

# CITY OF LAREDO, TEXAS



**Comprehensive Annual Financial Report  
For The Year Ended  
September 30, 2013**

**CITY OF LAREDO, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2013**

**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, 2013**

**TABLE OF CONTENTS**  
*(To view a particular section, click on the text below)*

	Page
<b>INTRODUCTION SECTION</b>	
Letter of Transmittal .....	I
GFOA Certificate of Achievement.....	IX
Organizational Chart.....	X
List of Elected and Appointed Officials.....	XI
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	19
Statement of Activities.....	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statements of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	26
Statement of Net Assets – Proprietary Funds.....	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds .....	32
Statement of Fiduciary Net Assets – Fiduciary Funds.....	34
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	35
Notes to the Basic Financial Statements .....	37
 Debt Service	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds .....	87
 Combining and Individual Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds: .....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	102



Schedules of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual:

CDBG Special Revenue Fund.....	111
Housing Rehabilitation.....	112
Home Investment Fund .....	113
Emergency Shelter Fund .....	114
Home Investment Affordable Housing.....	115
Community Development ARRA .....	116
Auto Theft Task Force.....	117
Financial Task Force.....	118
Special Police Program .....	119
911 Emergency Communications Fund .....	121
Health Fund.....	122
Special Fire Grants.....	124
International Airport .....	126
Civic Center .....	128
Hotel Motel Occupancy Tax.....	129
Public Access Channel.....	130
Mercado Management Fund.....	131
Laredo Convention and Visitors Bureau .....	132
Recreation Fund.....	133
Parking Meters.....	134
Hazardous Materials.....	135
Environmental Services .....	136
Keep Laredo Beautiful, Inc. Fund.....	138
Noise Abatement Lease Program.....	139
Sport and Community Venue.....	140
Laredo Energy Arena.....	141
Laredo Public Facility Corporation .....	142
Friends of the Library .....	143
Police Trust Fund.....	144
Webb County Colonias Project.....	145
Parks Capital Grants.....	146
Capital Grants.....	147
Contractual Obligations.....	148
Certificate of Obligation 2005 Issue.....	149
Certificate of Obligation 2006 Issue.....	150
Certificate of Obligation 2007 Issue.....	151
Certificate of Obligation 2008 Issue.....	152
Certificate of Obligation 2009 Issue .....	153
Certificate of Obligation 2010 Issue .....	154
Certificate of Obligation 2012 Issue .....	155
Baseball Stadium.....	156
Airport Construction Fund .....	157
Capital Improvements .....	158
Canseco Endowment Fund.....	160

Combining Statement of Net Assets – Internal Service Funds.....	162
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds.....	163
Combining Statement of Cash Flows – Internal Service Funds .....	164
Risk Management.....	166
Health And Benefits.....	168
Fleet Management.....	170
Information Technology .....	172
 Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source. ....	175
Schedule of Changes by Function and Activity.....	176
Schedule by Function and Activity.....	178
 Supplementary Financial Statements-for Enterprise Funds:	
Combining Statement of Net Assets.....	182
Combining Statement of Revenues, Expenses, and Changes in Net Assets.....	183
Combining Statement of Cash Flows.....	184
Municipal Transit System.....	186
Bridge System.....	192
Municipal Housing Corporation.....	196
Waterworks System.....	200
Sewer System.....	204
Solid Waste Management.....	208
 Supplementary Financial Statements-for Fiduciary Funds:	
Statement of Net Assets .....	214
Combining Statement of Changes in Assets and Liabilities .....	216

**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.

<u>Table</u>	<u>Name of Table</u>	
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.		
1	Net Assets By Component .....	220
2	Changes in Net Assets .....	222
3	Changes in Fund Balance, Governmental Funds .....	224
4	Fund Balance, Governmental Funds .....	225
5	General Governmental Tax Revenues by Source .....	226

Revenue Capacity

These schedules contain trend information to help the reader assess the government’s most significant local revenue source, the property tax.

6	Property Tax Levies and Collections .....	227
7	Assessed and Estimated Actual Value of Taxable Property .....	228
8	Property Tax Rates – Direct and Overlapping Governments.....	229
9	Special Assessments Billing and Collections .....	230
10	Principal Taxpayers .....	231

Debt Capacity

These schedules contain trend 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 .

11	Computation of Legal Debt Margin .....	232
12	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita .....	233
13	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures .....	234
14	Computation of Direct and Overlapping Debt .....	235
15	Revenue Bond Coverage – Bridge, Water, Sewer System, and Sports Venue .....	236
16	Ratios of Outstanding Debt by Type .....	238

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.

17	Demographics Statistics .....	239
18	Property Value, Construction and Bank Deposits .....	242
19	Principal Employers .....	243
20	Principal Water Consumers .....	244

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report.

21	Miscellaneous Statistics .....	245
22	Insurance in Force .....	257
23	Full-Time Equivalent City Government Employees by Function .....	258
24	Operating Indicators by Function .....	260
25	Capital Assets by Function.....	262

CONTINUING DISCLOSURE INFORMATION ..... 265

SINGLE AUDIT. .... 311



February 14, 2014

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, 2013. 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 of the City of Laredo has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Laredo's financial statements in conformity with GAAP (Generally Accepted Accounting Principles). Because the cost of internal controls should not outweigh their benefits, the City of Laredo's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Laredo's financial statements have been audited by Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Laredo for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a

test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Laredo's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The independent audit of the financial statements of the City of Laredo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor 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 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 presently maintains four border crossings, three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is the eighth most populated City in the State of Texas with a population of 244,731 in 2012, according to the U.S. Census estimates.

The City of Laredo is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to



extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

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

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

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

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

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

The annual budget serves as the foundation for the City of Laredo's financial planning and control. The City Manager presents a proposed balanced budget to the City Council for review through council workshops. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30<sup>th</sup>, the close of the City of Laredo's fiscal year. The

appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department Directors may make transfers of appropriations within a department through an insufficient appropriation notice that is reviewed by the Budget, Finance and City Manager's Office depending on the dollar value. Transfers of appropriations between funds require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds.

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

### **Factors Affecting Financial Condition**

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

**Local economy:** Though the nation's economy is struggling with sales, mortgages, and unemployment, the City of Laredo has been very fortunate to not have received the full impact. Laredo is strategically positioned with a large transportation and warehousing industry where we meet the basic needs of consumers. 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 cross; over 1.8 million trucks annually. Laredo trades over \$253 billion imports and exports annually. Based on trade statistics by World City Magazine, Laredo just became the 3<sup>rd</sup> largest U.S. Customs District in the country; up from its position as the 6<sup>th</sup> in 2012. Only Los Angeles and New York, (both water ports) are above Laredo.

The City of Laredo continues to undertake an aggressive marketing approach in bringing additional commerce to our City. We continue to visit as well has host producers of goods from Central and South America to our City in order to establish stronger economic growth. We have established healthy business opportunities where Laredo will be a route through the Ports of Lazaro Cardenas and Manzanillo to logistically import products into the United States. Almost 12,000 commercial trucks drive though Laredo on a daily basis. On rail, more than 1,800 rail cars pass though Laredo daily making it one of the top railroad interchanges in the U.S. and the busiest on the Southern Border. On air, more than 463 million pounds of cargo are handled annually. Two great catalysts that

will enhance the City's economic growth in international trade are the following:

- The City has in operation two cold storage facilities which will draw additional categories of exports to our Gateway City. Exporters of fresh fruits, vegetables and flowers are now crossing our border more expediently while keeping its products safe from the external elements.
- The completion of a \$2.5 million facility located at our International Airport for federal inspections. This facility will allow Mexican Customs to pre-clear American goods southbound for import into Mexico. This is the first international inspection in the United States.

Another major economic catalyst that is boosting our economy tremendously is the activity of oil and gas in our area. The drilling and exploration in the Eagle Ford Shale, has heightened the City's sales tax and hotel/motel revenues to new levels. Due to the close proximity to our City, the oil and gas industry increased business to other service sectors in our community such as rental properties, restaurants, and non essential purchases as a result have prospered. This activity has created job employment opportunities to our citizens.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of Wal-Mart's #1 sales store in the nation. Grocery store chains such as H.E.B. continue to invest in Laredo by adding additional stores. Electronic stores such as Best Buy and sporting goods stores such as Academy continue to be top nationwide retail sellers in Laredo. Our 1.2 million square foot mall holds over 150 stores which amongst them are many restaurants such as Luby's, Olive Garden, Red Lobster, Tony Romas, etc. It also has stores such as Dillard's Bells, Macy's, JC Penny, Sears, BeBe, Guess, Hollister, American Eagle, Aeropostale, Chucky Cheese, and many more. Some new stores that opened this year were Auntie Anne's Pretzels, Kay Jewelers, Kids Club, and Armani Exchange.

In addition to this, the City has announced that a private developer will begin construction of a 350,800 sq. ft. outlet center known as The Outlet Shoppes at Laredo. The development will be in downtown Laredo where 80 to 90 stores will be built. Due to this development, new jobs and additional sales tax will be generated to enhance our economy even greater.

In addition to these retail stores, we have added a new flavor to Laredo. Over 40 blocks of Mexican import vendors have set up shop in a strip of Laredo called "San Bernardo Avenue". This street is dedicated to promoting Laredo as the shopping attraction for everything unique to México and its products with artistry and crafts. This has become a very popular destination for tourists and locals.

For entertainment in Laredo, there are now three City owned facilities which have enhanced the City's entertainment realm which are: the Laredo Energy Arena, the

Uni-trade Baseball Stadium and the Max Mandel Municipal Golf Course. These facilities have added diversity to Laredo's entertainment scene. A visit must be taken to the Laredo Energy Arena; a City owned facility that is operated by SMG. This beautiful facility hosts many family oriented events which include indoor football, exhibition basketball games, Rodeos, motor cross racing, wrestling, and major concert performers.

## **MAJOR INITIATIVES**

### **For the Year 2012-2013**

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

- Completion of the Max A. Mandel Municipal Golf Course on October 2012. It is the first municipal golf course in Laredo. The 270 acre course is situated along the Rio Grande River with a-typical mesquite land. The land, water rights and \$1 million were donated by the Mandel Family toward this project. The total construction cost of the golf course was \$8.4 million. The 18 hole golf course was designed by Robert Trent Jones, one of the top leading design firms in the world. The golf course is being managed by Foresight Golf and with an ultimate goal of bringing affordable yet remarkable golf to its community.
- Completion of the Max A. Mandel Golf clubhouse. The project cost was \$2.1 million for the clubhouse. This 2 story facility houses a Pro Shop, a restaurant, and a banquet hall, which also serves as a meeting facility. The club house's ribbon cutting was August 2013.
- The construction of a 1,300 sq. ft. heated pool and racquetball courts in North Laredo with a cost of \$1.3 million. The project is located in North Central Park. It is fully equipped with restrooms, showers, air conditioned racquetball courts, terraced sun bathing areas, locker areas, and many other amenities.
- Completed April 2013 was another project designed to help impact trade is that of a federal inspection station with a cost of \$2.5 million. The Laredo International Airport Federal Inspection Facility will allow Mexican customs to pre-clear American goods for import into Mexico.
- Rehabilitation of 288 City blocks this fiscal year with a project cost of \$2.2 million.
- Completion of 36" and 24" water transmission lines city wide totaling \$7.9 million and \$5.7 million for sewer lines.

- The completion on April 2013 of Jefferson Water Treatment Plant is valued at \$38.8 million of which \$35.17 was funded by a Texas Water Development Board-ARRA Grant. The newly renovated 65 MGD (million gallons per day) facility plant was reconstructed by looping the system and four generators to operate the plant at a maximum 45 MGD with a potential to 65 MGD.

### **Future Major Initiatives**

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

- An educational facility is being added to the Jefferson Water Treatment Plant where students can learn about our water system and its environment. The educational facility is only one of three in the State geared toward water conservation. Its project cost is estimated at \$4.9 million and is expected to be completed January 2015.
- Construction continues of a Water Treatment Plant called “El Pico Water Treatment Plant” which began November 2011. The plant is located in northwest Laredo and is situated on 100 acres of land. It is expected to be completed June 2014. The construction of 20 million gallons per day (MGD) Water treatment will be capable of eventually expanding its capacity to 180 MGD’s. The project cost is estimated at \$103.7 million.
- The City is in the process of replacing approximately 65,000 residential and commercial meters to operate remotely with an automated meter reading system that will provide hourly review and meter operations. The project is expected to enhance the level of water conservation and more accurately identify all revenues generated while providing better efficiencies. The project will be initiated over two phases; it is estimated at a project cost of \$3.2 million in phase 1 and \$2.9 million in phase 2.
- Design of a 2 MGD Waste Water Treatment Plant in North West Laredo at Sombrettillo Creek will relieve the overloading conditions of the existing 24” and 36” wastewater lines. The estimated cost of this project is \$7.3 million for design, land acquisition and construction.
- The construction of a library branch named the Sophie Christen McKendrick, Francisco Ochoa and Fernando A. Salinas Branch Library re-commenced construction on February 2013. The City had difficulty with the initial contractors and therefore the City is constructing the project in-house for the cost an estimated \$3.27 million. The library is located in South Laredo with approximately 22,000 square feet to include an expanded collection for circulation, a Teen Café, children’s area, reference and computer labs, Wi-Fi and individual study rooms. The project is expected to be completed July 2014.

- Northwest Recreation Center, a 20.52 acre tract located in West Laredo will include a 44,000 sq ft. multi-purpose room, exercise and weight room, library branch, indoor play structure, a senior citizen center, computer labs, aerobic and dance studio, and many outdoor amenities. The estimated project cost is \$9.5 million. The project was at a halt due to contractor issues. Funding for this project will be funded through various bond proceeds and a surety company. The project is expected to be completed March 2014.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laredo for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. This was the twenty fifth consecutive year in which the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Rosario Camarillo-Cabello,  
Financial Services Director





Government Finance Officers Association

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

Presented to

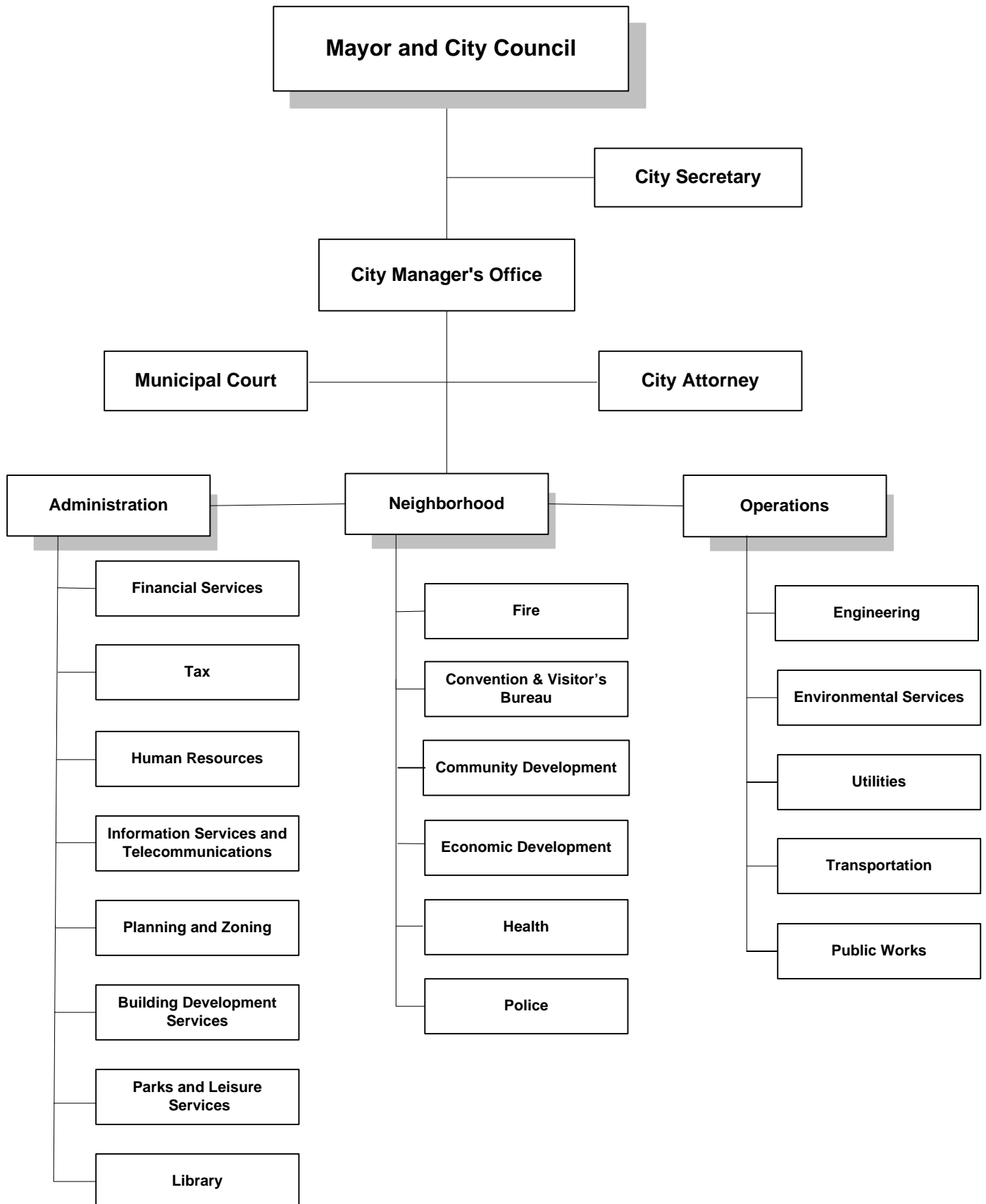
**City of Laredo  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# CITY OF LAREDO, TEXAS



**CITY OF LAREDO, TEXAS  
ADMINISTRATIVE OFFICIALS**

**CITY COUNCIL**

**Raul G. Salinas, Mayor**

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

**CITY STAFF**

Carlos R. Villarreal, City Manager

Cynthia Collazo, Deputy Manager

Horacio De Leon, Assistant City Manager

Jesus M. Olivares, Assistant City Manager

Raul Casso, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

## 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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

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



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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, on our consideration of the City of Laredo, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Laredo, Texas' internal control over financial reporting and compliance.

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
February 14, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This section of the City of Laredo's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Primary Government's net assets as of September 30, 2013 were \$855.9 million. This represents an increase of \$35.6 million for the year. Net Assets for governmental activities increased by \$28.4 million while business type activities increased by \$7.2 million. The assets increased by \$88.7 million while liabilities increased by \$53.1 million. The net asset consists of \$744.1 million in Investments in Capital Assets; \$65.3 Restricted Assets and \$46.5 in Unrestricted Net Assets.
- The Primary Government's total expenses were \$405.4 million; this exceeds the \$293.7 million generated in charges for services, operating grants, taxes and other revenues. The cost of the Primary Government's governmental activities was \$252.9 while the cost of business-type activities was \$152.4 million for the fiscal year.
- As of September 30, 2013, the City's governmental fund reported combined ending fund balances of \$142.8; an increase of \$14.9 million compared to prior year activities. Approximately 6.28% of the combined fund balances or \$9 million were classified as unassigned and available.
- The unassigned fund balance in General Fund was \$10.3 million or 6.67% of total General Fund current year expenditures.
- In fiscal year 2013, the City issued \$81.7 million in debt to finance capital projects and refinance outstanding bond issues. Liabilities related to bond issuance increased by \$27.61 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 like public safety were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like a business, such as the Bridge, Transit, and Water and Sewer funds.

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

**Figure A-1**

**FUND FINANCIAL STATEMENTS**

	<b>Government – Wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of Revenues and Expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of Revenues, expenses, and changes in net assets</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting basis and measurement focus</b>	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
<b>Type of asset/liability information</b>	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.
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the year; expenditures when goods and services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year; regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

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

**Figure A-2**

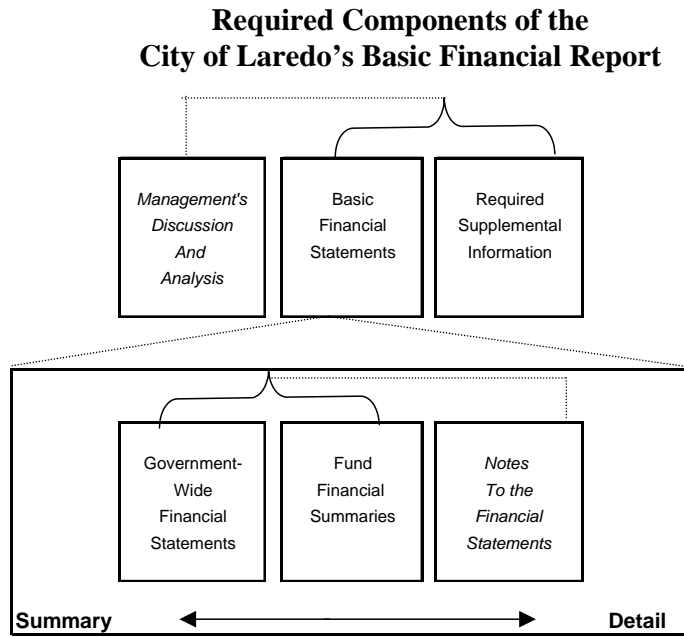


Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of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

### **Government-wide Statements**

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

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

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

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

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

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

## **Fund Financial Statements**

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

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

The City has three kinds of funds:

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Assets.** The City’s *combined* net assets totaled \$855.9 million as of September 30, 2013. Analyzing the net assets and net expenses of the governmental and business-type activities separately, the business type activities net assets are \$363.5 million and the government type activities are \$492.4 million. This analysis focuses on the net assets (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 assets reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1**

### City of Laredo’s Net Assets September 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 209,834,671	\$ 191,931,149	\$276,854,381	\$299,647,189	\$ 486,689,052	\$ 491,578,338
Capital assets	631,795,079	614,820,431	571,679,235	495,119,506	1,203,474,314	1,109,939,937
Unamortized Bond Costs	4,036,154	4,434,601	5,532,013	5,045,631	9,568,167	9,480,232
Total assets	845,665,904	811,186,181	854,065,629	799,812,326	1,699,731,533	1,610,998,507
Current liabilities	43,287,210	43,977,664	65,260,186	50,840,731	108,547,396	94,818,395
Non-current liabilities	310,020,252	303,188,191	425,292,552	392,694,911	735,312,804	695,883,102
Total liabilities	353,307,462	347,165,855	490,552,738	443,535,642	843,860,200	790,701,497
Net Assets:						
Invested in capital assets, net of related debt	435,213,156	426,071,062	308,880,051	281,378,123	744,093,207	707,449,185
Restricted	32,487,338	22,027,504	32,833,893	29,616,876	65,321,231	51,644,380
Unrestricted	24,657,948	15,921,760	21,798,947	45,281,685	46,456,895	61,203,445
Total net assets	\$ 492,358,442	\$464,020,326	\$363,512,891	\$356,276,684	\$ 855,871,333	\$ 820,297,010



A portion of the City’s net assets or \$65.3 million represents resources that are subject to external restrictions on how they may be used. The City of Laredo has sufficient funds to meet requirements for cash outlays in the next fiscal year and has the financial capacity to meet its long-term obligations in the years to come. The City’s policy has been to make reasonable and continuous efforts to fund all long-term liabilities. The City’s restricted net assets increased by 26.48% over prior year.

Generally, all net assets generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net assets are \$24.7 million for the year.

Unrestricted net assets in the business-type activities are \$21.8 million, with a decrease of \$23.5 million from prior year.

The table below provides a summary of the City’s operations for the year ended September 30, 2013. Governmental activities increased the City’s net assets by \$28.4 million, while Business-Type activities increased by \$7.2 million, overall the City’s Net Assets increased by \$35.6 million. Total revenues realized by the City total \$440.9 million for the year. (See Table A-2). The largest revenue category was charges for services, which are comprised for the most part of administrative fees from all departments, bridge tolls and utility charges.

Total operating cost of all programs increased by \$15.7 million from prior year to \$405.4 million. The most significant governmental expense for the City was in providing public safety, cultural and recreational, and air transportation as compared to prior year. These expenses were offset by revenues collected by a variety of sources such as property taxes, fines, and forfeitures. The most significant portion of the police activity is the cost of personnel, which is approximately \$53.11 million and the fire department with \$41.22 million (both areas including benefits and overtime expenditures).

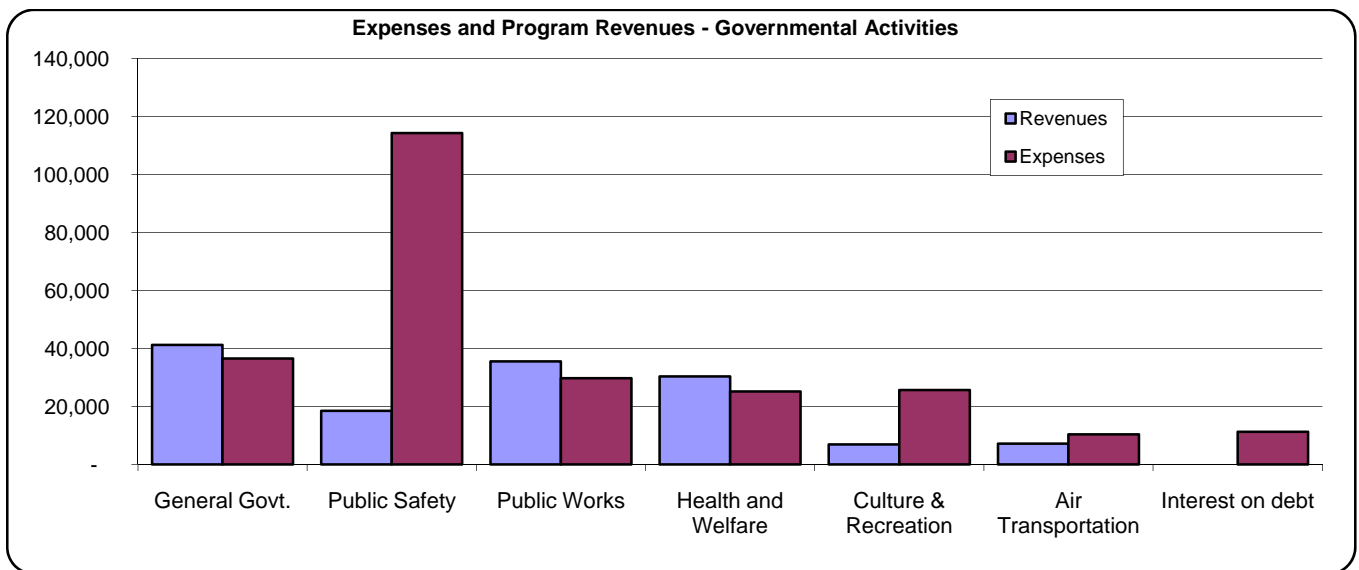
**Table A-2**

**City of Laredo’s Changes in Net Assets  
September 30, 2013 and 2012**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 92,324,318	\$ 76,490,604	\$142,207,131	\$ 137,004,224	\$ 234,531,449	\$ 213,494,828
Operating grants and contributions	25,228,899	22,085,334	5,504,473	4,473,530	-	26,558,864
Capital grants and contributions	22,102,012	29,325,040	6,365,385	12,928,054	28,467,397	42,253,094
General revenues:						
Sales tax	40,383,050	38,152,946	7,666,150	7,082,464	48,049,200	45,235,410
Property taxes	69,563,546	68,704,058	-	-	69,563,546	68,704,058
Other taxes	11,654,381	11,613,112	-	-	11,654,381	11,613,112
Other	16,277,527	798,262	1,671,874	2,224,644	17,949,401	3,022,906
Total revenue	<u>\$ 277,533,733</u>	<u>\$ 247,169,356</u>	<u>\$163,415,013</u>	<u>\$ 163,712,916</u>	<u>\$ 440,948,746</u>	<u>\$ 410,882,272</u>

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenses:						
General Government	\$ 36,517,099	\$ 31,034,892	\$ -	\$ -	\$ 36,517,099	\$ 31,034,892
Public Safety	114,298,448	109,306,566	-	-	114,298,448	109,306,566
Public Works	29,742,584	35,937,652	-	-	29,742,584	35,937,652
Health & Welfare	25,149,324	23,663,834	-	-	25,149,324	23,663,834
Culture & Recreation	25,636,585	25,468,060	-	-	25,636,585	25,468,060
Air Transportation	10,379,579	5,896,045	-	-	10,379,579	5,896,045
Interest & Other long - term debt	11,253,582	11,215,644	-	-	-	-
Transit System	-	-	16,655,247	15,759,209	16,655,247	15,759,209
Bridge System	-	-	40,886,900	41,674,262	40,886,900	41,674,262
Solid Waste	-	-	19,527,143	16,279,971	19,527,143	16,279,971
Water System	-	-	43,113,971	43,022,231	43,113,971	43,022,231
Sewer System	-	-	31,051,237	28,980,517	31,051,237	28,980,517
Municipal Housing	-	-	1,162,724	1,479,174	1,162,724	1,479,174
Other Business -Types	-	-	-	-	-	-
Total expenses	252,977,201	242,522,693	152,397,222	147,195,364	405,374,423	389,718,057
Inc (dec) in net assets before transfers	24,556,532	4,646,663	11,017,791	16,517,552	35,574,323	21,164,215
Transfers	3,781,584	3,961,171	(3,781,584)	(3,961,171)	-	-
Incr (Dec) in net assets	28,338,116	8,607,834	7,236,207	12,556,381	35,574,323	21,164,215
Net assets, beginning	464,020,326	455,412,492	356,276,684	343,720,303	820,297,010	799,132,795
Net assets, ending	\$ 492,358,442	\$ 464,020,326	\$ 363,512,891	\$ 356,276,684	\$ 855,871,333	\$ 820,297,010

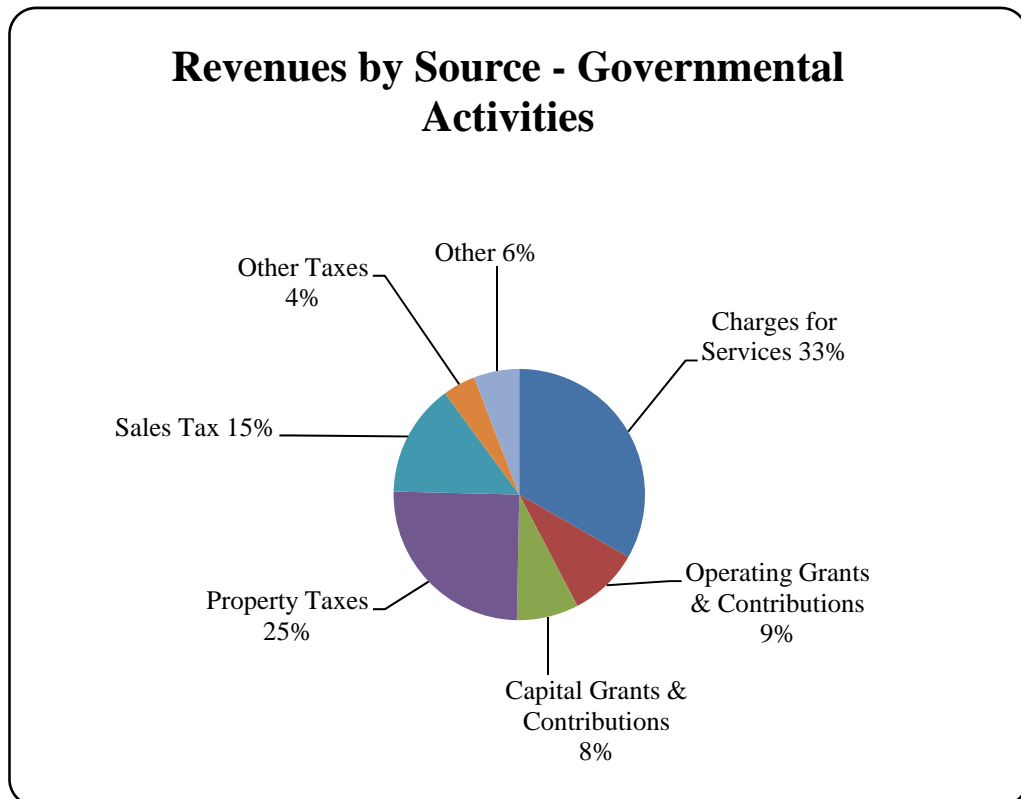
**Graph 1**



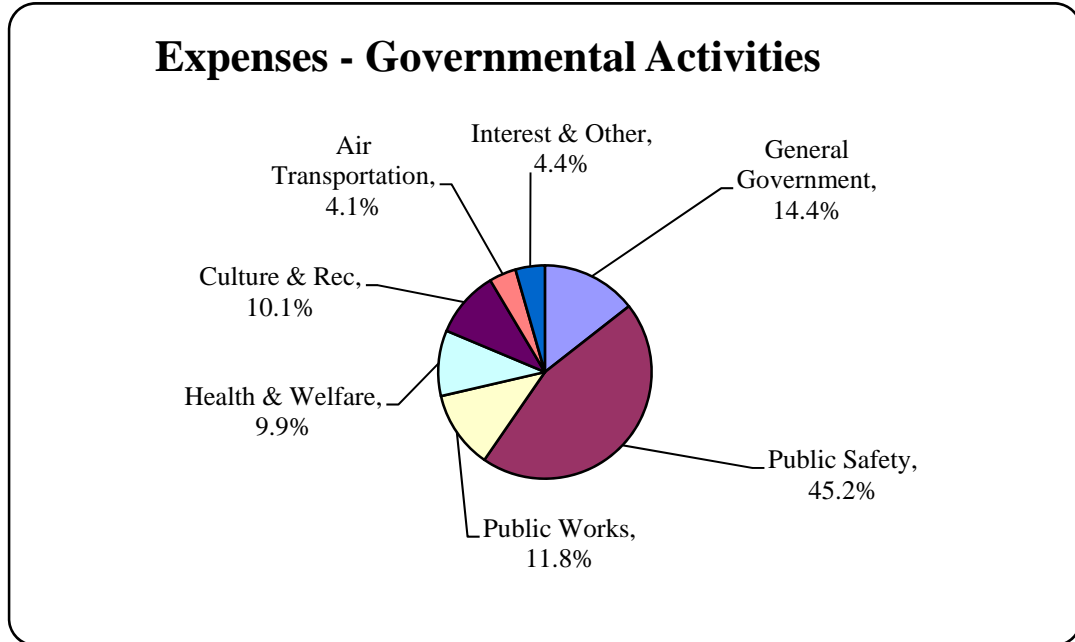
Graph 1 represents the cost of each of the City’s 7 largest programs as well as each of the programs revenue. Net cost (total cost less fees generated by the activities and intergovernmental aid) is also reflected for each program. The net cost is the financial burden that was placed on the City’s taxpayers by each of these functions.

- The cost of all Governmental activities this year was \$253 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 \$137.9 million.
- General Government expenses (support services) comprised approximately 14.4% of the total expenses in fiscal year 2013; this represents an increase of 1.7% or \$5.5 million from prior year.
- Expenses for Public Safety represent 45.2% of total expenditures with a minimal increase of less than 1% or \$5 million from prior year.
- Public Works expenses represent 11.8% of total expenditures with a decrease of \$6.1 million as compared to prior year. This is partially due to the allocation of expenses to various projects financed with bond proceeds.
- Health and Welfare expenses represent 9.9% of total expenditures with an increase of \$1.5 million as compared to prior year.
- Cultural & Recreational expenses represent 10.1% of the total expenditures with an increase of only \$169 thousands as compared to prior year.
- Air Transportation and Other expenditures represent 8.5% of total expenditures with an increase of \$4.5 million from prior year.
- Business-Type Activities transferred to Governmental Activities \$3.8 million, a decrease of \$180 thousand from prior year.
- Overall, there was an increase in net assets of \$35.6 million for the City. There was a \$7.24 million increase in the business type activities and an increase of \$28.36 million in the governmental activities.
- Governmental Activities revenues were generated by charges for services 33%, property taxes 25%, sales tax and other taxes 19% and Capital and Operating Grants generated 17% (see Graph 2).

**Graph 2**



Graph 3



### Business-type Activities

Revenues of the City’s business-type activities were \$163.4 million for the fiscal year ending September 30, 2013, a slight decrease of \$298 thousand from prior year. Capital Grants and Contributions revenues decreased \$6.6 million while all other revenues increased by \$6.3 million. Expenses for the City’s business-type activities were \$153.42 million for the year, representing an increase of \$10.5 million from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- Waterworks System expenses increased \$92 thousand. Operating expenses increased \$851 thousand and non-operating expenses decrease \$759 thousand.
- Sewer System expenses increased \$2.1 million; operating expenses increased \$1.92 million and non-operating expenses increased \$180 thousands.
- Bridge System expenses decreased by \$787 thousand due to increases in operating expenses of \$16 thousand and a decrease in non-operating expenses of \$803 thousand.
- Other business-type activities increased by \$3.83 million in operating expenses for the Transit System, Solid Waste System, Municipal Housing Fund and others.

### 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, unreserved 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 \$142.8 million. The fund balance category is as follows: \$115 thousand for non-spendable funds which are used for inventory items within General Fund; \$61.5 million which are restricted for debt and grants; \$32.8 million are committed for specific purposes as it relates to reserves, public safety, etc.; \$39.4 million are assigned for a specific use for Governmental Funds other than General Fund and \$9.0 million are unassigned which can be used by the City government funds as it is needed.

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 \$41.6 million of which \$27.6 million is committed, and \$10.3 is unassigned, \$3.6 million is restricted and \$19 thousand is non-spendable. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenses. The ratio of total fund balance to operating expenses (total expenses less capital outlay) is 28.93%. The unassigned fund balance in General Fund represents 24.88 % of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by \$4.7 million as compared to prior year. The City was able to manage its resources and implement a plan in order to save funds without interrupting or affecting services provided to the citizens of the Laredo. Some of the key factors are as follows:

- As compared to prior year, property tax revenues decreased by \$408 thousand. Assessed valuations increased by \$179 million from prior year. The City has not increased its tax rate for the last ninth consecutive years.
- Sales Tax revenues continue to increase as in prior years. The increase for fiscal year 2013 was \$1.95 million. The increase is an indication that the economy is recuperating. The city continues to reap the benefits of the gas industrial boom in South Texas.
- Charges for Services increased by \$2.4 million as compared to prior year.
- General Fund expenses increased by \$4.1 million from prior year. While most of the departments remained stable, growth (increases) occurred in categories such as: Public Safety by \$4.5 million, Cultural and Recreational increase by \$1.7 million. Capital Outlay decreased by \$2.9 million. The major increase for public safety was in personnel expenses by \$3.5 million due to contractual obligations with public safety personnel such as Fire and Police.

The Debt Service Fund has a total fund balance of \$4.7 million, all of which is reserved for the payment of debt. The Debt Service Fund had a decrease of \$1.4 million from prior year.

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

Total net assets of the Business – Type Activities at the end of the year totaled \$363.5 million. The total net assets increased by \$7.2 million as compared to prior year. The largest area of change is in the Waterworks System, with an increase of \$9.5 million, the Bridge System with an increase of \$2.2 million and other enterprises funds increased by \$3.3 million while the Sewer System had a decrease of \$7.7 million. The increase can be further broken down into operating income of \$19 million and other non-operating expenses, net of other revenues of \$16 million. Operating revenues for the business-type activity funds increased by \$5.75 million. Charges for Services revenues increased by \$4.2 million over prior year due to a higher number of customers serviced in the Water and Sewer Systems.

## **General Fund Budgetary Highlights**

Overall, the City has not only maintained at least a 15% fund balance as required by City Charter, but has also been able to maintain a rate to 28.93% of operating expenditures (excluding capital outlay) in FY 2013. The City has been able to increase its fund balance for the General Fund by \$4.7 million while operating expenditures increased by \$4.1 million. With appropriate planning and careful financial spending, the City has been able to sustain its strong economic condition. Sales tax collections increased by \$1.95 million or 6.51%. The other revenues increased such as Charges for Services increased by \$2.41 million or 6.91%.

### *Original Budget vs. Final Amended Budget:*

#### Revenues and Other Financing Sources:

- During the year, the General Fund budget was amended by increasing additional appropriations of \$5.71 million. The largest increase was to amend the budget for appropriation of capital lease proceeds and Intergovernmental Revenues category in order to account for various grants received.

#### Expenditures and Other Financing Uses:

- General Fund was amended by a net increase of \$6.45 million in the expenditures and other financing uses. The Capital Outlay category increased \$5.23 million to account for infrastructure projects. The Other Financing Uses category increased by \$770 thousands to provide additional funding for the Airport Construction Fund.

### *Amended Budget as compared to Actual Revenues and other Sources:*

#### Revenues and Other Financing Sources:

- The actual revenues reflect an overall favorable variance of \$7.4 million as compared to the amended budget. This variance had various attributes:
  - License and Permits revenues increased by \$645 thousand.
  - Contribution and Donations exceeded the projected revenues by \$8.18 million. This amount is as a result of the recognition of the value of donated infrastructure improvements by developers to the City.

#### Expenditures and Other Financing Uses:

- Expenditures and Other Financing Uses reflect a negative variance of \$5.2 million when comparing the amended budget to the actual expenditures. A large portion of the increase was due to capital outlay of \$8.5 million and Other Financing Uses of \$2 million for amount transferred to the Capital Improvement Fund for the completion of various projects during the year.
  - General Government realized savings in the amount of \$1.7 million from various areas including the Municipal Court, Building Inspections, City Attorney, Training, Code Enforcement and Planning Departments.
  - Public Safety had a negative variance of \$949 thousand. The Police Department realized savings of \$473 thousand while the Fire Department exceeded its budget by \$1.7 million.
  - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remain at the same level as in prior years.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The City of Laredo's investment in capital assets for its Governmental and Business-Type activities as of September 30, 2013 is \$1.2 billion (net of accumulated depreciation). The total increase in the City's investment in capital assets for the current fiscal year was \$93.5 million. Additions, to capital assets such as land,

infrastructure, construction in progress, buildings and equipment for the year totaled \$135.59 million for governmental activities and \$38.01 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**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2013	2012	2013	2012	2013	2012
Land	\$ 87,392,308	\$ 83,682,335	\$ 31,904,327	\$ 31,350,210	\$ 119,296,635	\$ 115,032,545
Buildings	194,542,783	193,015,842	166,975,110	124,950,782	361,517,893	317,966,624
Machinery & Equipment	102,224,523	98,057,932	90,238,725	82,255,001	192,463,248	180,312,933
Water Rights			40,751,584	40,563,184	40,751,584	40,563,184
Improve'ts other than Bldg	589,637,133	567,138,532	386,938,018	380,616,759	976,575,151	947,755,291
Construction in Progress	14,846,927	8,734,834	138,382,121	97,875,506	153,229,048	106,610,340
<b>Total</b>	<b>\$ 988,643,674</b>	<b>\$ 950,629,475</b>	<b>\$855,189,885</b>	<b>\$757,611,442</b>	<b>\$1,843,833,559</b>	<b>\$1,708,240,917</b>

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

**Governmental**

- Various land acquisitions / donations totaling \$3.72 million. Land donation valued at \$600 thousand for infrastructure improvements; \$891 thousand for various Airport projects; and \$2.06 million for land adjacent to the Laredo Energy Arena for future projects.
- Assets for Building category increased by \$1.5 million mainly due to the completion of the new Animal Shelter at a cost of \$1.6 million.
- Infrastructure Improvements increased by \$22.5 million for various projects including Airport runways and cargo at a cost of \$9.7 million; Street Improvements of \$9.6 million, drainage improvements of \$2.9 million;
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$4.2 million for all departments within the City.
- Construction in Progress increased by \$6.1 due to various projects for a fire station at the Airport, Recreation Center and a Branch Library.

**Proprietary**

- Building capital assets increased by \$42 million for the proprietary funds. The majority of the increases were in the Waterworks System \$37.5 million and Sewer System \$4.2 million.
- Machinery, equipment, vehicles and heavy equipment acquired totaled \$8 million. Some of the items purchased were as follows: Solid Waste System equipment totaling \$5.5 million; Bridge System \$492 thousand; Water and Sewer Departments \$1.8 million for vehicles and equipment.
- Improvement other than building and construction in progress increased by \$46.8 million which include Water and Sewer plant improvements, collection and distribution systems.

The Governmental activities consists of improvements to and / or construction of the City's streets, parks and recreational facilities, police substations, fire protection facility, and airport improvements. Contractual Obligation, Certificate of Obligations 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 \$776.7 million in outstanding bonds and other long term debt; an increase of \$7.9 million over last year (See Table A-4) for the Governmental Activities. The Business Type Activities recorded an increase of \$34.2 million. More detailed information about the City's long-term liabilities is presented in Note 11 and 12 of the financial statements.

**Bond Ratings**

The City most recent general obligation bond ratings are the following:

Standard & Poor's	AA
Moody's	Aa2
Fitch	AA

New debt resulted mainly from various issues totaling \$8.388 million; \$3.8 million in Personal Property Finance Contractual Obligation and \$4.6 million Capital Lease for the acquisition of equipment. Debt issued by Business Type activities totaled \$73.33 million. Debt includes \$58.38 million issued as revenue bonds for the Water and Sewer Systems and \$14.95 million Certificate of Obligations for the Solid Waste Fund. The issuance of long term debt is to finance various projects including constructing City buildings, land acquisition, equipment and vehicles for various City Departments and water rights acquisition.

**Table A-4  
City of Laredo's Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 19,990,050	\$ 23,701,636	\$ 20,811,436	\$ 26,171,798	\$ 40,801,486	\$ 49,873,434
Certificates of obligation	162,712,273	167,062,087	114,616,516	104,502,912	277,328,789	271,564,999
Revenue bonds	36,250,000	38,260,000	282,021,367	252,437,961	318,271,367	290,697,961
Capital lease obligations	5,061,282	702,875	-		5,061,282	702,875
Compensated Absences	24,729,218	23,011,325	1,950,060	1,847,575	26,679,278	24,858,900
Notes payable	510,000	595,000	17,815,264	18,744,450	18,325,264	19,339,450
Landfill Post Closure	-	-	11,826,963	11,094,707	11,826,963	11,094,707
Net Pension Ob. - OPEB	78,402,403	66,462,027	-		78,402,403	66,462,027
<b>Total</b>	<b>\$ 327,655,226</b>	<b>\$ 319,794,950</b>	<b>\$ 449,041,606</b>	<b>\$ 414,799,403</b>	<b>\$ 776,696,832</b>	<b>\$ 734,594,353</b>

### Economic Factors and Next Year's Budgets and Rates

The City Management and City Council considered many factors when setting the fiscal year 2014 budget. General Fund revenues for FY 2014 are proposed to be \$161,040,687; an increase of \$6,486,784 or 4.20% over the prior year's original budget. Expenditures are proposed to be \$161,108,877; an increase of \$6,499,284 or 4.20% over prior year budgeted expenditures. The City's unemployment rate decreased by 0.2% to 6.2% as of September 30, 2013 compared to prior years' 6.4%. This average places it slightly below the State average of 6.3%. Building permit revenues, sales tax revenues and bridge toll revenues are areas which we use to measure the local economy. These areas are showing slight growth and are good indicators of the local state of the economy.



The FY 2014 consolidated budget for revenue reflects an appropriation is \$534,235,519 million. This represents an increase in revenues of \$34.68 million or 6.94% over the FY 2013 Original Budget. The property tax rate for FY 2014 is .6370 per \$100 valuation; the rate has remained the same for the last ten consecutive years. Assessed valuations for FY 2014 are \$11 billion which represents an increase of 2.9% over prior year with an estimated levy of \$70.03 million. Of the .6370 tax rate, 76.66% or .488313 cents are utilized for General Fund activities, the remaining 23.34% or .148687 cents are designated for Debt Service. The General Fund's portion of property tax revenue for FY 2014 is projected to be \$53.1 million. Sales tax revenues for the General Fund for FY 2014 are budgeted to be \$33.5 million, an increase of \$1.46 million or 4.56% as compared prior year's budgeted amounts.

A cost of living increase of 2% is included for all personnel beginning October 1<sup>st</sup>, excluding the Fire and Police Departments. The budget includes a 2% salary increase for the Police Officers and Firefighter at an estimated cost of \$1.5 million as per contractual obligations. The FY 2014 budget includes a total of 2,915 full time equivalent positions with an estimated cost of \$185.45 million.

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

### **Requests for Information**

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

This page intentionally left blank

# BASIC FINANCIAL STATEMENTS

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 69,116	\$ 16,700	\$ 85,816
Equity in Investment Pool	1,569,366	553,643	2,123,009
Investments (Note 5)	160,792,811	110,264,691	271,057,502
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,059,170	173,920	1,233,090
Property Taxes, Penalty and Interest	10,453,170	-	10,453,170
Hotel-Motel Tax, Penalty and Interest	326,795	-	326,795
Accounts	16,799,210	9,368,499	26,167,709
Notes	15,658,179	12,810	15,670,989
Paving Assessments	6,770	-	6,770
Internal Balances (Note 13)	(3,448,864)	3,448,864	-
Due From Other Governments	5,728,667	2,760,411	8,489,078
Inventory, at cost	529,031	2,074,088	2,603,119
Prepaid Items	291,250	2,576	293,826
<b>Total Current Assets</b>	<b>209,834,671</b>	<b>128,676,202</b>	<b>338,510,873</b>
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	147,994,870	147,994,870
Accrued Interest (Note 6)	-	177,746	177,746
Notes (Note 6)	-	46	46
Due From Other Governments	-	5,517	5,517
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	87,392,308	72,655,911	160,048,219
Construction in Progress	14,846,927	138,382,121	153,229,048
Depreciable Assets:			
Buildings	194,542,783	166,975,110	361,517,893
Machinery and Equipment	102,224,523	90,238,725	192,463,248
Infrastructure	589,637,133	386,938,018	976,575,151
Accumulated Depreciation	(356,848,595)	(283,510,650)	(640,359,245)
Unamortized Bond Issuance Costs	4,036,154	5,532,013	9,568,167
<b>Total Non Current Assets</b>	<b>635,831,233</b>	<b>725,389,427</b>	<b>1,361,220,660</b>
<b>TOTAL ASSETS</b>	<b>\$ 845,665,904</b>	<b>\$ 854,065,629</b>	<b>\$ 1,699,731,533</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2013**

(Continued)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 7,379,369	\$ 6,904,176	\$ 14,283,545
Claims and Judgments Payable (Note 18)	4,840,641	-	4,840,641
Retainage Payable	2,083,921	4,840,766	6,924,687
Accrued Wages and Employee Benefits	5,464,404	1,408,345	6,872,749
Accrued Interest Payable	1,144,403	1,549,684	2,694,087
Compensated Absences (Note 11 & 12)	2,378,951	718,415	3,097,366
Contracts Payable	1,251,671	19,715,918	20,967,589
Customer and Tenant Deposits	169,966	5,118,665	5,288,631
Due To Other Governments	13,709	-	13,709
Due to Developers	327,871	-	327,871
Unearned Revenue	2,976,281	1,973,578	4,949,859
General Obligation Bonds (Note 11 & 12)	3,916,316	5,218,684	9,135,000
Certificates of Obligation (Note 11 & 12)	8,877,328	5,257,673	14,135,001
Revenue Bond Payable (Note 11 & 12)	2,105,000	11,587,000	13,692,000
Notes Payable (Note 11 & 12)	85,000	967,282	1,052,282
Capital Lease Obligation (Note 11)	272,379	-	272,379
Total Current Liabilities	<u>43,287,210</u>	<u>65,260,186</u>	<u>108,547,396</u>
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	16,073,734	15,592,752	31,666,486
Certificates of Obligation (Note 11 & 12)	153,834,945	109,358,843	263,193,788
Revenue Bonds Payable (Note 11 & 12)	34,145,000	270,434,367	304,579,367
Notes Payable (Note 11 & 12)	425,000	16,847,982	17,272,982
Capital Lease Obligations (Note 11)	4,788,903	-	4,788,903
Compensated Absences (Note 11 & 12)	22,350,267	1,231,645	23,581,912
Net Pension Obligations - OPEB (Note 11)	78,402,403	-	78,402,403
Landfill Closure & Postclosure Costs (Note 12)	-	11,826,963	11,826,963
Total Noncurrent Liabilities	<u>310,020,252</u>	<u>425,292,552</u>	<u>735,312,804</u>
<b>TOTAL LIABILITIES</b>	<b><u>353,307,462</u></b>	<b><u>490,552,738</u></b>	<b><u>843,860,200</u></b>
<b>NET ASSETS</b>			
Investments in Capital Assets, net of related debt	435,213,156	308,880,051	744,093,207
Restricted for:			
Debt Service	6,946,946	26,619,585	33,566,531
Capital Projects	25,467,572	-	25,467,572
Improvements	-	6,214,308	6,214,308
Canseco Endowment Fund			
Nonexpendable	72,820	-	72,820
Unrestricted	24,657,948	21,798,947	46,456,895
<b>TOTAL NET ASSETS</b>	<b><u>\$ 492,358,442</u></b>	<b><u>\$ 363,512,891</u></b>	<b><u>\$ 855,871,333</u></b>

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, 2013**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General Government	\$ 36,517,099	40,285,380	-	4,708,456	-	4,708,456
Public Safety	114,298,448	10,135,563	-	(95,799,014)	-	(95,799,014)
Public Works	29,742,584	13,359,717	21,257,757	5,798,645	-	5,798,645
Health and Welfare	25,149,324	15,564,387	41,145	5,171,916	-	5,171,916
Culture and Recreation	25,636,585	5,874,092	803,110	(18,727,673)	-	(18,727,673)
Air Transportation	10,379,579	7,105,179	-	(3,220,720)	-	(3,220,720)
Interest and Other on Long-Term Debt	11,253,582	-	-	(11,253,582)	-	(11,253,582)
<b>Total Governmental Activities</b>	<b>252,977,201</b>	<b>92,324,318</b>	<b>22,102,012</b>	<b>(113,321,972)</b>	<b>-</b>	<b>(113,321,972)</b>
<b>Business-Type Activities:</b>						
Transit System	16,655,247	4,137,530	2,052,591	-	(4,974,010)	(4,974,010)
Bridge System	40,886,900	47,628,417	-	-	6,741,517	6,741,517
Waterworks System	43,113,971	41,279,848	3,168,588	-	1,334,465	1,334,465
Sewer System	31,051,237	28,941,911	1,144,206	-	(951,763)	(951,763)
Solid Waste Management System	19,527,143	18,773,794	-	-	(753,349)	(753,349)
Municipal Housing	1,162,724	1,445,631	-	-	282,907	282,907
<b>Total Business-Type Activities</b>	<b>152,397,222</b>	<b>142,207,131</b>	<b>6,365,385</b>	<b>-</b>	<b>1,679,767</b>	<b>1,679,767</b>
<b>Total Primary Government</b>	<b>\$ 405,374,423</b>	<b>234,531,449</b>	<b>28,467,397</b>	<b>(113,321,972)</b>	<b>1,679,767</b>	<b>(111,642,205)</b>
General Revenues:						
Property Taxes				69,563,546	-	69,563,546
Sales Tax				40,383,050	7,666,150	48,049,200
Franchise Fees				7,089,931	-	7,089,931
Hotel Motel Tax				4,218,974	-	4,218,974
Alcoholic Beverage Tax				345,476	-	345,476
Unrestricted investment earnings				379,330	1,651,558	2,030,888
Gain on sale of capital assets				15,898,197	20,316	15,918,513
Transfers (Note 14)				3,781,584	(3,781,584)	-
Total general revenues and transfers				141,660,088	5,556,440	147,216,528
Change in net assets				28,338,116	7,236,207	35,574,323
Net assets-beginning				464,020,326	356,276,684	820,297,010
<b>Net assets-ending</b>				<b>\$ 492,358,442</b>	<b>363,512,891</b>	<b>855,871,333</b>

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

**CITY OF LAREDO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2013**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ 16,754	-	51,912	68,666
Equity in Investment Pool	312,548	32,336	1,139,501	1,484,385
Investments	47,637,056	4,627,656	96,359,620	148,624,332
Receivable, net of allowances:				
Accrued Interest (Note 6)	73,400	7,577	958,270	1,039,247
Taxes, Penalty and Interest (Note 6)	9,021,855	1,369,714	15,872	10,407,441
Accounts (Note 6)	4,233,549	-	3,448,885	7,682,434
Notes (Note 6)	-	-	15,658,179	15,658,179
Paving Assessments (Note 6)	-	6,770	-	6,770
Due from Other Funds	1,063,842	-	429,417	1,493,259
Due from Other Governments	139,979	-	5,588,688	5,728,667
Inventory, at cost	19,335	-	45,436	64,771
<b>TOTAL ASSETS</b>	<b>62,518,318</b>	<b>6,044,053</b>	<b>123,695,780</b>	<b>192,258,151</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	2,896,497	14,042	2,806,768	5,717,307
Retainage Payable	163,884	-	1,920,037	2,083,921
Accrued Wages and Employee Benefits	4,247,849	-	1,047,409	5,295,258
Contracts Payable	-	-	1,251,671	1,251,671
Customer and Tenant Deposits	5,950	-	164,016	169,966
Due to Other Funds	196,615	-	1,145,834	1,342,449
Due to Other Governments	-	-	13,709	13,709
Due to Developers	-	-	327,871	327,871
Deferred Revenue	13,436,072	1,376,699	18,462,862	33,275,633
<b>TOTAL LIABILITIES</b>	<b>20,946,867</b>	<b>1,390,741</b>	<b>27,140,177</b>	<b>49,477,785</b>
<b>FUND BALANCES (Note 22)</b>				
Nonspendable	19,335	-	95,436	114,771
Restricted	3,644,122	4,653,312	53,173,295	61,470,729
Committed	27,564,635	-	5,263,091	32,827,726
Assigned	-	-	39,401,130	39,401,130
Unassigned (Deficit)	10,343,359	-	(1,377,349)	8,966,010
<b>TOTAL FUND BALANCES</b>	<b>41,571,451</b>	<b>4,653,312</b>	<b>96,555,603</b>	<b>142,780,366</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 62,518,318</b>	<b>6,044,053</b>	<b>123,695,780</b>	

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.	630,897,897
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,454,146
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.	3,877,209
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)	(299,651,176)
<b>Net assets of governmental activities</b>	<b>\$ 492,358,442</b>

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, 2013**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Taxes:				
Property	\$ 54,470,382	14,593,326	-	69,063,708
Sales	31,937,374	-	7,984,344	39,921,718
Bingo Tax	71,581	-	-	71,581
Alcoholic Beverage	320,504	-	-	320,504
Hotel Motel	-	-	4,236,295	4,236,295
Franchise Fees	7,049,443	-	-	7,049,443
Licenses and Permits	7,461,360	-	739,316	8,200,676
Intergovernmental Revenues	1,075,132	-	37,899,841	38,974,973
Charges for Services	37,320,387	-	9,773,711	47,094,098
Fines	2,741,190	-	614,184	3,355,374
Fees and Collections	1,084,554	-	3,730,546	4,815,100
Rents	762,906	-	8,287,134	9,050,040
Interest and Other	194,996	34,539	234,813	464,348
Miscellaneous	7,477	286,963	3,277,501	3,571,941
Contributions & Donations	8,430,999	-	13,387,514	21,818,513
Reimbursements	258,629	16,235	1,505,537	1,780,401
<b>TOTAL REVENUES</b>	<b>153,186,914</b>	<b>14,931,063</b>	<b>91,670,736</b>	<b>259,788,713</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	18,640,156	-	699,687	19,339,843
Public Safety	102,151,843	-	10,530,287	112,682,130
Public Works	7,552,358	-	2,283,646	9,836,004
Health and Welfare	462,769	-	23,876,798	24,339,567
Cultural and Recreational	14,776,847	-	10,559,288	25,336,135
Air Transportation Services	-	-	6,006,842	6,006,842
Capital Outlay	11,460,293	-	40,401,075	51,861,368
Debt Service:				
Bond Costs	45,058	53,726	89,530	188,314
Principal Retirement	-	13,871,400	494,245	14,365,645
Interest and Fiscal Expenditures	84,582	10,659,061	28,512	10,772,155
<b>TOTAL EXPENDITURES</b>	<b>155,173,906</b>	<b>24,584,187</b>	<b>94,969,910</b>	<b>274,728,003</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,986,992)	(9,653,124)	(3,299,174)	(14,939,290)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	6,200,000	8,203,860	22,852,396	37,256,256
Issuance of Debt (Note 11)	-	-	3,800,000	3,800,000
Bond Premium	-	-	58,279	58,279
Transfers Out	(8,102,019)	-	(23,872,653)	(31,974,672)
Capital Leases (Note 11)	4,588,000	-	264,652	4,852,652
Sale of Assets	4,007,423	-	11,881,282	15,888,705
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,693,404</b>	<b>8,203,860</b>	<b>14,983,956</b>	<b>29,881,220</b>
Net Change in Fund Balances	4,706,412	(1,449,264)	11,684,782	14,941,930
Fund Balances-Beginning	36,865,039	6,102,576	84,870,821	127,838,436
<b>FUND BALANCES-ENDING</b>	<b>\$ 41,571,451</b>	<b>4,653,312</b>	<b>96,555,603</b>	<b>142,780,366</b>

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, 2013**

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

<b>Net change in fund balances-total governmental funds</b>	<b>\$</b>	<b>14,941,930</b>
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)		16,967,095
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,836,147
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)		5,712,993
Accrued interest expense recorded for entity-wide statements.		47,055
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.		(13,971,716)
Internal service funds are used by management to charge the costs of fleet management, risk management, and health and benefits to individual funds.		
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>2,804,612</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>28,338,116</u></b>

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

This page intentionally left blank

**CITY OF LAREDO, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**Year Ended September 30, 2013**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Original	Final			Budget	Positive
					Basis	(Negative)
<b>REVENUES:</b>						
Taxes						
Property Taxes	\$ 52,696,969	52,696,969	52,817,122	-	52,817,122	120,153
Penalty and Interest	2,125,490	2,125,490	1,653,260	-	1,653,260	(472,230)
Alcoholic Beverage	333,021	333,021	320,504	-	320,504	(12,517)
Bingo Tax	83,646	83,646	71,581	-	71,581	(12,065)
Sales and Use	32,076,385	32,076,385	31,937,374	-	31,937,374	(139,011)
Franchise Fees	7,344,894	7,344,894	7,049,443	-	7,049,443	(295,451)
Licenses and Permits	6,816,791	6,816,791	7,461,360	-	7,461,360	644,569
Intergovernmental Revenues	647,500	1,766,744	1,075,132	-	1,075,132	(691,612)
Charges for Services	36,742,307	36,742,307	37,320,387	-	37,320,387	578,080
Fines	3,257,336	3,257,336	2,741,190	-	2,741,190	(516,146)
Fees and Collections	1,387,525	1,387,525	1,084,554	-	1,084,554	(302,971)
Interest and Other	824,174	824,174	957,902	-	957,902	133,728
Miscellaneous	112,865	112,865	266,106	-	266,106	153,241
Contributions and Donations	250,000	250,000	8,430,999	-	8,430,999	8,180,999
<b>TOTAL REVENUES</b>	<b>144,698,903</b>	<b>145,818,147</b>	<b>153,186,914</b>	<b>-</b>	<b>153,186,914</b>	<b>7,368,767</b>
<b>EXPENDITURES:</b>						
General Government						
Mayor and City Council	749,840	755,655	667,763	7,102	674,865	80,790
City Manager	1,364,835	1,373,835	1,326,582	1,170	1,327,752	46,083
Internal Audit	255,828	255,828	250,415	25	250,440	5,388
Public Information Office	95,950	95,950	86,015	312	86,327	9,623
City Hall Maintenance	568,547	568,547	455,199	31,536	486,735	81,812
City Hall Annex	117,619	117,619	81,145	25,487	106,632	10,987
Municipal Court	1,456,590	1,465,910	1,256,126	51,476	1,307,602	158,308
Building Inspections	1,441,992	1,441,992	1,291,695	2,029	1,293,724	148,268
Development Review Engineering	572,753	572,753	493,366	-	493,366	79,387
Code Enforcement	345,762	345,762	243,707	-	243,707	102,055
Public Right of Way	216,522	216,522	211,174	-	211,174	5,348
Geographic Information Systems	216,896	216,896	212,876	175	213,051	3,845
City Attorney	1,091,097	1,091,097	877,315	7,383	884,698	206,399
City Secretary	445,919	460,169	432,020	428	432,448	27,721
Elections	140,294	133,374	110,113	-	110,113	23,261
Tax Office	1,139,197	1,119,518	1,124,532	20,436	1,144,968	(25,450)
Accounting	1,166,995	1,162,131	1,090,624	2,586	1,093,210	68,921
Purchasing	514,340	514,340	467,767	3,063	470,830	43,510
Payroll	228,746	228,746	226,533	275	226,808	1,938
Accounts Payable	370,706	376,570	368,476	6,608	375,084	1,486
Budget	368,832	367,832	333,090	10,134	343,224	24,608
Personnel and Civil Service	534,585	534,585	509,418	117	509,535	25,050
Training	333,317	333,317	205,764	175	205,939	127,378
Planning	918,274	918,274	780,350	979	781,329	136,945
Section 112	500,000	961,833	303,464	511,907	815,371	146,462
311 Program	305,178	305,178	289,262	21,395	310,657	(5,479)
Communications & Admin. Support	367,587	367,587	294,918	315	295,233	72,354
Center for Non-Profit	106,802	101,223	96,643	635	97,278	3,945
Real Estate	223,156	223,137	146,396	-	146,396	76,741
Public Safety						
Police	4,024,042	4,006,457	3,875,192	35,193	3,910,385	96,072
Records/Property	1,267,252	1,348,013	1,316,485	19,824	1,336,309	11,704
Autotheft Grant Match	744,782	796,465	771,759	-	771,759	24,706
Detective	6,161,589	6,116,781	6,012,160	38,881	6,051,041	65,740
Narcotics/Pipeline/K-9	3,312,543	3,596,304	3,542,438	176,367	3,718,805	(122,501)
911 Communications	2,919,071	2,564,298	2,527,211	29	2,527,240	37,058
Criminal Int. Acquisition	562,648	596,289	577,661	592	578,253	18,036
Patrols	36,775,870	37,255,023	36,597,936	314,849	36,912,785	342,238
Fire	28,220,147	28,133,705	30,445,839	34,565	30,480,404	(2,346,699)
Fire - EMS Division	7,813,474	7,971,133	7,358,155	21,967	7,380,122	591,011
Fire - EMS Trauma (Webb Co.)	13,000	13,000	6,045	-	6,045	6,955
Fire Civilians	735,548	735,548	683,016	1,376	684,392	51,156
Fire - Prevention & Arson	1,741,946	1,739,496	1,665,217	993	1,666,210	73,286
Fire Airport	1,071,609	1,067,709	1,102,150	3,302	1,105,452	(37,743)
Fire - Training (In House)	588,445	587,604	615,676	5,172	620,848	(33,244)
Fire - Training	465,255	452,555	440,546	524	441,070	11,485
Fire Emergency Management	21,758	21,759	21,545	424	21,969	(210)
Homeland Security Grant	-	67,965	67,557	-	67,557	408
Traffic	2,581,285	2,568,881	2,224,877	23,852	2,248,729	320,152
Street Lighting	\$ 2,258,867	2,250,367	2,300,378	8,157	2,308,535	(58,168)

(Continued)

**CITY OF LAREDO, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Public Works						
Administration	\$ 672,217	672,217	593,398	4,236	597,634	74,583
Engineering	593,279	598,971	587,751	323	588,074	10,897
Street Maintenance	1,231,659	1,209,225	895,703	68,339	964,042	245,183
Drafting & Surveying	1,154,428	1,145,542	1,076,229	40	1,076,269	69,273
Street Construction	1,414,226	1,295,686	1,083,746	21,804	1,105,550	190,136
Construction & Inspections	579,790	582,984	526,395	5	526,400	56,584
Street Cleaning	1,600,202	1,690,372	1,496,326	195	1,496,521	193,851
Building Rehabilitation	818,463	811,596	697,783	4,737	702,520	109,076
Warehouse	68,314	68,314	63,483	1,303	64,786	3,528
Special Construction Projects	417,298	417,298	531,544	-	531,544	(114,246)
Health and Welfare						
Third-Party Funding	338,725	338,725	324,270	3,012	327,282	11,443
Non CDBG Code Enforcement	148,031	153,629	138,499	8,170	146,669	6,960
Cultural and Recreational						
Parks	291,560	288,060	308,387	4,679	313,066	(25,006)
Maintenance	4,869,506	4,825,482	5,297,816	107,798	5,405,614	(580,132)
Construction	1,314,085	1,491,529	1,150,201	5,366	1,155,567	335,962
Aquatics	541,016	592,816	771,810	11,037	782,847	(190,031)
Recreation Centers	3,307,656	3,218,316	3,088,380	42,672	3,131,052	87,264
Cemetery	379,273	378,273	285,028	6,875	291,903	86,370
Golf Course	-	-	249,387	-	249,387	(249,387)
Library	4,001,856	4,105,909	3,625,838	167,241	3,793,079	312,830
Other	9,055,520	8,156,205	4,407,408	224,960	4,632,368	3,523,837
Capital Outlay	-	5,225,103	11,460,293	2,221,239	13,681,532	(8,456,429)
<b>TOTAL EXPENDITURES</b>	<b>150,234,394</b>	<b>155,781,784</b>	<b>155,044,266</b>	<b>4,295,846</b>	<b>159,340,112</b>	<b>(3,558,328)</b>
Excess (Deficiency) of Revenues Over Expenditures	(5,535,491)	(9,963,637)	(1,857,352)	(4,295,846)	(6,153,198)	3,810,439
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
Hotel Motel Fund	25,000	25,000	-	-	-	(25,000)
Recreation Fund	150,000	150,000	150,000	-	150,000	-
Capital Improvements Fund	4,000,000	4,000,000	4,000,000	-	4,000,000	-
Laredo Public Facility Corp.	100,000	100,000	100,000	-	100,000	-
Parking Meters	450,000	450,000	450,000	-	450,000	-
Fleet Management	750,000	750,000	750,000	-	750,000	-
Risk Management	750,000	750,000	750,000	-	750,000	-
Transfers Out:						
Auto Theft Task Force	(192,251)	(192,251)	(257,159)	-	(257,159)	(64,908)
Health Fund	(4,453,600)	(4,483,600)	(4,243,413)	-	(4,243,413)	240,187
Special Police Program	(90,102)	(90,102)	(90,494)	-	(90,494)	(392)
Public Access Fund	(335,925)	(335,925)	(309,047)	-	(309,047)	26,878
Special Fire Grants	(624,326)	(624,326)	(574,392)	-	(574,392)	49,934
Capital Improvements Fund	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
Airport Construction Fund	-	(769,668)	(627,514)	-	(627,514)	142,154
Bond Costs	-	(45,058)	(45,058)	-	(45,058)	-
Capital Lease Proceeds	-	4,588,000	4,588,000	-	4,588,000	-
Capital Lease Payments	-	(84,583)	(84,582)	-	(84,582)	1
Sale of Assets	3,630,000	3,630,000	4,007,423	-	4,007,423	377,423
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,158,796</b>	<b>7,817,487</b>	<b>6,563,764</b>	<b>-</b>	<b>6,563,764</b>	<b>(1,253,723)</b>
Net Change in Fund Balance	(1,376,695)	(2,146,150)	4,706,412	(4,295,846)	410,566	2,556,716
Fund Balances at Beginning of Year	37,115,914	36,865,039	36,865,039	(12,149)	36,852,890	(12,149)
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 35,739,219</b>	<b>34,718,889</b>	<b>41,571,451</b>	<b>(4,307,995)</b>	<b>37,263,456</b>	<b>2,544,567</b>

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

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2013**

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	<b>BRIDGE SYSTEM</b>	<b>WATERWORKS SYSTEM</b>	<b>SEWER SYSTEM</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>TOTALS</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents: (Note 4)						
Cash	10,000	2,150	300	4,250	16,700	450
Equity in Investment Pool	27,820	274,401	137,706	113,716	553,643	84,981
Investments (Note 5)	9,239,026	46,621,785	22,866,600	31,537,280	110,264,691	12,168,479
Receivable:						
Accrued Interest (Note 6)	6,543	64,399	32,311	70,667	173,920	19,923
Accounts (Note 6)	2,638	4,450,195	3,611,861	1,303,805	9,368,499	38,865
Notes (Note 6)	-	510	12,300	-	12,810	-
Prepaid Items	-	-	-	2,576	2,576	291,250
Due from Other Governments	-	-	-	2,760,411	2,760,411	-
Due from Other Funds	12,869	13,315	78,543	1,715,128	1,819,855	-
Inventory, at Cost	-	1,440,339	108,524	525,225	2,074,088	464,260
<b>Total Current Assets</b>	<b>9,298,896</b>	<b>52,867,094</b>	<b>26,848,145</b>	<b>38,033,058</b>	<b>127,047,193</b>	<b>13,068,208</b>
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	2,443,814	71,269,962	71,000,097	3,280,997	147,994,870	-
Accrued Interest Receivable (Note 6)	20,692	94,168	60,455	2,431	177,746	-
Notes Receivable (Note 6)	-	46	-	-	46	-
Due from Other Governments	-	5,517	-	-	5,517	-
<b>Total Restricted Assets (Note 7)</b>	<b>2,464,506</b>	<b>71,369,693</b>	<b>71,060,552</b>	<b>3,283,428</b>	<b>148,178,179</b>	<b>-</b>
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	16,042,439	9,352,381	10,915,689	53,928,216	90,238,725	2,038,613
Buildings	35,186,782	69,332,750	43,267,510	19,188,068	166,975,110	420,681
Improvements	80,209,250	166,862,379	124,466,870	15,399,519	386,938,018	11,391
Land and Improvements	11,265,265	45,386,814	4,648,513	10,500,817	71,801,409	-
Land Easements	-	602,622	251,880	-	854,502	-
Construction in Progress	277,660	108,379,921	26,657,118	3,067,422	138,382,121	-
Less Accumulated Depreciation	(52,163,714)	(107,727,213)	(74,303,349)	(49,316,374)	(283,510,650)	(1,573,503)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>90,817,682</b>	<b>292,189,654</b>	<b>135,904,231</b>	<b>52,767,668</b>	<b>571,679,235</b>	<b>897,182</b>
Other Assets:						
Unamortized Bond Issuance Costs	851,385	2,495,125	1,778,653	406,850	5,532,013	-
Total Noncurrent Assets	94,133,573	366,054,472	208,743,436	56,457,946	725,389,427	897,182
<b>TOTAL ASSETS</b>	<b>103,432,469</b>	<b>418,921,566</b>	<b>235,591,581</b>	<b>94,491,004</b>	<b>852,436,620</b>	<b>13,965,390</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2013**

(Continued)

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	343,413	2,639,239	1,662,971	2,258,553	6,904,176	1,662,062
Retainage Payable	11,897	3,872,224	944,798	11,847	4,840,766	-
Contracts Payable	-	15,573,184	4,090,681	52,053	19,715,918	-
Due to Other Funds (Note 13)	12,869	779,521	78,543	731,446	1,602,379	-
Accrued Interest	-	995,007	401,267	153,410	1,549,684	-
Accrued Wages & Employee Benefits	253,971	367,997	157,582	628,795	1,408,345	169,146
Claims and Judgments Payable	-	-	-	-	-	4,840,641
Compensated Absences	199,565	189,725	77,976	251,149	718,415	102,846
Customer Deposits	8,000	5,021,802	-	88,863	5,118,665	-
Unearned Revenue	775,968	1,165,397	29,259	2,954	1,973,578	79,509
General Obligation Bonds (Note 12)	-	2,725,126	2,111,077	382,481	5,218,684	-
Certificates of Obligation (Note 12)	-	960,308	1,591,736	2,705,629	5,257,673	-
Revenue Bonds Payable (Note 12)	4,875,000	3,744,000	2,968,000	-	11,587,000	-
Notes Payable (Note 12)	967,282	-	-	-	967,282	-
<b>Total Current Liabilities</b>	<b>7,447,965</b>	<b>38,033,530</b>	<b>14,113,890</b>	<b>7,267,180</b>	<b>66,862,565</b>	<b>6,854,204</b>
Noncurrent Liabilities:						
General Obligation Bonds (Note 12)	-	5,029,299	3,954,634	6,608,819	15,592,752	-
Certificates of Obligation (Note 12)	-	61,496,172	25,767,480	22,095,191	109,358,843	-
Revenue Bonds Payable (Note 12)	41,264,565	137,018,775	92,151,027	-	270,434,367	-
Notes Payable (Note 12)	16,847,982	-	-	-	16,847,982	-
Due to Other Funds	-	-	-	105,435	105,435	-
Compensated Absences	374,222	334,664	124,811	397,948	1,231,645	242,130
Closure and Postclosure Cost (Note 12)	-	-	-	11,826,963	11,826,963	-
<b>Total Noncurrent Liabilities</b>	<b>58,486,769</b>	<b>203,878,910</b>	<b>121,997,952</b>	<b>41,034,356</b>	<b>425,397,987</b>	<b>242,130</b>
<b>TOTAL LIABILITIES</b>	<b>65,934,734</b>	<b>241,912,440</b>	<b>136,111,842</b>	<b>48,301,536</b>	<b>492,260,552</b>	<b>7,096,334</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	29,960,710	158,779,652	81,492,261	38,647,428	308,880,051	897,182
Restricted for Debt Service	4,392,734	13,770,235	8,456,616	-	26,619,585	-
Restricted for Improvements	-	6,214,308	-	-	6,214,308	-
Unrestricted (Deficit)	3,144,291	(1,755,069)	9,530,862	7,542,040	18,462,124	5,971,874
<b>TOTAL NET ASSETS</b>	<b>37,497,735</b>	<b>177,009,126</b>	<b>99,479,739</b>	<b>46,189,468</b>	<b>360,176,068</b>	<b>6,869,056</b>

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

**Net assets of business-type activities**

**\$ 363,512,891**

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

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES:</b>						
Charges for Services	-	35,457,341	28,757,673	22,161,672	86,376,686	44,005,920
Rental of Facilities	1,798,954	-	-	1,795,238	3,594,192	-
Toll Receipts	45,582,802	-	-	-	45,582,802	-
Miscellaneous	246,661	4,726,047	146,402	296,873	5,415,983	713,496
<b>TOTAL OPERATING REVENUES</b>	<b>47,628,417</b>	<b>40,183,388</b>	<b>28,904,075</b>	<b>24,253,783</b>	<b>140,969,663</b>	<b>44,719,416</b>
<b>OPERATING EXPENSES:</b>						
Costs of Services	-	-	-	-	-	30,517,887
Personnel Services	7,392,123	8,467,671	3,597,669	16,345,785	35,803,248	4,474,572
Materials and Supplies	418,075	3,119,067	1,591,331	4,918,487	10,046,960	310,940
Contractual Services	26,626,781	8,461,128	10,515,255	7,606,830	53,209,994	3,202,820
Other	23,784	44,144	103,600	936,681	1,108,209	-
Total Operating Expenses Before Depreciation	34,460,763	20,092,010	15,807,855	29,807,783	100,168,411	38,506,219
Depreciation Expense (Note 8)	3,295,367	7,598,682	6,793,553	4,110,591	21,798,193	209,740
<b>TOTAL OPERATING EXPENSES</b>	<b>37,756,130</b>	<b>27,690,692</b>	<b>22,601,408</b>	<b>33,918,374</b>	<b>121,966,604</b>	<b>38,715,959</b>
Operating Income (Loss)	9,872,287	12,492,696	6,302,667	(9,664,591)	19,003,059	6,003,457
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	-	-	13,357	-	13,357	1,409
Sales Tax	-	-	-	7,666,150	7,666,150	-
Interest Earnings	16,898	912,587	78,638	55,153	1,063,276	23,512
Interest Earnings - Restricted	39,751	277,956	177,327	63,652	558,686	-
Discount Earnings	119	9,375	9,403	3,903	22,800	27
Miscellaneous	-	50,142	37,836	-	87,978	-
Water Availability Fees	-	1,046,318	-	-	1,046,318	-
Gain (Loss) on Sale of Assets	-	22,982	-	(2,666)	20,316	2,015
Interest Expense	(3,122,473)	(10,020,234)	(4,229,316)	(1,224,208)	(18,596,231)	-
Federal Operating Grant	-	-	-	4,864,125	4,864,125	-
Gain (Loss) on Advance Funding	(15,604)	(48,531)	(30,352)	(74,921)	(169,408)	-
Water Rights Acq./Water Conservation	-	(68,014)	-	-	(68,014)	-
Other Non-Operating Expenses	(68,427)	(5,434,528)	(4,220,254)	-	(9,713,209)	-
Fiscal Agent Fees	(1,600)	(4,200)	(3,825)	(1,425)	(11,050)	-
Bond Issuance Cost Amortized	(96,577)	(262,784)	(192,562)	(42,456)	(594,379)	-
Amortized Bond Premiums	-	-	-	103,172	103,172	-
State Dept. of Highways	-	-	-	626,991	626,991	-
Construction	(98,709)	-	-	(2,906,000)	(3,004,709)	-
Other	-	-	-	(12,573)	(12,573)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(3,336,622)</b>	<b>(13,518,931)</b>	<b>(8,359,748)</b>	<b>9,118,897</b>	<b>(16,096,404)</b>	<b>26,963</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2013

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Income Before Contributions and Transfers	6,535,665	(1,026,235)	(2,057,081)	(545,694)	2,906,655	6,030,420
Capital Contributions-Intergovernmental	-	1,198,341	-	2,052,591	3,250,932	-
Capital Contributions-Other	-	437,781	1,060,781	-	1,498,562	-
Capital Contributions-Developers	-	1,532,466	83,425	-	1,615,891	-
Transfers In	-	7,386,217	108,188	-	7,494,405	193,107
Transfers Out	(4,345,989)	-	(6,930,000)	-	(11,275,989)	(1,693,107)
Change in Net Assets	2,189,676	9,528,570	(7,734,687)	1,506,897	5,490,456	4,530,420
Total Net Assets-Beginning	35,308,059	167,480,556	107,214,426	44,682,571	2,338,636	-
<b>Total Net Assets-Ending</b>	<b>37,497,735</b>	<b>177,009,126</b>	<b>99,479,739</b>	<b>46,189,468</b>	<b>6,869,056</b>	<b>6,869,056</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 1,745,751

**Change in net assets of business-type activities** \$ **7,236,207**

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



**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2013

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	<b>BRIDGE SYSTEM</b>	<b>WATERWORKS SYSTEM</b>	<b>SEWER SYSTEM</b>	<b>OTHER ENTERPRISE FUNDS</b>	<b>TOTALS</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 46,780,614	39,724,166	28,522,869	23,963,799	138,991,448	714,906
Receipts from interfund services provided	-	672,663	578,803	234,650	1,486,116	44,005,920
Payments to suppliers	(1,981,671)	(1,842,815)	(4,597,718)	(6,745,396)	(15,167,600)	(33,395,020)
Payments to employees	(7,376,604)	(8,423,319)	(3,564,069)	(16,318,897)	(35,682,889)	(4,444,190)
Payments for interfund services used	(25,022,100)	(3,410,636)	(2,328,178)	(4,744,938)	(35,505,852)	(840,122)
<b>Net cash provided (used) by operating activities</b>	<b>12,400,239</b>	<b>26,720,059</b>	<b>18,611,707</b>	<b>(3,610,782)</b>	<b>54,121,223</b>	<b>6,041,494</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfer to other funds	(3,882,579)	7,003,114	(6,930,000)	82,335	(3,727,130)	(1,693,107)
Transfer from other funds	-	-	108,188	1,122,046	1,230,234	193,107
Subsidy from federal and state grants	3,571	213	-	3,585,801	3,589,585	1,409
Sales Tax	-	-	-	7,666,150	7,666,150	-
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>(3,879,008)</b>	<b>7,003,327</b>	<b>(6,821,812)</b>	<b>12,456,332</b>	<b>8,758,839</b>	<b>(1,498,591)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from capital debt	-	43,937,473	15,374,479	14,686,818	73,998,770	-
Capital contributions	-	2,501	-	-	2,501	-
Subsidy from federal and state grants	-	3,236,133	26,174	2,052,591	5,314,898	-
Purchase of capital assets	-	(66,627,905)	(26,462,017)	-	(93,089,922)	(217,293)
Acquisition and construction of capital assets	(883,720)	-	-	(12,941,663)	(13,825,383)	-
Principal paid on capital debt	(5,604,186)	(20,326,347)	(13,334,882)	(3,523,370)	(42,788,785)	-
Interest paid on capital debt	(3,124,073)	(9,962,147)	(4,245,131)	(1,171,844)	(18,503,195)	-
Proceeds from sales of capital assets	-	25,441	-	-	25,441	2,015
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(9,611,979)</b>	<b>(49,714,851)</b>	<b>(28,641,377)</b>	<b>(897,468)</b>	<b>(88,865,675)</b>	<b>(215,278)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from sales and maturities of investments	1,060,319	15,116,511	16,744,082	(8,998,384)	23,922,528	(4,258,570)
Interest and dividends received	58,249	1,146,406	239,274	1,164,518	2,608,447	15,926
Issuance of Notes Receivable	-	2,949	5,832	-	8,781	-
<b>Net cash provided (used) by investing activities</b>	<b>1,118,568</b>	<b>16,265,866</b>	<b>16,989,188</b>	<b>(7,833,866)</b>	<b>26,539,756</b>	<b>(4,242,644)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>27,820</b>	<b>274,401</b>	<b>137,706</b>	<b>114,216</b>	<b>554,143</b>	<b>84,981</b>
<b>Cash and cash equivalents, October 1</b>	<b>10,000</b>	<b>2,150</b>	<b>300</b>	<b>3,750</b>	<b>16,200</b>	<b>450</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 37,820</b>	<b>276,551</b>	<b>138,006</b>	<b>117,966</b>	<b>570,343</b>	<b>85,431</b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2013

(Continued)

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
	9,872,287	12,492,696	6,302,667	(9,664,591)	19,003,059	6,003,457
	3,295,367	7,598,682	6,793,553	4,110,591	21,798,193	209,740
	(2,424)	(49,649)	121,840	(92,742)	(22,975)	1,410
	50	120,156	90,782	39,121	250,109	-
	-	(442,624)	25,728	5,459	(411,437)	(39,554)
	-	-	-	(2,576)	(2,576)	62,799
	-	212,140	-	(556)	211,584	-
	64,869	6,813,512	5,258,562	1,236,525	13,373,468	(57,019)
	(845,429)	(69,206)	(15,025)	(1,157)	(930,817)	-
	16,967	40,712	31,760	13,046	102,485	19,943
	(1,448)	3,640	1,840	13,842	17,874	10,439
	-	-	-	-	-	(169,721)
Total adjustments	2,527,952	14,227,363	12,309,040	6,053,809	35,118,164	38,037
<b>Net cash provided (used) by operating activities</b>	<b>12,400,239</b>	<b>26,720,059</b>	<b>18,611,707</b>	<b>(3,610,782)</b>	<b>54,121,223</b>	<b>6,041,494</b>

**Reconciliation of operating income to net cash provided (used) by operating activities:**  
Operating income  
Adjustments to reconcile operating income to net cash provided (used) by operating activities:  
Depreciation expense  
(Increase) decrease in landfill closure and post closure cost  
(Increase) decrease in accounts receivable  
Increase (decrease) in allowance for uncollectible accounts  
(Increase) decrease in inventories  
(Increase) decrease in prepaid items  
Increase (decrease) in customer deposits  
Increase (decrease) in accounts payable  
Increase (decrease) in unearned revenues  
Increase (decrease) in compensated absences payable  
Increase (decrease) in accrued wages and employee benefits  
Increase (decrease) in claims & judgements payables

Total adjustments

**Net cash provided (used) by operating activities**

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

Bond issuance cost amortized  
Contributions of capital assets from developers & others  
Current landfill closure and postclosure cost  
Sale of assets  
Loss on advance refunding  
Increase (Decrease) in accrued interest payable

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

**CITY OF LAREDO, TEXAS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013**

	<b>LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND</b>	<b>AGENCY FUNDS</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 4)	\$ 174,331	13,086
Accrued Interest Receivable	23,652	3,082
Investments, at Fair Market Value (Note 5)	-	1,882,612
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	1,692,159	-
Domestic Corporate Bonds	20,754,857	-
Domestic Stocks	53,209,814	-
Foreign Stocks	31,651,429	-
Accounts Receivable (Note 6)	1,485	265,605
	<u>107,507,727</u>	<u>2,164,385</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	40,765	495,678
Accrued Wages and Employee Benefits	2,341	1,405,856
Due to Other Funds	-	262,851
	<u>43,106</u>	<u>2,164,385</u>
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ <u>107,464,621</u>	<u>-</u>

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

**CITY OF LAREDO, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND</b>	<b>CITY ANNUITY PENSION TRUST FUND</b>
<b>ADDITIONS:</b>		
Contributions:		
Employer Contributions	\$ 5,625,179	1,223,699
Plan Members	4,451,249	144,900
Other Contributions	3,055	-
	10,079,483	1,368,599
Investment Earnings:		
Interest Earnings and Dividends	1,314,932	-
Net Increase (decrease) in the Fair Value of Investments	4,624,806	-
Gains (Loss) on Sale of Investment	6,012,046	-
	11,951,784	-
Total Investment Earnings	11,951,784	-
Less: Investment Expense	(390,119)	-
	11,561,665	-
Net Investment Earnings	11,561,665	-
	<b>21,641,148</b>	<b>1,368,599</b>
<b>TOTAL ADDITIONS</b>		
<b>DEDUCTIONS:</b>		
Benefits	7,465,214	1,286,473
Administrative Expenses	479,696	82,126
	<b>7,944,910</b>	<b>1,368,599</b>
<b>TOTAL DEDUCTIONS</b>		
Change in Net Assets	13,696,238	-
Net Assets - Beginning	93,768,383	-
<b>NET ASSETS - ENDING</b>	<b>\$ 107,464,621</b>	<b>-</b>

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, 2013

---

1	Significant Accounting Policies	37
2	Reconciliation of Government-Wide and Fund Financial Statements	48
3	Fund Deficits	49
4	Cash and Cash Equivalents	49
5	Investments	50
6	Receivables	51
7	Restricted Assets for Enterprise Fund Types	52
8	Capital Assets	53
9	Retirement Plans	55
10	Post Employment Benefits Other Than Pension Benefits	60
11	General Long-Term Obligations	64
12	Proprietary Funds Long-Term Obligations	71
13	Interfund Receivable and Payables	79
14	Interfund Transfers	80
15	Debt Service Requirements	81
16	Construction and Improvement Commitments	82
17	Fund Expenditures Exceeding Appropriations	82
18	Risk Management	82
19	Contingencies	84
20	Donor Restricted Endowments	84
21	Budget Basis Reporting	85
22	Fund Equity	86

**CITY OF LAREDO, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

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

Laredo Transit Management, Inc. provides both a fixed-route and Paratransit (El Lift) services within the city boundaries of Laredo. Currently, the fixed-route service is comprised of 22 bus routes. The fixed route bus service has a total of 35 buses operating during a regular workday, 30 buses on a Saturday and 20 buses on Sunday. The Laredo Transit Management, Inc. bus fleet consists of 48 buses and 1 rubber-tire trolley. The El Lift program has a total fleet of 18 Paratransit vans and are equipped with ADA bus lifts. Laredo Transit Management, Inc. is reported as an enterprise fund.

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

Laredo Public Facilities Corporation - La Terraza, LLC. The Laredo Public Facilities Corporation (LPFC) - La Terraza, LLC was organized exclusively for the purpose of assisting the City in financing, refinancing or provided public facilities. The LPFC has the power to finance the acquisition of City obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities including multifamily housing facilities. The LPFC is the sole General Partner of the La Terraza at Lomas del Sur, Ltd. Partnership. The LPFC initiated construction of the La Terraza Project at Lomas del Sur apartment project. The project consists of a gated community composed of 128 units in eight (8) Residential Buildings, a Community Center, a Maintenance Building, a Swimming Pool, a Mail Kiosk, a Children’s Playground, and some Picnic areas. As of January 2013, the project was 100% complete. Laredo Public Facilities Corporation is reported as a Special Revenue fund.

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

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

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

## **B. Basis of Accounting**

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

### **Government Wide and Fund Financial Statements**

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

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

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

### **Fund Accounting**

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

### **Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current



liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

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

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

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

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

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

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

### **Proprietary Funds**

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

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

### **Enterprise Funds**

Enterprise Funds are used to account for operations that (1) are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the City Council has decided that

periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

### **Fiduciary Funds**

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

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

**Agency Fund** - The Agency Fund is used to account for funds where the City's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held and do not involve measurement of results of operations. Currently, the City has three Agency fund: Payroll Clearing, Police Retirees Dependants, and Fire Retirees Dependand 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 assets. 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 67,033 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 62,426 customers.

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

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

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

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

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

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

### **C. Budgets and Budgetary Accounting**

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

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

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

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

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

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

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

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

approval, to transfer appropriation balances from an expenditure account to another within a department, office, or agency of the City. The reported budgetary data has been revised for amendments authorized during the year.

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

#### **D. Encumbrances**

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

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

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

Please see Note 16 for significant encumbrances.

#### **E. Equity in Investment Pool**

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

#### **F. Investments**

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

#### **G. Inventories**

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

## H. Restricted Assets

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

## I. Property, Plant, Equipment, and Infrastructure

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

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

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

## J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations forced on their use either through enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or regulations of other governments.

## **K. Long-Term Obligations**

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

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

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

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

## **L. Compensated Absences**

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

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

## **M. Federal and State Grants and Entitlements**

Grants and entitlements may be accounted for within any of the three fund types. The purpose and requirements of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants and entitlements received for purposes normally financed through a particular fund type may be accounted for in that fund type provided that applicable legal restrictions can be appropriately satisfied.

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

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

#### **N. Interfund Transactions**

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

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

#### **O. Unamortized Bond Issuance Costs**

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

#### **P. Statement of Cash Flows**

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

#### **Q. Fund Equity**

The City adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions effective October 1, 2010. Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent because of legal or contractual requirements. Restricted fund balances have restrictions for specific purposes which are either imposed externally or by enabling legislation. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by City Council through ordinance. Committed funds cannot be used for other purpose unless it is removed or changed in the same manner by City Council. Assigned fund balances are constrained by intent made by City management. 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.



CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

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 assets invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets.

**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 assets**

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains 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 \$299,651,176 difference are as follows:

Bonds, notes payable, and capital leases	\$ 224,523,605
Accrued interest	1,144,403
Deferred revenue	(30,378,861)
Compensated absences	24,729,218
Elimination of Interfund activity	1,230,408
Net Pension Obligations	<u>78,402,403</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 299,651,176</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 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.” The details of this \$5,712,993 difference are as follows:

Debt issued:	
Bond & Capital lease proceeds	\$ (8,652,652)
Repayments:	
Bond & Notes payments	13,871,400
Capital lease	<u>494,245</u>
Net adjustment to decrease <i>net changes in fund balances-total</i> governmental funds to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 5,712,993</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 \$16,967,094. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$ 51,861,368
Assets that were disposed during the current fiscal year	(4,512,805)
Current year depreciation	<u>(30,381,469)</u>
Amount by which capital outlays exceed depreciation	<u>\$ 16,967,094</u>

**NOTE 3 - FUND DEFICITS**

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds operating as grants: Block Grants \$183,163; Home Investment \$319,459; Emergency Shelter \$210,348; Community Development ARRA \$1,888; and 911 Emergency Communications \$453,014. 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: Civic Center \$31,260 and Public Access Channel \$178,217. Deficits are a result of operations. The deficit balances will be covered by revenues received next fiscal year from events.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

The monetary assets of the City are held in various forms and accounts. These assets are described and presented in the basic financial statements in three groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash in bank accounts, petty cash and change funds. Another group is disclosed as Equity in Investment Pool and consists of cash in bank accounts. The third group of monetary assets is presented in the basic financial statements as "Investments". Cash balances of all City funds (except for the Laredo Firefighters Retirement System) are pooled and invested. All securities are reported at fair value in order to comply with GASB Statement 31 - *Accounting and Financial Reporting for External Investment Pools*. Investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The net increase in the fair value of the securities was \$4,624,806 for the Laredo Firefighters Retirement System.

As of September 30, 2013, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$ 85,816
Cash in Other Bank Accounts	10,329
Cash with Fiscal Agent	822,464
Cash in Pooled Funds	<u>1,477,633</u>
	<u>\$ 2,396,242</u>

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in compliance with Texas Government Code Chapter 2257 – "Collateral for Public Funds". All deposits were covered by federal depository insurance up to \$100,000 and collateralized with eligible securities in amounts of at least 102% of the book value of deposits. As of September 30, 2013, the book value of all the City's deposits was \$2,396,242. Deposits were properly secured at all times during the fiscal year. All collateral securities were held by a third party in the City's name and were not exposed to custodial credit risk.

**NOTE 5 - INVESTMENTS**

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

The investment and maturities at September 30, 2013, were as follows:

	<u>Fair Value</u>	<u>Non Maturity Rated</u>	<u>Investment Maturity in Years</u>	
			<u>Less Than 1</u>	<u>1-3</u>
Mutual Funds	\$ 1,751,529	1,751,529	-	-
Equities	84,861,243	84,861,243	-	-
Corporate Bonds	20,754,857	20,754,857	-	-
Managed Pools	<u>420,875,614</u>	<u>146,569,464</u>	<u>239,306,150</u>	<u>35,000,000</u>
Total Investments	<u>\$ 528,243,243</u>	<u>253,937,093</u>	<u>239,306,150</u>	<u>35,000,000</u>

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy limits the maximum maturities exceeding two years to 25% of the total portfolio. The other 75% must, to the extent possible, be matched with projected cash flow requirements. As of September 30, 2013, all investments had average maturity dates of less than one year.

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

As of September 30, 2013, the City invested in Bank Certificates of Deposit and Managed Pools. The credit ratings for our Managed Pool accounts are as follows: TexPool "AAAm", and TexasDaily "AAAm".

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

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

Custodial Credit Risk. For an investment security, custodial credit risk is the risk that in the event of a failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2013, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System has also designated a third party selected by the system as the safekeeping institution for its securities.

## **NOTE 6 - RECEIVABLES**

The City's property tax is levied each October 1<sup>st</sup> on the assessed value listed on the tax roll as of the prior January 1<sup>st</sup> for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1<sup>st</sup> of the year of levy and shall be paid by the following January 31<sup>st</sup>. All real and personal property in the City on January 1<sup>st</sup> 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, 2012, upon which the 2013 levy was based, was \$10,691,073,245.

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

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

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, 2013 was \$.637000 per \$100 of assessed valuation (\$.498866 for general government and \$.138134 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$92,263,962.10 in additional taxes per year from the present assessed valuation of \$10,691,073,245 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, 2013 are reflected in the following table:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Notes</u>	<u>Accrued Interest</u>	<u>Paving Assessment</u>	<u>Total Net Receivables</u>
Governmental Activities	\$ 16,799,210	10,453,170	326,795	15,658,179	1,059,170	6,770	44,303,294
Business-Type Funds							
Bridge	\$ 2,638	-	-	-	27,235	-	29,873
Waterworks System	4,450,195	-	-	556	158,567	-	4,609,318
Sewer System	3,611,861	-	-	12,300	92,766	-	3,716,927
Other Enterprise Funds	1,303,805	-	-	-	73,098	-	1,376,903
Total Business Type Funds	\$ 9,368,499	-	-	12,856	351,666	-	9,733,021
Allowance for Uncollectible	\$ 33,433,017	501,446	17,422	3,032,806	-	163,333	37,148,024

**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.

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

The following table summarizes restricted assets by purpose as of September 30, 2013:

	Other Enterprise Fund	Bridge System	Waterworks System	Sewer System	Total
Revenue Bond Retirement Reserve \$	-	1,964,506	11,211,242	6,826,502	20,002,250
Revenue Bond Contingency	-	500,000	2,068,476	1,449,942	4,018,418
Construction Account	3,283,428	-	50,990,422	62,784,108	117,057,958
Water Rights	-	-	7,099,553	-	7,099,553
Total Restricted Assets	\$ 3,283,428	2,464,506	71,369,693	71,060,552	148,178,179

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013 was as follows:

**A – Governmental Activities:**

	Balance as of September 30, 2012	Additions	Deletions and Transfers	Balance as of September 30, 2013
Capital Assets, Not Being Depreciated:				
Land	\$ 83,682,335	4,031,468	(321,495)	87,392,308
Construction in Progress	8,734,834	8,214,826	(2,102,733)	14,846,927
Total Capital Assets, Not Being Depreciated	92,417,169	12,246,294	(2,424,228)	102,239,235
Capital Assets Being Depreciated				
Buildings	193,015,842	4,992,813	(3,465,872)	194,542,783
Improvements Other Than Buildings	567,138,532	28,347,021	(5,848,420)	589,637,133
Machinery and Equipment	98,057,932	6,492,534	(2,325,943)	102,224,523
Total Assets Being Depreciated	858,212,306	39,832,368	(11,640,235)	886,404,439
Less Accumulated Depreciation For:				
Buildings	(41,086,875)	(4,372,679)	1,585,689	(43,873,865)
Improvements Other Than Buildings	(225,026,465)	(18,986,738)	5,830,869	(238,182,334)
Machinery and Equipment	(69,695,704)	(7,231,792)	2,135,100	(74,792,396)
Total Accumulated Depreciation	(335,809,044)	(30,591,209)	9,551,658	(356,848,595)
Total Capital Assets, Being Depreciated, Net	522,403,262	9,241,159	(2,088,577)	529,555,844
Governmental Activities Capital Assets, Net	\$ 614,820,431	21,487,453	(4,512,805)	631,795,079

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

**B - Business Type:**

	Balance as of September 30, 2012	Additions	Deletions and Transfers	Balance as of September 30, 2013
Capital Assets, Not Being Depreciated:				
Land	\$ 31,350,210	554,117	-	31,904,327
Construction in Progress	97,875,506	84,778,298	(44,271,683)	138,382,121
Waterrights	40,563,184	188,400	-	40,751,584
Total Capital Assets, Not Being Depreciated	<u>169,788,900</u>	<u>85,520,815</u>	<u>(44,271,683)</u>	<u>211,038,032</u>
Capital Assets Being Depreciated:				
Buildings	124,950,782	473,635	41,550,693	166,975,110
Improvements Other Than Buildings	380,616,759	3,600,269	2,720,990	386,938,018
Machinery and Equipment	82,255,001	8,768,328	(784,604)	90,238,725
Total Assets Being Depreciated	<u>587,822,542</u>	<u>12,842,232</u>	<u>43,487,079</u>	<u>644,151,853</u>
Less Accumulated Depreciation For:				
Buildings	(28,851,306)	(3,187,986)	-	(32,039,292)
Improvements Other Than Buildings	(172,582,734)	(13,243,542)	-	(185,826,276)
Machinery and Equipment	(61,057,896)	(5,366,665)	779,479	(65,645,082)
Total Accumulated Depreciation	<u>(262,491,936)</u>	<u>(21,798,193)</u>	<u>779,479</u>	<u>(283,510,650)</u>
Total Capital Assets, Being Depreciated, Net	<u>325,330,606</u>	<u>(8,955,961)</u>	<u>44,266,558</u>	<u>360,641,203</u>
Business Type Activities Capital Assets, Net	<u>\$ 495,119,506</u>	<u>76,564,854</u>	<u>(5,125)</u>	<u>571,679,235</u>

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

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

Government Activities:

General Government	\$	1,224,082
Public Health		1,302,422
Culture and Recreational		656,610
Public Works		20,334,020
Public Safety		2,383,643
Air Transportation		4,480,692
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		209,740

Total depreciation expense-governmental activities	\$	<u>30,591,209</u>
--	----	-------------------

Business-Type Activities:

Solid Waste Management		1,798,833
Municipal Transit System		2,255,777
Bridge System		3,295,367
Waterworks System		7,598,682
Sewer System		6,793,553
Municipal Housing		55,981

Total depreciation expense-business-type activities	\$	<u>21,798,193</u>
---	----	-------------------

**NOTE 9 - RETIREMENT PLANS**

The City provides benefits for all of its full-time employees (except for firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 827 administered by TMRS, an agent multiple-employer public employee retirement system.

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

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



CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

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

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2012 valuation is effective for rates beginning January 2014).

**SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS**

Actuarial Valuation Date	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07
Actuarial Value of Assets	\$ 83,134,944	93,220,964	104,886,750	118,216,115	131,250,617
Actuarial Accrued Liability	143,268,763	159,858,885	176,834,192	196,473,335	255,908,643
Percentage Funded	58.03%	58.31%	59.31%	60.17%	51.29%
Unfunded Actuarial					
Accrued Liability (UAAL)	60,133,819	66,637,921	71,947,442	78,257,220	124,658,026
Annual Covered Payroll	57,825,500	59,429,800	66,500,972	70,411,134	76,207,380
UAAL as a percentage of covered Payroll	103.99%	112.13%	108.19%	111.14%	163.58%
Annual Pension Cost:					
Annual Required Contribution (ARC)	7,853,449	9,637,803	10,609,392	11,593,062	12,670,264
Less Contributions Made at the end of the period	7,853,449	9,637,803	10,609,392	11,593,062	12,670,264
Net Pension Obligation	\$ -	-	-	-	-

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
Actuarial Value of Assets	\$ 147,642,107	166,772,840	227,498,651	255,089,909	285,561,778
Actuarial Accrued Liability	275,809,704	305,212,249	363,711,044	390,361,416	416,568,818
Percentage Funded	53.5%	54.6%	62.5%	65.3%	68.6%
Unfunded Actuarial					
Accrued Liability (UAAL)	128,167,597	138,439,409	136,212,393	135,271,507	131,007,040
Annual Covered Payroll	83,778,815	86,683,788	84,075,541	86,508,086	89,399,108
UAAL as a percentage of covered Payroll	153.0%	159.7%	162.0%	156.4%	146.5%
Annual Pension Cost:					
Annual Required					
Contribution (ARC)	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732
Less Contributions Made at the end of the period	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732
Net Pension Obligation	\$ -	-	-	-	-

Actuarial Assumptions

Actuarial Cost Method -	Projected Unit Credit
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	25 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	7.0%
Projected Salary Increases	Varies by Age and Service
Includes Inflation At	3.0%
Cost-of-Living Adjustments-	2.1%

The City of Laredo is one of 827 municipalities having the benefit plan administered by TMRS. Each of the 827 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2012 valuations are contained in the 2012 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

**Laredo Firefighters' Retirement System Required Supplemental Information**  
**Disclosures in Accordance with GASB Statement No. 25 & 27**  
**Actuarial Update as of September 30, 2012**

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

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

The Laredo Firefighters Retirement System covers the firefighters in the Laredo Fire Department. The table below summarizes the membership of the System reflected in the actuarial valuation as of

September 30, 2012, which is performed every two years. Subsequent biennial actuarial valuations will be as of September 30 in even-numbered years. Information from the latest valuation report dated September 30, 2012 is shown below.

	9/30/2012
a. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet	133
b. Current Employees:	
i. Vested	75
ii. Non-vested	302
c. Total	510

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 September 30, 2012 valuation date, the plan effective February 9, 2012 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit is equal to 3.03% of Final Average Monthly Salary for each year of service.

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

**Contributions Required and Contributions Made**

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

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

**Annual Pension Cost**

For the fiscal year ending September 30, 2013, the City of Laredo's annual pension cost of \$5,625,179 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, 2013 the city contribution rate was 18.40% of pay for all firefighters, and it will increase to 20.10% effective October 1, 2013. The required contributions were reflected in the September 30, 2012 actuarial valuation, which satisfied the parameters of the Governmental Accounting Standards Board (GASB) Statement No. 27.

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

**Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2003 \$	2,420,048	100%	-
9/30/2004	2,787,027	100%	-
9/30/2005	3,235,074	100%	-
9/30/2006	3,576,070	100%	-
9/30/2007	3,779,090	100%	-
9/30/2008	4,136,418	100%	-
9/30/2009	4,392,773	100%	-
9/30/2010	4,616,573	100%	-
9/30/2011	4,644,823	100%	-
9/30/2012	5,311,893	100%	-
9/30/2013 \$	5,625,179	100%	-

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (b-a)/c)
9/30/1995	\$ 19,843,996	27,545,436	7,701,440	72.04%	6,832,917	113%
7/31/1996	21,565,365	30,936,694	9,371,329	69.71%	8,063,403	116%
9/30/1997	23,768,183	32,196,210	8,428,027	73.82%	8,080,170	104%
6/30/1998	27,925,724	38,685,191	10,759,467	72.19%	10,191,336	106%
3/31/2000	32,040,945	48,944,733	16,903,788	65.50%	12,481,680	135%
3/31/2002	35,064,847	66,941,016	31,876,169	52.40%	16,652,165	191%
3/31/2004	43,720,097	82,210,204	38,490,107	53.18%	18,726,396	206%
3/31/2006	57,228,050	95,649,924	38,421,874	59.80%	21,831,766	176%
3/31/2008	73,106,502	113,301,606	40,195,104	64.50%	22,931,569	175%
3/31/2010	84,625,644	140,669,842	56,044,198	60.20%	25,715,241	218%
9/30/2012	\$ 95,140,202	175,957,832	80,817,630	54.10%	30,993,969	261%

**Schedule of Employer Contributions**

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Annual Required Contribution	Percentage of Required Contribution Contributed
9/30/2001	14.02% & 12.57%	1,714,980	100%
9/30/2002	15.02% & 13.57%	2,000,411	100%
9/30/2003	16.02% & 14.57%	2,420,048	100%
9/30/2004	17.02% & 15.57%	2,787,027	100%
9/30/2005	17.65% & 16.20%	3,235,074	100%
9/30/2006	17.65% & 16.20%	3,576,070	100%
9/30/2007	17.65% & 16.20%	3,779,090	100%
9/30/2008	17.65% & 16.20%	4,136,418	100%
9/30/2009	17.65% & 16.20%	4,392,773	100%
9/30/2010	17.65%	4,616,573	100%
9/30/2011	17.90%	4,644,823	100%
9/30/2012	18.15%	5,311,893	100%
9/30/2013	18.40%	5,625,179	100%

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

**NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description:**

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 185 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 dependants. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City.

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

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

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

	Fiscal Year Ending September 30			
	2010	2011	2012	2013
<b><i>Determination of Annual Required Contribution</i></b>				
Normal Cost at year end	\$ 7,640,484	\$ 7,002,272	\$ 7,002,272	\$ 7,699,867
amortization of UAAL & Loss	7,593,736	6,700,930	7,321,876	6,970,549
Annual Required Contribution (ARC)	15,234,220	13,703,202	14,324,148	14,670,416
<b><i>Determination of Net OPEB Obligation</i></b>				
Annual Required Contribution	\$ 15,234,220	\$ 13,703,202	\$ 14,324,148	\$ 14,670,416
Interest on prior year Net OPEB Obligation	1,283,406	1,788,307	2,218,736	2,658,481
Adjustment to AC	(1,851,466)	(2,579,846)	(3,200,792)	(3,695,678)
Annual OPEB Cost	14,666,160	12,911,663	13,342,092	13,633,219
Contributions made	(2,043,632)	(2,150,933)	(2,348,463)	(1,692,843)
Estimated Increase in Net OPEB Obligation	12,622,528	10,760,730	10,993,629	11,940,376
Net OPEB Obligation- beginning of year	\$ 32,085,140	\$ 44,707,668	\$ 55,468,398	\$ 66,462,027
Estimated Net OPEB Obligation- end of year	\$ 44,707,668	\$ 55,468,398	\$ 66,462,027	\$ 78,402,403
Percentage of Annual OPEB Cost Contribution	13.93%	16.66%	17.60%	12.42%

Annual contribution rates for retirees not currently eligible for Medicare:

	Retiree Only	Retiree & Spouse	Retiree & Family
Police & Fire	\$0	\$2,758	\$5,434
City Employees	\$3,446	\$8,458	\$8,458

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	\$644	\$1,772	N/A
City Employees	\$644	\$1,772	N/A

**Funded Status and Funding Progress:**

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

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2010	-	\$111,658,020	111,658,020	0.0%	88,405,550	126.30%
10/1/2011	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2012	-	\$120,534,964	120,534,964	0.0%	-	-

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

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

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

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

October 1, 2012-September 30, 2013

Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	\$120,534,964
Assets	-
Unfunded Actuarial Accrued Liability	\$12,534,964
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	\$120,534,964
Amortization Period	30 years
Amortization Amount-October 1, 2012	\$6,702,451
Interest to end of year	\$268,098
Amortization Amount- September 30, 2013	\$6,970,549

**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, 2010, the Projected Unit Credit Actuarial Cost Method was used. This method includes the following components:

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



CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

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

**NOTE 11 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of changes in the City's general long-term obligations for the year ended September 30, 2013:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	\$ 19,850,629	158,184,759	36,155,000	20,732,795	430,496	510,000	66,462,027
Increases	-	3,800,000	-	1,617,472	4,958,152	-	11,940,376
Decreases	<u>(3,776,895)</u>	<u>(8,149,814)</u>	<u>(2,010,000)</u>	<u>-</u>	<u>(599,745)</u>	<u>(85,000)</u>	<u>-</u>
Ending Long-Term Liabilities	16,073,734	153,834,945	34,145,000	22,350,267	4,788,903	425,000	78,402,403
Current Liabilities:							
Due Within One Year	<u>3,916,316</u>	<u>8,877,328</u>	<u>2,105,000</u>	<u>2,378,951</u>	<u>272,379</u>	<u>85,000</u>	<u>-</u>
Total Liabilities	\$ <u>19,990,050</u>	<u>162,712,273</u>	<u>36,250,000</u>	<u>24,729,218</u>	<u>5,061,282</u>	<u>510,000</u>	<u>78,402,403</u>

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2013 are comprised of the following issues:

**A - General Obligation Serial Bonds**

\$24,455,000 General Obligation Refunding Bonds, Series 2005 issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum. \$ 11,710,158

\$27,150,000 General Obligation Refunding Bonds, Series 2009 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum. 4,007,118

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. \$ 2,183,252

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

<p>\$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.</p>	<p>\$ <u>2,089,522</u></p>
<p>Total General Obligation Bonds</p>	<p><u>19,990,050</u></p>
<p>Due Within One Year</p>	<p>\$ <u><u>3,916,316</u></u></p>

**B – Certificates of Obligation**

\$3,510,000 Combination Tax and Revenue Certificates of Obligation, Series 2003, for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing drainage improvements, including pilot channel, constructing and equipping a fire station, for the payment of legal, fiscal, architectural and engineering fees in connection with this. Principal is due in varying amounts through 2023 with interest from 3.40% to 4.50% per annum. \$ 670,000

\$13,535,000 Combination Tax and Revenue Certificates of Obligation, Series 2004, for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 with interest from 3% to 5% per annum. 140,000

\$15,625,000 Combination Tax and Revenue Certificates of Obligation, Series 2005, for the purpose of purchasing vehicles, and equipment for the Fire Department, purchasing vehicles for the Planning, Building and Public Works Department, acquiring and constructing a City communication system, making improvements to the City Health Clinic, acquiring land and equipment for and making improvements to municipal parks, acquiring land and preliminary design for various drainage projects, and for the payment of legal, fiscal, and engineering fees in connection with such projects; and paying the costs related to the issuance of the certificates. Principal is due in varying amounts through 2025 with interest from 3% to 5% per annum. \$ 10,905,000

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

<p>\$17,320,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, for paying all or a portion of the City’s Contractual Obligations for the purpose of constructing and equipping Police and Fire department improvements for substations, a training center and headquarters building, constructing, improving, repairing, and extending City streets, and providing for road improvements for Texas Department of Transportation projects together with drainage improvements and traffic and signal equipment and improvements, constructing and equipping improvements to City’s Health complex, branch Library, and municipal parks, and for the payment of legal, fiscal, and engineering fees in connection with such projects. Principal is due in varying amounts through 2026 with interest from 4% to 4.5% per annum.</p>	\$ 13,005,000
<p>\$72,480,000 Combination Tax and Revenue Contractual Obligations, Series 2007, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.</p>	58,775,000
<p>\$30,065,000 Combination Tax and Revenue Contractual Obligations, Series 2008A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2028 with interest from 3.5% to 5% per annum.</p>	27,670,000
<p>\$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.</p>	9,470,000
<p>\$5,095,000 Public Property Finance Contractual Obligations, Series 2009, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance fees. Principal is due in varying amounts through 2014 with interest from 2% to 3% per annum.</p>	\$ 1,665,000

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

<p>\$13,465,000 Combination Tax and Revenue Contractual Obligations, Series 2009B (Build America Bonds), for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts from 2022 through 2029 with interest of 6.366% per annum.</p>	\$ 13,465,000
<p>\$5,080,000 Public Property Finance Contractual Obligations, Series 2010, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2018 with interest of 3.875% per annum.</p>	337,273
<p>\$4,095,000 Combination Tax and Airport Revenue Contractual Obligations, Series 2010, for the purpose of constructing, improving, and maintaining the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2029 with interest of 4.750% per annum</p>	3,665,000
<p>\$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.</p>	1,855,000
<p>\$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.</p>	1,835,000
<p>\$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.</p>	8,435,000
<p>\$7,690,000 Combination Tax and Revenue Contractual Obligations Series 2012, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2032 with interest from 2.00% to 3.50% per annum.</p>	\$ 7,380,000

\$3,800,000 Public Property Finance Contractual Obligations, Series 2012, for the purpose of acquiring and purchaisng equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2022 with interest from 1.50% to 2.25% per annum.	\$ <u>3,440,000</u>
Total Certificates of Obligation	\$ <u>162,712,273</u>
Due Within One Year	\$ <u><u>8,877,328</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.

**C - Sales Tax Revenue Bonds**

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

\$33,550,000 2005 Sports Venue Sales Tax Revenue Improvement and Refunding Bonds issued for the purpose of acquiring and constructing additional parking for the multipurpose entertainment arena and refunding a portion of the City’s outstanding Sports Venue Sales Tax Revenue Bonds, Series 2001 in order to achieve a debt service savings and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2024 with interest from 3.00% to 5.00% per annum.	\$ 26,310,000
\$10,445,000 2011 Sports Venue Sales Tax Revenue Bonds issued for the purpose of financing a baseball stadium and related infrastructure as part of the enlarged Laredo Sports Venue Project for the multi-purpose entertainment arena and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2036 with interest from 1.088% to 5.85% per annum.	\$ <u>9,940,000</u>
Total Sales Tax Revenue Bonds	\$ <u>36,250,000</u>
Due Within One Year	\$ <u><u>2,105,000</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.

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

\$607,652 Kansas State Bank for the purchase of thirty law enforcement vehicles for the Police Department. Payments are due in annual installments of \$214,955.79 through 2014. Interest is at 3.032% per annum.	\$ 208,630
\$370,152 Victory Motorcycles, LLC for the purchase of eight law enforcement motorcycles for the Police Department. Payments are due in annual installments of \$71,011.67 through 2017. Interest if at 2.683% per annum.	264,652
\$4,588,000 Bank of America for the purchase and installation of energy-savings facility upgrades. Payments are due in semiannual installments in varying amounts through 2027. Interest is at 2.440% per annum.	<u>4,588,000</u>
Total Present Value of Future Minimum Lease Payments	5,061,282
Plus Amount Representing Interest	<u>903,503</u>
Total Minimum Lease Payments	\$ <u><u>5,964,785</u></u>

The assets acquired through capital leases are as follows:

<u>Governmental Activities</u>	
Asset:	
Automotive Equipment	\$ 4,714,093
Machinery & Equipment	6,731,500
Less: Accumulated Depreciation	<u>(6,705,856)</u>
Total	<u><u>\$ 4,739,737</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, are as follows:

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

Year Ending Sep. 30	Governmental Activities
2014	\$ 272,379
2015	368,595
2016	378,037
2017	387,724
2018	326,648
2019	334,716
2020	342,984
2021	351,456
2022	360,138
2023	369,034
2024	378,149
2025	387,490
2026	397,062
2027	406,870
Total Minimum lease payments	<u>5,061,282</u>
Add: amount representing interest	903,503
Present value of minimum lease payments	<u>\$ 5,964,785</u>

**E - Notes Payable**

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

\$ 510,000

Due Within One Year

\$ 85,000

**F – 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, 2013, \$9.0 million in bonds outstanding are considered defeased.

**G – OPEB**

As per actuarial update issued on November 22, 2013, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$78,402,403. The unfunded actuarial liability is updated on a biannual basis and, as per the latest calculations dated September 30, 2012, stands at \$120,534,964. The unfunded actuarial accrued liability will be next updated on September 30, 2015.

**NOTE 12 - PROPRIETARY FUNDS LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the City's Proprietary Funds for the year ended September 30, 2013:

	Revenue Bonds	Certificates of Obligation	General Oblig. Bond	Note Payable
<b>Long Term Liabilities:</b>				
Beginning Balances	\$ 242,061,961	100,697,727	19,893,383	17,815,264
Increases	57,180,000	14,950,000	-	-
Decreases	(30,292,000)	(6,752,672)	(5,218,684)	(967,282)
Amortization of Deferred Charges/Premiums	1,484,406	463,788	918,053	-
Ending Long Term Liabilities	270,434,367	109,358,843	15,592,752	16,847,982
<b>Current Liabilities:</b>				
Due Within One Year	11,587,000	5,257,673	5,218,684	967,282
Total Liabilities	\$ 282,021,367	114,616,516	20,811,436	17,815,264

	Landfill Costs	Compensated Absences
<b>Long Term Liabilities:</b>		
Beginning Balances	\$ 11,094,707	1,131,869
Additions	732,256	198,912
Retirements	-	(99,136)
Ending Balances	11,826,963	1,231,645
<b>Current Liabilities:</b>		
Due Within One Year	-	718,415
Total Liabilities	\$ 11,826,963	1,950,060

**A – Bonds**

\$741,000 2002 Waterworks System Revenue Bond issued for the purpose of making improvements and extension of the Waterworks System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9 % per annum. \$ 495,000

\$710,000 2002 Sewer System Revenue Bond issued for the purpose of making improvements and extension of the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum. \$ 474,000



CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

<p>\$5,935,000 2004 International Toll Bridge System Revenue Bond issued for the purpose of acquiring, purchase, construct, improve, enlarge and equip an International Toll Bridge with principal due in varying amounts through year 2024, including interest at 2.3% to 6.0% per annum.</p>	<p>\$ 4,045,000</p>
<p>\$7,480,000 2004 Waterworks and Sewer Systems Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2014, including interest at 4.0% to 4.2% per annum.</p>	<p>355,000</p>
<p>\$23,760,000 2005A International Toll Bridge System Revenue Improvement and Refunding Bond issue for the purpose to acquire, purchase, construct, improve, enlarge equip an International Toll Bridge and refunding of State Infrastructure Bank Loans with the Texas Department of Transportation with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.</p>	<p>16,775,000</p>
<p>\$24,565,000 2005B International Toll Bridge System Revenue Refunding Bond issued for the purpose of refunding other Bridge Revenue Bond issues with principal due in varying amounts through year 2019, including interest at 4.0% to 5.0% per annum.</p>	<p>15,935,000</p>
<p>\$6,420,000 2005 Waterworks &amp; Sewer Systems Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2015, including interest at 4.0% per annum.</p>	<p>600,000</p>
<p>\$13,485,000 2006 Waterworks &amp; Sewer Systems Revenue Bond Revenue issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2015, including interest at 4.5% per annum.</p>	<p>1,205,000</p>
<p>\$17,670,000 2007 Waterworks &amp; Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2027, including interest at 4.0% to 4.75% per annum.</p>	<p>13,880,000</p>
<p>\$3,070,000 2008 International Toll Bridge System Revenue Bond issued for the purpose of improving and constructing expansion of inspection station booths for Bridge No. IV with principal due in varying amounts through year 2028, including interest at 4.71% per annum.</p>	<p>\$ 2,545,000</p>

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

\$915,000 2008 Waterworks and Sewer System Revenue Bond for the purpose of constructing, improving, and extending the waterworks and sewer systems with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.	\$ 759,000
\$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at 0.001 per annum.	4,765,000
\$82,175,000 2010 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2040 at 2.00% per annum.	77,745,000
\$30,875,000 2011 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2041 at 5.00% per annum.	29,555,000
\$48,750,000 2012 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system principal due in varying amounts through year 2042 at 1.63% to 2.15% per annum.	47,400,000
\$7,640,000 2012 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding Bridge System Revenue Bonds with principal due in varying amounts through year 2022 at 2.00% to 3.00 per annum.	6,980,000
\$41,120,000 2012 Waterworks and Sewer System Revenue Bond for the purpose of improving and extending the combined water and sewer system with principal due in varying amounts through year 2042, including interest at 2.0% to 5.0% per annum.	40,110,000
\$17,260,000 2013 Waterworks and Sewer System Revenue Refunding Bond for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2026, including interest at 1.0% to 5.0% per annum.	\$ <u>17,070,000</u>
Subtotal	\$ 280,693,000
Deferred Charges/Premiums for Various Revenue Refunding Bonds	<u>1,328,367</u>
Total Revenue Bonds	\$ <u><u>282,021,367</u></u>
Due Within One Year	\$ <u><u>11,587,000</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**

<p>\$3,620,000 2003 Combination Tax and Sewer System Revenue Certificates of Obligation, for the purpose of paying all or a portion of the City’s contractual obligations for constructing, improving, and extending the City’s Sewer system, and for the payment of legal, fiscal, and engineering fees in connection with this project. Principal is due in varying amounts through 2023, with interest varying from 3.40% to 4.50% per annum.</p>	<p>\$ 695,000</p>
<p>\$13,535,000 2004 Combination Tax and Revenue Certificates of Obligation for the purpose of paying all or a portion of the City's contractual obligations for the purpose of paying street, parking, and landfill improvements, including costs of issuance. Principal is due in varying amounts through 2024 with interest from 3% to 5% per annum.</p>	<p>590,000</p>
<p>\$72,480,000 2007 Combination Tax and Revenue Contractual Obligations, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2024 with interest from 4% to 5.25% per annum.</p>	<p>5,790,000</p>
<p>\$3,555,000 2008 Public Property Finance Contractual Obligations, for the purpose of purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.399% per annum.</p>	<p>2,280,000</p>
<p>\$46,235,000 2008B Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation, for the purpose of constructing, improving, and extending the City’s Waterworks and Sewer systems, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2033 with interest from 3.50% to 5.00% per annum.</p>	<p>40,865,000</p>
<p>\$13,475,000 2009C Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks and Sewer System with principal due in varying amounts through year 2021, including interest at 2.00% to 5.00% per annum.</p>	<p>\$ 9,515,000</p>

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

\$37,945,000 2009D Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks System and Sewer System with principal due in varying amount through year 2039, including interest at 6.566% per annum.	\$ 37,945,000
\$5,060,000 2010 Public Property Finance Contractual Obligations, for the purpose of personal property with principal due in varying amounts through 2018 with interest at 3.875% per annum.	3,017,728
\$10,345,000 2012A Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and building and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2022 with interest from 2.0% to 5.0% per annum.	9,060,000
\$4,605,000 2012 B Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and buildings, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2032 with interest from .50% to 4.0% per annum.	\$ <u>4,395,000</u>
Subtotal	114,152,728
Deffered Charges/Premiums for Various Certificates of Obligation Bonds	<u>463,788</u>
Total Certificates of Obligation	\$ <u><u>114,616,516</u></u>
Due Within One Year	\$ <u><u>5,257,673</u></u>

**C - General Obligation Bonds**

\$24,455,000 2005 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt services savings and pay cost related to the issuance of the bonds. Principal is due in varying amounts through 2021 with interest varying from 3.50% to 5.00% interest per annum.	\$ 6,679,841
\$27,150,000 2009 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum.	\$ 3,827,882

CITY OF LAREDO, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS

\$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. \$ 5,106,748

\$7,635,000 2012 Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2024 with interest at 3.00% per annum. \$ 5,435,478

Subtotal \$ 21,049,949  
 Deferred Charges for Various General Obligation Bonds (238,513)  
 Total General Obligation Bonds \$ 20,811,436

Due Within One Year \$ 5,218,684

**D - Notes Payable**

Texas Department of Transportation - State Infrastructure Bank loan for \$27,000,000 for the design and construction of bridge facilities and a portion of the costs of constructing the highway improvements. The City of Laredo received \$19,500,000 of the loan proceeds in fiscal year 1998 and \$9,806,858 in fiscal year 1999. Interest rate on the note is 4.10% simple interest per annum. Interest is deferred for seven years and added to the principal outstanding balance. The note has a final maturity date of October 1, 2027. \$ 17,815,264

Due Within One Year \$ 967,282

**E - 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	\$ 89,803
Bridge System	374,222
Municipal Housing	19,733
Waterworks System	334,663
Sewer System	124,811
Solid Waste Fund	288,413
Total	\$ <u><u>1,231,645</u></u>
Due Within One Year	\$ <u><u>718,415</u></u>

**F - Refunding and Early Extinguishment**

**Waterworks and Sewer System Revenue Refunding Bonds, Series 2013**

On April 4, 2013, the City of Laredo issued \$17,260,000 in Waterworks and Sewer System Revenue Refunding Bonds, Series 2013 with an average interest rate of 3.82% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Waterworks and Sewer Systems, Series 2004A	4.71%	\$ 4,570,000
Waterworks and Sewer Systems, Series 2005	4.22%	\$ 3,865,000
Waterworks and Sewer Systems, Series 2006	4.50%	\$ 8,965,000

The net proceeds of \$18,700,452 (after payment of \$282,154 in underwriting fees, insurance, and other issuance costs and a premium of \$1,722,606) 2013 Waterworks and Sewer System Revenue Refunding Bond's sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all future debt service payments on the 2004A, 2005, and 2006 series revenue refunding bonds. As a result, the 2004A, 2005, and 2006 Series revenue refunding bonds are considered defeased and the liability for those bonds has been removed from the government-wide Statement of Net Assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$23,631,350. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2026 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next thirteen years by \$1,189,449 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$1,124,396.

**G - 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, 2013 \$37,854,576 in bonds outstanding are considered defeased.

**H - 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, 2013 is \$15,655,181 of which \$11,826,963 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 \$11,826,963 as of September 30, 2013 represents the cumulative amount for 123.9 acres of the landfill filled with solid waste for closure and 200 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2013 is 75.55%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 4 years. Based on the remaining life, the landfill will be filled to capacity by the year 2017. The estimated total current cost of the landfill closure and post closure care (\$15,655,181) 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, 2013. 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, 2013 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Activity</b>		
<b>2007 Certificate of Obligation</b>		
Solid Waste Fund	\$ -	\$ 112,041
<b>Due to Business Type Activities for Internal Service</b>		
Funds Allocation	<u>-</u>	<u>3,336,823</u>
<b>Total Governmental Activity</b>	<b>\$ <u>-</u></b>	<b>\$ <u>3,448,864</u></b>
<b>Business Type Activity</b>		
<b>Solid Waste Fund</b>		
2007 Certificate of Obligations	\$ 112,041	-
<b>Due from Governmental Activities for Internal Service</b>		
Funds Allocation	<u>3,336,823</u>	<u>-</u>
<b>Total Business Type Activity</b>	<b>\$ <u>3,448,864</u></b>	<b><u>-</u></b>



**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:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<b>GOVERNMENTAL FUND:</b>			
<b>CAPITAL IMPROVEMENTS</b>			
Bridge	\$ 3,571,891	-	3,571,891
<b>COLONIAS PROJECT</b>			
Water System	-	456,217	(456,217)
Sewer System	-	108,188	(108,188)
<b>DEBT SERVICE</b>			
Bridge	774,098	-	774,098
<b>TOTAL - GOVERNMENT TYPE</b>	<u>4,345,989</u>	<u>564,405</u>	<u>3,781,584</u>
<b>BUSINESS TYPE:</b>			
<b>BRIDGE</b>			
Capital Improvements	-	3,571,891	(3,571,891)
Debt Service	-	774,098	(774,098)
<b>WATERWORKS SYSTEM</b>			
Colonias Fund	456,217	-	456,217
<b>SEWER SYSTEM</b>			
Colonias Fund	108,188	-	108,188
<b>TOTAL BUSINESS TYPE</b>	<u>\$ 564,405</u>	<u>4,345,989</u>	<u>(3,781,584)</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, 2013

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
	2014	13,692,000	12,572,868	26,264,868	1,324,661	869,553	2,194,214	14,135,000	13,180,364	27,315,364	9,135,000	1,656,877	10,791,877	38,286,661	28,279,662
2015	13,822,000	12,091,695	25,913,695	1,460,536	817,080	2,277,616	14,079,999	12,623,206	26,703,205	4,804,999	1,341,812	6,146,811	34,167,534	26,873,793	61,041,327
2016	14,367,000	11,574,204	25,941,204	1,511,263	763,481	2,274,744	14,279,999	12,043,999	26,323,998	5,425,001	1,118,450	6,543,451	35,583,263	25,500,134	61,083,397
2017	15,409,000	11,022,065	26,431,065	1,563,927	709,558	2,273,485	14,890,000	11,439,426	26,329,426	5,745,002	870,261	6,615,263	37,607,929	24,041,310	61,649,239
2018	16,015,000	10,426,128	26,441,128	1,547,590	652,409	2,199,999	15,580,000	10,769,801	26,349,801	4,800,000	605,113	5,405,113	37,942,590	22,453,451	60,396,041
2019	13,826,000	9,783,478	23,609,478	1,602,232	595,114	2,197,346	15,670,000	10,083,531	25,753,531	2,940,000	387,911	3,327,911	34,038,232	20,850,034	54,888,266
2020	13,719,000	9,233,681	22,952,681	1,573,983	535,558	2,109,541	15,040,000	9,419,312	24,459,312	2,764,998	264,086	3,029,084	33,097,981	19,452,637	52,550,618
2021	14,270,000	8,681,304	22,951,304	1,632,926	476,615	2,109,541	15,335,000	8,753,038	24,088,038	2,315,001	156,557	2,471,558	33,552,927	18,067,514	51,620,441
2022	14,864,000	8,092,695	22,956,695	1,694,148	415,394	2,109,542	16,040,001	8,027,468	24,067,469	1,620,000	72,650	1,692,650	34,218,149	16,608,207	50,826,356
2023	14,577,000	7,468,294	22,045,294	1,757,738	351,804	2,109,542	16,040,000	7,247,536	23,287,536	920,000	30,900	950,900	33,294,738	15,098,534	48,393,272
2024	15,196,000	6,831,826	22,027,826	1,823,790	285,751	2,109,541	16,620,000	6,419,386	23,039,386	569,999	8,550	578,549	34,209,789	13,545,513	47,755,302
2025	11,435,000	6,256,631	17,691,631	1,892,403	217,139	2,109,542	17,420,000	5,542,029	22,962,029	-	-	-	30,747,403	12,015,799	42,763,202
2026	9,353,000	5,800,972	15,153,972	1,963,676	145,866	2,109,542	17,055,000	4,628,108	21,683,108	-	-	-	28,371,676	10,574,946	38,946,622
2027	8,487,000	5,433,131	13,920,131	2,037,673	71,827	2,109,500	16,520,000	3,765,804	20,285,804	-	-	-	27,044,673	9,270,762	36,315,435
2028	7,471,000	5,104,943	12,575,943	-	-	-	10,615,000	3,065,480	13,680,480	-	-	-	18,086,000	8,170,423	26,256,423
2029	7,450,000	4,813,930	12,263,930	-	-	-	8,435,000	2,568,712	10,993,712	-	-	-	15,885,000	7,372,642	23,257,642
2030	7,750,000	4,514,477	12,264,477	-	-	-	6,125,000	2,162,595	8,287,595	-	-	-	13,875,000	6,677,072	20,552,072
2031	8,070,000	4,198,065	12,268,065	-	-	-	5,675,000	1,828,591	7,503,591	-	-	-	13,745,000	6,026,656	19,771,656
2032	8,405,000	3,859,389	12,264,389	-	-	-	5,940,000	1,515,190	7,455,190	-	-	-	14,345,000	5,374,579	19,719,579
2033	8,765,000	3,495,783	12,260,783	-	-	-	5,380,000	1,202,334	6,582,334	-	-	-	14,145,000	4,698,117	18,843,117
2034	9,150,000	3,114,573	12,264,573	-	-	-	2,390,000	971,440	3,361,440	-	-	-	11,540,000	4,086,013	15,626,013
2035	9,550,000	2,717,203	12,267,203	-	-	-	2,495,000	811,065	3,306,065	-	-	-	12,045,000	3,528,268	15,573,268
2036	9,965,000	2,301,812	12,266,812	-	-	-	2,600,000	643,796	3,243,796	-	-	-	12,585,000	2,945,608	15,510,608
2037	9,635,000	1,886,497	11,521,497	-	-	-	2,715,000	469,304	3,184,304	-	-	-	12,350,000	2,355,801	14,705,801
2038	10,050,000	1,468,586	11,518,586	-	-	-	2,835,000	287,098	3,122,098	-	-	-	12,885,000	1,755,684	14,640,684
2039	10,485,000	1,029,700	11,514,700	-	-	-	2,955,000	97,012	3,052,012	-	-	-	13,440,000	1,126,712	14,566,712
2040	10,950,000	569,931	11,519,931	-	-	-	-	-	-	-	-	-	10,950,000	569,931	11,519,931
2041	5,950,000	229,402	6,179,402	-	-	-	-	-	-	-	-	-	5,950,000	229,402	6,179,402
2042	4,265,000	62,074	4,327,074	-	-	-	-	-	-	-	-	-	4,265,000	62,074	4,327,074
<b>Total</b>	<b>316,943,000</b>	<b>184,635,337</b>	<b>481,578,337</b>	<b>23,386,546</b>	<b>6,907,149</b>	<b>30,293,695</b>	<b>276,864,999</b>	<b>139,555,625</b>	<b>416,420,624</b>	<b>41,040,000</b>	<b>6,513,167</b>	<b>47,553,167</b>	<b>668,234,545</b>	<b>317,811,278</b>	<b>975,845,823</b>

**NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS**

As of September 30, 2013, the City had contractual commitments of \$62,988,285 for various construction and improvement projects. The commitments are summarized as follows:

<u>Project Description</u>	<u>Commitment</u>	<u>Financing Sources</u>
General Fund	\$ 2,221,239	Fund Revenues/Lease Proceeds
Environmental Services	594,539	Grant Proceeds
Capital Improvements	1,855,645	Fund Revenues
Airport Construction	2,881,587	Grant Proceeds
Parks Grant	38,673	Grant Proceeds
Capital Grants	208,586	Grant Proceeds
2006 C.O. Issue	9,863	Bond Proceeds
2007 C.O. Issue	20,000	Bond Proceeds
2008 C.O. Issue	786,176	Bond Proceeds
2009 C.O. Issue	1,194,959	Bond Proceeds
2010 C.O. Issue	51,607	Bond Proceeds
Bridge System	14,519	Bond Proceeds
Solid Waste System	2,039,035	Fund Revenue/Bond Proceeds
Waterworks System	25,099,556	Bond Proceeds
Wastewater System	25,972,301	Bond Proceeds
Total Commitments	<u>\$ 62,988,285</u>	

**NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS**

During the fiscal year ended September 30, 2013, expenses in General Fund, and Nonmajor Governmental Funds exceeded appropriations as follows: General Fund \$3,558,328; Mercado Management Fund \$2,484; and Laredo Energy Arena \$411,013.

**NOTE 18 - RISK MANAGEMENT**

**A. HEALTH AND BENEFITS FUND**

In January 1990, the City established a partial self-insured plan for medical coverage for its employees and an internal service fund called Risk Management. On October 1, 1995, the fund name was changed to Health and Benefits Fund. Under this plan, the City will pay for medical claims up to the amount of \$200,000 per employee, with no maximum lifetime benefit. There is a maximum medical aggregate liability of \$18,785,166 and projected net claims of \$16,697,925. Claims exceeding \$200,000 per employee are paid by the City and reimbursed by the City's stop/loss insurance carrier. The City has accrued for claims that have been incurred but not reported.

The incurred claims liability of \$2,434,523 reported in the Fund as of September 30, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which

CITY OF LAREDO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS

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 assets. Changes in the Fund's claims liability amount in fiscal year 2011, 2012, and 2013 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims &amp; Payments</u>	<u>Balance at Fiscal Year end <sup>1</sup></u>
2010-2011	\$2,319,429	16,320,094	16,208,281	2,431,242
2011-2012	\$2,431,242	16,025,957	16,049,738	2,407,461
2012-2013	\$2,407,461	16,257,215	16,230,153	2,434,523

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

<sup>1</sup>Claim Liabilities are due within one year of the date of the statement of net assets.

**B. RISK MANAGEMENT FUND**

On October 1, 1996, the City established a self-insured retention program for the worker's compensation liability within the Risk Management Fund which also accounts for the following policies: (a) General Liability (b) Law Enforcement Liability (c) Errors and Omission (d) Auto Liability (e) Auto Physical Damage - ACV. The self-insured retention program for worker's compensation was implemented with \$300,000 retention per occurrence and a \$2,360,000 aggregate for FY10-11 and \$2,775,000 aggregated for FY11-12 and \$2,700,000 aggregated for FY12-13. 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, 2013, a liability was recorded based on fiscal year 2013 outstanding claims, which is due within one year of the date of the statement of net assets. Changes in this claims liability amount in fiscal years 2011, 2012 and 2013 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims &amp; Payments</u>	<u>Balance at Fiscal Year end <sup>2</sup></u>
2010-2011	\$1,550,170	2,090,250	1,788,314	1,852,106
2011-2012	\$1,852,106	2,730,175	1,979,380	2,602,901
2012-2013	\$2,602,901	1,256,771	1,453,554	2,406,118

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.

<sup>2</sup>Claim Liabilities are due within one year of the date of the statement of assets.

## **NOTE 19 – CONTINGENCIES**

The City participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2013, significant amounts of grant expenditures have not been audited by the grantor agencies; however, the City believes it has substantially complied with applicable laws and regulations and that the results of subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

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

## **NOTE 20 – DONOR-RESTRICTED ENDOWMENTS**

The Canseco Foundation Children's Endowment Trust Fund was established on January of 1998, when the City accepted the endowment for the Canseco Foundation in the amount of \$50,000. The program would have the City seek all opportunities to augment children's programming resources provided through the Laredo Public Library. Funding of children's programming from the fund each year will be based on interest accrued on the endowment. Interest distributions will be from the Canseco Foundation Children's Endowment Fund. For September 30, 2013, the amount of unspent interest to date was \$22,820. This amount is reported in the government-wide financial statements under Net Assets-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:

	<u>General Fund</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	\$ 4,706,412
Adjustments:	
Timing Differences-Encumbrances	(4,307,995)
Basic Differences:	
Non Budgeted-Allowance for Doubtful Accounts	<u>12,149</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	410,566
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>36,852,890</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	<u>\$ 37,263,456</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:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	19,335	-	45,436
Permanent Fund Principal	-	-	50,000
<b>Restricted for:</b>			
Debt Service	-	4,653,312	2,293,634
Public Safety	-	-	5,655,118
Health & Welfare	-	-	1,265,786
Cultural & Recreation	-	-	19,304,027
Capital Projects	3,644,122	-	24,501,207
Transportation	-	-	153,523
<b>Committed to:</b>			
Cash Reserves	23,256,640	-	-
General Government	705,748	-	-
Public Safety	686,067	-	482,467
Public Works	100,982	-	-
Health & Welfare	11,182	-	1,956,579
Cultural & Recreation	345,668	-	469,206
Other	237,109	-	-
Transportation	-	-	102,643
Capital Projects	2,221,239	-	2,252,196
<b>Assigned to:</b>			
Public Safety	-	-	920,806
Health & Welfare	-	-	3,864,878
Cultural & Recreation	-	-	582,664
Transportation	-	-	12,442,563
Capital Projects	-	-	21,590,219
<b>Unassigned</b>	<u>10,343,359</u>	-	<u>-1,377,349</u>
Total Fund Balances	<u>41,571,451</u>	<u>4,653,312</u>	<u>96,555,603</u>

## 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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes:				
Current	\$ 14,223,467	14,223,467	14,264,515	41,048
Delinquent - Prior	322,708	322,708	328,811	6,103
Total Taxes	<u>14,546,175</u>	<u>14,546,175</u>	<u>14,593,326</u>	<u>47,151</u>
Investment Income:				
Interest Earnings	21,300	21,300	34,539	13,239
Total Investment Income	<u>21,300</u>	<u>21,300</u>	<u>34,539</u>	<u>13,239</u>
Special Assessments:				
Paving Assessments	28,000	28,000	16,235	(11,765)
Total Special Assessments	<u>28,000</u>	<u>28,000</u>	<u>16,235</u>	<u>(11,765)</u>
Miscellaneous:				
Interest Rebates	300,013	300,013	286,963	(13,050)
Total Miscellaneous	<u>300,013</u>	<u>300,013</u>	<u>286,963</u>	<u>(13,050)</u>
<b>TOTAL REVENUES</b>	<b><u>14,895,488</u></b>	<b><u>14,895,488</u></b>	<b><u>14,931,063</u></b>	<b><u>35,575</u></b>
<b>EXPENDITURES:</b>				
Principal Retirement:				
General Obligations Debt	3,795,072	3,795,072	3,711,586	83,486
Revenue Bonds Debt	2,010,000	2,010,000	2,010,000	-
Contractual Obligations Debt	7,789,816	7,789,816	8,149,814	(359,998)
Total Principal Retirement	<u>13,594,888</u>	<u>13,594,888</u>	<u>13,871,400</u>	<u>(276,512)</u>
Interest:				
General Obligations Debt	1,032,607	1,032,607	1,032,436	171
Revenue Bonds Debt	1,856,276	1,856,276	1,856,275	1
Contractual Obligations Debt	7,778,329	7,778,329	7,770,350	7,979
Total Interest	<u>10,667,212</u>	<u>10,667,212</u>	<u>10,659,061</u>	<u>8,151</u>
Other:				
Other	461,500	461,500	44,890	416,610
Fiscal Agent Fees	28,000	28,000	8,836	19,164
Total Other	<u>489,500</u>	<u>489,500</u>	<u>53,726</u>	<u>435,774</u>
<b>TOTAL EXPENDITURES</b>	<b><u>24,751,600</u></b>	<b><u>24,751,600</u></b>	<b><u>24,584,187</u></b>	<b><u>167,413</u></b>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (9,856,112)	(9,856,112)	(9,653,124)	202,988 (Continued)

CITY OF LAREDO, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
Year Ended September 30, 2013

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Airport	\$ 494,890	494,890	494,890	-
Environmental Services	2,102,253	2,102,253	2,102,253	-
Parking Meters	286,985	286,985	286,985	-
Sports and Community Venue	3,866,276	3,866,276	3,866,276	-
Contractual Obligations Fund	-	-	858	858
Bridge System	774,098	774,098	774,098	-
Police Trust Fund	678,500	678,500	678,500	-
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b><u>8,203,002</u></b>	<b><u>8,203,002</u></b>	<b><u>8,203,860</u></b>	<b><u>858</u></b>
Net Change in Fund Balances	(1,653,110)	(1,653,110)	(1,449,264)	203,846
Fund Balances-Beginning	4,446,195	6,102,576	6,102,576	-
<b>Fund Balances-Ending</b>	<b><u>\$ 2,793,085</u></b>	<b><u>4,449,466</u></b>	<b><u>4,653,312</u></b>	<b><u>203,846</u></b>

## 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:

**CDBG SPECIAL REVENUE FUND** - 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.

**COMMUNITY DEVELOPMENT 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.

**COMMUNITY DEVELOPMENT EMERGENCY SHELTER FUND** - to account for the U.S. Department of Housing and Urban Development grant and the disbursement of such proceeds for city shelters for the homeless.

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

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

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

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

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

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

**911 EMERGENCY COMMUNICATIONS FUND** – to account for 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 administrating grants and contracts awarded by federal and state agencies and contributions by private foundations.

**SPECIAL FIRE GRANTS** – to account for various projects and improvements that increase the public safety for the citizens of Laredo. Major funding source include the U.S. Department of Homeland Security.

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

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

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

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

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

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

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

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

**HAZARDOUS MATERIALS** - to account for the issuance of license and permits, in order to mitigate hazardous materials incidents through prevention and control.

**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 ¼ of one percent designated for payments of debt service in connection with the financing of a sports venue complex.

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

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

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

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

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

## **CAPITAL PROJECTS FUNDS**

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

Capital Projects Funds include:

**WEBB COUNTY COLONIAS PROJECT** - to account for grants received from the Texas Water Development Board, the North American Development Bank, and Webb County, to provide water and sewer improvements to the communities outside the City Limits.

**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 Texas Department of Transportation and U.S. Department of Housing and Urban Development.

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

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

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

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

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

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

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

**AIRPORT CONSTRUCTION FUND** - to account for the Federal Aviation Administration, the Texas Department of Transportation, and 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, 2013**

**SPECIAL REVENUE**

	<b>BLOCK GRANTS</b>	<b>HOUSING REHAB</b>	<b>HOME INVESTMENT</b>	<b>EMERGENCY SHELTER</b>	<b>HOME INV. AFFORDABLE HOUSING</b>
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Cash	\$ 100	-	-	-	-
Equity in Investment Pool	-	508	416	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	59,288	52,512	-	-
Receivables, net of allowances:					
Accrued Interest	-	97	86	-	-
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	2,737	-	-	-	-
Notes	-	1,646,266	13,064,229	-	312,175
Due From Other Funds	-	-	-	-	-
Due From Other Governments	180,067	-	20,823	47,266	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>182,904</b>	<b>1,706,159</b>	<b>13,138,066</b>	<b>47,266</b>	<b>312,175</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	81,325	5	909	47,266	-
Retainage Payable	8,346	-	-	-	-
Accrued Wages and Employee Benefits	41,236	954	2,037	-	-
Contracts Payable	31,884	-	10,291	-	-
Customer Deposits	-	-	-	-	-
Due To Other Funds	17,448	-	-	-	-
Due To Other Governments	-	40	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	2,665	1,646,266	13,064,229	-	312,175
<b>TOTAL LIABILITIES</b>	<b>182,904</b>	<b>1,647,265</b>	<b>13,077,466</b>	<b>47,266</b>	<b>312,175</b>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	183,163	58,894	60,600	-	-
Committed	-	-	319,459	210,348	-
Assigned	-	-	-	-	-
Unassigned	(183,163)	-	(319,459)	(210,348)	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>58,894</b>	<b>60,600</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 182,904</b>	<b>1,706,159</b>	<b>13,138,066</b>	<b>47,266</b>	<b>312,175</b>

(Continued)

## SPECIAL REVENUE

COMMUNITY DEV. ARRA	H.U.D. SEC. 108	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 EMERGENCY COMM. FUND	HEALTH FUND
-	-	-	5,000	-	200	3,875
-	-	1,232	15,211	-	-	181
-	-	-	-	-	-	-
-	-	166,219	2,173,759	-	-	16,516
-	832,486	272	3,559	-	-	27
-	-	-	-	-	-	-
116	-	-	171	-	113	2,835
-	595,000	-	-	-	-	-
-	-	-	-	-	-	-
144,904	-	133,134	141,832	481,262	340,533	2,368,840
-	-	-	-	-	-	2,978
<b>145,020</b>	<b>1,427,486</b>	<b>300,857</b>	<b>2,339,532</b>	<b>481,262</b>	<b>340,846</b>	<b>2,395,252</b>
223	-	6,783	25,336	-	122,269	433,975
-	-	-	-	-	-	-
-	-	22,758	16,339	90,983	11,793	397,336
-	-	-	-	-	-	-
-	-	-	-	-	-	-
144,797	-	-	-	380,883	194,644	-
-	-	-	-	-	-	7,591
-	-	-	-	-	-	-
-	1,427,486	-	-	-	650	496,596
<b>145,020</b>	<b>1,427,486</b>	<b>29,541</b>	<b>41,675</b>	<b>471,866</b>	<b>329,356</b>	<b>1,335,498</b>
-	-	-	-	-	-	2,978
-	-	271,316	2,297,857	9,396	-	371,536
1,888	-	-	-	-	464,504	234,596
-	-	-	-	-	-	450,644
(1,888)	-	-	-	-	(453,014)	-
-	-	<b>271,316</b>	<b>2,297,857</b>	<b>9,396</b>	<b>11,490</b>	<b>1,059,754</b>
<b>145,020</b>	<b>1,427,486</b>	<b>300,857</b>	<b>2,339,532</b>	<b>481,262</b>	<b>340,846</b>	<b>2,395,252</b>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2013**

(Continued)

	<b>SPECIAL REVENUE</b>				
	<b>SPECIAL FIRE GRANTS</b>	<b>INT'L. AIRPORT</b>	<b>CIVIC CENTER</b>	<b>HOTEL/MOTEL OCCUPANCY TAX</b>	<b>PUBLIC ACCESS CHANNEL</b>
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Cash	\$ -	7,212	900	-	-
Equity in Investment Pool	767	92,420	-	20,579	3,112
Cash with Fiscal Agent	-	-	-	-	-
Investments	98,249	13,235,878	-	2,938,789	442,332
Receivables, net of allowances:					
Accrued Interest	161	21,671	-	4,812	724
Hotel-Motel Tax, Penalty and Interest	-	-	-	15,872	-
Accounts	-	26,145	4,300	-	71,593
Notes	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	8,320	89,612	-	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>99,177</b>	<b>13,391,646</b>	<b>94,812</b>	<b>2,980,052</b>	<b>517,761</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	-	387,035	25,214	61,411	5,498
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	99,177	94,216	19,422	-	12,022
Contracts Payable	-	-	-	-	-
Customer Deposits	-	54,365	9,300	-	-
Due To Other Funds	-	-	40,876	-	-
Due To Other Governments	-	3,778	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	-	153,523	-	15,872	-
<b>TOTAL LIABILITIES</b>	<b>99,177</b>	<b>692,917</b>	<b>94,812</b>	<b>77,283</b>	<b>17,520</b>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	153,523	-	2,902,769	492,184
Committed	-	102,643	31,260	-	186,274
Assigned	-	12,442,563	-	-	-
Unassigned	-	-	(31,260)	-	(178,217)
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>12,698,729</b>	<b>-</b>	<b>2,902,769</b>	<b>500,241</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 99,177</b>	<b>13,391,646</b>	<b>94,812</b>	<b>2,980,052</b>	<b>517,761</b>

(Continued)

(Continued)

## SPECIAL REVENUE

MERCADO MGMT.	LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS	HAZARDOUS MATERIALS	ENVIRONMENTAL SERVICES	KEEP LAREDO BEAUTIFUL
-	1,650	-	925	-	350	-
1,600	1,169	2,679	6,928	-	28,533	16
-	451	-	-	-	-	-
227,201	166,219	398,501	997,524	-	4,084,322	6,141
372	272	652	1,633	-	6,687	10
-	-	-	-	-	-	-
526	1,021	-	669,895	-	267,292	-
-	-	-	-	-	40,509	-
-	-	-	-	-	232,802	-
-	-	-	-	-	570,808	-
-	-	-	-	-	-	-
<b>229,699</b>	<b>170,782</b>	<b>401,832</b>	<b>1,676,905</b>	<b>-</b>	<b>5,231,303</b>	<b>6,167</b>
11,785	56,281	16,354	17,988	-	102,511	2,505
-	-	-	-	-	135,470	-
834	24,980	1,669	41,443	-	88,759	2,781
-	-	-	-	-	172,644	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	170	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	674,750	-	40,509	-
<b>12,619</b>	<b>81,431</b>	<b>18,023</b>	<b>734,181</b>	<b>-</b>	<b>539,893</b>	<b>5,286</b>
-	-	-	-	-	-	-
-	89,351	-	3,955	-	87,769	-
11,426	-	6,799	17,963	-	1,189,407	881
205,654	-	377,010	920,806	-	3,414,234	-
-	-	-	-	-	-	-
<b>217,080</b>	<b>89,351</b>	<b>383,809</b>	<b>942,724</b>	<b>-</b>	<b>4,691,410</b>	<b>881</b>
<b>229,699</b>	<b>170,782</b>	<b>401,832</b>	<b>1,676,905</b>	<b>-</b>	<b>5,231,303</b>	<b>6,167</b>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2013**

(Continued)

	<b>SPECIAL REVENUE</b>				
	<b>NOISE ABATE. LEASE PROGRAM</b>	<b>SPORTS &amp; COMMUNITY VENUE</b>	<b>LAREDO ENERGY ARENA</b>	<b>LDO PUBLIC FACILITY CORP.</b>	<b>FRIENDS OF THE LIBRARY</b>
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Cash	\$ -	-	31,700	-	-
Equity in Investment Pool	3,610	108,441	-	339	966
Cash with Fiscal Agent	-	-	658,010	-	-
Investments	513,478	17,889,833	-	60,347	146,950
Receivables, net of allowances:					
Accrued Interest	841	36,070	-	99	241
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	68,142	-	125,666	-	208,333
Notes	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Inventory	-	-	42,458	-	-
<b>TOTAL ASSETS</b>	<b>586,071</b>	<b>18,034,344</b>	<b>857,834</b>	<b>60,785</b>	<b>356,490</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	22,109	54,541	238,675	1,507	173
Retainage Payable	-	55,422	-	-	-
Accrued Wages and Employee Benefits	10,593	-	5,926	-	-
Contracts Payable	-	-	-	-	-
Customer Deposits	100,351	-	-	-	-
Due To Other Funds	-	-	-	-	-
Due To Other Governments	-	-	-	-	2,130
Due To Developers	-	-	-	-	-
Deferred Revenue	8,472	-	525,359	-	-
<b>TOTAL LIABILITIES</b>	<b>141,525</b>	<b>109,963</b>	<b>769,960</b>	<b>1,507</b>	<b>2,303</b>
Fund Balances:					
Nonspendable	-	-	42,458	-	-
Restricted	444,546	17,736,350	-	59,278	354,187
Committed	-	188,031	45,416	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>444,546</b>	<b>17,924,381</b>	<b>87,874</b>	<b>59,278</b>	<b>354,187</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 586,071</b>	<b>18,034,344</b>	<b>857,834</b>	<b>60,785</b>	<b>356,490</b>

(Continued)

(Continued)

SPECIAL REVENUE		CAPITAL PROJECTS				
POLICE TRUST FUND	SUBDIVISION TRUST FUND	WEBB COUNTY COLONIAS PROJECT	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 05 ISSUE
-	-	-	-	-	-	-
22,836	2,345	-	28	-	-	-
-	-	-	-	-	-	-
3,262,968	325,026	-	6,141	-	998,147	221,719
-	-	-	-	-	-	-
5,342	532	-	10	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	19,892	-	-
-	-	-	-	-	-	-
<b>3,291,146</b>	<b>327,903</b>	<b>-</b>	<b>6,179</b>	<b>19,892</b>	<b>998,147</b>	<b>221,719</b>
218,552	32	-	1	115	217,416	953
-	-	-	-	-	-	750
-	-	-	-	-	-	-
-	-	-	-	-	-	2,374
-	-	-	-	-	-	-
-	-	-	-	19,777	-	17,341
-	-	-	-	-	-	-
-	327,871	-	-	-	-	-
-	-	-	-	-	-	-
<b>218,552</b>	<b>327,903</b>	<b>-</b>	<b>1</b>	<b>19,892</b>	<b>217,416</b>	<b>21,418</b>
-	-	-	-	-	-	-
3,072,594	-	-	6,178	-	780,731	200,301
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>3,072,594</b>	<b>-</b>	<b>-</b>	<b>6,178</b>	<b>-</b>	<b>780,731</b>	<b>200,301</b>
<b>3,291,146</b>	<b>327,903</b>	<b>-</b>	<b>6,179</b>	<b>19,892</b>	<b>998,147</b>	<b>221,719</b>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2013**

(Continued)

	<b>CAPITAL PROJECTS</b>				
	<b>CERTIFICATE OF OBLIGATION 06 ISSUE</b>	<b>CERTIFICATE OF OBLIGATION 07 ISSUE</b>	<b>CERTIFICATE OF OBLIGATION 08 ISSUE</b>	<b>CERTIFICATE OF OBLIGATION 09 ISSUE</b>	<b>CERTIFICATE OF OBLIGATION 10 ISSUE</b>
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	-	-	-	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	486,638	6,005,957	6,477,918	6,157,475	1,406,363
Receivables, net of allowances:					
Accrued Interest	-	694	500	361	111
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	-	-	-	-
Notes	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>486,638</b>	<b>6,006,651</b>	<b>6,478,418</b>	<b>6,157,836</b>	<b>1,406,474</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	13,999	65,061	119,408	54,799	51,402
Retainage Payable	54,016	77,050	572,817	236,677	7,308
Accrued Wages and Employee Benefits	-	-	1,596	-	16,578
Contracts Payable	56,924	71,050	15,103	286,698	38,938
Customer Deposits	-	-	-	-	-
Due To Other Funds	-	294,360	-	2,566	-
Due To Other Governments	-	-	-	-	-
Due To Developers	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>124,939</b>	<b>507,521</b>	<b>708,924</b>	<b>580,740</b>	<b>114,226</b>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	361,699	5,499,130	5,769,494	5,577,096	1,292,248
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>361,699</b>	<b>5,499,130</b>	<b>5,769,494</b>	<b>5,577,096</b>	<b>1,292,248</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 486,638</b>	<b>6,006,651</b>	<b>6,478,418</b>	<b>6,157,836</b>	<b>1,406,474</b>

(Continued)

(Continued)

CERTIFICATE OF OBLIGATION 12 ISSUE	CAPITAL PROJECTS			PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BASEBALL STADIUM FUND	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	-	-	51,912
-	118	9,231	157,271	504	481,040
-	-	-	-	-	658,461
3,084,939	26,680	1,607,567	22,545,819	72,205	96,359,620
705	44	2,168	36,913	118	958,270
-	-	-	-	-	15,872
-	-	-	2,000,000	-	3,448,885
-	-	-	-	-	15,658,179
166,420	-	30,195	-	-	429,417
-	-	936,359	105,036	-	5,588,688
-	-	-	-	-	45,436
<b>3,252,064</b>	<b>26,842</b>	<b>2,585,520</b>	<b>24,845,039</b>	<b>72,827</b>	<b>123,695,780</b>
45,109	-	82,833	215,403	7	2,806,768
53,597	-	656,889	61,695	-	1,920,037
-	-	30,754	13,223	-	1,047,409
7,976	-	269,540	288,249	-	1,251,671
-	-	-	-	-	164,016
33,142	-	-	-	-	1,145,834
-	-	-	-	-	13,709
-	-	-	-	-	327,871
-	-	-	94,310	-	18,462,862
<b>139,824</b>	<b>-</b>	<b>1,040,016</b>	<b>672,880</b>	<b>7</b>	<b>27,140,177</b>
-	-	-	-	50,000	95,436
3,112,240	26,842	1,545,504	329,744	22,820	53,173,295
-	-	-	2,252,196	-	5,263,091
-	-	-	21,590,219	-	39,401,130
-	-	-	-	-	(1,377,349)
<b>3,112,240</b>	<b>26,842</b>	<b>1,545,504</b>	<b>24,172,159</b>	<b>72,820</b>	<b>96,555,603</b>
<b>3,252,064</b>	<b>26,842</b>	<b>2,585,520</b>	<b>24,845,039</b>	<b>72,827</b>	<b>123,695,780</b>



**CITY OF LAREDO, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 2013**

	<b>SPECIAL REVENUE</b>				
	<b>BLOCK GRANTS</b>	<b>HOUSING REHAB</b>	<b>HOME INVESTMENT</b>	<b>EMERGENCY SHELTER</b>	<b>HOME INV. AFFORDABLE HOUSING</b>
<b>REVENUES:</b>					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	3,883,157	-	1,031,006	228,575	132,662
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	-	18	-	-
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	101,367	75,588	35,437	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,984,524</b>	<b>75,588</b>	<b>1,066,461</b>	<b>228,575</b>	<b>132,662</b>
<b>EXPENDITURES:</b>					
Public Safety	444,270	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	593,000	17,288	1,060,461	228,575	132,662
Cultural and Recreational	190,670	-	-	-	-
General Government	667,437	32,250	-	-	-
Air Transportation Services	-	-	-	-	-
<b>Total Operating Expenditures</b>	<b>1,895,377</b>	<b>49,538</b>	<b>1,060,461</b>	<b>228,575</b>	<b>132,662</b>
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	2,089,302	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,984,679</b>	<b>49,538</b>	<b>1,060,461</b>	<b>228,575</b>	<b>132,662</b>
Excess (Deficiency) of Revenues Over Expenditures	(155)	26,050	6,000	-	-
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	-	-	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Discounts	-	-	-	-	-
Transfers Out	-	-	-	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(155)	26,050	6,000	-	-
Fund Balances at Beginning of Year	155	32,844	54,600	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>58,894</b>	<b>60,600</b>	<b>-</b>	<b>-</b>

(Continued)

SPECIAL REVENUE						
COMMUNITY DEV. ARRA	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 REGIONAL COMM. FUND	HEALTH FUND	SPECIAL FIRE GRANTS
-	-	-	-	-	-	-
-	-	-	-	-	439,570	-
41,145	-	919,367	1,779,864	-	597,536	1,742,214
-	431,187	-	267,581	2,034,424	9,587,165	-
-	-	-	-	-	369,486	-
-	-	-	-	-	-	-
-	-	-	-	-	838,408	-
-	263	5,542	-	292	78	-
-	-	-	-	-	875	-
-	-	-	-	-	165	-
-	-	-	-	-	10,000	-
-	-	370	-	11,125	565,120	-
-	-	536,368	-	-	309,884	-
<u>41,145</u>	<u>431,450</u>	<u>1,461,647</u>	<u>2,047,445</u>	<u>2,045,841</u>	<u>12,718,287</u>	<u>1,742,214</u>
-	682,146	774,307	2,144,244	1,985,914	-	2,316,606
-	-	-	-	-	-	-
41,145	-	-	-	-	16,519,625	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,145</u>	<u>682,146</u>	<u>774,307</u>	<u>2,144,244</u>	<u>1,985,914</u>	<u>16,519,625</u>	<u>2,316,606</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	190,745	-	49,650	259,885	-
<u>41,145</u>	<u>682,146</u>	<u>965,052</u>	<u>2,144,244</u>	<u>2,035,564</u>	<u>16,779,510</u>	<u>2,316,606</u>
-	(250,696)	496,595	(96,799)	10,277	(4,061,223)	(574,392)
-	257,159	-	90,494	-	4,243,413	574,392
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>257,159</u>	<u>-</u>	<u>90,494</u>	<u>-</u>	<u>4,243,413</u>	<u>574,392</u>
-	6,463	496,595	(6,305)	10,277	182,190	-
-	264,853	1,801,262	15,701	1,213	877,564	-
<u>-</u>	<u>271,316</u>	<u>2,297,857</u>	<u>9,396</u>	<u>11,490</u>	<u>1,059,754</u>	<u>-</u>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year ended September 30, 2013**

(Continued)

	SPECIAL REVENUE				
	INT'L AIRPORT	CIVIC CENTER	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.
<b>REVENUES:</b>					
Taxes	\$ -	-	4,236,295	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	53,680	-	-	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	10	-	-	25,153	-
Fines	-	-	-	-	-
Fees and Collections	390,801	-	134	278,848	-
Investment Income:					
Interest Earnings	16,517	84	9,990	1,194	819
Rents and Royalties	6,487,377	224,951	-	-	118,045
Discount Earnings	-	15	-	10	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	499,732	89,843	75	6	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>7,448,117</b>	<b>314,893</b>	<b>4,246,494</b>	<b>305,211</b>	<b>118,864</b>
<b>EXPENDITURES:</b>					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	824,313	941,512	447,184	151,714
General Government	-	-	-	-	-
Air Transportation Services	6,006,842	-	-	-	-
Total Operating Expenditures	<b>6,006,842</b>	<b>824,313</b>	<b>941,512</b>	<b>447,184</b>	<b>151,714</b>
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	300,763	-	-	209,075	-
<b>TOTAL EXPENDITURES</b>	<b>6,307,605</b>	<b>824,313</b>	<b>941,512</b>	<b>656,259</b>	<b>151,714</b>
Excess (Deficiency) of Revenues Over Expenditures	1,140,512	(509,420)	3,304,982	(351,048)	(32,850)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	600,000	492,481	-	412,062	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	(988,462)	-	(3,008,586)	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	11,679,674	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>11,291,212</b>	<b>492,481</b>	<b>(3,008,586)</b>	<b>412,062</b>	<b>-</b>
Net Change in Fund Balance	12,431,724	(16,939)	296,396	61,014	(32,850)
Fund Balances at Beginning of Year	267,005	16,939	2,606,373	439,227	249,930
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 12,698,729</b>	<b>-</b>	<b>2,902,769</b>	<b>500,241</b>	<b>217,080</b>

(Continued)

(Continued)

## SPECIAL REVENUE

LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS	HAZARDOUS MATERIALS	ENVIRO. SERVICES	KEEP LAREDO BEAUTIFUL, INC. FUND
-	-	-	-	-	-
-	-	1,846	-	297,900	-
-	-	43,792	-	543,499	-
-	-	-	-	1,615,779	-
-	-	300	-	17,000	-
-	-	-	-	6,320,261	-
-	-	614,184	-	-	-
44,172	298,125	1,829,697	-	-	-
52	1,367	3,345	-	16,673	3
-	-	-	-	-	-
-	-	755	-	1,064	-
98,700	-	-	-	-	5,938
5,663	-	2,906	-	85,566	-
-	-	-	-	-	-
<u>148,587</u>	<u>299,492</u>	<u>2,496,825</u>	<u>-</u>	<u>8,897,742</u>	<u>5,941</u>
-	-	1,561,677	-	-	-
-	-	-	-	-	-
-	-	-	-	4,223,096	106,847
2,552,781	173,310	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,552,781</u>	<u>173,310</u>	<u>1,561,677</u>	<u>-</u>	<u>4,223,096</u>	<u>106,847</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	24,011	-	3,459,579	-
<u>2,552,781</u>	<u>173,310</u>	<u>1,585,688</u>	<u>-</u>	<u>7,682,675</u>	<u>106,847</u>
<u>(2,404,194)</u>	<u>126,182</u>	<u>911,137</u>	<u>-</u>	<u>1,215,067</u>	<u>(100,906)</u>
2,413,090	-	-	-	1,063,623	97,363
-	-	-	-	-	-
-	-	-	-	-	-
-	(150,000)	(736,985)	(55,420)	(2,199,616)	-
-	-	-	-	-	-
-	-	-	-	5,658	-
<u>2,413,090</u>	<u>(150,000)</u>	<u>(736,985)</u>	<u>(55,420)</u>	<u>(1,130,335)</u>	<u>97,363</u>
8,896	(23,818)	174,152	(55,420)	84,732	(3,543)
80,455	407,627	768,572	55,420	4,606,678	4,424
<u>89,351</u>	<u>383,809</u>	<u>942,724</u>	<u>-</u>	<u>4,691,410</u>	<u>881</u>

(Continued)

**CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year ended September 30, 2013**

(Continued)

	SPECIAL REVENUE				
	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.	FRIENDS OF THE LIBRARY
<b>REVENUES:</b>					
Taxes	\$ -	7,984,344	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	41,040
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	3,423,503	-	4,784
Fines	-	-	-	-	-
Fees and Collections	45,228	-	-	-	-
Investment Income:					
Interest Earnings	3,442	64,139	-	391	372
Rents and Royalties	1,455,886	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	150,000	-	-	250,235
Reimbursements	9,284	6,951	-	-	15
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,513,840</b>	<b>8,205,434</b>	<b>3,423,503</b>	<b>391</b>	<b>296,446</b>
<b>EXPENDITURES:</b>					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	952,473	-	-	1,626	-
Cultural and Recreational	-	362,832	4,867,584	-	47,388
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	<b>952,473</b>	<b>362,832</b>	<b>4,867,584</b>	<b>1,626</b>	<b>47,388</b>
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	20,683	3,395,042	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>973,156</b>	<b>3,757,874</b>	<b>4,867,584</b>	<b>1,626</b>	<b>47,388</b>
Excess (Deficiency) of Revenues Over Expenditures	540,684	4,447,560	(1,444,081)	(1,235)	249,058
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	3,786,343	1,361,955	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	(1,100,000)	(9,014,574)	-	(100,000)	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,100,000)</b>	<b>(5,228,231)</b>	<b>1,361,955</b>	<b>(100,000)</b>	<b>-</b>
Net Change in Fund Balance	(559,316)	(780,671)	(82,126)	(101,235)	249,058
Fund Balances at Beginning of Year	1,003,862	18,705,052	170,000	160,513	105,129
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 444,546</b>	<b>17,924,381</b>	<b>87,874</b>	<b>59,278</b>	<b>354,187</b>

(Continued)

(Continued)

SPECIAL REVENUE	CAPITAL PROJECTS				
	WEBB COUNTY COLONIAS PROJECT	PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 05 ISSUE
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,294	-	-
-	40,296	70,514	43,247	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,133	-	-	-	-
10,022	732	10	-	2,862	225
-	-	-	-	-	-
-	-	-	-	-	-
8,873	-	6,216	-	-	-
2,040,790	-	-	-	-	-
<u>2,059,685</u>	<u>46,161</u>	<u>76,740</u>	<u>123,541</u>	<u>2,862</u>	<u>225</u>
621,123	-	-	-	-	-
-	40,295	-	-	29,597	1,924
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>621,123</u>	<u>40,295</u>	<u>-</u>	<u>-</u>	<u>29,597</u>	<u>1,924</u>
494,245	-	-	-	-	-
28,512	-	-	-	-	-
-	-	-	-	89,530	-
578,158	-	94,124	208,773	3,330,317	31,060
<u>1,722,038</u>	<u>40,295</u>	<u>94,124</u>	<u>208,773</u>	<u>3,449,444</u>	<u>32,984</u>
<u>337,647</u>	<u>5,866</u>	<u>(17,384)</u>	<u>(85,232)</u>	<u>(3,446,582)</u>	<u>(32,759)</u>
-	-	5,429	85,232	-	-
-	-	-	-	3,800,000	-
-	-	-	-	58,279	-
(678,500)	(564,405)	-	-	(858)	-
264,652	-	-	-	-	-
105,950	-	-	-	-	-
<u>(307,898)</u>	<u>(564,405)</u>	<u>5,429</u>	<u>85,232</u>	<u>3,857,421</u>	<u>-</u>
29,749	(558,539)	(11,955)	-	410,839	(32,759)
3,042,845	558,539	18,133	-	369,892	233,060
<u>3,072,594</u>	<u>-</u>	<u>6,178</u>	<u>-</u>	<u>780,731</u>	<u>200,301</u>

(Continued)

CITY OF LAREDO, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year ended September 30, 2013

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 10 ISSUE
<b>REVENUES:</b>	\$				
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	484	12,370	15,373	12,041	3,323
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	-	-	1,400
Other	-	-	6,626	-	-
<b>TOTAL REVENUES</b>	<u>484</u>	<u>12,370</u>	<u>21,999</u>	<u>12,041</u>	<u>4,723</u>
<b>EXPENDITURES:</b>					
Public Safety	-	-	-	-	-
Public Works	3,725	155,079	116,006	5,077	2,816
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	<u>3,725</u>	<u>155,079</u>	<u>116,006</u>	<u>5,077</u>	<u>2,816</u>
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	85,735	351,819	5,065,833	2,569,434	1,366,925
<b>TOTAL EXPENDITURES</b>	<u>89,460</u>	<u>506,898</u>	<u>5,181,839</u>	<u>2,574,511</u>	<u>1,369,741</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(88,976)</u>	<u>(494,528)</u>	<u>(5,159,840)</u>	<u>(2,562,470)</u>	<u>(1,365,018)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	-	-	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Transfers Out	-	(899,480)	(5,429)	-	-
Capital Leases	-	-	-	-	-
Sale of Assets	-	90,000	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(809,480)</u>	<u>(5,429)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(88,976)	(1,304,008)	(5,165,269)	(2,562,470)	(1,365,018)
Fund Balances at Beginning of Year	450,675	6,803,138	10,934,763	8,139,566	2,657,266
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 361,699</u>	<u>5,499,130</u>	<u>5,769,494</u>	<u>5,577,096</u>	<u>1,292,248</u>

(Continued)

(Continued)

CERTIFICATE OF OBLIGATION 12 ISSUE	CAPITAL PROJECTS			PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BASEBALL STADIUM FUND	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	-	-	12,220,639
-	-	-	-	-	739,316
-	-	12,142,525	15,657	-	23,276,013
-	-	65,683	81,166	-	14,237,042
-	-	-	-	-	386,786
-	-	-	-	-	9,773,711
-	-	-	-	-	614,184
-	-	-	-	-	3,730,546
10,750	-	1,976	39,845	219	234,813
-	-	-	-	-	8,287,134
-	-	-	116	-	2,125
-	-	-	12,872,641	-	13,387,514
-	-	-	-	-	1,505,537
-	-	75,440	306,268	-	3,275,376
<u>10,750</u>	<u>-</u>	<u>12,285,624</u>	<u>13,315,693</u>	<u>219</u>	<u>91,670,736</u>
-	-	-	-	-	10,530,287
190,049	74,015	908,098	756,965	-	2,283,646
-	-	-	-	-	23,876,798
-	-	-	-	-	10,559,288
-	-	-	-	-	699,687
-	-	-	-	-	6,006,842
<u>190,049</u>	<u>74,015</u>	<u>908,098</u>	<u>756,965</u>	<u>-</u>	<u>53,956,548</u>
-	-	-	-	-	494,245
-	-	-	-	-	28,512
-	-	-	-	-	89,530
1,628,916	401,557	12,340,084	2,349,605	-	40,401,075
<u>1,818,965</u>	<u>475,572</u>	<u>13,248,182</u>	<u>3,106,570</u>	<u>-</u>	<u>94,969,910</u>
<u>(1,808,215)</u>	<u>(475,572)</u>	<u>(962,558)</u>	<u>10,209,123</u>	<u>219</u>	<u>(3,299,174)</u>
-	-	1,762,366	5,606,994	-	22,852,396
-	-	-	-	-	3,800,000
-	-	-	-	-	58,279
(229,058)	-	(141,280)	(4,000,000)	-	(23,872,653)
-	-	-	-	-	264,652
-	-	-	-	-	11,881,282
<u>(229,058)</u>	<u>-</u>	<u>1,621,086</u>	<u>1,606,994</u>	<u>-</u>	<u>14,983,956</u>
(2,037,273)	(475,572)	658,528	11,816,117	219	11,684,782
5,149,513	502,414	886,976	12,356,042	72,601	84,870,821
<u>3,112,240</u>	<u>26,842</u>	<u>1,545,504</u>	<u>24,172,159</u>	<u>72,820</u>	<u>96,555,603</u>



This page intentionally left blank

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
CDBG Grants	\$ 14,505,658	3,883,157	18,388,815	22,441,791
Miscellaneous:				
Reimbursements	522,481	101,367	623,848	578,864
<b>TOTAL REVENUES</b>	<b><u>15,028,139</u></b>	<b><u>3,984,524</u></b>	<b><u>19,012,663</u></b>	<b><u>23,020,655</u></b>
<b>EXPENDITURES:</b>				
Public Safety	2,093,745	444,270	2,538,015	2,600,225
Health and Welfare	2,927,886	593,000	3,520,886	4,039,286
Cultural and Recreational	425,027	190,670	615,697	770,679
General Government	3,697,668	667,437	4,365,105	4,520,741
Capital Outlay	5,883,658	2,089,302	7,972,960	11,089,724
<b>TOTAL EXPENDITURES</b>	<b><u>15,027,984</u></b>	<b><u>3,984,679</u></b>	<b><u>19,012,663</u></b>	<b><u>23,020,655</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>155</u></b>	<b><u>(155)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 155</u></b>	<b><u>(155)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>155</u>		
<b>Fund Balances-Ending</b>		<b><u>\$ -</u></b>		

CITY OF LAREDO, TEXAS  
HOUSING REHABILITATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Miscellaneous:						
Reimbursements	\$ 60,000	60,000	75,588	-	75,588	15,588
<b>TOTAL REVENUES</b>	<b>60,000</b>	<b>60,000</b>	<b>75,588</b>	<b>-</b>	<b>75,588</b>	<b>15,588</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	41,182	41,182	32,192	-	32,192	8,990
Materials and Supplies	-	-	58	-	58	(58)
Contractual Services	1,668	1,668	1,588	-	1,588	80
Total Administration	42,850	42,850	33,838	-	33,838	9,012
Housing Rehabilitation Loans:						
Contractual Services	17,150	17,150	15,700	-	15,700	1,450
Total Housing Rehabilitation Loans	17,150	17,150	15,700	-	15,700	1,450
<b>TOTAL EXPENDITURES</b>	<b>60,000</b>	<b>60,000</b>	<b>49,538</b>	<b>-</b>	<b>49,538</b>	<b>10,462</b>
Excess (Deficiency) of Revenues Over Expenditures	-	-	26,050	-	26,050	26,050
Fund Balances at Beginning of Year	34,471	32,844	32,844	-	32,844	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 34,471</b>	<b>32,844</b>	<b>58,894</b>	<b>-</b>	<b>58,894</b>	<b>26,050</b>

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
HOME Grants	\$ 3,058,740	1,031,006	4,089,746	4,350,331
Investment Income:				
Interest Earnings	2,626	18	2,644	2,457
Net increase (decrease) in the fair value of Investments	-	-	-	126
Miscellaneous:				
Reimbursements	612,925	35,437	648,362	637,700
<b>TOTAL REVENUES</b>	<u><b>3,674,291</b></u>	<u><b>1,066,461</b></u>	<u><b>4,740,752</b></u>	<u><b>4,990,614</b></u>
<b>EXPENDITURES:</b>				
Personnel Services	404,480	54,581	459,061	346,328
Materials and Supplies	8,240	1,169	9,409	8,948
Contractual Services	3,722,161	1,004,711	4,726,872	5,150,528
<b>TOTAL EXPENDITURES</b>	<u><b>4,134,881</b></u>	<u><b>1,060,461</b></u>	<u><b>5,195,342</b></u>	<u><b>5,505,804</b></u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u><b>(460,590)</b></u>	<u><b>6,000</b></u>	<u><b>(454,590)</b></u>	<u><b>(515,190)</b></u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In:				
Home Inv. Afford. Housing	519,663	-	519,663	519,663
Transfer Out:				
Home Inv. Afford. Housing	(4,473)	-	(4,473)	(4,473)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<u><b>515,190</b></u>	<u><b>-</b></u>	<u><b>515,190</b></u>	<u><b>515,190</b></u>
<b>Net Change in Fund Balances</b>	<u><b>\$ 54,600</b></u>	<u><b>6,000</b></u>	<u><b>60,600</b></u>	<u><b>-</b></u>
Fund Balances-Beginning		54,600		
<b>Fund Balances-Ending</b>		<u><b>\$ 60,600</b></u>		

**CITY OF LAREDO, TEXAS  
EMERGENCY SHELTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Emergency Shelter Grants	\$ 250,268	228,575	478,843	534,146
<b>TOTAL REVENUES</b>	<u>250,268</u>	<u>228,575</u>	<u>478,843</u>	<u>534,146</u>
<b>EXPENDITURES:</b>				
Personnel Services	-	11,257	11,257	13,886
Materials and Supplies	2,539	1,955	4,494	2,981
Contractual Services	247,729	215,363	463,092	517,279
<b>TOTAL EXPENDITURES</b>	<u>250,268</u>	<u>228,575</u>	<u>478,843</u>	<u>534,146</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	-	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
<b>Fund Balances-Ending</b>		<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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Las Terrazas Project	\$ 337,961	132,662	470,623	515,190
Investment Income:				
Interest Earnings	1,748	-	1,748	2,457
Miscellaneous:				
Reimbursements	1,251,455	-	1,251,455	1,251,455
<b>TOTAL REVENUES</b>	<b><u>1,591,164</u></b>	<b><u>132,662</u></b>	<b><u>1,723,826</u></b>	<b><u>1,769,102</u></b>
<b>EXPENDITURES:</b>				
Contractual Services	169	-	169	169
Other	8,467	-	8,467	573,406
Capital Outlay	1,067,338	132,662	1,200,000	1,200,000
<b>TOTAL EXPENDITURES</b>	<b><u>1,075,974</u></b>	<b><u>132,662</u></b>	<b><u>1,208,636</u></b>	<b><u>1,773,575</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>515,190</u></b>	<b><u>-</u></b>	<b><u>515,190</u></b>	<b><u>(4,473)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In:				
Home Investment Partnership	4,473	-	4,473	4,473
Transfer Out:				
Home Investment Fund	(519,663)	-	(519,663)	-
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>(515,190)</u></b>	<b><u>-</u></b>	<b><u>(515,190)</u></b>	<b><u>4,473</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		-		
<b>Fund Balances-Ending</b>		<b><u>\$ -</u></b>		

**CITY OF LAREDO, TEXAS  
COMMUNITY DEVELOPMENT ARRA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Neighborhood Assistance	\$ 1,693,289	41,145	1,734,434	2,127,102
<b>TOTAL REVENUES</b>	<u>1,693,289</u>	<u>41,145</u>	<u>1,734,434</u>	<u>2,127,102</u>
<b>EXPENDITURES:</b>				
Personnel Services	78,943	-	78,943	79,106
Materials and Supplies	4,969	49	5,018	5,019
Contractual Services	1,440,149	41,096	1,481,245	1,873,749
<b>TOTAL EXPENDITURES</b>	<u>1,524,061</u>	<u>41,145</u>	<u>1,565,206</u>	<u>1,957,874</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>169,228</u>	<u>-</u>	<u>169,228</u>	<u>169,228</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer Out:				
Municipal Housing	(169,228)	-	(169,228)	(169,228)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<u>(169,228)</u>	<u>-</u>	<u>(169,228)</u>	<u>(169,228)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		-		
<b>Fund Balances-Ending</b>		<u>\$ -</u>		

**CITY OF LAREDO, TEXAS  
AUTO THEFT TASK FORCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
State	\$ 433,514	830,181	431,187	-	431,187	(398,994)
Investment Income:						
Interest Earnings	500	500	263	-	263	(237)
<b>TOTAL REVENUES</b>	<b>434,014</b>	<b>830,681</b>	<b>431,450</b>	<b>-</b>	<b>431,450</b>	<b>(399,231)</b>
<b>EXPENDITURES:</b>						
Personnel Services	555,996	1,127,949	579,286	-	579,286	548,663
Materials and Supplies	7,000	14,390	8,890	-	8,890	5,500
Contractual Services	109,491	210,354	93,970	-	93,970	116,384
Other	80,485	-	-	-	-	-
Total Operating Expenditures	752,972	1,352,693	682,146	-	682,146	670,547
Capital Outlay	71,427	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>824,399</b>	<b>1,352,693</b>	<b>682,146</b>	<b>-</b>	<b>682,146</b>	<b>670,547</b>
Excess (Deficiency) of Revenues Over Expenditures	(390,385)	(522,012)	(250,696)	-	(250,696)	271,316
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	192,251	257,159	257,159	-	257,159	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>192,251</b>	<b>257,159</b>	<b>257,159</b>	<b>-</b>	<b>257,159</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(198,134)	(264,853)	6,463	-	6,463	271,316
Fund Balances at Beginning of Year	198,134	264,853	264,853	-	264,853	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>-</b>	<b>271,316</b>	<b>-</b>	<b>271,316</b>	<b>271,316</b>



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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 846,696	1,430,818	919,367	-	919,367	(511,451)
Investment Income:						
Interest Earnings	2,700	2,700	5,542	-	5,542	2,842
Miscellaneous:						
Reimbursements	-	-	370	-	370	370
Forfeitures	320,000	490,676	536,368	-	536,368	45,692
<b>TOTAL REVENUES</b>	<b>1,169,396</b>	<b>1,924,194</b>	<b>1,461,647</b>	<b>-</b>	<b>1,461,647</b>	<b>(462,547)</b>
<b>EXPENDITURES:</b>						
Personnel Services	452,131	1,131,489	692,446	-	692,446	439,043
Material and Supplies	57,187	49,879	23,041	1,358	24,399	25,480
Contractual Services	89,497	114,050	58,820	9,880	68,700	45,350
Other	377,369	185,095	-	-	-	185,095
Total Operating Expenditures	976,184	1,480,513	774,307	11,238	785,545	694,968
Capital Outlay	-	250,469	190,745	3,531	194,276	56,193
<b>TOTAL EXPENDITURES</b>	<b>976,184</b>	<b>1,730,982</b>	<b>965,052</b>	<b>14,769</b>	<b>979,821</b>	<b>751,161</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	193,212	193,212	496,595	(14,769)	481,826	288,614
Fund Balances at Beginning of Year	1,757,087	1,801,262	1,801,262	-	1,801,262	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,950,299</b>	<b>1,994,474</b>	<b>2,297,857</b>	<b>(14,769)</b>	<b>2,283,088</b>	<b>288,614</b>

**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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 1,280,053	5,778,243	1,779,864	-	1,779,864	(3,998,379)
State	623,688	767,826	267,581	-	267,581	(500,245)
<b>TOTAL REVENUES</b>	<b>1,903,741</b>	<b>6,546,069</b>	<b>2,047,445</b>	<b>-</b>	<b>2,047,445</b>	<b>(4,498,624)</b>
<b>EXPENDITURES:</b>						
Police Grants:						
Click It or Ticket	25,605	25,605	8,403	-	8,403	17,202
Tobacco	-	4,725	-	-	-	4,725
DWI	64,012	64,012	27,408	-	27,408	36,604
Alcohol Tobacco Firearms	32,006	92,413	92,413	-	92,413	-
Comprehensive Comm. Vehicle STEP	64,012	52,013	52,013	-	52,013	-
Comprehensive STEP	128,024	118,839	-	-	-	118,839
Customs Narcotics	116,502	116,502	10,508	-	10,508	105,994
Bulletproof Vest Partnership	10,000	17,962	7,962	-	7,962	10,000
Justice Assistance Grant	153,878	190,010	71,500	-	71,500	118,510
Fugitive Apprehension	19,204	20,153	20,151	-	20,151	2
Ldo. Joint Terrorism TF	22,022	22,125	20,915	-	20,915	1,210
Cops Program	-	3,679,541	1,034,818	-	1,034,818	2,644,723
OCDEF	54,285	54,285	31,510	-	31,510	22,775
FBI-Safe Streets	44,046	44,046	40,628	-	40,628	3,418
Stonegarden Grant	896,167	1,626,156	506,946	-	506,946	1,119,210
GDEM Border Security	384,071	529,071	219,069	-	219,069	310,002
Other	13,470	13,470	-	-	-	13,470
Total Operating Expenditures	2,027,304	6,670,928	2,144,244	-	2,144,244	4,526,684
Capital Outlay	-	2,685	-	2,685	2,685	-
<b>TOTAL EXPENDITURES</b>	<b>2,027,304</b>	<b>6,673,613</b>	<b>2,144,244</b>	<b>2,685</b>	<b>2,146,929</b>	<b>4,526,684</b>
Excess (Deficiency) of Revenues Over Expenditures	(123,563)	(127,544)	(96,799)	(2,685)	(99,484)	28,060
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	90,102	90,102	90,494	-	90,494	392
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>90,102</b>	<b>90,102</b>	<b>90,494</b>	<b>-</b>	<b>90,494</b>	<b>392</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(33,461)	(37,442)	(6,305)	(2,685)	(8,990)	28,452
Fund Balances at Beginning of Year	33,461	15,701	15,701	-	15,701	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>(21,741)</b>	<b>9,396</b>	<b>(2,685)</b>	<b>6,711</b>	<b>28,452</b>

This page intentionally left blank

**CITY OF LAREDO, TEXAS**  
**911 REGIONAL COMMUNICATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**  
**Year ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
State Emergency Commission	\$ 1,574,242	4,621,068	2,034,424	-	2,034,424	(2,586,644)
Investment Income:						
Interest Earnings	300	500	292	-	292	(208)
Miscellaneous:						
Reimbursements	-	-	11,125	-	11,125	11,125
<b>TOTAL REVENUES</b>	<b><u>1,574,542</u></b>	<b><u>4,621,568</u></b>	<b><u>2,045,841</u></b>	<b><u>-</u></b>	<b><u>2,045,841</u></b>	<b><u>(2,575,727)</u></b>
<b>EXPENDITURES:</b>						
Personnel Services	309,125	661,865	267,721	-	267,721	394,144
Materials and Supplies	25,100	134,272	48,156	-	48,156	86,116
Contractual Services	1,013,198	2,494,257	1,101,667	464,504	1,566,171	928,086
Other	3,729	572,405	568,370	-	568,370	4,035
Total Operating Expenditures	1,351,152	3,862,799	1,985,914	464,504	2,450,418	1,412,381
Capital Outlay	226,819	762,198	49,650	-	49,650	712,548
<b>TOTAL EXPENDITURES</b>	<b><u>1,577,971</u></b>	<b><u>4,624,997</u></b>	<b><u>2,035,564</u></b>	<b><u>464,504</u></b>	<b><u>2,500,068</u></b>	<b><u>2,124,929</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(3,429)	(3,429)	10,277	(464,504)	(454,227)	(450,798)
Fund Balances at Beginning of Year	3,429	1,213	1,213	-	1,213	-
<b>FUND BALANCES AT END OF YEAR</b>	<b><u>\$ -</u></b>	<b><u>(2,216)</u></b>	<b><u>11,490</u></b>	<b><u>(464,504)</u></b>	<b><u>(453,014)</u></b>	<b><u>(450,798)</u></b>

**CITY OF LAREDO, TEXAS**  
**HEALTH FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**  
**Year ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal Grants	\$ 590,928	1,580,825	597,536	-	597,536	(983,289)
State Grants	9,353,806	13,237,075	9,587,165	-	9,587,165	(3,649,910)
Other	876,855	722,391	369,486	-	369,486	(352,905)
Licenses and Permits	398,600	398,600	439,570	-	439,570	40,970
Fees and Collections	854,438	978,346	838,408	-	838,408	(139,938)
Investment Income:						
Interest Earnings	-	-	78	-	78	78
Rents and Royalties	1,026	1,026	875	-	875	(151)
Discount Earnings	500	500	165	-	165	(335)
Miscellaneous:						
Contributions	350,000	111,283	10,000	-	10,000	(101,283)
Reimbursements	238,859	370,546	565,120	-	565,120	194,574
Other	708,728	1,493,357	309,884	-	309,884	(1,183,473)
<b>TOTAL REVENUES</b>	<b>13,373,740</b>	<b>18,893,949</b>	<b>12,718,287</b>	<b>-</b>	<b>12,718,287</b>	<b>(6,175,662)</b>
<b>EXPENDITURES:</b>						
Administrative Divisions:						
Administration	1,543,203	1,562,293	1,457,729	(83,348)	1,374,381	187,912
Health Education	121,736	121,736	87,739	715	88,454	33,282
Vital Statistics	223,509	225,909	219,493	-	219,493	6,416
E.M.S. Billing	323,649	323,649	244,987	41,677	286,664	36,985
STD Clinic	76,406	76,406	75,875	1,615	77,490	(1,084)
Maternity	106,709	96,394	45,777	23,501	69,278	27,116
Immunization	239,923	239,923	222,927	2,381	225,308	14,615
Tuberculosis	134,860	134,860	116,495	177	116,672	18,188
Adult Health	53,375	54,690	43,215	2,330	45,545	9,145
Laboratory	699,617	719,105	650,813	17,159	667,972	51,133
Personal Health Services	69,862	69,862	60,713	81	60,794	9,068
Budget and Grant Management	352,044	339,054	354,870	-	354,870	(15,816)
Environmental	693,645	693,645	610,072	1,068	611,140	82,505
Animal Control	952,060	924,785	815,584	3,183	818,767	106,018
Animal Shelter	899,643	948,418	810,302	24,379	834,681	113,737
<b>Total Administrative Divisions</b>	<b>6,490,241</b>	<b>6,530,729</b>	<b>5,816,591</b>	<b>34,918</b>	<b>5,851,509</b>	<b>679,220</b>
State Grants:						
H.I.V. - Prevention	393,717	641,438	361,090	-	361,090	280,348
T.B. Federal - Tuberculosis	142,893	247,905	146,930	-	146,930	100,975
Primary Care	159,761	390,026	198,413	5,870	204,283	185,743
Tuberculosis Elimination	204,435	456,338	199,298	-	199,298	257,040
Immunization Action Plan	311,496	731,764	457,940	3,403	461,343	270,421
Bureau of Regional/Local Health Operations	600,237	1,292,606	673,787	6,214	680,001	612,605
Women Infant and Children (W.I.C.)	5,347,440	5,063,116	4,611,386	534	4,611,920	451,196
W.I.C. Counties Expansion	530,194	526,688	466,406	-	466,406	60,282
Bio-Terrorism Preparedness	336,430	969,579	622,620	1,581	624,201	345,378
Office of Border Health - Surveillance	40,000	4,200	4,200	-	4,200	-
Early Warning Preparedness	73,713	23,904	-	-	-	23,904
Associateship for Community Health and Resource Development - Dental	75,000	150,000	70,000	-	70,000	80,000
Associateship for Community Health and Resource Development - Family Planning	184,515	292,353	99,828	-	99,828	192,525
Associateship for Community Health and Resource Development - Prenatal	\$ 41,000	98,069	27,612	-	27,612	70,457

(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, 2013**

(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.)	\$ 83,691	163,013	72,781	14,886	87,667	75,346
H.I.V. - Consortia (Ryan White)	419,193	854,153	487,427	-	487,427	366,726
HIV Social Services	139,355	262,909	138,173	-	138,173	124,736
Community Diabetes Program	80,000	154,752	70,327	1,859	72,186	82,566
Office of Border Health - Binational	12,550	16,205	2,458	-	2,458	13,747
Healthy Texas Babies	200,000	317,035	108,902	-	108,902	208,133
Family Planning - Cost Reimbursement	98,776	138,316	34,082	-	34,082	104,234
Hospital Preparedness Program	-	250,000	14,686	129	14,815	235,185
Nurse-Family Partnership	590,928	1,029,632	518,668	436	519,104	510,528
Food Inspection Innovation	-	186,339	77,994	-	77,994	108,345
1115 Wavier Program	-	358,825	6,225	100	6,325	352,500
TCEQ - Continuous Air Monitoring Station	70,000	135,299	62,263	-	62,263	73,036
CPRIT - Cancer Screening	243,155	1,057,667	726,469	30,264	756,733	300,934
Women's Health and Family Planning	-	83,550	44,415	2,625	47,040	36,510
UTHSCSA - STX Family Aids Network	35,965	35,965	-	-	-	35,965
UTHSCSA - Dental Clinic	124,339	81,000	-	-	-	81,000
CHIP Perinate	101,501	108,971	58,390	7,470	65,860	43,111
Ventanilla de Salud Program	30,000	50,963	34,323	4,864	39,187	11,776
Fernando Salinas Trust	40,000	79,854	1,927	838	2,765	77,089
Hepatitis B Program	17,850	17,850	-	-	-	17,850
Women and Children Health Program	250,782	312,544	261,837	8,203	270,040	42,504
Special Projects	350,002	52,538	12,361	283	12,644	39,894
Border Environmental Commission	48,588	112,728	29,816	11,689	41,505	71,223
<b>Total State Grant Expenses</b>	<u>11,377,506</u>	<u>16,748,094</u>	<u>10,703,034</u>	<u>101,248</u>	<u>17,892,284</u>	<u>8,213,015</u>
Total Operating Expenses	17,867,747	23,278,823	16,519,625	136,166	23,743,793	8,892,235
Capital Outlay	81,323	277,318	259,885	-	259,885	17,433
<b>TOTAL EXPENDITURES</b>	<u>17,949,070</u>	<u>23,556,141</u>	<u>16,779,510</u>	<u>136,166</u>	<u>24,003,678</u>	<u>8,909,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,575,330)</u>	<u>(4,662,192)</u>	<u>(4,061,223)</u>	<u>(136,166)</u>	<u>(11,285,391)</u>	<u>2,734,006</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	4,453,600	4,483,600	4,243,413	-	4,243,413	(240,187)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>4,453,600</u>	<u>4,483,600</u>	<u>4,243,413</u>	<u>-</u>	<u>4,243,413</u>	<u>(240,187)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(121,730)	(178,592)	182,190	(136,166)	46,024	224,616
Fund Balances at Beginning of Year	-	877,564	877,564	(98,430)	779,134	(98,430)
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (121,730)</u>	<u>698,972</u>	<u>1,059,754</u>	<u>(234,596)</u>	<u>825,158</u>	<u>126,186</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, 2013

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ -	1,742,214	1,742,214	-	1,742,214	-
State	88,000	88,000	-	-	-	(88,000)
<b>TOTAL REVENUES</b>	<b>88,000</b>	<b>1,830,214</b>	<b>1,742,214</b>	<b>-</b>	<b>1,742,214</b>	<b>(88,000)</b>
<b>EXPENDITURES:</b>						
DHS/Fire Prevention & Safety	-	35,000	-	-	-	35,000
SAFER Grant	692,576	2,434,790	2,316,606	-	2,316,606	118,184
Other	88,000	88,000	-	-	-	88,000
<b>TOTAL EXPENDITURES</b>	<b>780,576</b>	<b>2,557,790</b>	<b>2,316,606</b>	<b>-</b>	<b>2,316,606</b>	<b>241,184</b>
Excess (Deficiency) of Revenues Over Expenditures	(692,576)	(727,576)	(574,392)	-	(574,392)	153,184
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
General Fund	624,326	624,326	574,392	-	574,392	(49,934)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>624,326</b>	<b>624,326</b>	<b>574,392</b>	<b>-</b>	<b>574,392</b>	<b>(49,934)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(68,250)	(103,250)	-	-	-	103,250
Fund Balances at Beginning of Year	68,250	-	-	-	-	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>(103,250)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,250</b>

This page intentionally left blank



**CITY OF LAREDO, TEXAS  
INTERNATIONAL AIRPORT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 90,000	90,000	53,680	-	53,680	(36,320)
Charges for Services	-	-	10	-	10	10
Fees and Collections	397,122	397,122	390,801	-	390,801	(6,321)
Investment Income:						
Interest Earnings	900	900	16,517	-	16,517	15,617
Rents and Royalties	4,928,850	4,928,850	6,487,377	-	6,487,377	1,558,527
Miscellaneous:						
Reimbursements	429,031	429,031	499,732	-	499,732	70,701
<b>TOTAL REVENUES</b>	<b>5,845,903</b>	<b>5,845,903</b>	<b>7,448,117</b>	<b>-</b>	<b>7,448,117</b>	<b>1,602,214</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	608,079	609,911	602,098	-	602,098	7,813
Materials and Supplies	28,137	39,437	28,482	4,877	33,359	6,078
Contractual Services	2,093,788	2,629,808	2,477,279	39,462	2,516,741	113,067
Other	500,000	875,654	159,255	(53,005)	106,250	769,404
Total Administration	<u>3,230,004</u>	<u>4,154,810</u>	<u>3,267,114</u>	<u>(8,666)</u>	<u>3,258,448</u>	<u>896,362</u>
Building Maintenance:						
Personnel Services	491,063	495,671	445,558	-	445,558	50,113
Materials and Supplies	112,816	174,816	159,496	1,678	161,174	13,642
Contractual Services	392,413	411,037	367,542	31,878	399,420	11,617
Total Building Maintenance	<u>996,292</u>	<u>1,081,524</u>	<u>972,596</u>	<u>33,556</u>	<u>1,006,152</u>	<u>75,372</u>
Ground Maintenance:						
Personnel Services	341,378	344,167	338,814	-	338,814	5,353
Materials and Supplies	51,814	54,031	44,790	194	44,984	9,047
Contractual Services	125,863	131,633	129,388	70	129,458	2,175
Total Ground Maintenance	<u>\$ 519,055</u>	<u>529,831</u>	<u>512,992</u>	<u>264</u>	<u>513,256</u>	<u>16,575</u>

(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, 2013**

(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>
<b>EXPENDITURES (Continued)</b>						
Airport Security:						
Personnel Services	\$ 867,153	868,676	824,049	-	824,049	44,627
Materials and Supplies	57,123	62,773	42,655	8,546	51,201	11,572
Contractual Services	190,731	211,504	193,476	10,874	204,350	7,154
Total Airport Security	<u>1,115,007</u>	<u>1,142,953</u>	<u>1,060,180</u>	<u>19,420</u>	<u>1,079,600</u>	<u>63,353</u>
Foreign Trade Zone:						
Personnel Services	13,346	13,742	13,687	-	13,687	55
Materials and Supplies	500	500	-	-	-	500
Contractual Services	22,789	8,342	2,237	4,364	6,601	1,741
Total Foreign Trade Zone	<u>36,635</u>	<u>22,584</u>	<u>15,924</u>	<u>4,364</u>	<u>20,288</u>	<u>2,296</u>
Federal Inspection Services:						
Personnel Services	220,977	197,501	101,128	-	101,128	96,373
Materials and Supplies	19,898	21,840	18,101	160	18,261	3,579
Contractual Services	184,932	168,031	58,807	540	59,347	108,684
Total Federal Inspection Services	<u>425,807</u>	<u>387,372</u>	<u>178,036</u>	<u>700</u>	<u>178,736</u>	<u>208,636</u>
Total Operating Expenditures	6,322,800	7,319,074	6,006,842	49,638	6,056,480	1,262,594
Capital Outlay	-	300,000	300,763	-	300,763	(763)
<b>TOTAL EXPENDITURES</b>	<b><u>6,322,800</u></b>	<b><u>7,619,074</u></b>	<b><u>6,307,605</u></b>	<b><u>49,638</u></b>	<b><u>6,357,243</u></b>	<b><u>1,261,831</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(476,897)</u>	<u>(1,773,171)</u>	<u>1,140,512</u>	<u>(49,638)</u>	<u>1,090,874</u>	<u>2,864,045</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Noise Abatement Fund	600,000	600,000	600,000	-	600,000	-
Transfers Out:						
Debt Service	(494,890)	(494,890)	(494,890)	-	(494,890)	-
Airport Construction Fund	(50,000)	(494,445)	(493,572)	-	(493,572)	873
Transit System	(300,000)	(300,000)	-	-	-	300,000
Sale of Assets	720,000	2,460,719	11,679,674	-	11,679,674	9,218,955
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>475,110</u></b>	<b><u>1,771,384</u></b>	<b><u>11,291,212</u></b>	<b><u>-</u></b>	<b><u>11,291,212</u></b>	<b><u>9,519,828</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(1,787)</u>	<u>(1,787)</u>	<u>12,431,724</u>	<u>(49,638)</u>	<u>12,382,086</u>	<u>12,383,873</u>
Fund Balances at Beginning of Year	<u>721,468</u>	<u>267,005</u>	<u>267,005</u>	<u>(53,005)</u>	<u>214,000</u>	<u>(53,005)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<b><u>\$ 719,681</u></b>	<b><u>265,218</u></b>	<b><u>12,698,729</u></b>	<b><u>(102,643)</u></b>	<b><u>12,596,086</u></b>	<b><u>12,330,868</u></b>

CITY OF LAREDO, TEXAS  
CIVIC CENTER  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ -	-	84	-	84	84
Discount Earnings	-	-	15	-	15	15
Rents and Royalties	412,100	412,100	224,951	-	224,951	(187,149)
Miscellaneous:						
Reimbursements	-	-	89,843	-	89,843	89,843
<b>TOTAL REVENUES</b>	<b>412,100</b>	<b>412,100</b>	<b>314,893</b>	<b>-</b>	<b>314,893</b>	<b>(97,207)</b>
<b>EXPENDITURES:</b>						
Personnel Services	540,703	540,703	506,531	-	506,531	34,172
Materials and Supplies	84,446	73,446	48,208	10,168	58,376	15,070
Contractual Services	328,879	339,879	263,174	21,092	284,266	55,613
Other	152,000	152,000	6,400	(1,900)	4,500	147,500
<b>TOTAL EXPENDITURES</b>	<b>1,106,028</b>	<b>1,106,028</b>	<b>824,313</b>	<b>29,360</b>	<b>853,673</b>	<b>252,355</b>
Excess (Deficiency) of Revenues Over Expenditures	(693,928)	(693,928)	(509,420)	(29,360)	(538,780)	155,148
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Hotel - Motel Occupancy Tax	676,929	676,929	492,481	-	492,481	(184,448)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>676,929</b>	<b>676,929</b>	<b>492,481</b>	<b>-</b>	<b>492,481</b>	<b>(184,448)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(16,999)	(16,999)	(16,939)	(29,360)	(46,299)	(29,300)
Fund Balances at Beginning of Year	-	16,939	16,939	(1,900)	15,039	(1,900)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (16,999)</b>	<b>(60)</b>	<b>-</b>	<b>(31,260)</b>	<b>(31,260)</b>	<b>(31,200)</b>

**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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 4,525,224	4,525,224	4,220,565	-	4,220,565	(304,659)
Penalty and Interest	9,068	9,068	15,730	-	15,730	6,662
Fees and Collections	-	-	134	-	134	134
Investment Income:						
Interest Earnings	3,800	3,800	9,990	-	9,990	6,190
Miscellaneous:						
Reimbursements	-	-	75	-	75	75
<b>TOTAL REVENUES</b>	<b><u>4,538,092</u></b>	<b><u>4,538,092</u></b>	<b><u>4,246,494</u></b>	<b><u>-</u></b>	<b><u>4,246,494</u></b>	<b><u>(291,598)</u></b>
<b>EXPENDITURES:</b>						
Contractual Services:						
Administration	317,927	197,927	48,858	-	48,858	149,069
Tourism and Promotion	500,210	620,210	615,159	-	615,159	5,051
Historical and Arts	277,500	277,500	277,495	-	277,495	5
<b>TOTAL EXPENDITURES</b>	<b><u>1,095,637</u></b>	<b><u>1,095,637</u></b>	<b><u>941,512</u></b>	<b><u>-</u></b>	<b><u>941,512</u></b>	<b><u>154,125</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,442,455</u>	<u>3,442,455</u>	<u>3,304,982</u>	<u>-</u>	<u>3,304,982</u>	<u>(137,473)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers Out:						
Civic Center	(676,929)	(676,929)	(492,481)	-	(492,481)	184,448
General Fund	(25,000)	(25,000)	-	-	-	25,000
Convention and Visitors Bureau	(2,628,551)	(2,628,551)	(2,413,090)	-	(2,413,090)	215,461
Public Access Channel	(111,975)	(111,975)	(103,015)	-	(103,015)	8,960
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(3,442,455)</u></b>	<b><u>(3,442,455)</u></b>	<b><u>(3,008,586)</u></b>	<b><u>-</u></b>	<b><u>(3,008,586)</u></b>	<b><u>433,869</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>296,396</u>	<u>-</u>	<u>296,396</u>	<u>296,396</u>
Fund Balances at Beginning of Year	<u>2,966,058</u>	<u>2,606,373</u>	<u>2,606,373</u>	<u>-</u>	<u>2,606,373</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<b><u>\$ 2,966,058</u></b>	<b><u>2,606,373</u></b>	<b><u>2,902,769</u></b>	<b><u>-</u></b>	<b><u>2,902,769</u></b>	<b><u>296,396</u></b>

**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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Production and Transmission	\$ 48,340	47,328	25,153	-	25,153	(22,175)
Peg Funds	260,000	260,000	278,848	-	278,848	18,848
Investment Income:						
Interest Earnings	-	1,000	1,194	-	1,194	194
Discount Earnings	-	12	10	-	10	(2)
Miscellaneous:						
Reimbursements	55	55	6	-	6	(49)
<b>TOTAL REVENUES</b>	<b>308,395</b>	<b>308,395</b>	<b>305,211</b>	<b>-</b>	<b>305,211</b>	<b>(3,184)</b>
<b>EXPENDITURES:</b>						
Administration						
Personnel Services	361,681	371,681	338,677	-	338,677	33,004
Materials and Supplies	33,758	28,720	64,484	214	64,698	(35,978)
Contractual Services	82,398	76,664	65,319	7,843	73,162	3,502
Other	-	20,000	-	-	-	20,000
Total Operating Expenditures	477,837	497,065	468,480	8,057	476,537	20,528
Capital Outlay	870,906	690,453	187,779	178,217	365,996	324,457
<b>TOTAL EXPENDITURES</b>	<b>1,348,743</b>	<b>1,187,518</b>	<b>656,259</b>	<b>186,274</b>	<b>842,533</b>	<b>344,985</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,040,348)	(879,123)	(351,048)	(186,274)	(537,322)	341,801
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
General Fund	335,925	335,925	309,047	-	309,047	(26,878)
Hotel-Motel Occupancy Tax	111,975	111,975	103,015	-	103,015	(8,960)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>447,900</b>	<b>447,900</b>	<b>412,062</b>	<b>-</b>	<b>412,062</b>	<b>(35,838)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(592,448)	(431,223)	61,014	(186,274)	(125,260)	305,963
Fund Balances at Beginning of Year	262,457	439,227	439,227	-	439,227	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (329,991)</b>	<b>8,004</b>	<b>500,241</b>	<b>(186,274)</b>	<b>313,967</b>	<b>305,963</b>

CITY OF LAREDO, TEXAS  
MERCADO MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 600	600	819	-	819	219
Rents and Royalties	118,000	118,000	118,045	-	118,045	45
<b>TOTAL REVENUES</b>	<b>118,600</b>	<b>118,600</b>	<b>118,864</b>	<b>-</b>	<b>118,864</b>	<b>264</b>
<b>EXPENDITURES:</b>						
Personnel Services	75,702	75,702	84,826	-	84,826	(9,124)
Materials and Supplies	14,698	15,098	12,537	1,085	13,622	1,476
Contractual Services	68,089	67,689	52,184	10,341	62,525	5,164
Other	-	-	2,167	(2,167)	-	-
Total Operating Expenditures	158,489	158,489	151,714	9,259	160,973	(2,484)
<b>TOTAL EXPENDITURES</b>	<b>158,489</b>	<b>158,489</b>	<b>151,714</b>	<b>9,259</b>	<b>160,973</b>	<b>(2,484)</b>
Excess (Deficiency) of Revenues Over Expenditures	(39,889)	(39,889)	(32,850)	(9,259)	(42,109)	(2,220)
Fund Balances at Beginning of Year	234,172	249,930	249,930	(2,167)	247,763	(2,167)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 194,283</b>	<b>210,041</b>	<b>217,080</b>	<b>(11,426)</b>	<b>205,654</b>	<b>(4,387)</b>

**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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Fees and Collections	\$ 13,083	13,083	44,172	-	44,172	31,089
Investment Income:						
Interest Earnings	-	-	52	-	52	52
Miscellaneous:						
Contributions	254,000	254,000	98,700	-	98,700	(155,300)
Reimbursements	1,700	1,700	5,663	-	5,663	3,963
<b>TOTAL REVENUES</b>	<b>268,783</b>	<b>268,783</b>	<b>148,587</b>	<b>-</b>	<b>148,587</b>	<b>(120,196)</b>
<b>EXPENDITURES:</b>						
Personnel Services	588,556	588,556	650,324	-	650,324	(61,768)
Materials and Supplies	134,353	195,679	171,700	4,851	176,551	19,128
Contractual Services	2,128,454	2,154,547	1,730,750	84,500	1,815,250	339,297
Other	126,427	39,007	7	-	7	39,000
<b>TOTAL EXPENDITURES</b>	<b>2,977,790</b>	<b>2,977,789</b>	<b>2,552,781</b>	<b>89,351</b>	<b>2,642,132</b>	<b>335,657</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,709,007)	(2,709,006)	(2,404,194)	(89,351)	(2,493,545)	215,461
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Hotel-Motel Occupancy Tax	2,628,551	2,628,551	2,413,090	-	2,413,090	(215,461)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,628,551</b>	<b>2,628,551</b>	<b>2,413,090</b>	<b>-</b>	<b>2,413,090</b>	<b>(215,461)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(80,456)	(80,455)	8,896	(89,351)	(80,455)	-
Fund Balances at Beginning of Year	-	80,455	80,455	-	80,455	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (80,456)</b>	<b>-</b>	<b>89,351</b>	<b>(89,351)</b>	<b>-</b>	<b>-</b>

**CITY OF LAREDO, TEXAS**  
**RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**  
Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 800	800	1,367	-	1,367	567
Fees and Collections	239,040	239,040	298,125	-	298,125	59,085
<b>TOTAL REVENUES</b>	<b>239,840</b>	<b>239,840</b>	<b>299,492</b>	<b>-</b>	<b>299,492</b>	<b>59,652</b>
<b>EXPENDITURES:</b>						
Personnel Services	44,392	44,392	38,438	-	38,438	5,954
Materials and Supplies	53,435	77,635	30,686	6,799	37,485	40,150
Contractual Services	105,482	127,482	104,172	-	104,172	23,310
Other	100,000	12,318	14	-	14	12,304
Total Operating Expenditures	303,309	261,827	173,310	6,799	180,109	81,718
Capital Outlay	-	41,482	-	-	-	41,482
<b>TOTAL EXPENDITURES</b>	<b>303,309</b>	<b>303,309</b>	<b>173,310</b>	<b>6,799</b>	<b>180,109</b>	<b>123,200</b>
Excess (Deficiency) of Revenues Over Expenditures	(63,469)	(63,469)	126,182	(6,799)	119,383	182,852
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
General Fund	(150,000)	(150,000)	(150,000)	-	(150,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>-</b>	<b>(150,000)</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(213,469)	(213,469)	(23,818)	(6,799)	(30,617)	182,852
Fund Balances at Beginning of Year	214,127	407,627	407,627	-	407,627	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 658</b>	<b>194,158</b>	<b>383,809</b>	<b>(6,799)</b>	<b>377,010</b>	<b>182,852</b>



**CITY OF LAREDO, TEXAS**  
**PARKING METERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)**  
Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Intergovernmental:						
Federal Emergency Management Agency	\$ -	46,933	43,792	-	43,792	(3,141)
Webb County	300	300	300	-	300	-
License and Permits	2,500	2,500	1,846	-	1,846	(654)
Fines	600,000	600,000	614,184	-	614,184	14,184
Fees and Collections	1,905,000	1,905,000	1,829,697	-	1,829,697	(75,303)
Investment Income:						
Interest Earnings	3,300	3,300	3,345	-	3,345	45
Discount Earnings	-	-	755	-	755	755
Miscellaneous:						
Reimbursements	-	-	2,906	-	2,906	2,906
<b>TOTAL REVENUES</b>	<b><u>2,511,100</u></b>	<b><u>2,558,033</u></b>	<b><u>2,496,825</u></b>	<b><u>-</u></b>	<b><u>2,496,825</u></b>	<b><u>(61,208)</u></b>
<b>EXPENDITURES:</b>						
Personnel Services	1,272,015	1,272,015	1,126,764	-	1,126,764	145,251
Materials and Supplies	92,417	97,817	87,173	951	88,124	9,693
Contractual Services	435,151	450,101	347,987	17,012	364,999	85,102
Other	600,000	585,750	(247)	(60)	(307)	586,057
Total Operating Expenditures	2,399,583	2,405,683	1,561,677	17,903	1,579,580	826,103
Capital Outlay	265,000	258,900	24,011	-	24,011	234,889
<b>TOTAL EXPENDITURES</b>	<b><u>2,664,583</u></b>	<b><u>2,664,583</u></b>	<b><u>1,585,688</u></b>	<b><u>17,903</u></b>	<b><u>1,603,591</u></b>	<b><u>1,060,992</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(153,483)	(106,550)	911,137	(17,903)	893,234	999,784
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers Out:						
Debt Service Fund	(286,985)	(286,985)	(286,985)	-	(286,985)	-
General Fund	(450,000)	(450,000)	(450,000)	-	(450,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(736,985)</u></b>	<b><u>(736,985)</u></b>	<b><u>(736,985)</u></b>	<b><u>-</u></b>	<b><u>(736,985)</u></b>	<b><u>-</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(890,468)	(843,535)	174,152	(17,903)	156,249	999,784
Fund Balances at Beginning of Year	814,106	768,572	768,572	(60)	768,512	(60)
<b>FUND BALANCE AT END OF YEAR</b>	<b><u>\$ (76,362)</u></b>	<b><u>(74,963)</u></b>	<b><u>942,724</u></b>	<b><u>(17,963)</u></b>	<b><u>924,761</u></b>	<b><u>999,724</u></b>

CITY OF LAREDO, TEXAS  
HAZARDOUS MATERIALS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
Environmental Services	\$ (34,903)	(34,903)	(55,420)	-	(55,420)	(20,517)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(34,903)</b>	<b>(34,903)</b>	<b>(55,420)</b>	<b>-</b>	<b>(55,420)</b>	<b>(20,517)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(34,903)	(34,903)	(55,420)	-	(55,420)	(20,517)
Fund Balances at Beginning of Year	34,903	55,420	55,420	-	55,420	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>20,517</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,517)</b>

**CITY OF LAREDO, TEXAS  
ENVIRONMENTAL SERVICES  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Storm Water Fees	\$ 6,128,100	6,128,100	6,320,261	-	6,320,261	192,161
Hazardous Materials Fees	291,000	291,000	297,900	-	297,900	6,900
Intergovernmental:						
CNG Conversion Grant	300,000	269,500	269,500	-	269,500	-
Department of Energy	-	267,124	267,124	-	267,124	-
Economic Development Agency	-	480,643	276,375	-	276,375	(204,268)
State Energy Conservation Office	-	88,000	-	-	-	(88,000)
HMGP Grant-Canal Drainage	-	2,120,310	1,079,701	-	1,079,701	(1,040,609)
STDC-Regional Solid Waste Mgmt	-	40,000	40,000	-	40,000	-
Texas Department of Transportation	44,000	327,504	226,578	-	226,578	(100,926)
Universities and Colleges	10,000	10,000	17,000	-	17,000	7,000
Investment Income:						
Interest Earnings	17,600	17,600	16,673	-	16,673	(927)
Discount Earnings	-	-	1,064	-	1,064	1,064
Miscellaneous:						
Reimbursements	33,377	290,237	85,566	-	85,566	(204,671)
<b>TOTAL REVENUES</b>	<b>6,824,077</b>	<b>10,330,018</b>	<b>8,897,742</b>	<b>-</b>	<b>8,897,742</b>	<b>(1,432,276)</b>
<b>EXPENDITURES:</b>						
Administration:						
Personnel Services	261,924	261,924	264,070	-	264,070	(2,146)
Materials and Supplies	-	-	158	-	158	(158)
Contractual Services	72,396	72,396	57,904	514	58,418	13,978
Other	150,000	180,500	21,041	(21,041)	-	180,500
Total Administration	484,320	514,820	343,173	(20,527)	322,646	192,174
Creek Cleaning:						
Personnel Services	950,379	819,292	804,717	-	804,717	14,575
Materials and Supplies	182,035	182,035	141,698	454	142,152	39,883
Contractual Services	239,481	370,568	404,706	85	404,791	(34,223)
Total Creek Cleaning	1,371,895	1,371,895	1,351,121	539	1,351,660	20,235
Stormwater:						
Personnel	771,856	756,856	707,143	-	707,143	49,713
Materials and Supplies	72,699	92,624	79,675	3,820	83,495	9,129
Contractual Services	1,650,491	1,765,136	1,434,139	180,290	1,614,429	150,707
Other	100,000	-	-	-	-	-
Total Stormwater	2,595,046	2,614,616	2,220,957	184,110	2,405,067	209,549
CD Code Enforcement:						
Personnel Services	45,909	45,909	45,721	-	45,721	188
Materials and Supplies	639	639	401	-	401	238
Contractual Services	60	60	-	-	-	60
Total CD Code Enforcement	46,608	46,608	46,122	-	46,122	486
Hazardous Materials:						
Personnel Services	186,261	186,261	174,691	-	174,691	11,570
Materials and Supplies	10,599	10,599	4,633	-	4,633	5,966
Contractual Services	21,742	25,408	16,803	-	16,803	8,605
Total Hazardous Materials	\$ 218,602	222,268	196,127	-	196,127	26,141

(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, 2013**

(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>
<b>EXPENDITURES (Continued)</b>						
STDC - Regional Management:						
Materials and Supplies	-	34,473	34,473	-	34,473	-
Contractual Services	-	5,527	5,527	-	5,527	-
Total STDC - Regional Management	-	40,000	40,000	-	40,000	-
Department of Energy:						
Contractual Services	-	25,453	25,596	-	25,596	(143)
Total Department of Energy	-	25,453	25,596	-	25,596	(143)
Storm Water Improvements:						
Contractual Services	-	14,800	-	-	-	14,800
Reserve Appropriation	380,582	50,582	-	-	-	50,582
Total Storm Water Improvements	380,582	65,382	-	-	-	65,382
State Energy Conservation:						
Contractual Services	-	110,000	-	102,711	102,711	7,289
Total 2007 C.O. Issue	-	110,000	-	102,711	102,711	7,289
2007 C.O. Issue:						
Reserve Appropriation	31,377	-	-	-	-	-
Total 2007 C.O. Issue	31,377	-	-	-	-	-
Total Operating Expenditures	5,128,430	5,011,042	4,223,096	266,833	4,489,929	521,113
Capital Outlay	465,000	23,668,625	3,459,579	989,302	4,448,881	19,219,744
<b>TOTAL EXPENDITURES</b>	<b>5,593,430</b>	<b>28,679,667</b>	<b>7,682,675</b>	<b>1,256,135</b>	<b>8,938,810</b>	<b>19,740,857</b>
Excess (Deficiency) of Revenues Over Expenditures	1,230,647	(18,349,649)	1,215,067	(1,256,135)	(41,068)	18,308,581
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
Hazardous Materials	34,903	34,903	55,420	-	55,420	20,517
2007 C.O. Issue	-	17,441,075	837,347	-	837,347	(16,603,728)
2012 C.O. Issue	-	1,500,000	170,856	-	170,856	(1,329,144)
Transfers Out:						
Debt Service	(2,102,253)	(2,102,253)	(2,102,253)	-	(2,102,253)	-
Keep Laredo Beautiful	(100,000)	(100,000)	(97,363)	-	(97,363)	2,637
Transit System	(350,000)	(350,000)	-	-	-	350,000
Sale of Assets	-	-	5,658	-	5,658	5,658
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,517,350)</b>	<b>16,423,725</b>	<b>(1,130,335)</b>	<b>-</b>	<b>(1,130,335)</b>	<b>(17,554,060)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,286,703)	(1,925,924)	84,732	(1,256,135)	(1,171,403)	754,521
Fund Balances at Beginning of Year	3,422,260	4,606,678	4,606,678	(21,041)	4,585,637	(21,041)
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 2,135,557</b>	<b>2,680,754</b>	<b>4,691,410</b>	<b>(1,277,176)</b>	<b>3,414,234</b>	<b>733,480</b>

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, 2013

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ -	-	3	-	3	3
Miscellaneous:						
Contributions	25,000	25,000	5,938	-	5,938	(19,062)
<b>TOTAL REVENUES</b>	<b>25,000</b>	<b>25,000</b>	<b>5,941</b>	<b>-</b>	<b>5,941</b>	<b>(19,059)</b>
<b>EXPENDITURES:</b>						
Personnel Services	72,739	72,739	72,418	-	72,418	321
Materials and Supplies	22,459	29,937	27,619	881	28,500	1,437
Contractual Services	9,226	7,686	6,810	-	6,810	876
Other	25,000	19,062	-	-	-	19,062
<b>TOTAL EXPENDITURES</b>	<b>129,424</b>	<b>129,424</b>	<b>106,847</b>	<b>881</b>	<b>107,728</b>	<b>21,696</b>
Excess (Deficiency) of Revenues Over Expenditures	(104,424)	(104,424)	(100,906)	(881)	(101,787)	2,637
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Environmental Services	100,000	100,000	97,363	-	97,363	(2,637)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>100,000</b>	<b>100,000</b>	<b>97,363</b>	<b>-</b>	<b>97,363</b>	<b>(2,637)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(4,424)	(4,424)	(3,543)	(881)	(4,424)	-
Fund Balances at Beginning of Year	-	4,424	4,424	-	4,424	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (4,424)</b>	<b>-</b>	<b>881</b>	<b>(881)</b>	<b>-</b>	<b>-</b>

**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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 4,100	4,100	3,442	-	3,442	(658)
Fees and Collections	35,000	35,000	45,228	-	45,228	10,228
Rents and Royalties	1,409,500	1,409,500	1,455,886	-	1,455,886	46,386
Miscellaneous:						
Reimbursements	7,136	7,136	9,284	-	9,284	2,148
<b>TOTAL REVENUES</b>	<b><u>1,455,736</u></b>	<b><u>1,455,736</u></b>	<b><u>1,513,840</u></b>	<b><u>-</u></b>	<b><u>1,513,840</u></b>	<b><u>58,104</u></b>
<b>EXPENDITURES:</b>						
Personnel Services	326,748	326,748	279,682	-	279,682	47,066
Materials and Supplies	126,822	140,822	120,514	9,507	130,021	10,801
Contractual Services	692,191	688,691	536,361	20,074	556,435	132,256
Other	27,525	16,342	15,916	(15,916)	-	16,342
Total Operating Expenditures	1,173,286	1,172,603	952,473	13,665	966,138	206,465
Capital Outlay	20,000	20,683	20,683	-	20,683	-
<b>TOTAL EXPENDITURES</b>	<b><u>1,193,286</u></b>	<b><u>1,193,286</u></b>	<b><u>973,156</u></b>	<b><u>13,665</u></b>	<b><u>986,821</u></b>	<b><u>206,465</u></b>
Excess (Deficiency) of Revenues Over Expenditures	262,450	262,450	540,684	(13,665)	527,019	264,569
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer Out:						
Airport Fund	(600,000)	(600,000)	(600,000)	-	(600,000)	-
Airport Construction Fund	-	(500,000)	(500,000)	-	(500,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(600,000)</u></b>	<b><u>(1,100,000)</u></b>	<b><u>(1,100,000)</u></b>	<b><u>-</u></b>	<b><u>(1,100,000)</u></b>	<b><u>-</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(337,550)	(837,550)	(559,316)	(13,665)	(572,981)	264,569
Fund Balances at Beginning of Year	813,520	1,003,862	1,003,862	(15,916)	987,946	(15,916)
<b>FUND BALANCES AT END OF YEAR</b>	<b><u>\$ 475,970</u></b>	<b><u>166,312</u></b>	<b><u>444,546</u></b>	<b><u>(29,581)</u></b>	<b><u>414,965</u></b>	<b><u>248,653</u></b>

**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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Taxes:						
General Sales & Use Tax	\$ 7,535,029	7,535,029	7,984,344	-	7,984,344	449,315
Investment Income:						
Interest Earnings	62,700	62,700	64,139	-	64,139	1,439
Miscellaneous:						
Contributions	-	-	150,000	-	150,000	150,000
Reimbursements	-	-	6,951	-	6,951	6,951
<b>TOTAL REVENUES</b>	<b><u>7,597,729</u></b>	<b><u>7,597,729</u></b>	<b><u>8,205,434</u></b>	<b><u>-</u></b>	<b><u>8,205,434</u></b>	<b><u>607,705</u></b>
<b>EXPENDITURES:</b>						
Materials and Supplies	31,689	147,637	50,568	86,200	136,768	10,869
Contractual Services	195,175	305,166	312,264	2,000	314,264	(9,098)
Other	861,000	215,710	-	-	-	215,710
Total Operating Expenditures	1,087,864	668,513	362,832	88,200	451,032	217,481
Capital Outlay	-	3,789,351	3,395,042	99,831	3,494,873	294,478
<b>TOTAL EXPENDITURES</b>	<b><u>1,087,864</u></b>	<b><u>4,457,864</u></b>	<b><u>3,757,874</u></b>	<b><u>188,031</u></b>	<b><u>3,945,905</u></b>	<b><u>511,959</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,509,865</u>	<u>3,139,865</u>	<u>4,447,560</u>	<u>(188,031)</u>	<u>4,259,529</u>	<u>1,119,664</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Sports & Community Operations	3,795,044	3,795,044	3,786,343	-	3,786,343	(8,701)
Transfers Out:						
Sports & Community Debt Service	(3,795,044)	(3,795,044)	(3,786,343)	-	(3,786,343)	8,701
Laredo Entertainment Center Oerations	(1,459,089)	(1,459,089)	(1,361,955)	-	(1,361,955)	97,134
Debt Service	(3,866,276)	(3,866,276)	(3,866,276)	-	(3,866,276)	-
Baseball Stadium	(300,000)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(5,625,365)</u></b>	<b><u>(5,325,365)</u></b>	<b><u>(5,228,231)</u></b>	<b><u>-</u></b>	<b><u>(5,228,231)</u></b>	<b><u>97,134</u></b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	884,500	(2,185,500)	(780,671)	(188,031)	(968,702)	1,216,798
Fund Balances at Beginning of Year	<u>18,628,275</u>	<u>18,705,052</u>	<u>18,705,052</u>	<u>-</u>	<u>18,705,052</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<b><u>\$ 19,512,775</u></b>	<b><u>16,519,552</u></b>	<b><u>17,924,381</u></b>	<b><u>(188,031)</u></b>	<b><u>17,736,350</u></b>	<b><u>1,216,798</u></b>

CITY OF LAREDO, TEXAS  
LAREDO ENERGY ARENA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
Year ended September 30, 2013

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for Services	\$ 2,997,482	2,997,482	3,423,503	-	3,423,503	426,021
<b>TOTAL REVENUES</b>	<b>2,997,482</b>	<b>2,997,482</b>	<b>3,423,503</b>	<b>-</b>	<b>3,423,503</b>	<b>426,021</b>
<b>EXPENDITURES:</b>						
Contractual Services	4,456,571	4,456,571	4,867,584	-	4,867,584	(411,013)
<b>TOTAL EXPENDITURES</b>	<b>4,456,571</b>	<b>4,456,571</b>	<b>4,867,584</b>	<b>-</b>	<b>4,867,584</b>	<b>(411,013)</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,459,089)	(1,459,089)	(1,444,081)	-	(1,444,081)	15,008
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfer In:						
Sports & Community Venue Fund	1,459,089	1,459,089	1,361,955	-	1,361,955	(97,134)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,459,089</b>	<b>1,459,089</b>	<b>1,361,955</b>	<b>-</b>	<b>1,361,955</b>	<b>(97,134)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(82,126)	-	(82,126)	(82,126)
Fund Balances at Beginning of Year	-	170,000	170,000	-	170,000	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>170,000</b>	<b>87,874</b>	<b>-</b>	<b>87,874</b>	<b>(82,126)</b>



**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 291	391	682	250
Miscellaneous:				
Reimbursements	<u>160,250</u>	<u>-</u>	<u>160,250</u>	<u>160,250</u>
<b>TOTAL REVENUES</b>	<b><u>160,541</u></b>	<b><u>391</u></b>	<b><u>160,932</u></b>	<b><u>160,500</u></b>
<b>EXPENDITURES:</b>				
Contractual Services	28	1,626	1,654	20,250
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,250</u>
<b>TOTAL EXPENDITURES</b>	<b><u>28</u></b>	<b><u>1,626</u></b>	<b><u>1,654</u></b>	<b><u>60,500</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>160,513</u></b>	<b><u>(1,235)</u></b>	<b><u>159,278</u></b>	<b><u>100,000</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer Out:				
General Fund	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>-</u></b>	<b><u>(100,000)</u></b>	<b><u>(100,000)</u></b>	<b><u>(100,000)</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 160,513</u></b>	<b><u>(101,235)</u></b>	<b><u>59,278</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>160,513</u>		
<b>Fund Balances-Ending</b>		<b><u>\$ 59,278</u></b>		

CITY OF LAREDO, TEXAS  
 FRIENDS OF THE LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 Year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
Intergovernmental:						
Federal Operating Grant	\$ 98,000	98,000	41,040	-	41,040	(56,960)
Charges for Services	-	-	4,784	-	4,784	4,784
Investment Income:						
Interest Earnings	400	400	372	-	372	(28)
Miscellaneous:						
Contributions	250,000	250,000	250,235	-	250,235	235
Reimbursements	-	-	15	-	15	15
<b>TOTAL REVENUES</b>	<b><u>348,400</u></b>	<b><u>348,400</u></b>	<b><u>296,446</u></b>	<b><u>-</u></b>	<b><u>296,446</u></b>	<b><u>(51,954)</u></b>
Library:						
Contractual Services	-	841	821	-	821	20
Other	250,000	249,159	834	-	834	248,325
Total Library	<u>250,000</u>	<u>250,000</u>	<u>1,655</u>	<u>-</u>	<u>1,655</u>	<u>248,345</u>
FCC-Universal Service Program:						
Contractual Services	107,873	103,848	45,733	-	45,733	58,115
Other	-	4,025	-	-	-	4,025
Total FCC-Universal Service Program	<u>107,873</u>	<u>107,873</u>	<u>45,733</u>	<u>-</u>	<u>45,733</u>	<u>62,140</u>
<b>TOTAL EXPENDITURES</b>	<b><u>357,873</u></b>	<b><u>357,873</u></b>	<b><u>47,388</u></b>	<b><u>-</u></b>	<b><u>47,388</u></b>	<b><u>310,485</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(9,473)	(9,473)	249,058	-	249,058	258,531
Fund Balances at Beginning of Year	108,349	105,129	105,129	-	105,129	-
<b>FUND BALANCES AT END OF YEAR</b>	<b><u>\$ 98,876</u></b>	<b><u>95,656</u></b>	<b><u>354,187</u></b>	<b><u>-</u></b>	<b><u>354,187</u></b>	<b><u>258,531</u></b>

**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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Investment Income:						
Interest Earnings	\$ 12,700	12,700	10,022	-	10,022	(2,678)
Miscellaneous:						
Forfeitures	635,000	635,000	2,040,790	-	2,040,790	1,405,790
Reimbursements	12,000	12,000	8,873	-	8,873	(3,127)
<b>TOTAL REVENUES</b>	<b>659,700</b>	<b>659,700</b>	<b>2,059,685</b>	<b>-</b>	<b>2,059,685</b>	<b>1,399,985</b>
<b>EXPENDITURES:</b>						
Personnel Services	344,951	344,951	344,951	-	344,951	-
Materials and Supplies	504,057	400,686	213,895	58,609	272,504	128,182
Contractual Services	167,785	192,785	61,907	22,371	84,278	108,507
Other	300,000	371	370	-	370	1
Total Operating Expenditures	1,316,793	938,793	621,123	80,980	702,103	236,690
Debt Service:						
Principal	522,757	494,245	494,245	-	494,245	-
Interest	-	28,512	28,512	-	28,512	-
Capital Outlay	24,125	1,772,277	578,158	1,144,095	1,722,253	50,024
<b>TOTAL EXPENDITURES</b>	<b>1,863,675</b>	<b>3,233,827</b>	<b>1,722,038</b>	<b>1,225,075</b>	<b>2,947,113</b>	<b>286,714</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Bond / Capital Lease Proceeds	-	370,152	264,652	-	264,652	(105,500)
Transfer Out:						
Debt Service	(678,500)	(678,500)	(678,500)	-	(678,500)	-
Sale of Assets	-	-	105,950	-	105,950	105,950
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(678,500)</b>	<b>(308,348)</b>	<b>(307,898)</b>	<b>-</b>	<b>(307,898)</b>	<b>450</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,882,475)	(2,882,475)	29,749	(1,225,075)	(1,195,326)	1,687,149
Fund Balances at Beginning of Year	3,008,710	3,042,845	3,042,845	-	3,042,845	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,126,235</b>	<b>160,370</b>	<b>3,072,594</b>	<b>(1,225,075)</b>	<b>1,847,519</b>	<b>1,687,149</b>

**CITY OF LAREDO, TEXAS  
WEBB COUNTY COLONIAS PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 7,843,827	40,296	7,884,123	7,885,314
Fees and Collections	330,851	5,133	335,984	330,851
Investment Income:				
Interest Earnings	92,926	732	93,658	93,557
Miscellaneous:				
Contributions	14,188	-	14,188	14,188
<b>TOTAL REVENUES</b>	<b><u>8,281,792</u></b>	<b><u>46,161</u></b>	<b><u>8,327,953</u></b>	<b><u>8,323,910</u></b>
<b>EXPENDITURES:</b>				
Other	7,858,015	40,295	7,898,310	8,458,672
<b>TOTAL EXPENDITURES</b>	<b><u>7,858,015</u></b>	<b><u>40,295</u></b>	<b><u>7,898,310</u></b>	<b><u>8,458,672</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>423,777</u></b>	<b><u>5,866</u></b>	<b><u>429,643</u></b>	<b><u>(134,762)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Waterworks System	134,762	-	134,762	134,762
Transfers Out:				
Waterworks System	-	(456,217)	(456,217)	-
Sewer System	-	(108,188)	(108,188)	-
	-			
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>134,762</u></b>	<b><u>(564,405)</u></b>	<b><u>(429,643)</u></b>	<b><u>134,762</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 558,539</u></b>	<b><u>(558,539)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		558,539		
<b>Fund Balances-Ending</b>		<b><u>\$ -</u></b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 1,273,471	70,514	1,343,985	3,437,398
Webb County	360,654	-	360,654	375,000
Investment Income:				
Interest Earnings	12,913	10	12,923	13,152
Miscellaneous:				
Contributions and Donations	498,762	-	498,762	4,030,189
Reimbursements	-	6,216	6,216	-
<b>TOTAL REVENUES</b>	<b><u>2,145,800</u></b>	<b><u>76,740</u></b>	<b><u>2,222,540</u></b>	<b><u>7,855,739</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	17,686	-	17,686	17,686
Contractual Services	28,101	-	28,101	-
Other	-	-	-	1,890,983
Capital Outlay	2,368,891	94,124	2,463,015	6,420,084
<b>TOTAL EXPENDITURES</b>	<b><u>2,414,678</u></b>	<b><u>94,124</u></b>	<b><u>2,508,802</u></b>	<b><u>8,328,753</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(268,878)</u></b>	<b><u>(17,384)</u></b>	<b><u>(286,262)</u></b>	<b><u>(473,014)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
2007 C.O. Bond	138,470	5,429	143,899	332,413
General Fund	148,541	-	148,541	140,601
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>287,011</u></b>	<b><u>5,429</u></b>	<b><u>292,440</u></b>	<b><u>473,014</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 18,133</u></b>	<b><u>(11,955)</u></b>	<b><u>6,178</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		18,133		
<b>Fund Balances-Ending</b>		<b><u>\$ 6,178</u></b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 644,235	80,294	724,529	724,539
State	21,832,267	43,247	21,875,514	48,198,777
Miscellaneous:				
Other	-	-	-	728,800
<b>TOTAL REVENUES</b>	<b><u>22,476,502</u></b>	<b><u>123,541</u></b>	<b><u>22,600,043</u></b>	<b><u>49,652,116</u></b>
<b>EXPENDITURES:</b>				
Other	-	-	-	1,962,168
Capital Outlay	24,291,124	208,773	24,499,897	53,890,736
<b>TOTAL EXPENDITURES</b>	<b><u>24,291,124</u></b>	<b><u>208,773</u></b>	<b><u>24,499,897</u></b>	<b><u>55,852,904</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(1,814,622)</u></b>	<b><u>(85,232)</u></b>	<b><u>(1,899,854)</u></b>	<b><u>(6,200,788)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Capital Improvements Fund	557,225	-	557,225	1,091,249
2006 C.O. Bond	84,445	-	84,445	84,444
2007 C.O. Bond	1,160,523	27,030	1,187,553	2,481,497
2008 C.O. Bond	397	-	397	1,543,598
2012 C.O. Bond	12,032	58,202	70,234	1,000,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>1,814,622</u></b>	<b><u>85,232</u></b>	<b><u>1,899,854</u></b>	<b><u>6,200,788</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		-		
<b>Fund Balances-Ending</b>		<b><u>\$ -</u></b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 230,098	2,862	232,960	163,420
Miscellaneous:				
Other	44,243	-	44,243	37,142
<b>TOTAL REVENUES</b>	<b>274,341</b>	<b>2,862</b>	<b>277,203</b>	<b>200,562</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	892,106	25,497	917,603	929,917
Contractual Services	1,592	4,100	5,692	5,262
Other	-	-	-	6,340
Bond Costs	264,294	89,530	353,824	298,824
Capital Outlay	8,076,606	3,330,317	11,406,923	12,165,905
<b>TOTAL EXPENDITURES</b>	<b>9,234,598</b>	<b>3,449,444</b>	<b>12,684,042</b>	<b>13,406,248</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,960,257)</b>	<b>(3,446,582)</b>	<b>(12,406,839)</b>	<b>(13,205,686)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	12,840,629	3,800,000	16,640,629	13,085,629
Bond Premium	32,636	58,279	90,915	90,915
Transfer In:				
General Fund	640,000	-	640,000	640,000
Transfers Out:				
General Fund	(640,000)	-	(640,000)	(640,000)
Transit System	(3,573,116)	-	(3,573,116)	-
Debt Service Fund	-	(858)	(858)	(858)
Sale of Assets	30,000	-	30,000	30,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>9,330,149</b>	<b>3,857,421</b>	<b>13,187,570</b>	<b>13,205,686</b>
<b>Net Change in Fund Balances</b>	<b>\$ 369,892</b>	<b>410,839</b>	<b>780,731</b>	<b>-</b>
Fund Balances-Beginning		369,892		
<b>Fund Balances-Ending</b>		<b>\$ 780,731</b>		

**CITY OF LAREDO, TEXAS**  
**CERTIFICATE OF OBLIGATION 2005 ISSUE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 1,477,573	225	1,477,798	1,477,782
Other	472,429	-	472,429	472,430
<b>TOTAL REVENUES</b>	<b>1,950,002</b>	<b>225</b>	<b>1,950,227</b>	<b>1,950,212</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	156,486	-	156,486	156,486
Contractual Services	1,808	1,924	3,732	2,918
Other	-	-	-	3,561
Debt Service	256,525	-	256,525	256,525
Capital Outlay	14,279,997	31,060	14,311,057	14,508,596
<b>TOTAL EXPENDITURES</b>	<b>14,694,816</b>	<b>32,984</b>	<b>14,727,800</b>	<b>14,928,086</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(12,744,814)</b>	<b>(32,759)</b>	<b>(12,777,573)</b>	<b>(12,977,874)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	15,625,000	-	15,625,000	15,625,000
Transfer In:				
Risk Management	352,874	-	352,874	352,874
Transfer Out:				
Communication System Fund	(3,000,000)	-	(3,000,000)	(3,000,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>12,977,874</b>	<b>-</b>	<b>12,977,874</b>	<b>12,977,874</b>
<b>Net Change in Fund Balances</b>	<b>\$ 233,060</b>	<b>(32,759)</b>	<b>200,301</b>	<b>-</b>
Fund Balances-Beginning		233,060		
<b>Fund Balances-Ending</b>		<b>\$ 200,301</b>		



**CITY OF LAREDO, TEXAS  
CERTIFICATE OF OBLIGATION 2006 ISSUE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
UTHSC - Dental Clinic	\$ 758,869	-	758,869	758,869
Investment Income:				
Interest Earnings	1,946,322	484	1,946,806	1,947,224
Discount Earnings	105	-	105	105
Other	67,781	-	67,781	54,154
<b>TOTAL REVENUES</b>	<b><u>2,773,077</u></b>	<b><u>484</u></b>	<b><u>2,773,561</u></b>	<b><u>2,760,352</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	37,552	1,775	39,327	39,327
Contractual Services	8,685	1,950	10,635	12,468
Other	758,884	-	758,884	965,839
Bond Costs	327,891	-	327,891	327,891
Capital Outlay	18,109,541	85,735	18,195,276	18,334,978
<b>TOTAL EXPENDITURES</b>	<b><u>19,242,553</u></b>	<b><u>89,460</u></b>	<b><u>19,332,013</u></b>	<b><u>19,680,503</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(16,469,476)</u></b>	<b><u>(88,976)</u></b>	<b><u>(16,558,452)</u></b>	<b><u>(16,920,151)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	17,320,000	-	17,320,000	17,320,000
Transfer In:				
Capital Improvements Fund	11,168	-	11,168	11,168
Transfers Out:				
Capital Grants Fund	(84,445)	-	(84,445)	(84,445)
Capital Improvements Fund	(326,572)	-	(326,572)	(326,572)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>16,920,151</u></b>	<b><u>-</u></b>	<b><u>16,920,151</u></b>	<b><u>16,920,151</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 450,675</u></b>	<b><u>(88,976)</u></b>	<b><u>361,699</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		450,675		
<b>Fund Balances-Ending</b>		<b><u>\$ 361,699</u></b>		

**CITY OF LAREDO, TEXAS**  
**CERTIFICATE OF OBLIGATION 2007 ISSUE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
School Districts	\$ 27,200	-	27,200	27,200
Investment Income:				
Interest Earnings	6,540,293	12,370	6,552,663	6,554,251
Miscellaneous:				
Contributions and Donations	1,000,000	-	1,000,000	1,200,000
Other	838,186	-	838,186	788,751
<b>TOTAL REVENUES</b>	<b><u>8,405,679</u></b>	<b><u>12,370</u></b>	<b><u>8,418,049</u></b>	<b><u>8,570,202</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	746,864	137,791	884,655	863,509
Contractual Services	164,948	17,288	182,236	55,514
Other	27,200	-	27,200	29,757
Bond Costs	938,978	-	938,978	938,978
Capital Outlay	49,231,605	351,819	49,583,424	52,330,809
<b>TOTAL EXPENDITURES</b>	<b><u>51,109,595</u></b>	<b><u>506,898</u></b>	<b><u>51,616,493</u></b>	<b><u>54,218,567</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(42,703,916)</u></b>	<b><u>(494,528)</u></b>	<b><u>(43,198,444)</u></b>	<b><u>(45,648,365)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Transfer In:				
2010 C.O. Bond Issue	750,000	-	750,000	750,000
Transfers Out:				
Environmental Services Fund	(15,101,957)	(837,347)	(15,939,304)	(17,441,075)
Capital Grants Fund	(1,160,523)	(27,030)	(1,187,553)	(2,481,497)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(26,985)	(35,103)	(62,088)	(225,582)
Sale of Assets	27,105	90,000	117,105	27,105
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>49,507,054</u></b>	<b><u>(809,480)</u></b>	<b><u>48,697,574</u></b>	<b><u>45,648,365</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 6,803,138</u></b>	<b><u>(1,304,008)</u></b>	<b><u>5,499,130</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>6,803,138</u>		
<b>Fund Balances-Ending</b>		<b><u>\$ 5,499,130</u></b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 1,296,615	15,373	1,311,988	1,312,547
Other	310,421	6,626	317,047	219,494
<b>TOTAL REVENUES</b>	<b><u>1,607,036</u></b>	<b><u>21,999</u></b>	<b><u>1,629,035</u></b>	<b><u>1,532,041</u></b>
<b>EXPENDITURES:</b>				
Materials and Supplies	74,794	21,859	96,653	101,210
Contractual Services	207,850	94,147	301,997	46,753
Other	-	-	-	1,193,836
Bond Costs	520,293	-	520,293	520,293
Capital Outlay	21,750,762	5,065,833	26,816,595	29,723,259
<b>TOTAL EXPENDITURES</b>	<b><u>22,553,699</u></b>	<b><u>5,181,839</u></b>	<b><u>27,735,538</u></b>	<b><u>31,585,351</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(20,946,663)</u></b>	<b><u>(5,159,840)</u></b>	<b><u>(26,106,503)</u></b>	<b><u>(30,053,310)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	30,065,000	-	30,065,000	30,065,000
Bond Premium	455,293	-	455,293	455,293
Transfer In:				
2010 C.O. Bond Issue	1,500,000	-	1,500,000	1,500,000
Transfers Out:				
Capital Improvements Fund	-	-	-	(90,972)
Parks Capital Grant	(138,470)	(5,429)	(143,899)	(332,413)
Capital Grants Fund	(397)	-	(397)	(1,543,598)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>31,881,426</u></b>	<b><u>(5,429)</u></b>	<b><u>31,875,997</u></b>	<b><u>30,053,310</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 10,934,763</u></b>	<b><u>(5,165,269)</u></b>	<b><u>5,769,494</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>10,934,763</u>		
<b>Fund Balances-Ending</b>		<b><u>\$ 5,769,494</u></b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 213,719	12,041	225,760	973,026
Other	40,579	-	40,579	8,083
<b>TOTAL REVENUES</b>	<b>254,298</b>	<b>12,041</b>	<b>266,339</b>	<b>981,109</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	8,143	-	8,143	8,144
Contractual Services	9,804	5,077	14,881	15,364
Other	-	-	-	248,728
Debt Service	480,247	-	480,247	480,248
Capital Outlay	19,109,285	2,569,434	21,678,719	26,976,125
<b>TOTAL EXPENDITURES</b>	<b>19,607,479</b>	<b>2,574,511</b>	<b>22,181,990</b>	<b>27,728,609</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(19,353,181)</b>	<b>(2,562,470)</b>	<b>(21,915,651)</b>	<b>(26,747,500)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	24,735,000	-	24,735,000	24,735,000
Bond Premium	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
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>27,492,747</b>	<b>-</b>	<b>27,492,747</b>	<b>26,747,500</b>
<b>Net Change in Fund Balances</b>	<b>\$ 8,139,566</b>	<b>(2,562,470)</b>	<b>5,577,096</b>	<b>-</b>
Fund Balances-Beginning		8,139,566		
<b>Fund Balances-Ending</b>		<b>\$ 5,577,096</b>		

**CITY OF LAREDO, TEXAS  
 CERTIFICATE OF OBLIGATION 2010 ISSUE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES-BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 67,558	3,323	70,881	72,347
Miscellaneous:				
Reimbursements	11,903	1,400	13,303	11,903
<b>TOTAL REVENUES</b>	<b>79,461</b>	<b>4,723</b>	<b>84,184</b>	<b>84,250</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	5,592	-	5,592	5,592
Contractual Services	1,688	2,816	4,504	4,740
Other	-	-	-	480,475
Bond Costs	195,403	-	195,403	195,403
Capital Outlay	2,414,915	1,366,925	3,781,840	4,593,443
<b>TOTAL EXPENDITURES</b>	<b>2,617,598</b>	<b>1,369,741</b>	<b>3,987,339</b>	<b>5,279,653</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,538,137)</b>	<b>(1,365,018)</b>	<b>(3,903,155)</b>	<b>(5,195,403)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	9,545,000	-	9,545,000	9,545,000
Bond Premium	650,403	-	650,403	650,403
Transfers Out:				
Capital Improvements Fund	(750,000)	-	(750,000)	(750,000)
2007 C.O. Bond Fund	(750,000)	-	(750,000)	(750,000)
2008 C.O. Bond Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
2009 C.O. Bond Fund	(2,000,000)	-	(2,000,000)	(2,000,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>5,195,403</b>	<b>-</b>	<b>5,195,403</b>	<b>5,195,403</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,657,266</b>	<b>(1,365,018)</b>	<b>1,292,248</b>	<b>-</b>
Fund Balances-Beginning		2,657,266		
<b>Fund Balances-Ending</b>		<b>\$ 1,292,248</b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 23,351	10,750	34,101	27,726
<b>TOTAL REVENUES</b>	<b>23,351</b>	<b>10,750</b>	<b>34,101</b>	<b>27,726</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	29,912	56,320	86,232	86,423
Contractual Services	6,590	8,729	15,319	18,932
Other	-	125,000	125,000	133,160
Bond Cost	166,174	-	166,174	185,617
Capital Outlay	825,662	1,628,916	2,454,578	3,289,211
<b>TOTAL EXPENDITURES</b>	<b>1,028,338</b>	<b>1,818,965</b>	<b>2,847,303</b>	<b>3,713,343</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,004,987)</b>	<b>(1,808,215)</b>	<b>(2,813,202)</b>	<b>(3,685,617)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
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	(19,085)	(170,856)	(189,941)	(1,500,000)
Capital Improvements Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Grants	(12,032)	(58,202)	(70,234)	(1,000,000)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>6,154,500</b>	<b>(229,058)</b>	<b>5,925,442</b>	<b>3,685,617</b>
<b>Net Change in Fund Balances</b>	<b>\$ 5,149,513</b>	<b>(2,037,273)</b>	<b>3,112,240</b>	<b>-</b>
Fund Balances-Beginning		5,149,513		
<b>Fund Balances-Ending</b>		<b>\$ 3,112,240</b>		

**CITY OF LAREDO, TEXAS  
BASEBALL STADIUM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Income:				
Interest Earnings	\$ 42,096	-	42,096	42,102
Miscellaneous:				
Reimbursements	24,380	-	24,380	-
Contributions and Donations	800,000	-	800,000	1,000,000
<b>TOTAL REVENUES</b>	<b>866,476</b>	<b>-</b>	<b>866,476</b>	<b>1,042,102</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	328,597	1,334	329,931	329,931
Contractual Services	697,928	72,681	770,609	1,939,393
Other	-	-	-	200,007
Bond Costs	347,188	-	347,188	347,188
Capital Outlay	19,045,537	401,557	19,447,094	18,280,771
<b>TOTAL EXPENDITURES</b>	<b>20,419,250</b>	<b>475,572</b>	<b>20,894,822</b>	<b>21,097,290</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(19,552,774)</b>	<b>(475,572)</b>	<b>(20,028,346)</b>	<b>(20,055,188)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Long Term Debt	10,445,000	-	10,445,000	10,445,000
Bond Discount	(97,812)	-	(97,812)	(97,812)
Transfer In:				
Sports and Community Venue	9,708,000	-	9,708,000	9,708,000
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b>20,055,188</b>	<b>-</b>	<b>20,055,188</b>	<b>20,055,188</b>
<b>Net Change in Fund Balances</b>	<b>\$ 502,414</b>	<b>(475,572)</b>	<b>26,842</b>	<b>-</b>
Fund Balances-Beginning		502,414		
<b>Fund Balances-Ending</b>		<b>\$ 26,842</b>		

**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
FAA Grants	\$ 25,171,118	12,142,525	37,313,643	46,343,787
Texas Department of Transportation	182,481	65,683	248,164	249,127
Investment Income:				
Interest Earnings	183,890	1,976	185,866	191,392
Miscellaneous:				
Other	372,955	75,440	448,395	374,699
<b>TOTAL REVENUES</b>	<b><u>25,910,444</u></b>	<b><u>12,285,624</u></b>	<b><u>38,196,068</u></b>	<b><u>47,159,005</u></b>
<b>EXPENDITURES:</b>				
Personnel	251,284	212,663	463,947	1,301,225
Materials and Supplies	457,755	78,299	536,054	565,796
Contractual Services	1,962,434	617,134	2,579,568	8,594,779
Other	753,908	2	753,910	66,208
Bond Cost	135,000	-	135,000	135,000
Capital Outlay	30,125,941	12,340,084	42,466,025	46,908,520
<b>TOTAL EXPENDITURES</b>	<b><u>33,686,322</u></b>	<b><u>13,248,182</u></b>	<b><u>46,934,504</u></b>	<b><u>57,571,528</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>(7,775,878)</u></b>	<b><u>(962,558)</u></b>	<b><u>(8,738,436)</u></b>	<b><u>(10,412,523)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds - Bond Issues	6,135,000	-	6,135,000	6,135,000
Sale of Land	1,230,332	-	1,230,332	1,230,332
Transfers In:				
General Fund	-	627,514	627,514	769,668
International Airport	848,284	493,572	1,341,856	1,328,286
Noise Abatement Lease Program	2,250,000	500,000	2,750,000	2,750,000
Airport Construction	2,111,281	141,280	2,252,561	2,855,505
Transfers Out:				
International Airport	(280,201)	-	(280,201)	(280,201)
Debt Service	(1,520,561)	-	(1,520,561)	(1,520,562)
Airport Construction	(2,111,281)	(141,280)	(2,252,561)	(2,855,505)
<b>TOTAL OTHER FINANCING SOURCES:</b>	<b><u>8,662,854</u></b>	<b><u>1,621,086</u></b>	<b><u>10,283,940</u></b>	<b><u>10,412,523</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 886,976</u></b>	<b><u>658,528</u></b>	<b><u>1,545,504</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		886,976		
<b>Fund Balances-Ending</b>		<b><u>\$ 1,545,504</u></b>		



**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, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Intergovernmental:				
Federal	\$ 225,959	15,657	241,616	1,496,295
State	1,713,410	81,166	1,794,576	3,067,801
Other	3,188	-	3,188	68,188
Investment Income:				
Interest Earnings	5,189,342	39,845	5,229,187	5,221,900
Discount Earnings	1,086	116	1,202	1,017
Miscellaneous:				
Contribution	4,510,312	306,268	4,816,580	4,582,749
Other	2,210,368	12,872,641	15,083,009	2,357,869
<b>TOTAL REVENUES</b>	<b>13,853,665</b>	<b>13,315,693</b>	<b>27,169,358</b>	<b>16,795,819</b>
<b>EXPENDITURES:</b>				
Materials and Supplies	1,608,496	7,099	1,615,595	2,038,746
Contractual Services	1,551,258	566,326	2,117,584	2,336,566
Other	113,762	183,540	297,302	713,064
Capital Outlay	18,992,748	2,349,605	21,342,353	28,969,359
<b>TOTAL EXPENDITURES</b>	<b>22,266,264</b>	<b>3,106,570</b>	<b>25,372,834</b>	<b>34,057,735</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,412,599)</b>	<b>10,209,123</b>	<b>1,796,524</b>	<b>(17,261,916)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
General Fund	5,400,000	2,000,000	7,400,000	5,400,000
Civic Center	3,000,000	-	3,000,000	3,000,000
Hotel-Motel Occupancy Tax	368,000	-	368,000	368,000
1998 C.O. Issue	324,498	-	324,498	324,498
2006 C.O. Issue	326,572	-	326,572	326,572
2007 C.O. Issue	26,985	35,103	62,088	225,582
2008 C.O. Issue	-	-	-	90,972
2010 C.O. Issue	750,000	-	750,000	750,000
2012 C.O. Issue	1,500,000	-	1,500,000	1,500,000
Bridge System	20,828,519	3,571,891	24,400,410	21,705,781
Waterworks System	1,375,144	-	1,375,144	1,375,144
Information Technology	\$ 750,000	-	750,000	610,468

(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, 2013**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ (13,269,751)	(4,000,000)	(17,269,751)	(17,269,751)
Civic Center	(54,101)	-	(54,101)	(54,101)
Capital Grants Fund	<u>(557,225)</u>	<u>-</u>	<u>(557,225)</u>	<u>(1,091,249)</u>
<b>TOTAL OTHER FINANCING SOURCES:</b>	<u><b>20,768,641</b></u>	<u><b>1,606,994</b></u>	<u><b>22,375,635</b></u>	<u><b>17,261,916</b></u>
<b>Net Change in Fund Balances</b>	<b>\$ <u>12,356,042</u></b>	<b>11,816,117</b>	<b><u>24,172,159</u></b>	<b><u>-</u></b>
Fund Balances-Beginning		<u>12,356,042</u>		
<b>Fund Balances-Ending</b>		<b>\$ <u>24,172,159</u></b>		

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>						
Interest Earnings	\$ 200	200	219	-	219	19
<b>TOTAL REVENUES</b>	<b>200</b>	<b>200</b>	<b>219</b>	<b>-</b>	<b>219</b>	<b>19</b>
<b>EXPENDITURES:</b>						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	2,000	2,000	-	-	-	2,000
<b>TOTAL EXPENDITURES</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,300)	(2,300)	219	-	219	2,519
Fund Balances at Beginning of Year	22,615	72,601	72,601	-	72,601	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 20,315</b>	<b>70,301</b>	<b>72,820</b>	<b>-</b>	<b>72,820</b>	<b>2,519</b>

## 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 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 ASSETS**  
**September 30, 2013**

	<u>RISK MANAGEMENT</u>	<u>HEALTH &amp; BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECH.</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents:					
Cash	\$ 50	-	400	-	450
Equity in Investment Pool	25,158	44,250	12,339	3,234	84,981
Investments	3,592,653	6,345,955	1,774,199	455,672	12,168,479
Accounts Receivable	-	-	5,957	32,908	38,865
Accrued Interest Receivable	5,882	10,390	2,905	746	19,923
Inventory	-	-	464,260	-	464,260
Prepaid items	291,000	250	-	-	291,250
<b>Total Current Assets</b>	<b>3,914,743</b>	<b>6,400,845</b>	<b>2,260,060</b>	<b>492,560</b>	<b>13,068,208</b>
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	419,493	-	420,681
Improvements	-	-	11,391	-	11,391
Machinery and Equipment	46,718	17,217	335,955	774,647	1,174,537
Transportation Vehicles and Equipment	62,843	14,195	679,521	107,517	864,076
Less Accumulated Depreciation	(70,195)	(31,412)	(889,974)	(581,922)	(1,573,503)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>40,554</b>	<b>-</b>	<b>556,386</b>	<b>300,242</b>	<b>897,182</b>
<b>TOTAL ASSETS</b>	<b>3,955,297</b>	<b>6,400,845</b>	<b>2,816,446</b>	<b>792,802</b>	<b>13,965,390</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	207,825	655,909	732,663	65,665	1,662,062
Claims and Judgments Payable	2,406,118	2,434,523	-	-	4,840,641
Accrued Wages and Employee Benefits	34,235	9,404	75,021	50,486	169,146
Compensated Absences	17,989	1,347	44,272	39,238	102,846
Deferred Revenue	-	79,509	-	-	79,509
<b>Total Current Liabilities</b>	<b>2,666,167</b>	<b>3,180,692</b>	<b>851,956</b>	<b>155,389</b>	<b>6,854,204</b>
Noncurrent Liabilities:					
Compensated Absences	43,238	1,712	84,859	112,321	242,130
<b>Total Noncurrent Liabilities</b>	<b>43,238</b>	<b>1,712</b>	<b>84,859</b>	<b>112,321</b>	<b>242,130</b>
<b>TOTAL LIABILITIES</b>	<b>2,709,405</b>	<b>3,182,404</b>	<b>936,815</b>	<b>267,710</b>	<b>7,096,334</b>
<b>NET ASSETS</b>					
Invested in Capital Assets	40,554	-	556,386	300,242	897,182
Unrestricted	1,205,338	3,218,441	1,323,245	224,850	5,971,874
<b>TOTAL NET ASSETS</b>	<b>\$ 1,245,892</b>	<b>3,218,441</b>	<b>1,879,631</b>	<b>525,092</b>	<b>6,869,056</b>

**CITY OF LAREDO, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**Year ended September 30, 2013**

	<u>RISK MANAGEMENT</u>	<u>HEALTH &amp; BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECHNOLOGY</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 5,446,801	24,568,654	11,203,082	2,787,383	44,005,920
Reimbursements	125,205	522,739	43,182	22,370	713,496
<b>TOTAL OPERATING REVENUES</b>	<b>5,572,006</b>	<b>25,091,393</b>	<b>11,246,264</b>	<b>2,809,753</b>	<b>44,719,416</b>
<b>OPERATING EXPENSES:</b>					
Cost of Services	2,997,421	18,965,804	7,735,827	818,835	30,517,887
Personnel Services	894,214	251,240	2,002,753	1,326,365	4,474,572
Materials and Supplies	95,231	1,949	86,578	127,182	310,940
Contractual Services	542,800	1,454,250	902,359	303,411	3,202,820
Depreciation	4,778	-	71,766	133,196	209,740
<b>TOTAL OPERATING EXPENSES</b>	<b>4,534,444</b>	<b>20,673,243</b>	<b>10,799,283</b>	<b>2,708,989</b>	<b>38,715,959</b>
Operating Income (Loss)	1,037,562	4,418,150	446,981	100,764	6,003,457
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Intergovernmental	-	-	-	1,409	1,409
Investment Income:					
Interest Earnings	9,226	7,979	5,588	719	23,512
Discount Earnings	-	-	27	-	27
Gain/(Loss) on Sale of Assets	-	-	2,015	-	2,015
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>9,226</b>	<b>7,979</b>	<b>7,630</b>	<b>2,128</b>	<b>26,963</b>
Income Before Contributions and Transfers	1,046,788	4,426,129	454,611	102,892	6,030,420
<b>OPERATING TRANSFERS IN/(OUT):</b>					
Transfers In	193,107	-	-	-	193,107
Transfers Out	(750,000)	(193,107)	(750,000)	-	(1,693,107)
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(556,893)</b>	<b>(193,107)</b>	<b>(750,000)</b>	<b>-</b>	<b>(1,500,000)</b>
Change in Net Assets	489,895	4,233,022	(295,389)	102,892	4,530,420
Total Net Assets - Beginning	755,997	(1,014,581)	2,175,020	422,200	2,338,636
<b>TOTAL NET ASSETS- ENDING</b>	<b>\$ 1,245,892</b>	<b>3,218,441</b>	<b>1,879,631</b>	<b>525,092</b>	<b>6,869,056</b>

**CITY OF LAREDO, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

	<b>RISK MANAGEMENT</b>	<b>HEALTH &amp; BENEFITS</b>	<b>FLEET MANAGEMENT</b>	<b>INFORMATION TECHNOLOGY</b>	<b>TOTAL</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users	\$ 125,275	538,476	40,983	10,172	714,906
Receipts from interfund services provided	5,446,801	24,568,654	11,203,082	2,787,383	44,005,920
Payment to suppliers	(3,759,722)	(20,160,205)	(8,291,087)	(1,184,006)	(33,395,020)
Payment to employees	(887,942)	(250,430)	(1,995,545)	(1,310,273)	(4,444,190)
Payment for interfund services used	(211,028)	(1,588)	(490,701)	(136,805)	(840,122)
<b>Net cash provided (used) by operating activities</b>	<b>713,384</b>	<b>4,694,907</b>	<b>466,732</b>	<b>166,471</b>	<b>6,041,494</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfer from Other Funds	193,107	-	-	-	193,107
Transfer to Other Funds	(750,000)	(193,107)	(750,000)	-	(1,693,107)
Subsidy from federal and state grants	-	-	-	1,409	1,409
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>(556,893)</b>	<b>(193,107)</b>	<b>(750,000)</b>	<b>1,409</b>	<b>(1,498,591)</b>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	-	-	(99,634)	(117,659)	(217,293)
Proceeds from sales of capital assets	-	-	2,015	-	2,015
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(97,619)</b>	<b>(117,659)</b>	<b>(215,278)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sales and maturity of investments	(140,050)	(4,458,077)	387,152	(47,595)	(4,258,570)
Interest and dividends received	8,717	527	6,074	608	15,926
<b>Net cash provided (used) by investing activities</b>	<b>(131,333)</b>	<b>(4,457,550)</b>	<b>393,226</b>	<b>(46,987)</b>	<b>(4,242,644)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,158</b>	<b>44,250</b>	<b>12,339</b>	<b>3,234</b>	<b>84,981</b>
<b>Cash and cash equivalents - October 1</b>	<b>50</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>450</b>
<b>Cash and cash equivalents - September 30</b>	<b>\$ 25,208</b>	<b>44,250</b>	<b>12,739</b>	<b>3,234</b>	<b>85,431</b>
<b>Reconciliation of Operating income to net cash provided (used) by operating activities:</b>					
Operating income	\$ 1,037,562	4,418,150	446,981	100,764	6,003,457
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	4,778	-	71,766	133,196	209,740
(Increase) decrease in accounts receivable	70	15,737	(2,199)	(12,198)	1,410
(Increase) decrease in inventories	-	-	(39,554)	-	(39,554)
(Increase) decrease in prepaid items	(13,000)	75,799	-	-	62,799
Increase (decrease) in accounts payable	(125,515)	157,349	(17,470)	(71,383)	(57,019)
Increase (decrease) in compensated absences payable	892	509	5,321	13,221	19,943
Increase (decrease) in accrued wages and employee benefits	5,380	301	1,887	2,871	10,439
Increase (decrease) in claims and judgements payable	(196,783)	27,062	-	-	(169,721)
<b>Total adjustments</b>	<b>(324,178)</b>	<b>276,757</b>	<b>19,751</b>	<b>65,707</b>	<b>38,037</b>
<b>Net cash provided by operating activities</b>	<b>\$ 713,384</b>	<b>4,694,907</b>	<b>466,732</b>	<b>166,471</b>	<b>6,041,494</b>



This page intentionally left blank

**CITY OF LAREDO, TEXAS  
RISK MANAGEMENT  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2013**

	<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>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 6,309,022	6,309,022	5,446,801	-	5,446,801	(862,221)
Reimbursements	-	-	125,205	-	125,205	125,205
<b>TOTAL OPERATING REVENUES</b>	<b>6,309,022</b>	<b>6,309,022</b>	<b>5,572,006</b>	<b>-</b>	<b>5,572,006</b>	<b>(737,016)</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	4,675,030	4,675,630	2,997,421	-	2,997,421	1,678,209
Personnel Services	866,507	866,507	894,214	(892)	893,322	(26,815)
Materials and Supplies	140,278	123,055	95,231	-	95,231	27,824
Contractual Services	632,040	648,663	542,800	-	542,800	105,863
Other	250,000	250,000	-	-	-	250,000
Depreciation	-	-	4,778	(4,778)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>6,563,855</b>	<b>6,563,855</b>	<b>4,534,444</b>	<b>(5,670)</b>	<b>4,528,774</b>	<b>2,035,081</b>
Operating Income (Loss)	(254,833)	(254,833)	1,037,562	5,670	1,043,232	1,298,065
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	7,900	7,900	9,226	-	9,226	1,326
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>7,900</b>	<b>7,900</b>	<b>9,226</b>	<b>-</b>	<b>9,226</b>	<b>1,326</b>
Income (Loss) Before Contributions and Transfers	(246,933)	(246,933)	1,046,788	5,670	1,052,458	1,299,391
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfers In:						
Health and Benefits Fund	193,107	193,107	193,107	-	193,107	-
Transfers Out:						
General Fund	(750,000)	(750,000)	(750,000)	-	(750,000)	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(556,893)</b>	<b>(556,893)</b>	<b>(556,893)</b>	<b>-</b>	<b>(556,893)</b>	<b>-</b>
Change in Net Assets	(803,826)	(803,826)	489,895	5,670	495,565	1,299,391
Total Net Assets - Beginning	755,997	755,997	755,997	-	755,997	-
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ (47,829)</b>	<b>(47,829)</b>	<b>1,245,892</b>	<b>5,670</b>	<b>1,251,562</b>	<b>1,299,391</b>

**CITY OF LAREDO, TEXAS  
RISK MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 125,275
Receipts from interfund services provided	5,446,801
Payment to suppliers	(3,759,722)
Payment to employees	(887,942)
Payment for interfund services used	<u>(211,028)</u>

**Net cash provided (used) by operating activities** 713,384

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer from other funds	193,107
Transfer to other funds	<u>(750,000)</u>

**Net cash provided (used) by noncapital and related financing activities** (556,893)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(140,050)
Interest and dividends received	<u>8,717</u>

**Net cash provided (used) by investing activities** (131,333)

**Net increase (decrease) in cash and cash equivalents** **25,158**  
**Cash and cash equivalents - October 1** **50**

**Cash and cash equivalents - September 30** **\$ 25,208**

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

Operating income	\$ <u>1,037,562</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	4,778
(Increase) decrease in accounts receivable	70
(Increase) decrease in prepaid items	(13,000)
Increase (decrease) in accounts payable	(125,515)
Increase (decrease) in compensated absences payable	892
Increase (decrease) in accrued wages and employee benefits	5,380
Increase (decrease) in claims and judgments payable	<u>(196,783)</u>

Total adjustments (324,178)

**Net cash provided by operating activities** **\$ 713,384**

CITY OF LAREDO, TEXAS  
HEALTH AND BENEFITS  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2013

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 24,011,080	24,011,080	24,568,654	-	24,568,654	557,574
Reimbursements	512,439	512,439	522,739	-	522,739	10,300
<b>TOTAL OPERATING REVENUES</b>	<b>24,523,519</b>	<b>24,523,519</b>	<b>25,091,393</b>	<b>-</b>	<b>25,091,393</b>	<b>567,874</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	20,725,646	20,597,099	18,965,804	-	18,965,804	1,631,295
Personnel Services	246,924	254,637	251,240	(509)	250,731	3,906
Materials and Supplies	2,845	2,900	1,949	-	1,949	951
Contractual Services	1,348,750	1,469,529	1,454,250	-	1,454,250	15,279
<b>TOTAL OPERATING EXPENSES</b>	<b>22,324,165</b>	<b>22,324,165</b>	<b>20,673,243</b>	<b>(509)</b>	<b>20,672,734</b>	<b>1,651,431</b>
Operating Income (Loss)	2,199,354	2,199,354	4,418,150	509	4,418,659	2,219,305
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	-	-	7,979	-	7,979	7,979
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>-</b>	<b>-</b>	<b>7,979</b>	<b>-</b>	<b>7,979</b>	<b>7,979</b>
Income Before Contributions and Transfers	2,199,354	2,199,354	4,426,129	509	4,426,638	2,227,284
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfers Out:						
Risk Management Fund	(193,107)	(193,107)	(193,107)	-	(193,107)	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(193,107)</b>	<b>(193,107)</b>	<b>(193,107)</b>	<b>-</b>	<b>(193,107)</b>	<b>-</b>
Change in Net Assets	2,006,247	2,006,247	4,233,022	509	4,233,531	2,227,284
Total Net Assets - Beginning	(1,014,581)	(1,014,581)	(1,014,581)	-	(1,014,581)	-
<b>TOTAL NET ASSETS-ENDING</b>	<b>\$ 991,666</b>	<b>991,666</b>	<b>3,218,441</b>	<b>509</b>	<b>3,218,950</b>	<b>2,227,284</b>

**CITY OF LAREDO, TEXAS  
HEALTH AND BENEFITS  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 538,476
Receipts from interfund services provided	24,568,654
Payment to suppliers	(20,160,205)
Payment to employees	(250,430)
Payment for interfund services used	<u>(1,588)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>4,694,907</u></b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds	<u>(193,107)</u>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>(193,107)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(4,458,077)
Interest and dividends received	<u>527</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>(4,457,550)</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>44,250</b>
<b>Cash and cash equivalents - October 1</b>	<b><u>-</u></b>
<b>Cash and cash equivalents - September 30</b>	<b><u>\$ 44,250</u></b>

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

Operating income	\$ <u>4,418,150</u>
Adjustments to reconcile operating income to net cash provided (used)	
(Increase) decrease in accounts receivable	15,737
(Increase) decrease in prepaid items	75,799
Increase (decrease) in accounts payable	157,349
Increase (decrease) in compensated absences payable	509
Increase (decrease) in accrued wages and employee benefits	301
Increase (decrease) in claims and judgements payable	<u>27,062</u>
Total adjustments	<u>276,757</u>

<b>Net cash provided by operating activities</b>	<b><u>\$ 4,694,907</u></b>
--	----------------------------

CITY OF LAREDO, TEXAS  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2013

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 12,073,269	12,073,269	11,203,082	-	11,203,082	(870,187)
Reimbursements	225,000	225,000	43,182	-	43,182	(181,818)
<b>TOTAL OPERATING REVENUES</b>	<b>12,298,269</b>	<b>12,298,269</b>	<b>11,246,264</b>	<b>-</b>	<b>11,246,264</b>	<b>(1,052,005)</b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	8,556,268	8,664,960	7,735,827	-	7,735,827	929,133
Personnel Services	2,347,193	2,296,155	2,002,753	-	2,002,753	293,402
Materials and Supplies	130,059	128,059	86,578	-	86,578	41,481
Contractual Services	1,178,444	1,127,890	902,359	-	902,359	225,531
Other	315,000	241,000	-	-	-	241,000
Capital Outlay	273,364	342,264	-	99,634	99,634	242,630
Depreciation	-	-	71,766	(71,766)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>12,800,328</b>	<b>12,800,328</b>	<b>10,799,283</b>	<b>27,868</b>	<b>10,827,151</b>	<b>1,973,177</b>
Operating Income (Loss)	(502,059)	(502,059)	446,981	(27,868)	419,113	921,172
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	3,400	3,400	5,588	-	5,588	2,188
Discount Earnings	-	-	27	-	27	27
Gain/(Loss) on Sale of Assets	-	-	2,015	-	2,015	2,015
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>3,400</b>	<b>3,400</b>	<b>7,630</b>	<b>-</b>	<b>7,630</b>	<b>4,230</b>
Income Before Contributions and Transfers	(498,659)	(498,659)	454,611	(27,868)	426,743	925,402
<b>OPERATING TRANSFERS IN/(OUT):</b>						
Transfers Out:						
General Fund	(750,000)	(750,000)	(750,000)	-	(750,000)	-
<b>TOTAL OPERATING TRANSFERS IN/(OUT)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>-</b>	<b>(750,000)</b>	<b>-</b>
Change in Net Assets	(1,248,659)	(1,248,659)	(295,389)	(27,868)	(323,257)	925,402
Total Net Assets - Beginning	2,175,020	2,175,020	2,175,020	-	2,175,020	-
<b>TOTAL NET ASSETS- ENDING</b>	<b>\$ 926,361</b>	<b>926,361</b>	<b>1,879,631</b>	<b>(27,868)</b>	<b>1,851,763</b>	<b>925,402</b>

**CITY OF LAREDO, TEXAS  
FLEET MANAGEMENT FUND  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 40,983
Receipts from interfund services provided	11,203,082
Payment to suppliers	(8,291,087)
Payment to employees	(1,995,545)
Payment for interfund services used	<u>(490,701)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>466,732</u></b>

**CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds	<u>(750,000)</u>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>(750,000)</u></b>

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

Purchase of capital assets	(99,634)
Proceeds from sales of capital assets	<u>2,015</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(97,619)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	387,152
Interest and dividends received	<u>6,074</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>393,226</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,339</b>
<b>Cash and cash equivalents - October 1</b>	<b><u>400</u></b>
<b>Cash and cash equivalents - September 30</b>	<b>\$ <u><u>12,739</u></u></b>

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

Operating income	\$ <u>446,981</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	71,766
(Increase) decrease in accounts receivable	(2,199)
Increase (decrease) in allowable for uncollectible accounts	-
(Increase) decrease in inventories	(39,554)
Increase (decrease) in accounts payable	(17,470)
Increase (decrease) in compensated absences payable	5,321
Increase (decrease) in accrued wages and employee benefits	<u>1,887</u>
<b>Total adjustments</b>	<b><u>19,751</u></b>

<b>Net cash provided by operating activities</b>	<b>\$ <u><u>466,732</u></u></b>
--	---------------------------------

CITY OF LAREDO, TEXAS  
INFORMATION TECHNOLOGY  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS  
Year ended September 30, 2013

	<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>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 2,793,778	2,793,778	2,787,383	-	2,787,383	(6,395)
Reimbursements	-	-	22,370	-	22,370	22,370
<b>TOTAL OPERATING REVENUES</b>	<b><u>2,793,778</u></b>	<b><u>2,793,778</u></b>	<b><u>2,809,753</u></b>	<b><u>-</u></b>	<b><u>2,809,753</u></b>	<b><u>15,975</u></b>
<b>OPERATING EXPENSES:</b>						
Cost of Services	832,743	895,215	818,835	-	818,835	76,380
Personnel Services	1,314,240	1,331,471	1,326,365	(13,220)	1,313,145	18,326
Materials and Supplies	205,625	179,858	127,182	-	127,182	52,676
Contractual Services	368,477	393,492	303,411	-	303,411	90,081
Other	100	100	-	-	-	100
Capital Outlay	60,000	168,117	-	117,659	117,659	50,458
Depreciation	-	-	133,196	(133,196)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b><u>2,781,185</u></b>	<b><u>2,968,253</u></b>	<b><u>2,708,989</u></b>	<b><u>(28,757)</u></b>	<b><u>2,680,232</u></b>	<b><u>288,021</u></b>
Operating Income (Loss)	12,593	(174,475)	100,764	28,757	129,521	303,996
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	-	-	1,409	-	1,409	1,409
Investment Income:						
Interest Earnings	1,300	1,300	719	-	719	(581)
Interest Expense	(25,194)	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b><u>(23,894)</u></b>	<b><u>1,300</u></b>	<b><u>2,128</u></b>	<b><u>-</u></b>	<b><u>2,128</u></b>	<b><u>828</u></b>
Income (Loss) Before Contributions and Transfers	(11,301)	(173,175)	102,892	28,757	131,649	304,824
Change in Net Assets	(11,301)	(173,175)	102,892	28,757	131,649	304,824
Total Net Assets - Beginning	422,200	422,200	422,200	-	422,200	-
<b>TOTAL NET ASSETS - ENDING</b>	<b><u>\$ 410,899</u></b>	<b><u>249,025</u></b>	<b><u>525,092</u></b>	<b><u>28,757</u></b>	<b><u>553,849</u></b>	<b><u>304,824</u></b>



**CITY OF LAREDO, TEXAS  
INFORMATION TECHNOLOGY FUND  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$ 10,172
Receipts from interfund services provided	2,787,383
Payment to suppliers	(1,184,006)
Payment to employees	(1,310,273)
Payment for interfund services used	<u>(136,805)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>166,471</u></b>

**CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:**

Subsidy from federal and state grants	<u>1,409</u>
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b><u>1,409</u></b>

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

Purchase of capital assets	<u>(117,659)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(117,659)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturity of investments	(47,595)
Interest and dividends received	<u>608</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>(46,987)</u></b>

**Net increase (decrease) in cash and cash equivalents** **3,234**

**Cash and cash equivalents - September 30** **\$ 3,234**

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

Operating income	\$ <u>100,764</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	133,196
(Increase) decrease in accounts receivable	(12,198)
Increase (decrease) in accounts payable	(71,383)
Increase (decrease) in compensated absences payable	13,221
Increase (decrease) in accrued wages and employee benefits	<u>2,871</u>
<b>Total adjustments</b>	<b><u>65,707</u></b>

**Net cash provided by operating activities** **\$ 166,471**

This page intentionally left blank

## CAPITAL ASSETS

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source (1)**  
**September 30, 2013 and 2012**

	2013	2012
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 87,392,308	83,682,335
Buildings	194,122,102	192,614,654
Improvements Other Than Buildings	589,625,742	567,127,141
Vehicles	62,666,360	60,218,656
Machinery & Equipment	37,519,548	35,998,463
Construction in Progress	14,846,928	8,734,834
	<b>986,172,988</b>	<b>948,376,083</b>
<b>Total Governmental Funds Capital Assets</b>	<b>986,172,988</b>	<b>948,376,083</b>

**Investments in Governmental Funds Capital Assets by Source:**

General Fund	322,904,254	318,241,674
Special Revenue Funds	205,959,421	198,264,157
Capital Projects Funds	457,309,313	431,870,252
	<b>986,172,988</b>	<b>948,376,083</b>
<b>Total Investments in Governmental Funds \$</b>	<b>986,172,988</b>	<b>948,376,083</b>

(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, 2013**

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ 9,908	-	-	9,908
City Manager	5,003	21,456	-	26,459
Municipal Court	338,729	32,011	(6,432)	364,308
Building Inspections	166,140	62,782	(34,941)	193,981
City Attorney	125	-	(125)	-
City Secretary	45,754	-	-	45,754
Tax Office	105,264	-	-	105,264
City Planning	92,442	-	-	92,442
Finance	254,479	-	-	254,479
Real Estate	7,300,403	1,078,921	(321,495)	8,057,829
City Hall Maintenance	3,292,772	1,044,482	-	4,337,254
Engineering	264,727	-	2,740	267,467
Information Technology	573,999	-	-	573,999
Communications and Support	48,432	-	-	48,432
Community Development	24,362,639	2,005,364	(245,305)	26,122,698
Telecommunications	322,422	16,813	-	339,235
	<hr/>	<hr/>	<hr/>	<hr/>
General Government	37,183,238	4,261,829	(605,558)	40,839,509
Public Safety:				
Police	7,537,710	119,060	(26,315)	7,630,455
Police Trust Fund	15,279,047	578,159	(421,147)	15,436,059
Auto Theft Task Force	257,080	-	-	257,080
Narcotics	691,234	-	-	691,234
Financial Task Force	468,088	190,746	(10,204)	648,630
Special Police	2,868,853	-	-	2,868,853
Laredo Border Violence	148,949	-	(26,918)	122,031
Homeland Security Grant	2,375,397	77,699	-	2,453,096
Fire	7,411,435	230,301	(665,110)	6,976,626
Hazardous Materials	26,820	-	(17,735)	9,085
Parking Meters	4,055,939	24,011	-	4,079,950
911 Administration	799,712	49,650	-	849,362
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	1,192,736	-	-	1,192,736
Traffic Safety	8,027,882	18,597	-	8,046,479
	<hr/>	<hr/>	<hr/>	<hr/>
Public Safety	58,072,501	1,288,223	(1,167,429)	58,193,295
Public Works:				
Capital Improvements Project	74,821,445	1,719,966	(2,385,530)	74,155,881
1998 CO Issue	1,859,890	-	-	1,859,890
Infrastructure Maint.	164,542	-	-	164,542
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	-	1,835,790
2000 CO Issue	7,980,197	-	-	7,980,197
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	5,361,405	-	-	5,361,405
2003 CO Issue	3,725,268	-	-	3,725,268
2005 CO Issue	14,178,582	31,059	-	14,209,641
2006 CO Issue	17,525,709	85,735	-	17,611,444
2007 CO Issue	47,182,944	223,872	(375,771)	47,031,045
2008 CO Issue	19,469,705	1,406,852	(43,296)	20,833,261
2009 CO Issue	18,808,211	1,697,988	(394,775)	20,111,424
2010 CO Issue	2,342,975	1,366,924	(15,339)	3,694,560
2012 CO Issue	747,150	1,707,427	-	2,454,577
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	95,182,613	9,624,418	838,716	105,645,747
Ryan Street Railroad Bridge	668,019	-	-	668,019

(Continued)

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity (1)**  
**For The Year Ended September 30, 2013**

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Public Works: (Cont.)				
Streets of Laredo Urban Mall \$	1,158,524	-	-	1,158,524
Contractual Obligation	13,824,445	3,330,317	(334,212)	16,820,550
Parks Capital Grants	2,368,890	94,124	(6,216)	2,456,798
Capital Grants	24,300,283	3,052	199,990	24,503,325
Public Works	259,002,883	7,610,190	(5,896,612)	260,716,461
Public Works	675,520,270	28,901,924	(8,413,045)	696,009,149
Health & Welfare:				
Health	7,873,610	259,885	-	8,133,495
Noise Abatement Lease	122,726	20,683	-	143,409
Emergency Shelter Grant	416	-	-	416
A.R.R.A.- C.D.	975,026	-	-	975,026
Environmental Services	27,470,492	3,459,580	193,870	31,123,942
Health & Welfare	36,442,270	3,740,148	193,870	40,376,288
Cultural & Recreational:				
Parks & Recreation	13,997,108	892,322	136,218	15,025,648
Library	6,923,765	255,658	19,985	7,199,408
New Public Library	56,167	-	-	56,167
Cemetery	92,839	-	(5,625)	87,214
Friends of the Library	801,866	-	-	801,866
Civic Center	1,644,832	-	(1,644,832)	-
Public Access Channel	2,979,823	209,075	-	3,188,898
Mercado	1,166,850	-	(4,615)	1,162,235
Convention & Visitors Bureau	74,745	-	-	74,745
Sports & Community Venue	4,876,668	3,395,042	-	8,271,710
Recreation Fund	162,664	-	-	162,664
Veterans Field	446,958	-	(446,958)	-
Baseball Stadium	19,045,537	401,557	-	19,447,094
Cultural & Recreational	52,269,822	5,153,654	(1,945,827)	55,477,649
Air Transportation Services:				
Airport	80,153,148	300,763	(23,741)	80,430,170
Air Transportation Services	80,153,148	300,763	(23,741)	80,430,170
Total Assets In Service	939,641,249	43,646,541	(11,961,730)	971,326,060
Construction in Progress	8,734,834	8,214,827	(2,102,733)	14,846,928
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 948,376,083</b>	<b>51,861,368</b>	<b>(14,064,463)</b>	<b>986,172,988</b>

(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, 2013**

<b>FUNCTION AND ACTIVITY</b>	<b>TOTAL</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>IMPROVEMENTS O/T BLDGS</b>	<b>TRANSPORTATION</b>	<b>MACHINERY &amp; EQUIPMENT</b>
<b>General Government:</b>						
Mayor and City Council	\$ 9,908	-	-	-	9,908	-
City Manager	26,459	-	-	-	-	26,459
Municipal Court	364,308	39,981	63,911	-	-	260,416
Building	193,981	-	62,782	-	109,199	22,000
City Attorney	-	-	-	-	-	-
City Secretary	45,754	-	-	-	14,643	31,111
Tax Office	105,264	-	-	-	-	105,264
City Planning	92,442	-	-	-	15,125	77,317
Finance	254,479	18,575	-	-	-	235,904
Real Estate	8,057,829	6,518,829	1,539,000	-	-	-
City Hall Maintenance	4,337,254	3,095,274	1,156,575	-	-	85,405
Engineering	267,467	-	-	-	173,471	93,996
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	26,122,698	6,329,121	2,931,599	14,927,003	1,796,619	138,356
Telecommunications	339,235	-	16,813	27,808	-	294,614
<b>General Government</b>	<b>40,839,509</b>	<b>16,001,780</b>	<b>5,770,680</b>	<b>14,954,811</b>	<b>2,132,933</b>	<b>1,979,305</b>
<b>Public Safety:</b>						
Police	7,630,455	-	6,252,732	-	682,403	695,320
Police Trust Fund	15,436,059	-	920,960	-	11,485,699	3,029,400
Auto Theft Task Force	257,080	-	-	-	156,088	100,992
Narcotics	691,234	-	-	-	483,454	207,780
Financial Task Force	648,630	-	-	-	227,702	420,928
Special Police	2,868,853	-	-	-	689,074	2,179,779
Laredo Border Violence	122,031	-	-	-	95,101	26,930
Homeland Security Grant	2,453,096	-	-	-	427,219	2,025,877
Fire	6,976,626	767,503	1,433,459	-	4,068,519	707,145
Hazardous Materials	9,085	-	9,085	-	-	-
Parking Meters	4,079,950	1,247,536	60,342	2,230,958	238,014	303,100
911 Administration	849,362	-	-	-	-	849,362
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,192,736	-	47,015	-	850,000	295,721
Traffic Safety	8,046,479	-	13,524	7,461,924	162,417	408,614
<b>Public Safety</b>	<b>58,193,295</b>	<b>2,015,039</b>	<b>8,737,117</b>	<b>9,692,882</b>	<b>19,599,280</b>	<b>18,148,977</b>
<b>Public Works:</b>						
Capital Improvements Projects	74,155,881	883,556	5,399,051	64,172,127	1,289,446	2,411,701
1998 C.O. Issue	1,859,890	108,232	864,429	626,445	260,784	-
Infrastructure Maint.	164,542	-	-	105,993	43,569	14,980
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,835,790	455,769	1,184,184	-	28,287	167,550
2000 CO Issue	7,980,197	933,003	3,278,920	3,768,274	-	-
LEC Construction Project	33,348,399	258,500	33,089,899	-	-	-
2002 CO Issue	5,361,405	4,548,595	812,810	-	-	-
2003 CO Issue	3,725,268	31,022	1,584,737	2,109,509	-	-
2005 CO Issue	14,209,641	1,493,130	1,097,864	10,078,705	1,393,310	146,632
2006 CO Issue	17,611,444	-	7,348,813	9,817,971	444,660	-
2007 CO Issue	47,031,045	296,342	9,351,109	28,118,154	8,239,740	1,025,700
2008 CO Issue	20,833,261	500,233	8,057,044	9,583,506	2,665,799	26,679
2009 CO Issue	20,111,424	-	7,947,057	11,060,548	1,085,526	18,293
2010 CO Issue	3,694,560	38,253	146,164	3,448,950	13,167	48,026
2012 CO Issue	2,454,577	56,331	886,402	1,049,986	383,669	78,189
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	105,645,747	12,452,909	4,519,927	84,764,596	1,533,518	2,374,797
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019	-	-

(Continued)

**CITY OF LAREDO, TEXAS**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity (1)**  
**For The Year Ended September 30, 2013**

<b>FUNCTION AND ACTIVITY</b>	<b>TOTAL</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>IMPROVEMENTS O/T BLDGS</b>	<b>TRANSPORTATION</b>	<b>MACHINERY &amp; EQUIPMENT</b>
Public Works: (Cont.)						
Streets of Laredo Urban Mall	\$ 1,158,524	-	-	1,158,524	-	-
Contractual Obligations	16,820,550	-	61,528	-	14,109,440	2,649,582
Parks Capital Grants	2,456,798	498,762	-	1,840,342	111,223	6,471
Capital Grants	24,503,325	1,091	398,390	24,103,844	-	-
Public Works	<u>260,716,461</u>	<u>3,930,255</u>	<u>3,873,487</u>	<u>248,595,150</u>	<u>4,228,116</u>	<u>89,453</u>
Public Works	<u>696,009,149</u>	<u>44,091,237</u>	<u>101,345,646</u>	<u>505,070,643</u>	<u>36,443,570</u>	<u>9,058,053</u>
Health & Welfare:						
Health	8,133,495	421,278	4,400,991	171,500	355,556	2,784,170
Noise Abtm. Lease	143,409	-	-	-	143,409	-
Emergency Shelter Grant	416	-	-	-	-	416
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	<u>31,123,942</u>	<u>3,503,869</u>	<u>1,623,806</u>	<u>24,004,629</u>	<u>1,616,734</u>	<u>374,904</u>
Health & Welfare	<u>40,376,288</u>	<u>3,925,147</u>	<u>6,024,797</u>	<u>25,151,155</u>	<u>2,115,699</u>	<u>3,159,490</u>
Cultural & Recreational:						
Parks & Recreation	15,025,648	9,902,737	3,371,592	13,215	1,380,198	357,906
Library	7,199,408	-	6,475,776	33,000	89,755	600,877
New Public Library	56,167	-	22,346	-	-	33,821
Cemetery	87,214	-	7,900	-	52,064	27,250
Friends of the Library	801,866	-	-	-	-	801,866
Civic Center	-	-	-	-	-	-
Public Access Channel	3,188,898	-	1,406,518	14,624	53,267	1,714,489
Mercado	1,162,235	-	1,162,235	-	-	-
Convention & Visitor's Bureau	74,745	-	17,300	-	57,445	-
Sports & Community Venue	8,271,710	6,663,649	788,598	234,558	-	584,905
Recreation Fund	162,664	-	-	-	162,664	-
Veterans Field	-	-	-	-	-	-
Baseball Stadium	<u>19,447,094</u>	<u>-</u>	<u>17,975,174</u>	<u>541,760</u>	<u>-</u>	<u>930,160</u>
Cultural & Recreational	<u>55,477,649</u>	<u>16,566,386</u>	<u>31,227,439</u>	<u>837,157</u>	<u>1,795,393</u>	<u>5,051,274</u>
Air Transportation Services:						
Airport	<u>80,430,170</u>	<u>4,792,719</u>	<u>41,016,423</u>	<u>33,919,094</u>	<u>579,485</u>	<u>122,449</u>
Air Transportation Services	<u>80,430,170</u>	<u>4,792,719</u>	<u>41,016,423</u>	<u>33,919,094</u>	<u>579,485</u>	<u>122,449</u>
<b>Total Assets in service</b>	<u>971,326,060</u>	<u>87,392,308</u>	<u>194,122,102</u>	<u>589,625,742</u>	<u>62,666,360</u>	<u>37,519,548</u>
Construction in Progress	<u>14,846,928</u>					
<b>Total Governmental Funds Capital Assets</b>	<b>\$ <u>986,172,988</u></b>					

(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.



This page intentionally left blank

# ENTERPRISE FUNDS

## ENTERPRISE FUNDS

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

Enterprise Funds include:

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

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

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

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

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

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

**CITY OF LAREDO, TEXAS  
NONMAJOR ENTERPRISE FUNDS  
STATEMENT OF NET ASSETS  
September 30, 2013**

	<b>MUNICIPAL TRANSIT SYSTEM</b>	<b>MUNICIPAL HOUSING CORPORATION</b>	<b>SOLID WASTE MANAGEMENT</b>	<b>TOTALS</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Cash	\$ 2,250	200	1,800	4,250
Equity in Investment Pool	21,710	14,442	77,564	113,716
Investments	3,284,873	2,084,615	26,167,792	31,537,280
Receivables, net of allowances:				
Accrued Interest	5,071	3,413	62,183	70,667
Accounts	22	29,142	1,274,641	1,303,805
Prepaid Items	2,576	-	-	2,576
Due from Other Funds	105,435	-	1,609,693	1,715,128
Due from Other Governments	2,760,411	-	-	2,760,411
Inventory, at cost	521,816	-	3,409	525,225
<b>Total Current Assets</b>	<b>6,704,164</b>	<b>2,131,812</b>	<b>29,197,082</b>	<b>38,033,058</b>
Noncurrent Assets:				
Restricted Assets:				
Accrued Interest Receivable	-	-	2,431	2,431
Investments	-	-	3,280,997	3,280,997
<b>Total Restricted Assets</b>	<b>-</b>	<b>-</b>	<b>3,283,428</b>	<b>3,283,428</b>
Capital Assets:				
Transportation Vehicles and Equipment	26,471,005	156,313	27,300,898	53,928,216
Buildings	14,494,841	3,623,431	1,069,796	19,188,068
Improvements	10,678,124	131,362	4,590,033	15,399,519
Land and Improvements	9,521,557	354,592	624,668	10,500,817
Construction in Progress	2,933,273	-	134,149	3,067,422
Less Accumulated Depreciation	(25,881,562)	(3,582,820)	(19,851,992)	(49,316,374)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>38,217,238</b>	<b>682,878</b>	<b>13,867,552</b>	<b>52,767,668</b>
Other Assets:				
Unamortized Bond Issuance Costs	75,395	-	331,455	406,850
<b>Total Noncurrent Assets</b>	<b>38,292,633</b>	<b>682,878</b>	<b>17,482,435</b>	<b>56,457,946</b>
<b>TOTAL ASSETS</b>	<b>\$ 44,996,797</b>	<b>2,814,690</b>	<b>46,679,517</b>	<b>94,491,004</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 422,538	21,809	1,814,206	2,258,553
Retainage Payable	11,847	-	-	11,847
Contracts Payable	52,053	-	-	52,053
Due to Other Funds	-	-	731,446	731,446
Accrued Interest Payable	27,173	-	126,237	153,410
Accrued Wages and Employee Benefits	367,357	20,305	241,133	628,795
Compensated Absences	117,350	9,885	123,914	251,149
Customer Deposits	8,610	80,253	-	88,863
Deferred Revenue	-	2,954	-	2,954
General Obligation Bonds	50,404	-	332,077	382,481
Certificates of Obligation	575,000	-	2,130,629	2,705,629
<b>Total Current Liabilities</b>	<b>1,632,332</b>	<b>135,206</b>	<b>5,499,642</b>	<b>7,267,180</b>
Noncurrent Liabilities:				
General Obligation Bonds	3,776,580	-	2,832,239	6,608,819
Certificates of Obligation	1,811,479	-	20,283,712	22,095,191
Closure and Post Closure	-	-	11,826,963	11,826,963
Due to Other Funds	105,435	-	-	105,435
Compensated Absences	89,803	19,732	288,413	397,948
<b>Total Noncurrent Liabilities</b>	<b>5,783,297</b>	<b>19,732</b>	<b>35,231,327</b>	<b>41,034,356</b>
<b>TOTAL LIABILITIES</b>	<b>7,415,629</b>	<b>154,938</b>	<b>40,730,969</b>	<b>48,301,536</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	32,164,302	682,878	5,800,248	38,647,428
Unrestricted	5,416,866	1,976,874	148,300	7,542,040
<b>TOTAL NET ASSETS</b>	<b>\$ 37,581,168</b>	<b>2,659,752</b>	<b>5,948,548</b>	<b>46,189,468</b>

**CITY OF LAREDO, TEXAS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS**  
**Year ended September 30, 2013**

	<b>MUNICIPAL TRANSIT SYSTEM</b>	<b>MUNICIPAL HOUSING CORPORATION</b>	<b>SOLID WASTE MANAGEMENT</b>	<b>TOTALS</b>
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 3,409,443	143,466	18,608,763	22,161,672
Rental of Facilities	527,267	1,267,971	-	1,795,238
Miscellaneous	200,820	34,194	61,859	296,873
<b>TOTAL OPERATING REVENUES</b>	<b>4,137,530</b>	<b>1,445,631</b>	<b>18,670,622</b>	<b>24,253,783</b>
<b>OPERATING EXPENSES:</b>				
Personnel Services	9,639,824	547,242	6,158,719	16,345,785
Materials and Supplies	2,726,518	165,563	2,026,406	4,918,487
Contractual Services	1,659,964	349,141	5,597,725	7,606,830
Other	95,096	67,084	774,501	936,681
Total Operating Expenses Before Depreciation	14,121,402	1,129,030	14,557,351	29,807,783
Depreciation Expense	2,255,777	55,981	1,798,833	4,110,591
<b>TOTAL OPERATING EXPENSES</b>	<b>16,377,179</b>	<b>1,185,011</b>	<b>16,356,184</b>	<b>33,918,374</b>
Operating Income (Loss)	(12,239,649)	260,620	2,314,438	(9,664,591)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment Income:				
Interest Earnings	13,114	6,877	35,162	55,153
Interest Earnings - Restricted	295	-	63,357	63,652
Discount Earnings	111	-	3,792	3,903
Sales Tax	7,666,150	-	-	7,666,150
Gain (Loss) on Sale of Assets	-	-	(2,666)	(2,666)
Interest Expense	(233,183)	-	(991,025)	(1,224,208)
Gain (Loss) on Advance Refunding	(46,604)	-	(28,317)	(74,921)
Federal Operating Grant	4,864,125	-	-	4,864,125
Fiscal Agent Fees	(125)	-	(1,300)	(1,425)
Bond Issuance Cost Amortized	(7,267)	-	(35,189)	(42,456)
Amortized Bond Premiums	-	-	103,172	103,172
State Dept. of Highways	626,991	-	-	626,991
Construction	-	-	(2,906,000)	(2,906,000)
Other	(12,573)	-	-	(12,573)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>12,871,034</b>	<b>6,877</b>	<b>(3,759,014)</b>	<b>9,118,897</b>
Income (Loss) Before Contributions and Transfers	631,385	267,497	(1,444,576)	(545,694)
Capital Contributions-Grants	2,052,591	-	-	2,052,591
Change in Net Assets	2,683,976	267,497	(1,444,576)	1,506,897
Total Net Assets-Beginning	34,897,192	2,392,255	7,393,124	44,682,571
<b>Total Net Assets-Ending</b>	<b>\$ 37,581,168</b>	<b>2,659,752</b>	<b>5,948,548</b>	<b>46,189,468</b>

CITY OF LAREDO, TEXAS  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year ended September 30, 2013

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 4,137,705	1,436,533	18,389,561	23,963,799
Receipts from interfund services provided	-	-	234,650	234,650
Payments to suppliers	(4,526,853)	(346,727)	(1,871,816)	(6,745,396)
Payments to employees	(9,658,974)	(541,550)	(6,118,373)	(16,318,897)
Payments for interfund services used	(162,521)	(232,510)	(4,349,907)	(4,744,938)
<b>Net cash provided (used) by operating activities</b>	<b>(10,210,643)</b>	<b>315,746</b>	<b>6,284,115</b>	<b>(3,610,782)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer to other funds	-	-	82,335	82,335
Subsidy from federal and state grants	3,585,801	-	-	3,585,801
Sales Tax	7,666,150	-	-	7,666,150
Transfer from other funds	-	-	1,122,046	1,122,046
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>11,251,951</b>	<b>-</b>	<b>1,204,381</b>	<b>12,456,332</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from capital debt	-	-	14,686,818	14,686,818
Subsidy from federal and state grants	2,052,591	-	-	2,052,591
Principal paid on capital debt	(1,035,179)	-	(2,488,191)	(3,523,370)
Interest paid on capital debt	(238,573)	-	(933,271)	(1,171,844)
Acquisition and construction of capital assets	(2,864,479)	(97,772)	(9,979,412)	(12,941,663)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(2,085,640)</b>	<b>(97,772)</b>	<b>1,285,944</b>	<b>(897,468)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	1,051,540	(209,914)	(9,840,010)	(8,998,384)
Interest and dividends received	14,702	6,382	1,143,434	1,164,518
<b>Net cash provided (used) by investing activities</b>	<b>1,066,242</b>	<b>(203,532)</b>	<b>(8,696,576)</b>	<b>(7,833,866)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21,910</b>	<b>14,442</b>	<b>77,864</b>	<b>114,216</b>
<b>Cash and cash equivalents, October 1</b>	<b>2,050</b>	<b>200</b>	<b>1,500</b>	<b>3,750</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 23,960</b>	<b>14,642</b>	<b>79,364</b>	<b>117,966</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ (12,239,649)	260,620	2,314,438	(9,664,591)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,255,777	55,981	1,798,833	4,110,591
(Increase) decrease in landfill closure and post closure costs	-	-	732,256	732,256
(Increase) decrease in accounts receivable	1,915	(7,808)	(86,849)	(92,742)
Increase in allowance for uncollectible accounts	(1,815)	(1,275)	42,211	39,121
(Increase) decrease in inventories	2,719	-	2,740	5,459
(Increase) decrease in prepaid items	(2,576)	-	-	(2,576)
Increase in customer deposits	75	(631)	-	(556)
Increase (decrease) in accounts payable	(207,939)	2,551	1,441,913	1,236,525
Increase (decrease) in deferred revenues	-	616	(1,773)	(1,157)
Increase (decrease) in compensated absences payable	(6,367)	4,072	15,341	13,046
Increase (decrease) in accrued wages and employee benefits	(12,783)	1,620	25,005	13,842
Total adjustments	2,029,006	55,126	3,969,677	6,053,809
<b>Net cash provided (used) by operating activities</b>	<b>\$ (10,210,643)</b>	<b>315,746</b>	<b>6,284,115</b>	<b>(3,610,782)</b>
<b>Noncash investing, capital, and financing activities:</b>				
Current closure and post closure costs	-	-	732,256	732,256
Bond issuance cost amortized	7,267	-	(227,993)	(220,726)
Loss on advance refunding	46,604	-	28,317	74,921
Accrued interest payable	5,265	-	57,754	63,019
Sale of assets	-	-	2,666	2,666

This page intentionally left blank

**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 3,311,969	3,311,969	3,409,443	-	3,409,443	97,474
Miscellaneous	156,191	156,191	200,820	-	200,820	44,629
Rental of Facilities	504,093	504,093	527,267	-	527,267	23,174
<b>TOTAL OPERATING REVENUES</b>	<b>3,972,253</b>	<b>3,972,253</b>	<b>4,137,530</b>	<b>-</b>	<b>4,137,530</b>	<b>165,277</b>
<b>OPERATING EXPENSES:</b>						
Opt-Fixed Route:						
Personnel Services	5,821,315	5,827,898	5,829,724	272	5,829,996	(2,098)
Materials and Supplies	1,048,996	1,365,301	1,365,653	-	1,365,653	(352)
Contractual Services	321,516	280,022	274,856	-	274,856	5,166
Other	649,172	80,151	84,662	-	84,662	(4,511)
Total Opt-Fixed Route	7,840,999	7,553,372	7,554,895	272	7,555,167	(1,795)
Opt-Para Transit:						
Personnel Services	981,566	1,087,648	1,087,679	6,611	1,094,290	(6,642)
Materials and Supplies	233,368	156,909	159,927	-	159,927	(3,018)
Contractual Services	108,453	84,978	85,059	-	85,059	(81)
Other	14,700	10,265	10,264	-	10,264	1
Total Opt-Para Transit	1,338,087	1,339,800	1,342,929	6,611	1,349,540	(9,740)
Maint-Fixed Route:						
Personnel Services	1,411,622	1,446,747	1,447,232	2,209	1,449,441	(2,694)
Materials and Supplies	851,451	921,260	920,233	-	920,233	1,027
Contractual Services	148,855	159,070	161,250	-	161,250	(2,180)
Total Maint-Fixed Route	2,411,928	2,527,077	2,528,715	2,209	2,530,924	(3,847)
Maint-Para Transit:						
Personnel Services	205,576	224,877	227,013	583	227,596	(2,719)
Materials and Supplies	41,665	97,122	97,431	-	97,431	(309)
Contractual Services	30,335	42,369	42,402	-	42,402	(33)
Total Maint-Para Transit	277,576	364,368	366,846	583	367,429	(3,061)
Training and Safety:						
Personnel Services	63,262	61,411	62,877	987	63,864	(2,453)
Materials and Supplies	4,275	17,457	16,611	-	16,611	846
Contractual Services	1,517	829	846	-	846	(17)
Total Training and Safety	69,054	79,697	80,334	987	81,321	(1,624)
Building/Grounds:						
Personnel Services	239,905	223,633	225,081	(576)	224,505	(872)
Materials and Supplies	35,375	83,671	78,724	-	78,724	4,947
Contractual Services	215,136	250,713	232,376	-	232,376	18,337
Total Building/Grounds	\$ 490,416	558,017	536,181	(576)	535,605	22,412

(Continued)



CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013

(Continued)

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Bus Stop/Shelters:						
Personnel Services	\$ 100,397	111,242	111,982	-	111,982	(740)
Contractual Services	5,200	4,840	4,840	-	4,840	-
Total Bus Stop/Shelters	<u>105,597</u>	<u>116,082</u>	<u>116,822</u>	<u>-</u>	<u>116,822</u>	<u>(740)</u>
General Administration:						
Personnel Services	323,397	343,064	345,739	(2,533)	343,206	(142)
Materials and Supplies	25,207	25,932	25,932	-	25,932	-
Contractual Services	584,128	574,000	572,077	-	572,077	1,923
Other	15,020	-	-	-	-	-
Total General Administration	<u>947,752</u>	<u>942,996</u>	<u>943,748</u>	<u>(2,533)</u>	<u>941,215</u>	<u>1,781</u>
Transit Center Building:						
Personnel Services	203,536	245,993	245,996	(384)	245,612	381
Materials and Supplies	30,991	53,676	51,881	-	51,881	1,795
Contractual Services	258,606	309,213	281,471	-	281,471	27,742
Other	92,000	-	-	(120)	(120)	120
Total Transit Center Building	<u>585,133</u>	<u>608,882</u>	<u>579,348</u>	<u>(504)</u>	<u>578,844</u>	<u>30,038</u>
Transit Center Facility:						
Personnel Services	52,239	56,504	56,501	(802)	55,699	805
Materials and Supplies	8,700	10,126	10,126	-	10,126	-
Contractual Services	10,506	4,788	4,787	-	4,787	1
Other	142,909	119,187	170	-	170	119,017
Total Transit Center Facility	<u>214,354</u>	<u>190,605</u>	<u>71,584</u>	<u>(802)</u>	<u>70,782</u>	<u>119,823</u>
Total Operating Expenses Before Depreciation	14,280,896	14,280,896	14,121,402	6,247	14,127,649	153,247
Depreciation	-	-	2,255,777	(2,255,777)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b><u>14,280,896</u></b>	<b><u>14,280,896</u></b>	<b><u>16,377,179</u></b>	<b><u>(2,249,530)</u></b>	<b><u>14,127,649</u></b>	<b><u>153,247</u></b>
Operating Income (Loss)	\$ (10,308,643)	(10,308,643)	(12,239,649)	2,249,530	(9,990,119)	318,524

(Continued)

**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	\$ 8,400	8,400	13,114	-	13,114	4,714
Interest Earnings-Restricted	200	200	295	-	295	95
Discount Earnings	129	129	111	-	111	(18)
Sales Tax	6,387,970	6,387,970	7,666,150	-	7,666,150	1,278,180
Interest Expense	(238,450)	(238,450)	(233,183)	(5,265)	(238,448)	2
Principal Paid Revenue Bonds	(1,035,179)	(1,035,179)	-	(1,035,179)	(1,035,179)	-
Loss on Advanced Refunding	-	-	(46,604)	46,604	-	-
Bond Issuance Costs Amortized	-	-	(7,267)	7,267	-	-
FTA Operating Grant	3,865,578	3,865,578	4,864,125	-	4,864,125	998,547
Fiscal Agent Fees	-	-	(125)	-	(125)	(125)
State Dept. of Highways	604,991	604,991	626,991	-	626,991	22,000
Construction	(1,588,810)	(9,309,003)	-	(2,851,906)	(2,851,906)	6,457,097
Other Non-Operating Expenses	(503,394)	(235,607)	(12,573)	-	(12,573)	223,034
<b>TOTAL NONOPERATING REVENUES AND (EXPENSES)</b>	<b><u>7,501,435</u></b>	<b><u>49,029</u></b>	<b><u>12,871,034</u></b>	<b><u>(3,838,479)</u></b>	<b><u>9,032,555</u></b>	<b><u>8,983,526</u></b>
Income (Loss) Before Contributions and Transfers	(2,807,208)	(10,259,614)	631,385	(1,588,949)	(957,564)	9,302,050
Capital Contributions:						
Federal Capital Grant	-	5,495,262	1,921,930	-	1,921,930	(3,573,332)
State Capital Grant	-	569,574	130,661	-	130,661	(438,913)
Transfers In:						
Transit Sales Tax	5,523,389	5,610,889	-	4,490,587	4,490,587	(1,120,302)
Airport	300,000	300,000	-	-	-	(300,000)
Environmental Services	350,000	350,000	-	-	-	(350,000)
Transfers Out:						
Transit Operations	(5,523,389)	(5,523,389)	-	(4,490,587)	(4,490,587)	1,032,802
Capital and Planning	-	(87,500)	-	-	-	87,500
Change in Net Assets	(2,157,208)	(3,544,778)	2,683,976	(1,588,949)	1,095,027	4,639,805
Total Net Assets-Beginning	<u>34,897,192</u>	<u>34,897,192</u>	<u>34,897,192</u>	<u>-</u>	<u>34,897,192</u>	<u>-</u>
<b>Total Net Assets-Ending</b>	<b><u>\$ 32,739,984</u></b>	<b><u>31,352,414</u></b>	<b><u>37,581,168</u></b>	<b><u>(1,588,949)</u></b>	<b><u>35,992,219</u></b>	<b><u>4,639,805</u></b>

This page intentionally left blank

**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	4,137,705
Payments to suppliers		(4,526,853)
Payments to employees		(9,658,974)
Payments for interfund services used		(162,521)
		(10,210,643)
<b>Net cash provided (used) by operating activities</b>		<b>(10,210,643)</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Subsidy from federal and state grants		3,585,801
Sales Tax		7,666,150
		11,251,951
<b>Net cash provided (used) by noncapital and related financing activities</b>		<b>11,251,951</b>

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

Subsidy from federal and state grants		2,052,591
Acquisition and construction of capital assets		(2,864,479)
Principal paid on capital debt		(1,035,179)
Interest paid on capital debt		(238,573)
		(2,085,640)
<b>Net cash provided (used) by capital and related financing activities</b>		<b>(2,085,640)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		1,051,540
Interest and dividends received		14,702
		1,066,242
<b>Net cash provided (used) by investing activities</b>		<b>1,066,242</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>21,910</b>
<b>Cash and cash equivalents, October 1</b>		<b>2,050</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>23,960</b>

(Continued)

**CITY OF LAREDO, TEXAS  
MUNICIPAL TRANSIT SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	(12,239,649)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,255,777
(Increase) decrease in accounts receivable		1,915
Increase in allowance for uncollectible accounts		(1,815)
(Increase) decrease in inventories		2,719
(Increase) decrease in prepaid items		(2,576)
Increase in customer deposits		75
Increase (decrease) in accounts payable		(207,939)
Increase (decrease) in compensated absences payable		(6,367)
Increase (decrease) in accrued wages and employee benefits		(12,783)
<b>Total adjustments</b>		<b>2,029,006</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$</b>	<b>(10,210,643)</b>

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

Bond issuance cost amortized	7,267
Accrued Interest Payable	5,265
Loss on Advance Refunding	46,604

**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Rental of Facilities	\$ 1,680,556	1,680,556	1,798,954	-	1,798,954	118,398
Toll Receipts	45,062,133	45,062,133	45,582,802	-	45,582,802	520,669
Miscellaneous	200,631	200,631	246,661	-	246,661	46,030
<b>TOTAL OPERATING REVENUES</b>	<b>46,943,320</b>	<b>46,943,320</b>	<b>47,628,417</b>	<b>-</b>	<b>47,628,417</b>	<b>685,097</b>
<b>OPERATING EXPENSES:</b>						
Laredo Bridge Operations:						
Personnel Services	2,225,333	2,225,333	1,954,924	5,924	1,960,848	264,485
Materials and Supplies	287,430	302,230	197,726	-	197,726	104,504
Contractual Services	25,533,098	25,544,063	25,509,327	-	25,509,327	34,736
Other	67,128	5,000	23,784	50	23,834	(18,834)
Capital Outlay	47,128	71,413	-	129,588	129,588	(58,175)
<b>Total Laredo Bridge Operations</b>	<b>28,160,117</b>	<b>28,148,039</b>	<b>27,685,761</b>	<b>135,562</b>	<b>27,821,323</b>	<b>326,716</b>
Bridge II Operations:						
Personnel Services	2,335,875	2,335,875	2,117,090	(5,736)	2,111,354	224,521
Materials and Supplies	105,026	108,026	77,405	-	77,405	30,621
Contractual Services	351,036	381,711	305,002	-	305,002	76,709
Capital Outlay	43,424	18,424	-	45,536	45,536	(27,112)
<b>Total Bridge II Operations</b>	<b>2,835,361</b>	<b>2,844,036</b>	<b>2,499,497</b>	<b>39,800</b>	<b>2,539,297</b>	<b>304,739</b>
Colombia Bridge Operations:						
Personnel Services	1,241,848	1,241,848	1,164,646	7,834	1,172,480	69,368
Materials and Supplies	38,732	43,732	34,393	-	34,393	9,339
Contractual Services	239,180	257,180	218,753	-	218,753	38,427
Capital Outlay	33,093	14,093	-	44,785	44,785	(30,692)
<b>Total Colombia Bridge Operations</b>	<b>1,552,853</b>	<b>1,556,853</b>	<b>1,417,792</b>	<b>52,619</b>	<b>1,470,411</b>	<b>86,442</b>
Central America Convention:						
Contractual Services	50,384	384	-	-	-	384
<b>Total Central America Convention</b>	<b>50,384</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384</b>
Cold Storage Facility:						
Contractual Services	15,000	15,000	-	-	-	15,000
<b>Total Cold Storage Facility</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>
Fourth Bridge Operations:						
Personnel Services	2,349,889	2,349,889	2,155,463	8,946	2,164,409	185,480
Materials and Supplies	154,236	165,236	108,551	-	108,551	56,685
Contractual Services	607,061	661,061	593,699	-	593,699	67,362
Capital Outlay	32,377	13,877	-	43,016	43,016	(29,139)
<b>Total Fourth Bridge Operations</b>	<b>3,143,563</b>	<b>3,190,063</b>	<b>2,857,713</b>	<b>51,962</b>	<b>2,909,675</b>	<b>280,388</b>
Fifth Bridge:						
Contractual Services	54,307	7,307	-	-	-	7,307
<b>Total Fifth Bridge</b>	<b>54,307</b>	<b>7,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,307</b>
Total Operating Expenses Before Depreciation						
Depreciation	35,811,585	35,761,682	34,460,763	279,943	34,740,706	1,020,976
	-	-	3,295,367	(3,295,367)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>35,811,585</b>	<b>35,761,682</b>	<b>37,756,130</b>	<b>(3,015,424)</b>	<b>34,740,706</b>	<b>1,020,976</b>
Operating Income (Loss)	\$ 11,131,735	11,181,638	9,872,287	3,015,424	12,887,711	1,706,073

(Continued)

**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

(Continued)

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	\$ -	215,736	-	-	-	(215,736)
Investment Income:						
Interest Earnings	15,100	15,100	16,898	-	16,898	1,798
Interest Earnings - Restricted	23,748	23,748	39,751	-	39,751	16,003
Discount Earnings	-	-	119	-	119	119
Interest Expense	(3,122,464)	(3,122,464)	(3,122,473)	-	(3,122,473)	(9)
Principal Paid Revenue Bonds	(5,604,196)	(5,604,196)	-	(5,604,186)	(5,604,186)	10
Fiscal Agent Fees	(1,000)	(1,000)	(1,600)	-	(1,600)	(600)
Bond Issuance Cost Amortized	-	-	(96,577)	96,577	-	-
Loss on Advance Refunding	-	-	(15,604)	15,604	-	-
Other Non-Operating Expenses	(4,248)	(242,648)	(58,427)	-	(58,427)	184,221
Construction	(4,037,806)	(4,289,672)	(98,709)	(463,659)	(562,368)	3,727,304
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(12,730,866)</b>	<b>(13,005,396)</b>	<b>(3,336,622)</b>	<b>(5,955,664)</b>	<b>(9,292,286)</b>	<b>3,713,110</b>
Income (Loss) Before Contributions and Transfers	(1,599,131)	(1,823,758)	6,535,665	(2,940,240)	3,595,425	5,419,183
Transfers In:						
Bridge Operating Fund	7,636,194	7,636,194	-	7,643,069	7,643,069	6,875
Transfers Out:						
Capital Improvements Fund	(2,109,597)	(2,109,597)	(3,571,891)	-	(3,571,891)	(1,462,294)
Debt Service	(774,098)	(774,098)	(774,098)	-	(774,098)	-
Bridge Debt Service	(7,636,194)	(7,636,194)	-	(7,643,069)	(7,643,069)	(6,875)
Change in Net Assets	(4,482,826)	(4,707,453)	2,189,676	(2,940,240)	(750,564)	3,956,889
Total Net Assets-Beginning	35,308,059	35,308,059	35,308,059	-	35,308,059	-
<b>Total Net Assets-Ending</b>	<b>\$ 30,825,233</b>	<b>30,600,606</b>	<b>37,497,735</b>	<b>(2,940,240)</b>	<b>34,557,495</b>	<b>3,956,889</b>

**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	46,780,614
Payments to suppliers		(1,981,671)
Payments to employees		(7,376,604)
Payments for interfund services used		(25,022,100)
		(25,022,100)
<b>Net cash provided by operating activities</b>		<b>12,400,239</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds		(3,882,579)
Subsidy from federal and state grants		3,571
<b>Net cash provided (used) by noncapital and related financing activities</b>		<b>(3,879,008)</b>

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

Acquisition and construction of capital assets		(883,720)
Principal paid on capital debt		(5,604,186)
Interest paid on capital debt		(3,124,073)
<b>Net cash provided (used) by capital and related financing activities</b>		<b>(9,611,979)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		1,060,319
Interest and dividends received		58,249
<b>Net cash provided (used) by investing activities</b>		<b>1,118,568</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>27,820</b>
<b>Cash and cash equivalents, October 1</b>		<b>10,000</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>37,820</b>

(Continued)



**CITY OF LAREDO, TEXAS  
BRIDGE SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	9,872,287
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		3,295,367
(Increase) decrease in accounts receivable		(2,424)
Increase (decrease) in allowance for uncollectible accounts		50
Increase (decrease) in accounts payable		64,869
Increase (decrease) in deferred revenues		(845,429)
Increase (decrease) in compensated absences payable		16,967
Increase (decrease) in accrued wages and employee benefits		(1,448)
<b>Total adjustments</b>		<b>2,527,952</b>
<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>12,400,239</b>

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

Bond issuance cost amortized	96,577
Loss on advance refunding	15,604

**CITY OF LAREDO, TEXAS  
MUNICIPAL HOUSING CORPORATION  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Rental of Facilities	\$ 1,240,000	1,240,000	1,267,971	-	1,267,971	27,971
Charges for Services	140,000	140,000	143,466	-	143,466	3,466
Miscellaneous	31,505	31,505	34,194	-	34,194	2,689
<b>TOTAL OPERATING REVENUES</b>	<b>1,411,505</b>	<b>1,411,505</b>	<b>1,445,631</b>	<b>-</b>	<b>1,445,631</b>	<b>34,126</b>
<b>OPERATING EXPENSES:</b>						
Airport Housing:						
Personnel Services	552,289	490,339	442,959	(1,581)	441,378	48,961
Materials and Supplies	149,983	157,872	125,128	-	125,128	32,744
Contractual Services	287,274	252,092	187,974	-	187,974	64,118
Other	51,751	51,751	46,984	-	46,984	4,767
Capital Outlay	50,500	20,500	-	-	-	20,500
<b>Total Airport Housing</b>	<b>1,091,797</b>	<b>972,554</b>	<b>803,045</b>	<b>(1,581)</b>	<b>801,464</b>	<b>171,090</b>
West Laredo Housing:						
Personnel Services	106,832	104,156	104,283	(2,491)	101,792	2,364
Materials and Supplies	42,355	44,725	40,435	-	40,435	4,290
Contractual Services	210,893	182,098	161,167	-	161,167	20,931
Other	20,100	20,100	20,100	-	20,100	-
Capital Outlay	-	20,000	-	-	-	20,000
<b>Total West Laredo Housing</b>	<b>380,180</b>	<b>371,079</b>	<b>325,985</b>	<b>(2,491)</b>	<b>323,494</b>	<b>47,585</b>
St. Peters Housing Project:						
Contractual Services	-	40,000	-	-	-	40,000
Capital Outlay	-	75,707	-	-	-	75,707
<b>Total St. Peters Housing Project</b>	<b>-</b>	<b>115,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,707</b>
Total Operating Expenses Before						
Depreciation	1,471,977	1,459,340	1,129,030	(4,072)	1,124,958	334,382
Depreciation Expense	-	-	55,981	(55,981)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,471,977</b>	<b>1,459,340</b>	<b>1,185,011</b>	<b>(60,053)</b>	<b>1,124,958</b>	<b>334,382</b>
Operating Income (Loss)	(60,472)	(47,835)	260,620	60,053	320,673	368,508
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	4,900	4,300	6,877	-	6,877	2,577
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>4,900</b>	<b>4,300</b>	<b>6,877</b>	<b>-</b>	<b>6,877</b>	<b>2,577</b>
Change in Net Assets	(55,572)	(43,535)	267,497	60,053	327,550	371,085
Total Net Assets-Beginning	2,392,255	2,392,255	2,392,255	-	2,392,255	-
<b>Total Net Assets-Ending</b>	<b>\$ 2,336,683</b>	<b>2,348,720</b>	<b>2,659,752</b>	<b>60,053</b>	<b>2,719,805</b>	<b>371,085</b>

This page intentionally left blank

**CITY OF LAREDO, TEXAS  
MUNICIPAL HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	1,436,533
Payments to suppliers		(346,727)
Payments to employees		(541,550)
Payments for interfund services used		(232,510)
		315,746
<b>Net cash provided by operating activities</b>		<b>315,746</b>

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

Acquisition and construction of capital assets		(97,772)
<b>Net cash provided (used) by capital and related financing activities</b>		<b>(97,772)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		(209,914)
Interest and dividends received		6,382
<b>Net cash provided (used) by investing activities</b>		<b>(203,532)</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>14,442</b>
<b>Cash and cash equivalents, October 1</b>		<b>200</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>14,642</b>

(Continued)

**CITY OF LAREDO, TEXAS  
MUNICIPAL HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	260,620
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		55,981
(Increase) decrease in accounts receivable		(7,808)
Increase in allowance for uncollectible accounts		(1,275)
Increase (decrease) in customer deposits		(631)
Increase (decrease) in accounts payable		2,551
Increase (decrease) in deferred revenues		616
Increase (decrease) in compensated absences payable		4,072
Increase (decrease) in accrued wages and employee benefits		1,620
<b>Total adjustments</b>		<b>55,126</b>
<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>315,746</b>

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 35,491,218	35,491,218	35,457,341	-	35,457,341	(33,877)
Miscellaneous	4,534,120	4,534,120	4,726,047	-	4,726,047	191,927
<b>TOTAL OPERATING REVENUES</b>	<b>40,025,338</b>	<b>40,025,338</b>	<b>40,183,388</b>	<b>-</b>	<b>40,183,388</b>	<b>158,050</b>
<b>OPERATING EXPENSES:</b>						
General and Administrative:						
Personnel Services	1,393,331	1,393,331	1,288,982	10,646	1,299,628	93,703
Materials and Supplies	72,845	72,958	46,386	-	46,386	26,572
Contractual Services	2,603,881	2,604,465	2,365,513	-	2,365,513	238,952
Other	907,663	907,663	135,110	(120,489)	14,621	893,042
Capital Outlay	60,580	141,261	-	134,020	134,020	7,241
Total General and Administrative	5,038,300	5,119,678	3,835,991	24,177	3,860,168	1,259,510
Utility Engineering:						
Personnel Services	1,237,153	1,237,153	1,039,939	(14,779)	1,025,160	211,993
Materials and Supplies	64,080	67,405	61,758	-	61,758	5,647
Contractual Services	122,700	119,375	101,828	-	101,828	17,547
Other	400	400	-	-	-	400
Capital Outlay	66,000	66,000	-	44,134	44,134	21,866
Total Utility Engineering	1,490,333	1,490,333	1,203,525	29,355	1,232,880	257,453
Utility Billing:						
Personnel Services	2,103,832	2,103,832	2,018,990	(11,170)	2,007,820	96,012
Materials and Supplies	1,009,725	971,875	965,666	-	965,666	6,209
Contractual Services	787,360	822,110	712,356	-	712,356	109,754
Other	-	-	(19)	-	(19)	19
Capital Outlay	72,500	75,600	-	58,766	58,766	16,834
Total Utility Billing	3,973,417	3,973,417	3,696,993	47,596	3,744,589	228,828
Asset Management:						
Personnel Services	286,674	286,674	286,003	(1,003)	285,000	1,674
Materials and Supplies	16,378	15,749	9,140	-	9,140	6,609
Contractual Services	45,665	46,294	36,686	-	36,686	9,608
Total Asset Management	348,717	348,717	331,829	(1,003)	330,826	17,891
Water Treatment:						
Personnel Services	1,988,245	2,091,044	2,049,402	(12,566)	2,036,836	54,208
Materials and Supplies	1,633,002	1,473,662	1,311,664	-	1,311,664	161,998
Contractual Services	4,314,112	4,471,610	4,435,591	-	4,435,591	36,019
Capital Outlay	101,000	188,719	-	152,910	152,910	35,809
Total Water Treatment	8,036,359	8,225,035	7,796,657	140,344	7,937,001	288,034
Transmission and Distribution:						
Personnel Services	1,989,927	1,887,128	1,492,681	(12,278)	1,480,403	406,725
Materials and Supplies	1,017,255	1,017,028	702,459	-	702,459	314,569
Contractual Services	1,048,674	878,015	762,190	-	762,190	115,825
Other	-	-	(90,947)	-	(90,947)	90,947
Capital Outlay	530,717	534,348	-	529,987	529,987	4,361
Total Transmission and Distribution	\$ 4,586,573	4,316,519	2,866,383	517,709	3,384,092	932,427

(Continued)

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

(Continued)

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Water Pollution Control:						
Personnel Services	\$ 383,097	383,097	291,674	441	292,115	90,982
Materials and Supplies	64,138	62,173	21,994	-	21,994	40,179
Contractual Services	105,004	106,969	46,964	-	46,964	60,005
Total Water Pollution Control	<u>552,239</u>	<u>552,239</u>	<u>360,632</u>	<u>441</u>	<u>361,073</u>	<u>191,166</u>
Total Operating Expenses Before Depreciation	24,025,938	24,025,938	20,092,010	758,619	20,850,629	3,175,309
Depreciation Expense	-	-	7,598,682	(7,598,682)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b><u>24,025,938</u></b>	<b><u>24,025,938</u></b>	<b><u>27,690,692</u></b>	<b><u>(6,840,063)</u></b>	<b><u>20,850,629</u></b>	<b><u>3,175,309</u></b>
Operating Income (Loss)	15,999,400	15,999,400	12,492,696	6,840,063	19,332,759	3,333,359
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	56,677	56,677	78,506	-	78,506	21,829
Interest Earnings Restricted	443,505	2,699,574	277,956	-	277,956	(2,421,618)
Discount Earnings	4,000	4,000	9,375	-	9,375	5,375
Interest Rebate	872,014	872,014	834,081	-	834,081	(37,933)
Premiums	-	6,755,288	-	2,209,038	2,209,038	(4,546,250)
Miscellaneous	625,922	1,034,438	50,142	-	50,142	(984,296)
Water Availability Fees	1,035,127	1,035,127	1,046,318	-	1,046,318	11,191
Gain on Sale of Assets	-	-	22,982	2,459	25,441	25,441
Bond Issues	-	213,426,393	-	43,226,800	43,226,800	(170,199,593)
Interest Expense	(9,109,733)	(10,204,687)	(10,020,234)	62,287	(9,957,947)	246,740
Principal Paid Revenue Bond / Capital Leases	(7,142,048)	(19,018,748)	-	(20,326,347)	(20,326,347)	(1,307,599)
Fiscal Agent Fees	-	-	(4,200)	-	(4,200)	(4,200)
Bond Issuance Cost Amortized	-	(2,766,928)	(262,784)	(608,726)	(871,510)	1,895,418
Loss on Advance Funding	-	(819,285)	(48,531)	(437,616)	(486,147)	333,138
Water Rights Acq./Water Conservation	(1,125,717)	(1,125,717)	(68,014)	-	(68,014)	1,057,703
Other Non-Operating Expenses	(2,612,916)	(270,573,236)	(5,434,528)	(61,302,006)	(66,736,534)	203,836,702
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b><u>(16,953,169)</u></b>	<b><u>(78,625,090)</u></b>	<b><u>(13,518,931)</u></b>	<b><u>(37,174,111)</u></b>	<b><u>(50,693,042)</u></b>	<b><u>27,932,048</u></b>
Income (Loss) Before Contributions and Transfers	(953,769)	(62,625,690)	(1,026,235)	(30,334,048)	(31,360,283)	31,265,407
Capital Contributions:						
Intergovernmental Revenue	-	48,304,272	1,198,341	-	1,198,341	(47,105,931)
Contributions - Developers	-	-	1,532,466	(1,532,466)	-	-
Contributions - Other	-	-	437,781	(435,280)	2,501	2,501
Transfer In:						
Waterworks System	16,888,380	29,367,728	-	25,915,759	25,915,759	(3,451,969)
Colonias Fund	-	-	456,217	-	456,217	456,217
Sewer Fund	-	6,930,000	6,930,000	-	6,930,000	-
Transfers Out:						
Water Construction Fund	(1,418,771)	(1,418,771)	-	(962,814)	(962,814)	455,957
Water Bond	-	(5,500,000)	-	(5,500,000)	(5,500,000)	-
Water Debt Service	(15,469,609)	(21,541,614)	-	(19,452,945)	(19,452,945)	2,088,669
Change in Net Assets	(953,769)	(6,484,075)	9,528,570	(32,301,794)	(22,773,224)	(16,289,149)
Total Net Assets-Beginning	167,480,556	167,480,556	167,480,556	-	167,480,556	-
<b>Total Net Assets-Ending</b>	<b>\$ <u>166,526,787</u></b>	<b><u>160,996,481</u></b>	<b><u>177,009,126</u></b>	<b><u>(32,301,794)</u></b>	<b><u>144,707,332</u></b>	<b><u>(16,289,149)</u></b>

**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	39,724,166
Receipts from interfund services provided		672,663
Payments to suppliers		(1,842,815)
Payments to employees		(8,423,319)
Payments for interfund services used		(3,410,636)
		<b>26,720,059</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds		7,003,114
Subsidiary from federal and state grants		213
<b>Net cash provided (used) by noncapital and related financing activities</b>		<b>7,003,327</b>

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

Proceeds from capital debt		43,937,473
Capital contributions		2,501
Subsidy from federal and state grants		3,236,133
Purchases of capital assets		(66,627,905)
Principal paid on capital debt		(20,326,347)
Interest paid on capital debt		(9,962,147)
Proceeds from sales of capital assets		25,441
<b>Net cash provided (used) by capital and related financing activities</b>		<b>(49,714,851)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		15,116,511
Interest and dividends received		1,146,406
Issuance of notes receivable		2,949
<b>Net cash provided (used) by investing activities</b>		<b>16,265,866</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>274,401</b>
<b>Cash and cash equivalents, October 1</b>		<b>2,150</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>276,551</b>

(Continued)



**CITY OF LAREDO, TEXAS  
WATERWORKS SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	12,492,696
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		7,598,682
(Increase) decrease in accounts receivable		(49,649)
Increase (decrease) in allowance for uncollectible accounts		120,156
(Increase) decrease in inventories		(442,624)
Increase (decrease) in customer deposits		212,140
Increase (decrease) in accounts payable		6,813,512
Increase (decrease) in deferred revenues		(69,206)
Increase (decrease) in compensated absences payable		40,712
Increase (decrease) in accrued wages and employee benefits		3,640
<b>Total adjustments</b>		<b>14,227,363</b>
<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>26,720,059</b>

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

Bond issuance cost amortized	679,080
Contributions of capital assets from developers	1,532,466
Contributions of capital assets from other	435,280
Increase (decrease) in accrued interest payable	62,287
Loss on advance refunds	437,616

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 30,522,553	30,522,553	28,757,673	-	28,757,673	(1,764,880)
Miscellaneous	30,018	30,018	146,402	-	146,402	116,384
<b>TOTAL OPERATING REVENUES</b>	<b>30,552,571</b>	<b>30,552,571</b>	<b>28,904,075</b>	<b>-</b>	<b>28,904,075</b>	<b>(1,648,496)</b>
<b>OPERATING EXPENSES:</b>						
Administrative:						
Materials and Supplies	-	19	19	-	19	-
Contractual Services	5,768,458	5,863,908	5,838,683	-	5,838,683	25,225
Other	251,240	251,241	103,600	(90,783)	12,817	238,424
Total Administrative	6,019,698	6,115,168	5,942,302	(90,783)	5,851,519	263,649
Wastewater Treatment:						
Personnel Services	2,058,884	2,056,884	2,068,759	(26,332)	2,042,427	14,457
Materials and Supplies	924,296	930,796	761,288	-	761,288	169,508
Contractual Services	4,034,502	3,868,770	3,632,625	-	3,632,625	236,145
Capital Outlay	483,000	737,173	-	191,693	191,693	545,480
Total Wastewater Treatment	7,500,682	7,593,623	6,462,672	165,361	6,628,033	965,590
Wastewater Collection:						
Personnel Services	1,542,767	1,573,767	1,528,910	(5,429)	1,523,481	50,286
Materials and Supplies	1,212,817	1,107,817	830,024	-	830,024	277,793
Contractual Services	1,724,409	1,610,089	1,043,947	-	1,043,947	566,142
Capital Outlay	454,000	454,000	-	133,618	133,618	320,382
Total Wastewater Collection	4,933,993	4,745,673	3,402,881	128,189	3,531,070	1,214,603
Total Operating Expenses Before Depreciation	18,454,373	18,454,464	15,807,855	202,767	16,010,622	2,443,842
Depreciation Expense	-	-	6,793,553	(6,793,553)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>18,454,373</b>	<b>18,454,464</b>	<b>22,601,408</b>	<b>(6,590,786)</b>	<b>16,010,622</b>	<b>2,443,842</b>
Operating Income (Loss)	\$ 12,098,198	12,098,107	6,302,667	6,590,786	12,893,453	795,346

(Continued)

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013**

(Continued)

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	\$ 47,516	47,516	78,638	-	78,638	31,122
Interest Earnings Restricted	99,090	5,478,761	177,327	-	177,327	(5,301,434)
Discount Earnings	7,000	7,000	9,403	-	9,403	2,403
Premium	-	1,991,270	-	941,497	941,497	(1,049,773)
Bond Issues	-	147,348,976	-	15,153,200	15,153,200	(132,195,776)
Miscellaneous	303,216	479,718	37,836	-	37,836	(441,882)
Intergovernmental Revenue	-	1,181,641	13,357	-	13,357	(1,168,284)
Interest Expense	(3,375,469)	(3,712,239)	(4,229,316)	(11,990)	(4,241,306)	(529,067)
Principal Paid Revenue Bond /						
Capital Leases	(5,264,184)	(11,987,484)	-	(13,334,883)	(13,334,883)	(1,347,399)
Fiscal Agent Fees	-	(10,250)	(3,825)	-	(3,825)	6,425
Bond Issuance Cost Amortized	-	(2,211,880)	(192,562)	13,907	(178,655)	2,033,225
Loss on Advance Refunding	-	(481,167)	(30,352)	(450,815)	(481,167)	-
Other Non Operating Expenses	(1,835,877)	(151,918,501)	(4,220,254)	(21,954,290)	(26,174,544)	125,743,957
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(10,018,708)</b>	<b>(13,786,639)</b>	<b>(8,359,748)</b>	<b>(19,643,374)</b>	<b>(28,003,122)</b>	<b>(14,216,483)</b>
Income (Loss) Before Contributions and Transfers	2,079,490	(1,688,532)	(2,057,081)	(13,052,588)	(15,109,669)	(13,421,137)
Capital Contributions:						
Contributions - Others	-	91,040	1,060,781	(1,060,781)	-	(91,040)
Contributions - Developers	-	-	83,425	(83,425)	-	-
Transfers In:						
Sewer Debt Service	8,681,191	10,279,132	-	18,858,086	18,858,086	8,578,954
Sewer Bond Funds	-	7,570,000	-	472,438	472,438	(7,097,562)
Sewer Construction	983,854	983,854	-	311,687	311,687	(672,167)
Colonias Fund	-	-	108,188	-	108,188	108,188
Transfers Outs:						
Water Fund	-	(6,930,000)	(6,930,000)	-	(6,930,000)	-
Sewer Debt Service	(8,695,303)	(13,196,370)	-	(11,288,087)	(11,288,087)	1,908,283
Sewer Construction Fund	(969,742)	(983,854)	-	(311,687)	(311,687)	672,167
Sewer Bond Funds	-	(7,570,000)	-	(8,042,437)	(8,042,437)	(472,437)
Change in Net Assets	2,079,490	(11,444,730)	(7,734,687)	(14,196,794)	(21,931,481)	(10,486,751)
Total Net Assets-Beginning	107,214,426	107,214,426	107,214,426	-	107,214,426	-
<b>Total Net Assets-Ending</b>	<b>\$ 109,293,916</b>	<b>95,769,696</b>	<b>99,479,739</b>	<b>(14,196,794)</b>	<b>85,282,945</b>	<b>(10,486,751)</b>

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	28,522,869
Receipts from interfund services provided		578,803
Payments to suppliers		(4,597,718)
Payments to employees		(3,564,069)
Payments for interfund services used		(2,328,178)
		(2,328,178)
<b>Net cash provided by operating activities</b>		<b>18,611,707</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer from other funds		108,188
Transfer to other funds		(6,930,000)
		(6,930,000)
<b>Net cash provided (used) by noncapital and related financing activities</b>		<b>(6,821,812)</b>

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

Subsidy from federal and state grants		26,174
Proceeds from capital debt		15,374,479
Purchases of capital assets		(26,462,017)
Principal paid on capital debt		(13,334,882)
Interest paid on capital debt		(4,245,131)
		(4,245,131)
<b>Net cash provided (used) by capital and related financing activities</b>		<b>(28,641,377)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		16,744,082
Interest and dividends received		239,274
Issuance of notes receivable		5,832
		5,832
<b>Net cash provided (used) by investing activities</b>		<b>16,989,188</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>137,706</b>
<b>Cash and cash equivalents, October 1</b>		<b>300</b>

<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>138,006</b>
--	-----------	----------------

(Continued)

**CITY OF LAREDO, TEXAS  
SEWER SYSTEM  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	6,302,667
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		6,793,553
(Increase) decrease in accounts receivable		121,840
Increase (decrease) in allowance for uncollectible accounts		90,782
(Increase) decrease in inventories		25,728
Increase (decrease) in accounts payable		5,258,562
Increase (decrease) in deferred revenues		(15,025)
Increase (decrease) in compensated absences payable		31,760
Increase (decrease) in accrued wages and employee benefits		1,840

<b>Total adjustments</b>		<b>12,309,040</b>
--------------------------	--	-------------------

<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>18,611,707</b>
--	-----------	-------------------

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

Contributions of capital assets from developers & others		1,144,206
Bond issuance cost amortized		16,291
Increase (decrease) in accrued interest payable		(11,990)
Loss on advance refunds		450,815

**CITY OF LAREDO, TEXAS**  
**SOLID WASTE MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
Year ended September 30, 2013

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ 18,239,772	18,239,772	18,608,763	-	18,608,763	368,991
Miscellaneous	76,669	76,669	61,859	-	61,859	(14,810)
<b>TOTAL OPERATING REVENUES</b>	<b>18,316,441</b>	<b>18,316,441</b>	<b>18,670,622</b>	<b>-</b>	<b>18,670,622</b>	<b>354,181</b>
<b>OPERATING EXPENSES:</b>						
Administration:						
Personnel Services	338,061	338,061	349,142	(820)	348,322	(10,261)
Materials and Supplies	11,890	15,890	9,579	-	9,579	6,311
Contractual Services	66,152	66,152	72,282	-	72,282	(6,130)
Capital Outlay	-	7,500	-	-	-	7,500
<b>Total Administration</b>	<b>416,103</b>	<b>427,603</b>	<b>431,003</b>	<b>(820)</b>	<b>430,183</b>	<b>(2,580)</b>
Branch Division:						
Personnel Services	342,628	342,628	415,016	182	415,198	(72,570)
Materials and Supplies	10,200	65,700	55,797	-	55,797	9,903
Contractual Services	7,147	7,147	5,051	-	5,051	2,096
<b>Total Branch Division</b>	<b>359,975</b>	<b>415,475</b>	<b>475,864</b>	<b>182</b>	<b>476,046</b>	<b>(60,571)</b>
Recycling:						
Personnel Services	844,799	844,799	861,759	5,877	867,636	(22,837)
Materials and Supplies	310,500	259,000	187,145	-	187,145	71,855
Contractual Services	477,012	738,887	522,204	-	522,204	216,683
<b>Total Recycling</b>	<b>1,632,311</b>	<b>1,842,686</b>	<b>1,571,108</b>	<b>5,877</b>	<b>1,576,985</b>	<b>265,701</b>
Sanitation:						
Personnel Services	3,267,283	3,267,283	3,482,325	(9,121)	3,473,204	(205,921)
Materials and Supplies	1,282,124	1,278,124	1,150,023	-	1,150,023	128,101
Contractual Services	2,278,273	1,977,773	1,792,899	-	1,792,899	184,874
Other	2,150,000	2,150,000	42,211	(42,211)	-	2,150,000
<b>Total Sanitation</b>	<b>8,977,680</b>	<b>8,673,180</b>	<b>6,467,458</b>	<b>(51,332)</b>	<b>6,416,126</b>	<b>2,257,054</b>
Landfill:						
Personnel Services	1,059,238	1,059,238	1,050,477	(11,459)	1,039,018	20,220
Materials and Supplies	752,038	783,863	623,862	-	623,862	160,001
Contractual Services	3,898,960	3,892,960	3,205,289	-	3,205,289	687,671
Other	310,000	310,000	732,290	(732,256)	34	309,966
Capital Outlay	2,200,412	2,200,412	-	966,726	966,726	1,233,686
<b>Total Landfill</b>	<b>8,220,648</b>	<b>8,246,473</b>	<b>5,611,918</b>	<b>223,011</b>	<b>5,834,929</b>	<b>2,411,544</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>19,606,717</b>	<b>19,605,417</b>	<b>14,557,351</b>	<b>176,918</b>	<b>14,734,269</b>	<b>4,871,148</b>
Depreciation Expense	-	-	1,798,833	(1,798,833)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>19,606,717</b>	<b>19,605,417</b>	<b>16,356,184</b>	<b>(1,621,915)</b>	<b>14,734,269</b>	<b>4,871,148</b>
Operating Income (Loss)	\$ (1,290,276)	(1,288,976)	2,314,438	1,621,915	3,936,353	5,225,329

(Continued)

CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year ended September 30, 2013

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment Income:						
Interest Earnings	\$ 12,200	12,200	35,162	-	35,162	22,962
Interest Earnings-Restricted	46,923	54,738	63,357	-	63,357	8,619
Premiums	-	-	-	1,050,482	1,050,482	1,050,482
Discount Earnings	2,951	2,951	3,792	-	3,792	841
Gain (Loss) From Sale of Assets	-	-	(2,666)	2,666	-	-
Bond Issues	10,844,899	26,845,381	-	14,950,000	14,950,000	(11,895,381)
Interest Expense	(530,480)	(933,273)	(991,025)	57,754	(933,271)	2
Gain (Loss) on Advance Refunding	-	-	(28,317)	28,317	-	-
Principal Paid Revenue Bond	(993,192)	(2,488,192)	-	(2,488,191)	(2,488,191)	1
Fiscal Agent Fees	-	(1,300)	(1,300)	-	(1,300)	-
Bond Issuance Cost Amortized	-	-	(35,189)	(227,993)	(263,182)	(263,182)
Amortized Bond Premiums	-	-	103,172	(103,172)	-	-
Construction	(10,844,899)	(26,845,381)	(2,906,000)	(6,106,686)	(9,012,686)	17,832,695
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(1,461,598)</b>	<b>(3,352,876)</b>	<b>(3,759,014)</b>	<b>7,163,177</b>	<b>3,404,163</b>	<b>6,757,039</b>
Income (Loss) Before Contributions and Transfers	(2,751,874)	(4,641,852)	(1,444,576)	8,785,092	7,340,516	11,982,368
Transfers In:						
Solid Waste Fund	1,523,672	3,421,465	-	5,648,565	5,648,565	2,227,100
Transfers Out:						
Solid Waste Fund	(1,523,672)	(3,421,465)	-	(5,648,565)	(5,648,565)	(2,227,100)
Change in Net Assets	(2,751,874)	(4,641,852)	(1,444,576)	8,785,092	7,340,516	11,982,368
Total Net Assets-Beginning	7,393,124	7,393,124	7,393,124	-	7,393,124	-
<b>Total Net Assets-Ending</b>	<b>\$ 4,641,250</b>	<b>2,751,272</b>	<b>5,948,548</b>	<b>8,785,092</b>	<b>14,733,640</b>	<b>11,982,368</b>

**CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Receipts from customers and users	\$	18,389,561
Receipts from interfund services provided		234,650
Payments to suppliers		(1,871,816)
Payments to employees		(6,118,373)
Payments for interfund services used		(4,349,907)
		6,284,115
<b>Net cash provided by operating activities</b>		<b>6,284,115</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer to other funds		82,335
Transfer from other funds		1,122,046
		1,204,381
<b>Net cash provided (used) by noncapital and related financing activities</b>		<b>1,204,381</b>

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

Proceeds from capital debt		14,686,818
Principal paid on capital debt		(2,488,191)
Interest paid on capital debt		(933,271)
Acquisition and construction of capital assets		(9,979,412)
		1,285,944
<b>Net cash provided (used) by capital and related financing activities</b>		<b>1,285,944</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments		(9,840,010)
Interest and dividends received		1,143,434
		(8,696,576)
<b>Net cash provided (used) by investing activities</b>		<b>(8,696,576)</b>

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>77,864</b>
<b>Cash and cash equivalents, October 1</b>		<b>1,500</b>
		79,364
<b>Cash and cash equivalents, September 30</b>	<b>\$</b>	<b>79,364</b>

(Continued)



**CITY OF LAREDO, TEXAS  
SOLID WASTE MANAGEMENT  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2013**

(Continued)

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

Operating income	\$	2,314,438
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		1,798,833
(Increase) decrease in landfill closure and post closure costs		732,256
(Increase) decrease in accounts receivable		(86,849)
Increase (decrease) in allowance for uncollectible accounts		42,211
(Increase) decrease in inventories		2,740
Increase (decrease) in accounts payable		1,441,913
Increase (decrease) in deferred revenues		(1,773)
Increase (decrease) in compensated absences payable		15,341
Increase (decrease) in accrued wages and employee benefits		25,005

<b>Total adjustments</b>		<b>3,969,677</b>
--------------------------	--	------------------

<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>6,284,115</b>
--	-----------	------------------

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

Current closure and post closure costs	732,256
Bond issuance cost amortized	(227,993)
Loss on advance refunding	28,317
Accrued interest payable	57,754
Sale of assets	2,666

This page intentionally left blank

## 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 pension trust funds and agency funds.

Agency Funds include:

**POLICE RETIREE DEPENDENTS** – to account for contributions made by city police officers and the City for expenses associated with health benefits premiums for retired police officers’ dependents.

**FIRE RETIREE DEPENDENTS** – to account for contributions made by city fire fighters and the City for expenses associated with health benefits premiums for retired fire fighters’ dependents.

**PAYROLL CLEARING** - to account for cash transfers received from other City funds and the disbursement of net wages and payroll related fringe benefits and payables.

Pension Trust Funds include:

**CITY ANNUITY** – to account for contributions made by the city departments to pay for City retirees’ health insurance and death benefits.

**CITY OF LAREDO, TEXAS  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013**

	<u>AGENCY FUNDS</u>				<u>PENSION TRUST FUND</u>
	<u>POLICE RETIREE DEPENDENTS FUND</u>	<u>FIRE RETIREE DEPENDENTS FUND</u>	<u>PAYROLL CLEARING FUND</u>	<u>TOTAL AGENCY FUNDS</u>	<u>CITY ANNUITY FUND</u>
<b>ASSETS</b>					
Equity in Investment Pool	-	-	13,086	13,086	-
Accrued Interest Receivable	-	-	3,082	3,082	-
Investments, at Fair Market Value	-	-	1,882,612	1,882,612	-
Accounts Receivable	54,294	208,557	2,754	265,605	-
<b>TOTAL ASSETS</b>	<b>54,294</b>	<b>208,557</b>	<b>1,901,534</b>	<b>2,164,385</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts Payable	-	-	495,678	495,678	-
Accrued Wages and Employee Benefits	-	-	1,405,856	1,405,856	-
Due to Other Funds	54,294	208,557	-	262,851	-
<b>TOTAL LIABILITIES</b>	<b>54,294</b>	<b>208,557</b>	<b>1,901,534</b>	<b>2,164,385</b>	<b>-</b>
<b>NET ASSETS</b>					
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	-	-	-	-	-

This page intentionally left blank

**CITY OF LAREDO, TEXAS  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Year Ended September 30, 2013**

**POLICE RETIREES DEPENDENTS FUND**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ -	484,613	484,613	-
Equity in Investment Pool	76,506	-	76,506	-
Accounts Receivable	-	54,294	-	54,294
Accrued Interest Receivable	119	-	119	-
<b>TOTAL ASSETS</b>	<b><u>76,625</u></b>	<b><u>538,907</u></b>	<b><u>561,238</u></b>	<b><u>54,294</u></b>
<b>LIABILITIES</b>				
Accounts Payable	9	13	22	-
Due to Other Funds	-	54,294	-	54,294
Deferred Revenue	76,616	380	76,996	-
<b>TOTAL LIABILITIES</b>	<b><u>\$ 76,625</u></b>	<b><u>54,687</u></b>	<b><u>77,018</u></b>	<b><u>54,294</u></b>

**FIRE RETIREES DEPENDENTS FUND**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>ASSETS</b>				
Accounts Receivable	\$ 80,631	208,557	80,631	208,557
<b>TOTAL ASSETS</b>	<b><u>80,631</u></b>	<b><u>208,557</u></b>	<b><u>80,631</u></b>	<b><u>208,557</u></b>
<b>LIABILITIES</b>				
Due to Other Funds	80,631	208,557	80,631	208,557
<b>TOTAL LIABILITIES</b>	<b><u>\$ 80,631</u></b>	<b><u>208,557</u></b>	<b><u>80,631</u></b>	<b><u>208,557</u></b>

(Continued)

**CITY OF LAREDO, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**Year Ended September 30, 2013**

(Continued)

**PAYROLL CLEARING FUND**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ -	103,198,958	103,198,958	-
Equity in Investment Pool	1,808,050	1,873,000	1,785,352	1,895,698
Accrued Interest Receivable	2,814	3,082	2,814	3,082
Accounts Receivable	2,755	2,485	2,486	2,754
Prepaid Items	1	-	1	-
	<b>1,813,620</b>	<b>105,077,525</b>	<b>104,989,611</b>	<b>1,901,534</b>

**LIABILITIES**

Accounts Payable	1,790,276	59,658,532	60,953,130	495,678
Accrued Wages and Benefits	23,344	25,828,501	24,445,989	1,405,856
	<b>1,813,620</b>	<b>85,487,033</b>	<b>85,399,119</b>	<b>1,901,534</b>

**TOTALS-ALL AGENCY FUNDS**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Cash	\$ -	103,683,571	103,683,571	-
Equity in Investment Pool	1,884,556	1,873,000	1,861,858	1,895,698
Accrued Interest Receivable	2,933	3,082	2,933	3,082
Accounts Receivable	83,386	265,336	83,117	265,605
Prepaid Items	1	-	1	-
	<b>1,970,876</b>	<b>105,824,989</b>	<b>105,631,480</b>	<b>2,164,385</b>

**LIABILITIES**

Accounts Payable	1,790,285	59,658,545	60,953,152	495,678
Accrued Wages and Benefits	23,344	25,828,501	24,445,989	1,405,856
Due to Other Funds	80,631	262,851	80,631	262,851
Deferred Revenue	76,616	380	76,996	-
	<b>1,970,876</b>	<b>85,750,277</b>	<b>85,556,768</b>	<b>2,164,385</b>



This page intentionally left blank

## 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 187,385,351	\$ 198,694,918	\$ 215,439,510	\$ 241,151,427	\$ 226,128,108	\$ 327,113,377	\$ 371,030,290	\$ 404,332,329	\$ 426,071,062	\$ 435,213,156
Restricted	20,473,785	34,889,245	42,590,216	13,422,271	18,974,742	21,193,295	23,051,240	24,098,965	22,027,504	32,487,338
Unrestricted	37,683,170	42,979,049	44,842,955	81,277,357	72,424,497	71,981,867	36,509,233	26,981,198	15,921,760	24,657,948
Total governmental activities net assets	\$ 245,542,306	\$ 276,563,212	\$ 302,872,681	\$ 335,851,055	\$ 317,527,347	\$ 420,286,539	\$ 430,590,763	\$ 455,412,492	\$ 464,020,326	\$ 492,358,442
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 225,414,099	\$ 234,602,168	\$ 228,622,897	\$ 182,101,727	\$ 289,915,339	\$ 241,824,056	\$ 251,995,464	\$ 273,496,354	\$ 235,628,019	\$ 308,880,051
Restricted	8,618,508	11,147,151	10,970,742	11,615,860	24,336,104	17,621,503	16,695,175	25,879,932	29,616,876	32,833,893
Unrestricted	44,261,791	33,987,911	53,992,968	112,203,691	40,616,292	39,022,700	36,287,912	44,344,017	91,031,789	21,796,947
Total business-type activities net assets	\$ 278,294,398	\$ 279,737,230	\$ 293,586,627	\$ 305,921,468	\$ 354,867,735	\$ 297,466,259	\$ 304,978,551	\$ 343,720,303	\$ 356,276,684	\$ 363,512,891
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 412,799,450	\$ 433,297,086	\$ 444,062,407	\$ 423,253,154	\$ 516,043,447	\$ 568,337,433	\$ 623,025,754	\$ 677,828,683	\$ 661,699,081	\$ 744,093,207
Restricted	29,092,293	46,036,396	53,560,958	25,038,121	43,310,846	38,814,798	39,746,415	49,978,897	51,644,380	65,321,231
Unrestricted	81,944,961	76,966,960	98,835,943	193,481,248	113,040,789	110,004,567	72,797,145	71,325,215	106,953,549	46,456,895
Total primary government net assets	\$ 523,836,704	\$ 556,300,442	\$ 596,459,308	\$ 641,772,523	\$ 672,395,082	\$ 717,156,798	\$ 735,569,314	\$ 799,132,795	\$ 820,297,010	\$ 855,871,333

**SOURCE:**

City of Laredo, Texas

This page intentionally left blank

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

CITY OF LAREDO, TEXAS

TABLE 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 32,457,409	\$ 16,356,901	\$ 17,637,852	\$ 18,314,193	\$ 19,219,026	\$ 20,403,447	\$ 33,057,032	\$ 33,212,469	\$ 31,034,892	\$ 36,517,099
Public Safety	73,213,859	76,682,946	81,993,355	86,550,055	95,322,249	101,317,492	96,731,529	108,220,849	109,306,566	114,298,448
Public Works	18,914,550	27,601,104	22,544,287	22,524,297	26,609,686	33,983,968	31,945,598	28,971,676	35,937,652	29,742,584
Health and Welfare	16,146,114	16,076,928	15,734,517	17,053,474	18,974,496	19,374,716	21,408,808	21,559,624	23,663,834	25,149,324
Culture and Recreation	14,283,487	19,304,006	14,770,220	14,838,677	16,311,284	19,137,914	21,989,636	24,351,217	25,468,060	25,636,585
Air Transportation	7,476,744	6,827,442	6,487,313	7,157,616	5,709,233	6,014,102	5,592,799	8,337,337	5,896,045	10,379,579
Interest on Long Term Debt	9,583,425	12,003,612	9,337,731	9,809,368	60,052,703	29,610,058	11,170,771	11,330,317	11,215,644	11,253,582
Total Governmental Activities Expenses	172,075,588	174,852,939	168,505,275	176,247,680	242,198,677	229,841,697	221,896,173	235,983,489	242,522,693	252,977,201
Business-Type Activities										
Bridge System	33,328,290	34,643,592	38,315,376	38,421,137	42,734,185	39,335,750	40,917,048	41,558,090	41,674,262	40,886,900
Solid Waste Management System	12,620,242	14,685,053	13,559,190	15,000,574	-	18,828,910	14,516,888	15,794,014	16,279,971	19,827,143
Water System	15,729,159	16,888,416	20,607,390	22,213,666	28,212,391	28,536,428	40,110,255	42,840,185	43,022,231	43,113,971
Sewer System	10,840,161	10,903,372	12,733,207	14,251,997	16,765,662	18,235,772	25,526,830	24,269,283	28,980,517	31,051,237
Other Business-Type Activities	14,304,763	15,428,595	15,077,621	15,744,459	33,051,340	15,734,541	17,278,725	16,439,140	17,238,383	17,817,971
Total Business-Type Activities Expenses	86,822,615	92,549,028	100,292,784	105,631,833	120,763,578	120,671,401	138,349,746	140,900,712	147,195,364	152,397,222
Total Primary Government Expenses	\$ 258,998,203	\$ 267,401,967	\$ 268,798,059	\$ 281,879,513	\$ 362,962,255	\$ 350,513,098	\$ 360,245,919	\$ 376,884,201	\$ 389,718,057	\$ 405,374,423
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 29,034,241	\$ 30,349,336	\$ 34,295,011	\$ 32,910,354	\$ 37,689,581	\$ 33,923,642	\$ 36,183,314	\$ 40,374,802	\$ 37,543,445	\$ 40,285,380
Public Safety	7,207,564	5,786,216	6,638,370	8,172,180	5,778,145	10,016,804	12,060,974	8,589,950	7,515,182	10,135,563
Public Works	1,011,853	1,429,722	2,535,760	5,465,043	5,397,891	3,675,472	4,528,772	2,158,284	5,556,032	13,359,717
Health and Welfare	5,029,827	9,739,625	8,564,712	9,392,593	12,351,506	10,452,002	9,832,614	11,998,683	13,793,256	15,564,387
Culture and Recreation	1,445,751	1,245,478	1,784,371	1,775,372	1,570,822	4,029,673	5,157,950	5,412,318	7,116,481	5,874,092
Air Transportation	3,741,185	3,851,003	4,066,353	4,838,526	4,828,695	4,624,053	5,516,704	4,586,437	4,966,208	7,105,179
Operating Grants and Contributions	13,072,709	14,751,179	11,946,958	12,987,606	13,930,222	18,369,080	21,833,031	23,489,860	22,085,334	25,228,899
Capital Grants and Contributions	13,094,915	14,271,496	16,859,762	18,236,216	15,342,851	30,660,626	48,006,390	36,020,500	29,325,040	22,102,012
Total Governmental Activities Program Revenues	73,638,045	81,424,055	86,691,297	93,777,890	96,889,713	115,751,352	143,119,749	132,640,834	127,900,978	139,655,229
Business-Type Activities:										
Charges for Services										
Bridge System	35,574,197	39,308,141	42,757,164	41,642,985	48,757,093	43,736,439	45,913,716	46,433,396	47,365,449	47,628,417
Solid Waste Management System	14,531,305	15,000,859	15,802,217	16,645,845	-	15,570,572	16,014,354	16,657,072	16,625,595	18,773,794
Water System	15,902,648	18,736,507	25,215,914	28,217,432	28,832,337	30,032,089	29,859,060	36,301,316	38,825,686	41,279,848
Sewer System	13,296,851	14,409,247	15,606,262	15,157,406	15,820,522	21,401,432	22,884,626	27,711,393	28,734,011	28,941,911
Other Business-Type Activities	4,414,719	4,768,926	5,382,835	5,760,012	22,222,109	5,393,258	5,447,624	5,363,161	5,453,483	5,583,161
Operating Grants and Contributions	12,514,706	7,244,365	4,564,435	4,633,244	4,519,591	4,433,244	5,439,854	4,279,722	4,473,530	5,504,473
Capital Grants and Contributions	13,011,433	7,463,200	13,062,195	9,447,512	57,024,886	41,035,105	26,282,072	36,609,025	12,928,054	6,365,585
Total Business-Type Activities Program Revenues	109,245,859	106,931,245	122,391,022	121,603,806	177,176,538	161,602,139	151,841,306	173,377,379	154,405,808	154,076,989
Total Primary Government Program Revenues	\$ 182,883,904	\$ 188,355,300	\$ 209,082,319	\$ 215,381,696	\$ 274,066,251	\$ 277,353,491	\$ 294,961,055	\$ 306,018,213	\$ 282,306,786	\$ 293,732,218

(Continued)

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

CITY OF LAREDO, TEXAS

TABLE 2

(Continued)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue	\$ (98,437,543)	\$ (93,428,884)	\$ (81,813,978)	\$ (82,469,790)	\$ (145,308,964)	\$ (114,090,345)	\$ (78,776,424)	\$ (103,342,655)	\$ (114,621,715)	\$ (113,321,972)
Governmental Activities	22,423,244	14,382,217	22,098,238	15,971,973	56,412,960	40,930,738	13,491,560	32,476,667	7,210,444	1,679,767
Business-Type Activities	(76,014,299)	(79,046,667)	(59,715,740)	(66,497,817)	(88,896,004)	(73,159,607)	(65,284,864)	(70,865,988)	(107,411,271)	(111,642,205)
Total Primary Government Net Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>General Revenues and Other Changes in Net Assets</b>	\$ 41,518,421	\$ 45,019,642	\$ 49,472,071	\$ 55,844,667	\$ 62,332,204	\$ 68,693,562	\$ 69,155,582	\$ 69,142,902	\$ 68,704,058	\$ 69,563,546
Governmental Activities:										
Taxes										
Property Taxes	24,553,316	26,628,764	30,151,183	31,476,528	32,648,289	29,801,861	29,790,610	39,050,113	38,152,946	40,383,050
Sales Tax	5,726,701	6,197,623	6,595,084	6,528,053	6,835,933	6,714,232	6,681,712	7,018,602	7,085,923	7,089,931
Franchise Taxes	2,849,026	2,718,679	3,054,454	3,392,027	3,331,021	2,718,253	3,087,561	4,117,956	4,228,417	4,218,974
Hotel Motel Tax	266,345	279,198	318,415	341,440	334,273	323,349	308,966	329,521	298,772	345,476
Alcoholic Beverage Taxes	5,027,736	4,497,007	5,235,856	4,095,598	4,845,731	-	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	800,882	5,489,823	3,324,727	3,866,276	3,478,262	1,980,307	703,433	505,944	399,151	379,330
Investment Earnings	4,444,005	755,759	54,052	344,958	409,102	122,890	36,680	1,327,296	314,627	15,898,197
Gain on Sale of Capital Assets					1,227,777	1,893,419	-	829,086	84,484	-
Bond Premium										
Transfers	11,253,312	17,878,754	15,406,004	9,651,953	13,622,444	8,108,009	4,683,701	5,842,964	3,961,171	3,781,584
Total Governmental Activities	96,439,744	109,565,249	113,611,846	115,541,500	129,065,036	120,355,882	114,448,245	128,164,394	123,229,549	141,660,088
Business-Type Activities:										
Sales Tax	4,690,014	5,026,869	5,658,730	5,881,063	6,122,978	5,760,681	5,512,908	6,311,745	7,082,464	7,666,150
Investment Earnings	(103,221)	12,500	53,537	133,758	393,328	512,769	(533,697)	203,743	1,811,816	1,651,558
Gain/(Loss) on Sale of Capital Assets										
Bond Premium										
Transfers	(11,253,312)	(17,978,754)	(15,406,004)	(9,651,953)	(13,622,444)	(8,108,009)	(4,683,701)	(5,842,964)	(3,961,171)	(3,781,584)
Total Business-Type Activities	(6,666,519)	(12,939,385)	(9,549,981)	(3,637,132)	(7,106,136)	(1,834,559)	583,732	6,265,085	5,345,937	5,556,440
Total Primary Government	\$ 89,773,225	\$ 96,625,864	\$ 104,061,865	\$ 111,904,368	\$ 121,958,898	\$ 118,521,323	\$ 115,031,977	\$ 134,429,469	\$ 128,575,486	\$ 147,216,528
<b>Change in Net Assets</b>	\$ (1,997,799)	\$ 16,136,365	\$ 31,797,868	\$ 33,071,710	\$ (16,243,928)	\$ 6,265,537	\$ 35,671,821	\$ 24,821,729	\$ 8,607,834	\$ 28,338,116
Governmental Activities	15,756,725	1,442,832	12,548,257	12,334,841	49,306,822	39,096,179	14,075,292	38,741,752	12,556,381	7,236,207
Business-Type Activities	(13,758,926)	17,579,197	44,346,125	45,408,551	33,062,894	45,361,716	49,747,113	63,563,481	21,164,215	35,574,323
Total Primary Government	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**SOURCE:**

City of Laredo, Texas

**CHANGES IN FUND BALANCE,  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES:</b>										
Taxes:										
Property	40,705,401	45,239,189	49,303,836	55,681,122	61,553,183	67,284,934	68,870,491	66,988,291	67,838,288	69,063,708
Sales	24,374,768	26,433,198	29,894,463	31,384,048	32,518,723	30,308,048	29,330,115	33,669,024	37,481,815	39,921,718
Franchise Fees	5,700,834	6,173,160	6,569,349	6,506,014	6,793,268	6,788,837	6,668,731	6,995,838	7,080,430	7,049,443
Bingo Tax	49,852	51,516	63,010	65,524	68,268	68,274	68,235	74,345	92,942	71,581
Alcoholic Beverage	260,277	272,500	307,270	341,130	337,545	325,611	304,894	341,545	289,303	320,504
Hotel Motel	3,298,869	2,959,077	3,024,062	3,330,740	3,327,146	2,775,027	3,077,683	4,055,510	4,227,796	4,236,295
Licenses and Permits	5,843,628	6,084,439	6,603,719	6,736,908	6,370,472	6,496,534	6,487,718	7,037,889	8,200,676	8,200,676
Intergovernmental	28,932,417	33,289,585	33,894,211	33,877,881	35,693,757	39,882,049	52,709,235	49,801,150	37,425,328	38,974,973
Charges for Services	26,623,867	27,654,715	31,502,211	31,310,068	37,045,771	41,636,101	41,728,421	46,032,265	47,094,098	47,094,098
Fees	2,736,372	2,930,319	3,147,555	3,147,555	3,694,728	3,382,829	3,734,101	3,762,977	3,631,708	3,355,974
Fees and Collections	2,270,772	2,481,061	3,004,802	3,386,329	3,492,841	3,837,470	3,592,488	3,547,545	3,915,479	4,815,100
Rentals	4,922,463	5,068,865	5,679,468	6,314,430	6,545,628	5,714,968	6,462,946	5,731,032	6,012,866	9,050,040
Interest and Other	876,024	6,103,161	4,528,522	8,370,527	7,238,944	4,843,786	1,933,321	1,511,880	1,268,514	464,348
Miscellaneous	3,554,741	1,493,862	2,313,099	2,284,974	643,499	4,923,082	8,441,665	4,722,829	2,611,818	3,571,941
Contributions & Donations	2,356,387	871,866	924,530	1,008,606	988,331	95,240	18,271,618	10,951,450	18,780,987	21,818,513
Reimbursements	1,349,408	1,627,354	1,398,698	1,585,062	1,729,311	1,913,607	1,322,816	2,280,613	1,038,430	1,780,401
<b>TOTAL REVENUES</b>	<b>153,846,140</b>	<b>168,733,867</b>	<b>181,912,289</b>	<b>195,310,918</b>	<b>207,652,298</b>	<b>216,160,690</b>	<b>253,267,613</b>	<b>244,660,168</b>	<b>244,766,858</b>	<b>259,788,713</b>
<b>EXPENDITURES:</b>										
General Government	15,541,101	16,021,417	17,112,707	17,413,287	17,894,512	18,892,213	18,688,270	19,098,129	18,681,665	19,339,843
Public Safety	69,598,068	74,215,275	78,048,861	83,246,215	91,511,415	93,373,168	97,621,453	101,057,294	108,305,984	112,682,130
Public Works	9,530,589	9,487,014	10,129,429	12,274,330	11,967,902	18,923,375	13,683,613	10,185,108	12,957,347	9,836,004
Health and Welfare	15,683,517	15,802,606	15,377,413	16,703,368	18,507,413	18,734,227	20,447,413	20,160,803	22,578,990	24,339,667
Cultural and Recreational	13,764,181	14,844,259	15,415,751	15,921,447	15,658,222	18,337,167	21,478,220	23,640,666	24,675,488	25,336,135
Air Transportation Services	5,437,611	4,789,284	4,488,854	5,160,618	4,109,813	4,317,786	4,439,025	4,651,685	4,989,131	6,006,842
Capital Outlay	22,786,736	24,933,816	35,772,970	34,033,466	44,092,402	56,947,674	82,767,916	65,712,034	71,468,161	51,861,566
Contributions	11,914,519	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	766,853	27,799,429	235,629	704,855	211,726	188,314
Interest	14,374,770	15,677,894	16,693,119	16,986,948	17,398,209	18,266,220	12,945,169	10,246,364	13,056,227	14,365,645
Principal Retirement	9,393,084	9,119,608	8,639,131	9,250,941	12,691,697	15,621,180	10,711,226	10,866,914	11,071,614	10,772,155
<b>TOTAL EXPENDITURES</b>	<b>188,026,176</b>	<b>184,891,173</b>	<b>201,627,935</b>	<b>210,990,640</b>	<b>234,598,750</b>	<b>291,572,439</b>	<b>283,017,944</b>	<b>286,323,852</b>	<b>287,998,313</b>	<b>274,728,003</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,180,036)	(16,157,306)	(19,715,646)	(15,679,722)	(26,946,452)	(75,411,749)	(29,750,331)	(41,663,684)	(43,231,455)	(14,939,290)
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers In	25,299,958	36,174,419	35,881,412	26,222,228	37,533,557	40,622,386	29,605,450	46,699,942	41,973,360	37,256,256
Issuance of Debt	-	75,154,978	35,185,000	76,160,000	79,855,000	56,980,000	8,715,629	23,189,078	9,764,975	3,800,000
Bond Premium	-	-	-	-	1,227,777	1,860,783	-	829,086	88,867	58,279
Bond Discounts	-	-	-	-	-	-	-	-	(4,383)	-
Payment to refunded bond escrow agent	-	(62,639,409)	(18,796,378)	-	(23,463,174)	(31,697,149)	(9,230)	(3,317,933)	(2,112,731)	-
Transfers Out	(14,023,498)	(21,272,956)	(20,405,531)	(16,463,011)	(46,471,173)	9,340,787	(24,521,749)	(36,073,000)	(37,196,426)	(31,974,672)
Contributions	-	-	-	-	(102,232)	4,349,665	1,330,425	807,653	-	-
Capital Leases	14,307,219	-	1,600,000	4,349,665	(102,232)	334,354	1,330,425	1,375,078	-	4,852,652
Sale of Assets	4,546,896	754,683	52,673	334,354	194,959	121,669	33,461	-	318,617	15,888,705
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,130,575</b>	<b>28,171,715</b>	<b>33,517,176</b>	<b>90,603,236</b>	<b>48,744,714</b>	<b>77,126,244</b>	<b>15,153,986</b>	<b>30,509,904</b>	<b>12,830,279</b>	<b>29,881,220</b>
<b>Net Change in Fund Balances</b>	<b>(4,049,461)</b>	<b>12,014,409</b>	<b>13,801,530</b>	<b>74,923,514</b>	<b>21,796,262</b>	<b>1,714,495</b>	<b>(14,596,345)</b>	<b>(11,153,780)</b>	<b>(30,401,176)</b>	<b>14,941,930</b>
Debt Service as a Percentage of non-capital expenditures	14.38%	15.50%	15.27%	14.83%	15.79%	14.60%	11.81%	10.52%	11.14%	11.28%

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									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,937	\$ 4,349	\$ 19,335
Restricted	-	-	-	-	-	-	-	786,681	1,641,354	3,644,122
Committed	-	-	-	-	-	-	-	22,393,198	22,988,878	27,564,635
Assigned	-	-	-	-	-	-	-	1,613,435	-	-
Unassigned	-	-	-	-	-	-	-	10,712,189	12,230,458	10,343,359
Reserved	1,216,553	1,461,135	1,663,551	1,376,988	1,287,655	1,516,661	2,122,655	-	-	-
Unreserved	9,110,554	12,860,386	19,425,653	21,769,926	25,322,950	29,175,762	32,823,677	-	-	-
<b>Total General Fund</b>	\$ 10,327,107	\$ 14,321,521	\$ 21,089,204	\$ 23,146,914	\$ 26,620,605	\$ 30,692,423	\$ 34,946,332	\$ 35,520,440	\$ 36,865,039	\$ 41,571,451
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,161	\$ 106,717	\$ 95,436
Restricted	-	-	-	-	-	-	-	104,259,849	72,008,350	57,826,607
Committed	-	-	-	-	-	-	-	6,756,570	7,729,123	5,263,091
Assigned	-	-	-	-	-	-	-	11,709,333	13,515,966	39,401,130
Unassigned (Deficit)	-	-	-	-	-	-	-	(125,741)	(2,386,759)	(1,377,349)
Reserved	19,129,472	20,376,787	16,551,117	29,244,789	26,694,766	36,478,312	81,538,217	-	-	-
Unreserved, reported in:										
Special Revenue Funds	8,196,925	447,743	6,866,441	7,725,320	12,831,254	25,473,486	27,153,981	-	-	-
Debt Service Funds	4,592,744	5,634,547	6,508,489	5,946,381	9,293,964	6,636,000	-	-	-	-
Capital Project Funds	14,573,251	28,053,310	34,329,414	94,204,775	106,834,652	84,709,516	25,754,862	-	-	-
<b>Total all other governmental funds</b>	\$ 46,492,392	\$ 54,512,387	\$ 64,255,461	\$ 137,121,265	\$ 155,654,636	\$ 153,297,314	\$ 134,447,060	\$ 122,719,172	\$ 90,973,397	\$ 101,208,915

**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**

<b>FISCAL PERIODS</b>	<b>AD VALOREM TAXES (1)</b>	<b>SALES TAX</b>	<b>BEVERAGE TAX</b>	<b>BINGO TAX</b>	<b>OCCUPANCY TAX</b>	<b>FRANCHISE TAX</b>	<b>TOTAL</b>
2004	\$ 40,705,401	\$ 24,111,061	\$ 260,277	\$ 49,852	\$ 3,298,899	\$ 5,700,834	\$ 74,126,324
2005	45,239,189	26,433,198	272,500	51,516	2,959,077	6,173,160	81,128,640
2006	49,303,836	29,894,463	307,270	63,010	3,024,062	6,569,349	89,161,990
2007	55,681,122	31,384,048	341,130	65,524	3,330,740	6,506,014	97,308,578
2008	61,553,183	32,518,723	337,545	68,268	3,327,146	6,793,268	104,598,133
2009	67,284,934	30,308,403	325,611	68,274	2,775,027	6,788,837	107,551,086
2010	68,870,491	29,339,115	304,894	68,235	3,077,683	6,668,731	108,329,149
2011	68,998,291	33,669,024	341,545	74,345	4,055,510	6,995,838	114,134,553
2012	67,838,288	37,481,815	289,303	92,942	4,227,796	7,080,430	117,010,574
2013	\$ 69,063,708	\$ 39,921,718	\$ 320,504	\$ 71,581	\$ 4,236,295	\$ 7,049,443	\$ 120,663,249

**NOTES:**

(1) Includes General and Debt Service Fund tax revenues.

**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
2004	\$ 39,396,804	\$ 37,461,655	95.09	\$ 1,668,592	\$ 39,130,247	99.32
2005	43,378,278	41,693,911	96.12	1,464,583	43,158,494	99.49
2006	47,726,893	45,951,954	96.28	1,571,278	47,523,232	99.57
2007	53,847,576	52,024,898	96.62	1,575,656	53,600,554	99.54
2008	59,690,336	57,843,306	96.91	1,563,175	59,406,481	99.52
2009	65,419,993	63,194,853	96.60	1,864,786	65,059,639	99.45
2010	66,652,507	64,379,305	96.59	1,841,135	66,220,440	99.35
2011	67,016,086	65,241,316	97.35	1,252,004	66,493,320	99.22
2012	66,842,112	64,818,395	96.97	1,115,040	65,933,435	98.64
2013	\$ 67,621,015	\$ 65,858,772	97.39	\$ -	\$ 65,858,772	97.39

**SOURCE:**

City of Laredo, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL PERIODS

FISCAL PERIODS	RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		TOTALS		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	
2004	\$ 3,844,014,790	\$ 3,844,014,790	\$ 2,704,140,692	\$ 2,704,140,692	\$ 6,018,438,664	\$ 6,018,438,664	100%
2005	4,270,523,001	4,270,523,001	3,040,120,071	3,040,120,071	6,773,135,203	6,773,135,203	100%
2006	4,713,754,396	4,713,754,396	3,285,932,811	3,285,932,811	7,449,143,814	7,449,143,814	100%
2007	5,411,082,137	5,411,082,137	3,582,097,472	3,582,097,472	8,408,036,926	8,408,036,926	100%
2008	6,069,242,179	6,069,242,179	3,971,864,502	3,971,864,502	9,393,528,747	9,393,528,747	100%
2009	6,654,553,665	6,654,553,665	4,402,760,384	4,402,760,384	10,385,975,045	10,385,975,045	100%
2010	6,825,803,972	6,825,803,972	4,571,159,052	4,571,159,052	10,623,131,801	10,623,131,810	100%
2011	6,938,223,832	6,938,223,832	4,460,292,962	4,460,292,962	10,637,506,136	10,637,506,136	100%
2012	6,909,967,001	6,909,967,001	4,454,071,509	4,454,071,509	10,584,746,790	10,584,746,790	100%
2013	\$ 6,361,188,581	\$ 6,361,188,581	\$ 4,329,884,664	\$ 4,329,884,664	\$ 10,691,073,245	\$ 10,691,073,245	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**

<b>FISCAL PERIODS</b>	<b>CITY OF LAREDO</b>	<b>WEBB COUNTY</b>	<b>LAREDO INDEPENDENT SCHOOL DISTRICT</b>	<b>UNITED INDEPENDENT SCHOOL DISTRICT</b>	<b>LAREDO COMMUNITY COLLEGE</b>
-----------------------	-----------------------	--------------------	---	---	---------------------------------

**TAX RATES (per \$100 of assessed value)**

2004	0.64176	0.45792	1.50271	1.47687	0.23600
2005	0.63700	0.43792	1.47411	1.52687	0.23600
2006	0.63700	0.43792	1.55411	1.60687	0.23371
2007	0.63700	0.42006	1.49551	1.47436	0.23050
2008	0.63700	0.42006	1.27400	1.18487	0.22220
2009	0.63700	0.42006	1.27400	1.18487	0.22110
2010	0.63700	0.42006	1.27400	1.19486	0.22720
2011	0.63700	0.42005	1.27400	1.19486	0.23812
2012	0.63700	0.42005	1.27400	1.19486	0.25854
2013	0.63700	0.42005	1.27400	1.19486	0.25776

**TAX LEVIES**

2004	\$ 38,455,159	\$ 35,073,016	\$ 21,344,510	\$ 72,156,593	\$ 14,540,002
2005	43,209,681	38,284,553	24,426,783	83,821,422	16,320,700
2006	47,466,862	42,351,341	26,644,992	100,665,114	17,727,308
2007	53,559,195	50,623,052	27,671,836	113,168,711	19,720,017
2008	59,584,704	51,752,884	25,966,124	95,866,850	21,192,705
2009	65,642,009	55,559,866	27,408,723	108,147,626	23,297,634
2010	66,926,927	56,069,370	27,210,755	111,038,081	24,304,862
2011	67,184,974	57,474,928	27,078,969	112,407,770	25,422,145
2012	66,842,112	59,565,434	27,100,362	122,310,106	27,353,531
2013	\$ 67,621,015	\$ 63,960,211	\$ 27,193,890	\$ 138,858,407	\$ 27,592,527

**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**

<b>FISCAL PERIODS</b>	<b>BEGINNING BALANCE (2)</b>	<b>ASSESSMENTS BILLED</b>	<b>ASSESSMENTS COLLECTED</b>	<b>PERCENT OF COLLECTIONS OF AMOUNT DUE</b>	<b>TOTAL OUTSTANDING CURRENT AND DELINQUENT</b>
2004	\$ 183,154	\$ 142,202	\$ 170,888	52.52%	\$ 154,468
2005	154,468	359,276	441,257	85.89%	72,487
2006	72,487	528,851	574,196	95.49%	27,142
2007	27,142	165,224	178,014	92.54%	14,352
2008	14,352	99,592	106,800	93.73%	7,144
2009	7,144	41,084	38,462	79.75%	9,766
2010	9,766	16,420	17,142	65.46%	9,044
2011	9,044	37,404	38,578	83.06%	7,870
2012	7,870	29,593	30,976	82.68%	6,487
2013	\$ 6,487	\$ 16,518	\$ 16,235	70.57%	\$ 6,770

**NOTES:**

(1) The Charter of the City of Laredo allows the City Council to assess the costs of street paving and sidewalk construction to the adjacent owners. Normally, this is collected in equal principal installments over a five year period with interest computed at eight percent.  
This assessment constitutes a lien against the property which may be foreclosed upon default.

(2) Assessments beginning balance include Principal & Interest and are net of allowance for uncollectible.

**SOURCE:**

City of Laredo, Texas

**PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2013**

**CITY OF LAREDO, TEXAS**

**TABLE 10**

<b>TAXPAYER</b>	<b>TYPE OF BUSINESS</b>	<b>2013 ASSESSED VALUATION REAL &amp; PERSONAL PROPERTY</b>	<b>PERCENTAGE OF TOTAL ASSESSED VALUATION</b>
Laredo Texas Hospital Co. LP	Hospital	\$106,398,020	0.99%
AEP Texas Central Company	Utility	70,751,780	0.66%
Halliburton Energy Services	Oil and Gas	68,455,550	0.64%
The GEO Group, Inc	Correctional	52,169,960	0.49%
Mall Del Norte, LLC	Retail	52,068,350	0.49%
AEP Electric Transmission of Texas, LLC	Utility	41,458,320	0.39%
Laredo Regional Medical Center, LP	Medical	39,869,080	0.37%
International Bank of Commerce	Financial	35,148,320	0.33%
H.E. Butt Grocery Company	Retail	30,493,370	0.28%
Farias Development LTD	Real Estate	29,907,750	0.28%
<b>TOTAL</b>		<b>\$526,720,500</b>	<b>4.92%</b>

**PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2003**

<b>TAXPAYER</b>	<b>TYPE OF BUSINESS</b>	<b>2003 ASSESSED VALUATION REAL &amp; PERSONAL PROPERTY</b>	<b>PERCENTAGE OF TOTAL ASSESSED VALUATION</b>
AEP Texas Central Company	Utility	\$74,048,360	1.23%
Laredo Regional Medical Center	Medical	32,421,130	0.54%
Enterprise Laredo Associates	Management	32,283,250	0.54%
Southwestern Bell Telephone LP	Telephone Co.	29,029,980	0.48%
Killiam Ind. Dev. Partnership LTD	Development	28,170,460	0.47%
HE Butt Grocery Co.	Grocery Store	28,119,880	0.47%
BB County Correctional Center Public Facility	Correction Co.	22,140,870	0.37%
United States Cold Storage	Cold Storage	19,616,350	0.33%
Lowe's Home Center	Retail	16,209,030	0.27%
Texas Cable Partners LP	Cable	14,131,800	0.24%
Total		<b>\$296,171,110</b>	<b>4.94%</b>

Numbers show total comparison for principal taxpayers as of 2013 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 \$.138134 of the total tax rate.

Assessed value based on 2012 tax roll .....		\$10,691,073,245
Maximum amount of bonded indebtedness based on such assessed value (10%).....		\$1,069,107,325
Amount of debt applicable to said maximum debt limit:		
Total General Obligation Bonds and Certificates of Obligations .	\$182,702,323	
(Percentage of G. O. and C. O. debt to assessed value)	1.71%	
Less: Debt Service Fund Balance as of September 30, 2013....	\$4,653,312	
Total Amount of debt applicable to debt limit .....		\$178,049,011
The Debt Margin between current indebtedness and maximum allowable indebtedness .....		\$891,058,314



**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**

<b>FISCAL PERIODS</b>	<b>POPULATION (A)</b>	<b>ASSESSED VALUE FOR OPERATIONS DEBT SERVICE</b>	<b>GROSS BONDED DEBT (1)</b>	<b>LESS DEBT SERVICE FUNDS</b>	<b>NET BONDED DEBT</b>	<b>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</b>	<b>NET BONDED DEBT PER CAPITA</b>
2004	214,000	\$ 6,018,438,664	\$ 152,500,000	\$ 4,592,744	\$ 147,907,256	2.4576%	\$ 691.16
2005	215,375	5,992,130,874	153,725,000	5,634,547	148,090,453	2.4714%	687.59
2006	224,695	6,783,309,499	158,972,282	6,508,489	152,463,793	2.2476%	678.54
2007	231,470	7,449,143,814	221,132,050	5,946,381	215,185,669	2.8887%	929.65
2008	237,396	8,408,036,926	286,235,467	5,990,320	280,245,147	3.3331%	1,180.50
2009	233,152	9,393,528,747	358,833,263	6,636,000	352,197,263	3.7494%	1,510.59
2010	244,580	10,385,975,045	342,955,001	6,529,078	336,425,923	3.2392%	1,375.53
2011	236,091	10,634,156,096	334,374,769	8,272,028	326,102,741	3.0666%	1,381.26
2012	241,935	10,576,729,269	321,438,433	6,102,576	315,335,857	2.9814%	1,303.39
2013	247,543 (2)	\$ 10,691,073,245	\$ 318,130,275	\$ 4,653,312	\$ 313,476,963	2.9321%	\$ 1,266.35

**NOTES:**

- (1) Includes General Obligation and Certificates of Obligation Bonds.
- (2) Estimated

**SOURCES:**

City of Laredo, Texas  
 (A) Information was obtained from City of Laredo Planning and Zoning Department

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL  
GOVERNMENT EXPENDITURES (1)  
LAST TEN FISCAL PERIODS**

**CITY OF LAREDO, TEXAS**

**TABLE 13**

<b>FISCAL PERIODS</b>	<b>PRINCIPAL</b>	<b>INTEREST &amp; FISCAL CHARGES</b>	<b>TOTAL DEBT SERVICE</b>	<b>TOTAL GENERAL GOVERNMENTAL EXPENDITURES</b>	<b>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</b>
2004	\$ 13,500,000	\$ 9,412,153	\$ 22,912,153	\$ 188,026,176	12.19%
2005	14,395,000	9,138,859	23,533,859	184,891,173	12.73%
2006	15,685,000	8,663,891	24,348,891	201,201,456	12.10%
2007	15,195,000	9,242,752	24,437,752	210,990,264	11.58%
2008	16,024,319	12,558,327	28,582,646	233,623,097	12.23%
2009	17,490,000	15,990,496	33,480,496	263,773,010	12.69%
2010	11,228,852	10,717,973	21,946,825	282,782,315	7.76%
2011	10,246,364	10,866,914	21,113,278	286,323,852	7.37%
2012	13,058,227	11,071,614	24,129,841	287,998,313	8.38%
2013	\$ 14,365,645	\$ 10,772,155	\$ 25,137,800	\$ 274,728,003	9.15%

**NOTES:**

(1) Total general expenditures consist of the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Expendable Trusts.

**SOURCE:**

City of Laredo, Texas

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2013**

**CITY OF LAREDO, TEXAS**

**TABLE 14**

<b>TAXING AUTHORITY</b>	<b>NET DEBT OUTSTANDING (A)</b>	<b>ESTIMATED % APPLICABLE TO CITY (B)</b>	<b>AMOUNT APPLICABLE TO CITY</b>
Direct:			
City of Laredo	<u>\$182,702,323</u>	100.00%	<u>\$182,702,323</u>
Overlapping:			
Webb County	60,237,000	64.10%	38,611,917
Laredo Independent School District	174,169,325	100.00%	174,169,325
United Independent School District	246,312,792	77.04%	189,759,375
Laredo Community College	<u>232,171,121</u>	100.00%	<u>232,171,121</u>
Total Overlapping	<u>712,890,238</u>		<u>634,711,738</u>
Total	<u><u>\$895,592,561</u></u>		<u><u>\$817,414,061</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	\$ 35,574,197	\$ 9,210,546	\$ 26,363,651	\$ 4,320,000	\$ 2,476,347	\$ 6,796,347	3.88
Water	15,902,648	9,801,112	6,101,536	6,645,000	427,893	7,072,893	0.86
Sewer	13,296,851	6,648,103	6,648,748	885,000	252,868	1,137,868	5.84
Sports Venue	5,188,849	68,889	5,119,960	525,000	2,018,104	2,543,104	2.01
<b>Total 2004</b>	<b>\$ 69,962,545</b>	<b>\$ 25,728,650</b>	<b>\$ 44,233,895</b>	<b>\$ 12,375,000</b>	<b>\$ 5,175,212</b>	<b>\$ 17,550,212</b>	<b>2.52</b>
Bridge	\$ 39,231,949	\$ 10,020,392	\$ 29,211,557	5,482,228	4,039,577	9,521,805	3.07
Water	18,736,504	10,991,334	7,745,170	943,000	467,131	1,410,131	5.49
Sewer	14,409,247	6,811,361	7,597,886	727,000	355,530	1,082,530	7.02
Sports Venue	6,169,250	39,752	6,129,498	625,000	1,922,269	2,547,269	2.41
<b>Total 2005</b>	<b>\$ 78,546,950</b>	<b>\$ 27,862,839</b>	<b>\$ 50,684,111</b>	<b>\$ 7,777,228</b>	<b>\$ 6,784,507</b>	<b>\$ 14,561,735</b>	<b>3.48</b>
Bridge	\$ 42,757,164	\$ 10,851,262	\$ 31,905,902	\$ 3,866,378	\$ 4,482,527	\$ 8,348,905	3.82
Water	24,047,927	14,010,809	10,037,118	1,263,000	704,275	1,967,275	5.10
Sewer	14,010,809	8,486,409	5,524,400	839,000	458,565	1,297,565	4.26
Sports Venue	6,614,948	173,785	6,441,163	930,000	1,818,838	2,748,838	2.34
<b>Total 2006</b>	<b>\$ 87,430,848</b>	<b>\$ 33,522,265</b>	<b>\$ 53,908,583</b>	<b>\$ 6,898,378</b>	<b>\$ 7,464,205</b>	<b>\$ 14,362,583</b>	<b>3.75</b>
Bridge	\$ 41,642,971	\$ 11,426,566	\$ 30,216,405	\$ 3,940,134	\$ 4,313,536	\$ 8,253,670	3.66
Water	26,483,082	15,098,280	11,384,802	1,558,000	986,146	2,544,146	4.47
Sewer	14,149,488	9,533,193	4,616,295	951,000	629,571	1,580,571	2.92
Sports Venue	7,344,091	240,967	7,103,124	1,040,000	1,777,551	2,817,551	2.52
<b>Total 2007</b>	<b>\$ 89,619,632</b>	<b>\$ 36,299,006</b>	<b>\$ 53,320,626</b>	<b>\$ 7,489,134</b>	<b>\$ 7,706,804</b>	<b>\$ 15,195,938</b>	<b>3.51</b>
Bridge	\$ 48,757,080	\$ 12,003,151	\$ 36,753,929	\$ 4,000,070	\$ 4,144,681	\$ 8,144,751	4.51
Water	27,357,618	17,030,252	10,327,366	1,833,000	1,279,557	3,112,557	3.32
Sewer	14,641,635	9,510,247	5,131,388	1,058,000	925,800	1,983,800	2.59
Sports Venue	7,246,612	292,815	6,953,797	1,160,000	1,731,163	2,891,163	2.41
<b>Total 2008</b>	<b>\$ 98,002,945</b>	<b>\$ 38,836,465</b>	<b>\$ 59,166,480</b>	<b>\$ 8,051,070</b>	<b>\$ 8,081,201</b>	<b>\$ 16,132,271</b>	<b>3.67</b>

(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	
<b>Bridge</b>	\$ 43,724,135	\$ 11,499,210	\$ 32,224,925	\$ 4,171,233	\$ 4,151,127	\$ 8,322,360	3.87
<b>Water</b>	28,883,564	17,782,323	11,101,241	2,158,000	1,121,489	3,279,489	3.39
<b>Sewer</b>	20,362,272	9,431,314	10,930,958	1,364,000	890,814	2,254,814	4.85
<b>Sports Venue</b>	6,509,630	469,113	6,040,517	1,285,000	1,679,338	2,964,338	2.04
<b>Total 2009</b>	<b>99,479,601</b>	<b>\$ 39,181,960</b>	<b>\$ 60,297,641</b>	<b>\$ 8,978,233</b>	<b>\$ 7,842,768</b>	<b>\$ 16,821,001</b>	<b>3.58</b>
<b>Bridge</b>	\$ 46,097,657	\$ 11,365,703	\$ 34,731,954	\$ 4,863,665	\$ 3,923,865	\$ 8,787,530	3.95
<b>Water</b>	29,152,173	17,217,851	11,934,322	6,505,300	6,019,456	12,524,756	0.95
<b>Sewer</b>	22,808,510	12,091,058	10,717,452	4,944,669	2,958,338	7,903,007	1.36
<b>Sports Venue</b>	6,193,405	541,473	5,651,932	1,430,000	1,616,288	3,046,288	1.86
<b>Total 2010</b>	<b>\$ 104,251,745</b>	<b>\$ 41,216,085</b>	<b>\$ 63,035,660</b>	<b>\$ 17,743,634</b>	<b>\$ 14,517,947</b>	<b>\$ 32,261,581</b>	<b>1.95</b>
<b>Bridge</b>	\$ 46,511,403	\$ 11,577,331	\$ 34,934,072	\$ 5,087,435	\$ 3,697,171	\$ 8,784,606	3.98
<b>Water</b>	35,136,866	17,237,107	17,899,759	9,544,541	8,737,268	18,281,809	0.98
<b>Sewer</b>	27,603,852	12,615,092	14,988,760	5,176,563	3,083,142	8,259,705	1.81
<b>Sports Venue</b>	6,993,484	285,418	6,708,066	1,575,000	1,539,194	3,114,194	2.15
<b>Total 2011</b>	<b>\$ 116,245,605</b>	<b>\$ 41,714,948</b>	<b>\$ 74,530,657</b>	<b>\$ 21,383,539</b>	<b>\$ 17,056,775</b>	<b>\$ 38,440,314</b>	<b>1.94</b>
<b>Bridge</b>	\$ 47,441,157	\$ 33,792,015	\$ 13,649,142	\$ 12,562,590	\$ 3,411,251	\$ 15,973,841	0.85
<b>Water</b>	37,377,655	19,443,290	17,934,365	6,935,076	9,243,574	16,178,650	1.11
<b>Sewer</b>	28,556,706	14,050,528	14,506,178	6,628,809	3,460,200	10,089,009	1.44
<b>Sports Venue</b>	7,716,848	575,086	7,141,762	1,900,000	1,963,443	3,863,443	1.85
<b>Total 2012</b>	<b>\$ 121,092,366</b>	<b>\$ 67,860,919</b>	<b>\$ 53,231,447</b>	<b>\$ 28,026,475</b>	<b>\$ 18,078,468</b>	<b>\$ 46,104,943</b>	<b>1.15</b>
<b>Bridge</b>	\$ 47,685,185	\$ 34,460,763	\$ 13,224,422	\$ 5,604,186	\$ 3,122,473	\$ 8,726,659	1.52
<b>Water</b>	40,549,225	20,092,010	20,457,215	20,326,347	10,020,234	30,346,581	0.67
<b>Sewer</b>	29,169,443	15,807,855	13,361,588	13,334,883	4,229,316	17,564,199	0.76
<b>Sports Venue</b>	8,205,434	3,757,874	4,447,560	2,010,000	1,856,275	3,866,275	1.15
<b>Total 2013</b>	<b>\$ 125,609,287</b>	<b>\$ 74,118,502</b>	<b>\$ 51,490,785</b>	<b>\$ 41,275,416</b>	<b>\$ 19,228,298</b>	<b>\$ 60,503,714</b>	<b>0.85</b>

**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



**DEMOGRAPHICS STATISTICS  
LAST THREE CENSUS REPORTS**

**CITY OF LAREDO, TEXAS**

**TABLE 17**

	<b>1990 Census</b>	<b>2000 Census</b>	<b>2010 Census</b>	
<b>TOTAL POPULATION BY RACE:</b>				
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	63,545	
HOUSEHOLD POPULATION	122,899	173,532	232,612	
AVERAGE HOUSEHOLD SIZE	3.61	3.70	3.66	
<b>TOTAL POPULATION BY AGE:</b>				
0-5	17,081	18,516	22,919	
6-13	20,316	18,620	46,313	
14-17	10,093	16,054	21,895	
18-24	17,987	29,608	17,223	
25-34	20,316	28,489	33,379	
35-44	14,752	23,657	32,665	
45-54	9,964	17,104	25,610	
55-64	8,541	10,746	17,483	
65+	10,223	13,782	18,604	
MEDIAN AGE TOTAL POPULATION	27.7	26.9	27.9	
MEDIAN AGE ADULT POPULATION	36.8	36.8	38.8	
<b>HOUSEHOLD INCOME:</b>				
\$ 0 -	\$ 7,499	7,639	5,398	N/A
\$ 7,500 -	\$ 9,999	3,074	1,799	6,337
\$ 10,000 -	\$ 14,999	4,169	4,996	4,976
\$ 15,000 -	\$ 24,999	5,600	8,208	9,200
\$ 25,000 -	\$ 34,999	3,865	6,814	8,092
\$ 35,000 -	\$ 49,999	3,226	7,078	10,066
\$ 50,000 -	\$ 74,999	1,765	6,780	9,903
\$ 75,000 +		1,096	5,835	13,818
MEDIAN HOUSEHOLD INCOME	15,610	29,108	38,495	
AVERAGE HOUSEHOLD INCOME	N/A	N/A	52,457	
MEDIAN FAMILY INCOME	17,532	30,449	39,848	
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
2004	81,839	4,655	5.69%	77,184
2005	81,721	4,103	5.02%	77,618
2006	86,447	3,938	4.56%	82,509
2007	84,800	3,680	4.34%	81,120
2008	86,187	4,647	5.39%	81,540
2009	91,457	7,756	8.48%	83,701
2010	90,396	6,776	7.50%	83,620
2011	93,034	7,230	7.77%	85,804
2012	96,330	5,840	6.06%	90,490
2013	97,063	5,990	6.20%	91,073

**SOURCE:**

Texas Labor Market Information

Numbers as of September 30 each year.



**DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

**CITY OF LAREDO, TEXAS**

**TABLE 17**

(Continued)

**GROWTH INDICATORS (2)**

<b>FISCAL PERIODS</b>	<b>ELECTRIC (1)</b>	<b>GAS</b>	<b>WATER</b>	<b>SEWER</b>	<b>POSTAL RECEIPTS (3)</b>
2004	69,164	23,414	52,754	50,282	\$ 14,680,000
2005	72,604	23,852	55,252	52,565	15,510,000
2006	70,083	24,102	57,489	54,568	16,420,000
2007	72,624	28,486	59,409	56,065	17,120,000
2008	78,080	28,477	60,519	57,851	18,142,000
2009	75,042	28,680	61,171	57,903	19,132,000
2010	75,497	28,862	62,195	58,726	18,500,644
2011	77,141	28,942	63,703	59,955	18,186,133
2012	78,585	29,483	65,288	61,191	17,276,826
2013	79,973	29,738	67,033	62,426	\$ 17,121,335

**NOTES:**

(1) 2004 Electric customers are based on an 4.00% from 2003 customers (66,504).

(2) Amount represents number of active customer accounts.

(3) 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)		BANK (B) DEPOSITS	PROPERTY VALUE (A)			VACANT PROPERTY	EXEMPTIONS (1)
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE		COMMERCIAL	RESIDENTIAL	\$		
2004	1020	\$ 150,716,661	1342	\$ 126,225,481	\$ 9,050,235,000	2,665,287,322	3,214,021,140	\$ 298,947,650	\$ 623,203,260	
2005	1132	178,001,202	1847	198,367,334	9,080,074,000	3,003,777,851	3,643,413,881	284,434,270	575,505,390	
2006	721	166,713,553	2281	221,625,892	9,871,067,000	3,251,967,681	4,022,266,136	307,462,870	605,370,550	
2007	520	180,125,787	2024	198,450,164	10,830,093,000	3,538,252,162	4,689,485,109	342,911,010	670,387,610	
2008	278	152,367,779	1250	132,572,308	7,606,202,000	3,971,864,502	5,699,588,209	369,653,970	647,577,934	
2009	148	52,017,727	709	96,056,087	7,592,090,000	4,402,760,384	6,257,490,215	397,063,450	671,339,004	
2010	110	70,266,920	622	96,580,902	8,183,979,000	4,571,159,052	6,448,188,579	377,615,393	773,831,223	
2011	85	94,785,851	641	108,466,180	8,478,675,000	4,460,292,962	6,488,371,519	374,194,726	761,010,658	
2012	126	172,267,390	935	150,077,555	8,638,444,000	4,454,071,509	6,557,864,234	352,102,767	779,291,720	
2013	231	\$ 186,626,982	943	\$ 137,643,461	\$ 12,365,894,000	\$ 4,329,884,664	\$ 5,963,993,048	\$ 397,195,533	\$ 807,321,080	

**NOTES:**

(1) Total exemptions include Homestead, Veteran, and Agricultural exemptions. Veteran valuations range from \$1,500 to \$3,000 based on disability percentage. Agriculture valuates represent land used for ranching and farming.

**SOURCES:**

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

**PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2013**

**CITY OF LAREDO, TEXAS**

**TABLE 19**

<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL CITY EMPLOYMENT</b>
United Independent School District	6,073	6.67%
Laredo Independent School District	4,200	4.61%
City of Laredo	2,407	2.64%
U.S. Border Patrol	1,978	2.17%
H.E.B Grocery	1,668	1.83%
McDonald's Restaurant	1,539	1.69%
Laredo Medical Center	1,500	1.65%
Webb County	1,500	1.65%
Texas A&M International University	1,220	1.34%
Convergys	1,200	1.32%

**PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2003**

United Independent School District	4,500	6.25%
Laredo Independent School District	3,349	4.65%
City of Laredo	2,080	2.89%
Mercy Regional Medical Center	2,000	2.78%
Webb County	1,270	1.76%
H.E.B Grocery Company	1,184	1.64%
U.S. Border Patrol	1,129	1.57%
McDonald's Restaurants	1,113	1.55%
Laredo Community Collge	991	1.38%
Texas A&M International University	696	0.97%

Principal Employers numbers as of September 2013 and 10 years ago.

**Source:**

Laredo Development Foundation  
Texas Workforce Commission

**PRINCIPAL WATER CONSUMERS  
SEPTEMBER 30, 2013**

**CITY OF LAREDO, TEXAS**

**TABLE 20**

<b>TYPE OF BUSINESS</b>	<b>PRODUCT OR SERVICE</b>	<b>CONSUMPTION (1)</b>
Laredo Medical Center	Hospital	107,873,300
Texas A&M University System	Education	79,138,100
United High School	Education	47,250,500
Laredo Community College	Education	44,337,600
Webb County Jail	County Jail	22,591,100
Laredo Regional Medical Center	Hospital	16,545,000
C P L Power Plant	Electricity	14,689,100
Towne North Mobile Homes	Housing	14,662,800
Clarks Crossing Apartments	Housing	14,508,500
Broad Acres Apartments	Housing	12,123,300

**PRINCIPAL WATER CONSUMERS  
SEPTEMBER 30, 2003**

<b>TYPE OF BUSINESS</b>	<b>PRODUCT OR SERVICE</b>	<b>CONSUMPTION (1)</b>
Mercy Health Center	Hospital	69,910,200
Texas A&M International University	Education	30,570,300
Webb County Jail	County	23,040,200
C P & L Power Plant	Electricity	16,281,400
Dellwood Del Norte Limited	Apartments	13,854,700
Corrections Corp. of America	Correction	12,051,200
Holiday Inn - Laredo	Hotel	12,048,400
Retama Manor Nursing Home	Nursing Home	10,150,900
United High School	School	10,097,000
International Bank of Commerce	Bank	9,931,200

**NOTES:**

(1) Total consumption in gallons

Numbers show total comparison for principal water consumers as of fiscal year 2013 and 10 years ago.

**SOURCE:**

City of Laredo, Texas

**GENERAL**

Form of Government:	City Manager & City Council
Terms of Office:	Mayor - 4 Year Term (2 Terms Maximum) City Council - 4 Year Staggered Terms (2 Terms Maximum) City Manager - Appointed by City Council
Date of First Charter Adoption:	1848
Date of Original Public Sale Of Town Lots:	1880
Second Charter:	February 23, 1911
Home Rule Amendment to Charter:	January 29, 1921
Amendments to Charter:	July 8, 1941, January 8, 1946, October 9, 1951, April 3, 1962, November 30, 1965, January 14, 1981, January 16, 1988, November 7, 1995 and August 28, 2006
Number of City Employees as of September 30, 2013:	2,398
Number of City Departments as of September 30, 2013:	23

**Area in square miles by ten year periods for the last 50  
years and annually for the last ten years**

<b>YEAR</b>	<b>LAND AREA</b>	<b>INCREASE</b>	<b>TOTAL*</b>
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	4.57	38.07
2000	78.82	1.13	79.95
2004	83.97	0.34	84.40
2005	84.40	2.26	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.36	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.79	92.19
2012	92.19	0.77	92.96
2013	92.96	N/A	N/A

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

**ELECTIONS**

(continued)

Number of Registered Voters: 105,470

**NUMBER OF VOTES CAST IN**

Last Municipal Election: Nov 2, 2010 28,873

**% OF REGISTERED VOTERS VOTING IN**

Last Municipal Election: Nov 2, 2010 27.38%

**TRANSPORTATION**

**AIRPORTS**

Number of Airports: 1

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

Scheduled Airplane Flights  
Per Day Departing: 9.4

Scheduled Airplane Flights  
Per Day Arriving: 9.4

Passengers Enplaning: 101,170 per year

Passengers Deplaned: 99,633 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: 4,551,845

Number of Crossing Commercial  
Vehicles: 1,835,110

Number of Crossing Pedestrians  
(includes bicycles): 2,973,056

Total Tolls: \$ 45,582,802

---

**RAILROADS**

(continued)

Number of Railroads: 2

Names of Railroads: Union Pacific Railroad  
Kansas City Southern Railroad

---

**HIGHWAYS**

Number of Highways: 5

Name of Major Highways: IH 35 - to San Antonio, Dallas & North to the  
Canadian Border  
Hwy. 59 - to Houston, New Orleans & East  
Hwy. 359 - to Corpus Christi  
Hwy. 83 - to Brownsville (East) & El Paso (West)  
Hwy 255 - Columbia Bridge to IH 35

---

**BUS LINES**

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

Number of Adult Passengers: 1,813,149

Number of Elderly & Handicapped - Paid: 270,438

Number of Elderly & Handicapped - Free: 552,804

Number of Students: 199,163

Number of Children - Paid: 104,359

Number of Children - Free: 58,208

Number of I.D. Cards for Elderly: 4,790

Number of Medicaid Cards: 1,994

Number of Service Miles: 1,961,745

Number of Charter Miles: n/a

Number of Employees: 181

Name of Interstate Bus Lines: Autobuses ADAME  
Americanos USA  
Cougar Bus Lines  
Greyhound  
Tornado  
Zima Real

**FIRE PROTECTION**

(continued)

Number of Stations:	14
Number of Hydrants:	3,381
Number of Fire Pumpers:	14
Number of Aerial Trucks:	3
Number of Ambulances:	9
Number of Crash Trucks:	1
Number of Brush Trucks:	7
Number of Haz-Mat Trucks:	1
Number of Firefighters / EMT's / Paramedics:	370
Employees per 1,000 Population:	1.4

**POLICE PROTECTION**

Number of Stations:	1 Police Headquarters
Number of Neighborhood Policing Stations:	18
Number of Sworn Officers:	434
Number of Vehicular Patrol Units:	261
Employees per 1,000 Population:	1.838
Number of Law Violations:	33,262
Number of Physical Arrests:	9,576
Number of Traffic Violations:	27,765
Number of 911 Calls:	180,305
Number of Non-911 Calls:	250,351



PUBLIC WORKS

(continued)

**WATERWORKS SYSTEM**

---

Miles of Water Mains:	721
Daily Average Consumption:	35 MGD
Plant Capacity:	65 MGD
Storage Capacity:	44.3 MG
Water Rights Owned:	60,803.81 Acre / Feet
Source of Water:	Rio Grande River
Number of Service Connections:	67,033

**SEWER SYSTEM**

---

Miles of Sanitary Sewer:	504
Number of Lift Stations:	69
Daily Average Treatment:	18.9 MGD
Maximum Capacity of Treatment Plants:	25.1 MGD
Number of Disposal Plants:	6
Number of Service Connections:	62,426

**SOLID WASTE**

---

Number of Garbage Connections:	56,936
Solid Waste Disposal Type:	Type I Landfill

**STREETS**

---

Number of Paved Streets:	10,724 Blocks
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	670 Miles
Miles of Unpaved Streets:	1 mile

EDUCATIONAL

(continued)

LAREDO INDEPENDENT SCHOOL DISTRICT

<b>Number of Senior High Schools:</b>	4
Number of Magnet Schools:	3
Number of Classrooms:	402
Number of Administrative Personnel:	24
Number of Teachers:	451
Number of Students:	5,762
Annual Budget:	\$40,284,081
<b>Number of Middle Schools:</b>	4
Number of Classrooms:	277
Number of Administrative Personnel:	17
Number of Teachers:	337
Number of Students:	4,950
Annual Budget:	\$27,849,871
<b>Number of Elementary Schools:</b>	20
Number of Classrooms:	835
Number of Administrative Personnel:	46
Number of Teachers:	915
Number of Students:	14,210
Annual Budget:	\$77,380,344

**UNITED INDEPENDENT SCHOOL DISTRICT**

(continued)

<b>Number of Senior High Schools:</b>	5
Number of Magnet Schools:	3
Number Alternative Education Schools:	1
Number of Classrooms:	629
Number of Administrative Personnel:	115
Number of Teachers:	761
Number of Students:	12,745
Annual Budget:	\$68,524,571
<b>Number of Middle Schools:</b>	9
Number of Classrooms:	527
Number of Administrative Personnel:	87
Number of Teachers:	570
Number of Students:	10,044
Annual Budget:	\$50,387,711
<b>Number of Elementary Schools:</b>	26
Number of Classrooms:	1,332
Number of Administrative Personnel:	155
Number of Teachers:	1,205
Number of Students:	20,855
Annual Budget:	\$102,467,212

**LIBRARIES**

---

(continued)

Number of Public Libraries:	1
Number of Volumes:	318,986
Circulation Transactions:	978,361
Circulation Per Capita:	4
New Library Cards Issued:	16,790
Library Cards in Force:	20,321
Number of Subscriptions:	660
Number of Titles:	251,474
Number of Library Visits:	345,120
Number of Materials Used:	108,483
Library Programs Presented:	1,718
Number Attending Library Programs:	47,931
Bookmobiles:	1
Branches and Outlets:	3

**PRIVATE SCHOOLS**

---

Number of Parochial 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:	7
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

**TEXAS A&M INTERNATIONAL UNIVERSITY**

(continued)

Date Established:	Established in 1970 as a division of Texas A&I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M University System on September 1, 1989.
Programs Offered:	Undergraduate, Graduate and Doctoral degrees are offered by the Colleges of Business Administration, Education, Humanities, Technology and Arts & Sciences.
Population Served:	Undergraduate and Graduate level college students seeking Liberal Arts, Education, Psychology, Business, International Trade, Science and Technology Degrees.
Region served:	South Texas Region
Number of Classrooms/Labs:	117
Number of Administrators:	163
Number of Full-Time Faculty:	209
Number of Part-Time Faculty:	91
Number of Full-Time Students:	4,232
Number of Part-Time Students:	3,199

**LAREDO COMMUNITY COLLEGE**

Date Founded:	1947
Programs Offered:	Associates of Art, Degrees in Engineering, Education, Medicine, Dentistry, Nursing, Law, Business Administration, Computer Science and Vocational Education.
Number of Classrooms/Labs:	331
Total Gross Square Footage:	1,211,872 Sq. Ft.
Number of Administrative Personnel:	21
Number of Full-Time Faculty:	199
Number of Part-Time Faculty:	163
Number of Full-Time Students:	3,406
Number of Part-Time Students:	5,950
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$49,878,795

RECREATIONAL

(continued)

PARKS

Number of Acres Maintained:	860.45
Number of Parks:	74
Number of Plazas:	4
Baseball and Softball Fields:	52
Number of Swimming Pools:	7
Number of Soccer Fields:	22
Number of Tennis Court Facilities:	18 Courts in 5 Facilities
Number of Racquetball Facilities:	5 Courts in 3 Facilities
Number of Recreational Centers:	8
Number of Splash Parks:	9
Number of Skate Parks:	9

CEMETERY

City:	1
Catholic:	1
Private:	3
Burials Served:	230
Cemetery Lots Sold:	105

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	38 with 3,867 Rooms
Meeting Facilities:	35

**MAJOR ATTRACTIONS**

(continued)

Number of Rodeo Arenas:	2
Number of Museums:	9
Number of Golf Courses:	3
Number of Tennis Courts:	21
Number of Tennis Court Facilities:	5
Number of Malls:	1
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Washington's Birthday Celebration Border Olympics Laredo International Fair & Exposition Laredo Birding Festival Memorial Day Pow Wow 4th of July Celebration Laredo Sister Cities Festival Fire Fest Autmus Fest Rio Fest Navidad Fest Jalapeno Festival Jamboozie Arte en la Avenida Farmers Market Octoberfest City Kite Festival Cycling Race

**CIVIC CENTER**

Auditoriums:	1 with 1,979 Seats
Banquet & Exhibit Halls:	20,440.Sq. Ft. (1,400 Seats)
Meeting Rooms:	4 Meeting Rooms with Capacity of 60 Per Room
Parking Spaces:	962

**CHURCHES**

Number of Catholic Churches:	19
Number of Synagogues:	1
Other Churches:	66

**SPORTS ARENA**

(continued)

Facility Area:	178,000 Square Feet
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	3
Food Courts:	8
Team Stores:	1
Parking Spaces:	2,000
Major Attractions:	Concerts, Sporting Events, Conventions Family Entertainment, Community & Charity Events

**BASEBALL STADIUM**

Facility Area:	23.36 Acres
Seat Capacity:	6,000
Stadium Capacity:	16,000
Luxury Suites:	10
Meeting Rooms:	3
Food Courts:	4
Team Stores:	1
Parking Spaces:	985
Major Attractions:	Independent Baseball Team: The Laredo Lemurs Concerts

**SOURCES:**

Finance Department, City of Laredo  
Laredo Chamber of Commerce  
Laredo Community College  
Laredo Independent School District  
Texas A&M International University  
United Independent School District  
Laredo Energy Arena  
Laredo Lemurs



**INSURANCE IN FORCE FOR THE CITY OF LAREDO  
INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM,  
LAREDO WATERWORKS SYSTEM, AND THE LAREDO  
SEWER SYSTEM  
SEPTEMBER 30, 2013**

**CITY OF LAREDO, TEXAS**

**TABLE 22**

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$ 471,020,576
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	18,672,377 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	427,211 300,000 2,700,000 1,000,000 291,000
AIRPORT - FOREIGN TRADE ZONE	Foreign Trade Zone Operator's Bond	\$ 50,000

**NOTES:**

(1) The property Fire and Extended Coverage Policy includes all buildings owned by the City of Laredo and the contents of particular buildings. It also provides coverage for use occupancy and business interruptions for the four International Bridges operated by the City's International Toll Bridge System.

(2) Includes Volunteers and Elected Officials.

**SOURCE:**

City of Laredo, Texas

**FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION  
LAST EIGHT FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 23**

FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30								
FUNCTION	2013	2012	2011	2010	2009	2008	2007	2006
General Government	340.75	338.25	349.10	347.10	339.10	332.10	323.29	316.99
Public Safety:								
Police:								
Officers	482.00	482.00	482.00	455.00	455.00	455.00	399.00	411.00
Civilians	90.00	89.00	89.00	89.00	89.00	89.00	105.00	84.00
Fire:								
Firefighters and Officers	362.00	357.00	357.00	357.00	357.00	350.00	333.00	333.00
Civilians	14.00	10.00	10.00	10.00	10.00	9.00	9.00	8.00
Other Civilians	62.00	62.00	62.00	62.00	62.00	62.00	61.00	60.00
Public Works	112.00	113.00	118.00	118.00	118.00	119.00	113.50	83.50
Health and Welfare	304.88	291.38	289.88	279.88	251.88	250.55	248.88	257.60
Culture and Recreation	246.24	243.97	245.93	245.93	245.93	241.93	238.68	231.28
Air Transportation	54.00	48.00	48.00	47.00	42.00	37.00	43.00	41.00
Bridge System	190.00	190.00	207.00	207.00	218.00	212.00	212.00	213.00
Solid Waste Management System	128.00	128.00	128.00	132.00	168.00	168.00	169.00	169.00
Water System	190.00	195.00	188.00	188.00	179.00	169.00	179.00	146.00
Sewer System	81.00	75.00	72.00	72.00	69.00	69.00	69.00	48.00
Transit System	181.00	162.00	185.10	184.70	184.70	179.31	179.31	179.31
Municipal Housing	12.00	12.00	11.00	11.00	11.00	11.00	11.25	10.25
Total	<u>2,849.87</u>	<u>2,796.60</u>	<u>2,842.01</u>	<u>2,805.61</u>	<u>2,799.61</u>	<u>2,753.89</u>	<u>2,693.91</u>	<u>2,591.93</u>

**NOTES:**

(1) This table was implemented by GASB starting on fiscal year 2006.

**SOURCE:**

City of Laredo Budget Division

This page intentionally left blank

**OPERATING INDICATORS BY FUNCTION  
LAST EIGHT FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 24**

<b>FUNCTION</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>	<b>FISCAL YEAR 2010</b>	<b>FISCAL YEAR 2011</b>	<b>FISCAL YEAR 2012</b>	<b>FISCAL YEAR 2013</b>
<b>Police</b>								
Physical Arrests	14,343	9,379	7,882	8,319	7,832	7,827	8,613	9,576
Vehicle Inspections (used dealerships)	900	672	321	818	29	34	40	36
Bridge Operations Conducted	58	110	6	134	115	63	151	177
Emergency Calls	141,744	159,374	155,379	189,312	158,922	120,567	196,802	180,305
Non-Emergency Calls	355,775	290,866	276,857	288,998	222,698	271,832	264,904	250,351
Dispatched Calls	32,000	468,182	432,236	478,310	381,620	392,399	461,706	430,656
Public Awareness/Training/Education	1,500	121	22	65	63	108	112	54
<b>Fire</b>								
Fire Department Responses	1,390	5,148	11,798	8,002	9,333	9,092	26,733	24,559
Inspections	2,500	3,110	2,061	3,067	1,873	1,712	4,610	4,600
Arson Cases Investigated	200	156	51	84	80	87	94	95
Public Education Presentations	250	396	89	65	77	81	107	150
<b>Public Works</b>								
Street Resurfaced	92	206	357	600	490	462	388	244
Potholes Repaired	15,790	21,589	23,842	23,733	23,967	22,247	24,490	24,694
<b>Bridge</b>								
Pedestrian Crossings	4,217,362	4,161,523	4,362,476	4,124,272	3,746,170	3,161,627	2,946,244	2,973,056
Gateway Passes Sold	1,054,340	3,132,040	4,255,304	4,010,461	3,638,851	3,110,189	2,923,079	2,934,065
Non-Commercial Vehicle Crossings	6,162,534	5,718,799	3,930,715	3,644,695	4,669,024	4,401,849	4,418,558	4,551,845
Commercial Vehicle Crossings	1,706,626	1,662,549	1,608,566	1,400,969	1,575,893	1,725,335	1,784,104	1,835,110
Non-Commercial AVI Accounts	5,947	12,033	12,261	13,000	14,033	10,448	10,406	10,632
Commercial AVI Accounts	250	2,021	2,060	2,150	2,819	3,388	3,721	3,931
<b>Culture and recreation</b>								
Community Center Admissions	471,016	331,208	280,372	294,342	265,265	345,442	382,769	523,699
Community Service Special Events	20	65	67	74	63	71	70	93
After School Programs	3	5	5	11	14	7	6	9
<b>Transit System</b>								
Passenger Ridership	4,202,065	4,324,816	4,014,848	3,369,008	3,365,661	2,858,252	2,884,245	2,998,121
Miles Driven	2,109,038	1,946,970	1,991,672	1,980,520	1,968,004	1,953,600	1,961,651	1,961,745

(Continued)

OPERATING INDICATORS BY FUNCTION  
LAST EIGHT FISCAL YEARS (1)

FUNCTION	FISCAL YEAR 2006	FISCAL YEAR 2007	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013
<b>Sanitation</b>								
Household Customers	50,980	53,037	54,245	54,588	54,850	55,839	56,797	56,936
Refuse Collected (tons)	90,788	93,093	101,457	100,083	95,384	104,680	94,549	99,613
Recyclables Collected (tons)	2,799	2,979	3,328	3,385	4,200	3,684	3,378	3,128
<b>Water</b>								
Average Consumption (MGD)	34.67	33.58	36.72	37.96	32.60	40.00	28.40	35.00
Meters Read	56,171	58,193	59,840	60,880	61,675	63,031	64,561	66,512
Service Calls	5,243	7,071	7,269	6,973	6,943	7,561	8,415	9,030
<b>Wastewater</b>								
Average Sewage Treatment (MGD)	16.77	18.10	18.04	17.45	18.00	17.90	18.90	18.90
<b>Airport</b>								
Commercial Service Airlines	2	3	3	3	3	3	3	3
Land/Building Leases	95	94	93	90	89	83	86	86
Inbound/Outbound Passengers	188,619	223,638	220,520	203,854	221,558	208,173	192,869	200,803
Scheduled Flights Per Day	N/A	N/A	8	8	8	8	8	9

NOTES:

(1) This table was implemented by GASB starting on fiscal year 2006.

SOURCE:

City of Laredo, Texas

**CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST EIGHT FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 25**

<b>FUNCTION</b>	<b>FISCAL YEAR 2013</b>	<b>FISCAL YEAR 2012</b>	<b>FISCAL YEAR 2011</b>	<b>FISCAL YEAR 2010</b>	<b>FISCAL YEAR 2009</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2006</b>
<b>Public Safety</b>								
Police:								
Stations	18	18	18	18	18	18	18	17
Patrol Units	261	297	381	468	413	433	470	457
Fire:								
Stations	14	14	14	14	14	14	14	14
EMS Units	9	9	10	9	13	13	9	9
Ladder Trucks	3	3	3	3	3	3	3	3
Pumper Trucks	14	14	14	14	17	18	14	16
<b>Highways and Streets</b>								
Public Works:								
Streets - Lane Miles	670	664	663	660	656	641	631	610
Traffic:								
Traffic Signals	248	242	243	246	243	241	239	231
Street Lights	12,480	12,400	13,649	13,261	13,087	13,035	12,800	12,100
Other Traffic Control Signs	34,862	34,624	34,209	33,775	33,475	32,500	31,500	30,000
<b>Bridge System</b>								
International Bridges	4	4	4	4	4	4	4	4
<b>Cultural and Recreation</b>								
Parks Acreage	860	863	882	878	838	1,035	738	618
Parks	74	73	72	71	70	64	71	52
Swimming Pools	7	7	6	6	6	6	6	6
Community Centers	9	10	8	10	8	8	7	7
Convention Centers	1	1	1	1	1	1	1	1
Stadiums	1	1	0	0	0	0	0	0
<b>Transit System</b>								
Buses	48	47	47	48	47	47	47	47
Trolleys	1	2	2	3	2	2	2	2

**CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST EIGHT FISCAL YEARS (1)**

**CITY OF LAREDO, TEXAS**

**TABLE 25**

(Continued)

<b>FUNCTION</b>	<b>FISCAL YEAR 2013</b>	<b>FISCAL YEAR 2012</b>	<b>FISCAL YEAR 2011</b>	<b>FISCAL YEAR 2010</b>	<b>FISCAL YEAR 2009</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2006</b>
<b>Sanitation</b>								
Collection Trucks - Rear Loaders	24	23	23	20	21	21	25	25
Collection Trucks - Automated	38	40	41	41	31	29	29	29
Collection Trucks - Dump Trucks	2	0	0	3	3	4	4	5
Collection Trucks - Grapplers	8	5	5	6	6	6	2	2
Collection Trucks - F.Loaders/Recycle	3	4	0	0	0	0	0	0
<b>Water</b>								
Water Mains (miles)	721	716	711	702	702	681	660	629
Fire Hydrants	3,381	3,316	3,257	3,221	3,155	2,920	2,740	2,524
Maximum Capacity (MGD)	65	65	65	65	65	65	65	65
<b>Wastewater</b>								
Sanitary Sewer (miles)	504	500	498	450	491	473	426	426
Maximum Capacity (MGD)	25.10	25.10	24.70	22.70	21.10	21.00	21.05	21.05
<b>Environmental Services</b>								
Storm Drainage (miles)	198	187	183	230	202	121	113	107
<b>Air Transportation</b>								
Airports	1	1	1	1	1	1	1	1

**NOTES:**

(1) This table was implemented by GASB starting on fiscal year 2006.

**SOURCE:**

City of Laredo, Texas

This page intentionally left blank



**CONTINUING DISCLOSURE 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, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, and 2013. The table applies to the following issues:

Waterworks System Revenue Bond, Series 2002	\$	741,000
Sewer System Revenue Bond, Series 2002		710,000
Combination Tax and Sewer System Revenue Certificate of Obligation, Series 2003		3,620,000
Combination Tax and Waterworks System Revenue Certificate of Obligation, Series 2003		3,510,000
Combination Tax and Revenue Certificate of Obligation, Series 2004		13,535,000
International Toll Bridge System Revenue Bond, Series 2004		5,935,000
Waterworks & Sewer System Revenue Bonds, Series 2004		7,480,000
General Obligation Refunding Bonds, Series 2005		24,455,000
Sports Venue Sales Tax Revenue Improvement and Refunding Bond, Series 2005		33,550,000
International Toll Bridge System Rev. Improvement and Refunding Bond, Series 2005		23,760,000
International Toll Bridge System Revenue Refunding Bond, Series 2005		24,565,000
Waterworks & Sewer System Revenue Bond, Series 2005		6,420,000
Combination Tax and Revenue Certificate of Obligation, Series 2005		15,625,000
Combination Tax and Revenue Certificate of Obligation, Series 2006		17,320,000
Waterworks & Sewer System Revenue Bond, Series 2006		13,485,000
Waterworks & Sewer System Revenue Bond, Series 2007		17,670,000
Combination Tax and Revenue Certificate of Obligation, Series 2007		72,480,000
Combination Tax, Waterworks, and Sewer System Certificate of Obligation, Series 2008		46,235,000
International Toll Bridge System Revenue Bond, Series 2008		3,070,000
Tax and Revenue Certificate of Obligation, Series 2008		30,065,000
Public Property Finance Contractual Obligations, Series 2008		3,555,000
Waterworks & Sewer System Revenue Bond, Series 2008		915,000
General Obligation Refunding Bond, Series 2009		27,150,000
Public Property Finance Contractual Obligations, Series 2009		5,095,000
Combination Tax and Revenue Certificate of Obligation, Series 2009A		11,270,000
Combination Tax and Revenue Certificate of Obligation, Series 2009B (BAB)		13,465,000
Waterworks & Sewer System Revenue Bond, Series 2009C		13,475,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2009		7,500,000
Combination Tax and Revenue Certificate of Obligation, Series 2009D (BAB)		37,945,000
Public Property Finance Contractual Obligations, Series 2010		5,080,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2010		4,095,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010		2,070,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010B		2,040,000
General Obligation Refunding Bond, Series 2010		9,345,000
Combination Tax and Revenue Certificate of Obligation, Series 2010		9,545,000
Waterworks & Sewer System Revenue Bond, Series 2010		82,175,000
Sports Venue Sales Tax Revenue Bonds, Series 2011		10,445,000
Waterworks & Sewer System Revenue Bond, Series 2011		30,875,000
General Obligation Refunding Bond, 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

## GENERAL OBLIGATION BONDS

**TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS**

2012 Market Valuation Established by Webb County Appraisal District (as of September 2012)		11,517,725,499
Less Supplemental Tax Levy Adjustment	19,331,174	
Total Adjusted Levy		11,498,394,325
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	242,485,151	
Disabled Veterans Exemptions	30,949,542	
Agricultural and Open Space Land Use Reductions	217,959,042	
Free Port Exemptions	214,414,900	
Property Redevelopment and Tax Abatement	86,136,950	
Pollution Control	12,089,690	
Other Exemptions	3,285,805	<u>807,321,080</u>
2012 Taxable Assessed Valuation		<u>10,691,073,245</u>
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	19,990,050	
Certificates of Obligation	<u>162,712,273</u>	
Funded Debt Payable from Ad Valorem Taxes		182,702,323
Less: Self-supporting Debt		
Bridge System General Obligation Debt	2,932,947	
Airport System Certificates of Obligation	5,500,000	
Environmental Services Certificates of Obligation	17,055,192	
Parking System General Obligation Debt	1,581,898	
Parking System Certificates of Obligation	<u>70,000</u>	<u>27,140,037</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes		<u>155,562,286</u>
Interest and Sinking Fund		4,653,312
Ratio Funded Debt to Taxable Assessed Valuation		1.71%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.46%
2013 Estimated Population-	247,543	
Per Capita Taxable Assessed Valuation-	\$43,189	
Per Capita Funded Debt-	\$738	
Per Capita General Purpose Funded Debt-	\$628	

- (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:  
 \$211,117,404 Waterworks System Revenue Bonds; \$128,236,427 Sewer System Revenue Bonds;  
 \$64,095,264 International Toll Bridge System Revenue Bonds; \$6,696,984 Transit System Revenue Bonds;  
 \$24,869,861 Solid Waste Revenue Bonds; and \$36,250,000 Sports Venue Sales Tax Revenue Bonds.

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,640,577,811	49.06%	5,743,367,125	49.95%	5,758,393,175	50.67%
Real, Residential, Multifamily	375,691,113	3.27%	371,601,626	3.23%	363,783,782	3.20%
Real, Vacant Lots/Tracts	396,528,886	3.45%	352,102,767	3.06%	374,194,726	3.29%
Real, Acreage (Land Only)	355,696,350	3.09%	365,843,683	3.18%	364,100,202	3.20%
Real, Farm and Ranch Improvements	1,611,188	0.01%	1,339,140	0.01%	2,094,360	0.02%
Real, Commercial/Industrial	3,050,782,350	26.53%	2,980,783,465	25.92%	3,013,478,258	26.52%
Real, Oil, Gas, and Other Mineral Reserves	7,805,378	0.07%	10,887,358	0.09%	20,194,565	0.18%
Goods In-Transit	1,655,666	0.01%	0	0.00%	0	0.00%
Real and Tangible Personal, Utilities	229,889,347	2.00%	211,669,018	1.84%	217,971,470	1.92%
Tangible Personal, Commercial/Industrial	1,292,946,066	11.24%	1,181,912,878	10.28%	1,135,466,249	9.99%
Tangible Personal, Other	76,391,179	0.66%	75,712,660	0.66%	75,657,587	0.67%
Real Property, Inventory (1)	41,995,477	0.37%	47,172,340	0.41%	52,822,580	0.46%
Special Inventory	26,823,514	0.23%	21,646,450	0.19%	20,359,840	0.18%
<b>Total Appraised Value Before Exemptions</b>	<b>11,498,394,325</b>	<b>100.00%</b>	<b>11,364,038,510</b>	<b>100.00%</b>	<b>11,398,516,794</b>	<b>100.00%</b>
Less: Total Exemptions/Reductions	807,321,080		779,291,720		761,010,658	
<b>Taxable Assessed Value</b>	<b>10,691,073,245</b>		<b>10,584,746,790</b>		<b>10,637,506,136</b>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2010		2009	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,642,149,175	49.51%	5,512,603,199	49.85%
Real, Residential, Multifamily	350,283,403	3.07%	334,225,503	3.02%
Real, Vacant Lots/Tracts	377,615,393	3.31%	397,063,450	3.59%
Real, Acreage (Land Only)	377,971,484	3.32%	331,543,882	3.00%
Real, Farm and Ranch Improvements	2,104,590	0.02%	2,539,350	0.02%
Real, Commercial/Industrial	3,005,989,286	26.38%	2,862,878,623	25.89%
Real, Oil, Gas, and Other Mineral Reserves	20,606,845	0.18%	33,697,085	0.30%
Goods In-Transit	0	0.00%	0	0.00%
Real and Tangible Personal, Utilities	196,643,590	1.73%	230,761,250	2.09%
Tangible Personal, Commercial/Industrial	1,264,466,251	11.09%	1,210,511,686	10.95%
Tangible Personal, Other	75,679,927	0.66%	76,578,281	0.69%
Real Property, Inventory (1)	63,248,160	0.55%	39,264,150	0.36%
Special Inventory	20,204,920	0.18%	25,647,590	0.23%
<b>Total Appraised Value Before Exemptions</b>	<b>11,396,963,024</b>	<b>100.00%</b>	<b>11,057,314,049</b>	<b>100.00%</b>
Less: Total Exemptions/Reductions	773,831,223		671,339,004	
<b>Taxable Assessed Value</b>	<b>10,623,131,801</b>		<b>10,385,975,045</b>	

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**

Fiscal Year Ended 9-30	Estimated Population (1)	Taxable Assessed Valuations (2)	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2004	214,000	6,018,438,664	28,124	152,500,000	2.53%	713
2005	215,375	6,773,135,203	31,448	153,725,000	2.27%	714
2006	224,695	7,449,143,814	33,152	155,940,000	2.09%	694
2007	231,470	8,408,036,926	36,325	217,945,000	2.59%	942
2008	237,396	9,393,528,747	39,569	282,840,000	3.01%	1,191
2009	233,152	10,385,975,045	44,546	200,009,344	1.93%	858
2010	244,580	10,623,131,801	43,434	192,761,176	1.81%	788
2011	240,135	10,637,506,136	44,298	193,993,899	1.82%	808
2012	241,935	10,584,746,790	43,750	190,763,722	1.80%	788
2013	247,543	10,691,073,245	43,189	182,702,323	1.71%	738

(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**

Fiscal Year Ended 9-30	Tax Rate	Distribution General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2004	0.641761	0.500648	0.141113	39,396,804	95.09%	99.32%
2005	0.637000	0.508677	0.128323	43,378,278	96.12%	99.49%
2006	0.637000	0.512019	0.124981	47,726,893	96.28%	99.57%
2007	0.637000	0.513745	0.123255	53,847,576	96.62%	99.54%
2008	0.637000	0.511426	0.125574	59,690,336	96.91%	99.52%
2009	0.637000	0.512737	0.124263	65,419,993	96.60%	99.45%
2010	0.637000	0.512772	0.124228	66,652,507	96.59%	99.35%
2011	0.637000	0.512304	0.124696	67,016,086	97.35%	99.22%
2012	0.637000	0.512326	0.124674	66,842,112	96.97%	98.64%
2013	0.637000	0.498866	0.138134	67,621,015	97.39%	97.39%

Tax collections as of September 30, 2013

**TABLE 5 – TEN LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>Type of Business</u>	2012 Assessed Valuation Real & Personal Property	Percentage of Total Assessed Valuation
Laredo Texas Hospital Co., LP	Medical	106,398,020	0.99%
AEP Texas Central Company	Electricity	70,751,780	0.66%
Halliburton Energy Services	Exploration	68,455,550	0.64%
The Geo Group, Inc.	Corrections	52,169,960	0.49%
Mall Del Norte, LLC	Retail	52,068,350	0.49%
AEP Electric Transmission of Texas, LLC	Electricity	41,458,320	0.39%
Laredo Regional Medical Center, LP	Medical	39,869,080	0.37%
International Bank of Commerce	Banking	35,148,320	0.33%
H.E. Butt Grocery Company	Grocery Store	30,493,370	0.28%
Farias Development, Ltd.	Development	29,907,750	0.28%
		<u>526,720,500</u>	4.92%

NOTE: As of February 10, 2014, the following taxpayers are not current on their taxes: LAREDO REGIONAL MEDICAL CENTER, INTERNATIONAL BANK OF COMMERCE, FARIAS DEVELOPMENT.

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>	2012 Taxable Assessed <u>Valuation</u>	2012 Tax <u>Rate</u>	Total Funded <u>Debt</u>	Estimated % <u>Applicable</u>	City's Overlapping Funded Debt As of <u>09-30-13</u>
City of Laredo	10,691,073,245	0.637000	182,702,323	100.00%	182,702,323
Laredo Independent School District	2,152,242,227	1.274000	174,169,325	100.00%	174,169,325
Laredo Community College District	10,980,953,476	0.257764	232,171,121	100.00%	232,171,121
United Independent School District	12,923,772,398	1.194860	246,312,792	77.04%	189,759,375
Webb County	16,428,672,730	0.420050	60,237,000	64.10%	<u>38,611,917</u>
Total Direct and Overlapping G.O. Tax Debt					<u>817,414,061</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.54%
Per Capita Overlapping G. O. Tax Debt					3,302.11

Source: Finance Departments of respective entities.

**TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION**

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2014.....	\$	26,224,467
Interest and Sinking Fund, 9-30-2013.....	4,653,312	
Property Taxes for Interest and Sinking Fund.....	16,081,809	
Paving Assessments.....	22,473	
Budgeted Transfers.....	8,471,305	
Estimated Investment Income.....	<u>24,800</u>	<u>29,253,699</u>
Estimated Balance, 9-30-2014.....	\$	<u><u>3,029,232</u></u>

**TABLE 8A – GENERAL OBLIGATION DEBT SERVICE**

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2012 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2014	10,413,451	378,425	10,791,876	6,003,408	4,788,468	20.59%
2015	5,773,036	373,775	6,146,811	2,551,648	3,595,163	
2016	5,588,250	955,201	6,543,451	2,887,239	3,656,212	
2017	5,662,864	952,399	6,615,263	2,888,852	3,726,411	
2018	4,456,113	949,000	5,405,113	2,452,584	2,952,529	
2019	2,382,912	944,999	3,327,911	2,014,601	1,313,310	86.12%
2020	2,073,909	955,175	3,029,084	1,703,352	1,325,732	
2021	1,517,109	954,449	2,471,558	1,332,950	1,138,608	
2022	744,600	948,050	1,692,650	1,328,789	363,861	
2023	-	950,900	950,900	658,050	292,850	
2024	-	578,550	578,550	470,925	107,625	100.00%
<b>Total</b>	<b>38,612,244</b>	<b>8,940,923</b>	<b>47,553,167</b>	<b>24,292,398</b>	<b>23,260,769</b>	



**TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE**

<u>Fiscal Year 9-30</u>	<u>Outstanding Certificates of Obligation Debt</u>	<u>Certificate of Oblig, Series 2012</u>	<u>Fund Debt Requirements</u>	<u>Less: Self Supporting CO Debt Service Requirements</u>	<u>General Purpose Funded Debt</u>	<u>% of Debt Retired</u>
2014	26,809,706	505,658	27,315,364	10,961,914	16,353,450	7.21%
2015	26,198,898	504,307	26,703,205	10,949,159	15,754,046	
2016	25,821,140	502,858	26,323,998	10,649,680	15,674,318	
2017	25,823,169	506,257	26,329,426	10,653,048	15,676,378	
2018	25,845,293	504,508	26,349,801	10,669,232	15,680,569	
2019	25,250,874	502,657	25,753,531	9,997,870	15,755,661	41.83%
2020	23,953,654	505,658	24,459,312	8,700,672	15,758,640	
2021	23,584,531	503,507	24,088,038	8,334,780	15,753,258	
2022	23,561,631	505,838	24,067,469	8,321,230	15,746,239	
2023	22,780,329	507,207	23,287,536	7,994,144	15,293,392	
2024	22,536,743	502,643	23,039,386	7,870,926	15,168,460	76.08%
2025	22,459,823	502,206	22,962,029	7,827,323	15,134,706	
2026	21,177,483	505,625	21,683,108	7,791,745	13,891,363	
2027	19,782,629	503,175	20,285,804	7,748,989	12,536,815	
2028	13,175,347	505,133	13,680,480	7,139,226	6,541,254	
2029	10,487,522	506,190	10,993,712	7,091,741	3,901,971	99.01%
2030	7,781,278	506,317	8,287,595	7,046,277	1,241,318	
2031	6,998,106	505,485	7,503,591	6,998,106	505,485	
2032	6,951,527	503,663	7,455,190	6,951,527	503,663	
2033	6,582,334	-	6,582,334	6,582,334	-	
2034	3,361,440	-	3,361,440	3,361,440	-	100.00%
2035	3,306,065	-	3,306,065	3,306,065	-	
2036	3,243,796	-	3,243,796	3,243,796	-	
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
<b>Total</b>	<b>406,831,732</b>	<b>9,588,892</b>	<b>416,420,624</b>	<b>189,549,638</b>	<b>226,870,986</b>	

**TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT**

Computation of Self-supporting Debt-Airport	
Net Airport Revenue from Fiscal Year Ended 9-30-13	1,441,275
Less: Airport Revenue Bond Requirements, 2014 Fiscal Year Ended	<u>493,877</u>
Balance Available for Other Purposes	
Airport General Obligation Bond Requirements, 2014 Fiscal Year Ended	<u>947,398</u> -
Balance	<u><u>947,398</u></u>
Percentage of Airport General Obligation Bonds Self-supporting	0%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-13	13,184,261
Less: Sewer System Revenue Bond Requirements, 2014 Fiscal Year Ended	<u>8,380,330</u>
Balance Available for Other Purposes	
Sewer System General Obligation Bond Requirements, 2014 Fiscal Year Ended	<u>4,803,931</u> <u>2,343,011</u>
Balance	<u><u>2,460,920</u></u>
Percentage of Sewer System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Waterworks System	
Net Revenues from Fiscal Year Ended 9-30-13	20,202,241
Less: Waterworks Revenue Bond Requirements, 2014 Fiscal Year Ended	<u>14,319,565</u>
Balance Available for Other Purposes	
Waterworks System General Obligation Bond Requirements, 2014 Fiscal Year Ended	<u>5,882,676</u> <u>3,035,472</u>
Balance Available for Other Purposes	<u><u>2,847,204</u></u>
Percentage of Waterworks System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Mass Transit	
Net Revenue from Fiscal Year Ended 9-30-13	631,385
Less: Mass Transit Revenue Bond Requirements, 2014 Fiscal Year Ended	<u>666,644</u>
Balance Available for Other Purposes	
Mass Transit General Obligation Bond Requirements, 2014 Fiscal Year Ended	<u>(35,259)</u> <u>164,459</u>
Balance	<u><u>(199,718)</u></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 9-30-13	2,408,734
Less: Solid Waste Revenue Bond Requirements, 2014 Fiscal Year Ended	<u>2,971,757</u>
	Balance Available for Other Purposes (563,023)
Solid Waste General Obligation Bond Requirements, 2014 Fiscal Year Ended	<u>460,476</u>
	Balance <u><u>(1,023,499)</u></u>
Percentage of Solid Waste General Obligation Bonds Self-supporting	100%

**TABLE 10 - OTHER OBLIGATIONS**

<u>Fiscal Year Ended September 30</u>	<u>Lease Payments</u>
2014	\$ 397,915
2015	482,845
2016	482,845
2017	482,845
2018	411,833
2019	411,834
2020	411,833
2021	411,834
2022	411,833
2023	411,834
2024	411,833
2025	411,834
2026	411,833
2027	<u>411,834</u>
Total Minimum Lease Payments	\$ <u><u>5,964,785</u></u>

**Pension Obligation**

The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System (TMRS), a statewide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

## FINANCIAL INFORMATION

### TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

Fiscal Year Ended September 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>					
Taxes	86,407,756	84,863,744	82,825,288	79,720,751	79,205,602
Franchises	7,049,443	7,080,430	6,995,838	6,668,731	6,788,837
Licenses & Permits	7,461,360	6,365,903	5,795,171	5,833,700	5,804,115
Intergovernmental	1,075,132	397,278	1,629,571	1,581,037	506,126
Charges for Services	37,320,387	34,908,091	32,061,368	32,533,435	30,572,648
Fine and Special Assessments	2,741,190	3,085,225	3,248,911	3,230,565	2,819,186
Interest and Other	194,996	913,152	931,281	921,017	1,568,003
Contributions	8,430,999	13,991,368	9,749,327	17,394,912	9,340,787
Other	2,505,651	1,817,439	1,687,095	1,390,982	1,578,719
<b>Total Revenues</b>	<b>153,186,914</b>	<b>153,422,630</b>	<b>144,923,850</b>	<b>149,275,130</b>	<b>138,184,023</b>
<b>Expenditures:</b>					
General Government	18,640,156	18,035,867	18,295,821	17,864,806	17,603,178
Public Safety	102,151,843	97,701,526	92,803,746	89,777,961	86,642,904
Public Works	7,552,358	7,213,771	7,049,101	6,838,476	6,603,736
Health and Welfare	462,769	653,374	839,064	870,349	958,764
Culture and Recreation	14,776,847	13,077,790	11,139,218	10,499,519	10,162,597
Capital Outlay	11,460,293	14,348,689	11,291,552	18,458,452	9,539,344
Bond Costs	-	-	-	70,000	-
Interest and Fiscal Expenditures	129,640	-	-	-	102,232
<b>Total Expenditures</b>	<b>155,173,906</b>	<b>151,031,017</b>	<b>141,418,502</b>	<b>144,379,563</b>	<b>131,612,755</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,986,992)</b>	<b>2,391,613</b>	<b>3,505,348</b>	<b>4,895,567</b>	<b>6,571,268</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	6,200,000	6,271,512	6,681,267	2,608,800	1,969,695
Bond/Capital Lease Proceeds	4,588,000	-	-	2,070,000	-
Transfers Out	(8,102,019)	(7,335,197)	(9,738,939)	(5,326,814)	(4,527,830)
Sale of Assets	4,007,423	16,671	126,432	6,356	58,685
<b>Total Other Financing Sources (Uses):</b>	<b>6,693,404</b>	<b>(1,047,014)</b>	<b>(2,931,240)</b>	<b>(641,658)</b>	<b>(2,499,450)</b>
<b>Net Increase (Decrease) Beginning Fund Balance</b>	<b>4,706,412</b>	<b>1,344,599</b>	<b>574,108</b>	<b>4,253,909</b>	<b>4,071,818</b>
<b>Beginning Fund Balance</b>	<b>36,865,039</b>	<b>35,520,440</b>	<b>34,946,332</b>	<b>30,692,423</b>	<b>26,620,605</b>
<b>Ending Fund Balance</b>	<b>41,571,451</b>	<b>36,865,039</b>	<b>35,520,440</b>	<b>34,946,332</b>	<b>30,692,423</b>

**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</u> <u>Ended 9-30</u>	<u>Total Collected (2)</u>	<u>% of Ad</u> <u>Valorem Tax</u> <u>Levy</u>	<u>Equivalent of</u> <u>Ad Valorem</u> <u>Tax Rate</u>	<u>Per Capita</u> <u>(1)</u>
2004	24,374,768	63%	0.4050	113.90
2005	26,433,198	61%	0.3902	122.73
2006	29,894,463	63%	0.4013	133.04
2007	31,384,048	59%	0.3733	135.59
2008	32,518,723	55%	0.3476	136.98
2009	30,308,403	46%	0.2941	129.99
2010	29,339,115	44%	0.2792	119.96
2011	33,669,024	50%	0.3192	140.21
2012	37,481,815	56%	0.3572	154.93
2013	39,921,718	59%	0.3759	161.27

(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>
<b>Total</b>	<b><u><u>8.25%</u></u></b>

### TABLE 13 - CURRENT INVESTMENTS

As of September 30, 2013, 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 227 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 146,569,464
Certificates of Deposit	<u>274,306,150</u>
Total	<u>\$ 420,875,614</u>

This page intentionally left blank

## 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 190 employees, approximately 75 of which are directly involved in toll collection operations. Another 115 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
2004	7,025,709	1,453,807	8,479,516	4,133,170
2005	6,655,426	1,485,435	8,140,861	3,993,263
2006	6,056,829	1,704,727	7,761,556	4,148,359
2007	5,718,799	1,662,549	7,381,348	4,161,523
2008	5,539,281	1,608,566	7,147,847	4,362,476
2009	5,045,664	1,400,969	6,446,633	4,124,272
2010	4,669,024	1,575,893	6,244,917	3,746,170
2011	4,401,849	1,725,335	6,127,184	3,161,627
2012	4,418,558	1,784,104	6,202,662	2,946,244
2013	4,551,845	1,835,110	6,386,955	2,973,056



**TABLE 2 - TOLL RATES FOR THE SYSTEM**New Rate Schedule (Southbound only) Effective  
October 24, 2008:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

Old Rate Schedule (Southbound only) Effective  
April 25, 2008:

Pedestrians	\$0.50
Children under 6 years of age	Free
Bicycle and Rider	\$0.50
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00

**TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM**

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2013</u>	<u>FISCAL YEAR</u> <u>2012</u>	<u>FISCAL YEAR</u> <u>2011</u>	<u>FISCAL YEAR</u> <u>2010</u>	<u>FISCAL YEAR</u> <u>2009</u>
OCT	3,846,856	3,623,798	3,627,234	3,638,421	3,672,960
NOV	3,691,331	3,594,343	3,591,235	3,490,378	3,432,820
DEC	3,698,769	3,766,094	3,788,623	3,832,483	3,748,609
JAN	3,690,675	3,570,567	3,454,475	3,322,648	3,118,442
FEB	3,469,806	3,563,175	3,373,217	3,252,861	3,105,349
MAR	3,765,810	3,915,306	3,790,362	3,751,600	3,391,086
APR	3,940,556	3,617,722	3,702,584	3,583,838	3,322,093
MAY	3,992,604	3,871,228	3,712,938	3,632,644	3,242,775
JUN	3,778,921	3,730,995	3,775,125	3,685,688	3,328,502
JUL	3,984,295	3,727,710	3,518,264	3,327,520	3,514,620
AUG	4,007,307	3,958,967	3,720,401	3,705,904	3,465,722
SEP	<u>3,715,872</u>	<u>3,528,057</u>	<u>3,583,744</u>	<u>3,596,149</u>	<u>3,473,276</u>
TOTAL	<u>45,582,802</u>	<u>44,467,962</u>	<u>43,638,202</u>	<u>42,820,134</u>	<u>40,816,254</u>

**TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM**

Fiscal Year Ended 9-30	Bond			SIB Loan Total	Total Outstanding Debt	% of Total Debt Service Retired
	Principal	Interest	Total			
2014	4,875,000	2,149,365	7,024,365	1,697,709	8,722,074	10.62%
2015	5,100,000	1,938,958	7,038,958	1,697,708	8,736,666	
2016	5,340,000	1,702,455	7,042,455	1,697,708	8,740,163	
2017	5,600,000	1,454,087	7,054,087	1,697,708	8,751,795	
2018	5,870,000	1,193,212	7,063,212	1,697,708	8,760,920	53.20%
2019	3,325,000	919,124	4,244,124	1,697,708	5,941,832	
2020	2,810,000	772,418	3,582,418	1,697,709	5,280,127	
2021	2,935,000	645,532	3,580,532	1,697,708	5,278,240	
2022	3,070,000	512,811	3,582,811	1,697,708	5,280,519	
2023	2,285,000	373,618	2,658,618	1,697,708	4,356,326	85.02%
2024	2,400,000	255,306	2,655,306	1,697,708	4,353,014	
2025	2,010,000	131,006	2,141,006	1,697,708	3,838,714	
2026	210,000	31,086	241,086	1,697,708	1,938,794	
2027	220,000	21,195	241,195	1,697,666	1,938,861	
2028	230,000	10,833	240,833	-	240,833	100.00%
<b>TOTAL</b>	<b>46,280,000</b>	<b>12,111,006</b>	<b>58,391,006</b>	<b>23,767,872</b>	<b>82,158,878</b>	

**TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>REVENUES</u></b>					
Toll Receipts	45,582,802	44,467,962	43,638,202	42,820,134	40,816,254
Rental of Facilities	1,798,954	2,653,682	2,734,637	2,700,169	2,417,709
Miscellaneous	<u>246,661</u>	<u>243,805</u>	<u>59,631</u>	<u>377,044</u>	<u>29,871</u>
Total	<u>47,628,417</u>	<u>47,365,449</u>	<u>46,432,470</u>	<u>45,897,347</u>	<u>43,263,834</u>
<b><u>EXPENSES</u></b>					
Personnel Services	7,392,123	7,373,053	7,451,573	6,950,196	7,759,920
Materials and Supplies	418,075	513,620	566,377	494,239	403,344
Contractual Services (1)	3,835,380	3,649,625	3,558,081	3,867,475	3,316,797
Other	<u>23,784</u>	<u>21,736</u>	<u>1,300</u>	<u>53,793</u>	<u>19,149</u>
Total	<u>11,669,362</u>	<u>11,558,034</u>	<u>11,577,331</u>	<u>11,365,703</u>	<u>11,499,210</u>
<b><u>NON-OPERATING REVENUE</u></b>					
Interest Earnings-Restricted	39,751	58,055	55,901	163,246	103,219
Interest Earnings-Unrestricted	17,017	18,664	23,032	37,064	369,021
Unrealized Gain/(Loss) on Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,939)</u>
Net Revenues Available for for Debt Service	36,015,823	35,884,134	34,934,072	34,731,954	32,224,925
Debt Service	<u>8,728,259</u>	<u>8,708,893</u>	<u>8,784,606</u>	<u>8,787,530</u>	<u>8,322,360</u>
Surplus Revenues	<u>27,287,564</u>	<u>27,175,241</u>	<u>26,149,466</u>	<u>25,944,424</u>	<u>23,902,565</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, 2014 through 2028		\$	3,892,734
Coverage of Average Requirements by 9-30-13 Net Income			7.01
Maximum Annual Principal and Interest Requirements, after FY 2014 through 2028		\$	7,063,212
Coverage of Maximum Requirements by 9-30-13 Net Income			3.86
Reserve Fund		\$	3,892,734
Contingency Fund		\$	500,000
DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS AND SIB LOAN			
Average Annual Principal and Interest Requirements on First Lien Revenue Bonds plus SIB Loan, 2014 through 2028		\$	5,477,259
Coverage of Average Requirements by 9-30-13 Net Income			4.98
Maximum Annual Principal and Interest Requirements, after FYE 2014 through 2028		\$	8,760,920
Coverage of Maximum Requirements by 9-30-13 Net Income			3.11

**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
2004	35,574,197	9,210,546	26,363,651	6,796,347	4
2005	39,231,949	10,020,392	29,211,557	9,521,805	3
2006	42,757,164	10,851,262	31,905,902	8,348,905	4
2007	41,642,971	11,426,566	30,216,405	8,253,670	4
2008	48,757,080	12,003,151	36,753,929	8,144,751	5
2009	43,724,135	11,499,210	32,224,925	8,322,360	4
2010	46,097,657	11,365,703	34,731,954	8,787,530	4
2011	46,511,403	11,577,331	34,934,072	8,784,606	4
2012	47,442,168	11,558,034	35,884,134	8,708,893	4
2013	47,685,185	11,669,362	36,015,823	8,728,259	4

(1) Operating expenses do not include depreciation expense and non-operating expenses.

## LAREDO INTERNATIONAL AIRPORT DISCLOSURES

The City of Laredo International Airport encompasses approximately 1,700 acres of which 900 acres are dedicated to aviation for passenger and air cargo terminals, runways, taxiways and aprons, and 800 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by the following scheduled airlines: American Airlines to Dallas/Fort Worth, United Express to Houston Bush Intercontinental, Allegiant Air to Las Vegas, Nevada and seasonally to Orlando, Florida, on average, the airlines have in total ten (10) daily scheduled round trip flights. A top priority for the Airport is the re-instatement of direct air service to Mexico City and Guadalajara, Mexico. Currently the City is nearing conclusion of negotiations for direct air service to Mexico City with a Mexican low fare airline.

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

In the area of commercial passenger enplanement activity for 2013 increased by 6.75% compared to 2012.

The airport passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges to twenty gates by the year 2025. The passenger capacity for the terminal is 600 passengers per hour and the Federal Inspection Station has capacity for 300 passengers per hour.

Two (2) scheduled cargo operators and twenty six (26) charter air cargo companies are currently serving the Airport. Major scheduled service air cargo operators include Federal Express and UPS Supply Chain Solutions. In terms of all-air cargo activity in 2008 LRD ranked 78<sup>th</sup> nationally and in 2012 LRD's ranking improved to 43<sup>rd</sup>.

The Laredo International Airport is unique in that it is the only place outside the Republic of Mexico to have an operation of Mexican Customs to pre-clear Mexico bound air cargo. Whereas, other countries may have passenger pre-clearance, LRD is the only airport worldwide with a cargo pre-clearance. Air cargo shipments to Mexico will be facilitated and expedited, this being an attraction to the Auto Manufacturing, Auto Parts, Electronics / Electrical and Aerospace industries who rely on "just-in-time" delivery of inventory.

During June 2014, LRD will complete an update of Laredo's Airport Noise Compatibility Study. A significant number of residents became 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 2013 included the construction of the Federal Inspection Services (FIS) Facility, Mexican Customs Services, Rehabilitate GA Apron Phase 7, realignment of Taxiway F, and nearing completion of construction of the Airport Rescue and Fire Fighting Station. The Federal Aviation Administration paid 90% of the cost.

Projects for 2014 include, but not limited to, update Airport Master Plan, Rehabilitate GA Apron Phase 8, complete construction of Airport Rescue and Fire Fighting Station, replace Airport Passenger Terminal

A/C Chillers, upgrade perimeter fencing, upgrade airport security infrastructure and expand FIS baggage belt at the commercial passenger terminal.

During the past twenty (20) years, the City and the Federal Aviation Administration have invested over \$200 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue in 2014 and into the future.

The airport leases facilities and land to non-aviation and aviation service providers, retailers, medical institutions, and public entities.

The goal of City Council to develop a Regional Medical Center on airport non-aeronautical use land is being realized. The University of Texas Health Science Center (UTHSC) inaugurated the first building of its medical research and education campus in Laredo in 2002, and the second building was completed in 2007. UTHSC is located adjacent to Mercy Regional Medical Center. During 2006, Laredo Specialty Hospital and Gateway Health Clinic completed the construction of their facilities and are currently offering medical services to the public. A new Veteran's Administration Clinic partnered with the UT Health and Science Center opened in 2013.

Calendar Year	Passengers Enplaned	Passengers Deplaned	Air Cargo Gross Landed Weight (lbs.)
1998	78,223	75,135	460,763,819
1999	89,306	87,017	374,202,303
2000	89,905	87,807	420,000,000
(1)2001	69,049	67,835	226,136,780
2002	74,286	73,719	261,473,820
2003	73,638	72,345	272,367,959
2004	81,342	81,924	366,161,425
2005	90,653	92,932	374,434,576
2006	92,783	93,979	360,000,000
2007	113,004	111,464	341,198,304
(2)2008	107,553	109,912	272,960,000
2009	102,065	105,107	265,480,642
(3)2010	110,615	113,219	419,323,814
2011	99,893	98,213	458,595,636
2012	96,523	94,544	454,254,623
2013	103,035	102,218	398,752,468

- (1) Because of the terrorist attacks of September 11, 2001, the airport experienced an 8.0 percent decline in passenger activity for CY 2001. As a result of a weak national economy during all of CY 2001, air cargo declined by approximately 46 percent.
- (2) Global economic conditions during 2008 negatively affected both passenger and cargo activity.
- (3) An improved global economy is reason for the significant increase in both passenger and air cargo activity.

**TABLE 1- SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	Fiscal Years Ended September 30, 2013						
	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>							
FAA	\$ 53,680	\$ 1,603	\$ 69,880	\$ -	\$ -	\$ -	\$ 388,321
State Operating Grants	-	61,869	2,924	106,939	109,807	82,190	100,235
Rents	6,487,377	4,257,227	4,129,984	5,002,207	4,281,154	4,448,507	4,399,983
Interest Earnings	16,517	1,201	2,775	2,354	55	(59)	9,019
Discount Earnings	-	-	-	-	-	-	28
Miscellaneous	890,543	436,240	456,453	514,497	343,539	370,831	404,714
Total Revenues	<u>7,448,117</u>	<u>4,758,140</u>	<u>4,662,016</u>	<u>5,625,997</u>	<u>4,734,555</u>	<u>4,901,469</u>	<u>5,302,300</u>
<b>Expenditures:</b>							
Administration	3,267,114	2,584,797	2,460,491	2,530,733	2,433,606	2,192,701	2,318,266
Building Maintenance	972,596	811,348	723,818	638,191	618,010	568,963	654,188
Ground Maintenance	512,992	473,698	409,318	340,024	385,009	379,262	454,977
Control Tower	-	-	-	-	-	-	684,924
Airport Security	1,060,180	1,029,474	1,034,819	910,926	861,261	950,347	1,033,311
Foreign Trade Zone	15,924	28,603	23,239	19,151	19,900	18,540	14,952
Federal Inspection Services	178,036	61,211	-	-	-	-	-
Total Expenditures	<u>6,006,842</u>	<u>4,989,131</u>	<u>4,651,685</u>	<u>4,439,025</u>	<u>4,317,786</u>	<u>4,109,813</u>	<u>5,160,618</u>
Net Operating Revenues	1,441,275	(230,991)	10,331	1,186,972	416,769	791,656	141,682
<b>Other Sources (Uses):</b>							
Debt Service	(494,890)	(500,537)	(495,697)	(542,210)	(729,105)	(734,444)	(407,640)
Capital Outlay	(300,763)	(124,372)	(70,491)	(81,556)	-	(35,361)	(302,285)
Airport Construction Fund	(493,572)	(52,714)	(47,286)	(49,993)	(49,887)	(50,000)	-
Communication System Fund	-	-	-	-	-	-	(270,000)
Noise Abatement	600,000	704,971	-	403,071	649,682	89,431	-
New Airport Terminal	-	-	-	-	-	-	306,641
Sale of Assets	11,679,674	301,946	18,314	-	1,518	1,496	4,800
Total Other Sources (Uses)	<u>10,990,449</u>	<u>329,294</u>	<u>(595,160)</u>	<u>(270,688)</u>	<u>(127,792)</u>	<u>(728,878)</u>	<u>(668,484)</u>
<b>Excess (Deficiency) of</b>							
Revenues Over Expenditures	12,431,724	98,303	(584,829)	916,284	288,977	62,778	(526,802)
Beginning Fund Balance	<u>267,005</u>	<u>168,702</u>	<u>753,531</u>	<u>(162,753)</u>	<u>(451,730)</u>	<u>(514,508)</u>	<u>12,294</u>
Ending Fund Balance	<u>\$ 12,698,729</u>	<u>\$ 267,005</u>	<u>\$ 168,702</u>	<u>\$ 753,531</u>	<u>\$ (162,753)</u>	<u>\$ (451,730)</u>	<u>\$ (514,508)</u>



**TABLE 2 - DEBT SERVICE REQUIREMENT**

Fiscal Year Ended 9-30	Certificates of Obligation		Total Outstanding Debt	% of Principal Retired
	Principal	Interest		
2014	\$ 230,000	263,876	493,876	6.22%
2015	245,000	252,246	497,246	
2016	255,000	240,000	495,000	
2017	270,000	227,138	497,138	
2018	285,000	213,540	498,540	
2019	295,000	199,338	494,338	37.51%
2020	310,000	184,530	494,530	
2021	330,000	168,857	498,857	
2022	345,000	152,320	497,320	
2023	360,000	135,047	495,047	
2024	375,000	117,040	492,040	68.74%
2025	400,000	98,049	498,049	
2026	415,000	78,074	493,074	
2027	440,000	57,115	497,115	
2028	460,000	35,054	495,054	
2029	485,000	11,890	496,890	100.00%
	<u>\$ 5,500,000</u>	<u>2,434,114</u>	<u>7,934,114</u>	

**TABLE 3 - DEBT SERVICE COVERAGE**

Average Annual Principal and Interest Requirements, 2014-2029	495,882
Coverage of Average Requirements by 9-30-13 Net Income	2.91
Maximum Annual Principal and Interest Requirements, after FYE 2014 through 2029	498,857
Coverage of Maximum Requirements by 9-30-13 Net Income	2.89

## **THE 2013 UTILITY SYSTEM**

### **WATER SUPPLY**

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. Water is diverted directly from the river to the immediately adjacent water treatment plant facilities by two separate river intakes, two separate river pump structures and related multiple pump units. The City of Laredo's water allotment is approximately 60,803.81 acre-feet of water rights.

On April 1<sup>st</sup>, 2013, the City Council approved the acceptance of the Jefferson Street Water Treatment Plant 65-mgd Process and Electrical Upgrade project. The lower treatment plant has been closed down permanently. The process and electrical upgrades enhance the reliability of the treatment process. Improvements to the plant include replacement of power poles and overhead wiring with a looped underground electrical power distribution system including three electrical buildings housing new motor control centers.

A new Supervisory Control and Data Acquisition system combined with new magnetic flow meters and motor operated valves will permit increased precision in chemical addition for reduced operating costs.

New traveling water screens and a new flocculator and upgrade of existing units and re-lift pumps provide a more reliable hydraulic capacity. Four new gravity filters and rehabilitation of existing filters permit the facility to respond to wide variations in river water turbidity. A new high service pump and an additional clear well will provide a more uniform water system pressure.

The pumpage capacity of the City's Treatment Plants is 65 million gallons per day. The average daily consumption during 2013 was approximately 35 million gallons per day and peak demand for 2013 was 48 million gallons per day. Connections to the water system as of September 30, 2013 were 67,033. The monthly average of meters read is 66,512. The average number of service calls per month is 9,030 for a FY 2012-2013 total of 108,354.

### **WASTEWATER SYSTEM**

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 25.1 million gallons per day ("MGD"). The Sewer System includes approximately 504 miles of sewer lines and 69 lift stations. The average daily treatment is 18.9 MGD with 62,426 connections as of September 30, 2013.

**TABLE 1 - WATER STORAGE AND DISTRIBUTION**

At the present time the system incorporates the following treated water storage facilities:

<u>Location</u>	<u>No. Tanks</u>	<u>No. Clear Wells</u>	<u>Storage Capacity</u>
Jefferson St Water Treatment Plant		3	3,500,000 gallons
Hendricks Avenue and Main Street	2		4,000,000 gallons
Lyon Street and Meadow Avenue	1		5,000,000 gallons
Milmo and Texas Avenue	2		3,000,000 gallons
Airbase Storage	1 (elevated)		500,000 gallons
Station H (#2)	1		170,000 gallons
East Corridor	1		250,000 gallons
Unitec Highway 35 North	1		450,000 gallons
South Laredo	1 (elevated)		1,000,000 gallons
North Laredo (Highland)	1 (elevated)		1,000,000 gallons
Northwest Laredo	1 (elevated)		1,000,000 gallons
MHOC	2		10,000,000 gallons
Sierra Vista	1		5,000,000 gallons
Hachar	1		280,000 gallons
San Isidro	2		580,000 gallons
San Isidro NE	1		300,000 gallons
Millennium	1		280,000 gallons
359 Hwy Booster	1		200,000 gallons
Las Blancas	1 (elevated)		500,000 gallons
Pico Road	1		278,000 gallons
Killam (TAMIU) Tank	1 (elevated)		2,000,000 gallons
Cuatro Vientos	1 (elevated)		2,000,000 gallons
Nixon Bartlett and Price	1 (elevated)		3,000,000 gallons
Total Treated Water Storage			<u>44,288,000 gallons</u>

In conjunction with the existing storage, automatic booster or pumping stations serve the system. These stations are located at the tanks listed above. Two pumping stations are served by three clear wells at the Jefferson Water Treatment Plant. Currently, the system consists of approximately 721 miles of transmission and distribution lines.

In 1957, the City of Laredo entered into an agreement with Webb County to use Lake Casa Blanca Reservoir as off-channel storage for emergency use. This reservoir has an impoundment capacity of 77,800 acre feet at top of the Dam, 58,600 acre feet at maximum pool, (PMF – Probable Maximum Feet) of which 20,000 acre feet are reserved for emergency use. This agreement is still in effect.

**TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)**

Historical water usage for the City is as follows:

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage <u>(1,000 Gallons)</u>	Peak Day Pumpage <u>(1,000 Gallons)</u>	Total Yearly Pumpage <u>(1,000 Gallons)</u>
2002	37,254	61,120	13,654,310
2003	31,288	59,754	11,420,232
2004	32,231	50,231	11,764,315
2005	34,675	55,034	12,820,865
2006	40,918	58,940	14,086,761
2007	33,550	49,000	12,245,329
2008	36,720	53,640	13,345,812
2009	35,900	51,810	13,047,594
2010	32,565	47,470	11,900,196
2011	32,600	47,470	11,726,000
2012	28,386	52,312	10,427,878
2013	35,528	48,000	11,883,850

**TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)**

Fiscal Year Ended <u>9-30</u>	Average Day Sewage Flow <u>(1,000 Gallons)</u>	Total Yearly Flow <u>(1,000 Gallons)</u>
2002	15,435	5,634,655
2003	16,767	6,120,027
2004	17,015	6,210,520
2005	16,776	6,123,186
2006	16,796	6,130,409
2007	18,215	6,648,535
2008	17,948	6,551,082
2009	17,572	6,413,631
2010	18,256	6,663,368
2011	18,783	6,855,795
2012	18,900	6,780,000
2013	19,300	6,849,845

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

TYPE OF BUSINESS	WATER CONSUMPTION (1)
Laredo Medical Center	107,873,300
Texas A&M University System	79,138,100
United High School	47,250,500
Laredo Community College	44,337,600
New Webb County Jail	22,591,100
Laredo Regional Medical Center	16,545,000
C P L Power Plant	14,689,100
Towne North Mobile Homes	14,662,800
Clarks Crossing Apartments	14,508,500
Broad Acres Apartments	12,123,300

TYPE OF BUSINESS	SEWER BILLED (1)
Laredo Medical Center	107,873,300
New Webb County Jail	22,591,100
Laredo Regional Medical Center	16,545,000
Texas A&M University System	15,201,300
Towne North Mobile Homes	14,662,800
Clarks Crossing Apartments	14,508,500
Broad Acres Apartments	12,123,300
Travel Centers of America	10,676,300
General Service Administration	10,075,700
Wal Mart Stores, Inc.	9,382,400

(1) Source: City of Laredo, Texas.

**TABLE 5 - MONTHLY WATER RATES**

**Water Rates  
(Effective October 1, 2012)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	8.90
1" meter	17.62
1 1/2" meter	24.30
2" meter	36.90
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.76
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.89
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.97
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.09
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.21
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.31
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.62
Multi-Family and Commercial:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	34.17
1" meter	35.91
1 1/2" meter	39.31
2" meter	52.11
3" meter	98.11
4" meter	145.31
6" meter	257.19
8" meter	376.43
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.89
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.32
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.93
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.09
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.34

Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.69
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.36
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.47
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

**Old Water Rates  
(Effective October 1, 2011)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	8.20
1" meter	12.56
1 1/2" meter	15.90
2" meter	22.20
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.60
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.71
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.78
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	1.90
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.00
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.10
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.19
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	30.99
1" meter	32.01
1 1/2" meter	33.71
2" meter	40.11
3" meter	63.11
4" meter	86.71
6" meter	142.65
8" meter	202.27
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.71

Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.98
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.43
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.73
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.03
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.35
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	3.96
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.05
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, 2012)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	\$8.93
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	\$3.05
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$3.10
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$3.27
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$3.51
The maximum charge will be up to 30,000 gallons and the equivalent of \$101.43.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	\$23.90
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	\$2.21
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$2.32
Per 1,000 gallons (for the next 20,000 gallons) per month in excess	\$2.43



of 10,000 gallons per month	
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	\$2.65
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	\$2.75
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	\$3.06
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	\$3.38
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	\$4.01
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	\$4.86

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

The rates for sewer outside the City Limits shall be two times those established for commercial rates.

**Old Sewer Rates  
(Effective October 1, 2011)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	\$8.50
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	\$2.77
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$2.82
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	\$2.96
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	\$3.18
The maximum charge will be up to 30,000 gallons and the equivalent of \$92.36.	
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	\$21.68
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	\$2.00
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	\$2.10
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	\$2.20
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	\$2.41
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	\$2.49

Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	\$2.78
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	\$3.06
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	\$3.63
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	\$4.41

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.

**TABLE 7**

**VALUE OF SYSTEM-CITY OF LAREDO UTILITIES**

	2013			2012			2011		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	166,862,379	124,466,870	291,329,249	163,411,485	123,014,206	286,425,691	154,422,056	121,178,164	275,600,220
Vehicles and Equipment	9,352,381	10,915,689	20,268,070	8,672,475	9,829,214	18,501,689	8,417,463	8,090,771	16,508,234
Buildings	69,332,750	43,267,510	112,600,260	31,840,411	39,025,959	70,866,370	23,917,848	27,403,618	51,321,466
Land and Improvements	45,386,814	4,648,513	50,035,327	45,198,415	4,648,513	49,846,927	44,686,054	4,531,525	49,217,579
Easements	602,622	251,880	854,502	187,489	188,603	376,092	170,534	201,395	371,929
Construction In Progress	108,379,921	26,657,118	135,037,039	86,539,667	10,136,376	96,676,043	60,961,884	19,498,038	80,459,922
Less: Total Depreciation	(107,727,213)	(74,303,349)	(182,030,562)	(100,248,715)	(67,568,891)	(167,817,607)	(92,880,401)	(61,020,411)	(153,900,812)
Value After Depreciation	292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,205	199,695,438	119,883,100	319,578,538
	2010			2009			2008		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	153,166,635	114,484,049	267,650,684	145,432,603	112,466,222	257,898,825	120,792,897	93,917,054	214,709,951
Vehicles and Equipment	7,512,781	7,649,439	15,162,220	6,914,288	7,322,401	14,236,689	6,811,377	7,494,843	14,306,220
Buildings	22,206,391	21,224,034	43,430,425	13,395,112	21,209,597	34,604,709	13,245,692	18,308,734	31,554,426
Land and Improvements	34,482,381	4,531,525	39,013,906	29,811,988	4,531,525	34,343,513	21,617,530	4,531,525	26,149,055
Construction in Progress	121,934	201,395	323,329	28,722,303	11,528,447	40,250,750	16,385,573	7,948,202	24,333,775
Easements	36,186,936	24,817,915	61,004,851	-	-	-	-	-	-
Less: Total Depreciation	(86,006,220)	(55,378,617)	(141,384,837)	(79,123,908)	(49,705,564)	(128,829,472)	(73,120,032)	(44,615,508)	(117,735,540)
Value After Depreciation	167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887

**TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM**

Fiscal Year Ended Sept. 30,	2013			2012			2011		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<b>Resources:</b>									
Net System Value	\$ 292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,207	199,695,438	119,883,100	319,578,538
Cash and Investments	118,326,865	94,097,469	212,424,334	133,115,463	110,677,751	243,793,214	140,604,318	51,560,635	192,164,953
Other Sources	8,405,047	5,589,881	13,994,928	9,785,688	5,848,079	15,633,767	12,143,781	4,514,104	16,657,885
Total Resources	418,921,566	235,591,581	654,513,147	378,502,378	235,799,810	614,302,188	352,443,537	175,957,839	528,401,376
<b>Obligations:</b>									
Bonds Payable	210,973,680	128,543,954	339,517,634	186,705,299	126,265,152	312,970,451	176,603,068	68,790,522	245,393,590
Less: Bond Funds	(11,211,241)	(6,826,501)	(18,037,742)	(9,009,639)	(6,150,316)	(15,159,955)	(6,236,122)	(1,568,062)	(7,804,184)
Other Obligations	199,762,439	121,717,453	321,479,892	177,695,660	120,114,836	297,810,496	170,366,946	67,222,460	237,589,406
Total Obligations	42,150,001	14,394,389	56,544,390	33,326,162	8,470,548	41,796,710	21,425,167	3,847,482	25,272,649
	241,912,440	136,111,842	378,024,282	211,021,822	128,585,384	339,607,206	191,792,113	71,069,942	262,862,055
City's Equity In System	\$ 177,009,126	99,479,739	276,488,865	167,480,556	107,214,426	274,694,982	160,651,424	104,887,897	265,539,321
Percentage City's Equity In System	42.25%	42.23%	42.24%	44.25%	45.47%	44.72%	45.58%	59.61%	50.25%
<b>Fiscal Year Ended Sept. 30,</b>									
<b>Resources:</b>									
Net System Value	\$ 167,670,838	117,529,740	285,200,578	145,152,386	107,352,628	252,505,014	105,733,037	87,584,850	193,317,887
Cash and Investments	81,639,476	44,109,722	125,749,198	91,353,207	56,418,094	147,771,301	73,341,316	50,294,270	123,635,586
Other Sources	13,201,529	4,155,250	173,356,779	5,665,612	3,520,180	9,185,792	5,241,840	4,000,808	9,242,648
Total Resources	262,511,843	165,794,712	428,306,555	242,171,205	167,290,902	409,462,107	184,316,193	141,879,928	326,196,121
<b>Obligations:</b>									
Bonds Payable	112,753,816	62,641,553	175,395,369	107,802,522	66,627,155	174,429,677	72,779,717	59,144,593	131,924,310
Less: Bond Funds	(2,370,132)	(1,531,444)	(3,901,576)	(2,060,373)	(1,546,107)	(3,606,480)	(2,128,548)	(1,583,837)	(3,712,385)
Other Obligations	110,383,684	61,110,109	171,493,793	105,742,149	65,081,048	170,823,197	70,651,169	57,560,756	128,211,925
Total Obligations	18,296,292	5,539,658	23,835,950	14,185,069	3,167,643	17,352,682	11,215,993	3,793,936	15,009,929
	128,679,976	66,649,767	195,329,743	119,327,218	68,248,691	188,175,879	81,867,162	61,354,692	143,221,854
City's Equity In System	\$ 133,831,867	99,144,945	232,976,812	122,843,987	99,042,211	221,286,228	102,449,031	80,525,236	182,974,267
Percentage City's Equity In System	50.98%	60.40%	54.39%	50.73%	59.20%	54.40%	55.58%	56.76%	56.09%

This page intentionally left blank

**TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1**

For Fiscal Year Ended September 30,	2013			2012			2011		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<b>Revenues</b>									
Charges for Services	\$ 35,457,341	28,757,673	64,248,891	33,674,811	28,428,037	62,102,848	31,391,552	27,438,365	58,829,917
Rental of Facilities	-	-	-	-	-	-	40,128	-	40,128
Interest	78,506	78,638	157,144	74,014	80,595	154,609	79,399	64,847	144,246
Miscellaneous	4,758,404	155,805	4,914,209	3,657,708	66,680	3,724,388	3,625,787	100,640	3,726,427
<b>Total Revenues</b>	<b>40,294,251</b>	<b>28,992,116</b>	<b>69,320,244</b>	<b>37,406,533</b>	<b>28,575,312</b>	<b>65,981,845</b>	<b>35,136,866</b>	<b>27,603,852</b>	<b>62,740,718</b>
<b>Expenses</b>									
Administrative	3,835,991	5,942,302	9,778,293	3,192,316	4,449,791	7,642,107	2,850,418	4,260,760	7,111,178
Utility Engineering	1,203,525	-	1,203,525	1,039,716	-	1,039,716	876,627	-	876,627
Utility Billing	3,696,993	-	3,696,993	3,244,021	-	3,244,021	3,030,774	-	3,030,774
Asset Management	331,829	-	331,829	301,512	-	301,512	277,917	-	277,917
Water Treatment Plant	7,796,657	-	7,796,657	7,630,318	-	7,630,318	7,073,309	-	7,073,309
Transmission and Distribution	2,866,383	-	2,866,383	3,693,340	-	3,693,340	2,700,232	-	2,700,232
Water Pollution Control	360,632	-	360,632	342,067	-	342,067	427,830	-	427,830
Wastewater Treatment	-	6,462,672	6,462,672	-	6,248,182	6,248,182	-	5,351,976	5,351,976
Wastewater Collection	-	3,402,881	3,402,881	-	3,352,555	3,352,555	-	3,002,356	3,002,356
<b>Total Expenses</b>	<b>20,092,010</b>	<b>15,807,855</b>	<b>35,899,865</b>	<b>19,443,290</b>	<b>14,050,528</b>	<b>33,493,818</b>	<b>17,237,107</b>	<b>12,615,092</b>	<b>29,852,199</b>
<b>Net Available for Debt Service</b>	<b>\$ 20,202,241</b>	<b>13,184,261</b>	<b>33,420,379</b>	<b>17,963,243</b>	<b>14,524,784</b>	<b>32,488,027</b>	<b>17,899,759</b>	<b>14,988,760</b>	<b>32,888,519</b>
Number of Customers	67,033	62,426		65,288	61,191		63,703	59,995	

**TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2**

For Fiscal Year Ended  
September 30,

	2010			2009			2008		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
<b>Revenues</b>									
Charges for Services	\$ 25,455,038	22,612,937	48,067,975	26,937,378	19,819,164	46,756,542	26,265,698	14,006,232	40,271,930
Rental Of Facilities	40,128	-	40,128	40,128	-	40,128	40,128	-	40,128
Interest	121,919	84,664	206,583	350,531	273,926	624,457	711,991	265,542	977,533
Miscellaneous	3,535,088	110,909	3,645,997	1,555,527	269,182	1,824,709	339,801	369,861	709,662
<b>Total Revenues</b>	<b>29,152,173</b>	<b>22,808,510</b>	<b>51,960,683</b>	<b>28,883,564</b>	<b>20,362,272</b>	<b>49,245,836</b>	<b>27,357,618</b>	<b>14,641,635</b>	<b>41,999,253</b>
<b>Expenses</b>									
Administrative	2,793,650	4,038,665	6,832,315	2,991,019	2,000,407	4,991,426	2,583,385	2,097,387	4,680,772
Utility Engineering	826,978	-	826,978	690,694	-	690,694	799,864	-	799,864
Utility Billing	2,929,649	-	2,929,649	2,818,275	-	2,818,275	2,724,036	-	2,724,036
Asset Management	260,108	-	260,108	234,988	-	234,988	247,660	-	247,660
Water Treatment Plant	6,414,438	-	6,414,438	6,819,136	-	6,819,136	6,742,276	-	6,742,276
Transmission and Distribution	3,600,821	-	3,600,821	3,835,000	-	3,835,000	3,495,224	-	3,495,224
Water Pollution Control	392,207	-	392,207	393,211	-	393,211	437,807	-	437,807
Wastewater Treatment	-	5,319,244	5,319,244	-	4,765,446	4,765,446	-	4,792,566	4,792,566
Wastewater Collection	-	2,733,149	2,733,149	-	2,665,461	2,665,461	-	2,620,294	2,620,294
<b>Total Expenses</b>	<b>17,217,851</b>	<b>12,091,058</b>	<b>29,308,909</b>	<b>17,782,323</b>	<b>9,431,314</b>	<b>27,213,637</b>	<b>17,030,252</b>	<b>9,510,247</b>	<b>26,540,499</b>
<b>Net Available for Debt Service</b>	<b>\$ 11,934,322</b>	<b>10,717,452</b>	<b>22,651,774</b>	<b>11,0101,241</b>	<b>10,930,958</b>	<b>22,032,199</b>	<b>10,327,366</b>	<b>5,131,388</b>	<b>15,458,754</b>
Number of Customers	62,195	58,726		61,171	57,903		60,519	57,851	

**TABLE 10 Debt Service Requirements**

Fiscal Year Ended 9-30	Plus Contractual & General Obligation Water		Plus Contractual & General Obligation Sewer		Water Total	Sewer Revenue Debt	System Debt Service Requirements	Sewer Revenue Debt	System Debt Service Requirements	Sewer Total	Utility Grand Total	% of Grand Total Retired
	Water Revenue Debt Requirement	System Debt Service Requirements	Water Total	System Debt Service Requirements								
2014	9,766,700	7,587,468	17,354,168	5,608,804	10,723,331	28,077,499						
2015	9,577,368	5,600,140	15,177,508	5,431,496	9,057,995	24,235,503						
2016	9,549,117	5,602,413	15,151,530	5,483,767	9,114,951	24,266,481						
2017	9,859,368	5,609,668	15,469,036	5,658,094	9,286,651	24,755,687						
2018	9,853,380	5,355,117	15,208,497	5,662,916	9,126,066	24,334,563						22.98%
2019	9,849,330	5,315,250	15,164,580	5,658,072	8,637,965	23,802,545						
2020	9,852,234	5,001,276	14,853,510	5,659,930	8,641,067	23,494,577						
2021	9,851,795	4,788,630	14,640,425	5,660,244	8,480,582	23,121,007						
2022	9,855,724	5,887,068	15,742,792	5,658,568	7,362,768	23,105,560						
2023	9,861,610	5,583,013	15,444,623	5,662,572	7,364,265	22,808,888						44.25%
2024	9,855,685	5,546,667	15,402,352	5,649,847	7,077,725	22,480,077						
2025	9,426,672	5,504,760	14,931,432	5,381,395	6,811,195	21,742,627						
2026	8,959,421	5,467,264	14,426,685	5,210,385	6,641,935	21,068,620						
2027	8,101,089	5,431,883	13,532,972	4,831,953	6,257,878	19,790,850						
2028	7,465,953	5,391,601	12,857,554	4,128,023	5,568,548	18,416,102						63.18%
2029	7,410,207	5,347,941	12,758,148	4,103,061	5,530,561	18,288,709						
2030	7,410,785	5,302,177	12,712,962	4,105,416	5,534,416	18,247,378						
2031	7,410,541	5,252,206	12,662,747	4,108,133	5,535,633	18,198,380						
2032	7,412,039	5,207,452	12,619,491	4,104,629	5,532,504	18,151,995						79.81%
2033	7,408,294	5,152,459	12,560,753	4,104,429	5,534,304	18,095,057						
2034	7,412,732	3,361,440	10,774,172	4,105,490	4,105,490	14,879,662						
2035	7,411,676	3,306,065	10,717,741	4,108,078	4,108,078	14,825,819						
2036	7,456,731	3,243,796	10,700,527	4,063,875	4,063,875	14,764,402						
2037	7,460,025	3,184,304	10,644,329	4,061,472	4,061,472	14,705,801						
2038	7,451,106	3,122,098	10,573,204	4,067,460	4,067,460	14,640,684						93.31%
2039	7,446,228	3,052,012	10,498,240	4,068,472	4,068,472	14,566,712						
2040	7,450,203	-	7,450,203	4,069,728	4,069,728	11,519,931						
2041	2,782,856	-	2,782,856	3,396,546	3,396,546	6,179,402						
2042	1,761,356	-	1,761,356	2,565,718	2,565,718	4,327,074						100.00%
Total	235,370,225	129,204,168	364,574,393	136,378,593	182,317,199	546,891,592						



**TABLE 11: COVERAGE AND FUND BALANCES**

## Waterworks:

Average Annual Principal and Interest Requirements	\$	8,273,735
Coverage of Average Requirements by 2013 Net Income		2.44
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2013	\$	9,861,610
Coverage of Maximum Requirements by 2013 Net Income		2.05
Outstanding New Series Water Revenue Bonds	\$	235,370,225
Interest and Sinking Fund as of September 30, 2013	\$	2,937,507
Reserve Fund as of September 30, 2013	\$	8,273,735
Contingency Fund as of September 30, 2013	\$	2,068,476

## Sewer:

Average Annual Principal and Interest Requirements	\$	4,709,237
Coverage of Average Requirements by 2013 Net Income		2.80
Maximum Principal and Interest Revenue Bond Requirements		
After Fiscal Year Ended September 30, 2013	\$	5,662,916
Coverage of Maximum Requirements by 2013 Net Income		2.33
Outstanding New Series Sewer Revenue Bonds	\$	136,378,593
Interest and Sinking Fund as of September 30, 2013	\$	2,117,265
Reserve Fund as of September 30, 2013	\$	4,709,237
Contingency Fund as of September 30, 2013	\$	1,449,942

**TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM**

	<b>Utility System</b>		
	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Net Funds Available for Debt Service	\$ 20,202,241	13,184,261	33,386,502
Average Annual Principal and Interest Requirements	8,273,735	4,709,237	12,982,972
Coverage of Average Annual Requirements by Funds Available for Debt Service	2.44	2.80	2.57
Maximum Principal and Interest Revenue Bond Requirements	9,861,610	5,662,916	15,524,526
Coverage of Maximum Requirement by Funds Available for Debt Service	2.05	2.33	2.15
Outstanding Revenue Bonds as of 09/30/2013	235,370,225	136,378,593	371,748,818
Interest & Sinking Fund as of 09/30/2013	2,937,507	2,117,265	5,054,772
Reserve Funds as of 09/30/2013	8,273,735	4,709,237	12,982,972
Contingency Fund as of 09/30/2013	\$ 2,068,476	1,449,942	3,518,418

This page intentionally left blank

## **SPORTS VENUE SALES TAX REVENUE BONDS**

### **LAREDO ENERGY ARENA**

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue Improvement and Refunding Bonds, Series 2005, to acquire and construct additional parking facilities for the Laredo Energy Arena, to achieve a debt service savings by partially refunding outstanding Sports Venue Tax Revenue Bonds, Series 2001, used to construct a sports venue project for a multipurpose entertainment arena and related infrastructure, and to pay for the issuance costs of the Bonds. The principal and interest due on the Sports Venue Tax Revenue Bonds, Series 2001 and 2005, are to be paid on the scheduled interest payment dates from funds deposited with an escrow agent until discharged.

The bonds constitute special and limited obligations of the City and are payable solely from, and secured solely by a first lien on and pledge of the Sales Tax Revenues, as approved by the citizens on a special election on August 12, 2000. The Sales Tax Revenues consist of the gross receipts from  $\frac{1}{4}$  of 1% sales and use tax collected within the boundaries of the City. The bonds were issued pursuant to the provisions of (i) Chapter 334 of the Texas Local Government code, as amended (the "Act"), and (ii) an authorizing ordinance (the "Ordinance") adopted by the City Council of the City on May 23, 2001.

The bonds are payable solely from, and secured solely by, a first lien on and pledge of the Sales Tax Revenues as provided in the Ordinance and not from any other revenues, properties or income of the City. Neither the State of Texas nor any political corporation, subdivision, or agency of the State other than the City will be obligated to pay the bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State or any political corporation, subdivision, or agency thereof is pledged to the payment of principal of or interest on the bonds.

The construction of Laredo Entertainment Center was completed by September 2002. This enormous entertainment center will introduce inexpensive, family-oriented entertainment services, such as concerts, rodeos, circuses, civic events, sporting events, and more. On March 18, 2010 the City of Laredo announced that the Laredo Entertainment Center name will change to the Laredo Energy Arena. Laredo Energy signed a four-year naming rights agreement with options for extension with the City of Laredo.

The Arena itself offers a diverse mixture of world-class entertainment, with a 10,000 seating capacity, over 2,000 parking spaces and a team store. The 178,000 square foot, \$36.5 million facility opened in October 2002. In 2013, the Laredo Energy Arena hosted more than 100 events including major concerts by top artists such as Ronnie Dunn, Wisin y Yandel, Alejandro Fernandez, Juicy J, Joel Osteen, Sasha Benny & Erik, Vince Neil, DJ Paul Van Dyk, Fuel, Hoobastank, WWE Raw, Molotov, Cirque du Soleil and PBR, to name a few.

After the construction of the Arena was completed, approximately 220 new jobs were created for the operation of the facility. Furthermore, contracts were awarded to local businesses whose products are required for the Laredo Energy Arena's daily operations.

### **BASEBALL STADIUM**

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue, Taxable Series 2011, for the purpose of acquiring, constructing and equipping a baseball stadium (Laredo Ballpark) and related infrastructure and to pay costs of issuance. The Laredo Ballpark was approved by the voters of the City at an election held on November 4, 2008 as a related venue project to a previously approved and constructed multi-purpose entertainment arena. The Laredo Ballpark has over 3,940 seats which includes ten suites, a party suite, club seating and fixed general admission seating. Grass berm areas will accommodate an additional 1,700 spectators and picnic tables another 370 visitors. Restrooms, typical fan amenities and cooking concession stands are distributed throughout the 10 acre ballpark. A club with bar, press box, team offices, clubhouses, and maintenance areas are included. The remaining 29 acres of the site is utilized for parking approximately 985 vehicles, with an area for future parking expansion; the City has spent approximately \$21 million on construction cost for this project.

**TABLE 1 – SALES TAX RECEIPTS**

<u>Fiscal Year Ending 9/30</u>	<u>Actual 1% Sales &amp; Use Tax Receipts</u>	<u>1/4 of 1% Sales Tax Receipts</u>	<u>Maximum Annual Debt Service</u>	<u>Estimated Coverage</u>
2004	19,288,849	4,822,212	3,121,125	1.55
2005	21,075,124	5,268,781	3,121,125	1.69
2006	23,862,993	5,965,748	3,121,125	1.91
2007	25,426,235	6,356,559	3,121,125	2.04
2008	25,962,164	6,490,541	3,121,125	2.08
2009	24,315,518	6,078,880	3,121,125	1.95
2010	23,471,292	5,867,823	3,121,125	1.88
2011	26,935,219	6,733,805	3,871,463	1.74
2012	29,985,452	7,496,363	3,871,463	1.94
2013	31,937,374	7,984,344	3,871,463	2.06

(\*) 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, 2014-2036	2,293,634
Fiscal Year 2013 Sales Tax Revenues	7,984,344
Coverage of Average Requirements by Fiscal Year 2013	3.48
Maximum Principal and Interest Requirements, 2014-2036	3,871,463
Fiscal Year 2013 Sales Tax Revenues	7,984,344
Coverage of Maximum Requirements by Fiscal 2013	2.06

**TABLE 3 – DEBT SERVICE REQUIREMENTS**

Fiscal Year Ended 9-30	Outstanding Debt	2011 Sports Venue Sales Tax Revenue Bonds, Taxable Series		Total Outstanding Debt	% of Debt Service Retired
		Principal	Interest		
2014	3,116,725	270,000	481,101	3,867,826	7.51%
2015	3,117,600	275,000	476,217	3,868,817	
2016	3,118,600	280,000	470,327	3,868,927	22.54%
2017	3,114,600	285,000	463,213	3,862,813	
2018	3,115,350	295,000	454,684	3,865,034	
2019	3,112,531	305,000	443,954	3,861,485	
2020	3,115,481	315,000	431,386	3,861,867	52.54%
2021	3,114,875	330,000	417,743	3,862,618	
2022	3,115,750	345,000	402,963	3,863,713	
2023	3,119,625	360,000	387,225	3,866,850	
2024	3,121,125	380,000	370,338	3,871,463	82.57%
2025	-	395,000	352,268	747,268	
2026	-	415,000	333,025	748,025	
2027	-	440,000	311,075	751,075	
2028	-	460,000	286,550	746,550	88.38%
2029	-	490,000	260,662	750,662	
2030	-	515,000	233,276	748,276	
2031	-	545,000	204,391	749,391	
2032	-	575,000	172,721	747,721	94.20%
2033	-	610,000	138,060	748,060	
2034	-	645,000	101,351	746,351	
2035	-	685,000	62,449	747,449	
2036	-	725,000	21,206	746,206	100.00%
	<u>\$ 34,282,262</u>	<u>9,940,000</u>	<u>\$ 7,276,185</u>	<u>\$ 51,498,447</u>	

# SINGLE AUDIT



Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)

Guadalupe Garcia-Wright, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

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

**Report on Compliance for Each Major Federal Program**

We have audited City of Laredo, Texas, compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the City of Laredo, Texas' major federal and state programs for the year ended September 30, 2013. The City of Laredo, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Laredo, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the *State of Texas Single Audit Circular*. Those standards, OMB Circular A-133, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Laredo, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Laredo, Texas' compliance.



## ***Opinion on Each Major Federal and State Program***

In our opinion, the City of Laredo, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2013.

## **Report on Internal Control Over Compliance**

Management of the City of Laredo, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Laredo, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas', internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of the testing based on the requirements of OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
February 14, 2014

This page intentionally left blank

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>U.S. Department of Energy</b>							
Direct Programs:							
Slate Energy Program-SECO Grant	81.041	CM1124	145,000	37,923	-	37,923	-
Slate Energy Program-SECO Grant	81.041	CM1125	30,000	-	-	-	-
Passed Through Railroad Commission of Texas:							
Conservation Research and Development-CNG Conversion	81.086	DE-EE0002564	\$ 269,500	-	269,500	269,500	-
Total U. S. Department of Energy			\$ 444,500	37,923	269,500	307,423	-
<b>U.S. Department of Health and Human Services</b>							
Center for Disease Control and Prevention							
Passed Through Texas Department of State Health Services:							
Center for Disease Control and Prevention:							
Project Grants and Cooperative Assistance for Tuberculosis Control							
Tuberculosis Control Programs - '12	93.116	2012-040150-001	\$ 142,893	18,265	-	18,265	-
Tuberculosis Control Programs - '13	93.116	2013-041412-001	142,893	9,868	133,025	128,020	14,873
Tuberculosis Control Programs - '14	93.116	2014-001424-001	95,734	-	10,567	-	10,567
Center for Disease Control and Prevention, Public Health Services:							
Immunization Cooperative Agreements:							
Immunization Cooperative Agreements 12	93.268	2012-039107-001	230,491	41,017	-	41,017	-
Immunization Cooperative Agreements 13	93.268	2013-041412-002	230,491	17,161	327,463	267,513	77,111
Immunization Cooperative Agreements 14	93.268	2014-001135-001	320,491	-	18,923	-	18,923
Center for Disease Control and Prevention:							
Public Health Emergency Preparedness:							
Public Health Emergency Preparedness - 11-12	93.069	2011-038859-001	267,077	141,187	-	141,187	-
Public Health Emergency Preparedness - 12-13	93.069	2013-041412-003	372,575	26,463	371,072	332,817	64,918
Public Health Emergency Preparedness - 12-13	93.069	2014-001232-001	327,117	-	28,251	-	28,251
Public Health Emergency Preparedness 2012	93.069	2011-038662-001	75,000	8,296	-	8,296	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements:							
Public Health Emergency Preparedness - 12-13	93.074	2013-041412-006	294,638	-	286,455	249,693	36,762
Health Resources and Services Administration:							
HIV Care Formula Grants:							
H.I.V. Care Formula Grant - 12-13	93.917	019-01-12	174,513	130,282	-	130,282	-
H.I.V. Care Formula Grant - 12-13	93.917	019-01-12	174,513	12,606	455,983	338,829	129,760
H.I.V. Care Formula Grant - 13-14	93.917	019-01-13 (14)	398,233	-	31,444	-	31,444
Epidemiologic Research Studies of AIDS & HIV '12	93.943	2012-040424-001	434,979	72,069	137,600	209,669	-
Epidemiologic Research Studies of AIDS & HIV '13	93.943	2013-043153-001	201,600	-	201,600	152,828	48,772
Epidemiologic Research Studies of AIDS & HIV '14	93.943	2014-001325-001	300,600	-	21,828	-	21,828
Centers for Disease Control and Prevention:							
Preventive Health & Health Services Block Grant							
Office of Regional Administrative Services - 08-09 / O.P.H.P.	93.991	2009-028162-001	306,835	5,548	-	5,548	-
Preventive Health and Health Service Block Grant - 11-12 / O.P.H.P.	93.991	2012-039469-001	248,536	134,547	-	134,547	-
Preventive Health and Health Service Block Grant - 12-13 / O.P.H.P.	93.991	2013-041412-004	248,536	7,007	299,245	136,117	170,135
Preventive Health and Health Service Block Grant - 13-14 / O.P.H.P.	93.991	2014-001192-001	248,536	-	122	-	122
Center for Disease Control and Prevention							
Investigations and Technical Assistance							
The Affordable Care Act, Community Diabetes Project - 11-12	93.283	2012-038709-001	80,000	11,525	-	11,525	-
The Affordable Care Act, Community Diabetes Project - 12-13	93.283	2013-042418-001	80,000	5,248	66,420	66,334	5,334
The Affordable Care Act, Community Diabetes Project - 13-14	93.283	2014-001276-001	80,000	-	3,929	-	3,929
Family Planning Services:							
Family Planning Services - 12-13	93.217	2012-040715-001	100,000	12,918	25,749	38,667	-
Food and Drug Administration Research:							
Food Inspection Innovation	93.103	1U18FD004740-01	100,000	-	52,182	52,182	-
Food Inspection Innovation	93.103	1U18FD004740-02	100,000	-	25,802	11,696	-
Total U. S. Department of Health and Human Services			\$ 5,776,281	654,007	2,497,660	2,474,832	676,835

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>U.S. Department of Housing and Urban Development (HUD)</b>							
<b>Direct Programs:</b>							
Community Planning and Development:							
Community Development Block Grants / Entitlement Grants 08	14.218	N/A	\$ 3,569,985	-	249,368	249,368	-
Community Development Block Grants / Entitlement Grants 09	14.218	N/A	3,634,339	-	263,435	263,435	-
Community Development Block Grants / Entitlement Grants 10	14.218	N/A	3,936,450	-	1,015,409	1,015,409	-
Community Development Block Grants / Entitlement Grants 11	14.218	N/A	3,290,569	181,939	949,022	1,130,961	-
Community Development Block Grants / Entitlement Grants 12	14.218	N/A	3,347,669	-	1,405,923	1,225,856	180,067
Emergency Solutions Grant Program 2011	14.231	N/A	159,482	2,576	140,217	114,165	28,628
Emergency Solutions Grant Program 2012	14.231	N/A	284,955	-	88,358	69,720	18,638
Housing Opportunities for Persons with AIDS:							
Housing Opportunities for Persons with Aids - 11-12	14.241	019-3-12	48,820	13,907	-	-	-
Housing Opportunities for Persons with Aids - 12-13	14.241	019-3-13	83,691	4,809	21,940	26,749	-
Housing Opportunities for Persons with Aids - 13-14	14.241	019-3-13 (14)	84,131	-	50,841	38,792	12,049
HOME Investment Partnerships Program 2009 GRANT	14.239	N/A	1,389,582	1,879	88,117	89,996	-
HOME Investment Partnerships Program 2010 GRANT	14.239	N/A	1,281,796	40,654	201,124	241,778	-
HOME Investment Partnerships Program 2011 GRANT	14.239	N/A	1,218,954	174,037	623,209	764,359	12,887
HOME Investment Partnerships Program 2012 GRANT	14.239	N/A	879,662	-	251,217	243,281	7,936
EDI-SP Neighborhood Initiative and Miscellaneous Grants	14.251	B-10-SP-TX-0114	200,000	99,629	80,295	179,924	-
Total U. S. Department of HUD			23,530,085	519,430	5,428,475	5,687,700	260,205

**U. S. Department of Transportation**

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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>U. S. Department of Transportation</b>							
<b>Direct Programs:</b>							
<b>Federal Transit Administration:</b>							
Federal Transit Capital Investment Grants:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX03X274	2,546,681	96,367	193,804	290,171	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030299	1,943,557	-	1,518,757	1,518,757	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	880,130	5,455	9,369	14,824	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	714,000	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	2,549,000	-	-	-	-
Federal Transit Formula Grants:							
Urbanized Area Formula Program	20.507	TX904888	3,865,578	610,095	2,142,831	2,752,926	-
Urbanized Area Formula Program	20.507	TX904027	3,247,188	-	2,721,294	-	2,721,294
Federal Aviation Administration:							
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-62-10	4,000,000	11,597	425,150	436,747	-
Airport Improvement Program (Wildlife Hazard Study and Assessment)	20.106	3-48-0136-63-10	145,629	13,403	-	13,403	-
Airport Improvement Program (Geographic Information System "AGIS" Survey)	20.106	3-48-0136-64-10	300,000	81,851	-	81,851	-
Airport Improvement Program	20.106	3-48-0136-67-11	285,000	19,587	64,892	61,989	22,490
Airport Improvement Program (Rehab Apron, EMAS & Realign Taxiway)	20.106	3-48-0136-68-11	6,758,977	484,246	106,814	591,060	-
Airport Improvement Program	20.106	3-48-0136-69-11	3,000,000	6,610	713,087	706,956	12,741
Airport Improvement Program	20.106	3-48-0136-70-12	8,617,353	10,130	8,193,338	7,624,518	578,950
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-72-12	4,000,000	-	220,813	220,813	-
Airport Improvement Program (ARFF Building- Infrastructure & Equipment)	20.106	3-48-0136-73-12	4,500,000	-	2,418,431	2,111,514	306,917
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090	HSTS0208HSLR197	97,455	101	-	101	-
FY 12 Law Enforcement Officer Reimbursement Program	97.090	HSTS0208HSLR197	97,455	-	53,680	45,360	8,320
Pass Through Texas Department of Transportation:							
Highway Planning and Construction-Manadas Crk Hike/Bike Trail	20.205	CSJ-0922-33-139	318,546	-	182,578	-	182,578
New Freedom Program	20.521	5112ZF7087	221,425	54,828	15,272	70,100	-
Capital Assistance Program for Elderly Persons W/Disabilities	20.521	5122ZF7094	350,000	88,351	115,390	164,624	39,117
Formula Grants for Other Than Urbanized Areas	20.513	5132ZF7142	22,000	-	22,000	22,000	-
National Highway Traffic Safety - State and Community Highway Safety	20.509	5113ZF7050	604,991	-	604,991	604,991	-
Texas Department of Transportation							
Comprehensive Commercial Vehicle STEP	20.600	2012-LAREDDP-S-1YG-0110	31,020	14,488	-	14,488	-
Comprehensive Commercial Vehicle STEP	20.600	2013-LAREDDP-S-1YG-0095	25,004	-	25,004	15,215	9,789
Comprehensive STEP	20.600	2012-LAREDDP-S-1YG-0108	73,935	18,650	-	18,650	-
National Highway Traffic Safety - Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.600	2013-LAREDDP-CIOT1-00038	9,000	-	6,435	-	6,435
Texas Department of Transportation							
Step - Impaired Driving Mobilization	20.601	2013-LAREDDP-IDM-00024	19,975	-	17,072	1,958	15,114
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-13-1113-70-806	880,246	-	221,877	103,065	118,812
Metropolitan Transportation Planning Program-Metropolitan Planning Program	20.505	51-74-108-0122-13-810	81,587	-	81,587	81,587	-
Metropolitan Transportation Planning Program-Metropolitan Planning Program	20.505	51-74-108-0122-12-810	81,238	46,604	-	46,604	-

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>U. S. Department of Transportation</b>							
Highway Planning and Construction-Industrial Streets Laredo Int'l Airport	20.205	CSJ-0922-33-141	\$ 2,070,678	43,865	-	43,865	-
Highway Planning and Construction-Scott Sanchez RR Grade Separation	20.205	CSJ-0922-33-105	393,873	-	-	-	-
Highway Planning and Construction-Cielito Lindo Ave/ SL 20 Intersection	20.205	CSJ-0922-33-133	1,777,818	-	138	-	138
Highway Planning and Construction-Los Presidentes Blvd/ SL 20 Intersection	20.205	CSJ-0922-33-134	266,768	-	138	-	138
Highway Planning and Construction-Southgate Blvd/ SL 20 Intersection	20.205	CSJ-0922-33-135	1,992,867	-	138	-	138
Highway Planning and Construction-West Laredo Multimodal Trade Corridor	20.205	CSJ-0922-33-093	18,889,751	14,044	42,832	37,398	19,478
Highway Planning and Construction- Chacon Creek Hike & Bike Phase II	20.205	CSJ-0922-33-142	1,482,244	-	70,514	104,911	-
Highway Planning and Construction- Chacon Creek Hike & Bike Phase III	20.205	CSJ-0922-33-149/150	1,243,767	-	-	-	-
Total U. S. Department of Transportation			78,182,736	1,654,669	20,188,226	17,800,446	4,042,449
<b>U. S. Department of Agriculture</b>							
Passed Through Texas Department of State Health Services: Food & Nutrition Service - Special Supplemental Nutrition Program for WIC: Women, Infants and Children 11-12 Women, Infants and Children 12-13 Women, Infants and Children Counties 11-11 Women, Infants and Children Counties 12-13	10.557 10.557 10.557 10.557	2012-039949-001 2013-042235-001 2012-039949-001 2013-042235-001	2,281,795 4,329,389 513,708 525,538	825,394 -	28,528 4,603,389 21 466,381	863,922 3,668,477 96,594 368,716	- 914,912 -
Total U. S. Department of Agriculture			7,650,430	821,967	5,098,319	5,007,709	1,012,577
<b>U. S. Department of Justice</b>							
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: FY12 Justice Assistance Grant FY11 Justice Assistance Grant FY10 Justice Assistance Grant 2009 Project Safe Neighborhood - Southern District of Texas Bulletproof Vest Partnership Program Bulletproof Vest Partnership 2011	16.738 16.738 16.738 16.609 16.607	2012-DJ-BX0538 2011-DJ-BX-3199 2010-DJ-BX0494 2009-GF-BX-0068 N/A	96,591 119,881 142,603 7,451 7,962	- 7,421 -	35,496 34,289 1,527 -	27,639 41,710 1,514 2,740 3,981	7,857 - 13 -
Total U. S. Department of Justice			374,488	10,161	75,293	77,584	7,870
<b>Executive Office of the President</b>							
High Intensity Drug Trafficking Areas Program Financial Task Force 11 Financial Task Force 12 Financial Task Force 13 South Texas Public Corruption Task Force 11 South Texas Public Corruption Task Force 12	95.001 95.001 95.001 95.001 95.001	G11SS0001A G12SS0001A G13SS0001A G11SS0001A G12SS0001A	736,104 792,391 676,020 99,916 43,629	52,285 78,236 -	714,155 164,569 -	52,285 750,718 73,527 6,116 34,512	- 41,673 91,042 -
Total Executive of the President			2,348,060	439,623	919,367	917,158	141,832

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>U.S. Department of Homeland Security</b>							
Federal Emergency Management Agency Disaster Grants-Public Assistance (Presidentially Declared Disasters) Assistance to Firefighters Grant (SAFER 2011)	97.036 97.044	FEMA-1931-DR-PA EMW-2010-FH-00490	\$ - 3,887,964	(79,158) 206,854	- 1,742,214	19,976 1,949,068	(99,134) -
Passed Through GDEM:							
State Homeland Security Grant Program (SHSP)	97.073	2010-SS-T0-0008	315,000	77,760	78,422	135,016	21,166
Homeland Security Grant Program (SHSP-LETPA)	97.067	2011-SS-00019	88,000	-	66,833	66,833	-
Passed Through Webb County:							
2009 Stone Garden Grant	97.067	NA	900,000	207,434	-	207,434	-
2010 Stone Garden Grant	97.067	10-GA41464-03	800,000	722,326	75,979	798,305	-
2011 Stone Garden Grant	97.067	11-GA48479-05	400,000	-	378,386	374,922	3,464
2012 Stone Garden Grant	97.067	12-GA-48479-02	709,840	-	52,581	-	52,581
Passed Through HMOGP:							
Hazard Mitigation Grant Program - Canal Street Channel Improvements	97.039	FEMA-1791-DR-TX	3,768,107	1,010,757	1,079,701	1,737,752	352,706
Total U. S. Department of Homeland Security			10,869,911	2,145,973	3,474,116	5,289,306	330,783
<b>U.S. General Services Administration</b>							
Donation of Federal Surplus Personal Property	39.003	N/A	-	-	3,796	3,796	-
Total U. S. General Services Administration			-	-	3,796	3,796	-
<b>U.S. Department of Environmental Protection Agency</b>							
Survey, Studies, Investigations & Special Purpose Grants							
Air Pollution Control Program Support:							
Passed Through Texas Commission on Environmental Quality Continuous Air Monitoring Station - Air Pollution Control Prog	66.001	581-11-86431	70,000	19,115	-	19,115	-
Continuous Air Monitoring Station - Air Pollution Control Prog	66.001	581-11-86431	70,000	4,701	62,263	47,582	19,382
Passed Through Texas Water Development Board: Surveys, studies, investigations, and special purpose grants.							
NADB - Colonia Water & Wastewater Treatment	66.606	BEIF23-4800	7,865,314	756,376	40,295	796,671	-
Passed Through Border Environmental Cooperation Commission: Cease the Grease	66.931	TAA12-029	22,975	-	22,748	17,231	5,517
Tex-Mex Binational Solid Waste Reduction	66.931	TAA09-046	40,000	10,469	31,230	25,881	15,818
Colonies Household Hazardous Waste Collection	66.931	TAA11-008	45,000	13,600	-	13,600	-
Clean Water State Revolving Loan	66.458	1120019	48,750,000	-	19,865,572	48,837,145	(28,971,573)
Total U. S. of Environmental Protection Agency			56,893,289	804,261	20,022,108	49,757,225	(28,930,856)
<b>American Recovery and Reinvestment Act</b>							
ARRA-Federal Transit Formula Grants- Other than Urbanized Area Formula Grant	20.507	TX-96-X001	4,757,091	-	200,000	200,000	-
ARRA-Edward Byrne Memorial Justice Assistance Grant to units of Local Government- Laredo JAG Recovery	16.804	2009-SB-B9-1063	602,748	-	188	188	-
ARRA- Public Safety Partnership and Community Policing Grants							
2010 COPS Hiring Program	16.710	2010ULWX0025	4,369,266	74,328	1,034,818	978,019	131,127
ARRA-Dept. of Energy-Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000967	2,083,600	747	267,124	267,871	-
ARRA-HUD-Neighborhood Stabilization Program	14.256	77090000107	2,127,102	212,920	41,145	109,161	144,904
ARRA-HRSA - Health Care and Other Facilities	93.887	C76HF15325	188,100	-	-	-	-
ARRA-Capitalization Grants For Drinking Water State Revolving Funds	66.468	2F-96692301-0	48,196,000	2,043,309	1,089,666	3,132,975	-
ARRA-Investmnts. for Public Works and Eco. Develop. Facilities-River Vega	11.300	N/A	1,000,000	-	276,375	276,375	-
Total American Recovery and Reinvestment Act			63,323,907	2,331,304	2,909,316	4,964,589	276,031
Total Federal Assistance			\$ 249,382,687	9,219,318	60,886,176	82,287,768	(22,182,274)

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
<b>STATE AWARDS</b>							
Texas Department of State Health Services:							
Primary Health Care Program 11-12	N/A	2012-039405-001	\$ 100,000	33,325	-	33,325	-
Primary Health Care Program 12-13	N/A	2013-042280-001	177,000	8,229	168,557	140,094	36,692
Primary Health Care Program 13-14	N/A	2014-044431-001	177,000	-	8,362	-	8,362
Tuberculosis Prevention and Control 11-12	N/A	2012-039041-001	170,859	35,636	-	35,636	-
Tuberculosis Prevention and Control 12-13	N/A	2013-041412-005	170,859	10,182	149,730	134,879	25,033
Tuberculosis Prevention and Control 13-14	N/A	2014-001448-001	187,356	-	11,271	-	11,271
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. -12	N/A	2012-039350-001	75,000	15,159	-	15,159	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. -13	N/A	2013-042424-001	75,000	3,821	71,179	75,000	-
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. -14	N/A	2014-046935-001	75,000	-	6,170	-	6,170
Family Planning - 10	N/A	2010-032523-001	60,000	9,445	-	7,713	-
Family Planning - 11	N/A	2010-034124-001	87,640	26,679	-	26,679	-
Family Planning - 12	N/A	2011-036931-001	6,566	11,286	-	11,286	-
Special Services Block Grant: Family Planning - 13	N/A	2012-039819-001	184,515	46,880	-	46,880	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 12	N/A	2012-040675-001	41,000	9,400	200,299	115,638	110,261
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 13	N/A	2012-039646-001	111,000	916	-	9,400	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 14	N/A	2013-042443-001	111,000	916	38,236	37,275	1,877
Cancer Prevention & Research Institute of Texas (CPRIIT)	N/A	2014-044542-001	37,986	-	3,486	-	3,486
Border Binational Health Week	N/A	PP100228	2,497,500	415,888	726,469	1,021,690	20,667
Border Binational Health Week	N/A	1X408TXUSMEXBRD	12,550	2,458	-	-	(1,197)
Office of Border Health - Border Health	N/A	3X408TXUSMEXBRD	4,200	-	4,200	1,800	2,400
Healthy Texas Babies	N/A	2012-039746-001	40,000	-	4,200	8,617	-
National Bioterrorism Hospital Preparedness Program	N/A	2012-040620-001	200,000	29,097	108,901	114,113	23,885
Passed Through South Texas Development Council:	93.889	2013-043754-001	250,000	-	14,685	-	14,685
H. I. V. Social Services 11-12	N/A	19-2-10 (12)	81,290	27,336	-	27,336	-
H. I. V. Social Services 12-13	N/A	19-2-12 (13)	136,842	6,376	129,378	109,697	28,057
H. I. V. Social Services 12-13	N/A	19-1-13 (14)	132,444	-	8,795	-	8,795
Passed Through Texas Nurse-Family Partnership Program:	**	52900-2-0000061985	344,708	51,347	468,912	425,574	94,685
Nurse-Family Partnership Program							
Passed Through Webb County:							
Regional Healthcare Partnership (1115 Wavler)							
Total - Texas Department of State Health Services			5,447,760	771,832	2,127,313	2,756,616	142,529
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education							
Total - Commission on Law Enforcement Officers Standards and Education			32,844	(3,753)	3,538	-	(215)
Texas State Library and Archives Commission							
Seven Flags Regional Advisory Council							
Total-Texas State Library and Archives Commission			13,000	-	6,045	6,045	-
Total			\$ 13,000	-	6,045	6,045	-

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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	Acrued (Deferred) Revenue at September 30, 2012	Revenue Recognized	Receipts	Acrued (Deferred) Revenue at September 30, 2013
<b>State Department of Motor Vehicles:</b>							
Auto Theft Task Force	**	SA-T01-10057-12	\$ 433,514	82,232	-	82,232	-
Auto Theft Task Force	**	SA-T01-10057-13	433,514	36,857	396,657	334,910	98,604
Auto Theft Task Force	**	SA-T01-10057-14	433,514	-	34,530	-	34,530
<b>Total - State Department of Motor Vehicles</b>			<b>1,300,542</b>	<b>119,089</b>	<b>431,187</b>	<b>417,142</b>	<b>133,134</b>
<b>State Department of Transportation:</b>							
TXDOT-Interlocal Agreement for TPDES Permit Program	N/A	N/A	44,000	11,000	44,000	55,000	-
TXDOT-Interlocal Agreement for US83 Utility Relocation at RR Overpass	N/A	N/A	92,555	-	92,555	92,555	-
TX Dept. of Transportation-Routine Airport Maintenance Program *12	N/A	CSJ-M222LREDO	50,000	8,014	16,556	24,570	-
TX Dept. of Transportation-Routine Airport Maintenance Program *13	N/A	CSJ-M122LREDO	50,000	-	49,127	33,866	15,261
TX Dept of Transportation--West Laredo CPL Road Phase II	N/A	CSJ-0822-33-076	2,597,272	17,672	124,821	86,719	55,774
<b>Total - State Department of Transportation</b>			<b>2,833,827</b>	<b>36,686</b>	<b>327,059</b>	<b>292,710</b>	<b>71,035</b>
<b>Texas Commission on Environmental Quality</b>							
Passed Through STDG:			40,000	-	40,000	4,476	35,524
T.C.E.Q.-Regional Solid Waste Management	N/A	08-19-g02/04	40,000	-	40,000	4,476	35,524
<b>Total - Texas Commission on Environmental Quality</b>			<b>40,000</b>	<b>-</b>	<b>40,000</b>	<b>4,476</b>	<b>35,524</b>
<b>State Department of Public Safety</b>							
Local Border Security Program FY 12/13	N/A	L BSP120051	145,000	-	145,015	-	145,015
Local Border Security Program FY 13/14	N/A	L BSP1339	80,000	-	74,054	-	74,054
<b>Total - State Department of Public Safety</b>			<b>225,000</b>	<b>-</b>	<b>219,069</b>	<b>-</b>	<b>219,069</b>
<b>Total State Assistance</b>			<b>9,892,973</b>	<b>923,854</b>	<b>3,154,211</b>	<b>3,476,989</b>	<b>601,076</b>
<b>OTHER ASSISTANCE</b>							
Custom-Narcotics 2012	N/A	N/A	91,000	11,882	8,057	11,882	-
Custom-Narcotics 2013	N/A	N/A	91,000	-	-	6,253	1,804
OCDETF-DEA 2012	N/A	N/A	17,202	528	-	528	-
OCDETF-DEA 2013	N/A	N/A	17,202	-	9,202	9,202	-
OCDETF-DEA0818	N/A	N/A	5,000	1,362	-	1,362	-
OCDETF-DEA0818 FY 2013	N/A	N/A	7,000	-	7,536	5,488	2,048
OCDETF-DEA0838	N/A	N/A	5,000	763	-	763	-
OCDETF-DEA0838 FY 2013	N/A	N/A	7,000	-	7,295	5,193	2,102
Laredo Joint Terrorism TF 2012	N/A	N/A	17,202	2,606	-	2,606	-
Laredo Joint Terrorism TF 2013	N/A	N/A	17,202	-	14,999	12,354	2,645
Safe Streets Task Force 2012	N/A	N/A	34,404	4,874	-	4,874	-
Safe Streets Task Force 2013	N/A	N/A	34,404	-	29,761	22,105	7,656
Fugitive Apprehension Task Force 12	N/A	N/A	14,200	733	-	733	-
Fugitive Apprehension Task Force 13	N/A	N/A	5,500	-	15,498	11,515	3,983
Bureau of Alcohol and Tobacco 12	N/A	N/A	23,000	5,170	-	5,170	-
Bureau of Alcohol and Tobacco 13	N/A	N/A	70,000	-	70,273	54,696	15,577

(Continued)



**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
PERIOD ENDED SEPTEMBER 30, 2013**

**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, 2012	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2013
OTHER ASSISTANCE							
911 Regional Communications Grant - FY2010	N/A	N/A	1,357,921	(2,521)	2,521	-	-
911 Regional Communications Grant - FY2011	N/A	N/A	1,937,479	72,773	687,667	760,440	-
911 Regional Communications Grant - FY2012	N/A	N/A	1,226,600	25,576	49,185	75,411	(650)
911 Regional Communications Grant - FY2013	N/A	N/A	1,226,600	(6,603)	8,603	-	-
911 Regional Communications Grant - FY2014	N/A	N/A	1,203,614	(261,982)	1,267,268	695,057	310,229
UTHCSA - South Texas AIDS Network	N/A	N/A	1,997,185	-	30,305	-	30,305
UTHCSA - South Texas AIDS Network	N/A	N/A	25,000	7,539	-	7,539	-
Laredo Community College-Interlocal Agreement for TPDES Permit Prgram.	N/A	N/A	10,000	N/A	17,000	19,500	-
Webb County-Interlocal Agreement-Health	N/A	N/A	200,000	2,500	250,000	250,000	-
Webb County-CHIP Perinate	N/A	N/A	-	-	52,199	202,827	125,059
Universal Service Fund (USF)-E-Rate Program (Round 15)	N/A	N/A	34,500	275,687	34,500	34,500	-
911 Regional Communications Grant - FY2012 Use of Revenue	N/A	N/A	93,463	-	41,040	41,040	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	28,180	-	511,533	511,533	-
TxDot135 Maintenance Agreement	N/A	N/A	300,000	(13,569)	34,323	34,000	(13,246)
Migrant Clinicians Network	N/A	N/A	101,600	44,117	277,109	271,964	49,262
Fernando Salinas Trust	N/A	N/A	40,000	(300)	300	-	-
Women's Health and Family Planning Association of Texas	N/A	N/A	-	(4,854)	1,434	-	(3,420)
STDC- Memorandum of Understanding for P-25 VHF Trunk Radio System	N/A	N/A	45,000	-	44,415	33,624	-
LISD- Memorandum of Understanding- Radio License	N/A	N/A	83,394	10,750	-	10,750	-
STDC- Memorandum of Understanding for P-25 VHF Trunk Radio System FY '13	N/A	N/A	43,000	9,960	11,408	9,960	11,408
TAMUJ- Memorandum of Understanding Radio LicenseFY'13	N/A	N/A	-	-	43,000	21,500	21,500
LISD-Civic Center	N/A	N/A	-	-	27,747	27,747	-
			-	-	89,612	-	89,612
<b>Total - Other Assistance</b>			<b>10,318,412</b>	<b>184,991</b>	<b>3,643,790</b>	<b>3,162,116</b>	<b>666,665</b>
<b>Total Federal, State and Other Assistance</b>			<b>\$ 269,594,072</b>	<b>10,328,163</b>	<b>67,684,177</b>	<b>98,926,873</b>	<b>(20,914,533)</b>

**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.

This page intentionally left blank



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, 2013, and the related notes to the financial statements, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated February 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Laredo, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Laredo, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Laredo, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
February 14, 2014

City of Laredo, Texas  
Federal Schedule of Findings and Questioned Costs  
Year Ended September 30, 2013

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

***Federal Awards***

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Section .510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants / Entitlement Grants
20.507	Urbanized Area Formula Program
66.458	Clean Water State Revolving Loan

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 1,826,585

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

City of Laredo, Texas  
Federal Schedule of Findings and Questioned Costs  
Year Ended September 30, 2013

**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, 2013

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

**State Awards**

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Section .510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Department of State Health Services Nurse-Family Partnership Program
None	State Department of Motor Vehicles Auto Theft Task Force

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

City of Laredo, Texas  
State Schedule of Findings and Questioned Costs  
Year Ended September 30, 2013

**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, 2013

**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, 2013

**Summary of Prior Audit Findings**

***State Award Findings and Questioned Costs***

None.

This page intentionally left blank