensity Drug Trafficking Areas Program					
Financial Task Force 16	95.001	G16SS0001A	\$	810,795	28,178
Financial Task Force 17	95.001	G17SS0001A		810,795	-
Financial Task Force 18	95.001	G18SS0001A		815,071	145,671
					28,178
					622,758
					245,146
					66,115
					179,031
Total Executive of the President			\$	2,436,661	173,849
					717,051
					199,080

U.S. Department of Homeland Security					
Federal Emergency Management Agency Disaster Grants-Public Assistance (Presidentially Declared Disasters) Passed Through Texas Division of Emergency Management: Hurricane Harvey Emergency Shelters					(99,134)
Staffing for Adequate Fire and Emergency Response (SAFER)	97.036	FEMA-1931-DR-PA	\$ -	-	(99,134)
Homeland Security Grant Program - 2015 Stone Garden Grant	97.024	N/A		-	76,471
Homeland Security Grant Program - 2016 Stone Garden Grant	97.083	EMW-2016-FH-00621		5,312,952	272,225
Homeland Security Grant Program - 2017 Stone Garden Grant	97.067	3075301		912,000	15,370
Homeland Security Grant Program - Fully Equipped Bomb Unit Vehicle	97.067	3075302		1,031,232	1,015,443
Homeland Security Grant Program - Jim Hogg -2015	97.067	3075303		1,243,814	124,535
Homeland Security Grant Program - 2016 Stone Garden Grant	97.067	3380901		83,183	78,365
Homeland Security Grant Program - 2017 Stone Garden Grant	97.067	3519401		58,360	58,360
Total U. S. Department of Homeland Security			\$ 8,661,430	2,206,462	1,620,238

Institute of Museum and Library Services				
Passed Through Texas State Library & Archives Commission				
Interlibrary Loan Reimbursement Funds				
	45,310	LS-00-16-0044-16	\$ 10,884	10,884
Total Institute of Museum and Library Services			\$ 10,884	10,884

U.S. Department of Labor				
Passed Through Health & Human Services Commission				
Veterans' Employment and Training Service	17,805	SD-31462-18-60-5-48	\$	7,000
				388
				388
Total U. S. Department of Labor			\$	7,000
				388
				388
				(Continued)

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(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
U. S. Department of Environmental Protection Agency							
Survey, Studies, Investigations & Special Purpose Grants							
Air Pollution Control Program Support:							
Clean Water State Revolving Loan	66.458	L120019	\$ 48,750,000	(97,672)	99,111	1,439	-
Clean Water State Revolving Loan	66.458	L1000357	22,075,000	(15,400,364)	9,547,815	147,934	(6,000,483)
Drinking Water State Revolving Loan	66.468	L1000358	4,600,000	(1,801,393)	1,745,258	6,462	(62,597)
Drinking Water State Revolving Loan	66.468	L1000339	5,500,000	(5,151,461)	2,855,604	62,229	(2,358,086)
Total U. S. of Environmental Protection Agency			\$ 80,925,000	(22,450,890)	14,247,788	218,064	(8,421,166)
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program 16-17	N/A	2016-048591-002	\$ 159,171	37,272	-	37,272	-
Primary Health Care Program 17-18	N/A	2016-048591-002	159,171	7,982	133,143	99,189	41,936
Primary Health Care Program 16-17	N/A	2016-048591-002	159,171	-	13,693	-	13,693
Tuberculosis Prevention and Control 16-17	N/A	2016-001448-01	156,757	45,244	-	45,244	-
Tuberculosis Prevention and Control 17-18	N/A	537-18-0030-00001	156,757	12,556	135,612	128,528	19,640
Tuberculosis Prevention and Control 18-19	N/A	537-18-0030-00001	156,757	-	3,595	-	3,595
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. - 18	N/A	2016-003934-02	115,750	3,230	106,604	81,507	28,327
Primary Child Health, Genetics and Dental Serv. - 19	N/A	2016-003934-02	115,750	-	9,270	-	9,270
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 18	N/A	2016-003885-02	40,446	3,138	22,222	23,692	1,668
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 19	N/A	2016-003885-02	40,446	-	576	-	576
Infectious Disease Control Unit/Surveillance & Epidemiology Ebola Activities	N/A	2016-003828-00	165,000	11,997	-	11,997	-
Infectious Disease Control Unit/Surveillance & Epidemiology Ebola Activities 17-18	N/A	537-18-0306-00001	82,500	5,088	61,824	57,893	9,019
Infectious Disease Control Unit/Surveillance & Epidemiology Ebola Activities 17-18	N/A	537-18-0306-00001	82,500	-	5,159	-	5,159
Texas Healthy Adolescent Initiative Clinic Based Program - '17	N/A	2016-048897-002	200,000	68,417	-	68,417	-
Texas Healthy Adolescent Initiative Clinic Based Program - '18	N/A	2016-048897-002A	200,000	9,614	148,238	126,760	31,092
Office of Border Health - Border Health	N/A	53700-6-0000-425303	60,000	-	721	16,102	(15,381)
Office of Border Health - Border Health	N/A	53700-6-0000-427806	1,600	(200)	188	-	(12)
Laredo Influenza Drive Thru Vaccine Clinic	N/A	53700-7-0000431293	3,200	(3,200)	3,015	-	(185)
Laredo Influenza Drive Thru Vaccine Clinic	N/A	HHSTX-8-0000002348	1,640	-	-	1,640	(1,640)
Laredo Zika Day Event	N/A	HHSTX-8-0000002261	8,000	-	1,001	-	1,001
Passed Through South Texas Development Council:							
H. I. V. Social Services 16-17	N/A	19-2-16 (17)	140,110	34,796	-	34,796	-
H. I. V. Social Services Rebate 16-17	N/A	19-2-16 (17)	152,498	79,439	-	79,439	-
H. I. V. Social Services 17-18	N/A	19-2-17 (18)	134,260	9,375	124,555	117,980	15,950
H. I. V. Social Services Rebate 17-18	N/A	19-2-17 (18)	188,812	6,768	174,480	140,454	40,794
H. I. V. Social Services 18-19	N/A	19-2-18 (19)	130,381	-	9,156	-	9,156
H. I. V. Social Services Rebate 18-19	N/A	19-2-18 (19)	185,975	-	10,652	-	10,652
Seven Flags Regional Advisory Council	N/A	N/A	4,032	-	3,361	4,032	(671)
Total - Texas Department of State Health Services			\$ 3,000,684	331,516	967,065	1,074,942	223,639

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	\$ 29,075	(28,475)	28,475	-	-
Law Enforcement Officer Standards and Education	N/A	N/A	28,863	-	28,863	-	(4,121)
Law Enforcement Officer Standards and Education - 2016	N/A	N/A	1,744	(1,453)	1,453	-	-
Law Enforcement Officer Standards and Education - 2017	N/A	N/A	1,622	(1,622)	806	-	(816)
Law Enforcement Officer Standards and Education - 2018	N/A	N/A	1,785	-	-	1,785	(1,785)
Total - Commission on Law Enforcement Officers Standards and Education			\$ 63,089	(31,550)	55,476	30,648	(6,722)
State Department of Motor Vehicles:							
Auto Theft Task Force	N/A	608-19-2400100	\$ 637,768	-	47,280	-	47,280
Auto Theft Task Force	N/A	608-18-2400100	637,768	55,735	594,196	478,000	171,931
Auto Theft Task Force	N/A	608-17-2400100	637,768	146,561	-	146,561	-
Total - State Department of Motor Vehicles			\$ 1,913,304	202,296	641,476	624,561	219,211
State Department of Transportation:							
TX Dept. of Transportation-Routine Airport Maintenance Program '17	N/A	CSJ-42M1722LRED	\$ 50,000	3,415	-	3,415	-
TX Dept. of Transportation-Routine Airport Maintenance Program '18	N/A	CSJ-42M1822LRED	50,000	-	50,000	27,206	22,794
Formula Grants for Other Than Urbanized Areas	N/A	STATE-U-2017-LAREDO-00107	658,851	-	658,851	658,851	-
Total - State Department of Transportation			\$ 758,851	3,415	708,851	689,472	22,794
Texas Commission on Environmental Quality							
Passed Through STDC:							
T.C.E.Q.-City of Laredo Glass Pulverizer	N/A	17-19-04	\$ 53,184	49,974	-	49,974	-
Total - Texas Commission on Environmental Quality			\$ 53,184	49,974	-	49,974	-
Passed Through Office of the Governor:							
Local Border Security Program FY -2017	N/A	2995402	\$ 120,000	21,463	-	21,463	-
Local Border Security Program FY -2018	N/A	2995403	137,000	-	137,000	137,000	-
Rifle Resistant Body Armor Grant Program	N/A	3469601	182,174	-	181,920	181,920	-
Total - State Department of Public Safety			\$ 439,174	21,463	318,920	340,383	-
Texas Health and Human Services Commission:							
Passed Through Texas Nurse-Family Partnership Program:							
Nurse-Family Partnership Program - '16-17	N/A	529-16-0069-00001	\$ 521,159	103,720	-	103,720	-
Nurse-Family Partnership Program - '17-18	N/A	529-16-0069-00001	590,159	29,888	495,882	455,041	70,729
Nurse-Family Partnership Program - '18-19	N/A	529-16-0069-00001	590,159	-	32,647	-	32,647
Passed Through Webb County:							
Regional Healthcare Partnership (1115 Wavler)	N/A	N/A	-	(1,317,005)	509,608	1,124,400	(1,931,797)
Passed Through Family Planning Grant:							
Family Planning Open Enrollment	N/A	529-16-0102-00042	173,000	6,496	-	6,496	-
Family Planning Open Enrollment	N/A	529-16-0102-00042-B	87,500	3,447	35,261	24,501	14,207
Family Planning Open Enrollment	N/A	529-16-0102-00042-C	87,500	-	9,220	-	9,220
Healthy Texas Women	N/A	529-16-0132-00009	405,010	64,791	-	64,791	-
Healthy Texas Women	N/A	529-16-0132-00009-B	405,010	15,890	226,277	194,051	48,116
Healthy Texas Women	N/A	529-16-0132-00009-C	405,010	-	15,367	-	15,367
Texas Ambulance Supplemental Payment Program	**	N/A	-	1,577,931	1,233,825	1,577,931	1,233,825
Total - Texas Health and Human Services Commission			\$ 3,254,507	485,158	2,558,087	3,550,931	(507,686)
Total State Assistance			\$ 9,492,793	1,062,272	5,249,875	6,360,911	(48,764)

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018
OTHER ASSISTANCE							
ICE - Custom-Narcotics 2017	N/A	N/A	\$ 91,000	41,406	-	41,406	-
ICE - Custom-Narcotics 2018	N/A	118SA1598	91,000	-	43,377	17,001	26,376
OCEDETF-DEA0982 Sand Castle	N/A	SW-TXS-0982	6,295	820	2,594	1,115	2,299
OCEDETF-DEA1025 Dusty Crop Hopper	N/A	SW-TXS-1025	18,042	260	17,782	18,042	-
OCEDETF-DEA1039 King's Riches	N/A	SW-TXS-1039	8,912	946	9,689	10,635	-
Laredo Joint Terrorism TF 2017	N/A	N/A	17,753	5,102	-	5,102	-
Laredo Joint Terrorism TF 2018	N/A	N/A	17,202	-	15,167	10,132	5,035
Safe Streets Task Force 2017	N/A	N/A	35,506	10,662	-	10,662	-
Safe Streets Task Force 2018	N/A	N/A	34,404	-	33,599	25,088	8,511
Fugitive Apprehension Task Force 2017	N/A	N/A	14,000	647	-	647	-
Fugitive Apprehension Task Force 2018	N/A	N/A	15,147	-	15,147	15,147	-
Bureau of Alcohol and Tobacco 2017	N/A	N/A	71,012	8,882	-	8,882	-
Bureau of Alcohol and Tobacco 2018	N/A	N/A	72,168	-	69,121	63,661	5,460
TEOAF- CBP Task Force 2017	N/A	N/A	80,000	53,126	-	53,126	-
TEOAF- CBP Task Force 2018	N/A	N/A	100,000	-	100,000	78,364	21,636
U.S. Marshals - Sex Offenders Joint Operation	N/A	418LR0029	3,296	3,296	-	3,296	-
ICE - Airport K-9	N/A	N/A	-	-	9,250	9,250	-
State Energy Conservation Office	N/A	CL300	1,033,558	-	1,033,558	32,875	1,000,683
911 Regional Communications Grant - FY2017	N/A	N/A	1,811,809	128,792	906,386	984,752	50,426
911 Regional Communications Grant - FY2017 Equipment Replacement	N/A	N/A	652,711	45,568	253,683	253,683	45,568
911 Regional Communications Grant - FY2018	N/A	N/A	2,416,169	54,632	1,205,511	1,407,202	(147,059)
911 Regional Communications Grant - FY2019	N/A	N/A	2,414,164	-	101,070	562,291	(461,221)
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	-	(19,774)	35,021	33,805	(18,558)
Mexican Consulate - Ventanilla de Salud Emocional Program	N/A	N/A	25,000	-	-	-	-
Pillar-SAMSHA 18-19	N/A	N/A	234,087	-	1,547	-	1,547
Fernando Salinas Trust	N/A	N/A	40,000	(10,038)	8,530	-	(1,508)
Paso del Norte Foundation	N/A	N/A	2,500	(1,398)	975	-	(423)
Valley Aids - Ryan White Part D 17-18	N/A	N/A	49,195	6,646	40,639	41,651	5,634
Valley Aids - Ryan White Part D 18-19	N/A	N/A	49,195	-	6,058	-	6,058
TAMIU - SI 17-18	N/A	N/A	248,555	75,175	134,970	210,145	-
TAMIU - SI 18-19	N/A	N/A	479,656	-	38,809	-	38,809
Coastal Bend Wellness Foundation	N/A	N/A	10,000	-	10,000	7,500	2,500
Coastal Bend Regional Advisory Council	N/A	N/A	188,168	188,168	-	188,168	-
American Library Association-NASA	N/A	N/A	500	-	500	500	-
Total - Other Assistance			10,331,004	592,918	4,092,983	4,094,128	591,773
Total Federal, State and Other Assistance			\$ 263,282,932	(13,814,922)	54,697,152	40,228,158	654,072

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2018**

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, 2017	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2018

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.

NOTE B - FEDERAL INDIRECT RATE

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - FEDERAL LOANS

Drinking Water State Revolving Loan:

The City was approved by EPA to receive a loan totalling \$5.5 Million to build an elevated water tank. The amount listed for this loan includes the proceeds used and interest earned during the year, and the outstanding loan balance from prior years.

Drinking Water State Revolving Loan:

The City was approved by EPA to receive a loan totalling \$4.6 Million to build an elevated water tank and waterline improvements. The Amount listed for this loan includes the proceeds used and interest earned during the year, and the outstanding loan balance from prior years.

Clean Water State Revolving Loan:

The City was approved by EPA to receive a loan totalling \$22.075 Million to build a sewer treatment plant. The amount listed for this loan includes the proceeds used and interest earned during the year, and the outstanding loan balance from prior years.

Clean Water State Revolving Loan:

The City was approved by EPA to receive a loan totalling \$48.75 Million to build a sewer treatment plant. The amount listed for this loan includes the proceeds used and interest earned during the year, and the outstanding loan balance from prior years.

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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, 2018, 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 March 11, 2019.

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
March 11, 2019

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

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 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
66.458	Clean Water State Revolving Loan

Dollar threshold used to distinguish between Type A and Type B programs: \$1,360,629

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

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, 2018

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 the State of Texas Single Audit Circular? _____ 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
None	Texas Ambulance Supplemental Payment Program
None	Regional Healthcare Partnership (1115 Waiver)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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

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, 2018

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, 2018

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.

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