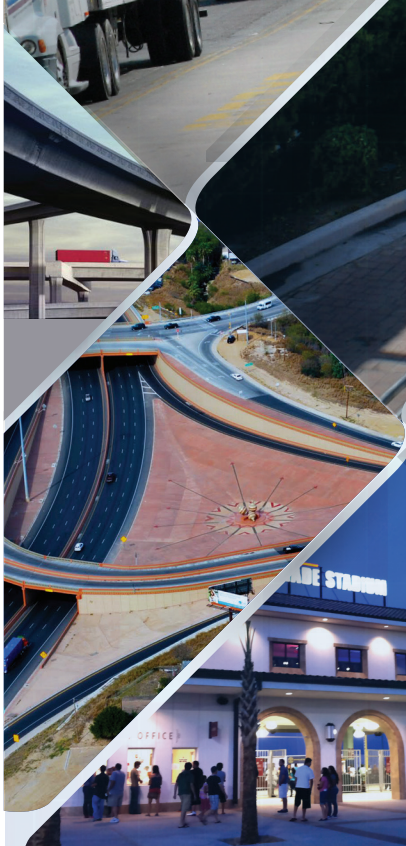


CITY OF LAREDO, TEXAS



**Comprehensive Annual
Financial Report
For The Year Ended
September 30, 2015**

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

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, 2015

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February 22, 2016

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, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City of Laredo's financial statements have been audited by Canales, Garza, & Baum Co., P.L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial

statements of the City of Laredo for the fiscal year ended September 30, 2015, 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, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City owns, maintains and operates four border crossings; three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb; it is the eighth most populated City in the State of Texas with a population of 252,309 in 2014, according to the U.S. Census estimates.

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

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

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

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

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

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

The annual budget serves as the foundation for the City of Laredo's financial planning and control. The City Manager presents a proposed balanced budget to

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

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

Factors Affecting Financial Condition

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

Local economy: Though the nation's economy is struggling with decreasing sales, mortgages, and increased unemployment, the City of Laredo has been very fortunate and experienced steady growth to our economy. Laredo is strategically positioned with a large transportation and warehousing industry. Trade between the United States and México is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland port on the U.S. – México border. We have four (4) international bridges; two of which are commercial crossings; over 2.0 million trucks cross annually. Laredo trades over \$280 billion imports and exports annually. Based on trade statistics by World City Magazine, Laredo for the second consecutive year remains the 3rd largest U.S. Customs District in the country; up from its position as the 6th in 2012. Only Los Angeles and New York, (both water ports) are above Laredo.

The City of Laredo continues to undertake an aggressive marketing approach in bringing additional commerce to our City. We continue to visit as well as host producers of goods from Central and South America to our City in order to establish stronger economic growth. We have established healthy business opportunities where Laredo will be a route through the Ports of Lazaro Cardenas and Manzanillo to logistically import products into the United States. During the work week, more than 14,000 trucks cross daily into Laredo. On rail, more than

1,500 rail cars pass through Laredo daily, making it one of the top rail road interchanges in the U.S. and the busiest on the Southern Border.

Some top imports / products totaling \$156.2 billion that cross through Laredo are:

- Motor vehicle parts
- Commercial vehicles
- Tractors
- Seats
- Air Conditioners
- Refrigerators

In addition, two great catalysts that have enhanced the City's economic growth in international trade are the following:

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

In addition to the FIS at the airport, the Laredo International Airport is currently ranked #7 among all cargo airports in Texas, ahead of Brownsville, Corpus Christi, Harlingen, Lubbock, and McAllen. In 2015, we saw almost 430 pounds of cargo in landed weight.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of the Wal-Mart store ranked #1 in sales in the nation per square foot. Grocery store chains such as H.E.B. continue to invest with store expansions or remodeling. Electronic stores such as Best Buy and sporting goods stores such as Academy continue to be top nationwide retail sellers in Laredo. New businesses such as Way Back Burgers, Chipotle, Five Guys, Dunkin Donuts, Firehouse Subs, and Gander Mountain have made their home in Laredo. Our 1.2 million square foot mall holds over 150 stores which amongst them are many restaurants such as Luby's, Olive Garden, Red Lobster, Tony Romas, etc. It also has stores such as Dillard's, Bells, Macy's, J.C.

Penny, Sears, Guess, Hollister, American Eagle, Aeropostale, Chucky Cheese, and many more.

In addition to the above mentioned retail growth, the City negotiated for a private developer to construct and complete a 350,800 sq. ft., \$80 million outlet mall known as The Outlet Shoppes at Laredo-Phase I. The development will be in downtown Laredo where 80 to 90 stores will be constructed and completed by October 2016. Due to this development, approximately 1,200 new jobs and 1,600 seasonal jobs will be created. This is not to mention the additional sales tax and hotel/motel tax this project will be generated therefore, enhancing our economy even more. This project will be the first of two phases.

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

MAJOR INITIATIVES

For the Year 2014-2015

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

- Rehabilitation of 426 City blocks this fiscal year with a project cost of \$3.4 million. This work was done with in-house by Public Works crews.
- Completion of new disposal cell (Phase 3 – Cell 1) at the municipal landfill located at 6912 Hwy 359 for the Solid Waste Department with a cost of \$3 million.

- Completion of various projects for the Airport Department include:
 - \$5.1 million for apron reconstruction phase 8 and terminal apron rehabilitation;
 - \$2.1 million for perimeter fencing, gates and a security system;
 - \$77 thousand for rehabilitation of cargo parking areas.

- Completion of various projects for the Parks & Leisure Department include:
 - \$1.3 million for the Canizales Boxing Gym Expansion;
 - \$1.2 million for the Chacon Creek Pedestrian Trail with the collaboration of the Environmental Service Department;
 - \$790 thousand for various Slaughter Park Improvements – Phase 2;
 - \$467 thousand for El Eden Rec Center Swimming Pool;
 - \$337 thousand for the Freddie Benavides Complex which include basketball courts, shade structures, playground equipment and other amenities.

- Completion of various projects for the Utilities Department include:
 - 8,299 ft. of water line replacements;
 - 99 man holes rehabilitated and 641 manholes repaired;
 - \$16.2 million for the replacement of approximately 65,000 residential and commercial meters to operate remotely with an automated meter reading system;
 - \$2 million project for recoating and repairs to an existing storage tank located in Highland Subdivision in South Laredo;
 - \$85.7 million completion of a 20 million gallon per day (MGD) water treatment plant with expanding capacity to 180 MGD's located in northwest Laredo called the "El Pico Water Treatment Plant";
 - \$51.8 million for the completion of a wastewater treatment plant expansion in South Laredo from 6 to 12 MGD's.

- Completion of various projects for the Community Development include:
 - \$1.7 million for assisting families through the Affordable Housing Program;
 - \$1.35 million for assisting 33 low income families through the Down Payment Assistance Program;
 - In partnership with Habitat for Humanity, the City assisted in funding the construction of 5 new homes for low income families totaling \$718 thousand;
 - Assisted 100 elderly low-income households by subsidizing rents with \$400 thousand;
 - Assisted with \$240 thousand to families experiencing a housing crisis or homelessness through the Emergency Solutions Grant.

Future Major Initiatives

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

- Parks and Leisure projects currently under construction are the following:
 - \$1.3 million for a 4,936 sq. ft. long Lazy River in South Laredo and rehabilitation of an existing pool with many beautiful amenities such as water sprays, buckets, slides, etc. ;
 - \$611 thousand for a Bartlett Soccer Complex;
 - \$1.2 million for the Bartlett community swimming pool;
 - \$354 thousand for the construction of the San Francisco Neighborhood Park with amenities such as a basketball court, benches, and tables;
 - \$394 thousand for the various park improvements to the Seven Flags Park in Central Laredo;
 - \$160 thousand for the Dryden Park Soccer Field located in south Laredo.

- The Utilities Department has various water and sewer capital improvement projects, they are the following:
 - \$1.6 million for water and wastewater line replacements;
 - \$3.1 million construction of a 24" water line on loop 20 from Clark Blvd to Kansas City Railroad located in District 2;
 - \$4.98 million for an educational facility at the Jefferson Water Treatment Plant where students and citizens can learn about our water system and our environment;
 - \$2.7 million 24" water main from Jefferson Water Treatment Plant to El Portal Center for the new outlet mall located in downtown Laredo;
 - \$814 thousand for water and wastewater hydraulic modeling.

- The Texas Department of Transportation and the City of Laredo are working on alleviation of a transportation problem along Loop 20. Various projects including:
 - A \$6 grade separation project at Clark and Loop 20 for the City with an overall project cost of \$34 million;
 - An overpass interchange at Spur 400 to separate Loop 20 traffic from the Spur 400 intersection traffic;
 - The widening of the Loop 20 bridge over the Kansas City Southern (KCS) rail tracks, a \$9.1 million project;
 - Additional frontage road over the KCS bridge and the adjoining overpass project at an estimated cost of \$15.4 million;

- Construction of various street connectors totaling \$5.3 million in South Laredo located at Los Presidents, Lomas del Sur (Southgate) and Cielito Lindo Blvd.

- Extension of the Bartlett Avenue from Jacaman to Del Mar which will aid heavy congestion to and from North Laredo to Central and South Laredo with an estimated project cost of \$ 4.7 million.
- Current design and renovations of the Old Federal Court House Building into a Historical museum. The estimated cost of this project of \$1.5 million.

Awards and Acknowledgements

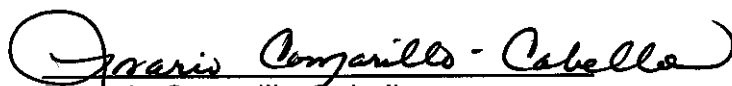
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laredo for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the twenty-seventh consecutive year in which the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully,


Rosario Camarillo-Cabello,
Financial Services Director



Government Finance Officers Association

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

Presented to

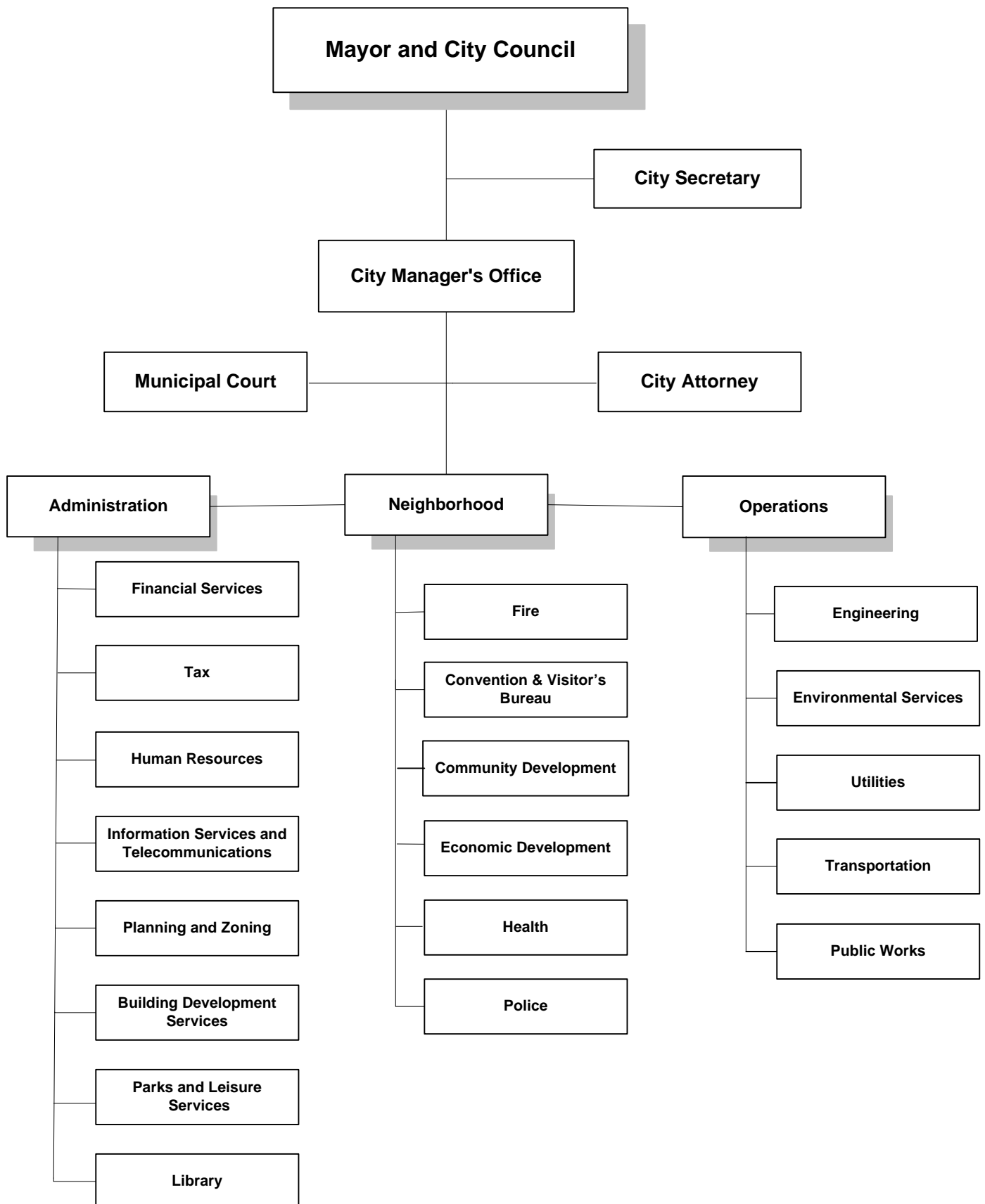
**City of Laredo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

CITY OF LAREDO, TEXAS



**CITY OF LAREDO, TEXAS
ADMINISTRATIVE OFFICIALS**

CITY COUNCIL

Pedro I. Saenz, Jr., Mayor

COUNCIL MEMBER	DISTRICT	COUNCIL MEMBER	DISTRICT
Rodolfo Gonzalez, Jr.	I	Roque Vela, Jr.	V
Esteban Rangel	II	Charlie San Miguel	VI
Alejandro “Alex” Perez, Jr.	III	George J. Altgelt	VII
Juan Narvaez Mayor Pro-Tempore	IV	Roberto E. Balli	VIII

CITY STAFF

Jesus M. Olivares, City Manager

Cynthia Collazo, Deputy Manager

Horacio De Leon, Assistant City Manager

Raul Casso, City Attorney

Rosario Camarillo-Cabello, Financial Services Director

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FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financials Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2015, 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, 2015, 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 22, 2016, 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 22, 2016

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Primary Government's net position as of September 30, 2015 was \$735.5 million. This represents a decrease of \$118 million for the year due to the recognition of a Net Pension Liability of \$148.8 million. Net Assets for governmental activities decreased by \$74.5 million while business type activities decreased by \$43.5 million. The assets for the primary government increased by \$84.4 million while liabilities increased by \$202.4 million. The net position consists of \$754 million in Investments in Capital Assets; \$97.5 Restricted Assets and (\$116 million) in Unrestricted Net Assets.
- The Primary Government's total expenses were \$433.3 million; total revenues were \$449.6 million generated in charges for services, operating grants, taxes and other revenues. The cost of the Primary Government's governmental activities was \$263.7 million while the costs of business-type activities were \$169.6 million for the fiscal year.
- As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$161.45 million; an increase of \$23.88 million compared to prior year activities. Approximately 100% of the combined fund balances are restricted, committed or assigned.
- The unassigned fund balance in General Fund was \$3.6 million or 2% of total General Fund current year expenditures.
- In fiscal year 2015, the City issued \$159.1 million in long term debt to finance capital projects (\$73.8 million) and refinance outstanding bond issues (\$85.3 million). Liabilities related to bond issuance and current year payment of principal increased by \$18.9 million

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- Proprietary fund statements offer short and long-term financial information about the activities the government operates like a business, such as the Bridge, Transit, and Water and Sewer funds.
- Fiduciary fund statements provide information about the financial relationships as an example, the retirement plan for the City’s employees in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources mentioned above, belong.

Figure A-1

FUND FINANCIAL STATEMENTS

	Government – Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of Revenues and Expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of Revenues expenses, and changes in net assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term the City’s funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the year; expenditures when goods and services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year; regardless of when cash is received or paid	All revenues and expenses during the year, regardless when cash is received or paid

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

Figure A-2

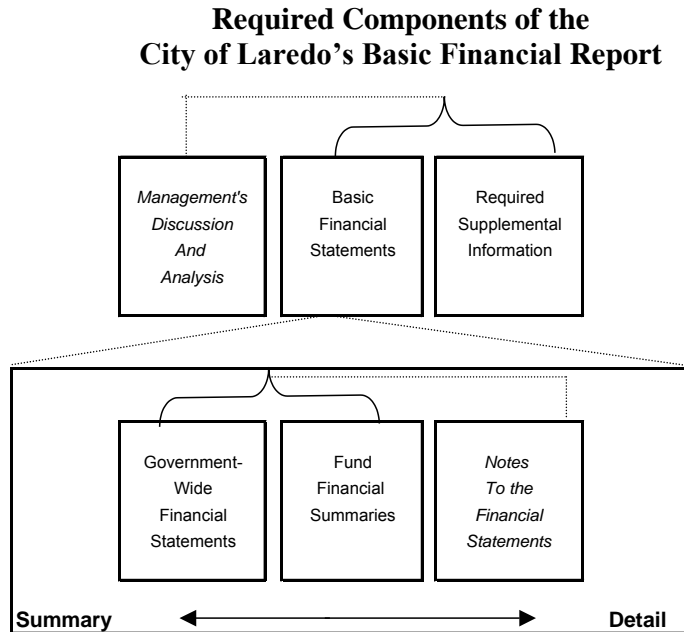


Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

The City has three kinds of funds:

- *Governmental funds* – Most of the City’s basic services are included in Governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, we provide additional information at the bottom of the Governmental Funds Statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide Statements, provide both long-term and short-term financial information. These funds are generally used to account for services for which the City charges customers either outside customers or internal cost centers of the City.
 - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Municipal Transit System, Bridge System, Municipal Housing, Waterworks, Sewer, and Solid Waste Funds.
 - Internal service funds are an accounting 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 Position. The City’s combined net position totaled \$735.5 million as of September 30, 2015. The net position of the City is further breakdown between the governmental net position of \$423.4 million and the business-type net position is \$312.1 million. This analysis focuses on the net position (Table A-1) and changes in general revenues (Table A-2) and significant expenses of the City’s governmental and business-type activities.

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

Table A-1

City of Laredo’s Net Position September 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 228,544,513	\$204,620,494	\$225,116,784	\$214,606,229	\$ 453,661,297	\$ 419,226,723
Capital assets	667,294,710	649,871,395	632,118,561	626,395,371	1,299,413,271	1,276,266,766
Other Assets	16,063,752	-	10,893,956	116,965	26,957,708	116,965
Total assets	911,902,975	854,491,889	868,129,301	841,118,565	1,780,032,276	1,695,610,454
Current liabilities	41,709,548	42,618,528	43,983,396	47,206,741	85,692,944	89,825,269
Non-current liabilities	446,747,321	313,934,877	512,053,837	438,357,192	958,801,158	752,292,069
Total liabilities	488,456,869	356,553,405	556,037,233	485,563,933	1,044,494,102	842,117,338
Net Position:						
Net investments in capital assets	487,452,144	454,275,907	266,890,409	279,700,006	754,342,553	733,975,913
Restricted	39,488,100	52,746,758	57,971,427	31,079,396	97,459,527	83,826,154
Unrestricted	(103,494,138)	(9,084,181)	(12,769,768)	44,775,230	(116,263,906)	35,691,049
Total net position	\$ 423,446,106	\$497,938,484	\$312,092,068	\$355,554,632	\$ 735,538,174	\$ 853,493,116

A portion of the City's net position or \$97.58 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 16.26% over prior year.

Generally, the net position generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net position decreased by \$94.41 million to a negative balance of \$103.5 million for the year. The negative balance increased due to the recognition of net pension liability of \$105.7 million.

Unrestricted net assets in the business-type activities reflect a decreased of \$57.5 million to a negative balance of \$12.8 million as of September 30, 2015. The negative balance is due to the recognition of net pension liability of \$43.1 million.

The table below provides a summary of the City's operations for the year ended September 30, 2015. Governmental activities increased the City's net position by \$20.89 million, while Business-Type activities decreased by \$4.6 million, before a negative prior period adjustment of \$134.3 million for net pension liability. The City's Net Assets decreased by \$118 million due to the recognition of a net pension liability of \$148.8 million. Total revenues realized by the City total \$449.6 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 \$6.96 million from prior year to \$433.26 million. The most significant governmental expense for the City was in providing public safety, public works repairs and improvements and cultural and recreational activities as compared to prior year. These expenses were offset by revenues collected by a variety of sources such as property taxes, fines, and forfeitures. The most significant portion of the police activity is the cost of personnel, which is approximately \$58.16 million and the fire department with \$42.66 million (both areas including benefits and overtime expenditures).

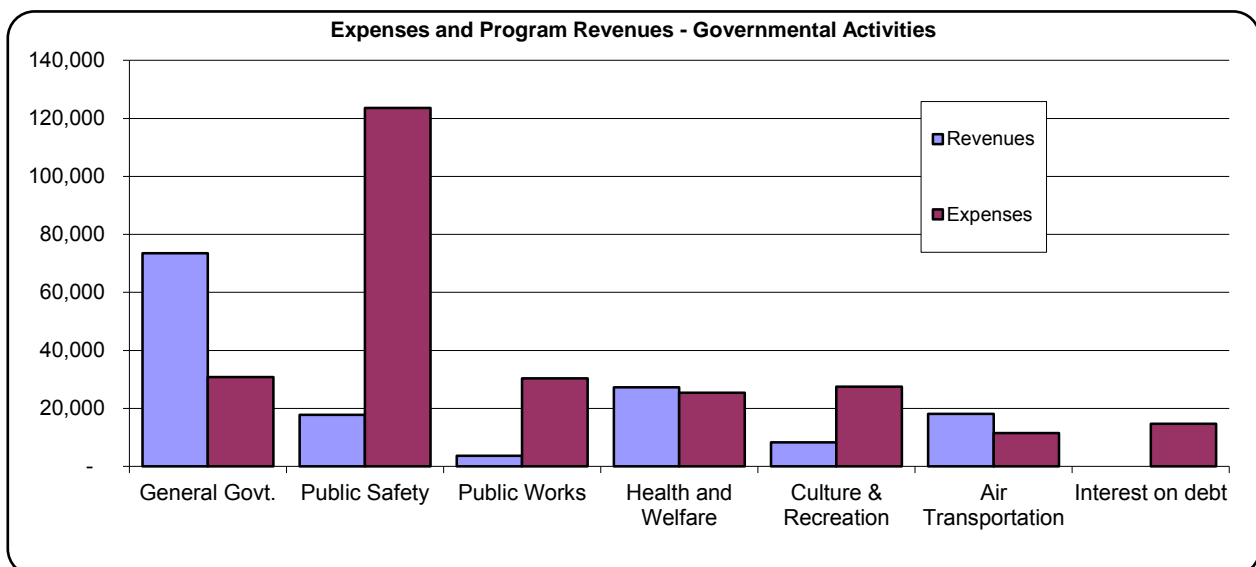
Table A-2

**City of Laredo's Changes in Net Position
September 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 90,201,317	\$ 87,844,771	\$154,635,975	\$ 154,286,628	\$ 244,837,292	\$ 242,131,399
Operating grants and contributions	22,967,325	21,012,892	3,914,991	4,425,506	-	25,438,398
Capital grants and contributions	35,294,592	29,152,539	6,313,419	5,746,419	41,608,011	34,898,958
General revenues:						
Sales tax	41,000,767	39,842,711	7,966,064	7,716,898	48,966,831	47,559,609
Property taxes	72,930,004	68,900,077	-	-	72,930,004	68,900,077
Other taxes	12,296,778	12,193,464	-	-	12,296,778	12,193,464
Other	631,737	606,013	1,418,702	1,762,683	2,050,439	2,368,696
Total revenue	<u>\$ 275,322,520</u>	<u>\$ 259,552,467</u>	<u>\$174,249,151</u>	<u>\$ 173,938,134</u>	<u>\$ 449,571,671</u>	<u>\$ 433,490,601</u>

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Expenses:						
General Government	\$ 30,754,775	\$ 31,483,857	\$ -	\$ -	\$ 30,754,775	\$ 31,483,857
Public Safety	123,569,785	116,740,217	-	-	123,569,785	116,740,217
Public Works	30,339,614	29,275,673	-	-	30,339,614	29,275,673
Health & Welfare	25,392,674	25,049,024	-	-	25,392,674	25,049,024
Culture & Recreation	27,531,357	28,166,961	-	-	27,531,357	28,166,961
Air Transportation	11,424,789	10,866,517	-	-	11,424,789	10,866,517
Interest & Other long - term debt	14,675,052	15,939,639	-	-	14,675,052	15,939,639
Transit System	-	-	17,111,337	16,849,895	17,111,337	16,849,895
Bridge System	-	-	47,492,006	53,740,997	47,492,006	53,740,997
Solid Waste	-	-	18,207,099	17,714,332	18,207,099	17,714,332
Water System	-	-	53,339,444	46,627,133	53,339,444	46,627,133
Sewer System	-	-	32,339,112	32,680,138	32,339,112	32,680,138
Municipal Housing	-	-	1,087,517	1,166,268	1,087,517	1,166,268
Other Business -Types	-	-	-	-	-	-
Total expenses	263,688,046	257,521,888	169,576,515	168,778,763	433,264,561	426,300,651
Inc (dec) in net position						
before transfers	11,634,474	2,030,579	4,672,636	5,159,371	16,307,110	7,189,950
Transfers	9,252,910	7,585,617	(9,252,910)	(7,585,617)	-	-
Net position, beginning	497,938,484	492,358,442	355,554,632	363,512,891	853,493,116	855,871,333
Prior Period Adj.	(95,379,762)	(4,036,154)	(38,882,290)	(5,532,013)	(134,262,052)	(9,568,167)
Net position, ending	\$ 423,446,106	\$ 497,938,484	\$ 312,092,068	\$ 355,554,632	\$ 735,538,174	\$ 853,493,116

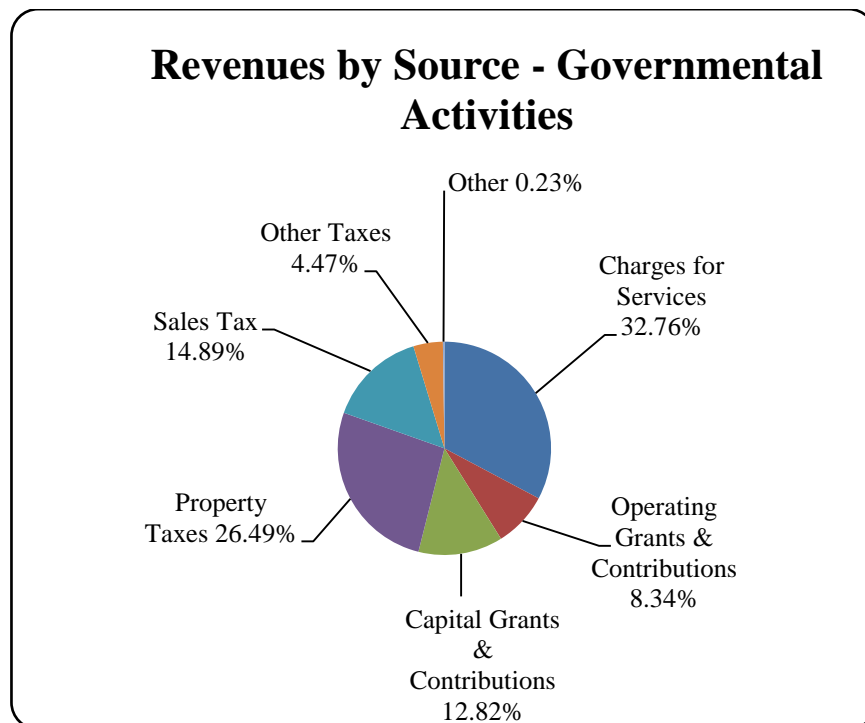
Graph 1



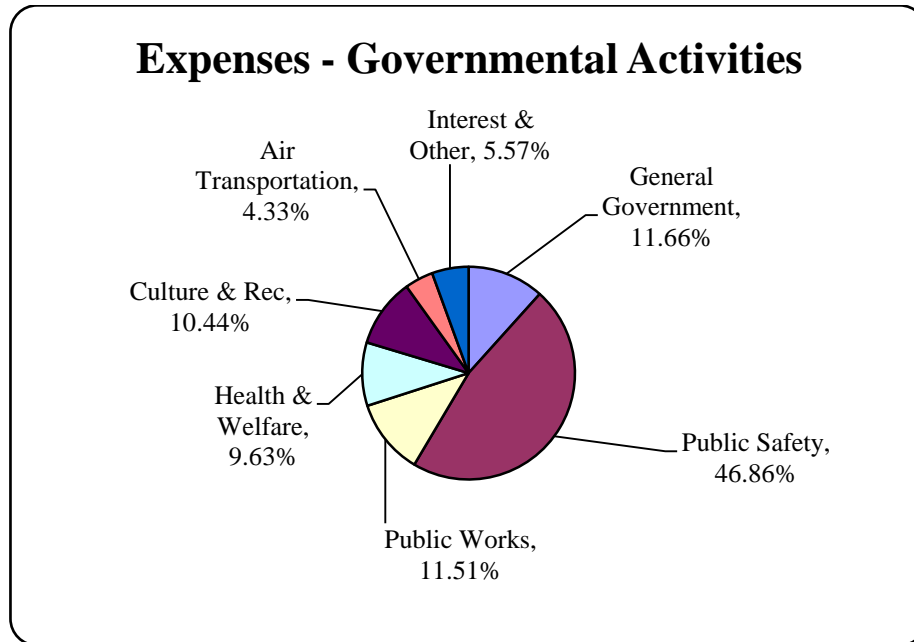
Graph 1 represents the cost of each of the City’s seven largest programs as well as each of the programs revenue. The net cost is the financial burden that was placed on the City’s taxpayers by each of these functions.

- The cost of all Governmental activities this year was \$263.7 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 \$275.3 million.
- General Government expenses (support services) comprised approximately 11.66% of the total expenses in fiscal year 2015; this represents a decrease of 2.32% or \$729 thousands from prior year.
- Expenses for Public Safety represent 46.86% of total expenditures with an increase of 5.85% or \$6.8 million as compared to the prior year.
- Public Works expenses represent 11.51% of total expenditures and an increase of \$1.1million or 3.63% as compared to the prior year.
- Health and Welfare expenses represent 9.63% of total expenditures with a minimal increase of \$344 thousands or 1.37% as compared to the prior year.
- Cultural & Recreational expenses represent 10.44% of the total expenditures with a decrease of \$636 thousands or 2.26% as compared to prior year.
- Air Transportation and Other expenditures represent 5.14% of total expenditures with an increase of only \$558 thousands or 5.14% from prior year.
- Business-Type Activities transferred to Governmental Activities \$9.3 million; an increase of \$1.67 million from prior year.
- Overall, there was an increase in the net position of \$16.3 million for the City before prior period adjustments. There was a decrease of \$4.6 million in the business type activities and an increase of \$20.9 million in the governmental activities before a negative prior period adjustment of \$134.3 million.
- Governmental Activity revenues were generated by charges for services 32.76%, property taxes 26.49%, sales tax and other taxes 19.36% and Capital and Operating Grants generated 21.16% (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City’s business-type activities were \$174.2 million for the fiscal year ending September 30, 2015, an increase of \$311 thousand from prior year. Charges for Services increased by \$349 thousand; Operating grants and Contributions decreased by \$511 thousand; while all other revenues increased by \$472 thousand. Expenses for the City’s business-type activities were \$169.6 million for the year, representing an increase of \$798 thousand 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 \$6.7 million. Operating expenses increased \$2 million and non-operating expenses increased \$4.7 million.
- Sewer System expenses decreased \$341 thousand. Operating expenses increased \$246 thousands and non-operating expenses increased \$587 thousand.
- Bridge System expenses decreased by \$6.2 million; operating expenses increased \$1.5 million and non-operating expenses decreased by \$7.7 million. The previous fiscal year included a loss on a sale of an asset of \$8.6 million.
- Other business-type activities increased by \$675 thousand in operating expenses for the Transit System, Solid Waste System and Municipal Housing Funds.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

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

As the City completed the year, its governmental funds reported a combined fund balance of \$137.6 million. The fund balance is categorized as follows: \$151 thousand for non-spendable funds which are used for inventory items and an endowment fund; \$86.45 million which are restricted for debt and grants; \$35.11 million are committed for specific purposes as it relates to reserves, public safety, etc.; \$41.36 million are assigned for a specific use for Governmental Funds other than General Fund and \$1.62 million in unassigned deficit.

The General Fund is the chief operating fund of the City of Laredo. At the end of the current fiscal year, fund balance of the General Fund was \$44.15 million of which \$29.1 million is committed, and \$3.6 is unassigned, \$11.45 million is restricted and \$7 thousand is non-spendable. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenses. The ratio of total fund balance to operating expenses (total expenses less capital outlay) is 28.33%. The unassigned fund balance in General Fund represents 8.16% of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by \$1.5 million as compared to prior year. The City was able to generate additional revenues while using a conservative spending approach. Some of the key factors are as follows:

- As compared to prior year, property tax revenues increased by \$1.6 million. Assessed valuations increased by \$418 million from prior year. The City has not increased its tax rate for the eleventh consecutive year.
- Other tax revenues continue to increase as in prior years. The increase for fiscal year 2015 was \$1.1 million with the majority coming from sales tax collections.
- Charges for Services increased by \$2.2 million as compared to prior year due to administrative fee charges to various funds but mainly the Bridge System which increased by \$1.5 million.
- General Fund expenses increased by \$5.8 million from prior year. While most of the departments remained stable, growth (increases) occurred in categories such as: Public Safety by \$3.2 million and General Government by \$3.8 million and Debt Service by \$300 thousand. Capital Outlay increased by \$810 thousand. The major increase for public safety was in personnel expenses by \$3 million due to contractual obligations with public safety personnel such as Fire and Police.

The Debt Service Fund has a total fund balance of \$3 million, all of which is reserved for the payment of debt. Fund balance was originally scheduled to decrease by \$1.6 million but because of the saving realized from a current refunding issue it only decreased by \$750 thousand.

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

Net position of the Business – Type Activities at the end of the year totaled \$312 million. The total net assets decreased by \$4.6 million as compared to prior year. The largest area of change was in the Waterworks System, with a decrease of \$8.2 million, the Bridge System with an increase of \$3 million, the Sewer system decreased by \$1.9 million and other enterprise funds increased by \$2.5 million. The decrease can be further broken down into operating income of \$17.5 million and other non-operating expenses, net of other revenues and transfers of \$22.1 million. Operating revenues for the business-type activity funds increased by \$311 thousand.

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 28.33% of operating expenditures (excluding capital outlay) in FY 2015. The City

has been able to increase its fund balance for the General Fund by \$1.5 million while operating expenditures (excluding capital outlay) increased by \$5 million. With appropriate planning and careful financial spending, the City has been able to sustain its strong economic condition. The other revenues such as Charges for Services increased by \$2.2 million or 4.9%.

Original Budget vs. Final Amended Budget:

Revenues and Other Financing Sources:

- During the year, the General Fund revenue budget was amended by increasing appropriations of \$527 thousand. The largest increase was to amend the budget for appropriation for Intergovernmental Revenues category in order to account for various grants received.

Expenditures and Other Financing Uses:

- General Fund expenditure budget was amended by a net increase of \$579 thousand in the expenditures and other financing uses. The Capital Outlay category increased \$388 thousand to account for infrastructure projects. Transfers out to Max Mandel Golf course increased by \$385 thousand for operating expenses.

Amended Budget as compared to Actual Revenues and other Sources:

Revenues and Other Financing Sources:

- The actual revenues reflect an overall favorable variance of \$24 million as compared to the amended budget. This variance had various attributes:
 - Charges for Services revenue exceeded projection by \$1.3 million; License & Permits revenue exceeded projections by \$800 thousand and Sales and Use Tax revenues exceeded projections by \$336 thousand. Intergovernmental Revenues had an unfavorable balance of \$713 thousand million.
 - Contribution and Donations exceeded projection by \$22.5 million. The variance was due to recognizing the value of donations related to infrastructure assets by developers.

Expenditures and Other Financing Uses:

- Expenditures and Other Financing Uses reflect a negative variance of \$22.88 million when comparing the amended budget to the actual expenditures. A large portion of this unfavorable variance was due to capital outlay of \$22.7 million and Other Financing Uses of \$7.30 million for amounts transferred to and from various funds for operating expenditures.
 - General Government realized savings in the amount of \$2.9 million from various areas including the Municipal Court, Building Inspections, Planning & Zoning, Development Review Engineering, Drafting & Surveying and Economic Development Department.
 - Public Safety had a negative variance of \$836 thousand. The Fire Department exceeded its budget by \$1.5 million while the Police Department came within budget and realized savings of \$439 thousand. The Traffic Department realized savings of \$217 thousand.
 - Cultural and Recreation realized savings of \$2.5 million from various divisions from the Parks and Recreation divisions and the Public Library.
 - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remained strong and healthy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Laredo's investment in capital assets for its Governmental and Business-Type activities as of September 30, 2015 was \$1.3 billion (net of accumulated depreciation). The total net increase in the City's

investment in capital assets for the current fiscal year was \$77.6 million. Additions, to capital assets such as land, infrastructure, construction in progress, buildings and equipment for the year totaled \$50.2 million for governmental activities and \$27.4 million for business type activities. Deletions or disposition of capital assets were immaterial for the year. (Table A-3) Additional information about the City’s Capital Assets is presented in Note 8 to the financial statements.

**Table A-3
City of Laredo – Capital Assets**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 90,608,986	\$ 88,532,875	\$ 34,101,375	\$ 32,554,635	\$ 124,710,361	\$ 121,087,510
Buildings	218,841,793	217,754,854	274,830,691	273,755,873	493,672,484	491,510,727
Machinery & Equipment	112,321,714	105,407,512	97,980,589	93,195,381	210,302,303	198,602,893
Water Rights	-	-	45,222,315	43,442,547	45,222,315	43,442,547
Improve'ts other than Bldg	654,774,196	619,725,127	415,585,327	392,271,529	1,070,359,523	1,011,996,656
Construction in Progress	9,067,147	4,043,320	80,750,226	85,811,270	89,817,373	89,854,590
Total	\$ 1,085,613,836	\$ 1,035,463,688	\$ 948,470,523	\$ 921,031,235	\$ 2,034,084,359	\$ 1,956,494,923

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

Governmental

- Various land acquisitions / donations totaling \$2.1 million. Land donation valued at \$700 thousand for park development; \$199 thousand for infrastructure improvements; and \$1.4 million thousand for various projects.
- Assets for the Building category increased by \$1.1 million; mainly due to the completion of various projects including South Laredo Library, Recreation Centers and Downtown Elderly Housing Project among others.
- Infrastructure Improvements increased by \$35 million for various projects including Airport improvements of \$6.5 million; Parks improvements \$1.9; Street Improvements of \$15.6 million; and drainage improvements of \$10.6 million;
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$6.9 million for all departments within the City.
- Construction in Progress increased by \$5 million for various projects started during the year such as Canizales Boxing Gym, Chacon Hike & Bike Trails and Airport Security System Improvements among others.

Proprietary

- Building capital assets increased by \$1.1 million for the proprietary funds. The majority of the increases were in the Waterworks System \$985 thousand and all other funds increased by \$115 thousand.
- Machinery, equipment, vehicles and heavy equipment acquired totaled \$4.8 million. The acquisition costs by department are as follows: Waterworks System \$996 thousand; Bridge System \$54 thousand; and Sewer System \$455 thousand and Transit System \$3.5 million.
- Improvements other than building and construction in progress increased by \$23.3 million which include Water (\$9.3 million) and Sewer (\$12.1 million) plant improvements, collection and distribution systems and all other proprietary funds increased by \$1.8 million.

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

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

Long-term Debt

At year-end, the City had \$974.2 million in outstanding bonds and other long term debt; an increase of \$181.7 million over last year. \$148.8 million of the increase was due to the recognition of Net Pension Liability. (See Table A-4). The Governmental Activities recorded a net increase of \$117.3 million while the Business Type Activities recorded an increase of \$64.4 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 issues for Governmental activities were \$117.43 million as follows: \$6.78 million for Personal Property Finance Contractual Obligation; \$25.365 million for a Certificate of Obligations; \$20.545 million revenue refunding for the sports and community venue; and a General Obligation Refunding Bond of \$64.74 million. Debt issued by Business Type activities totaled \$41.72 million. Debt includes \$32.13 million issued as revenue bonds for the Water and Sewer Systems and \$9.585 million for a Bridge System revenue refunding bond and a the issuance of long term debt is to finance various projects including constructing City buildings, land acquisition, equipment and vehicles for various City Departments and water and sewer system improvements.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 74,583,210	\$ 26,653,474	\$ 19,206,791	\$ 15,825,996	\$ 93,790,001	\$ 42,479,470
Certificates of obligation	104,688,104	148,990,139	118,101,896	124,077,227	222,790,000	273,067,366
Revenue bonds	29,510,000	34,145,000	329,064,000	306,151,197	358,574,000	340,296,197
Capital lease obligations	4,420,308	4,788,903	-	-	4,420,308	4,788,903
Compensated Absences	28,286,145	26,246,032	2,232,740	2,069,614	30,518,885	28,315,646
Notes payable	340,000	425,000	-	-	340,000	425,000
Landfill Post Closure	-	-	13,342,508	12,486,322	13,342,508	12,486,322
Net Penion Ob. - OPEB	101,671,988	90,600,867	-	-	101,671,988	90,600,867
Net Penion Liability	105,674,029	-	43,080,236	-	148,754,265	-
Total	\$ 449,173,784	\$ 331,849,415	\$ 525,028,171	\$ 460,610,356	\$ 974,201,955	\$ 792,459,771

Economic Factors and Next Year's Budgets and Rates

The City Management and City Council considered many factors when setting the fiscal year 2016 budget. General Fund revenues for FY 2016 are proposed to be \$177,235,389; an increase of \$8,167,256 or 4.83% over the prior year's original budget. Expenditures are proposed to be \$177,284,916; an increase of \$8,162,211 or 4.83% over prior year budgeted expenditures. The City's unemployment rate decreased by 0.9% to 4.20% as of September 30, 2015. This average, places it slightly below the State average of 4.5%. 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 2016 consolidated budget for revenue reflects an appropriation is \$577,147,299 million. This represents a decrease in revenues of \$1,463,848 million or 0.25% over the FY 2015 Original Budget. The property tax rate for FY 2016 is 0.6370 per \$100 valuation; the rate has remained the same for the twelfth consecutive year. Assessed valuations for FY 2016 are \$11.8 billion which represents an increase of 3.82% over prior year with an estimated levy of \$75 million. Of the 0.6370 tax rate, 77.48% or .493576 cents are utilized for General Fund activities, the remaining 22.52% or .143424 cents are designated for Debt Service. The General Fund's portion of property tax revenue for FY 2016 is projected to be \$56.4 million. Sales tax revenues for the General Fund for FY 2016 are budgeted to be \$34.2 million, an increase of \$1.5 million or 4.5% as compared to prior year's budgeted amounts.

A cost of living increase of 4% is included for all personnel beginning October 1st, for all civilian employees at an estimated cost of \$3.4 million. The budget includes a 2% salary increase for the Police Officers at an estimated cost of \$1.1 million and a 3% for Firefighters at an estimated cost of \$1.2 million as per contractual obligations. The FY 2016 budget includes a total of 2,832 full time equivalent positions with an estimated cost of \$200.6 million.

The City of Laredo will continue to work on various projects for continued economic growth in the area of international trade through our airport and four international bridges. We will continue to revitalize our downtown, protect our green spaces, continue to rehabilitate our water and sewer lines, increase water distribution and water treatment for the future growth of our community, and create new park spaces such as a baseball / softball complex and community partnerships such as the outlet mall, an \$80 million investment. These significant investments will help assure future fiscal stability for the City and its citizens.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 1,129,952	\$ 17,000	\$ 1,146,952
Equity in Investment Pool	845,028	469,652	1,314,680
Investments (Note 5)	168,655,759	105,413,359	274,069,118
Receivable, net of allowances: (Note 6)			
Accrued Interest	1,469,888	319,567	1,789,455
Property Taxes, Penalty and Interest	7,325,639	-	7,325,639
Hotel-Motel Tax, Penalty and Interest	419,106	-	419,106
Accounts	32,371,271	11,674,191	44,045,462
Notes	16,197,314	307,135	16,504,449
Paving Assessments	4,775	-	4,775
Internal Balances (Note 13)	(6,126,168)	6,126,168	-
Due From Other Governments	5,320,349	708,343	6,028,692
Inventory, at cost	618,355	2,555,223	3,173,578
Prepaid Items	313,245	-	313,245
Total Current Assets	<u>228,544,513</u>	<u>127,590,638</u>	<u>356,135,151</u>
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	71,926,911	71,926,911
Accrued Interest (Note 6)	-	72,489	72,489
Accounts (Note 6)	-	25,526,678	25,526,678
Notes (Note 6)	-	68	68
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	90,608,986	79,323,690	169,932,676
Construction in Progress	9,067,147	80,750,226	89,817,373
Depreciable Assets:			
Buildings	218,841,793	274,830,691	493,672,484
Machinery and Equipment	112,321,714	97,980,589	210,302,303
Infrastructure	654,774,196	415,585,327	1,070,359,523
Accumulated Depreciation	(418,319,126)	(316,351,962)	(734,671,088)
Unamortized Bond Issuance Cost	-	127,499	127,499
Total Non Current Assets	<u>667,294,710</u>	<u>729,772,206</u>	<u>1,397,066,916</u>
TOTAL ASSETS	<u>895,839,223</u>	<u>857,362,844</u>	<u>1,753,202,067</u>
Deferred Outflows of Resources (Note 1)	<u>16,063,752</u>	<u>10,766,457</u>	<u>26,830,209</u>
TOTAL ASSETS AND DEFERRRED OUTFLOWS OF RESOURCES	<u>\$ 911,902,975</u>	<u>\$ 868,129,301</u>	<u>\$ 1,780,032,276</u>

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2015

(Continued)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 7,395,523	\$ 3,888,364	\$ 11,283,887
Claims and Judgments Payable (Note 18)	4,462,306	-	4,462,306
Retainage Payable	710,829	1,842,292	2,553,121
Accrued Wages and Employee Benefits	5,839,104	1,582,390	7,421,494
Accrued Interest Payable	1,017,030	1,690,380	2,707,410
Compensated Absences (Note 11 & 12)	3,066,218	813,711	3,879,929
Contracts Payable	236,692	1,259,542	1,496,234
Customer and Tenant Deposits	188,590	5,512,427	5,701,017
Due To Other Governments	17,934	-	17,934
Due to Developers	179,125	-	179,125
Unearned Revenue	3,821,130	3,009,318	6,830,448
General Obligation Bonds (Note 11 & 12)	1,589,675	2,505,326	4,095,001
Certificates of Obligation (Note 11 & 12)	10,252,354	7,812,646	18,065,000
Revenue Bond Payable (Note 11 & 12)	2,470,000	14,067,000	16,537,000
Notes Payable (Note 11 & 12)	85,000	-	85,000
Capital Lease Obligation (Note 11)	378,038	-	378,038
Total Current Liabilities	<u>41,709,548</u>	<u>43,983,396</u>	<u>85,692,944</u>
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	72,993,535	16,701,465	89,695,000
Certificates of Obligation (Note 11 & 12)	94,435,750	110,289,250	204,725,000
Revenue Bonds Payable (Note 11 & 12)	27,040,000	314,997,000	342,037,000
Notes Payable (Note 11 & 12)	255,000	-	255,000
Capital Lease Obligations (Note 11)	4,042,270	-	4,042,270
Compensated Absences (Note 11 & 12)	25,219,927	1,419,029	26,638,956
Net Pension Obligations - OPEB (Note 11)	101,671,988	-	101,671,988
Net Pension Liability (Note 9)	105,674,029	43,080,236	148,754,265
Landfill Closure & Postclosure Costs (Note 12)	-	13,342,508	13,342,508
Total Noncurrent Liabilities	<u>431,332,499</u>	<u>499,829,488</u>	<u>931,161,987</u>
TOTAL LIABILITIES	<u>473,042,047</u>	<u>543,812,884</u>	<u>1,016,854,931</u>
Deferred Inflows of Resources (Note 1)	<u>15,414,822</u>	<u>12,224,349</u>	<u>27,639,171</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>488,456,869</u>	<u>556,037,233</u>	<u>1,044,494,102</u>
NET POSITION			
Net Investments in Capital Assets	487,452,144	266,890,409	754,342,553
Restricted for:			
Debt Service	3,025,147	24,628,597	27,653,744
Capital Projects	36,389,605	-	36,389,605
Improvements	-	33,342,830	33,342,830
Canseco Endowment Fund			
Nonexpendable	73,348	-	73,348
Unrestricted	(103,494,138)	(12,769,768)	(116,263,906)
TOTAL NET POSITION	<u>\$ 423,446,106</u>	<u>\$ 312,092,068</u>	<u>\$ 735,538,174</u>

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

**CITY OF LAREDO, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015**

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
Primary Government:						
Governmental Activities:						
General Government	\$ 30,754,775	49,951,513	22,662,094	42,741,529	-	42,741,529
Public Safety	123,569,785	10,161,855	-	(105,844,537)	-	(105,844,537)
Public Works	30,339,614	570,033	3,071,313	(26,698,268)	-	(26,698,268)
Health and Welfare	25,392,674	15,328,529	-	1,834,576	-	1,834,576
Culture and Recreation	27,531,357	5,760,979	2,451,076	(19,300,194)	-	(19,300,194)
Air Transportation	11,424,789	8,428,408	7,110,109	6,717,134	-	6,717,134
Interest and Other on Long-Term Debt	14,675,052	-	-	(14,675,052)	-	(14,675,052)
Total Governmental Activities	263,688,046	90,201,317	35,294,592	(115,224,812)	-	(115,224,812)
Business-Type Activities:						
Transit System	17,111,337	4,152,388	813,004	-	(8,230,954)	(8,230,954)
Bridge System	47,492,006	58,289,089	-	-	10,797,083	10,797,083
Waterworks System	53,339,444	40,933,158	3,495,284	-	(8,911,002)	(8,911,002)
Sewer System	32,339,112	28,409,350	2,005,131	-	(1,924,631)	(1,924,631)
Solid Waste Management System	18,207,099	21,422,714	-	-	3,215,615	3,215,615
Municipal Housing	1,087,517	1,429,276	-	-	341,759	341,759
Total Business-Type Activities	169,576,515	154,635,975	6,313,419	-	(4,712,130)	(4,712,130)
Total Primary Government	\$ 433,264,561	244,837,292	41,608,011	(115,224,812)	(4,712,130)	(119,936,942)
General Revenues:						
Property Taxes				72,930,004	-	72,930,004
Sales Tax				41,000,767	7,966,064	48,966,831
Franchise Fees				7,613,857	-	7,613,857
Hotel Motel Tax				4,219,474	-	4,219,474
Alcoholic Beverage Tax				463,447	-	463,447
Unrestricted investment earnings				581,016	1,445,291	2,026,307
Gain on sale of capital assets				50,721	(26,589)	24,132
Transfers (Note 14)				9,252,910	(9,252,910)	-
Total general revenues and transfers				136,112,196	131,856	136,244,052
Change in net position				20,887,384	(4,580,274)	16,307,110
Net position-beginning				497,938,484	355,554,632	853,493,116
Prior Period Adjustment (Note 23)				(95,379,762)	(38,882,290)	(134,262,052)
Net position-ending				423,446,106	312,092,068	735,538,174

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

**CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ 17,801	-	1,111,751	1,129,552
Equity in Investment Pool	280,772	17,118	442,091	739,981
Investments (Note 5)	49,241,334	2,998,573	97,951,789	150,191,696
Receivable, net of allowances:				
Accrued Interest (Note 6)	190,778	11,618	1,195,954	1,398,350
Taxes, Penalty and Interest (Note 6)	6,254,927	1,013,713	92,483	7,361,123
Accounts (Note 6)	4,493,886	-	18,854,553	23,348,439
Notes (Note 6)	-	-	16,197,314	16,197,314
Paving Assessments (Note 6)	-	4,775	-	4,775
Due from Other Funds	1,871,722	-	3,988,045	5,859,767
Due from Other Governments	119,643	-	5,200,706	5,320,349
Inventory, at cost	7,920	-	143,473	151,393
TOTAL ASSETS	62,478,783	4,045,797	145,178,159	211,702,739
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	2,598,206	1,936	3,310,436	5,910,578
Retainage Payable	-	-	710,829	710,829
Accrued Wages and Employee Benefits	4,686,460	-	968,837	5,655,297
Contracts Payable	-	-	236,692	236,692
Customer and Tenant Deposits	2,380	-	186,210	188,590
Due to Other Funds	101,339	-	5,012,837	5,114,176
Due to Other Governments	2,130	-	15,804	17,934
Due to Developers	-	-	179,125	179,125
Deferred Revenue	10,939,474	1,018,714	20,280,860	32,239,048
TOTAL LIABILITIES	18,329,989	1,020,650	30,901,630	50,252,269
FUND BALANCES (Note 22)				
Nonspendable	7,920	-	143,068	150,988
Restricted	11,445,903	3,025,147	71,979,536	86,450,586
Committed	29,091,945	-	6,018,039	35,109,984
Assigned	-	-	41,356,354	41,356,354
Unassigned (Deficit)	3,603,026	-	(5,220,468)	(1,617,442)
TOTAL FUND BALANCES	44,148,794	3,025,147	114,276,529	161,450,470
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,478,783	4,045,797	145,178,159	

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.	666,355,157
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	27,648,588
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.	8,191,693
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)	(440,199,802)
Net position of governmental activities	\$ 423,446,106

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, 2015

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:				
Taxes:				
Property	\$ 56,956,384	16,357,843	-	73,314,227
Sales	33,091,316	-	8,272,829	41,364,145
Bingo Tax	68,575	-	-	68,575
Alcoholic Beverage	463,398	-	-	463,398
Hotel Motel	-	-	4,204,569	4,204,569
Franchise Fees	7,588,828	-	-	7,588,828
Licenses and Permits	9,047,461	-	742,057	9,789,518
Intergovernmental Revenues	963,076	-	34,636,747	35,599,823
Charges for Services	46,174,319	-	10,587,037	56,761,356
Fines	3,020,671	-	729,450	3,750,121
Fees and Collections	1,425,757	-	4,027,906	5,453,663
Rents	-	-	8,506,613	8,506,613
Interest and Other	1,043,228	35,186	347,980	1,426,394
Miscellaneous	395,642	278,113	2,199,367	2,873,122
Contributions & Donations	22,719,324	-	231,310	22,950,634
Reimbursements	-	9,150	1,838,654	1,847,804
TOTAL REVENUES	182,957,979	16,680,292	76,324,519	275,962,790
EXPENDITURES:				
Current:				
General Government	22,935,953	-	682,080	23,618,033
Public Safety	110,182,155	-	9,576,238	119,758,393
Public Works	5,669,633	-	3,588,186	9,257,819
Health and Welfare	510,518	-	23,629,282	24,139,800
Cultural and Recreational	16,116,735	-	10,939,500	27,056,235
Air Transportation Services	-	-	6,467,036	6,467,036
Capital Outlay	23,188,472	-	29,205,722	52,394,194
Debt Service:				
Bond Costs	-	592,231	781,033	1,373,264
Principal Retirement	-	39,113,497	65,005	39,178,502
Interest and Fiscal Expenditures	411,834	8,679,551	6,007	9,097,392
TOTAL EXPENDITURES	179,015,300	48,385,279	84,940,089	312,340,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,942,679	(31,704,987)	(8,615,570)	(36,377,878)
OTHER FINANCING SOURCES (USES):				
Transfers In	4,252,000	30,382,765	21,506,926	56,141,691
Issuance of Debt (Note 11)	-	-	45,028,000	45,028,000
Issuance of Refunding Debt (Note 11)	-	55,606,967	-	55,606,967
Bond Premium (Note 11)	-	9,338,842	4,797,845	14,136,687
Loss on Advance Refunding	-	-	(258,062)	(258,062)
Transfers Out	(6,693,630)	-	(38,445,152)	(45,138,782)
Sale of Assets	35,607	-	15,114	50,721
Payment to Refunded Bond Escrow Agent	-	(64,374,413)	(939,467)	(65,313,880)
TOTAL OTHER FINANCING SOURCES (USES)	(2,406,023)	30,954,161	31,705,204	60,253,342
Net Change in Fund Balances	1,536,656	(750,826)	23,089,634	23,875,464
Fund Balances-Beginning	42,612,138	3,775,973	91,186,895	137,575,006
FUND BALANCES-ENDING	\$ 44,148,794	3,025,147	114,276,529	161,450,470

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, 2015**

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

Net change in fund balances-total governmental funds	\$	23,875,464
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2)		17,594,290
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(748,242)
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)		(9,717,620)
Accrued interest expense recorded for entity-wide statements.		(836,834)
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.		(10,693,022)
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.		1,413,348
Change in net position of governmental activities	\$	20,887,384

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

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CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2015

	<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>				
REVENUES:						
Taxes						
Property Taxes	\$ 55,604,868	55,603,400	55,196,682	-	55,196,682	(406,718)
Penalty and Interest	1,823,268	1,823,268	1,759,702	-	1,759,702	(63,566)
Alcoholic Beverage	359,098	359,098	463,398	-	463,398	104,300
Bingo Tax	70,272	71,740	68,575	-	68,575	(3,165)
Sales and Use	32,755,799	32,755,799	33,091,316	-	33,091,316	335,517
Franchise Fees	7,562,583	7,562,583	7,588,828	-	7,588,828	26,245
Licenses and Permits	8,246,633	8,246,633	9,047,461	-	9,047,461	800,828
Intergovernmental Revenues	1,071,500	1,676,096	963,076	-	963,076	(713,020)
Charges for Services	44,896,809	44,896,809	46,174,319	-	46,174,319	1,277,510
Fines	3,257,336	3,257,336	3,020,671	-	3,020,671	(236,665)
Fees and Collections	1,176,438	1,201,197	1,425,757	-	1,425,757	224,560
Interest and Other	1,088,846	1,088,846	1,043,228	-	1,043,228	(45,618)
Miscellaneous	275,534	216,540	395,642	-	395,642	179,102
Contributions and Donations	250,000	206,417	22,719,324	-	22,719,324	22,512,907
TOTAL REVENUES	158,438,984	158,965,762	182,957,979	-	182,957,979	23,992,217
EXPENDITURES:						
General Government						
Mayor and City Council	691,211	691,211	636,251	28,983	665,234	25,977
City Manager	1,435,396	1,980,455	1,911,322	2,344	1,913,666	66,789
Internal Audit	270,403	270,403	265,490	100	265,590	4,813
Council Support	448,826	486,173	413,716	3,199	416,915	69,258
Public Information Office	103,799	103,799	95,502	1,549	97,051	6,748
City Hall Maintenance	612,037	636,966	538,527	27,334	565,861	71,105
City Hall Annex	124,885	119,385	71,491	12,077	83,568	35,817
City Hall Annex II	143,283	143,283	138,627	6,038	144,665	(1,382)
Municipal Court	1,581,279	1,529,614	1,197,506	3,013	1,200,519	329,095
Building Inspections	1,442,965	1,467,016	1,219,059	6,092	1,225,151	241,865
Development Review Engineering	516,085	515,225	389,283	505	389,788	125,437
Code Enforcement	281,641	280,781	194,804	1,121	195,925	84,856
Public Right of Way	221,626	221,626	216,242	-	216,242	5,384
Geographic Information Systems	225,835	225,835	96,656	212	96,868	128,967
City Attorney	1,011,011	1,011,011	883,471	6,855	890,326	120,685
City Secretary	460,922	467,284	426,313	463	426,776	40,508
Elections	1,236	204,562	190,293	-	190,293	14,269
Tax Office	1,226,436	1,309,968	1,208,156	18,846	1,227,002	82,966
Accounting	1,195,974	1,186,474	1,109,346	1,528	1,110,874	75,600
Purchasing	495,377	510,206	488,809	8,183	496,992	13,214
Payroll	236,611	247,229	240,445	5,260	245,705	1,524
Accounts Payable	394,988	394,988	377,914	-	377,914	17,074
Budget	384,048	381,670	349,508	670	350,178	31,492
Personnel and Civil Service	541,245	541,182	498,987	654	499,641	41,541
Training	307,908	307,971	234,425	711	235,136	72,835
Municipal Civil Service	5,960	5,960	2,108	330	2,438	3,522
Planning	838,566	838,566	725,583	4,915	730,498	108,068
Section 112	1,000,000	1,000,000	275,367	290,783	566,150	433,850
Engineering	619,523	616,350	604,913	790	605,703	10,647
Drafting & Surveying	1,245,002	1,248,032	1,137,690	1,644	1,139,334	108,698
Construction & Inspections	589,015	589,158	535,925	61	535,986	53,172
311 Program	335,785	320,503	282,601	13,227	295,828	24,675
Public Access Center	519,654	490,210	479,899	2,538	482,437	7,773
Center for Non-Profit	105,791	105,791	76,954	462	77,416	28,375
Real Estate	253,641	253,641	226,256	46	226,302	27,339
Economic Development	439,691	439,691	65,604	-	65,604	374,087
Public Safety						
Police	4,119,791	4,042,531	3,872,228	139,895	4,012,123	30,408
Records/Property	1,318,470	1,559,267	1,329,873	217,779	1,547,652	11,615
Autotheft Grant Match	889,950	781,404	755,362	-	755,362	26,042
Detective	6,387,432	6,705,212	6,617,714	53,334	6,671,048	34,164
Narcotics/Pipeline/K-9	4,084,896	3,503,978	3,422,718	9,139	3,431,857	72,121
911 Communications	3,022,897	2,562,197	2,521,624	32	2,521,656	40,541
Criminal Int. Acquisition	704,821	652,751	633,018	400	633,418	19,333
Patrols	40,464,665	41,117,088	40,634,473	277,432	40,911,905	205,183
Fire	33,048,631	33,035,709	34,026,048	63,306	34,089,354	(1,053,645)
Fire - EMS Division	7,205,822	7,254,322	7,398,854	22,712	7,421,566	(167,244)
Fire - EMS Trauma (Webb Co.)	5,000	11,375	11,374	-	11,374	1
Fire Civilians	747,975	774,545	788,900	4,419	793,319	(18,774)
Fire - Prevention & Arson	1,599,630	1,597,060	1,703,668	840	1,704,508	(107,448)
Fire Airport	1,068,066	1,065,066	1,136,710	360	1,137,070	(72,004)
Fire - Training (In House)	755,660	751,289	820,990	7,344	828,334	(77,045)
Fire Emergency Management	28,988	41,488	37,591	868	38,459	3,029
Traffic	2,450,138	2,469,717	2,127,540	31,644	2,159,184	310,533
Street Lighting	\$ 2,255,271	2,255,271	2,343,470	4,825	2,348,295	(93,024)

**CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2015**

	<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>				
						(Continued)
Public Works						
Administration	\$ 670,723	666,448	589,505	5,169	594,674	71,774
Street Maintenance	1,188,620	1,170,620	929,245	1,056	930,301	240,319
Street Construction	1,199,889	1,226,164	1,021,908	3,796	1,025,704	200,460
Street Cleaning	1,701,808	1,697,808	1,558,009	510	1,558,519	139,289
Building Rehabilitation	844,259	842,442	727,034	2,367	729,401	113,041
Warehouse	157,945	157,945	123,542	1,194	124,736	33,209
Special Construction Projects	417,298	417,298	720,390	-	720,390	(303,092)
Health and Welfare						
Third-Party Funding	338,725	354,632	349,116	5,516	354,632	-
Non CDBG Code Enforcement	167,357	177,099	161,402	7,633	169,035	8,064
Cultural and Recreational						
Parks	393,730	394,845	406,399	1,010	407,409	(12,564)
Maintenance	6,608,545	6,594,132	5,539,980	270,786	5,810,766	783,366
Construction	1,221,197	1,221,197	1,074,055	9,099	1,083,154	138,043
Aquatics	1,380,341	1,374,341	1,006,409	62,877	1,069,286	305,055
Recreation Centers	4,562,359	4,423,158	3,813,788	76,307	3,890,095	533,063
Cemetery	356,821	356,821	274,469	5,187	279,656	77,165
Library	4,752,638	4,844,946	4,001,635	196,008	4,197,643	647,303
Other	8,512,632	7,372,669	5,130,910	212,914	5,343,824	2,028,845
Capital Outlay	192,740	581,224	23,188,472	54,892	23,243,364	(22,662,140)
TOTAL EXPENDITURES	165,133,385	165,196,278	178,603,466	2,201,183	180,804,649	(15,608,371)
Excess (Deficiency) of Revenues Over Expenditures	(6,694,401)	(6,230,516)	4,354,513	(2,201,183)	2,153,330	8,383,846
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	143,819	143,819	118,819	-	118,819	(25,000)
Capital Improvements Fund	6,170,190	6,170,190	-	-	-	(6,170,190)
Public Access	-	-	2,801	-	2,801	2,801
Mercado	228,857	228,857	261,844	-	261,844	32,987
Friends of the Library	-	-	62,253	-	62,253	62,253
Parking Meters	400,000	400,000	400,000	-	400,000	-
Risk Management	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Health & Benefits	1,000,000	1,000,000	750,000	-	750,000	(250,000)
Municipal Housing	1,500,000	1,500,000	1,500,000	-	1,500,000	-
Airport	78,141	78,141	78,141	-	78,141	-
Bridge	78,142	78,142	78,142	-	78,142	-
Transfers Out:						
Community Development ARRA	-	-	(28,679)	-	(28,679)	(28,679)
Auto Theft Task Force	(251,837)	(341,959)	(341,959)	-	(341,959)	-
Health Fund	(4,483,600)	(4,483,600)	(4,623,413)	-	(4,623,413)	(139,813)
Special Police Program	(163,343)	(214,221)	(190,205)	-	(190,205)	24,016
Recreation Fund	(410,000)	(400,000)	(400,000)	-	(400,000)	-
Max Mandel Golf Course	-	(385,000)	(1,109,374)	-	(1,109,374)	(724,374)
Capital Lease Payments	(411,835)	(411,835)	(411,834)	-	(411,834)	1
Sale of Assets	30,000	88,994	35,607	-	35,607	(53,387)
TOTAL OTHER FINANCING SOURCES (USES)	4,908,534	4,451,528	(2,817,857)	-	(2,817,857)	(7,269,385)
Net Change in Fund Balance	(1,785,867)	(1,778,988)	1,536,656	(2,201,183)	(664,527)	1,114,461
Fund Balances at Beginning of Year	42,642,878	42,612,138	42,612,138	(38,710)	42,573,428	(38,710)
FUND BALANCES AT END OF YEAR	\$ 40,857,011	40,833,150	44,148,794	(2,239,893)	41,908,901	1,075,751

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

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2015

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Cash and Cash Equivalents: (Note 4)						
Cash	10,600	1,950	300	4,150	17,000	400
Equity in Investment Pool	32,253	160,331	156,709	120,359	469,652	105,047
Investments (Note 5)	10,430,555	35,109,423	34,368,102	25,505,279	105,413,359	18,464,063
Receivable:						
Accrued Interest (Note 6)	21,971	109,096	106,624	81,876	319,567	71,538
Accounts (Note 6)	-	5,645,398	4,527,031	1,501,762	11,674,191	88,111
Notes (Note 6)	-	82,253	224,882	-	307,135	-
Prepaid Items	-	-	-	-	-	313,245
Due from Other Governments	-	-	-	708,343	708,343	-
Due from Other Funds	5,306	239,769	343,472	374,238	962,785	-
Inventory, at Cost	-	1,975,235	145,396	434,592	2,555,223	466,962
Total Current Assets	10,500,685	43,323,455	39,872,516	28,730,599	122,427,255	19,509,366
Noncurrent Assets:						
Restricted Assets:						
Investments (Note 5)	10,002,284	22,293,438	28,652,765	10,978,424	71,926,911	-
Accrued Interest Receivable (Note 6)	7,471	20,388	13,800	30,830	72,489	-
Accounts Receivable (Note 6)	-	13,866,379	6,365,299	5,295,000	25,526,678	-
Notes Receivable (Note 6)	-	68	-	-	68	-
Due from Other Funds	-	-	-	845,413	845,413	-
Total Restricted Assets (Note 7)	10,009,755	36,180,273	35,031,864	17,149,667	98,371,559	-
Capital Assets: (Note 8)						
Transportation Vehicles and Equipment	16,690,734	11,771,180	12,258,403	57,260,272	97,980,589	3,824,203
Buildings	31,540,605	180,537,830	43,276,125	19,476,131	274,830,691	420,681
Improvements	68,180,394	189,316,812	139,046,539	19,041,582	415,585,327	11,391
Land and Improvements	11,265,265	49,857,546	5,270,559	10,500,817	76,894,187	-
Land Easements	-	1,856,984	572,519	-	2,429,503	-
Construction in Progress	925,259	21,180,364	55,425,994	3,218,609	80,750,226	-
Less Accumulated Depreciation	(50,011,064)	(127,758,039)	(87,424,004)	(51,158,855)	(316,351,962)	(3,316,722)
Total Capital Assets (net of accumulated depreciation)	78,591,193	326,762,677	168,426,135	58,338,556	632,118,561	939,553
Other Assets:						
Unamortized Bond Issuance Costs	127,499	-	-	-	127,499	-
Total Noncurrent Assets	88,728,447	362,942,950	203,457,999	75,488,223	730,617,619	939,553
TOTAL ASSETS	99,229,132	406,266,405	243,330,515	104,218,822	853,044,874	20,448,919
Deferred Outflows of Resources	3,202,667	3,235,444	1,654,867	2,673,479	10,766,457	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 102,431,799	409,501,849	244,985,382	106,892,301	863,811,331	20,448,919

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2015

(Continued)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					TOTALS	INTERNAL SERVICE FUNDS
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS			
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 148,718	2,391,164	569,444	779,038	3,888,364	1,484,945	
Retainage Payable	25,637	820,528	992,783	3,344	1,842,292	-	
Contracts Payable	78,290	800,745	376,117	4,390	1,259,542	-	
Due to Other Funds (Note 13)	5,306	239,769	343,472	845,413	1,433,960	-	
Accrued Interest	-	1,059,909	420,657	209,814	1,690,380	-	
Accrued Wages & Employee Benefits	290,065	480,505	212,797	599,023	1,582,390	183,807	
Claims and Judgments Payable	-	-	-	-	-	4,462,306	
Compensated Absences	210,999	196,838	81,324	324,550	813,711	107,722	
Customer Deposits	8,000	5,410,294	-	94,133	5,512,427	-	
Unearned Revenue	1,323,547	1,439,827	241,839	4,105	3,009,318	-	
General Obligation Bonds (Note 12)	-	906,275	827,000	772,051	2,505,326	-	
Certificates of Obligation (Note 12)	-	1,667,893	1,666,009	4,488,744	7,812,646	-	
Revenue Bonds Payable (Note 12)	6,515,000	4,276,300	3,275,700	-	14,067,000	-	
Total Current Liabilities	8,605,562	19,690,047	8,997,142	8,124,605	45,417,356	6,238,780	
Noncurrent Liabilities:							
General Obligation Bonds (Note 12)	-	3,378,678	3,121,817	10,200,970	16,701,465	-	
Certificates of Obligation (Note 12)	-	66,620,696	21,881,082	21,787,472	110,289,250	-	
Revenue Bonds Payable (Note 12)	54,015,000	155,312,199	105,669,801	-	314,997,000	-	
Due to Other Funds	-	-	-	374,238	374,238	-	
Closure and Postclosure Cost (Note 12)	-	-	-	13,342,508	13,342,508	-	
Compensated Absences	382,936	367,282	147,737	521,074	1,419,029	253,774	
Net Pension Liability	11,774,692	15,050,079	6,126,009	10,129,456	43,080,236	-	
Total Noncurrent Liabilities	66,172,628	240,728,934	136,946,446	56,355,718	500,203,726	253,774	
TOTAL LIABILITIES	74,778,190	260,418,981	145,943,588	64,480,323	545,621,082	6,492,554	
Deferred Inflows of Resources	4,461,004	3,591,445	1,247,771	2,924,129	12,224,349	-	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	79,239,194	264,010,426	147,191,359	67,404,452	557,845,431	6,492,554	
NET POSITION							
Net Investment in Capital Assets	26,171,062	134,702,412	73,619,144	32,397,791	266,890,409	939,553	
Restricted for Debt Service	4,487,931	12,187,063	7,953,603	-	24,628,597	-	
Restricted for Improvements	-	20,901,268	12,441,562	-	33,342,830	-	
Unrestricted (Deficit)	(7,466,388)	(22,299,320)	3,779,714	7,090,058	(18,895,936)	13,016,812	
TOTAL NET POSITION	\$ 23,192,605	145,491,423	97,794,023	39,487,849	305,965,900	13,956,365	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							
					6,126,168		
Net position of business-type activities					\$ 312,092,068		

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

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Charges for Services	-	34,643,695	27,994,808	24,772,778	87,411,281	46,029,900
Rental of Facilities	759,911	-	-	1,766,394	2,526,305	-
Toll Receipts	57,090,824	-	-	-	57,090,824	-
Miscellaneous	434,646	4,954,663	414,542	397,260	6,201,111	818,736
TOTAL OPERATING REVENUES	58,285,381	39,598,358	28,409,350	26,936,432	153,229,521	46,848,636
OPERATING EXPENSES:						
Costs of Services	-	-	-	-	-	32,932,855
Personnel Services	7,465,971	9,665,784	3,934,942	16,674,255	37,740,952	4,794,787
Materials and Supplies	441,607	2,727,167	1,194,918	4,235,063	8,598,755	367,812
Contractual Services	33,044,743	9,692,340	11,262,799	8,299,471	62,299,353	4,112,760
Other	1,585	147,652	125,451	1,055,472	1,330,160	133
Total Operating Expenses Before Depreciation	40,963,906	22,232,943	16,518,110	30,264,261	109,969,220	42,208,347
Depreciation Expense (Note 8)	2,979,773	10,856,936	6,819,473	5,070,372	25,726,554	261,969
TOTAL OPERATING EXPENSES	43,933,679	33,089,879	23,337,583	35,334,633	135,695,774	42,470,316
Operating Income (Loss)	14,351,702	6,508,479	5,071,767	(8,398,201)	17,533,747	4,378,320
NON-OPERATING REVENUES (EXPENSES):						
Sales Tax	-	-	-	7,966,064	7,966,064	-
Interest Earnings	23,861	93,307	114,088	81,000	312,256	61,092
Interest Earnings - Restricted	52,309	105,366	80,251	42,926	280,852	-
Discount Earnings	9	8,242	11,597	5,005	24,853	3,644
Interest Rebate	-	808,357	-	-	808,357	-
Miscellaneous	3,708	160	-	-	3,868	-
Water Availability Fees	-	1,334,640	-	-	1,334,640	-
Gain (Loss) on Sale of Assets	-	-	-	(26,589)	(26,589)	11,493
Interest Expense	(2,786,624)	(10,574,298)	(4,362,748)	(1,344,470)	(19,068,140)	-
Federal Operating Grant	(167,996)	-	(84,237)	(99,458)	(321,731)	-
Gain (Loss) on Advance Refunding	-	(101,301)	-	-	(101,301)	-
Water Rights Acq./Water Conservation	-	(154,931)	-	-	(154,931)	-
Other Non-Operating Expenses	-	(9,580,748)	(4,567,408)	(260,596)	(14,408,752)	-
Fiscal Agent Fees	(2,900)	(4,300)	(3,675)	(2,300)	(13,175)	-
Bond Issuance Cost/Premiums Amortized	145,100	(159,493)	(158,269)	67,946	(104,716)	-
State Operating Grant	-	-	-	679,663	679,663	-
Construction	(897,958)	-	-	-	(897,958)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(3,630,491)	(18,224,999)	(8,970,401)	10,344,519	(20,481,372)	76,229

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2015

(Continued)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS	INTERNAL SERVICE FUNDS
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS		
Income Before Contributions and Transfers	10,721,211	(11,716,520)	(3,898,634)	1,946,318	(2,947,625)	4,454,549
Capital Contributions-Intergovernmental	-	-	-	813,004	813,004	-
Capital Contributions-Other	-	993,590	290,320	-	1,283,910	-
Capital Contributions-Developers	-	2,501,694	1,714,811	-	4,216,505	-
Transfers In	-	-	-	-	-	321,478
Transfers Out	(7,752,910)	-	-	(1,500,000)	(9,252,910)	(2,071,478)
Change in Net Position	2,968,301	(8,221,236)	(1,893,503)	1,259,322	(5,887,116)	2,704,549
Total Net Position-Beginning	30,851,612	167,296,187	105,216,588	47,370,921	-	11,251,816
Prior Period Adjustment (Note 23)	(10,627,308)	(13,583,528)	(5,529,062)	(9,142,394)	-	-
Total Net Position-Ending	23,192,605	145,491,423	97,794,023	39,487,849	1,306,842	13,956,365

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 1,306,842

Change in net position of business-type activities \$ (4,580,274)

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, 2015

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
CASH FLOW FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 58,515,016	39,852,675	28,692,081	21,624,346	148,684,118	5,542,377
Receipts from interfund services provided	-	537,800	472,214	236,107	1,246,121	41,245,476
Payments to suppliers	(2,215,610)	(11,858,873)	(15,386,723)	(8,857,526)	(38,318,732)	(35,576,644)
Payments to employees	(7,511,567)	(9,681,108)	(3,935,619)	(16,675,324)	(37,803,618)	(4,768,181)
Payments for interfund services used	(31,340,366)	(4,119,775)	(260,566)	(4,540,265)	(40,260,972)	(1,990,343)
Net cash provided (used) by operating activities	17,447,473	14,730,719	9,581,387	(8,212,662)	33,546,917	4,452,685
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer to other funds	(7,752,910)	(15,637,072)	(10,094,058)	(2,345,413)	(35,829,453)	(2,071,478)
Transfer from other funds	-	15,253,969	10,094,058	1,228,516	26,576,543	321,478
Subsidy from federal and state grants	-	-	-	6,533,556	6,533,556	-
Sales Tax	-	-	-	7,966,064	7,966,064	-
Net cash provided (used) by noncapital and related financing activities	(7,752,910)	(383,103)	-	13,382,723	5,246,710	(1,750,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from capital debt	10,629,412	21,965,832	13,777,224	13,142,321	59,514,789	-
Subsidy from federal and state grants	-	-	-	813,004	813,004	-
Purchase of capital assets	-	(704,162)	-	-	(704,162)	(84,305)
Acquisition and construction of capital assets	(1,664,803)	(16,495,370)	(12,583,183)	(8,887,924)	(39,631,280)	-
Principal paid on capital debt	(6,435,000)	(9,986,379)	(7,997,154)	(8,976,395)	(33,394,928)	-
Interest paid on capital debt	(2,789,525)	(10,520,549)	(4,532,974)	(1,306,031)	(19,149,079)	-
Proceeds from sales of capital assets	-	-	-	1,553	1,553	3,923
Net cash provided (used) by capital and related financing activities	(259,916)	(15,685,975)	(11,336,087)	(5,213,472)	(32,495,450)	(80,382)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments	(9,509,744)	387,450	1,770,377	(40,708)	(7,392,625)	(2,648,352)
Interest and dividends received	71,457	984,809	160,493	77,373	1,294,132	20,290
Issuance of Notes Receivable	-	(81,664)	(212,324)	-	(293,988)	-
Net cash provided (used) by investing activities	(9,438,287)	1,290,595	1,718,546	36,665	(6,392,481)	(2,628,062)
Net increase (decrease) in cash and cash equivalents	(3,640)	(47,764)	(36,154)	(6,746)	(94,304)	(5,759)
Cash and cash equivalents, October 1	46,493	210,045	193,163	131,255	580,956	111,206
Cash and cash equivalents, September 30	\$ 42,853	162,281	157,009	124,509	486,652	105,447

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2015

(Continued)

	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	14,351,702	6,508,479	5,071,767	(8,398,201)	17,533,747	4,378,320
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,979,773	10,856,936	6,819,473	5,070,372	25,726,554	261,969
(Increase) decrease in landfill closure and post closure cost	-	-	-	856,186	856,186	-
(Increase) decrease in accounts receivable	3,000	237,872	417,171	(5,145,520)	(4,487,477)	(60,783)
Increase (decrease) in allowance for uncollectible accounts	-	91,888	125,451	64,077	281,416	-
(Increase) decrease in inventories	-	123,854	(18,113)	6,248	111,989	12,203
(Increase) decrease in prepaid items	-	-	-	-	-	47,072
Increase (decrease) in customer deposits	-	199,740	-	4,037	203,777	-
Increase (decrease) in accounts payable	(68,041)	(3,535,343)	(3,046,008)	(671,502)	(7,320,894)	250,832
Increase (decrease) in retainage payable	-	-	-	1,283	1,283	-
Increase (decrease) in unearned revenues	226,635	262,617	212,323	1,427	703,002	-
Increase (decrease) in compensated absences payable	26,048	46,556	19,162	71,359	163,125	15,643
Increase (decrease) in net pension liability	(99,084)	(126,649)	(51,551)	(85,240)	(362,524)	-
Increase (decrease) in accrued wages and employee benefits	27,440	64,769	31,712	12,812	136,733	10,963
Increase (decrease) in claims & judgements payables	-	-	-	-	-	(463,534)
Total adjustments	3,095,771	8,222,240	4,509,620	185,539	16,013,170	74,365
Net cash provided (used) by operating activities	17,447,473	14,730,719	9,581,387	(8,212,662)	33,546,917	4,452,685
Noncash investing, capital, and financing activities:						
Premiums	1,270,141	483,406	315,089	1,523,798	3,592,434	-
Bond issuance cost amortized	(370,829)	(231,109)	69,079	(244,427)	(777,286)	-
Contributions of capital assets from developers & others	-	(1,562,757)	(2,005,131)	-	(3,567,888)	-
Current landfill closure and postclosure cost	-	-	-	856,186	856,186	-
Sale of assets	-	-	-	28,142	28,142	-
Loss on advance refunding	167,996	446,119	271,603	(741,279)	144,439	-
Increase (Decrease) in accrued interest payable	-	58,048	8,448	40,739	107,235	-

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

**CITY OF LAREDO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	CITY ANNUITY PENSION TRUST FUND
ADDITIONS:		
Contributions:		
Employer Contributions	\$ 6,221,242	1,442,216
Plan Members	4,642,722	96,670
Other Contributions	1,007	14,626
	10,864,971	1,553,512
Total Contributions		
Investment Earnings:		
Interest Earnings and Dividends	1,517,906	-
Net Increase (decrease) in the Fair Value of Investments	(12,696,874)	-
Gains (Loss) on Sale of Investment	6,162,237	-
	(5,016,731)	-
Total Investment Earnings		
Less: Investment Expense	(413,792)	-
	(5,430,523)	-
Net Investment Earnings		
	5,434,448	1,553,512
TOTAL ADDITIONS		
DEDUCTIONS:		
Benefits	10,105,871	1,473,857
Administrative Expenses	239,505	79,655
	10,345,376	1,553,512
TOTAL DEDUCTIONS		
Change in Net Position	(4,910,928)	-
Net Position - Beginning	118,339,638	-
Prior Period Adjustments (Note 23)	(69,063,238)	-
	\$ 44,365,472	-
NET POSITION - ENDING		

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, 2015

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CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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 Convention and Visitors' Bureau, Laredo Transit Management, Inc. Laredo Energy Arena, Max Mandel Municipal Golf Course, 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 Transit Management, Inc. Under the authority of Revised Texas Civil Statutes, Article 118(z) on September 8, 1987, created Laredo Municipal Transit System, The Laredo Municipal Transit System and "Mass Transit Board". The Laredo Transit Management, Inc. reports to the Mass Transit Board. L.M.T.S. is commonly referred to as El Metro.

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

Laredo Transit Management, Inc. provides both a fixed-route and Paratransit (El Lift) services within the city boundaries of Laredo. Currently, the fixed-route service is comprised of 22 bus routes. The fixed route bus service has a total of 35 buses operating during a regular workday, 30

buses on a Saturday and 18 buses on Sunday. The Laredo Transit Management, Inc. bus fleet consists of 49 buses and 1 rubber-tire trolley. The El Lift program has a total fleet of 21 Paratransit vans that are equipped with ADA bus lifts. Laredo Transit Management, Inc. is reported as an enterprise fund.

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

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

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

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

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.

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term obligations, compensated absences, and claims and judgments which are recognized when due.

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

The City reports the following as major governmental funds:

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

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

The City reports the following as major proprietary funds:

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

Water Works System Fund is used to account for the operations, maintenance, and debt service from three water treatment plants and seventeen booster stations and the related revenue received from 69,343 customers.

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

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

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

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

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

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

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

C. Budgets and Budgetary Accounting

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

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

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

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

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

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

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

(6) The City Council approval is required in order to transfer un-appropriated balances from one department, office, or agency to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from an expenditure account to another within a department, office, or agency of the City. The reported budgetary data has been revised for amendments authorized during the year.

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

D. Encumbrances

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

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

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

Please see Note 16 for significant encumbrances.

E. Equity in Investment Pool

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

F. Investments

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

G. Inventories

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

H. Restricted Assets

The International Toll Bridge System, Water System, and Sewer System revenue bond indentures require that, during the period the bonds are outstanding, the City must maintain certain separate accounts and funds to account for the proceeds from the issuance of the revenue bonds and the debt

service deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture to pay the debt service payments on such bonds.

I. Property, Plant, Equipment, and Infrastructure

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

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

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

J. Net Position

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

K. Deferred Inflows/Outflows of Resources

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

CITY OF LAREDO, TEXAS
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The breakdowns of deferred inflows/outflows are as follows:

	Governmental Activities	Business Type Activities	Total
Deferred Outflows of Resources			
Deferred outflows from pension activities			
Difference in projected & actual earnings	\$ 2,441,478	\$ 1,012,304	\$ 3,453,782
Contributions after 12/31/14	10,829,217	4,419,749	15,248,966
Unamortized advance refunding loss from bonds	2,793,057	5,334,404	8,127,461
Total Deferred Outflows of Resources	<u>\$ 16,063,752</u>	<u>\$ 10,766,457</u>	<u>\$ 26,830,209</u>
Deferred Inflows of Resources			
Deferred inflows from pension activities			
Difference in expected and actual experience	\$ 2,102,092	\$ 871,585	\$ 2,973,677
Unamortized deferred bond premiums	13,312,730	11,352,764	24,665,494
Total Deferred Inflows of Resources	<u>\$ 15,414,822</u>	<u>\$ 12,224,349</u>	<u>\$ 27,639,171</u>

L. Long-Term Obligations

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

Any proceeds from issuance of general obligation and combination certificates of obligation, which are used for construction of governmental 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.

M. Compensated Absences

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

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

N. Federal and State Grants and Entitlements

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

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

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

O. Interfund Transactions

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

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

P. Unamortized Bond Issuance Costs

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

Q. Statement of Cash Flows

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

R. Fund Equity

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

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

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

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

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

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

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

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The details of this \$440,199,802 difference are as follows:

Bonds, notes payable, and capital leases	\$ 226,854,352
Accrued interest	1,017,030
Deferred revenue	(28,417,918)
Compensated absences	28,286,145
Elimination of Interfund activity	5,114,176
Net Pension Liability	105,674,029
Net Pension Obligations-OPEB	<u>101,671,988</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	<u>\$ 440,199,802</u>

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

An element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$9,717,620 difference are as follows:

Debt issued:	
Bond & Capital lease proceeds	\$ (100,634,967)
Premiums	(14,136,687)
Repayments:	
Bond & Notes payments	104,685,439
Capital lease	<u>368,595</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (9,717,620)</u>

An element of the reconciliation states that for governmental funds, capital outlay should be reported as expenditures. In the statement of activities, “the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The amount of capital outlays exceeding depreciation in this fiscal year were \$17,594,290. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$ 52,394,192
Assets that were disposed during the current fiscal year	(533,083)
Current year depreciation	<u>(34,266,819)</u>
Amount by which capital outlays exceed depreciation	<u>\$ 17,594,290</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 \$760,281; Parks Capital Grants \$677,074; Capital Grants \$327,391; Home Investment \$163,194; Emergency Shelter \$234,004; Special Police Program \$363,299 and 911 Emergency Communications \$1,677,116. Deficits are due to grant operations and will be recovered through grant reimbursements in the following year.

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds not operating as grants: Public Access Channel \$4,373 and Laredo Energy Arena \$1,013,736. 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 decrease in the fair value of the securities was \$12,696,874 for the Laredo Firefighters Retirement System.

As of September 30, 2015, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$ 92,646
Cash with Fiscal Agent	1,235,850
Cash in Pooled Funds	<u>1,326,623</u>
	<u>\$ 2,655,119</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, 2015, the book value of all the City's deposits was \$2,655,119. 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,

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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, 2015, were as follows:

	Fair Value	Non Maturity Rated	Investment Maturity in Years	
			Less Than 1	1-3
Mutual Funds	\$ 1,605,151	1,605,151	-	-
Equities	88,408,307	88,408,307	-	-
Corporate Bonds	24,317,740	24,317,740	-	-
Managed Pools	348,091,979	160,476,247	157,615,732	30,000,000
Total Investments	\$ 462,423,177	274,807,445	157,615,732	30,000,000

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, 2015, 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, 2015, 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, 23% was invested in mutual funds and 77% 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, 2015, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System has also designated a third party selected by the system as the safekeeping institution for its securities.

NOTE 6 - RECEIVABLES

The City's property tax is levied each October 1st on the assessed value listed on the tax roll as of the prior January 1st for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1st of the year of levy and shall be paid by the following January 31st. All real and personal property in the City on January 1st each year will be subject to lien from that date for taxes due thereon. The adjusted assessed value for the tax roll as of January 1, 2014, upon which the 2015 levy was based, was \$11,370,707,572.

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

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

The tax rate to finance general governmental services including the payment and interest on long-term debt for the year ended September 30, 2015 was \$.637000 per \$100 of assessed valuation (\$.491720 for general government and \$.145280 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$98,129,206 in additional taxes per year from the present assessed valuation of \$11,370,707,572 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

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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, 2015 are reflected in the following table:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Notes</u>	<u>Accured Interest</u>	<u>Paving Assessment</u>	<u>Total Net Receivables</u>
Governmental Activities	\$ <u>32,371,271</u>	<u>7,325,639</u>	<u>419,106</u>	<u>16,197,314</u>	<u>1,469,888</u>	<u>4,775</u>	<u>57,787,993</u>
Business-Type Funds							
Bridge	\$ -	-	-	-	29,442	-	29,442
Waterworks System	19,511,777	-	-	82,321	129,484	-	19,723,582
Sewer System	10,892,330	-	-	224,882	120,424	-	11,237,636
Other Enterprise Funds	6,796,762	-	-	-	112,706	-	6,909,468
Total Business Type Funds	\$ <u>37,200,869</u>	<u>-</u>	<u>-</u>	<u>307,203</u>	<u>392,056</u>	<u>-</u>	<u>37,900,128</u>
Allowance for Uncollectible	\$ <u>42,258,736</u>	<u>107</u>	<u>12,373</u>	<u>2,390,701</u>	<u>-</u>	<u>149,850</u>	<u>44,811,767</u>

NOTE 7 - RESTRICTED ASSETS FOR ENTERPRISE FUND TYPES

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

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

The following table summarizes restricted assets by purpose as of September 30, 2015:

	<u>Other Enterprise Fund</u>	<u>Bridge System</u>	<u>Waterworks System</u>	<u>Sewer System</u>	<u>Total</u>
Revenue Bond Retirement Reserve	\$ -	3,987,931	12,187,063	7,953,603	24,128,597
Revenue Bond Contingency	-	500,000	-	-	500,000
Construction Account	17,149,667	5,521,824	19,816,889	27,078,261	69,566,641
Water Rights	-	-	4,176,321	-	4,176,321
Total Restricted Assets	\$ <u>17,149,667</u>	<u>10,009,755</u>	<u>36,180,273</u>	<u>35,031,864</u>	<u>98,371,559</u>

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2014	Additions	Deletions and Transfers	Balance as of September 30, 2015
Capital Assets, Not Being Depreciated:				
Land	\$ 88,532,875	2,381,823	(305,712)	90,608,986
Construction in Progress	4,043,320	5,023,827	-	9,067,147
Total Capital Assets, Not Being Depreciated	<u>92,576,195</u>	<u>7,405,650</u>	<u>(305,712)</u>	<u>99,676,133</u>
Capital Assets Being Depreciated				
Buildings	217,754,854	1,086,939	-	218,841,793
Improvements Other Than Buildings	619,725,127	35,255,733	(206,664)	654,774,196
Machinery and Equipment	105,407,512	8,733,453	(1,819,251)	112,321,714
Total Assets Being Depreciated	<u>942,887,493</u>	<u>47,560,520</u>	<u>(2,025,915)</u>	<u>985,937,703</u>
Less Accumulated Depreciation For:				
Buildings	(48,766,483)	(5,723,116)	-	(54,003,599)
Improvements Other Than Buildings	(258,215,108)	(21,187,952)	205,781	(279,197,279)
Machinery and Equipment	(78,610,702)	(8,103,720)	1,596,174	(85,118,248)
Total Accumulated Depreciation	<u>(385,592,293)</u>	<u>(34,528,788)</u>	<u>1,801,955</u>	<u>(418,319,126)</u>
Total Capital Assets, Being Depreciated, Net	557,295,200	10,547,337	(223,960)	567,518,577
Governmental Activities Capital Assets, Net	<u>\$ 649,871,395</u>	<u>17,952,987</u>	<u>(529,672)</u>	<u>667,294,710</u>

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

B - Business Type Activities:

	Balance as of September 30, 2014	Additions	Deletions and Transfers	Balance as of September 30, 2015
Capital Assets, Not Being Depreciated:				
Land	\$ 32,554,635	1,546,740	-	34,101,375
Construction in Progress	85,811,270	14,461,126	(19,522,171)	80,750,226
Water rights	43,442,547	1,779,768	-	45,222,315
Total Capital Assets, Not Being Depreciated	161,808,452	17,787,634	(19,522,171)	160,073,916
Capital Assets Being Depreciated:				
Buildings	273,755,873	88,996	985,822	274,830,691
Improvements Other Than Buildings	392,271,529	12,195,562	11,1118,236	415,585,327
Machinery and Equipment	93,195,381	8,687,826	(3,902,618)	97,980,589
Total Assets Being Depreciated	759,222,783	20,972,384	8,201,440	788,396,607
Less Accumulated Depreciation For:				
Buildings	(35,729,184)	(6,004,856)	-	(41,734,040)
Improvements Other Than Buildings	(192,055,267)	(13,405,675)	-	(205,460,942)
Machinery and Equipment	(66,851,413)	(6,316,023)	4,010,456	(69,156,980)
Total Accumulated Depreciation	(294,635,864)	(25,726,554)	4,010,455	(316,351,962)
Total Capital Assets, Being Depreciated, Net	464,586,919	(4,754,170)	12,211,895	472,044,645
Business Type Activities Capital Assets, Net	\$ 626,395,371	13,033,464	(7,310,275)	632,118,561

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

Government Activities:	
General Government	\$ 2,008,156
Public Health	1,579,985
Culture and Recreational	745,065
Public Works	21,402,070
Public Safety	3,488,505
Air Transportation	5,043,038
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>261,969</u>
Total depreciation expense-governmental activities	\$ <u>34,528,788</u>
Business-Type Activities:	
Solid Waste Management	\$ 2,694,439
Municipal Transit System	2,328,075
Bridge System	2,979,773
Waterworks System	10,856,936
Sewer System	6,819,473
Municipal Housing	<u>47,858</u>
Total depreciation expense-business-type activities	\$ <u>25,726,554</u>

NOTE 9 - RETIREMENT PLANS

A. General Information

The City provides benefits for all of its full-time employees (except for firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 860 administered by TMRS, an agent multiple-employer public employee retirement system.

B. Benefits

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

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

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

C. Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The 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, 2014 valuation is effective for rates beginning January 2016).

SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

Actuarial Valuation Date	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Actuarial Value of Assets	\$ 104,886,750	118,216,115	131,250,617	147,642,107	166,772,840	227,498,651	255,089,909	285,561,778	319,305,541	354,875,377
Actuarial Accrued Liability	176,834,192	196,473,335	255,908,643	275,809,704	305,212,249	363,711,044	390,361,416	416,568,818	486,207,150	517,497,579
Percentage Funded	59.31%	60.17%	51.29%	53.5%	54.6%	62.5%	65.3%	68.6%	65.7%	68.58%
Unfunded Actuarial										
Accrued Liability (UAAL)	71,947,442	78,257,220	124,658,026	128,167,597	138,439,409	136,212,393	135,271,507	131,007,040	166,901,609	162,622,202
Annual Covered Payroll	66,500,972	70,411,134	76,207,380	83,778,815	86,683,788	84,075,541	86,508,086	89,399,108	92,084,900	94,769,773
UAAL as a percentage of										
covered Payroll	108.19%	111.14%	163.58%	153.0%	159.7%	162.0%	156.4%	146.5%	181.2%	171.60%
Annual Pension Cost:										
Annual Required										
Contribution (ARC)	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732	20,621,820	20,612,369
Less Contributions Made										
at the end of the period	10,609,392	11,593,062	12,670,264	13,625,648	14,436,262	16,239,405	17,021,111	16,758,732	20,621,820	20,612,369
Net Pension Obligation	\$ -	-	-	-	-	-	-	-	-	-

As of actuarial valuation and measurement date of 12/31/14, membership data for the City’s pension plan is as follows:

Number of:	
Inactive employees or beneficiaries currently receiving benefits	780
Inactive employees entitled to but not yet receiving benefits	427
Active employees	2,003
Total	3,210

Actuarial Assumptions

Actuarial Cost Method -	Projected Unit Credit
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	20 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	7.0%
Projected Salary Increases	3.50% to 12% including inflation
Includes Inflation At	3.0%

The City of Laredo is one of 860 municipalities having the benefit plan administered by TMRS. Each of the 860 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2014 valuations are contained in the 2014 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

D. Net Pension Liability

Under GASB68, the City is required to recognize specific pension amounts, which include Net Pension Liability (NPL), deferred outflows and inflows of resources, and pension expense. The Total Pension Liability (TPL) (present value of actuarially determined pension benefits) less the value of the assets available in the plan to pay the pension benefits (Fiduciary Net Position or FNP) results in the NPL; this NPL will appear on the City's Statement of Net Position. The City's NPL was measured as of December 31, 2014 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Valuation and Measurement Date, December 31, 2014

Net Pension Liability	\$514,497,579
Plan Fiduciary Net Position	<u>\$368,743,314</u>
Net Pension Liability	<u><u>\$148,754,265</u></u>

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

E. Schedule of Changes in Net Pension Liability

Changes in the City's Net Pension Liability and Related Ratios as of 12/31/14 are presented below:

Total pension liability

Service cost	\$ 14,954,531
Interest (on the Total Pension Liability)	34,062,490
Changes of benefit terms	-
Difference between expected and actual experience	(3,571,761)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(14,154,831)</u>
Net change in total pension liability	<u>\$ 31,290,429</u>

Plan fiduciary net position

Contributions-employer	\$ 19,414,300
Contributions-employee	6,639,377
Net investment income	19,324,455
Benefit payments, including refunds of employee contributions	(14,154,831)
Administrative Expense	(201,717)
Other	<u>(16,584)</u>
Net change in plan fiduciary net position	<u>\$ 31,005,000</u>

Net Change	285,429
Net pension liability-beginning	<u>148,468,836</u>
Net pension liability-ending	<u><u>\$ 148,754,265</u></u>

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

F. Pension Expense

Below is the Schedule of Pension Expense as of 12/31/14:

Total Service Cost	\$ 14,954,531
Interest on the Total Pension Liability	34,062,490
Current Period Benefit Changes	-
Employee Contributions (Reduction of Expenses)	(6,639,377)
Projected Earnings on Plan Investments (Reduction of Expense)	(23,641,682)
Administrative Expense	201,717
Other Changes in Fiduciary Net Position	16,584
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(598,085)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	863,445
Amortization of Prior Year Outflow (Inflow) of Resources-Liabilities	-
Amortization of Prior Year Outflow (Inflow) of Resources-Assets	-
Total Pension Expense	<u>\$ 19,219,623</u>

G. Schedule of Deferred Outflow and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2014 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience (actuarial (gains) or losses)	5.972	\$ (3,571,761)	\$ (598,085)	\$ (2,973,676)
Difference in assumption change (actuarial (gains) or losses)	5.972	-	-	-
			<u>\$ (598,085)</u>	<u>\$ (2,973,676)</u>
Due to Assets:				
Difference in projected and actual earnings on pension plan investments (actuarial (gains) or losses)	5.000	4,317,227	863,445	\$ 3,453,782
			<u>\$ 863,445</u>	<u>\$ 3,453,782</u>
Total:			<u>\$</u>	<u>480,106</u>

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

	Net deferred outflows (inflows of resource)
2015 \$	265,360
2016	265,360
2017	265,360
2018	265,362
2019	(581,336)
Thereafter	-
Total \$	<u>480,106</u>

H. Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability \$	230,753,573	\$ 148,754,265	\$ 82,019,994

Laredo Firefighters' Retirement System Required Supplemental Information
Disclosures in Accordance with GASB Statement No. 25 & 27
Actuarial Update as of September 30, 2014

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, 2014, 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, 2014 is shown below.

	9/30/14
Retirees and beneficiaries currently receiving benefits	143
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>373</u>
Total	<u>516</u>

The Laredo Firefighters Retirement System provides service retirement, death, disability, and withdrawal benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. As of the September 30, 2014 valuation date, the plan effective February 9, 2012 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit is equal to 3.03% of Final Average Monthly Salary for each year of service.

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

Contributions Required and Contributions Made

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

The costs of administering the plan are financed from the trust. The funding policy of the Laredo Firefighters Retirement System requires contributions equal to 15% of pay by the firefighters. Currently, the City contributes 20.10% of pay for each active firefighter. The actuarial valuation includes the assumption that the city contribution rate will be 20.10% over the UAAL amortization period.

Annual Pension Cost

For the fiscal year ending September 30, 2015, the City of Laredo's annual pension cost of \$6,221,242 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, 2015 the city contribution rate was 20.10% of pay for all firefighters. The required contributions were reflected in the September 30, 2014 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 3.50% per year as a general salary increase. An inflation assumption of 3.50% 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 3.50% per year, and was 30 years as of September 30, 2014 actuarial valuation.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2005	\$ 3,235,074	100%	-
9/30/2006	3,576,070	100%	-
9/30/2007	3,779,090	100%	-
9/30/2008	4,136,418	100%	-
9/30/2009	4,392,773	100%	-
9/30/2010	4,616,573	100%	-
9/30/2011	4,644,823	100%	-
9/30/2012	5,311,893	100%	-
9/30/2013	5,625,179	100%	-
9/30/2014	6,044,620	100%	-
9/30/2015	\$ 6,221,242	100%	-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
09/30/97	\$ 23,768,183	32,196,210	8,428,027	73.82%	8,080,170	104%
06/30/98	27,925,724	38,685,191	10,759,467	72.19%	10,191,336	106%
03/31/00	32,040,945	48,944,733	16,903,788	65.50%	12,481,680	135%
03/31/02	35,064,847	66,941,016	31,876,169	52.40%	16,652,165	191%
03/31/04	43,720,097	82,210,204	38,490,107	53.18%	18,726,396	206%
03/31/06	57,228,050	95,649,924	38,421,874	59.80%	21,831,766	176%
03/31/08	73,106,502	113,301,606	40,195,104	64.50%	22,931,569	175%
03/31/10	84,625,644	140,669,842	56,044,198	60.20%	25,715,241	218%
09/30/12	95,140,202	175,957,832	80,817,630	54.10%	30,993,969	261%
09/30/15	\$ 118,339,638	194,345,799	76,006,161	60.90%	31,185,860	244%

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Annual Required Contribution	Percentage of Required Contribution Contributed
9/30/2006	17.65% & 16.20%	3,576,070	100%
9/30/2007	17.65% & 16.20%	3,779,090	100%
9/30/2008	17.65% & 16.20%	4,136,418	100%
9/30/2009	17.65% & 16.20%	4,392,773	100%
9/30/2010	17.65%	4,616,573	100%
9/30/2011	17.90%	4,644,823	100%
9/30/2012	18.15%	5,311,893	100%
9/30/2013	18.40%	5,625,179	100%
9/30/2014	20.10%	6,044,620	100%
9/30/2015	20.10%	6,221,242	100%

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

Net Pension Liability

The System's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total Pension Liability	\$194,345,799
Plan Fiduciary Net Position	<u>\$118,339,638</u>
Net Pension Liability	<u>\$ 76,006,161</u>

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

A. Schedule of Changes in Net Pension Liability

Changes in the System's Net Pension Liability and Related Ratios as of 9/30/14 are presented below:

Total pension liability	
Service cost	\$ 5,562,847
Interest (on the Total Pension Liability)	14,710,813
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(8,500,340)</u>
Net change in total pension liability	<u>\$ 11,773,320</u>
Plan fiduciary net position	
Contributions-employer	\$ 6,044,620
Contributions-employee	4,521,220
Net investment income	9,030,933
Benefit payments, including refunds of employee contributions	(8,500,340)
Administrative Expense	(221,416)
Other	-
Net change in plan fiduciary net position	<u>\$ 10,875,017</u>
Net Change	\$ 898,303
Net pension liability-beginning	<u>75,107,858</u>
Net pension liability-ending	<u><u>\$ 76,006,161</u></u>

B. Pension Expense

Total Service Cost	\$ 5,562,847
Interest on the Total Pension Liability	14,710,813
Employee Contributions (Reduction of Expenses)	(4,521,220)
Projected Earnings on Plan Investments (Reduction of Expense)	(8,670,933)
Administrative Expense	221,416
Amortization of differences between projected and actual earnings on plan investments	<u>(72,000)</u>
Total Pension Expense	<u><u>\$ 7,230,923</u></u>

C. Schedule of Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	<u>288,000</u>
Total	<u>\$ -</u>	<u>\$ 288,000</u>

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

	Net deferred outflows (inflows of resource)
2016 \$	(72,000)
2017	(72,000)
2018	(72,000)
2019	(72,000)
2020	-
Thereafter	-
Total \$	<u>(288,000)</u>

D. Discount Rate

The discount rate used to measure the total pension liability was 8.00%. No project of cash flows was used to determine the discount rate because the 9/30/14 actuarial valuation showed the expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years. That UAAL was based on an actuarial value of assets that was \$2,282,783 less than the plan fiduciary net position as of 9/30/14. Because of the 30 year amortization period of the UAAL with the lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 8.00% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

The following presents the net pension liability of the City of Laredo, calculated using the discount rate of 8%, as well as what the city’s net position liability would be if it were calculated using a discounted rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease 7.00%	Discount Rate 8.00%	1% Increase 9.00%
City's net pension liability	\$ 101,012,241	\$ 76,006,161	\$ 55,064,987

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description:

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

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

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

Currently, 190 retirees meet those eligibility requirements. The City reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependents. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City.

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

CITY OF LAREDO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS

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):

	2012	2013	2014	2015
<i>Determination of Annual Required Contribution</i>				
Normal Cost at year end	\$ 7,002,272	\$ 7,699,867	\$ 7,699,867	\$ 7,422,635
amortization of UAAL & Loss	7,321,876	6,970,549	7,634,504	7,817,233
Annual Required Contribution (ARC)	14,324,148	14,670,416	15,334,371	15,239,868
<i>Determination of Net OPEB Obligation</i>				
Annual Required Contribution	\$ 14,324,148	\$ 14,670,416	\$ 15,334,371	\$ 15,239,868
Interest on prior year Net OPEB Obligation	2,218,736	2,658,481	3,136,096	3,624,035
Adjustment to AC	(3,200,792)	(3,695,678)	(4,359,633)	(5,037,940)
Annual OPEB Cost	13,342,092	13,633,219	14,110,834	13,825,963
Contributions made	(2,348,463)	(1,692,843)	(1,912,370)	(2,754,832)
Estimated Increase in Net OPEB Obligation	10,993,629	11,940,376	12,198,464	11,071,131
Net OPEB Obligation- beginning of year	\$ 55,468,398	\$ 66,462,027	\$ 78,402,403	\$ 90,600,867
Estimated Net OPEB Obligation- end of year	\$ 66,462,027	\$ 78,402,403	\$ 90,600,867	\$ 101,671,998
Percentage of Annual OPEB Cost Contribution	17.60%	12.42%	13.55%	19.93%

Annual contribution rates for retirees not currently eligible for Medicare:

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

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

	Retiree Only	Retiree & Spouse	Retiree & Family
Police & Fire	\$ 5,023	\$ 9,127	N/A
Fire	\$ 4,104	\$ 8,208	N/A
City Employees	\$ 4,104	\$ 8,208	N/A

Funded Status and Funding Progress:

The funded status of the plan beginning as of October 1, 2014, was as follows:

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10-01-2012	0	4.00%	120,534,964	111,658,020	0.0%	123,368,595	97.70%
10-01-2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10-01-2014	0	4.00%	135,175,842	135,175,842	0.00%	---	---

(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, 2014-September 30, 2015
Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	\$ 135,175,842
Assets	-
Unfunded Actuarial Accrued Liability	\$ 135,175,842
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	\$ 135,175,842
Amortization Period	30 years
Amortization Amount-October 1, 2014	\$ 7,137,149
Interest to end of year	\$ 285,486
Amortization Amount- September 30, 2014	\$ 7,422,635

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, 2014, 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 30 year (the maximum permissible period under GASB 45 is 30 years).
5. Health Cost Trend used in the actuarial study is from 8.00% 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.
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.

Supplemental Death Benefits

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month

CITY OF LAREDO, TEXAS
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period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit” or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

The City’s contribution to the TMRS SDBF for the years ended 2015, 2014, 2013 were \$173,700, \$158,214, and \$160,393, respectively, which equaled the required contributions each year.

NOTE 11 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in the City’s general long-term obligations for the year ended September 30, 2015:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Obligations
Long Term Liabilities:							
Beginning Balances	\$ 26,653,474	148,990,139	34,145,000	26,246,032	4,788,903	425,000	90,600,867
Increases	64,945,810	26,482,690	23,343,155	2,040,113	-	-	11,071,121
Amort-Premiums/Loss	(711,972)	(225,008)	(264,716)	-	-	-	-
Decreases	<u>(11,602,744)</u>	<u>(78,547,195)</u>	<u>(28,219,675)</u>	<u>(3,066,218)</u>	<u>(746,633)</u>	<u>(170,000)</u>	<u>-</u>
Ending Long-Term Liabilities	79,284,568	96,700,626	29,003,764	25,219,927	4,042,270	255,000	101,671,988
Current Liabilities:							
Due Within One Year	1,589,675	10,252,354	2,470,000	3,066,218	378,038	85,000	-
Total Liabilities	\$ <u>80,874,243</u>	<u>106,952,980</u>	<u>31,473,764</u>	<u>28,286,145</u>	<u>4,420,308</u>	<u>340,000</u>	<u>101,671,988</u>

Compensated absences are generally liquidated by the General Fund.

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Bonds payable as of September 30, 2015 are comprised of the following issues:

A - General Obligation Serial Bonds

\$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.	\$ 1,546,696
9,345,000 General Obligation Refunding Bonds, Series 2010 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest varying from 2.99% to 5.00% per annum.	1,270,045
\$7,635,000 General Obligation Refunding Bonds, Series 2012 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest at 3.00% per annum.	2,167,015
\$16,845,000 General Obligation refunding Bonds, Series 2013 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2026 with interest at 3.00% per annum.	14,891,972
\$64,740,000 General Obligation refunding Bonds, Series 2015 issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to thie issuance of the bonds. Principal is due in varying amounts through 2026 with interest at 2.00% to 5.00% per annum.	<u>54,707,482</u>
Subtotal	74,583,210
Deferred premiums/loss for various general obligation bonds	<u>6,291,033</u>
Total General Obligation Bonds	<u><u>80,874,243</u></u>
Due Within One Year	\$ <u><u>1,589,675</u></u>

B – Certificates of Obligation

\$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.

\$ 6,855,000

\$30,065,000 Combination Tax and Revenue Contractual Obligations, Series 2008A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, developing various recreational facilities, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2028 with interest from 3.5% to 5% per annum.

25,135,000

\$11,270,000 Combination Tax and Revenue Contractual Obligations, Series 2009A, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2012 with interest from 2% to 5% per annum.

7,410,000

\$13,465,000 Combination Tax and Revenue Contractual Obligations, Series 2009B (Build America Bonds), for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects.

Principal is due in varying amounts from 2022 through 2029 with interest of 6.366% per annum.

13,465,000

\$5,080,000 Public Property Finance Contractual Obligations, Series 2010, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2018 with interest of 3.875% per annum.

\$ 210,105

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<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>	<p>\$ 3,345,000</p>
<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>	<p>1,690,000</p>
<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>	<p>1,680,000</p>
<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>	<p>7,700,000</p>
<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>	<p>6,745,000</p>
<p>\$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.</p>	<p>2,725,000</p>
<p>\$10,095,000 Public Property Finance Contractual Obligations, Series 2013, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2021 with interest from 2.00% to 5.00% per annum.</p>	<p>\$ 3,185,000</p>

CITY OF LAREDO, TEXAS
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\$9,995,000 Combination Tax and Revenue Contractual Obligations Series 2013, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2025 with interest from 2.00% to 5.00% per annum. \$ 775,000

\$6,780,000 2014 Public Property Finance Contractual Obligation for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022 with interest from 3.0% to 5.0% per annum. 3,618,000

\$5,600,000 Combination Tax and Revenue Contractual Obligations Series 2014, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2034 with interest from 2.00% to 5.00% per annum. 5,360,000

\$19,765,000 Combination Tax and Revenue Contractual Obligations Series 2015, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2020 with interest from 2.00% to 5.00% per annum. 14,790,000

Subtotal	104,688,105
Deferred Premiums for Various Certificate of Obligations	<u>2,264,875</u>
Total Certificates of Obligations	<u><u>106,952,980</u></u>
Due Within One Year	\$ <u><u>10,252,354</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:

\$20,545,000 2014 Sports Venue Sales Tax Revenue Refunding Bonds issued for the purpose refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2005 in order to achieve a debt service savings and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2024 with interest from 2.00% to 5.00% per annum.	\$ 20,115,000
\$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>9,395,000</u>
Subtotal	29,510,000
Deferred Premiums for Various Revenue Bonds	<u>1,963,764</u>
Total Sales Tax Revenue Bonds	<u><u>31,473,764</u></u>
Due Within One Year	\$ <u><u>2,470,000</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.

\$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.	\$ 135,898
\$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>4,284,410</u>
Total Present Value of Future Minimum Lease Payments	<u><u>4,420,308</u></u>
Plus Amount Representing Interest	\$ <u><u>663,717</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>(7,748,198)</u>
Total	<u><u>\$ 3,697,395</u></u>

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The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, are as follows:

Year Ending Sep. 30	Governmental Activities
2016	\$ 378,037
2017	387,724
2018	326,648
2019	334,716
2020	342,984
2021	351,456
2022	360,138
2023	369,034
2024	378,149
2025	387,490
2026	397,062
2027	406,870
Total Minimum lease payments	4,420,308
Add: amount representing interest	663,717
Present value of minimum lease payments	\$ <u>5,084,025</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%.

\$ 340,000

Due Within One Year

\$ 85,000

F - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2015

On April 29, 2015, the City of Laredo issued \$64,740,000 in General Obligation Refunding Bonds, Series 2015 with an average interest rate of 4.99% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Comb. Tax & Revenue CO, Series 2005	4.40%	\$ 5,885,000
Gen. Oblig. Refunding, Series 2005	4.88%	3,493,576
Comb. Tax & Revenue CO, Series 2006	4.50%	5,880,000
Comb. Tax & Revenue CO, Series 2007	5.03%	46,780,000

The net proceeds of \$64,374,413 (after payment of \$571,397 in underwriting fees, insurance, and other issuance costs and a premium of \$9,338,842) plus an additional cash contribution of \$806,908 for the 2015 General Obligation Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all of the future debt service payments on the 2005 Series C.O., 2005 Series G.O., 2006 Series C.O. and 2007 Series C.O bonds. As a result, the 2005 Series G.O., 2005 Series C.O, and the 2006 Series C.O, are considered defeased and the 2007 Series C.O. bonds are considered partially defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$83,921,023. This difference, reported in the accompanying financial statements as a deduction from certificates of obligations payable, is being charged to operations through the year 2027 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$6,712,909 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$6,345,045.

G – Prior-year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City’s financial statements. As of September 30, 2015, \$79,994,000 in bonds outstanding are considered defeased.

H – OPEB

As per actuarial update issued on October 1, 2014, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$101,671,988. The unfunded actuarial liability is updated on a biannual basis and, as per the latest calculations dated September 30, 2015, stands at \$135,175,842.

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, 2015:

	Revenue Bonds	Certificates of Obligation	General Oblig. Bond
Long Term Liabilities:			
Beginning Balances	\$ 293,329,197	117,712,068	13,520,167
Increases	41,715,000	7,662,000	9,133,032
Decreases	(16,857,000)	(12,652,646)	(6,952,267)
Amortization of Deferred Charges/Premiums	1,062,275	401,905	(67,655)
Ending Long Term Liabilities	319,249,472	113,123,327	15,633,277
Current Liabilities:			
Due Within One Year	14,067,000	7,812,646	2,505,326
Total Liabilities	\$ 333,316,472	120,935,973	18,138,603

	Landfill Costs	Compensated Absences
Long Term Liabilities:		
Beginning Balances	\$ 12,486,322	1,309,438
Additions	856,186	242,356
Retirements	-	(132,765)
Ending Balances	13,342,508	1,419,029
Current Liabilities:		
Due Within One Year	-	813,711
Total Liabilities	\$ 13,342,508	2,232,740

A – Bonds

<p>\$741,000 2002 Waterworks Systems Revenue Bond issued for the purpose of improving and extending the Water System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.</p>	<p>\$ 425,000</p>
<p>\$710,000 2002 Sewer Systems Revenue Bond issued for the purpose of improving and extending the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.</p>	<p>407,000</p>
<p>\$24,565,000 2005B International Toll Bridge System Revenue Refunding Bond issued for the purpose of refunding other Bridge Revenue Bonds issues with principal due in varying amounts through year 2019, including interest at 4.0% to 5.0% per annum.</p>	<p>10,270,000</p>
<p>\$17,670,000 2007 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2027, including interest at 4.0% to 4.75% per annum.</p>	<p>12,375,000</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>2,300,000</p>
<p>\$915,000 2008 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.</p>	<p>687,000</p>
<p>\$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at .0001 per annum.</p>	<p>4,005,000</p>
<p>\$82,175,000 2010 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2040, including interest at 2.00% per annum.</p>	<p>74,895,000</p>
<p>\$30,875,000 2011 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2041, including interest at 5.00% per annum.</p>	<p>\$ 28,260,000</p>

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<p>\$48,750,000 2012 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2042, including interest at 1.63% to 2.15% per annum.</p>	<p>\$ 44,540,000</p>
<p>\$7,640,000 2012 International Toll Bridge System Revenue Refunding Bond issued for the purpose of refunding other Bridge Revenue Bonds issues with principal due in varying amounts through year 2022, including interest at 2.0% to 3.0% per annum.</p>	<p>5,615,000</p>
<p>\$41,120,000 2012 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2042, including interest at 2.0% to 5.0% per annum.</p>	<p>38,520,000</p>
<p>\$17,260,000 2013 Waterworks & Sewer Systems Revenue Refunding Bond issued for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2026, including interest at 1.0% to 5.0% per annum.</p>	<p>17,070,000</p>
<p>\$18,255,000 2013 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2043, including interest at 2.0% to 5.0% per annum.</p>	<p>17,530,000</p>
<p>\$17,365,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding a State Infrastructure Bank loan with the Texas Department of Transportation with principal due in varying amounts through year 2027, including interest at 3.0% to 5.0% per annum.</p>	<p>15,480,000</p>
<p>\$14,175,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.</p>	<p>14,175,000</p>
<p>\$3,885,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2024, including interest at 2.0% to 4.0% per annum.</p>	<p>3,585,000</p>
<p>\$11,585,000 2014 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2044, including interest at 2.0% to 5.0% per annum.</p>	<p>\$ 9,275,000</p>

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\$15,045,000 2015 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2045, including interest at 2.0% to 5.0% per annum.	\$ 15,045,000
\$5,500,000 2015 Subordinate Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2030, including interest at .05% to 1.72% per annum.	5,500,000
\$9,585,000 2014 International Toll Bridge System Revenue Bond for the purpose of acquiring, purchasing, constructing, and improving the City's International Toll Bridge System with principal due in varying amounts through year 2022, including interest at 2.0% to 5.0% per annum.	<u>9,105,000</u>
Subtotal	329,064,000
Deferred Charges/Premiums for Various Revenue Refunding Bonds	<u>4,252,472</u>
Total Revenue Bonds	<u><u>333,316,472</u></u>
Due Within One Year	\$ <u><u>14,067,000</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>\$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>\$ 665,000</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>1,695,000</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>38,195,000</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>7,405,000</p>
<p>\$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.</p>	<p>37,945,000</p>
<p>\$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.</p>	<p>1,879,896</p>
<p>\$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.</p>	<p>\$ 6,540,000</p>

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<p>\$4,605,000 2012B Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and buildings, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2032 with interest from .50% to 4.0% per annum.</p>	<p>\$ 4,025,000</p>
<p>\$10,095,000 2013 Public Property Finance Contractual for the purchase of personal property for various City departments including Transit, Solid Waste, and other departments. Principal is due in varying amounts through 2021, with interest from 2.0% to 5.0% per annum.</p>	<p>4,620,000</p>
<p>\$9,995,000 2013 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2025 with interest from 2.0% to 5.0% per annum.</p>	<p>7,785,000</p>
<p>\$6,780,000 2014 Public Property Finance Contractual for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022, with interest from 3.0% to 5.0% per annum.</p>	<p>2,372,000</p>
<p>\$19,765,000 2015 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets, improving City buildings, acquiring equipment and vehicles for various City departments, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2020 with interest from 2.0% to 5.0% per annum.</p>	<p><u>4,975,000</u></p>
<p>Subtotal</p>	<p>118,101,896</p>
<p>Deferred Charges/Premiums for various Certificates of Obligations</p>	<p><u>2,834,077</u></p>
<p>Total Certificates of Obligations</p>	<p><u><u>120,935,973</u></u></p>
<p>Due Within One Year</p>	<p>\$ <u><u>7,812,646</u></u></p>

C - General Obligation Bonds

\$27,150,000 2009 General Obligation Refunding Bonds issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2018 with interest varying from 2.75% to 5.00% per annum.	\$ 428,304
\$9,345,000 2010 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2022 with interest varying from 2.00% to 4.00% per annum.	4,114,955
\$7,635,000 2012 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2024 with interest at 3.00% per annum.	5,047,986
\$16,845,000 2013 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2026 with interest at 3.00% per annum.	623,028
\$64,740,000 2015 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2026 with interest varying from 2.00% to 3.00% per annum.	<u>8,992,518</u>
Subtotal	19,206,791
Deferred Charges for Various General Obligation Bonds	<u>(1,068,188)</u>
Total General Obligation Bonds	<u><u>18,138,603</u></u>
Due Within One Year	\$ <u><u>2,505,326</u></u>

D - Compensated Absences

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

Fund		Amount
Transit System	\$	110,622
Bridge System		382,936
Municipal Housing		29,882
Waterworks System		367,282
Sewer System		147,737
Solid Waste Fund		380,570
Total Long Term	\$	<u>1,419,029</u>

E - Refunding and Early Extinguishment

General Obligation Refunding Bonds, Series 2015

On April 29, 2015, the City of Laredo issued \$64,740,000 in General Obligation Refunding Bonds, Series 2015 with an average interest rate of 4.99% to advance the following:

Bond Issue	Average Interest Rate	Principal Amount Refunded
Gen. Oblig. Refunding, Series 2005	4.88%	\$ 4,306,424
Comb. Tax & Revenue CO, Series 2007	5.03%	4,525,000

The net proceeds of \$10,575,422 (after payment of \$93,869 in underwriting fees, insurance, and other issuance costs and a premium of \$1,536,258) plus an additional cash contribution of \$132,559 for the 2015 General Obligation Refunding Bonds sinking funds monies were used to purchase governmental securities. Those securities were deposited in an irrevocable trust within an escrow agent to provide for all of the future debt service payments on the 2005 Series G.O. and 2007 Series C.O. bonds. As a result, the 2005 Series G.O. is considered defeased and the 2007 Series C.O. bonds are considered partially defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$11,944,893. This difference, reported in the accompanying financial statements as a deduction from certificates of obligations payable, is being charged to operations through the year 2027 using the effective-interest method. The agency completed the advance refunding and its total debt service payments decrease over the next twelve years by \$1,102,796 and resulted in an economic gain (difference between the present value of the old and the new debt service payments) of \$1,042,363.

F - Prior-year defeasance of debt.

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability of the defeased bonds are not included in the City's financial statements. As of September 30, 2015 \$76,756,766 in bonds outstanding are considered defeased.

G - Landfill Closure and Post Closure Costs

During fiscal year 1994, the City adopted the provisions of GASB Statement No.18 "Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs." The landfill closure and post closure costs and the liability for landfill closure and post closure costs in Solid Waste Fund as of September 30, 2015 is \$16,354,156 of which \$13,342,508 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 \$13,342,508 as of September 30, 2015 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, 2015 is 81.58%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 7 years. Based on the remaining life, the landfill will be filled to capacity by the year 2022. The estimated total current cost of the landfill closure and post closure care (\$16,354,156) 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, 2015. 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, 2015 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Activity		
Due to Business Type Activities for Internal Service		
Funds Allocation	\$ -	\$ 6,126,168
Total Governmental Activity	\$ -	\$ 6,126,168
Business Type Activity		
Due from Governmental Activities for Internal Service		
Funds Allocation	\$ 6,126,168	\$ -
Total Business Type Activity	\$ 6,126,168	\$ -

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>
GOVERNMENTAL FUND:			
GENERAL FUND			
Bridge	\$ 78,142	-	78,142
Municipal Housing	1,500,000	-	1,500,000
DEBT SERVICE			
Bridge	771,860	-	771,860
CAPITAL IMPROVEMENTS			
Bridge	6,902,908	-	6,902,908
TOTAL - GOVERNMENT TYPE	9,252,910	-	9,252,910
BUSINESS TYPE:			
BRIDGE			
General Fund	-	78,142	78,142
Debt Service	-	771,860	771,860
MUNICIPAL HOUSING			
General Fund	-	1,500,000	1,500,000
Capital Improvements	-	6,902,908	6,902,908
TOTAL - BUSINESS TYPE	\$ -	9,252,910	9,252,910

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, 2015

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
	2016	16,537,000	13,897,794	30,434,794	463,037	114,998	578,035	18,064,999	12,907,407	30,972,406	4,095,002	4,024,265	8,119,267	39,160,038	30,944,464
2017	17,359,000	13,428,592	30,787,592	472,724	103,053	575,777	16,950,000	12,354,330	29,304,330	5,410,001	3,879,503	9,289,504	40,191,725	29,765,478	69,957,203
2018	17,985,000	12,830,287	30,815,287	411,648	90,643	502,291	13,670,001	9,122,616	22,792,617	8,900,000	3,643,936	12,543,936	40,966,649	25,687,482	66,654,131
2019	16,386,000	12,155,027	28,541,027	419,716	79,922	499,638	13,645,000	8,540,471	22,185,471	9,154,998	3,200,528	12,355,526	39,605,714	23,975,948	63,581,662
2020	16,354,000	11,524,925	27,878,925	342,984	68,849	411,833	12,940,000	7,970,987	20,910,987	9,239,999	2,804,080	12,044,079	38,876,983	22,368,841	61,245,824
2021	17,015,000	10,889,576	27,904,576	351,456	60,377	411,833	11,990,000	7,429,265	19,419,265	9,275,000	2,404,946	11,679,946	38,631,456	20,784,164	59,415,620
2022	17,709,000	10,195,883	27,904,883	360,138	51,696	411,834	10,990,000	6,901,834	17,891,834	8,895,000	2,010,795	10,905,795	37,954,138	19,160,208	57,114,346
2023	17,537,000	9,459,400	26,996,400	369,034	42,800	411,834	10,310,000	6,385,748	16,695,748	8,545,001	1,624,441	10,169,442	36,761,035	17,512,389	54,273,424
2024	18,266,000	8,709,586	26,975,586	378,149	33,684	411,833	10,945,000	5,850,556	16,795,556	8,379,999	1,243,680	9,623,679	37,969,148	15,837,506	53,806,654
2025	15,010,000	8,005,710	23,015,710	387,490	24,343	411,833	11,460,000	5,266,279	16,726,279	8,179,999	861,358	9,041,357	35,037,489	14,157,690	49,195,179
2026	13,048,000	7,459,140	20,507,140	397,062	14,772	411,834	10,880,000	4,680,671	15,560,671	7,350,000	494,126	7,844,126	31,675,062	12,648,709	44,323,771
2027	12,317,000	6,960,147	19,277,147	406,870	4,964	411,834	11,385,000	4,110,116	15,495,116	6,365,000	159,125	6,524,125	30,473,870	11,234,352	41,708,222
2028	9,726,000	6,489,169	16,215,169	-	-	-	11,885,000	3,526,843	15,411,843	-	1	1	21,611,000	10,016,013	31,627,013
2029	9,785,000	6,108,881	15,893,881	-	-	-	9,760,000	2,964,799	12,724,799	-	-	-	19,545,000	9,073,680	28,618,680
2030	9,265,000	5,714,771	14,979,771	-	-	-	7,510,000	2,510,076	10,020,076	-	-	-	16,775,000	8,224,847	24,999,847
2031	9,645,000	5,342,769	14,987,769	-	-	-	7,110,000	2,123,491	9,233,491	-	-	-	16,755,000	7,466,260	24,221,260
2032	10,035,000	4,944,223	14,979,223	-	-	-	7,440,000	1,747,740	9,187,740	-	-	-	17,475,000	6,691,963	24,166,963
2033	10,465,000	4,518,181	14,983,181	-	-	-	6,944,999	1,371,647	8,316,646	-	-	-	17,409,999	5,889,828	23,299,827
2034	10,915,000	4,070,178	14,985,178	-	-	-	4,020,000	1,074,353	5,094,353	-	-	-	14,935,000	5,144,531	20,079,531
2035	11,385,000	3,598,223	14,983,223	-	-	-	3,785,000	843,315	4,628,315	-	-	-	15,170,000	4,441,538	19,611,538
2036	11,880,000	3,101,243	14,981,243	-	-	-	2,600,000	643,796	3,243,796	-	-	-	14,480,000	3,745,039	18,225,039
2037	11,640,000	2,602,461	14,242,461	-	-	-	2,715,000	469,304	3,184,304	-	-	-	14,355,000	3,071,765	17,426,765
2038	12,140,000	2,099,758	14,239,758	-	-	-	2,835,000	287,098	3,122,098	-	-	-	14,975,000	2,386,856	17,361,856
2039	12,665,000	1,615,472	14,280,472	-	-	-	2,955,000	97,012	3,052,012	-	-	-	15,620,000	1,712,484	17,332,484
2040	13,225,000	1,018,965	14,243,965	-	-	-	-	-	-	-	-	-	13,225,000	1,018,965	14,243,965
2041	8,310,000	582,405	8,892,405	-	-	-	-	-	-	-	-	-	8,310,000	582,405	8,892,405
2042	6,730,000	316,106	7,046,106	-	-	-	-	-	-	-	-	-	6,730,000	316,106	7,046,106
2043	2,620,000	149,380	2,769,380	-	-	-	-	-	-	-	-	-	2,620,000	149,380	2,769,380
2044	1,545,000	68,098	1,613,098	-	-	-	-	-	-	-	-	-	1,545,000	68,098	1,613,098
2045	1,075,000	19,432	1,094,432	-	-	-	-	-	-	-	-	-	1,075,000	19,432	1,094,432
Total	358,574,000	177,875,782	536,449,782	4,760,308	690,101	5,450,409	222,789,999	109,179,754	331,969,753	93,789,999	26,350,784	120,140,783	679,914,306	314,096,421	994,010,727

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2015, the City had contractual commitments of \$15,508,178 for various construction and improvement projects. The commitments are summarized as follows:

<u>Project Description</u>	<u>Commitment</u>	<u>Financing Sources</u>
Community Development	\$ 420,920	Grant Proceeds
Home Investment	9,195	Grant Proceeds
Environmental Services	8,114	Bond Proceeds
Sports & Community	4,000,000	Bond Proceeds
Airport Construction	720,482	Grant Proceeds
Parks Grant	363,854	Grant Proceeds
Capital Grants	235,339	Grant Proceeds
2009 C.O. Issue	6,752	Bond Proceeds
Bridge System	782,270	Fund Revenue/Bond Proceeds
Waterworks System	7,891,638	Bond Proceeds
Wastewater System	1,069,614	Bond Proceeds
Total Commitments	<u>\$ 15,508,178</u>	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2015, expenses in General Fund exceeded appropriations in the amount of \$15,608,371 and expenses in Health and Benefits Fund exceeded appropriations in the amount of \$11,449.

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 \$250,000 per employee, with no maximum lifetime benefit. There is a maximum medical aggregate liability of \$24,868,346 and projected net claims of \$22,105,196. Claims exceeding \$250,000 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 \$2,973,239 reported in the Fund as of September 30, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim liability can be reasonably estimated. Claim liabilities are

calculated considering the recent claim settlements trends including frequency and amount of payouts and are due within one year of the date of the statement of net position. Changes in the Fund's claims liability amount in fiscal year 2013, 2014, and 2015 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims & Payments</u>	<u>Balance at Fiscal Year end ¹</u>
2012-2013	\$2,407,461	16,257,215	16,230,153	2,434,523
2013-2014	\$2,434,523	18,298,301	18,028,543	2,704,281
2014-2015	\$2,704,281	20,090,551	19,821,593	2,973,239

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

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

B. RISK MANAGEMENT FUND

On October 1, 1996, the City established a self-insured retention program for the 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 \$2,700,000 aggregated for FY12-13 and \$2,500,000 aggregated for FY13-14 and \$2,500,000 aggregated for FY14-15. 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, 2015, a liability was recorded based on fiscal year 2015 outstanding claims, which is due within one year of the date of the statement of net position. Changes in this claims liability amount in fiscal years 2013, 2014 and 2015 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current year Claims & Payments</u>	<u>Balance at Fiscal Year end ²</u>
2012-2013	\$2,602,901	1,256,771	1,453,554	2,406,118
2013-2014	\$2,406,118	1,231,281	1,415,840	2,221,559
2014-2015	\$2,221,559	694,879	1,427,371	1,489,067

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

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

NOTE 19 – CONTINGENCIES

The City participates in a number of federal programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2015, 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, 2015, the amount of unspent interest to date was \$23,348. This amount is reported in the government-wide financial statements under Net Position-Restricted for other purposes.

Texas State Law:

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

NOTE 21- BUDGET BASIS REPORTING

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

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

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

	<u>General Fund</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	\$ 1,536,656
Adjustments:	
Timing Differences-Encumbrances	(2,239,893)
Basic Differences:	
Non Budgeted-Allowance for Doubtful Accounts	<u>38,710</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	(664,527)
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>42,573,428</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	<u>\$ 41,908,901</u>

NOTE 22 – FUND EQUITY

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

CITY OF LAREDO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Inventory	7,920	-	93,068
Permanent Fund Principal	-	-	50,000
Restricted for:			
Debt Service	-	3,025,147	2,084,802
Police	646,639	-	4,202,823
Fire	3,577,510	-	-
Municipal Court	506,728	-	-
911 Regional Fund	-	-	1,869
Urban Redevelopment and Housing	-	-	210,047
Health Services	-	-	861,627
Welfare	6,611,708	-	-
Environmental Services	-	-	2,401,730
Noise Abatement	-	-	543,394
Convention and Tourism	-	-	5,206,616
Parks and Recreation	12,398	-	20,455,853
Education	90,920	-	673,274
Permanent Fund Revenues	-	-	23,348
Capital Projects (Parks, Infrastructure, Municipal Improvements)	-	-	35,112,307
Transportation	-	-	201,846
Committed to:			
Cash Reserves	26,852,052	-	-
General Government	145,730	-	-
Police	698,011	-	363,299
Fire	99,849	-	-
Municipal Court	3,013	-	-
Traffic Safety	36,469	-	-
911 Emergency	-	-	1,677,116
Parking Meters	-	-	38,102
Public Works	14,092	-	-
Urban Redevelopment and Housing	-	-	1,157,479
Health Services	-	-	544,105
Welfare	314,939	-	-
Environmental Services	-	-	592,057
Parks and Recreation	621,274	-	8,280
Education	-	-	4,373
Other	251,624	-	-
Transportation	-	-	164,379
Capital Purchases (Equipment)	54,806	-	321,674
Capital Projects	86	-	1,147,175
Assigned to:			
Parking Meters	-	-	1,730,993
Health Services	-	-	214,327
Environmental Services	-	-	1,690,408
Parks and Recreation	-	-	1,342,857
Transportation	-	-	4,607,426
Capital Projects	-	-	31,770,343
Unassigned	<u>3,603,026</u>	<u>-</u>	<u>(5,220,468)</u>
Total Fund Balances	<u>44,148,794</u>	<u>3,025,147</u>	<u>114,276,529</u>

NOTE 23 – PRIOR YEAR ADJUSTMENT

The City implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27”. As a result, the City is reporting a prior period adjustment to the beginning Net Position. The prior period adjustment will reflect as an increase to liabilities and a decrease to Unrestricted Net Position for both Governmental and Business-Type Activities. The prior period adjustment is reported in the following Business-Type activities: Municipal Housing \$(765,982), Solid Waste Management \$(8,376,412), Bridge System \$(10,627,308), Waterworks System \$(13,583,528) and Sewer System \$(5,529,062).

**CITY OF LAREDO, TEXAS
REQUIRED PENSION SYSTEM
SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

		2014
Total pension liability		
Service Cost	\$	14,954,531
Interest (on the Total Pension Liability)		34,062,490
Changes of benefit terms		-
Difference between expected and actual experience		(3,571,761)
Change of assumptions		-
Benefit payments, including refunds of employee contributions		(14,154,831)
Net Change in Total Pension Liability		<u>31,290,429</u>
Total Pension Liability-Beginning		<u>486,207,150</u>
Total Pension Liability-Ending	\$	<u><u>517,497,579</u></u>
 Plan Fiduciary Net Position		
Contributions-Employer	\$	19,414,300
Contributions-Employee		6,639,377
Net Investment Income		19,324,455
Benefit payments, including refunds of employee contributions		(14,154,831)
Administrative Expense		(201,717)
Other		(16,584)
Net Change in Plan Fiduciary Net Position		<u>31,005,000</u>
Plan Fiduciary Net Position-Beginning		<u>337,738,314</u>
Plan Fiduciary Net Position-Ending	\$	<u><u>368,743,314</u></u>
Net Pension Liability-Ending	\$	148,754,265
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability		 71.26%
 Covered Employee Payroll	\$	 94,769,773
Net Pension Liability as a Percentage of Covered Employee Payroll		 156.96%

SCHEDULE OF CHANGES IN THE LAREDO FIREFIGHTERS RETIREMENT SYSTEM NET PENSION
LIABILITY AND RELATED RATIOS

	2014
Total pension liability	
Service Cost	\$ 5,562,847
Interest (on the Total Pension Liability)	14,710,813
Changes of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(8,500,340)
Net Change in Total Pension Liability	<u>11,773,320</u>
Total Pension Liability-Beginning	182,572,479
Total Pension Liability-Ending	<u><u>\$ 194,345,799</u></u>
Plan Fiduciary Net Position	
Contributions-Employer	\$ 6,044,620
Contributions-Employee	4,521,220
Net Investment Income	9,030,933
Benefit payments, including refunds of employee contributions	(8,500,340)
Administrative Expense	(221,416)
Other	-
Net Change in Plan Fiduciary Net Position	<u>10,875,017</u>
Plan Fiduciary Net Position-Beginning	107,464,621
Plan Fiduciary Net Position-Ending	<u><u>\$ 118,339,638</u></u>
Net Pension Liability-Ending	<u>\$ 76,006,161</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.89%
Covered Employee Payroll	\$ 31,185,860
Net Pension Liability as a Percentage of Covered Employee Payroll	243.72%

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DEBT SERVICE

**CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Current	\$ 15,941,183	15,941,183	16,030,035	88,852
Delinquent - Prior	343,013	343,013	327,808	(15,205)
Total Taxes	<u>16,284,196</u>	<u>16,284,196</u>	<u>16,357,843</u>	<u>73,647</u>
Investment Income:				
Interest Earnings	28,290	28,290	35,186	6,896
Total Investment Income	<u>28,290</u>	<u>28,290</u>	<u>35,186</u>	<u>6,896</u>
Special Assessments:				
Paving Assessments	11,454	11,454	9,150	(2,304)
Total Special Assessments	<u>11,454</u>	<u>11,454</u>	<u>9,150</u>	<u>(2,304)</u>
Miscellaneous:				
Interest Rebates	278,413	278,413	278,113	(300)
Total Miscellaneous	<u>278,413</u>	<u>278,413</u>	<u>278,113</u>	<u>(300)</u>
TOTAL REVENUES	<u>16,602,353</u>	<u>16,602,353</u>	<u>16,680,292</u>	<u>77,939</u>
EXPENDITURES:				
Principal Retirement:				
General Obligations Debt	3,284,176	3,284,176	4,183,656	(899,480)
Revenue Bonds Debt	2,205,000	25,180,000	25,180,000	-
Contractual Obligations Debt	9,034,842	9,749,842	9,749,841	1
Total Principal Retirement	<u>14,524,018</u>	<u>38,214,018</u>	<u>39,113,497</u>	<u>(899,479)</u>
Interest:				
General Obligations Debt	870,093	870,093	1,403,482	(533,389)
Revenue Bonds Debt	1,663,818	2,679,769	1,540,417	1,139,352
Contractual Obligations Debt	6,871,379	7,174,565	5,735,652	1,438,913
Total Interest	<u>9,405,290</u>	<u>10,724,427</u>	<u>8,679,551</u>	<u>2,044,876</u>
Other:				
Other	762,288	762,288	17,207	745,081
Fiscal Agent Fees	20,000	20,000	7,625	12,375
Bond Costs	-	571,396	567,399	3,997
Total Other	<u>782,288</u>	<u>1,353,684</u>	<u>592,231</u>	<u>761,453</u>
TOTAL EXPENDITURES	<u>24,711,596</u>	<u>50,292,129</u>	<u>48,385,279</u>	<u>1,906,850</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ <u>(8,109,243)</u>	<u>(33,689,776)</u>	<u>(31,704,987)</u>	<u>1,984,789</u> (Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2015

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Airport	\$ 497,247	497,247	497,247	-
Environmental Services	2,200,805	2,200,805	2,200,805	-
Parking Meters	187,421	187,421	187,421	-
Sports and Community Venue	3,868,818	27,859,769	26,725,431	(1,134,338)
2006 C.O. Bond Issue	-	-	1	1
Bridge System	771,860	771,860	771,860	-
Refunding Bonds Issued	-	55,606,967	55,606,967	-
Bond Premium	-	9,338,842	9,338,842	-
Payment to Refunded Bond Escrow Agent	-	(64,374,413)	(64,374,413)	-
TOTAL OTHER FINANCING SOURCES (USES):	<u>7,526,151</u>	<u>32,088,498</u>	<u>30,954,161</u>	<u>(1,134,337)</u>
Net Change in Fund Balances	(583,092)	(1,601,278)	(750,826)	850,452
Fund Balances-Beginning	<u>3,252,116</u>	<u>3,775,973</u>	<u>3,775,973</u>	<u>-</u>
Fund Balances-Ending	<u>\$ 2,669,024</u>	<u>2,174,695</u>	<u>3,025,147</u>	<u>850,452</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Revenue Funds include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SPORTS AND COMMUNITY VENUE - to account for the sales tax proceeds of ¼ of one percent designated for payments of debt service in connection with the financing of a sports venue complex and for the operation of the Uni-Trade Stadium.

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

Capital Projects Funds include:

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

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

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

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

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

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

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

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

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

CERTIFICATE OF OBLIGATION 2014 ISSUE - to account for \$5,600,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements.

CERTIFICATE OF OBLIGATION 2015 ISSUE - to account for \$19,765,000 in bond proceeds for the purpose of paying all or a portion of the City's contractual obligations for the purpose of constructing and equipping various departments, street and drainage improvements.

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

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

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

PERMANENT FUND

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

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2015**

SPECIAL REVENUE

	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ 100	-	-	-	-
Equity in Investment Pool	-	-	51	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	-	10,221	1,631	-	-
Receivables, net of allowances:					
Accrued Interest	-	40	6	-	11,763
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	1,036	-	-	-	-
Notes	-	1,236,912	13,477,958	-	1,124,018
Due from Other Funds	-	-	-	-	-
Due from Other Governments	526,721	-	41,681	3,708	-
Inventory	-	-	-	-	-
TOTAL ASSETS	527,857	1,247,173	13,521,327	3,708	1,135,781
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	232,103	2	16,353	2,900	-
Retainage Payable	49,590	-	22,757	-	-
Accrued Wages and Employee Benefits	38,147	309	2,572	808	-
Contracts Payable	143,992	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	64,025	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	1,236,912	13,477,957	-	1,135,781
TOTAL LIABILITIES	527,857	1,237,223	13,519,639	3,708	1,135,781
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	9,950	1,688	-	-
Committed	760,281	-	163,194	234,004	-
Assigned	-	-	-	-	-
Unassigned	(760,281)	-	(163,194)	(234,004)	-
TOTAL FUND BALANCES	-	9,950	1,688	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 527,857	1,247,173	13,521,327	3,708	1,135,781

(Continued)

SPECIAL REVENUE

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
-	1,342	12,427	-	1,089	9,390
-	-	-	-	-	-
-	241,088	2,162,103	-	207,778	1,638,232
878,366	934	8,377	-	805	6,347
-	-	-	-	-	-
-	-	-	-	33	32,184
340,000	-	-	-	-	-
-	-	-	-	-	-
-	59,816	154,371	579,362	112,431	1,816,583
-	-	-	-	-	4,921
1,218,366	303,180	2,342,278	579,362	322,336	3,511,532
-	6,566	19,410	-	111,013	442,444
-	-	-	-	-	-
-	32,677	19,188	110,820	12,502	395,572
-	-	-	-	-	-
-	-	-	452,951	-	-
-	-	-	-	-	8,516
-	-	-	-	-	-
1,218,366	-	-	-	196,952	1,040,019
1,218,366	39,243	38,598	563,771	320,467	1,886,551
-	-	-	-	-	4,922
-	263,937	2,303,680	15,591	1,869	861,627
-	-	-	363,299	1,677,116	544,105
-	-	-	-	-	214,327
-	-	-	(363,299)	(1,677,116)	-
-	263,937	2,303,680	15,591	1,869	1,624,981
1,218,366	303,180	2,342,278	579,362	322,336	3,511,532

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2015**

(Continued)

SPECIAL REVENUE

	<u>INT'L. AIRPORT</u>	<u>HOTEL/MOTEL OCCUPANCY TAX</u>	<u>PUBLIC ACCESS CHANNEL</u>	<u>LAREDO CONVENT. & VISITORS</u>	<u>RECREATION FUND</u>
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ 7,212	-	-	850	-
Equity in Investment Pool	34,368	29,795	3,396	699	2,521
Cash with Fiscal Agent	-	-	-	-	-
Investments	6,036,745	5,241,505	616,346	108,082	431,629
Receivables, net of allowances:					
Accrued Interest	23,389	20,308	2,388	419	1,672
Hotel-Motel Tax, Penalty and Interest	-	92,483	-	-	-
Accounts	1,881,665	-	76,613	50	-
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	247,658	-
Due from Other Governments	14,795	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	7,998,174	5,384,091	698,743	357,758	435,822
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	148,072	92,099	25,469	84,388	9,384
Retainage Payable	9,623	-	-	-	-
Accrued Wages and Employee Benefits	109,280	-	-	25,609	7,441
Contracts Payable	-	-	-	-	-
Customer Deposits	55,035	-	-	-	-
Due to Other Funds	2,500,000	247,658	-	-	-
Due to Other Governments	667	-	-	103	-
Due to Developers	-	-	-	-	-
Deferred Revenue	201,846	85,376	-	-	22,966
TOTAL LIABILITIES	3,024,523	425,133	25,469	110,100	39,791
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	201,846	4,958,958	673,274	247,658	-
Committed	164,379	-	4,373	-	8,280
Assigned	4,607,426	-	-	-	387,751
Unassigned	-	-	(4,373)	-	-
TOTAL FUND BALANCES	4,973,651	4,958,958	673,274	247,658	396,031
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,998,174	5,384,091	698,743	357,758	435,822

(Continued)

(Continued)

SPECIAL REVENUE

<u>PARKING METERS</u>	<u>ENVIRONMENTAL SERVICES</u>	<u>KEEP LAREDO BEAUTIFUL</u>	<u>NOISE ABATE. LEASE PROGRAM</u>	<u>SPORTS & COMMUNITY VENUE</u>	<u>LAREDO ENERGY ARENA</u>
925	350	-	-	-	38,933
10,331	22,501	140	3,653	110,414	-
-	-	-	-	-	1,025,732
1,816,893	4,359,768	20,265	635,680	21,516,355	-
7,039	15,302	79	2,463	78,928	-
-	-	-	-	-	-
624,111	328,119	-	44,369	-	247,662
-	18,426	-	-	-	-
-	-	-	-	-	53,588
-	107,960	-	-	-	-
-	-	-	-	-	88,146
<u>2,459,299</u>	<u>4,852,426</u>	<u>20,484</u>	<u>686,165</u>	<u>21,705,697</u>	<u>1,454,061</u>
23,979	52,937	8,528	12,906	34,845	463,573
-	26,966	-	-	-	-
38,313	69,123	2,949	11,953	2,199	64,898
-	9,675	-	-	-	-
-	-	-	104,912	-	-
-	-	-	-	53,588	-
-	-	-	-	-	-
-	-	-	-	-	-
627,912	18,537	-	13,000	-	925,590
<u>690,204</u>	<u>177,238</u>	<u>11,477</u>	<u>142,771</u>	<u>90,632</u>	<u>1,454,061</u>
-	-	-	-	-	88,146
-	2,401,730	-	543,394	21,615,065	925,590
38,102	583,050	9,007	-	-	-
1,730,993	1,690,408	-	-	-	-
-	-	-	-	-	(1,013,736)
<u>1,769,095</u>	<u>4,675,188</u>	<u>9,007</u>	<u>543,394</u>	<u>21,615,065</u>	<u>-</u>
<u>2,459,299</u>	<u>4,852,426</u>	<u>20,484</u>	<u>686,165</u>	<u>21,705,697</u>	<u>1,454,061</u>

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2015**

(Continued)
CAPITAL
PROJECTS

	SPECIAL REVENUE				PARKS CAPITAL GRANTS
	LDO PUBLIC FACILITY CORP.	MAX MANDEL GOLF COURSE	POLICE TRUST FUND	SUBDIVISION TRUST FUND	
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	1,064	4,698	9,721	951	-
Cash with Fiscal Agent	-	28,574	-	-	-
Investments	196,597	839,731	1,692,739	177,497	-
Receivables, net of allowances:					
Accrued Interest	762	3,253	6,558	688	-
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	29,422	-	-	-
Notes	-	-	-	-	-
Due from Other Funds	-	101,339	-	-	-
Due from Other Governments	-	-	-	-	225,651
Inventory	-	50,406	-	-	-
TOTAL ASSETS	198,423	1,057,423	1,709,018	179,136	225,651
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	14	52,379	89,403	11	4,634
Retainage Payable	-	-	-	-	39,608
Accrued Wages and Employee Benefits	-	7,821	-	-	-
Contracts Payable	-	-	-	-	-
Customer Deposits	-	26,263	-	-	-
Due to Other Funds	-	-	-	-	181,409
Due to Other Governments	-	6,518	-	-	-
Due to Developers	-	-	-	179,125	-
Deferred Revenue	-	9,336	-	-	-
TOTAL LIABILITIES	14	102,317	89,403	179,136	225,651
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	198,409	-	1,619,615	-	-
Committed	-	-	-	-	677,074
Assigned	-	955,106	-	-	-
Unassigned	-	-	-	-	(677,074)
TOTAL FUND BALANCES	198,409	955,106	1,619,615	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 198,423	1,057,423	1,709,018	179,136	225,651

(Continued)

(Continued)

CAPITAL PROJECTS

<u>CAPITAL GRANTS</u>	<u>CONTRACTUAL OBLIGATIONS</u>	<u>CERTIFICATE OF OBLIGATION 07 ISSUE</u>	<u>CERTIFICATE OF OBLIGATION 08 ISSUE</u>	<u>CERTIFICATE OF OBLIGATION 09 ISSUE</u>	<u>CERTIFICATE OF OBLIGATION 10 ISSUE</u>
-	-	-	-	-	-
-	126	-	-	-	-
-	-	-	-	-	-
-	2,682,941	930,230	3,566,591	2,710,044	320,393
-	83	-	548	219	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
623,534	-	-	-	-	-
-	-	-	-	-	-
623,534	2,683,150	930,230	3,567,139	2,710,263	320,393
87,163	13,951	651,620	209,557	20,719	21,959
253,277	-	1,000	18,708	68,754	-
-	-	-	-	-	9,768
-	-	-	18,169	64,023	-
-	-	-	-	-	-
283,094	-	7,696	1,088,436	11,000	5,664
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
623,534	13,951	660,316	1,334,870	164,496	37,391
-	-	-	-	-	-
-	-	269,914	2,232,269	2,545,767	283,002
327,391	177,171	-	-	-	-
-	2,492,028	-	-	-	-
(327,391)	-	-	-	-	-
-	2,669,199	269,914	2,232,269	2,545,767	283,002
623,534	2,683,150	930,230	3,567,139	2,710,263	320,393

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2015**

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 12 ISSUE	CERTIFICATE OF OBLIGATION 14 ISSUE	CERTIFICATE OF OBLIGATION 15 ISSUE	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	-	-	-
Equity in Investment Pool	-	-	-	21,238	161,781
Cash with Fiscal Agent	-	-	-	-	-
Investments	1,716,232	5,807,561	-	3,767,773	28,426,463
Receivables, net of allowances:					
Accrued Interest	347	-	-	14,454	110,135
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	-	-	15,539,289	-	50,000
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	2,500,000	1,085,460
Due from Other Governments	-	-	-	893,080	41,013
Inventory	-	-	-	-	-
TOTAL ASSETS	1,716,579	5,807,561	15,539,289	7,196,545	29,874,852
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	65	23,611	-	283,315	65,059
Retainage Payable	-	2,244	-	218,302	-
Accrued Wages and Employee Benefits	-	-	-	6,888	-
Contracts Payable	-	-	-	-	833
Customer Deposits	-	-	-	-	-
Due to Other Funds	117,316	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	-	-	-	-	70,310
TOTAL LIABILITIES	117,381	25,855	-	508,505	136,202
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,599,198	5,781,706	15,539,289	6,688,040	173,122
Committed	-	-	-	-	287,213
Assigned	-	-	-	-	29,278,315
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	1,599,198	5,781,706	15,539,289	6,688,040	29,738,650
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,716,579	5,807,561	15,539,289	7,196,545	29,874,852

(Continued)

<u>PERMANENT FUND</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>CANSECO ENDOWMENT FUND</u>		
-		57,445
395		442,091
-		1,054,306
72,676		97,951,789
282		1,195,954
-		92,483
-		18,854,553
-		16,197,314
-		3,988,045
-		5,200,706
-		143,473
73,353		145,178,159
<hr/>		
5		3,310,436
-		710,829
-		968,837
-		236,692
-		186,210
-		5,012,837
-		15,804
-		179,125
-		20,280,860
5		30,901,630
<hr/>		
50,000		143,068
23,348		71,979,536
-		6,018,039
-		41,356,354
-		(5,220,468)
73,348		114,276,529
73,353		145,178,159

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2015

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
REVENUES:					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	3,906,514	-	951,510	240,376	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	217	150	-	6
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	101,146	43,465	162,124	-	52,296
Other	-	-	-	-	-
TOTAL REVENUES	4,007,660	43,682	1,113,784	240,376	52,302
EXPENDITURES:					
Public Safety	410,884	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	884,003	72,145	759,179	240,376	-
Cultural and Recreational	-	-	-	-	-
General Government	673,976	8,104	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	1,968,863	80,249	759,179	240,376	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	2,038,797	-	463,407	-	-
TOTAL EXPENDITURES	4,007,660	80,249	1,222,586	240,376	-
Excess (Deficiency) of Revenues Over Expenditures	-	(36,567)	(108,802)	-	52,302
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	52,302	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Loss on Advance Refunding	-	-	-	-	-
Transfers Out	-	-	-	-	(52,302)
Sale of Assets	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	52,302	-	(52,302)
Net Change in Fund Balance	-	(36,567)	(56,500)	-	-
Fund Balances at Beginning of Year	-	46,517	58,188	-	-
FUND BALANCE AT END OF YEAR	\$ -	9,950	1,688	-	-

(Continued)

SPECIAL REVENUE					
COMMUNITY DEV. ARRA	AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 REGIONAL COMM. FUND	HEALTH FUND
-	-	-	-	-	-
-	-	-	-	-	418,825
-	-	672,616	2,405,773	-	1,693,389
-	443,784	-	336,798	2,659,137	7,810,544
-	-	-	-	-	111,139
-	-	-	-	-	-
-	-	-	-	-	827,002
-	253	8,740	-	1,085	3,797
-	-	-	-	-	628
-	-	-	-	-	260
-	-	-	-	-	18,577
-	-	81,046	-	650	497,859
-	-	2,111	-	-	403,707
-	444,037	764,513	2,742,571	2,660,872	11,785,727
-	797,293	709,967	2,825,058	2,324,500	-
-	-	-	-	-	-
28,679	-	-	-	-	16,014,714
-	-	-	-	-	-
-	-	-	-	-	-
28,679	797,293	709,967	2,825,058	2,324,500	16,014,714
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	109,309	334,812	88,012
28,679	797,293	709,967	2,934,367	2,659,312	16,102,726
(28,679)	(353,256)	54,546	(191,796)	1,560	(4,316,999)
28,679	341,959	-	190,205	-	4,623,413
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,679	341,959	-	190,205	-	4,623,413
-	(11,297)	54,546	(1,591)	1,560	306,414
-	275,234	2,249,134	17,182	309	1,318,567
-	263,937	2,303,680	15,591	1,869	1,624,981

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2015

(Continued)

	SPECIAL REVENUE				
	INT'L AIRPORT	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	MERCADO MGMT.	LAREDO CONVENT. & VISITORS
REVENUES:					
Taxes	\$ -	4,204,569	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	43,023	-	-	-	-
State	924	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	577,297	-	308,717	-	17,824
Investment Income:					
Interest Earnings	29,585	21,970	2,322	-	127
Rents and Royalties	6,981,197	-	-	-	-
Discount Earnings	178	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	124,964
Reimbursements	644,128	25	-	-	1,311
Other	3,548	-	-	-	-
TOTAL REVENUES	8,279,880	4,226,564	311,039	-	144,226
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	692,238	31,167	-	2,526,794
General Government	-	-	-	-	-
Air Transportation Services	6,467,036	-	-	-	-
Total Operating Expenditures	6,467,036	692,238	31,167	-	2,526,794
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	-	-
Capital Outlay	780,077	-	143,461	-	-
TOTAL EXPENDITURES	7,247,113	692,238	174,628	-	2,526,794
Excess (Deficiency) of Revenues Over Expenditures	1,032,767	3,534,326	136,411	-	(2,382,568)
OTHER FINANCING SOURCES (USES):					
Transfers In	600,000	-	-	-	2,443,021
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Loss on Advance Refunding	-	-	-	-	-
Transfers Out	(3,125,384)	(2,662,126)	(2,801)	(261,844)	-
Sale of Assets	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,525,384)	(2,662,126)	(2,801)	(261,844)	2,443,021
Net Change in Fund Balance	(1,492,617)	872,200	133,610	(261,844)	60,453
Fund Balances at Beginning of Year	6,466,268	4,086,758	539,664	261,844	187,205
FUND BALANCE AT END OF YEAR	\$ 4,973,651	4,958,958	673,274	-	247,658

(Continued)

(Continued)

SPECIAL REVENUE					
RECREATION FUND	PARKING METERS	ENVIRO. SERVICES	KEEP LAREDO BEAUTIFUL, INC. FUND	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE
-	-	-	-	-	8,272,829
-	8,614	314,618	-	-	-
-	-	101,760	-	-	-
-	-	89,000	-	-	-
-	300	17,000	-	-	-
-	-	6,475,200	-	-	-
-	729,450	-	-	-	-
308,786	1,946,160	-	-	42,120	-
2,112	8,450	20,344	5	2,992	86,655
23,122	-	-	-	1,501,666	-
-	-	8,374	-	-	-
-	-	-	7,525	-	-
-	146	15,606	-	8,348	-
-	-	-	-	-	-
<u>334,020</u>	<u>2,693,120</u>	<u>7,041,902</u>	<u>7,530</u>	<u>1,555,126</u>	<u>8,359,484</u>
-	1,685,770	-	-	-	-
-	-	-	-	-	-
893,048	-	4,580,591	110,191	938,342	1,106,576
-	-	-	-	-	-
-	-	-	-	-	-
<u>893,048</u>	<u>1,685,770</u>	<u>4,580,591</u>	<u>110,191</u>	<u>938,342</u>	<u>1,106,576</u>
-	-	-	-	-	-
-	-	-	-	-	-
23,122	52,235	1,150,785	-	-	351,312
-	-	-	-	-	78,667
<u>916,170</u>	<u>1,738,005</u>	<u>5,731,376</u>	<u>110,191</u>	<u>938,342</u>	<u>1,536,555</u>
<u>(582,150)</u>	<u>955,115</u>	<u>1,310,526</u>	<u>(102,661)</u>	<u>616,784</u>	<u>6,822,929</u>
500,285	-	412,339	106,089	-	-
-	-	-	-	-	20,545,000
-	-	-	-	-	2,798,155
-	-	-	-	-	(258,062)
-	(587,421)	(2,306,894)	-	(600,000)	(28,075,694)
-	-	-	-	-	-
-	-	-	-	-	-
<u>500,285</u>	<u>(587,421)</u>	<u>(1,894,555)</u>	<u>106,089</u>	<u>(600,000)</u>	<u>(4,990,601)</u>
(81,865)	367,694	(584,029)	3,428	16,784	1,832,328
<u>477,896</u>	<u>1,401,401</u>	<u>5,259,217</u>	<u>5,579</u>	<u>526,610</u>	<u>19,782,737</u>
<u>396,031</u>	<u>1,769,095</u>	<u>4,675,188</u>	<u>9,007</u>	<u>543,394</u>	<u>21,615,065</u>

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2015

(Continued)

	SPECIAL REVENUE				
	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.	MAX MANDEL GOLF COURSE	FRIENDS OF THE LIBRARY	POLICE TRUST FUND
REVENUES:					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	3,778,623	-	333,214	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	877	-	-	8,322
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	69,195	-	-
Reimbursements	-	144,146	-	60,537	14,509
Other	-	-	-	-	1,133,355
TOTAL REVENUES	3,778,623	145,023	402,409	60,537	1,156,186
EXPENDITURES:					
Public Safety	-	-	-	-	822,766
Public Works	-	-	-	-	-
Health and Welfare	-	1,062	-	-	-
Cultural and Recreational	5,128,886	-	560,791	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	5,128,886	1,062	560,791	-	822,766
Debt Service:					
Principal	-	-	-	-	65,005
Interest	-	-	-	-	6,007
Bond Costs	-	-	-	-	-
Capital Outlay	-	-	-	144,791	304,291
TOTAL EXPENDITURES	5,128,886	1,062	560,791	144,791	1,198,069
Excess (Deficiency) of Revenues Over Expenditures	(1,350,263)	143,961	(158,382)	(84,254)	(41,883)
OTHER FINANCING SOURCES (USES):					
Transfers In	1,350,263	-	1,109,374	-	-
Proceeds - Long Term Debt	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Loss on Advance Refunding	-	-	-	-	-
Transfers Out	-	-	-	(62,253)	-
Sale of Assets	-	-	4,114	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,350,263	-	1,113,488	(62,253)	-
Net Change in Fund Balance	-	143,961	955,106	(146,507)	(41,883)
Fund Balances at Beginning of Year	-	54,448	-	146,507	1,661,498
FUND BALANCE AT END OF YEAR	\$ -	198,409	955,106	-	1,619,615

(Continued)

(Continued)

CAPITAL PROJECTS					
PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 06 ISSUE	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
761,200	2,626,203	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8	-	6,097	10	5,317	7,909
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	31,102	-	66,596	91
761,208	2,626,203	37,199	10	71,913	8,000
-	-	-	-	-	-
-	87,163	312,862	3,344	70,695	1,456
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	87,163	312,862	3,344	70,695	1,456
-	-	-	-	-	-
-	-	-	-	-	-
-	-	81,613	-	-	-
811,514	2,790,332	3,459,945	24,331	3,213,551	1,804,028
811,514	2,877,495	3,854,420	27,675	3,284,246	1,805,484
(50,306)	(251,292)	(3,817,221)	(27,665)	(3,212,333)	(1,797,484)
44,801	251,292	-	-	-	-
-	-	4,093,000	-	-	-
-	-	493,930	-	-	-
-	-	-	-	-	-
-	-	-	(1)	(134,539)	(44,801)
-	-	11,000	-	-	-
-	-	-	-	(939,467)	-
44,801	251,292	4,597,930	(1)	(1,074,006)	(44,801)
(5,505)	-	780,709	(27,666)	(4,286,339)	(1,842,285)
5,505	-	1,888,490	27,666	4,556,253	4,074,554
-	-	2,669,199	-	269,914	2,232,269

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2015

(Continued)

	CAPITAL PROJECTS				
	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 10 ISSUE	CERTIFICATE OF OBLIGATION 12 ISSUE	CERTIFICATE OF OBLIGATION 14 ISSUE	CERTIFICATE OF OBLIGATION 15 ISSUE
REVENUES:	\$				
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	5,155	375	4,953	4,762	-
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	2,500	-	-	-
Other	-	-	-	-	-
TOTAL REVENUES	5,155	2,875	4,953	4,762	-
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	43,195	974	1,263	16,656	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	43,195	974	1,263	16,656	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Costs	-	-	-	128,366	219,742
Capital Outlay	1,201,878	293,835	-	214,763	-
TOTAL EXPENDITURES	1,245,073	294,809	1,263	359,785	219,742
Excess (Deficiency) of Revenues Over Expenditures	(1,239,918)	(291,934)	3,690	(355,023)	(219,742)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	-
Proceeds - Long Term Debt	-	-	-	5,600,000	14,790,000
Bond Premiums	-	-	-	536,729	969,031
Loss on Advance Refunding	-	-	-	-	-
Transfers Out	-	-	(529,092)	-	-
Sale of Assets	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(529,092)	6,136,729	15,759,031
Net Change in Fund Balance	(1,239,918)	(291,934)	(525,402)	5,781,706	15,539,289
Fund Balances at Beginning of Year	3,785,685	574,936	2,124,600	-	-
FUND BALANCE AT END OF YEAR	\$ 2,545,767	283,002	1,599,198	5,781,706	15,539,289

(Continued)

(Continued)

CAPITAL PROJECTS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	12,477,398
-	-	-	742,057
9,619,572	-	-	19,634,533
49,996	58,313	-	14,835,899
-	37,876	-	166,315
-	-	-	10,587,037
-	-	-	729,450
-	-	-	4,027,906
18,237	96,843	305	347,980
-	-	-	8,506,613
-	-	-	8,812
-	11,049	-	231,310
-	-	-	1,829,842
256,033	302,823	-	2,199,366
9,943,838	506,904	305	76,324,518
-	-	-	9,576,238
2,559,459	491,119	-	3,588,186
-	-	-	23,629,282
-	-	-	10,939,500
-	-	-	682,080
-	-	-	6,467,036
2,559,459	491,119	-	54,882,322
-	-	-	65,005
-	-	-	6,007
-	-	-	781,033
8,603,419	1,076,359	-	29,205,721
11,162,878	1,567,478	-	84,940,088
(1,219,040)	(1,060,574)	305	(8,615,570)
2,549,996	6,902,908	-	21,506,926
-	-	-	45,028,000
-	-	-	4,797,845
-	-	-	(258,062)
-	-	-	(38,445,152)
-	-	-	15,114
-	-	-	(939,467)
2,549,996	6,902,908	-	31,705,204
1,330,956	5,842,334	305	23,089,634
5,357,084	23,896,316	73,043	91,186,895
6,688,040	29,738,650	73,348	114,276,529

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
CDBG Grants	\$ 22,463,382	3,906,514	26,369,896	29,953,312
Miscellaneous:				
Reimbursements	726,714	101,146	827,860	780,755
TOTAL REVENUES	<u>23,190,096</u>	<u>4,007,660</u>	<u>27,197,756</u>	<u>30,734,067</u>
EXPENDITURES:				
Public Safety	3,022,367	410,884	3,433,251	3,794,832
Health and Welfare	4,221,102	884,003	5,105,105	6,039,058
Cultural and Recreational	620,119	-	620,119	770,679
General Government	4,988,495	673,976	5,662,471	5,934,071
Capital Outlay	10,338,013	2,038,797	12,376,810	14,195,427
TOTAL EXPENDITURES	<u>23,190,096</u>	<u>4,007,660</u>	<u>27,197,756</u>	<u>30,734,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		<u>\$ -</u>		

CITY OF LAREDO, TEXAS
HOUSING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	-	-	217	-	217	217
Miscellaneous:						
Reimbursements	\$ 48,000	94,517	43,465	-	43,465	(51,052)
TOTAL REVENUES	48,000	94,517	43,682	-	43,682	(50,835)
EXPENDITURES:						
Administration:						
Personnel Services	8,098	8,098	8,104	-	8,104	(6)
Contractual Services	473	473	470	-	470	3
Total Administration	8,571	8,571	8,574	-	8,574	(3)
Housing Rehabilitation Loans:						
Contractual Services	39,429	85,946	71,675	-	71,675	14,271
Total Housing Rehabilitation Loans	39,429	85,946	71,675	-	71,675	14,271
TOTAL EXPENDITURES	48,000	94,517	80,249	-	80,249	14,268
Excess (Deficiency) of Revenues Over Expenditures	-	-	(36,567)	-	(36,567)	(36,567)
Fund Balances at Beginning of Year	41,433	46,517	46,517	-	46,517	-
FUND BALANCE AT END OF YEAR	\$ 41,433	46,517	9,950	-	9,950	(36,567)

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
HOME Grants	\$ 3,983,606	951,510	4,935,116	5,821,915
Investment Income:				
Interest Earnings	2,761	150	2,911	2,674
Miscellaneous:				
Reimbursements	750,642	162,124	912,766	955,020
TOTAL REVENUES	<u>4,737,009</u>	<u>1,113,784</u>	<u>5,850,793</u>	<u>6,779,609</u>
EXPENDITURES:				
Personnel Services	403,564	64,920	468,484	470,175
Materials and Supplies	9,784	-	9,784	9,784
Contractual Services	4,836,321	694,259	5,530,580	6,289,078
Capital Outlay	-	463,407	463,407	525,762
TOTAL EXPENDITURES	<u>5,249,669</u>	<u>1,222,586</u>	<u>6,472,255</u>	<u>7,294,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(512,660)</u>	<u>(108,802)</u>	<u>(621,462)</u>	<u>(515,190)</u>
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Inv. Afford. Housing	575,321	52,302	627,623	519,663
Transfer Out:				
Home Inv. Afford. Housing	(4,473)	-	(4,473)	(4,473)
TOTAL OTHER FINANCING SOURCES:	<u>570,848</u>	<u>52,302</u>	<u>623,150</u>	<u>515,190</u>
Net Change in Fund Balances	<u>\$ 58,188</u>	<u>(56,500)</u>	<u>1,688</u>	<u>-</u>
Fund Balances-Beginning		58,188		
Fund Balances-Ending		<u>\$ 1,688</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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>346,273</u>	<u>240,376</u>	<u>586,649</u>	<u>822,060</u>
TOTAL REVENUES	<u>346,273</u>	<u>240,376</u>	<u>586,649</u>	<u>822,060</u>
EXPENDITURES:				
Personnel Services	23,182	20,606	43,788	44,376
Materials and Supplies	5,025	1,137	6,162	6,164
Contractual Services	<u>318,066</u>	<u>218,633</u>	<u>536,699</u>	<u>771,520</u>
TOTAL EXPENDITURES	<u>346,273</u>	<u>240,376</u>	<u>586,649</u>	<u>822,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>-</u>	-	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		\$ <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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Las Terrazas Project	\$ 470,623	-	470,623	515,190
Investment Income:				
Interest Earnings	1,753	6	1,759	1,767
Miscellaneous:				
Reimbursements	1,307,108	52,296	1,359,404	1,251,455
TOTAL REVENUES	1,779,484	52,302	1,831,786	1,768,412
EXPENDITURES:				
Contractual Services	169	-	169	169
Other	8,467	-	8,467	53,053
Capital Outlay	1,200,000	-	1,200,000	1,200,000
TOTAL EXPENDITURES	1,208,636	-	1,208,636	1,253,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,848	52,302	623,150	515,190
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Investment Partnership	4,473	-	4,473	4,473
Transfer Out:				
Home Investment Fund	(575,321)	(52,302)	(627,623)	(519,663)
TOTAL OTHER FINANCING SOURCES:	(570,848)	(52,302)	(623,150)	(515,190)
Net Change in Fund Balances	\$ -	-	-	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ -		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Neighborhood Assistance	\$ 1,754,374	-	1,754,374	2,127,102
TOTAL REVENUES	<u>1,754,374</u>	<u>-</u>	<u>1,754,374</u>	<u>2,127,102</u>
EXPENDITURES:				
Personnel Services	78,943	-	78,943	79,106
Materials and Supplies	5,018	-	5,018	5,019
Contractual Services	1,501,185	-	1,501,185	1,873,749
Other	-	28,679	28,679	-
TOTAL EXPENDITURES	<u>1,585,146</u>	<u>28,679</u>	<u>1,613,825</u>	<u>1,957,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>169,228</u>	<u>(28,679)</u>	<u>140,549</u>	<u>169,228</u>
OTHER FINANCING SOURCES (USES):				
Transfer In:				
General Fund	-	28,679	28,679	-
Transfer Out:				
Municipal Housing	(169,228)	-	(169,228)	(169,228)
TOTAL OTHER FINANCING SOURCES:	<u>(169,228)</u>	<u>28,679</u>	<u>(140,549)</u>	<u>(169,228)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		-		
Fund Balances-Ending		<u>\$ -</u>		

CITY OF LAREDO, TEXAS
 AUTO THEFT TASK FORCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State	\$ 638,144	1,032,537	443,784	-	443,784	(588,753)
Investment Income:						
Interest Earnings	400	400	253	-	253	(147)
TOTAL REVENUES	638,544	1,032,937	444,037	-	444,037	(588,900)
EXPENDITURES:						
Personnel Services	660,878	1,437,359	641,749	-	641,749	795,610
Materials and Supplies	85,900	27,580	27,500	-	27,500	80
Contractual Services	229,190	266,102	128,044	-	128,044	138,058
Other	103	800	-	-	-	800
TOTAL EXPENDITURES	976,071	1,731,841	797,293	-	797,293	934,548
Excess (Deficiency) of Revenues Over Expenditures	(337,527)	(698,904)	(353,256)	-	(353,256)	345,648
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	251,837	341,959	341,959	-	341,959	-
TOTAL OTHER FINANCING SOURCES (USES)	251,837	341,959	341,959	-	341,959	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(85,690)	(356,945)	(11,297)	-	(11,297)	345,648
Fund Balances at Beginning of Year	-	275,234	275,234	-	275,234	-
FUND BALANCES AT END OF YEAR	\$ (85,690)	(81,711)	263,937	-	263,937	345,648

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 1,052,457	1,619,210	672,616	-	672,616	(946,594)
Investment Income:						
Interest Earnings	5,000	5,000	8,740	-	8,740	3,740
Miscellaneous:						
Forfeitures	320,000	320,000	81,046	-	81,046	(238,954)
Other	-	-	2,111	-	2,111	2,111
TOTAL REVENUES	<u>1,377,457</u>	<u>1,944,210</u>	<u>764,513</u>	<u>-</u>	<u>764,513</u>	<u>(1,179,697)</u>
EXPENDITURES:						
Personnel Services	418,756	1,238,735	653,419	-	653,419	585,316
Material and Supplies	37,218	66,338	20,786	2,518	23,304	43,034
Contractual Services	73,907	117,820	35,762	235	35,997	81,823
Other	<u>727,526</u>	<u>395,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,317</u>
Total Operating Expenditures	1,257,407	1,818,210	709,967	2,753	712,720	1,105,490
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
TOTAL EXPENDITURES	<u>1,258,407</u>	<u>1,819,210</u>	<u>709,967</u>	<u>2,753</u>	<u>712,720</u>	<u>1,106,490</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	119,050	125,000	54,546	(2,753)	51,793	(73,207)
Fund Balances at Beginning of Year	<u>2,432,407</u>	<u>2,249,134</u>	<u>2,249,134</u>	<u>-</u>	<u>2,249,134</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,551,457</u>	<u>2,374,134</u>	<u>2,303,680</u>	<u>(2,753)</u>	<u>2,300,927</u>	<u>(73,207)</u>

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 1,350,652	3,419,746	2,405,773	-	2,405,773	(1,013,973)
State	549,708	347,294	336,798	-	336,798	(10,496)
Miscellaneous:						
Reimbursements	-	208,656	-	-	-	(208,656)
TOTAL REVENUES	1,900,360	3,975,696	2,742,571	-	2,742,571	(1,233,125)
EXPENDITURES:						
Police Grants:						
Click It or Ticket	24,708	7,003	7,002	-	7,002	1
Impaired Driving Mobilization	61,769	30,771	29,223	-	29,223	1,548
Alcohol Tobacco Firearms	30,885	129,450	129,447	-	129,447	3
Comprehensive Comm. Vehicle STEP	92,654	75,031	62,888	-	62,888	12,143
Comprehensive STEP	123,539	135,971	135,954	-	135,954	17
Customs Narcotics	112,421	104,000	30,923	-	30,923	73,077
Bulletproof Vest Partnership	66,350	-	-	-	-	-
Justice Assistance Grant	116,710	179,993	146,160	-	146,160	33,833
Fugitive Apprehension	18,531	18,532	18,524	-	18,524	8
Ldo. Joint Terrorism TF	21,251	22,685	12,828	-	12,828	9,857
Cops Program	-	1,498,809	1,296,301	-	1,296,301	202,508
OCDETF	52,383	22,764	19,320	-	19,320	3,444
FBI-Safe Streets	42,502	45,503	36,042	-	36,042	9,461
Stonegarden Grant	1,002,312	842,647	576,719	1,456	578,175	264,472
CBP Task Force	-	205,378	153,335	-	153,335	52,043
GDEM Border Security	300,000	170,392	170,392	-	170,392	-
Other	-	204,325	-	-	-	204,325
Total Operating Expenditures	2,066,015	3,693,254	2,825,058	1,456	2,826,514	866,740
Capital Outlay	48,718	506,058	109,309	377,434	486,743	19,315
TOTAL EXPENDITURES	2,114,733	4,199,312	2,934,367	378,890	3,313,257	886,055
Excess (Deficiency) of Revenues Over Expenditures	(214,373)	(223,616)	(191,796)	(378,890)	(570,686)	(347,070)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	163,343	214,221	190,205	-	190,205	(24,016)
TOTAL OTHER FINANCING SOURCES (USES)	163,343	214,221	190,205	-	190,205	(24,016)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(51,030)	(9,395)	(1,591)	(378,890)	(380,481)	(371,086)
Fund Balances at Beginning of Year	-	17,182	17,182	-	17,182	-
FUND BALANCES AT END OF YEAR	\$ (51,030)	7,787	15,591	(378,890)	(363,299)	(371,086)

CITY OF LAREDO, TEXAS
911 EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State Emergency Commission	\$ 1,673,291	6,484,409	2,659,137	-	2,659,137	(3,825,272)
Investment Income:						
Interest Earnings	20	320	1,085	-	1,085	765
Miscellaneous:						
Reimbursements	-	-	650	-	650	650
TOTAL REVENUES	1,673,311	6,484,729	2,660,872	-	2,660,872	(3,823,857)
EXPENDITURES:						
Personnel Services	317,615	815,530	292,485	-	292,485	523,045
Materials and Supplies	394,888	1,696,376	540,596	317,936	858,532	837,844
Contractual Services	1,861,529	2,745,872	905,647	1,205,999	2,111,646	634,226
Other	20	586,092	585,772	-	585,772	320
Total Operating Expenditures	2,574,052	5,843,870	2,324,500	1,523,935	3,848,435	1,995,435
Capital Outlay	398,133	640,859	334,812	155,050	489,862	150,997
TOTAL EXPENDITURES	2,972,185	6,484,729	2,659,312	1,678,985	4,338,297	2,146,432
Excess (Deficiency) of Revenues Over Expenditures	(1,298,874)	-	1,560	(1,678,985)	(1,677,425)	(1,677,425)
Fund Balances at Beginning of Year	-	309	309	-	309	-
FUND BALANCES AT END OF YEAR	\$ (1,298,874)	309	1,869	(1,678,985)	(1,677,116)	(1,677,425)

**CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal Grants	\$ 1,480,806	3,216,455	1,693,389	-	1,693,389	(1,523,066)
State Grants	8,655,595	12,043,946	7,810,544	-	7,810,544	(4,233,402)
Other	170,070	304,383	111,139	-	111,139	(193,244)
Licenses and Permits	390,150	390,150	418,825	-	418,825	28,675
Fees and Collections	901,311	952,245	827,002	-	827,002	(125,243)
Investment Income:						
Interest Earnings	700	700	3,797	-	3,797	3,097
Rents and Royalties	901	901	628	-	628	(273)
Discount Earnings	-	-	260	-	260	260
Miscellaneous:						
Contributions	350,000	408,521	18,577	-	18,577	(389,944)
Reimbursements	743,084	1,313,976	497,859	-	497,859	(816,117)
Other	251,859	726,443	403,707	-	403,707	(322,736)
TOTAL REVENUES	12,944,476	19,357,720	11,785,727	-	11,785,727	(7,571,993)
EXPENDITURES:						
Administrative Divisions:						
Administration	1,487,256	1,488,993	1,393,349	(3,282)	1,390,067	98,926
Health Education	107,184	80,288	51,813	7,556	59,369	20,919
Vital Statistics	233,017	236,204	223,498	-	223,498	12,706
E.M.S. Billing	255,526	276,754	193,040	24,734	217,774	58,980
STD Clinic	76,483	76,483	95,709	1,200	96,909	(20,426)
Maternity	70,108	60,107	60,237	18,013	78,250	(18,143)
Immunization	257,876	263,117	236,875	6,135	243,010	20,107
Tuberculosis	150,096	149,779	149,955	752	150,707	(928)
Adult Health	51,426	51,426	45,627	2,928	48,555	2,871
Laboratory	782,504	775,030	761,549	29,591	791,140	(16,110)
Personal Health Services	67,497	67,497	66,517	81	66,598	899
Budget and Grant Management	393,017	388,830	357,996	-	357,996	30,834
Environmental	678,919	688,869	674,161	3,005	677,166	11,703
Animal Control	847,316	876,996	831,343	4,677	836,020	40,976
Animal Shelter	956,319	944,176	665,793	90,888	756,681	187,495
Total Administrative Divisions	6,414,544	6,424,549	5,807,462	186,278	5,993,740	430,809
State Grants:						
H.I.V. - Prevention	300,600	689,778	305,853	-	305,853	383,925
T.B. Federal - Tuberculosis	122,324	308,583	140,562	-	140,562	168,021
Primary Care	180,904	348,314	177,199	-	177,199	171,115
Tuberculosis Elimination	216,351	439,663	228,534	-	228,534	211,129
Immunization Action Plan	403,831	666,698	350,426	-	350,426	316,272
Bureau of Regional/Local Health Operations	680,609	1,805,507	634,693	3,764	638,457	1,167,050
Women Infant and Children (W.I.C.)	4,699,018	4,964,445	3,906,523	23,674	3,930,197	1,034,248
W.I.C. Counties Expansion	1,030,233	1,033,944	920,805	5,308	926,113	107,831
Bio-Terrorism Preparedness	327,488	678,851	400,232	1,064	401,296	277,555
Office of Border Health - Surveillance	399	13,300	3,506	-	3,506	9,794
Associateship for Community Health and Resource Development - Dental	75,000	150,000	69,733	-	69,733	80,267
Associateship for Community Health and Resource Development - Prenatal	\$ 37,986	101,119	41,716	-	41,716	59,403

(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, 2015**

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
State Grants (Continued)						
H.I.V. - Housing Project (H.O.P.W.A.)	\$ 84,211	126,549	71,786	17,593	89,379	37,170
H.I.V. - Consortia (Ryan White)	378,321	662,619	403,888	38,496	442,384	220,235
HIV Social Services	133,700	256,865	117,945	-	117,945	138,920
Community Diabetes Program	80,000	154,738	63,800	-	63,800	90,938
Hospital Preparedness Program	160,233	299,392	177,704	1,048	178,752	120,640
Influenza Surveillance	9,831	19,995	6,157	-	6,157	13,838
Texas Healthy Communities	-	50,000	47,836	1,365	49,201	799
Ebola Preparedness	-	15,284	-	-	-	15,284
Ebola Surveillance	-	165,000	-	-	-	165,000
HPP Ebola Supplemental	-	13,828	-	-	-	13,828
Nurse-Family Partnership	561,349	1,031,026	510,576	-	510,576	520,450
Food Inspection Innovation	120,087	204,033	82,338	-	82,338	121,695
1115 Wavier Program	719,145	1,293,487	583,956	36,309	620,265	673,222
HIV and Mental Health Project	-	500,000	425,587	14,960	440,547	59,453
Women's Health and Family Planning	105,592	253,207	118,963	12,400	131,363	121,844
WHFPT - Health Information Technology	-	25,000	25,000	-	25,000	-
WHFPT - Client Transportation	-	3,000	2,996	-	2,996	4
CHIP Perinate	68,434	68,434	-	-	-	68,434
Ventanilla de Salud Program	34,223	47,603	28,900	8,626	37,526	10,077
Fernando Salinas Trust	37,536	8,917	3,602	1,821	5,423	3,494
Ryan White Part D	-	109,324	-	-	-	109,324
Hepatitis B Program	15,750	15,750	-	-	-	15,750
Women and Children Health Program	386,217	386,217	356,060	6,675	362,735	23,482
Special Projects	350,283	431,057	376	369	745	430,312
Total State Grant Expenses	11,319,655	17,341,527	10,207,252	173,472	10,380,724	6,960,803
Total Operating Expenses	17,734,199	23,766,076	16,014,714	359,750	16,374,464	7,391,612
Capital Outlay	35,674	295,582	88,012	161,891	249,903	45,679
TOTAL EXPENDITURES	17,769,873	24,061,658	16,102,726	521,641	16,624,367	7,437,291
Excess (Deficiency) of Revenues Over Expenditures	(4,825,397)	(4,703,938)	(4,316,999)	(521,641)	(4,838,640)	(134,702)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	4,483,600	4,483,600	4,623,413	-	4,623,413	139,813
TOTAL OTHER FINANCING SOURCES (USES)	4,483,600	4,483,600	4,623,413	-	4,623,413	139,813
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(341,797)	(220,338)	306,414	(521,641)	(215,227)	5,111
Fund Balances at Beginning of Year	-	1,318,567	1,318,567	(22,464)	1,296,103	(22,464)
FUND BALANCE AT END OF YEAR	\$ (341,797)	1,098,229	1,624,981	(544,105)	1,080,876	(17,353)

**CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 58,400	58,400	43,023	-	43,023	(15,377)
State	2,500	2,500	924	-	924	(1,576)
Fees and Collections	543,000	543,000	577,297	-	577,297	34,297
Investment Income:						
Interest Earnings	18,000	18,000	29,585	-	29,585	11,585
Discount Earnings	-	-	178	-	178	178
Rents and Royalties	4,899,898	4,899,898	6,981,197	-	6,981,197	2,081,299
Miscellaneous:						
Reimbursements	478,676	478,676	644,128	-	644,128	165,452
Other	-	-	3,548	-	3,548	3,548
TOTAL REVENUES	6,000,474	6,000,474	8,279,880	-	8,279,880	2,279,406
EXPENDITURES:						
Administration:						
Personnel Services	732,612	732,612	716,504	-	716,504	16,108
Materials and Supplies	67,046	67,046	33,753	874	34,627	32,419
Contractual Services	2,381,086	2,482,282	2,397,083	44,708	2,441,791	40,491
Other	400,000	5,569	1,768	(1,960)	(192)	5,761
Total Administration	<u>3,580,744</u>	<u>3,287,509</u>	<u>3,149,108</u>	<u>43,622</u>	<u>3,192,730</u>	<u>94,779</u>
Building Maintenance:						
Personnel Services	677,390	681,218	503,611	-	503,611	177,607
Materials and Supplies	219,122	225,997	112,464	20,344	132,808	93,189
Contractual Services	1,294,237	1,256,137	638,761	38,939	677,700	578,437
Total Building Maintenance	<u>2,190,749</u>	<u>2,163,352</u>	<u>1,254,836</u>	<u>59,283</u>	<u>1,314,119</u>	<u>849,233</u>
Ground Maintenance:						
Personnel Services	355,420	359,220	364,627	-	364,627	(5,407)
Materials and Supplies	60,326	56,826	36,580	254	36,834	19,992
Contractual Services	240,083	240,083	137,222	1,315	138,537	101,546
Total Ground Maintenance	<u>\$ 655,829</u>	<u>656,129</u>	<u>538,429</u>	<u>1,569</u>	<u>539,998</u>	<u>116,131</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, 2015**

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)						
Airport Security:						
Personnel Services	\$ 1,095,923	1,095,928	1,057,287	-	1,057,287	38,641
Materials and Supplies	101,494	104,089	78,975	2,758	81,733	22,356
Contractual Services	<u>159,160</u>	<u>162,360</u>	<u>103,658</u>	<u>15,472</u>	<u>119,130</u>	<u>43,230</u>
Total Airport Security	<u>1,356,577</u>	<u>1,362,377</u>	<u>1,239,920</u>	<u>18,230</u>	<u>1,258,150</u>	<u>104,227</u>
Foreign Trade Zone:						
Personnel Services	14,308	14,308	14,342	-	14,342	(34)
Materials and Supplies	500	500	-	-	-	500
Contractual Services	<u>5,650</u>	<u>5,650</u>	<u>750</u>	<u>-</u>	<u>750</u>	<u>4,900</u>
Total Foreign Trade Zone	<u>20,458</u>	<u>20,458</u>	<u>15,092</u>	<u>-</u>	<u>15,092</u>	<u>5,366</u>
Federal Inspection Services:						
Personnel Services	216,036	221,036	217,522	-	217,522	3,514
Materials and Supplies	20,413	20,150	7,286	742	8,028	12,122
Contractual Services	<u>167,858</u>	<u>157,879</u>	<u>44,843</u>	<u>33</u>	<u>44,876</u>	<u>113,003</u>
Total Federal Inspection Services	<u>404,307</u>	<u>399,065</u>	<u>269,651</u>	<u>775</u>	<u>270,426</u>	<u>128,639</u>
Total Operating Expenditures	8,208,664	7,888,890	6,467,036	123,479	6,590,515	1,298,375
Capital Outlay	<u>357,888</u>	<u>677,662</u>	<u>780,077</u>	<u>38,940</u>	<u>819,017</u>	<u>(141,355)</u>
TOTAL EXPENDITURES	<u>8,566,552</u>	<u>8,566,552</u>	<u>7,247,113</u>	<u>162,419</u>	<u>7,409,532</u>	<u>1,157,020</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,566,078)</u>	<u>(2,566,078)</u>	<u>1,032,767</u>	<u>(162,419)</u>	<u>870,348</u>	<u>3,436,426</u>
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Noise Abatement Fund	600,000	600,000	600,000	-	600,000	-
Transfers Out:						
General Fund	(78,141)	(78,141)	(78,141)	-	(78,141)	-
Debt Service	(497,247)	(497,247)	(497,247)	-	(497,247)	-
Airport Construction Fund	<u>(2,550,000)</u>	<u>(2,550,000)</u>	<u>(2,549,996)</u>	<u>-</u>	<u>(2,549,996)</u>	<u>4</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,525,388)</u>	<u>(2,525,388)</u>	<u>(2,525,384)</u>	<u>-</u>	<u>(2,525,384)</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(5,091,466)	(5,091,466)	(1,492,617)	(162,419)	(1,655,036)	3,436,430
Fund Balances at Beginning of Year	<u>5,410,817</u>	<u>6,466,268</u>	<u>6,466,268</u>	<u>(1,960)</u>	<u>6,464,308</u>	<u>(1,960)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 319,351</u>	<u>1,374,802</u>	<u>4,973,651</u>	<u>(164,379)</u>	<u>4,809,272</u>	<u>3,434,470</u>

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 4,462,059	4,462,059	4,193,325	-	4,193,325	(268,734)
Penalty and Interest	19,011	11,525	11,244	-	11,244	(281)
Investment Income:						
Interest Earnings	7,200	7,200	21,970	-	21,970	14,770
Miscellaneous:						
Reimbursements	-	-	25	-	25	25
TOTAL REVENUES	<u>4,488,270</u>	<u>4,480,784</u>	<u>4,226,564</u>	<u>-</u>	<u>4,226,564</u>	<u>(254,220)</u>
EXPENDITURES:						
Contractual Services:						
Administration	1,000,000	-	1,382	-	1,382	(1,382)
Tourism and Promotion	257,250	257,250	250,977	919	251,896	5,354
Historical and Arts	251,460	1,251,460	439,879	22,552	462,431	789,029
TOTAL EXPENDITURES	<u>1,508,710</u>	<u>1,508,710</u>	<u>692,238</u>	<u>23,471</u>	<u>715,709</u>	<u>793,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,979,560</u>	<u>2,972,074</u>	<u>3,534,326</u>	<u>(23,471)</u>	<u>3,510,855</u>	<u>538,781</u>
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
General Fund	(143,819)	(143,819)	(118,819)	-	(118,819)	25,000
Convention and Visitors Bureau	(2,670,551)	(2,890,551)	(2,443,022)	-	(2,443,022)	447,529
Recreation Fund	(142,519)	(142,519)	(100,285)	-	(100,285)	42,234
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,956,889)</u>	<u>(3,176,889)</u>	<u>(2,662,126)</u>	<u>-</u>	<u>(2,662,126)</u>	<u>514,763</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	22,671	(204,815)	872,200	(23,471)	848,729	1,053,544
Fund Balances at Beginning of Year	<u>3,701,718</u>	<u>4,086,758</u>	<u>4,086,758</u>	<u>-</u>	<u>4,086,758</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,724,389</u>	<u>3,881,943</u>	<u>4,958,958</u>	<u>(23,471)</u>	<u>4,935,487</u>	<u>1,053,544</u>

**CITY OF LAREDO, TEXAS
PUBLIC ACCESS CHANNEL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Peg Funds	\$ 279,971	279,971	308,717	-	308,717	28,746
Investment Income:						
Interest Earnings	-	-	2,322	-	2,322	2,322
TOTAL REVENUES	279,971	279,971	311,039	-	311,039	31,068
EXPENDITURES:						
Materials and Supplies	1,415	35,830	31,167	4,260	35,427	403
Contractual Services	1,386	-	-	-	-	-
Other	338,256	338,256	-	-	-	338,256
Total Operating Expenditures	341,057	374,086	31,167	4,260	35,427	338,659
Capital Outlay	479,621	443,791	143,461	113	143,574	300,217
TOTAL EXPENDITURES	820,678	817,877	174,628	4,373	179,001	638,876
Excess (Deficiency) of Revenues Over Expenditures	(540,707)	(537,906)	136,411	(4,373)	132,038	669,944
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
General Fund	-	-	(2,801)	-	(2,801)	(2,801)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(2,801)	-	(2,801)	(2,801)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(540,707)	(537,906)	133,610	(4,373)	129,237	667,143
Fund Balances at Beginning of Year	499,185	539,664	539,664	-	539,664	-
FUND BALANCE AT END OF YEAR	\$ (41,522)	1,758	673,274	(4,373)	668,901	667,143

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
General Fund	\$ (228,857)	(228,857)	(261,844)	-	(261,844)	(32,987)
TOTAL OTHER FINANCING SOURCES (USES)	(228,857)	(228,857)	(261,844)	-	(261,844)	(32,987)
Fund Balances at Beginning of Year	228,857	261,844	261,844	-	261,844	-
FUND BALANCE AT END OF YEAR	\$ -	32,987	-	-	-	(32,987)

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Fees and Collections	\$ 23,019	23,019	17,824	-	17,824	(5,195)
Investment Income:						
Interest Earnings	-	-	127	-	127	127
Miscellaneous:						
Contributions	200,000	200,000	124,964	-	124,964	(75,036)
Reimbursements	100,940	100,940	1,311	-	1,311	(99,629)
TOTAL REVENUES	323,959	323,959	144,226	-	144,226	(179,733)
EXPENDITURES:						
Personnel Services	699,352	699,352	637,395	-	637,395	61,957
Materials and Supplies	177,616	193,216	172,364	2,801	175,165	18,051
Contractual Services	2,152,749	2,430,851	1,717,035	244,857	1,961,892	468,959
Other	152,000	78,298	-	-	-	78,298
TOTAL EXPENDITURES	3,181,717	3,401,717	2,526,794	247,658	2,774,452	627,265
Excess (Deficiency) of Revenues Over Expenditures	(2,857,758)	(3,077,758)	(2,382,568)	(247,658)	(2,630,226)	447,532
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	2,670,551	2,890,551	2,443,021	-	2,443,021	(447,530)
TOTAL OTHER FINANCING SOURCES (USES)	2,670,551	2,890,551	2,443,021	-	2,443,021	(447,530)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(187,207)	(187,207)	60,453	(247,658)	(187,205)	2
Fund Balances at Beginning of Year	-	187,205	187,205	-	187,205	-
FUND BALANCE AT END OF YEAR	\$ (187,207)	(2)	247,658	(247,658)	-	2

**CITY OF LAREDO, TEXAS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 37,488	1,100	2,112	-	2,112	1,012
Rents and Royalties	-	36,388	23,122	-	23,122	(13,266)
Fees and Collections	276,600	276,600	308,786	-	308,786	32,186
Miscellaneous:						
Reimbursements	138,880	138,880	-	-	-	(138,880)
TOTAL REVENUES	452,968	452,968	334,020	-	334,020	(118,948)
EXPENDITURES:						
Personnel Services	100,746	109,506	133,080	-	133,080	(23,574)
Materials and Supplies	154,391	171,656	36,926	5,632	42,558	129,098
Contractual Services	706,475	1,084,511	721,611	2,648	724,259	360,252
Other	161,403	132,342	1,431	-	1,431	130,911
Total Operating Expenditures	1,123,015	1,498,015	893,048	8,280	901,328	596,687
Capital Outlay	-	23,122	23,122	-	23,122	-
TOTAL EXPENDITURES	1,123,015	1,521,137	916,170	8,280	924,450	596,687
Excess (Deficiency) of Revenues Over Expenditures	(670,047)	(1,068,169)	(582,150)	(8,280)	(590,430)	477,739
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	410,000	785,000	400,000	-	400,000	(385,000)
Hotel-Motel Occupancy Tax	142,519	142,519	100,285	-	100,285	(42,234)
TOTAL OTHER FINANCING SOURCES (USES)	552,519	927,519	500,285	-	500,285	(427,234)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(117,528)	(140,650)	(81,865)	(8,280)	(90,145)	50,505
Fund Balances at Beginning of Year	450,357	477,896	477,896	-	477,896	-
FUND BALANCES AT END OF YEAR	\$ 332,829	337,246	396,031	(8,280)	387,751	50,505

CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Webb County	\$ 300	300	300	-	300	-
License and Permits	2,000	2,000	8,614	-	8,614	6,614
Fines	655,000	655,000	729,450	-	729,450	74,450
Fees and Collections	1,940,850	1,940,850	1,946,160	-	1,946,160	5,310
Investment Income:						
Interest Earnings	3,700	3,700	8,450	-	8,450	4,750
Miscellaneous:						
Reimbursements	-	-	146	-	146	146
TOTAL REVENUES	<u>2,601,850</u>	<u>2,601,850</u>	<u>2,693,120</u>	<u>-</u>	<u>2,693,120</u>	<u>91,270</u>
EXPENDITURES:						
Personnel Services	1,269,942	1,269,942	1,124,393	-	1,124,393	145,549
Materials and Supplies	241,169	240,444	148,914	6,556	155,470	84,974
Contractual Services	473,718	487,552	412,555	31,546	444,101	43,451
Other	132,000	67,166	(92)	-	(92)	67,258
Total Operating Expenditures	2,116,829	2,065,104	1,685,770	38,102	1,723,872	341,232
Capital Outlay	-	51,725	52,235	-	52,235	(510)
TOTAL EXPENDITURES	<u>2,116,829</u>	<u>2,116,829</u>	<u>1,738,005</u>	<u>38,102</u>	<u>1,776,107</u>	<u>340,722</u>
Excess (Deficiency) of Revenues Over Expenditures	485,021	485,021	955,115	(38,102)	917,013	431,992
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Debt Service Fund	(400,000)	(400,000)	(400,000)	-	(400,000)	-
General Fund	(187,421)	(187,421)	(187,421)	-	(187,421)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(587,421)</u>	<u>(587,421)</u>	<u>(587,421)</u>	<u>-</u>	<u>(587,421)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(102,400)	(102,400)	367,694	(38,102)	329,592	431,992
Fund Balances at Beginning of Year	1,208,203	1,401,401	1,401,401	-	1,401,401	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,105,803</u>	<u>1,299,001</u>	<u>1,769,095</u>	<u>(38,102)</u>	<u>1,730,993</u>	<u>431,992</u>

**CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Storm Water Fees	\$ 6,362,400	6,347,400	6,475,200	-	6,475,200	127,800
Hazardous Materials Fees	291,000	291,000	314,618	-	314,618	23,618
Intergovernmental:						
Economic Development Agency	-	181,907	101,760	-	101,760	(80,147)
STDC-Regional Solid Waste Mgmt	-	45,000	45,000	-	45,000	-
Texas Department of Transportation	44,000	44,000	44,000	-	44,000	-
Universities and Colleges	17,000	17,000	17,000	-	17,000	-
Investment Income:						
Interest Earnings	19,200	19,200	18,743	-	18,743	(457)
Discount Earnings	-	-	8,374	-	8,374	8,374
Miscellaneous:						
Reimbursements	36,000	6,000	15,606	-	15,606	9,606
TOTAL REVENUES	6,769,600	6,951,507	7,040,301	-	7,040,301	88,794
EXPENDITURES:						
Administration:						
Personnel Services	278,816	279,055	273,989	-	273,989	5,066
Contractual Services	49,915	53,676	51,100	514	51,614	2,062
Other	-	-	21,442	(21,442)	-	-
Total Administration	328,731	332,731	346,531	(20,928)	325,603	7,128
Creek Cleaning:						
Personnel Services	1,016,692	814,823	768,128	-	768,128	46,695
Materials and Supplies	180,681	171,681	83,112	453	83,565	88,116
Contractual Services	249,108	450,977	429,711	706	430,417	20,560
Total Creek Cleaning	1,446,481	1,437,481	1,280,951	1,159	1,282,110	155,371
Stormwater:						
Personnel	808,998	808,998	756,789	-	756,789	52,209
Materials and Supplies	123,660	155,147	79,061	23,346	102,407	52,740
Contractual Services	1,895,225	1,933,324	1,615,948	192,087	1,808,035	125,289
Other	92,707	-	-	-	-	-
Total Stormwater	2,920,590	2,897,469	2,451,798	215,433	2,667,231	230,238
CD Code Enforcement:						
Personnel Services	48,759	48,759	48,588	-	48,588	171
Materials and Supplies	630	1,751	1,577	-	1,577	174
Contractual Services	736	736	747	-	747	(11)
Total CD Code Enforcement	50,125	51,246	50,912	-	50,912	334
Hazardous Materials:						
Personnel Services	196,393	196,393	186,904	-	186,904	9,489
Materials and Supplies	5,611	5,353	5,186	-	5,186	167
Contractual Services	13,795	14,053	9,516	2,441	11,957	2,096
Total Hazardous Materials	\$ 215,799	215,799	201,606	2,441	204,047	11,752

(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, 2015**

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)						
STDC - Regional Management:						
Materials and Supplies	\$ -	30,000	30,000	-	30,000	-
Contractual Services	-	15,000	15,000	-	15,000	-
Total STDC - Regional Management	-	45,000	45,000	-	45,000	-
Storm Water Improvements:						
Contractual Services	550,000	550,000	203,255	240,491	443,746	106,254
Reserve Appropriation	1,830,670	1,690,670	-	-	-	1,690,670
Total Storm Water Improvements	2,380,670	2,240,670	203,255	240,491	443,746	1,796,924
2007 C.O. Issue:						
Reserve Appropriation	5,005	5,001	-	-	-	5,001
Total 2007 C.O. Issue	5,005	5,001	-	-	-	5,001
2013 C.O. Issue:						
Contractual Services	300	1,300	538	-	538	762
Reserve Appropriation	4,264	4,764	-	-	-	4,764
Total 2013 C.O. Issue	4,564	6,064	538	-	538	5,526
Total Operating Expenditures	7,351,965	7,231,461	4,580,591	438,596	5,019,187	2,212,274
Capital Outlay	232,847	20,735,570	1,150,785	123,012	1,273,797	19,461,773
TOTAL EXPENDITURES	7,584,812	27,967,031	5,731,376	561,608	6,292,984	21,674,047
Excess (Deficiency) of Revenues Over Expenditures	(815,212)	(21,015,524)	1,308,925	(561,608)	747,317	21,762,841
OTHER FINANCING SOURCES (USES):						
Transfers In:						
2007 C.O. Issue	5,005	17,703,817	133,450	-	133,450	(17,570,367)
2012 C.O. Issue	-	1,500,000	278,889	-	278,889	(1,221,111)
Miscellaneous	-	1,035	-	-	-	(1,035)
Bond Proceeds	-	910,000	-	-	-	(910,000)
Bond Premium	-	107,288	-	-	-	(107,288)
Bond Costs	-	(15,788)	-	-	-	15,788
Bond Interest Earnings	4,564	3,529	1,601	-	1,601	(1,928)
Transfers Out:						
Debt Service	(2,200,805)	(2,200,805)	(2,200,805)	-	(2,200,805)	-
Keep Laredo Beautiful	(114,000)	(114,000)	(106,089)	-	(106,089)	7,911
TOTAL OTHER FINANCING SOURCES (USES)	(2,305,236)	17,895,076	(1,892,954)	-	(1,892,954)	(19,788,030)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(3,120,448)	(3,120,448)	(584,029)	(561,608)	(1,145,637)	1,974,811
Fund Balances at Beginning of Year	4,138,525	5,259,217	5,259,217	(21,442)	5,237,775	(21,442)
FUND BALANCE AT END OF YEAR	\$ 1,018,077	2,138,769	4,675,188	(583,050)	4,092,138	1,953,369

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ -	-	5	-	5	5
Miscellaneous:						
Contributions	25,000	25,000	7,525	-	7,525	(17,475)
TOTAL REVENUES	25,000	25,000	7,530	-	7,530	(17,470)
EXPENDITURES:						
Personnel Services	77,262	77,262	76,735	-	76,735	527
Materials and Supplies	30,628	38,114	27,728	7,507	35,235	2,879
Contractual Services	11,689	11,703	5,728	1,500	7,228	4,475
Other	25,000	17,500	-	-	-	17,500
TOTAL EXPENDITURES	144,579	144,579	110,191	9,007	119,198	25,381
Excess (Deficiency) of Revenues Over Expenditures	(119,579)	(119,579)	(102,661)	(9,007)	(111,668)	7,911
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	114,000	114,000	106,089	-	106,089	(7,911)
TOTAL OTHER FINANCING SOURCES (USES)	114,000	114,000	106,089	-	106,089	(7,911)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(5,579)	(5,579)	3,428	(9,007)	(5,579)	-
Fund Balances at Beginning of Year	-	5,579	5,579	-	5,579	-
FUND BALANCE AT END OF YEAR	\$ (5,579)	-	9,007	(9,007)	-	-

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 2,400	2,400	2,992	-	2,992	592
Fees and Collections	35,000	35,000	42,120	-	42,120	7,120
Rents and Royalties	1,409,500	1,409,500	1,501,666	-	1,501,666	92,166
Miscellaneous:						
Reimbursements	3,636	3,636	8,348	-	8,348	4,712
TOTAL REVENUES	1,450,536	1,450,536	1,555,126	-	1,555,126	104,590
EXPENDITURES:						
Personnel Services	342,289	344,139	302,301	-	302,301	41,838
Materials and Supplies	124,351	138,851	123,806	2,903	126,709	12,142
Contractual Services	526,386	530,036	479,254	15,282	494,536	35,500
Other	20,000	-	32,981	(32,981)	-	-
Total Operating Expenditures	1,013,026	1,013,026	938,342	(14,796)	923,546	89,480
Capital Outlay	23,874	23,874	-	23,874	23,874	-
TOTAL EXPENDITURES	1,036,900	1,036,900	938,342	9,078	947,420	89,480
Excess (Deficiency) of Revenues Over Expenditures	413,636	413,636	616,784	(9,078)	607,706	194,070
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Airport Fund	(600,000)	(600,000)	(600,000)	-	(600,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(600,000)	(600,000)	(600,000)	-	(600,000)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(186,364)	(186,364)	16,784	(9,078)	7,706	194,070
Fund Balances at Beginning of Year	569,906	526,610	526,610	(32,981)	493,629	(32,981)
FUND BALANCES AT END OF YEAR	\$ 383,542	340,246	543,394	(42,059)	501,335	161,089

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
General Sales & Use Tax	\$ 8,255,805	8,255,805	8,272,829	-	8,272,829	17,024
Investment Income:						
Interest Earnings	53,600	53,600	86,655	-	86,655	33,055
TOTAL REVENUES	8,309,405	8,309,405	8,359,484	-	8,359,484	50,079
EXPENDITURES:						
Personnel	173,228	119,709	59,937	-	59,937	59,772
Materials and Supplies	94,122	210,835	124,626	5,831	130,457	80,378
Contractual Services	117,481	964,784	922,013	47,076	969,089	(4,305)
Other	1,377,703	469,221	-	-	-	469,221
Total Operating Expenditures	1,762,534	1,764,549	1,106,576	52,907	1,159,483	605,066
Bond Costs	-	355,617	351,312	-	351,312	4,305
Capital Outlay	459,340	4,982,325	78,667	4,487,198	4,565,865	416,460
TOTAL EXPENDITURES	2,221,874	7,102,491	1,536,555	4,540,105	6,076,660	1,025,831
Excess (Deficiency) of Revenues Over Expenditures	6,087,531	1,206,914	6,822,929	(4,540,105)	2,282,824	1,075,910
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	3,790,482	3,917,619	-	3,852,733	3,852,733	(64,886)
Proceeds - Long Term Debt	-	20,545,000	20,545,000	-	20,545,000	-
Bond Premiums	-	2,798,155	2,798,155	-	2,798,155	-
Loss on Advance Refunding	-	(258,062)	(258,062)	-	(258,062)	-
Transfer Out:						
Sports & Community Debt Service	(3,790,482)	(3,790,482)	-	(3,852,733)	(3,852,733)	(62,251)
Laredo Energy Arena Operations	(1,541,466)	(1,541,466)	(1,350,263)	-	(1,350,263)	191,203
Debt Service	(3,868,818)	(26,725,431)	(26,725,431)	-	(26,725,431)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,410,284)	(5,054,667)	(4,990,601)	-	(4,990,601)	64,066
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	677,247	(3,847,753)	1,832,328	(4,540,105)	(2,707,777)	1,139,976
Fund Balances at Beginning of Year	19,917,065	19,782,737	19,782,737	-	19,782,737	-
FUND BALANCES AT END OF YEAR	\$ 20,594,312	15,934,984	21,615,065	(4,540,105)	17,074,960	1,139,976

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Charges for Services	\$ 3,726,236	3,726,236	3,778,623	-	3,778,623	52,387
TOTAL REVENUES	3,726,236	3,726,236	3,778,623	-	3,778,623	52,387
EXPENDITURES:						
Contractual Services	5,267,702	5,267,702	5,128,886	-	5,128,886	138,816
TOTAL EXPENDITURES	5,267,702	5,267,702	5,128,886	-	5,128,886	138,816
Excess (Deficiency) of Revenues Over Expenditures	(1,541,466)	(1,541,466)	(1,350,263)	-	(1,350,263)	191,203
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	1,541,466	1,541,466	1,350,263	-	1,350,263	(191,203)
TOTAL OTHER FINANCING SOURCES (USES)	1,541,466	1,541,466	1,350,263	-	1,350,263	(191,203)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	-	-	-	-
Fund Balances at Beginning of Year	27,874	-	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ 27,874	-	-	-	-	-

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,301	877	2,178	1,681
Miscellaneous:				
Reimbursements	489,500	144,146	633,646	489,500
TOTAL REVENUES	490,801	145,023	635,824	491,181
EXPENDITURES:				
Contractual Services	2,558	1,062	3,620	20,250
Other	58,795	-	58,795	95,931
TOTAL EXPENDITURES	61,353	1,062	62,415	116,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	429,448	143,961	573,409	375,000
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
General Fund	(375,000)	-	(375,000)	(375,000)
TOTAL OTHER FINANCING SOURCES:	(375,000)	-	(375,000)	(375,000)
Net Change in Fund Balances	\$ 54,448	143,961	198,409	-
Fund Balances-Beginning		54,448		
Fund Balances-Ending		\$ 198,409		

CITY OF LAREDO, TEXAS
MAX MANDEL GOLF COURSE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Charges for Services	\$ -	376,791	333,214	-	333,214	(43,577)
Miscellaneous:						
Contributions	-	-	69,195	-	69,195	69,195
TOTAL REVENUES	-	376,791	402,409	-	402,409	25,618
EXPENDITURES:						
Contractual Services	-	698,489	560,791	-	560,791	137,698
Other	-	63,302	-	-	-	63,302
TOTAL EXPENDITURES	-	761,791	560,791	-	560,791	201,000
Excess (Deficiency) of Revenues Over Expenditures	-	(385,000)	(158,382)	-	(158,382)	226,618
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	-	385,000	1,109,374	-	1,109,374	724,374
Sale of Assets	-	-	4,114	-	4,114	4,114
TOTAL OTHER FINANCING SOURCES (USES)	-	385,000	1,113,488	-	1,113,488	728,488
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	955,106	-	955,106	955,106
FUND BALANCE AT END OF YEAR	\$ -	-	955,106	-	955,106	955,106

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Reimbursements	\$ -	-	60,537	-	60,537	60,537
TOTAL REVENUES	-	-	60,537	-	60,537	60,537
EXPENDITURES:						
Capital Outlay	144,791	144,791	144,791	-	144,791	-
TOTAL EXPENDITURES	144,791	144,791	144,791	-	144,791	-
Excess (Deficiency) of Revenues Over Expenditures	(144,791)	(144,791)	(84,254)	-	(84,254)	60,537
OTHER FINANCING SOURCES (USES):						
Transfer Out: General Fund	-	-	(62,253)	-	(62,253)	62,253
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(62,253)	-	(62,253)	62,253
Excess (Deficiency) of Revenues Over Expenditures	(144,791)	(144,791)	(146,507)	-	(146,507)	122,790
Fund Balances at Beginning of Year	-	146,507	146,507	-	146,507	-
FUND BALANCES AT END OF YEAR	\$ (144,791)	1,716	-	-	-	122,790

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Investment Income:						
Interest Earnings	\$ 11,800	11,800	8,322	-	8,322	(3,478)
Miscellaneous:						
Forfeitures	6,150,000	6,150,000	1,133,355	-	1,133,355	(5,016,645)
Reimbursements	-	-	14,509	-	14,509	14,509
TOTAL REVENUES	<u>6,161,800</u>	<u>6,161,800</u>	<u>1,156,186</u>	<u>-</u>	<u>1,156,186</u>	<u>(5,005,614)</u>
EXPENDITURES:						
Materials and Supplies	262,658	789,110	560,339	51,740	612,079	177,031
Contractual Services	56,979	386,980	262,427	46,308	308,735	78,245
Other	5,790,788	4,582,650	-	-	-	4,582,650
Total Operating Expenditures	6,110,425	5,758,740	822,766	98,048	920,814	4,837,926
Debt Service:						
Principal	65,005	65,005	65,005	-	65,005	-
Interest	6,007	6,007	6,007	-	6,007	-
Capital Outlay	3,869	355,554	304,291	17,575	321,866	33,688
TOTAL EXPENDITURES	<u>6,185,306</u>	<u>6,185,306</u>	<u>1,198,069</u>	<u>115,623</u>	<u>1,313,692</u>	<u>4,871,614</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,506)	(23,506)	(41,883)	(115,623)	(157,506)	(134,000)
Fund Balances at Beginning of Year	-	1,661,498	1,661,498	-	1,661,498	-
FUND BALANCES AT END OF YEAR	<u>\$ (23,506)</u>	<u>1,637,992</u>	<u>1,619,615</u>	<u>(115,623)</u>	<u>1,503,992</u>	<u>(134,000)</u>

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 834,585	761,200	1,595,785	3,437,398
Investment Income:				
Interest Earnings	12,934	8	12,942	12,934
Miscellaneous:				
Contributions and Donations	-	-	-	4,030,189
TOTAL REVENUES	<u>847,519</u>	<u>761,208</u>	<u>1,608,727</u>	<u>7,480,521</u>
EXPENDITURES:				
Other	-	-	-	1,890,765
Capital Outlay	991,158	811,514	1,802,672	5,927,390
TOTAL EXPENDITURES	<u>991,158</u>	<u>811,514</u>	<u>1,802,672</u>	<u>7,818,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(143,639)</u>	<u>(50,306)</u>	<u>(193,945)</u>	<u>(337,634)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
2008 C.O. Bond	143,923	44,801	188,724	332,413
General Fund	5,221	-	5,221	5,221
TOTAL OTHER FINANCING SOURCES:	<u>149,144</u>	<u>44,801</u>	<u>193,945</u>	<u>337,634</u>
Net Change in Fund Balances	<u>\$ 5,505</u>	<u>(5,505)</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		5,505		
Fund Balances-Ending		<u>\$ -</u>		

**CITY OF LAREDO, TEXAS
CAPITAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 199,990	-	199,990	200,000
State	3,982,544	2,626,203	6,608,747	24,504,603
TOTAL REVENUES	4,182,534	2,626,203	6,808,737	24,704,603
EXPENDITURES:				
Contractual Services	44,134	87,163	131,297	325,623
Other	-	-	-	832,745
Capital Outlay	4,483,159	2,790,332	7,273,491	27,855,353
TOTAL EXPENDITURES	4,527,293	2,877,495	7,404,788	29,013,721
Excess (Deficiency) of Revenues Over (Under) Expenditures	(344,759)	(251,292)	(596,051)	(4,309,118)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	-	-	-	534,023
2007 C.O. Bond	37,148	1,089	38,237	1,231,497
2008 C.O. Bond	397	-	397	1,543,598
2012 C.O. Bond	307,214	250,203	557,417	1,000,000
TOTAL OTHER FINANCING SOURCES:	344,759	251,292	596,051	4,309,118
Net Change in Fund Balances	\$ -	-	-	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ -		

**CITY OF LAREDO, TEXAS
CONTRACTUAL OBLIGATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 78,172	6,097	84,269	16,563
Miscellaneous:				
Other	15,733	31,102	46,835	8,632
TOTAL REVENUES	93,905	37,199	131,104	25,195
EXPENDITURES:				
Materials and Supplies	381,632	180,471	562,103	562,368
Contractual Services	20,754	132,391	153,145	1,536,495
Other	-	-	-	37,537
Bond Costs	223,449	81,613	305,062	255,379
Capital Outlay	6,503,474	3,459,945	9,963,419	11,162,356
TOTAL EXPENDITURES	7,129,309	3,854,420	10,983,729	13,554,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,035,404)	(3,817,221)	(10,852,625)	(13,528,940)
OTHER FINANCING SOURCES (USES):				
Bond Issues	8,407,513	4,093,000	12,500,513	12,518,629
Bond Premium	516,381	493,930	1,010,311	1,010,311
Sale of Assets	-	11,000	11,000	-
TOTAL OTHER FINANCING SOURCES:	8,923,894	4,597,930	13,521,824	13,528,940
Net Change in Fund Balances	\$ 1,888,490	780,709	2,669,199	-
Fund Balances-Beginning		1,888,490		
Fund Balances-Ending		\$ 2,669,199		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
UTHSC - Dental Clinic	\$ 758,869	-	758,869	758,869
Investment Income:				
Interest Earnings	1,932,516	10	1,932,526	1,932,744
Discount Earnings	105	-	105	105
Other	67,781	-	67,781	67,780
TOTAL REVENUES	<u>2,759,271</u>	<u>10</u>	<u>2,759,281</u>	<u>2,759,498</u>
EXPENDITURES:				
Materials and Supplies	39,327	-	39,327	39,327
Contractual Services	11,593	3,344	14,937	12,468
Other	758,884	-	758,884	762,967
Bond Costs	327,891	-	327,891	327,891
Capital Outlay	18,528,452	24,331	18,552,783	18,551,387
TOTAL EXPENDITURES	<u>19,666,147</u>	<u>27,675</u>	<u>19,693,822</u>	<u>19,694,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,906,876)</u>	<u>(27,665)</u>	<u>(16,934,541)</u>	<u>(16,934,542)</u>
OTHER FINANCING SOURCES (USES):				
Bond Issues	17,320,000	-	17,320,000	17,320,000
Bond Premium	14,390	-	14,390	14,391
Transfer In:				
Capital Improvements Fund	11,168	-	11,168	11,168
Transfers Out:				
Capital Grants Fund	(84,444)	-	(84,444)	(84,445)
Capital Improvements Fund	(326,572)	-	(326,572)	(326,572)
Debt Service Fund	-	(1)	(1)	-
TOTAL OTHER FINANCING SOURCES:	<u>16,934,542</u>	<u>(1)</u>	<u>16,934,541</u>	<u>16,934,542</u>
Net Change in Fund Balances	<u>\$ 27,666</u>	<u>(27,666)</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning		<u>27,666</u>		
Fund Balances-Ending		<u>\$ -</u>		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
School Districts	\$ 27,200	-	27,200	27,200
Investment Income:				
Interest Earnings	6,565,040	5,317	6,570,357	6,571,399
Miscellaneous:				
Contributions and Donations	1,000,000	-	1,000,000	1,000,000
Other	838,186	66,596	904,782	904,782
TOTAL REVENUES	8,430,426	71,913	8,502,339	8,503,381
EXPENDITURES:				
Materials and Supplies	884,655	4,130	888,785	879,400
Contractual Services	184,237	66,565	250,802	123,079
Other	27,200	-	27,200	30,896
Bond Costs	938,978	-	938,978	938,978
Capital Outlay	49,862,457	3,213,551	53,076,008	54,367,275
TOTAL EXPENDITURES	51,897,527	3,284,246	55,181,773	56,339,628
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,467,101)	(3,212,333)	(46,679,434)	(47,836,247)
OTHER FINANCING SOURCES (USES):				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Payment to Refunded Bond Escrow Agent	-	(939,467)	(939,467)	-
Transfer In:				
2010 C.O. Bond Issue	750,000	-	750,000	750,000
Transfers Out:				
Environmental Services Fund	(16,608,624)	(133,450)	(16,742,074)	(16,789,642)
Capital Grants Fund	(1,192,453)	(1,089)	(1,193,542)	(1,198,541)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(62,088)	-	(62,088)	(62,089)
Sale of Assets	117,105	-	117,105	117,105
TOTAL OTHER FINANCING SOURCES:	48,023,354	(1,074,006)	46,949,348	47,836,247
Net Change in Fund Balances	\$ 4,556,253	(4,286,339)	269,914	-
Fund Balances-Beginning		4,556,253		
Fund Balances-Ending		\$ 269,914		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,321,306	7,909	1,329,215	1,328,604
Other	332,004	91	332,095	318,359
	<u>1,653,310</u>	<u>8,000</u>	<u>1,661,310</u>	<u>1,646,963</u>
TOTAL REVENUES				
EXPENDITURES:				
Materials and Supplies	96,653	-	96,653	96,654
Contractual Services	309,352	1,456	310,808	42,953
Other	-	-	-	59,776
Bond Costs	520,293	-	520,293	520,293
Capital Outlay	28,528,430	1,804,028	30,332,458	30,980,597
	<u>29,454,728</u>	<u>1,805,484</u>	<u>31,260,212</u>	<u>31,700,273</u>
TOTAL EXPENDITURES				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,801,418)</u>	<u>(1,797,484)</u>	<u>(29,598,902)</u>	<u>(30,053,310)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	30,065,000	-	30,065,000	30,065,000
Bond Premium	455,293	-	455,293	455,293
Transfer In:				
2010 C.O. Bond Issue	1,500,000	-	1,500,000	1,500,000
Transfers Out:				
Capital Improvements Fund	-	-	-	(90,972)
Parks Capital Grant	(143,924)	(44,801)	(188,725)	(332,413)
Capital Grants Fund	(397)	-	(397)	(1,543,598)
	<u>31,875,972</u>	<u>(44,801)</u>	<u>31,831,171</u>	<u>30,053,310</u>
TOTAL OTHER FINANCING SOURCES:				
Net Change in Fund Balances	<u>\$ 4,074,554</u>	<u>(1,842,285)</u>	<u>2,232,269</u>	<u>-</u>
Fund Balances-Beginning		<u>4,074,554</u>		
Fund Balances-Ending		<u>\$ 2,232,269</u>		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 232,508	5,155	237,663	239,437
Other	71,944	-	71,944	71,943
TOTAL REVENUES	304,452	5,155	309,607	311,380
EXPENDITURES:				
Materials and Supplies	8,143	41,006	49,149	50,244
Contractual Services	74,377	2,189	76,566	21,024
Other	-	-	-	383,051
Debt Service	480,247	-	480,247	480,248
Capital Outlay	23,448,747	1,201,878	24,650,625	26,869,560
TOTAL EXPENDITURES	24,011,514	1,245,073	25,256,587	27,804,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,707,062)	(1,239,918)	(24,946,980)	(27,492,747)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	24,735,000	-	24,735,000	24,735,000
Bond Premium	745,247	-	745,247	745,247
Transfers In:				
General Fund	12,500	-	12,500	12,500
2010 C.O. Bond Issue	2,000,000	-	2,000,000	2,000,000
TOTAL OTHER FINANCING SOURCES:	27,492,747	-	27,492,747	27,492,747
Net Change in Fund Balances	\$ 3,785,685	(1,239,918)	2,545,767	-
Fund Balances-Beginning		3,785,685		
Fund Balances-Ending		\$ 2,545,767		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 71,980	375	72,355	73,637
Miscellaneous:				
Reimbursements	13,303	2,500	15,803	15,803
TOTAL REVENUES	85,283	2,875	88,158	89,440
EXPENDITURES:				
Materials and Supplies	5,592	-	5,592	5,592
Contractual Services	21,257	974	22,231	30,847
Other	-	-	-	102,575
Bond Costs	195,403	-	195,403	195,403
Capital Outlay	4,483,498	293,835	4,777,333	4,950,426
TOTAL EXPENDITURES	4,705,750	294,809	5,000,559	5,284,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,620,467)	(291,934)	(4,912,401)	(5,195,403)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	9,545,000	-	9,545,000	9,545,000
Bond Premium	650,403	-	650,403	650,403
Transfers Out:				
Capital Improvements Fund	(750,000)	-	(750,000)	(750,000)
2007 C.O. Bond Fund	(750,000)	-	(750,000)	(750,000)
2008 C.O. Bond Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
2009 C.O. Bond Fund	(2,000,000)	-	(2,000,000)	(2,000,000)
TOTAL OTHER FINANCING SOURCES:	5,195,403	-	5,195,403	5,195,403
Net Change in Fund Balances	\$ 574,936	(291,934)	283,002	-
Fund Balances-Beginning		574,936		
Fund Balances-Ending		\$ 283,002		

**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, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 40,273	4,953	45,226	43,791
TOTAL REVENUES	40,273	4,953	45,226	43,791
EXPENDITURES:				
Materials and Supplies	86,422	-	86,422	86,423
Contractual Services	16,778	1,263	18,041	22,511
Other	125,000	-	125,000	170,066
Bond Cost	166,174	-	166,174	166,175
Capital Outlay	2,976,211	-	2,976,211	3,284,233
TOTAL EXPENDITURES	3,370,585	1,263	3,371,848	3,729,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,330,312)	3,690	(3,326,622)	(3,685,617)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	7,690,000	-	7,690,000	7,690,000
Bond Discount	(4,383)	-	(4,383)	(4,383)
Transfers Out:				
Evironmental Services	(423,491)	(278,889)	(702,380)	(1,500,000)
Capital Improvements Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Grants	(307,214)	(250,203)	(557,417)	(1,000,000)
TOTAL OTHER FINANCING SOURCES:	5,454,912	(529,092)	4,925,820	3,685,617
Net Change in Fund Balances	\$ 2,124,600	(525,402)	1,599,198	-
Fund Balances-Beginning		2,124,600		
Fund Balances-Ending		\$ 1,599,198		

CITY OF LAREDO, TEXAS
 CERTIFICATE OF OBLIGATION 2014 ISSUE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ -	4,762	4,762	-
TOTAL REVENUES	<u>-</u>	<u>4,762</u>	<u>4,762</u>	<u>-</u>
EXPENDITURES:				
Contractual Services	-	16,656	16,656	23,319
Other	-	-	-	411,717
Bond Cost	-	128,366	128,366	135,366
Capital Outlay	-	214,763	214,763	5,566,327
TOTAL EXPENDITURES	<u>-</u>	<u>359,785</u>	<u>359,785</u>	<u>6,136,729</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(355,023)</u>	<u>(355,023)</u>	<u>(6,136,729)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	5,600,000	5,600,000	5,600,000
Bond Premium	-	536,729	536,729	536,729
TOTAL OTHER FINANCING SOURCES:	<u>-</u>	<u>6,136,729</u>	<u>6,136,729</u>	<u>6,136,729</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>5,781,706</u>	<u>5,781,706</u>	<u>-</u>
Fund Balances-Beginning		<u>-</u>		
Fund Balances-Ending		<u>\$ 5,781,706</u>		

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
EXPENDITURES:				
Bond Cost	\$ -	219,742	219,742	219,742
Capital Outlay	-	-	-	14,539,289
TOTAL EXPENDITURES	<u>-</u>	<u>219,742</u>	<u>219,742</u>	<u>14,759,031</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	-	14,790,000	14,790,000	14,790,000
Bond Premium	-	969,031	969,031	969,031
Transfers Out:				
Capital Improvements Fund	-	-	-	(1,000,000)
TOTAL OTHER FINANCING SOURCES:	<u>-</u>	<u>15,759,031</u>	<u>15,759,031</u>	<u>14,759,031</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>15,539,289</u>	<u>15,539,289</u>	<u>-</u>
Fund Balances-Beginning		-		
Fund Balances-Ending		<u>\$ 15,539,289</u>		

**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, 2015**

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

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
FAA Grants	\$ 17,859,171	9,619,572	27,478,743	48,508,384
Texas Department of Transportation	149,104	49,996	199,100	199,127
Investment Income:				
Interest Earnings	33,244	18,237	51,481	34,164
Miscellaneous:				
Other	120,430	256,033	376,463	373,610
TOTAL REVENUES	<u>18,161,949</u>	<u>9,943,838</u>	<u>28,105,787</u>	<u>49,115,285</u>
EXPENDITURES:				
Personnel	398,114	187,327	585,441	1,422,680
Materials and Supplies	232,076	93,467	325,543	340,712
Contractual Services	2,714,463	2,278,665	4,993,128	7,427,513
Other	(2)	-	(2)	16,107,496
Bond Cost	95,000	-	95,000	95,000
Capital Outlay	20,183,726	8,603,419	28,787,145	37,090,395
TOTAL EXPENDITURES	<u>23,623,377</u>	<u>11,162,878</u>	<u>34,786,255</u>	<u>62,483,796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,461,428)</u>	<u>(1,219,040)</u>	<u>(6,680,468)</u>	<u>(13,368,511)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Bond Issues	4,095,000	-	4,095,000	4,095,000
Sale of Land	1,230,332	-	1,230,332	1,230,332
Transfers In:				
General Fund	787,986	-	787,986	787,985
International Airport	5,441,417	2,549,996	7,991,413	7,991,417
Noise Abatement Lease Program	500,000	-	500,000	500,000
Airport Construction	\$ 1,440,617	-	1,440,617	2,738,805

(Continued)

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

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
Airport Construction	\$ <u>(2,676,840)</u>	<u>-</u>	<u>(2,676,840)</u>	<u>(3,975,028)</u>
TOTAL OTHER FINANCING SOURCES:	<u>10,818,512</u>	<u>2,549,996</u>	<u>13,368,508</u>	<u>13,368,511</u>
Net Change in Fund Balances	<u>\$ 5,357,084</u>	<u>1,330,956</u>	<u>6,688,040</u>	<u>-</u>
Fund Balances-Beginning		<u>5,357,084</u>		
Fund Balances-Ending		<u>\$ 6,688,040</u>		

**CITY OF LAREDO, TEXAS
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 241,616	-	241,616	241,616
State	1,661,239	58,313	1,719,552	2,845,747
Other	69,867	37,876	107,743	115,000
Investment Income:				
Interest Earnings	5,298,898	96,843	5,395,741	5,295,988
Discount Earnings	1,223	-	1,223	1,201
Miscellaneous:				
Contribution	4,198,842	11,049	4,209,891	4,277,117
Other	13,321,289	302,823	13,624,112	13,661,112
TOTAL REVENUES	24,792,974	506,904	25,299,878	26,437,781
EXPENDITURES:				
Materials and Supplies	1,148,661	8,473	1,157,134	2,132,601
Contractual Services	2,016,073	476,760	2,492,833	2,647,612
Other	444,421	5,886	450,307	13,160,852
Capital Outlay	14,898,910	1,076,359	15,975,269	21,521,648
TOTAL EXPENDITURES	18,508,065	1,567,478	20,075,543	39,462,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,284,909	(1,060,574)	5,224,335	(13,024,932)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	6,341,545	-	6,341,545	5,641,545
Civic Center	3,000,000	-	3,000,000	3,000,000
Hotel-Motel Occupancy Tax	368,000	-	368,000	368,000
1998 C.O. Issue	324,498	-	324,498	324,498
2006 C.O. Issue	326,572	-	326,572	326,572
2007 C.O. Issue	62,088	-	62,088	225,582
2008 C.O. Issue	-	-	-	90,972
2010 C.O. Issue	750,000	-	750,000	750,000
2012 C.O. Issue	1,500,000	-	1,500,000	1,500,000
2015 C.O. Issue	-	-	-	1,000,000
Bridge System	9,558,470	6,902,908	16,461,378	11,121,743
Waterworks System	1,375,144	-	1,375,144	1,375,144
Information Technology	\$ 750,000	-	750,000	750,000

(Continued)

**CITY OF LAREDO, TEXAS
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ (6,133,584)	-	(6,133,584)	(12,303,774)
Civic Center	(54,101)	-	(54,101)	(54,101)
Capital Grants Fund	(557,225)	-	(557,225)	(1,091,249)
TOTAL OTHER FINANCING SOURCES:	<u>17,611,407</u>	<u>6,902,908</u>	<u>24,514,315</u>	<u>13,024,932</u>
Net Change in Fund Balances	\$ <u>23,896,316</u>	5,842,334	<u>29,738,650</u>	<u>-</u>
Fund Balances-Beginning		<u>23,896,316</u>		
Fund Balances-Ending		\$ <u>29,738,650</u>		

CITY OF LAREDO, TEXAS
 CANSECO ENDOWMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Interest Earnings	\$ 200	200	305	-	305	105
TOTAL REVENUES	200	200	305	-	305	105
EXPENDITURES:						
Materials and Supplies	500	500	-	-	-	500
Contractual Services	2,000	2,000	-	-	-	2,000
TOTAL EXPENDITURES	2,500	2,500	-	-	-	2,500
Excess (Deficiency) of Revenues Over Expenditures	(2,300)	(2,300)	305	-	305	2,605
Fund Balances at Beginning of Year	20,521	73,043	73,043	-	73,043	-
FUND BALANCES AT END OF YEAR	\$ 18,221	70,743	73,348	-	73,348	2,605

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

Internal Service Funds include:

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

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

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

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

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2015

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECH.</u>	<u>TOTAL</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash	\$ -	-	400	-	400
Equity in Investment Pool	33,492	62,112	4,251	5,192	105,047
Investments	5,895,819	10,916,501	760,533	891,210	18,464,063
Accounts Receivable	-	62,622	3,989	21,500	88,111
Accrued Interest Receivable	22,843	42,295	2,947	3,453	71,538
Inventory	-	-	466,962	-	466,962
Prepaid items	219,000	94,245	-	-	313,245
	<u>6,171,154</u>	<u>11,177,775</u>	<u>1,239,082</u>	<u>921,355</u>	<u>19,509,366</u>
Total Current Assets					
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	419,493	-	420,681
Improvements	-	-	11,391	-	11,391
Machinery and Equipment	46,719	17,217	398,323	933,941	1,396,200
Transportation Vehicles and Equipment	87,542	-	2,245,506	94,955	2,428,003
Less Accumulated Depreciation	<u>(104,286)</u>	<u>(17,217)</u>	<u>(2,354,233)</u>	<u>(840,986)</u>	<u>(3,316,722)</u>
	<u>31,163</u>	<u>-</u>	<u>720,480</u>	<u>187,910</u>	<u>939,553</u>
Total Capital Assets (Net of Accumulated Depreciation)					
	<u>6,202,317</u>	<u>11,177,775</u>	<u>1,959,562</u>	<u>1,109,265</u>	<u>20,448,919</u>
TOTAL ASSETS					
LIABILITIES					
Current Liabilities:					
Accounts Payable	280,350	593,094	514,898	96,603	1,484,945
Claims and Judgments Payable	1,489,067	2,973,239	-	-	4,462,306
Accrued Wages and Employee Benefits	37,455	11,248	81,477	53,627	183,807
Compensated Absences	21,792	1,998	40,722	43,210	107,722
	<u>1,828,664</u>	<u>3,579,579</u>	<u>637,097</u>	<u>193,440</u>	<u>6,238,780</u>
Total Current Liabilities					
Noncurrent Liabilities:					
Compensated Absences	42,496	2,684	88,904	119,690	253,774
	<u>42,496</u>	<u>2,684</u>	<u>88,904</u>	<u>119,690</u>	<u>253,774</u>
Total Noncurrent Liabilities					
	<u>1,871,160</u>	<u>3,582,263</u>	<u>726,001</u>	<u>313,130</u>	<u>6,492,554</u>
TOTAL LIABILITIES					
NET POSITION					
Net Investment in Capital Assets	31,163	-	720,480	187,910	939,553
Unrestricted	4,299,994	7,595,512	513,081	608,225	13,016,812
	<u>\$ 4,331,157</u>	<u>7,595,512</u>	<u>1,233,561</u>	<u>796,135</u>	<u>13,956,365</u>
TOTAL NET POSITION					

**CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	<u>RISK MANAGEMENT</u>	<u>HEALTH & BENEFITS</u>	<u>FLEET MANAGEMENT</u>	<u>INFORMATION TECHNOLOGY</u>	<u>TOTAL</u>
OPERATING REVENUES:					
Charges for Services	\$ 6,425,189	26,943,986	9,844,985	2,815,740	46,029,900
Reimbursements	207,624	466,162	66,658	78,292	818,736
TOTAL OPERATING REVENUES	6,632,813	27,410,148	9,911,643	2,894,032	46,848,636
OPERATING EXPENSES:					
Cost of Services	2,778,952	23,054,092	6,330,081	769,730	32,932,855
Personnel Services	971,957	274,400	2,141,707	1,406,723	4,794,787
Materials and Supplies	86,779	11,391	89,771	179,871	367,812
Contractual Services	645,924	2,021,473	1,095,137	350,226	4,112,760
Other	-	127	-	6	133
Depreciation	4,696	-	121,244	136,029	261,969
TOTAL OPERATING EXPENSES	4,488,308	25,361,483	9,777,940	2,842,585	42,470,316
Operating Income (Loss)	2,144,505	2,048,665	133,703	51,447	4,378,320
NON-OPERATING REVENUES (EXPENSES):					
Investment Income:					
Interest Earnings	20,318	36,354	1,747	2,673	61,092
Discount Earnings	3,644	-	-	-	3,644
Gain/(Loss) on Sale of Assets	-	-	11,329	164	11,493
TOTAL NON-OPERATING REVENUES (EXPENSES)	23,962	36,354	13,076	2,837	76,229
Income Before Contributions and Transfers	2,168,467	2,085,019	146,779	54,284	4,454,549
OPERATING TRANSFERS IN/(OUT):					
Transfers In	321,478	-	-	-	321,478
Transfers Out	(1,000,000)	(1,071,478)	-	-	(2,071,478)
TOTAL OPERATING TRANSFERS IN/(OUT)	(678,522)	(1,071,478)	-	-	(1,750,000)
Change in Net Position	1,489,945	1,013,541	146,779	54,284	2,704,549
Total Net Position - Beginning	2,841,212	6,581,971	1,086,782	741,851	11,251,816
TOTAL NET POSITION- ENDING	\$ 4,331,157	7,595,512	1,233,561	796,135	13,956,365

**CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 207,624	5,099,464	68,497	166,792	5,542,377
Receipts from interfund services provided	6,425,189	22,248,062	9,844,985	2,727,240	41,245,476
Payment to suppliers	(3,165,707)	(24,334,749)	(6,955,301)	(1,120,887)	(35,576,644)
Payment to employees	(967,328)	(271,986)	(2,134,630)	(1,394,237)	(4,768,181)
Payment for interfund services used	(900,178)	(271,603)	(656,302)	(162,260)	(1,990,343)
Net cash provided (used) by operating activities	1,599,600	2,469,188	167,249	216,648	4,452,685
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	321,478	-	-	-	321,478
Transfer to Other Funds	(1,000,000)	(1,071,478)	-	-	(2,071,478)
Net cash provided (used) by noncapital and related financing activities	(678,522)	(1,071,478)	-	-	(1,750,000)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	-	-	(63,620)	(20,685)	(84,305)
Proceeds from sales of capital assets	-	-	3,923	-	3,923
Net cash provided (used) by capital and related financing activities	-	-	(59,697)	(20,685)	(80,382)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	(932,079)	(1,412,407)	(107,720)	(196,146)	(2,648,352)
Interest and dividends received	9,621	10,339	(82)	412	20,290
Net cash provided (used) by investing activities	(922,458)	(1,402,068)	(107,802)	(195,734)	(2,628,062)
Net increase (decrease) in cash and cash equivalents	(1,380)	(4,358)	(250)	229	(5,759)
Cash and cash equivalents - October 1	34,872	66,470	4,901	4,963	111,206
Cash and cash equivalents - September 30	\$ 33,492	62,112	4,651	5,192	105,447
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	\$ 2,144,505	2,048,665	133,703	51,447	4,378,320
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	4,696	-	121,244	136,029	261,969
(Increase) decrease in accounts receivable	-	(62,622)	1,839	-	(60,783)
(Increase) decrease in inventories	-	-	12,203	-	12,203
(Increase) decrease in prepaid items	49,000	(1,928)	-	-	47,072
Increase (decrease) in accounts payable	129,262	213,701	(108,817)	16,686	250,832
Increase (decrease) in compensated absences payable	1,667	990	3,248	9,738	15,643
Increase (decrease) in accrued wages and employee benefits	2,962	1,424	3,829	2,748	10,963
Increase (decrease) in claims and judgements payable	(732,492)	268,958	-	-	(463,534)
Total adjustments	(544,905)	420,523	33,546	165,201	74,365
Net cash provided by operating activities	\$ 1,599,600	2,469,188	167,249	216,648	4,452,685

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**CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2015**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Budget</u>				
OPERATING REVENUES:						
Charges for Services	\$ 6,748,496	6,748,496	6,425,189	-	6,425,189	(323,307)
Reimbursements	-	-	207,624	-	207,624	207,624
TOTAL OPERATING REVENUES	6,748,496	6,748,496	6,632,813	-	6,632,813	(115,683)
OPERATING EXPENSES:						
Cost of Services	4,998,412	4,943,853	2,778,952	-	2,778,952	2,164,901
Personnel Services	970,399	990,077	971,957	(1,667)	970,290	19,787
Materials and Supplies	130,245	171,445	86,779	-	86,779	84,666
Contractual Services	758,314	751,996	645,924	-	645,924	106,072
Other	123,105	123,105	-	-	-	123,105
Depreciation	-	-	4,696	(4,696)	-	-
TOTAL OPERATING EXPENSES	6,980,475	6,980,476	4,488,308	(6,363)	4,481,945	2,498,531
Operating Income (Loss)	(231,979)	(231,980)	2,144,505	6,363	2,150,868	2,382,848
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	9,000	9,000	20,318	-	20,318	11,318
Discount Earnings	-	-	3,644	-	3,644	3,644
TOTAL NON-OPERATING REVENUES (EXPENSES)	9,000	9,000	23,962	-	23,962	14,962
Income (Loss) Before Contributions and Transfers	(222,979)	(222,980)	2,168,467	6,363	2,174,830	2,397,810
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	321,478	321,478	321,478	-	321,478	-
Transfers Out:						
General Fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(678,522)	(678,522)	(678,522)	-	(678,522)	-
Change in Net Position	(901,501)	(901,502)	1,489,945	6,363	1,496,308	2,397,810
Total Net Position - Beginning	2,841,212	2,841,212	2,841,212	-	2,841,212	-
TOTAL NET POSITION - ENDING	\$ 1,939,711	1,939,710	4,331,157	6,363	4,337,520	2,397,810

**CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	207,624
Receipts from interfund services provided		6,425,189
Payment to suppliers		(3,165,707)
Payment to employees		(967,328)
Payment for interfund services used		<u>(900,178)</u>
Net cash provided (used) by operating activities		<u>1,599,600</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds		321,478
Transfer to other funds		<u>(1,000,000)</u>
Net cash provided (used) by noncapital and related financing activities		<u>(678,522)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments		(932,079)
Interest and dividends received		<u>9,621</u>
Net cash provided (used) by investing activities		<u>(922,458)</u>

Net increase (decrease) in cash and cash equivalents		(1,380)
Cash and cash equivalents - October 1		<u>34,872</u>

Cash and cash equivalents - September 30	\$	<u><u>33,492</u></u>
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Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$	<u>2,144,505</u>
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		4,696
(Increase) decrease in prepaid items		49,000
Increase (decrease) in accounts payable		129,262
Increase (decrease) in compensated absences payable		1,667
Increase (decrease) in accrued wages and employee benefits		2,962
Increase (decrease) in claims and judgments payable		<u>(732,492)</u>
Total adjustments		<u>(544,905)</u>
Net cash provided by operating activities	\$	<u><u>1,599,600</u></u>

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2015**

	<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>				
OPERATING REVENUES:						
Charges for Services	\$ 25,955,362	25,955,362	26,943,986	-	26,943,986	988,624
Reimbursements	479,429	479,429	466,162	-	466,162	(13,267)
TOTAL OPERATING REVENUES	26,434,791	26,434,791	27,410,148	-	27,410,148	975,357
OPERATING EXPENSES:						
Cost of Services	21,430,873	22,936,194	23,054,092	-	23,054,092	(117,898)
Personnel Services	296,850	296,850	274,400	(990)	273,410	23,440
Materials and Supplies	10,827	12,181	11,391	-	11,391	790
Contractual Services	1,774,328	2,050,302	2,021,473	-	2,021,473	28,829
Other	1,835,162	53,517	127	-	127	53,390
TOTAL OPERATING EXPENSES	25,348,040	25,349,044	25,361,483	(990)	25,360,493	(11,449)
Operating Income (Loss)	1,086,751	1,085,747	2,048,665	990	2,049,655	963,908
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	10,600	10,600	36,354	-	36,354	25,754
TOTAL NON-OPERATING REVENUES (EXPENSES)	10,600	10,600	36,354	-	36,354	25,754
Income Before Contributions and Transfers	1,097,351	1,096,347	2,085,019	990	2,086,009	989,662
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
General Fund	(1,000,000)	(1,000,000)	(750,000)	-	(750,000)	(250,000)
Risk Management Fund	(321,478)	(321,478)	(321,478)	-	(321,478)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(1,321,478)	(1,321,478)	(1,071,478)	-	(1,071,478)	(250,000)
Change in Net Position	(224,127)	(225,131)	1,013,541	990	1,764,531	989,662
Total Net Position - Beginning	6,581,971	6,581,971	6,581,971	-	6,581,971	-
TOTAL NET POSITION-ENDING	\$ 6,357,844	6,356,840	7,595,512	990	8,346,502	989,662

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 5,099,464
Receipts from interfund services provided	22,248,062
Payment to suppliers	(24,334,749)
Payment to employees	(271,986)
Payment for interfund services used	<u>(271,603)</u>
Net cash provided (used) by operating activities	<u>2,469,188</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(1,071,478)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(1,071,478)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(1,412,407)
Interest and dividends received	<u>10,339</u>
Net cash provided (used) by investing activities	<u>(1,402,068)</u>

Net increase (decrease) in cash and cash equivalents	(4,358)
Cash and cash equivalents - October 1	<u>66,470</u>

Cash and cash equivalents - September 30	\$ <u><u>62,112</u></u>
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Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>2,048,665</u>
Adjustments to reconcile operating income to net cash provided (used)	
(Increase) decrease in accounts receivable	(62,622)
(Increase) decrease in prepaid items	(1,928)
Increase (decrease) in accounts payable	213,701
Increase (decrease) in compensated absences payable	990
Increase (decrease) in accrued wages and employee benefits	1,424
Increase (decrease) in claims and judgements payable	<u>268,958</u>
Total adjustments	<u>420,523</u>

Net cash provided by operating activities	\$ <u><u>2,469,188</u></u>
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CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2015

	<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>				
OPERATING REVENUES:						
Charges for Services	\$ 12,752,087	12,752,087	9,844,985	-	9,844,985	(2,907,102)
Reimbursements	225,000	225,000	66,658	-	66,658	(158,342)
TOTAL OPERATING REVENUES	12,977,087	12,977,087	9,911,643	-	9,911,643	(3,065,444)
OPERATING EXPENSES:						
Cost of Services	9,484,925	9,514,925	6,330,081	-	6,330,081	3,184,844
Personnel Services	2,493,689	2,493,689	2,141,707	(3,247)	2,138,460	355,229
Materials and Supplies	115,032	121,326	89,771	-	89,771	31,555
Contractual Services	1,215,097	1,222,803	1,095,137	-	1,095,137	127,666
Other	200,000	121,000	-	-	-	121,000
Capital Outlay	60,000	95,000	-	63,620	63,620	31,380
Depreciation	-	-	121,244	(121,244)	-	-
TOTAL OPERATING EXPENSES	13,568,743	13,568,743	9,777,940	(60,871)	9,717,069	3,851,674
Operating Income (Loss)	(591,656)	(591,656)	133,703	60,871	194,574	786,230
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	4,500	4,500	1,747	-	1,747	(2,753)
Gain/(Loss) on Sale of Assets	-	-	11,329	(7,406)	3,923	11,329
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,500	4,500	13,076	(7,406)	5,670	8,576
Change in Net Position	(587,156)	(587,156)	146,779	53,465	200,244	794,806
Total Net Position - Beginning	1,086,782	1,086,782	1,086,782	-	1,086,782	-
TOTAL NET POSITION- ENDING	\$ 499,626	499,626	1,233,561	53,465	1,287,026	794,806

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 68,497
Receipts from interfund services provided	9,844,985
Payment to suppliers	(6,955,301)
Payment to employees	(2,134,630)
Payment for interfund services used	<u>(656,302)</u>
Net cash provided (used) by operating activities	<u>167,249</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	(63,620)
Proceeds from sales of capital assets	<u>3,923</u>
Net cash provided (used) by capital and related financing activities	<u>(59,697)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(107,720)
Interest and dividends received	<u>(82)</u>
Net cash provided (used) by investing activities	<u>(107,802)</u>

Net increase (decrease) in cash and cash equivalents	(250)
Cash and cash equivalents - October 1	<u>4,901</u>

Cash and cash equivalents - September 30	\$ <u><u>4,651</u></u>
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Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>133,703</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	121,244
(Increase) decrease in accounts receivable	1,839
(Increase) decrease in inventories	12,203
Increase (decrease) in accounts payable	(108,817)
Increase (decrease) in compensated absences payable	3,248
Increase (decrease) in accrued wages and employee benefits	<u>3,829</u>
Total adjustments	<u>33,546</u>

Net cash provided by operating activities	\$ <u><u>167,249</u></u>
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Noncash investing, capital, and financing activities:

Dispositions of assets	7,406
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CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2015

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Budget</u>				
OPERATING REVENUES:						
Charges for Services	\$ 2,944,935	2,944,935	2,815,740	-	2,815,740	(129,195)
Reimbursements	-	-	78,292	-	78,292	78,292
TOTAL OPERATING REVENUES	<u>2,944,935</u>	<u>2,944,935</u>	<u>2,894,032</u>	<u>-</u>	<u>2,894,032</u>	<u>(50,903)</u>
OPERATING EXPENSES:						
Cost of Services	881,480	863,208	769,730	-	769,730	93,478
Personnel Services	1,396,369	1,406,762	1,406,723	(9,739)	1,396,984	9,778
Materials and Supplies	234,407	248,059	179,871	-	179,871	68,188
Contractual Services	498,317	465,221	350,226	-	350,226	114,995
Other	-	-	6	-	6	(6)
Capital Outlay	-	3,999,237	-	20,685	20,685	3,978,552
Depreciation	-	-	136,029	(136,029)	-	-
TOTAL OPERATING EXPENSES	<u>3,010,573</u>	<u>6,982,487</u>	<u>2,842,585</u>	<u>(125,083)</u>	<u>2,717,502</u>	<u>4,264,985</u>
Operating Income (Loss)	(65,638)	(4,037,552)	51,447	125,083	176,530	4,214,082
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	600	600	2,673	-	2,673	2,073
Capital Leases	-	3,971,914	-	-	-	(3,971,914)
Gain/(Loss) on Sale of Assets	-	-	164	(164)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>600</u>	<u>3,972,514</u>	<u>2,837</u>	<u>(164)</u>	<u>2,673</u>	<u>(3,969,841)</u>
Income (Loss) Before Contributions and Transfers	(65,038)	(65,038)	54,284	124,919	179,203	244,241
Change in Net Position	(65,038)	(65,038)	54,284	124,919	179,203	244,241
Total Net Position - Beginning	741,851	741,851	741,851	-	741,851	-
TOTAL NET POSITION - ENDING	<u>\$ 676,813</u>	<u>676,813</u>	<u>796,135</u>	<u>124,919</u>	<u>921,054</u>	<u>244,241</u>

**CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	166,792
Receipts from interfund services provided		2,727,240
Payment to suppliers		(1,120,887)
Payment to employees		(1,394,237)
Payment for interfund services used		<u>(162,260)</u>
Net cash provided (used) by operating activities		<u>216,648</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets		<u>(20,685)</u>
Net cash provided (used) by capital and related financing activities		<u>(20,685)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments		(196,146)
Interest and dividends received		<u>412</u>
Net cash provided (used) by investing activities		<u>(195,734)</u>

Net increase (decrease) in cash and cash equivalents		229
Cash and cash equivalents - October 1		<u>4,963</u>
Cash and cash equivalents - September 30	\$	<u><u>5,192</u></u>

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

Operating income	\$	<u>51,447</u>
Adjustments to reconcile operating income to net cash provided (used)		
Depreciation expense		136,029
Increase (decrease) in accounts payable		16,686
Increase (decrease) in compensated absences payable		9,738
Increase (decrease) in accrued wages and employee benefits		<u>2,748</u>
Total adjustments		<u>165,201</u>
Net cash provided by operating activities	\$	<u><u>216,648</u></u>

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CAPITAL ASSETS

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source (1)
September 30, 2015 and 2014

	2015	2014
Governmental Funds Capital Assets:		
Land	\$ 90,608,986	88,532,875
Buildings	218,421,112	217,334,173
Improvements Other Than Buildings	654,762,805	619,713,736
Vehicles	69,123,153	65,094,664
Machinery & Equipment	39,374,358	37,818,902
Construction in Progress	9,067,147	4,043,320
Total Governmental Funds Capital Assets	1,081,357,561	1,032,537,670

Investments in Governmental Funds Capital Assets by Source:

General Fund	365,557,530	343,032,543
Special Revenue Funds	216,412,156	212,259,783
Capital Projects Funds	499,387,875	477,245,344
Total Investments in Governmental Funds \$	1,081,357,561	1,032,537,670

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

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For The Year Ended September 30, 2015

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ 9,908	-	-	9,908
City Manager	26,459	-	-	26,459
Municipal Court	364,308	51,665	-	415,973
Human Resources	26,292	-	-	26,292
Building Inspections	211,108	-	-	211,108
City Secretary	45,754	-	-	45,754
Tax Office	22,162	39,675	-	61,837
City Planning	42,625	-	-	42,625
Finance	19,933	9,819	(5,165)	24,587
Real Estate	7,685,399	404,228	(276,513)	7,813,114
City Hall Maintenance	7,362,345	-	(29,200)	7,333,145
City Hall Annex	-	24,537	-	24,537
Engineering	121,924	-	(48,288)	73,636
Information Technology	573,999	-	-	573,999
Communications and Support	48,432	-	-	48,432
Community Development	28,435,953	1,643,991	(207,833)	29,872,111
Telecommunications	300,205	-	-	300,205
General Government	45,296,806	2,173,915	(566,999)	46,903,722
Public Safety:				
Police	7,784,890	13,101	264,441	8,062,432
Police Trust Fund	15,756,347	304,291	(778,328)	15,282,310
Auto Theft Task Force	198,329	-	(246)	198,083
Narcotics	691,209	-	(84,044)	607,165
Financial Task Force	716,417	-	(42,924)	673,493
Special Police	3,028,905	109,309	(352,514)	2,785,700
Laredo Border Violence	122,031	-	(28,344)	93,687
Homeland Security Grant	2,453,096	-	-	2,453,096
Fire	6,517,362	44,363	(57,000)	6,504,725
Hazardous Materials	9,085	-	-	9,085
Parking Meters	4,127,181	52,235	(36,200)	4,143,216
911 Administration	853,862	334,812	12,562	1,201,236
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	8,006,824	-	18,337	8,025,161
Public Safety	58,389,893	858,111	(1,084,260)	58,163,744
Public Works:				
Capital Improvements Project	77,950,345	1,003,202	(71,609)	78,881,938
1998 CO Issue	1,859,890	-	(69,987)	1,789,903
Infrastructure Maint.	131,017	-	-	131,017
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	-	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	14,273,685	-	(10,547)	14,263,138
2006 CO Issue	18,528,452	24,331	-	18,552,783
2007 CO Issue	48,540,049	3,209,179	(101,414)	51,647,814
2008 CO Issue	28,135,108	1,263,407	(563,446)	28,835,069
2009 CO Issue	22,891,501	269,678	-	23,161,179
2010 CO Issue	4,468,159	230,426	-	4,698,585
2012 CO Issue	2,976,210	-	-	2,976,210
2014 CO Issue	-	169,800	-	169,800
FAA-Noise Abatement	18,944,149	-	-	18,944,149
Airport Construction Fund	\$ 113,411,472	7,093,963	-	120,505,435

(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, 2015

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Public Works: (Cont.)				
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	19,043,300	3,459,945	(534,420)	21,968,825
Parks Capital Grants	2,468,250	-	-	2,468,250
Capital Grants	27,537,603	2,149,223	-	29,686,826
Public Works	277,008,636	22,382,866	(558,938)	298,832,564
Public Works	742,963,680	41,256,020	(1,910,361)	782,309,339
Health & Welfare:				
Health	8,159,007	84,163	(30,057)	8,213,113
Noise Abatement Lease	157,729	-	-	157,729
Home Investment Partnership	-	463,407	-	463,407
Emergency Shelter Grant	416	-	-	416
A.R.R.A.- C.D.	975,026	-	-	975,026
Environmental Services	33,280,157	1,150,785	-	34,430,942
Health & Welfare	42,572,335	1,698,355	(30,057)	44,240,633
Cultural & Recreational:				
Parks & Recreation	16,379,042	198,935	(64,535)	16,513,442
Library	7,882,570	19,282	-	7,901,852
New Public Library	56,167	-	-	56,167
Cemetery	87,214	-	93,377	180,591
Friends of the Library	883,829	144,791	(11,466)	1,017,154
Public Access Channel	3,420,201	143,461	-	3,563,662
Mercado	1,162,235	-	-	1,162,235
Convention & Visitors Bureau	120,632	-	-	120,632
Sports & Community Venue	8,684,879	78,667	-	8,763,546
Recreation Fund	162,664	23,122	-	185,786
Baseball Stadium	19,447,094	-	-	19,447,094
Cultural & Recreational	58,286,527	608,258	17,376	58,912,161
Air Transportation Services:				
Airport	80,985,109	775,706	-	81,760,815
Air Transportation Services	80,985,109	775,706	-	81,760,815
Total Assets In Service	1,028,494,350	47,370,365	(3,574,301)	1,072,290,414
Construction in Progress	4,043,320	5,023,827	-	9,067,147
Total Governmental Funds Capital Assets	\$ 1,032,537,670	52,394,192	(3,574,301)	1,081,357,561

(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, 2015

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
General Government:						
Mayor and City Council	\$ 9,908	-	-	-	9,908	-
City Manager	26,459	-	-	-	-	26,459
Municipal Court	415,973	39,981	63,911	-	-	312,081
Human Resources	26,292	-	-	-	26,292	-
Building	211,108	-	62,782	-	126,326	22,000
City Secretary	45,754	-	-	-	14,643	31,111
Tax Office	61,837	-	-	-	-	61,837
City Planning	42,625	-	-	-	15,125	27,500
Finance	24,587	-	-	-	-	24,587
Real Estate	7,813,114	6,274,114	1,539,000	-	-	-
City Hall Maintenance	7,333,145	3,066,074	4,181,666	-	-	85,405
City Hall Annex	24,537	-	-	-	24,537	-
Engineering	73,636	-	-	-	27,928	45,708
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	29,872,111	6,329,121	3,898,568	17,871,721	1,634,345	138,356
Telecommunications	300,205	-	18,683	27,808	-	253,714
General Government	46,903,722	15,709,290	9,764,610	17,899,529	1,893,072	1,637,221
Public Safety:						
Police	8,062,432	-	6,252,732	11,425	1,114,499	683,776
Police Trust Fund	15,282,310	-	920,960	-	11,275,325	3,086,025
Auto Theft Task Force	198,083	-	-	-	155,607	42,476
Narcotics	607,165	-	-	-	483,454	123,711
Financial Task Force	673,493	-	-	-	285,202	388,291
Special Police	2,785,700	-	-	-	960,132	1,825,568
Laredo Border Violence	93,687	-	-	-	69,615	24,072
Homeland Security Grant	2,453,096	-	-	-	427,219	2,025,877
Fire	6,504,725	767,503	1,439,105	-	3,713,109	585,008
Hazardous Materials	9,085	-	9,085	-	-	-
Parking Meters	4,143,216	1,247,536	60,342	2,283,194	231,356	320,788
911 Administration	1,201,236	-	-	-	12,562	1,188,674
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	8,025,161	-	13,524	7,461,924	133,523	416,190
Public Safety	58,163,744	2,015,039	8,742,763	9,756,543	19,745,193	17,904,206
Public Works:						
Capital Improvements Projects	78,881,938	1,689,770	8,532,301	64,894,765	1,314,655	2,450,447
1998 C.O. Issue	1,789,903	108,232	864,429	626,445	190,797	-
Infrastructure Maint.	131,017	-	-	105,993	25,024	-
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,835,790	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	14,263,138	1,493,130	1,097,864	10,278,613	1,246,899	146,632
2006 CO Issue	18,552,783	-	8,053,796	10,054,327	444,660	-
2007 CO Issue	51,647,814	638,763	10,662,766	28,675,342	10,649,551	1,021,392
2008 CO Issue	28,835,069	521,679	14,794,291	10,584,736	2,607,855	326,508
2009 CO Issue	23,161,179	600	10,210,235	11,826,647	1,085,526	38,171
2010 CO Issue	4,698,585	92,264	218,104	4,327,023	13,167	48,027
2012 CO Issue	2,976,210	56,331	886,402	1,558,047	383,670	91,760
2014 CO Issue	169,800	-	-	121,943	-	47,857
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	\$ 120,505,435	13,615,326	8,992,048	93,908,040	1,605,247	2,384,774

(Continued)

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operations of Governmental Funds
Schedule by Function and Activity (1)
For The Year Ended September 30, 2015

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS O/T BLDGS	TRANSPORTATION	MACHINERY & EQUIPMENT
Public Works: (Cont.)						
Ryan Street Railroad Bridge	\$ 668,019	-	-	668,019	-	-
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524	-	-
Contractual Obligations	21,968,825	-	61,528	13,157	18,115,310	3,778,830
Parks Capital Grants	2,468,250	498,762	-	1,851,794	111,223	6,471
Capital Grants	29,686,826	4,600	398,390	29,283,836	-	-
Public Works	<u>298,832,564</u>	<u>3,930,255</u>	<u>3,877,909</u>	<u>287,387,320</u>	<u>3,554,007</u>	<u>83,073</u>
Public Works	<u>782,309,339</u>	<u>46,481,855</u>	<u>120,044,444</u>	<u>563,202,354</u>	<u>41,989,194</u>	<u>10,591,492</u>
Health & Welfare:						
Health	8,213,113	421,278	4,400,991	171,500	327,339	2,892,005
Noise Abtm. Lease	157,729	-	-	-	157,729	-
Home Investment Partnership	463,407	-	463,407	-	-	-
Emergency Shelter Grant	416	-	-	-	-	416
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	<u>34,430,942</u>	<u>3,507,419</u>	<u>1,623,806</u>	<u>27,149,213</u>	<u>1,756,916</u>	<u>393,588</u>
Health & Welfare	<u>44,240,633</u>	<u>3,928,697</u>	<u>6,488,204</u>	<u>28,295,739</u>	<u>2,241,984</u>	<u>3,286,009</u>
Cultural & Recreational:						
Parks & Recreation	16,513,442	11,017,737	3,406,584	35,221	1,357,077	696,823
Library	7,901,852	-	7,124,408	33,000	89,755	654,689
New Public Library	56,167	-	22,346	-	-	33,821
Cemetery	180,591	-	7,900	-	145,441	27,250
Friends of the Library	1,017,154	-	261,792	-	-	755,362
Public Access Channel	3,563,662	-	1,406,518	178,730	53,267	1,925,147
Mercado	1,162,235	-	1,162,235	-	-	-
Convention & Visitor's Bureau	120,632	-	17,300	-	103,332	-
Sports & Community Venue	8,763,546	6,663,649	968,751	293,900	78,667	758,579
Recreation Fund	185,786	-	-	-	185,786	-
Baseball Stadium	<u>19,447,094</u>	<u>-</u>	<u>17,975,174</u>	<u>541,760</u>	<u>-</u>	<u>930,160</u>
Cultural & Recreational	<u>58,912,161</u>	<u>17,681,386</u>	<u>32,353,008</u>	<u>1,082,611</u>	<u>2,013,325</u>	<u>5,781,831</u>
Air Transportation Services:						
Airport	<u>81,760,815</u>	<u>4,792,719</u>	<u>41,028,083</u>	<u>34,526,029</u>	<u>1,240,385</u>	<u>173,599</u>
Air Transportation Services	<u>81,760,815</u>	<u>4,792,719</u>	<u>41,028,083</u>	<u>34,526,029</u>	<u>1,240,385</u>	<u>173,599</u>
Total Assets in service	<u>1,072,290,414</u>	<u>90,608,986</u>	<u>218,421,112</u>	<u>654,762,805</u>	<u>69,123,153</u>	<u>39,374,358</u>
Construction in Progress	<u>9,067,147</u>					
Total Governmental Funds Capital Assets	<u>\$ 1,081,357,561</u>					

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

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ENTERPRISE FUNDS

ENTERPRISE FUNDS

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

Enterprise Funds include:

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

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

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

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

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

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

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2015**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash	\$ 2,150	200	1,800	4,150
Equity in Investment Pool	33,856	6,695	79,808	120,359
Investments	5,928,663	1,181,214	18,395,402	25,505,279
Receivables, net of allowances:				
Accrued Interest	22,970	4,576	54,330	81,876
Accounts	1,247	27,759	1,472,756	1,501,762
Due from Other Funds	374,238	-	-	374,238
Due from Other Governments	708,343	-	-	708,343
Inventory, at cost	432,754	-	1,838	434,592
Total Current Assets	7,504,221	1,220,444	20,005,934	28,730,599
Noncurrent Assets:				
Restricted Assets:				
Accrued Interest Receivable	-	-	30,830	30,830
Accounts	-	-	5,295,000	5,295,000
Investments	105,719	-	10,872,705	10,978,424
Due from Other Funds	-	-	845,413	845,413
Total Restricted Assets	105,719	-	17,043,948	17,149,667
Capital Assets:				
Transportation Vehicles and Equipment	26,226,066	229,522	30,804,684	57,260,272
Buildings	14,496,455	3,655,624	1,324,052	19,476,131
Improvements	10,850,382	131,362	8,059,838	19,041,582
Land and Improvements	9,521,557	354,592	624,668	10,500,817
Construction in Progress	2,933,273	-	285,336	3,218,609
Less Accumulated Depreciation	(25,516,828)	(3,673,212)	(21,968,815)	(51,158,855)
Total Capital Assets (net of accumulated depreciation)	38,510,905	697,888	19,129,763	58,338,556
Total Noncurrent Assets	38,616,624	697,888	36,173,711	75,488,223
TOTAL ASSETS	46,120,845	1,918,332	56,179,645	104,218,822
Deferred Outflows of Resources	397,476	107,011	2,168,992	2,673,479
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 46,518,321	2,025,343	58,348,637	106,892,301

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2015**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 468,859	23,208	286,971	779,038
Retainage Payable	2,062	1,282	-	3,344
Contracts Payable	-	-	4,390	4,390
Due to Other Funds	-	-	845,413	845,413
Accrued Interest Payable	35,407	-	174,407	209,814
Accrued Wages and Employee Benefits	370,254	19,554	209,215	599,023
Compensated Absences	140,189	14,155	170,206	324,550
Customer Deposits	11,835	82,298	-	94,133
Deferred Revenue	-	4,105	-	4,105
General Obligation Bonds Certificates of Obligation	366,283 670,000	- -	405,768 3,818,744	772,051 4,488,744
Total Current Liabilities	2,064,889	144,602	5,915,114	8,124,605
Noncurrent Liabilities:				
General Obligation Bonds	3,358,358	-	6,842,612	10,200,970
Certificates of Obligation	3,450,000	-	18,337,472	21,787,472
Due to Other Funds	374,238	-	-	374,238
Closure and Post Closure	-	-	13,342,508	13,342,508
Net Pension Liability	-	848,681	9,280,775	10,129,456
Compensated Absences	110,622	29,882	380,570	521,074
Total Noncurrent Liabilities	7,293,218	878,563	48,183,937	56,355,718
TOTAL LIABILITIES	9,358,107	1,023,165	54,099,051	64,480,323
Deferred Inflows of Resources	299,889	17,171	2,607,069	2,924,129
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	9,657,996	1,040,336	56,706,120	67,404,452
NET POSITION				
Net Investment in Capital Assets	30,834,163	697,888	865,741	32,397,792
Unrestricted	6,026,162	287,119	776,776	7,090,057
TOTAL NET POSITION	\$ 36,860,325	985,007	1,642,517	39,487,849

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year ended September 30, 2015

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
OPERATING REVENUES:				
Charges for Services	\$ 3,278,410	148,778	21,345,590	24,772,778
Rental of Facilities	513,762	1,252,632	-	1,766,394
Miscellaneous	331,541	27,866	37,853	397,260
TOTAL OPERATING REVENUES	4,123,713	1,429,276	21,383,443	26,936,432
OPERATING EXPENSES:				
Personnel Services	10,096,601	562,993	6,014,661	16,674,255
Materials and Supplies	2,282,549	141,185	1,811,329	4,235,063
Contractual Services	1,777,056	332,623	6,189,792	8,299,471
Other	106,730	19,368	929,374	1,055,472
Total Operating Expenses Before Depreciation	14,262,936	1,056,169	14,945,156	30,264,261
Depreciation Expense	2,328,075	47,858	2,694,439	5,070,372
TOTAL OPERATING EXPENSES	16,591,011	1,104,027	17,639,595	35,334,633
Operating Income (Loss)	(12,467,298)	325,249	3,743,848	(8,398,201)
NONOPERATING REVENUES (EXPENSES):				
Investment Income:				
Interest Earnings	18,345	8,054	54,601	81,000
Interest Earnings - Restricted	6,171	-	36,755	42,926
Discount Earnings	109	-	4,896	5,005
Sales Tax	7,966,064	-	-	7,966,064
Gain (Loss) on Sale of Assets	(48)	-	(26,541)	(26,589)
Interest Expense	(294,457)	-	(1,050,013)	(1,344,470)
Gain (Loss) on Advance Refunding	(47,289)	-	(52,169)	(99,458)
Federal Operating Grant	3,235,328	-	-	3,235,328
Fiscal Agent Fees	(875)	-	(1,425)	(2,300)
Bond Issuance Cost/Premiums Amortized	28,675	-	39,271	67,946
Other Non-Operating Expenses	(197,976)	-	(62,620)	(260,596)
State Operating Grant	679,663	-	-	679,663
TOTAL NONOPERATING REVENUES (EXPENSES)	11,393,710	8,054	(1,057,245)	10,344,519
Income (Loss) Before Contributions and Transfers	(1,073,588)	333,303	2,686,603	1,946,318
Capital Contributions-Grants	813,004	-	-	813,004
Transfers Out:				
General Fund	-	(1,500,000)	-	(1,500,000)
Change in Net Position	(260,584)	(1,166,697)	2,686,603	1,259,322
Total Net Position-Beginning	37,120,909	2,917,686	7,332,326	47,370,921
Prior Period Adjustment	-	(765,982)	(8,376,412)	(9,142,394)
Total Net Position-Ending	\$ 36,860,325	985,007	1,642,517	39,487,849

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2015

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	SOLID WASTE MANAGEMENT	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 4,127,200	1,447,777	16,049,369	21,624,346
Receipts from interfund services provided	-	-	236,107	236,107
Payments to suppliers	(3,971,289)	(299,639)	(4,586,598)	(8,857,526)
Payments to employees	(10,079,084)	(550,326)	(6,045,914)	(16,675,324)
Payments for interfund services used	(176,495)	(187,025)	(4,176,745)	(4,540,265)
Net cash provided (used) by operating activities	(10,099,668)	410,787	1,476,219	(8,212,662)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	-	(1,500,000)	(845,413)	(2,345,413)
Subsidy from federal and state grants	6,533,556	-	-	6,533,556
Sales Tax	7,966,064	-	-	7,966,064
Transfer from other funds	-	-	1,228,516	1,228,516
Net cash provided (used) by noncapital and related financing activities	14,499,620	(1,500,000)	383,103	13,382,723
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt	-	-	13,142,321	13,142,321
Subsidy from federal and state grants	813,004	-	-	813,004
Principal paid on capital debt	(1,004,576)	-	(7,971,819)	(8,976,395)
Interest paid on capital debt	(299,067)	-	(1,006,964)	(1,306,031)
Acquisition and construction of capital assets	(4,767,185)	(39,343)	(4,081,396)	(8,887,924)
Proceeds from sales of capital assets	-	-	1,553	1,553
Net cash provided (used) by capital and related financing activities	(5,257,824)	(39,343)	83,695	(5,213,472)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	852,474	1,111,730	(2,004,912)	(40,708)
Interest and dividends received	7,236	7,405	62,732	77,373
Net cash provided (used) by investing activities	859,710	1,119,135	(1,942,180)	36,665
Net increase (decrease) in cash and cash equivalents	1,838	(9,421)	837	(6,746)
Cash and cash equivalents, October 1	34,168	16,316	80,771	131,255
Cash and cash equivalents, September 30	\$ 36,006	6,895	81,608	124,509

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

	<u>MUNICIPAL TRANSIT SYSTEM</u>	<u>MUNICIPAL HOUSING CORPORATION</u>	<u>SOLID WASTE MANAGEMENT</u>	<u>TOTALS</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (12,467,298)	325,249	3,743,848	(8,398,201)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,328,075	47,858	2,694,439	5,070,372
(Increase) decrease in landfill closure and post closure costs	-	-	856,186	856,186
(Increase) decrease in accounts receivable	987	(2,396)	(5,144,111)	(5,145,520)
Increase in allowance for uncollectible accounts	-	17,933	46,144	64,077
(Increase) decrease in inventories	2,174	-	4,074	6,248
Increase in customer deposits	2,500	1,537	-	4,037
Increase (decrease) in accounts payable	16,377	5,229	(693,108)	(671,502)
Increase (decrease) in retainage payable	-	1,283	-	1,283
Increase (decrease) in deferred revenues	-	1,427	-	1,427
Increase (decrease) in compensated absences payable	13,225	20,164	37,970	71,359
Increase (decrease) in net pension liability	-	(7,140)	(78,100)	(85,240)
Increase (decrease) in accrued wages and employee benefits	4,292	(357)	8,877	12,812
Total adjustments	<u>2,367,630</u>	<u>85,538</u>	<u>(2,267,629)</u>	<u>185,539</u>
Net cash provided (used) by operating activities	\$ <u>(10,099,668)</u>	<u>410,787</u>	<u>1,476,219</u>	<u>(8,212,662)</u>
Noncash investing, capital, and financing activities:				
Loss on sale of equipment	48	-	-	48
Current closure and post closure costs	-	-	856,186	856,186
Premiums	-	-	1,523,798	1,523,798
Bond issuance cost amortized	(28,675)	-	(215,752)	(244,427)
Loss on advance refunding	47,289	-	(788,568)	(741,279)
Accrued interest payable	(3,735)	-	44,474	40,739
Sale of assets	-	-	28,094	28,094

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 3,404,500	3,404,500	3,278,410	-	3,278,410	(126,090)
Miscellaneous	123,950	123,950	331,541	-	331,541	207,591
Rental of Facilities	520,344	520,344	513,762	-	513,762	(6,582)
TOTAL OPERATING REVENUES	4,048,794	4,048,794	4,123,713	-	4,123,713	74,919
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	6,002,549	6,002,549	6,067,849	1,954	6,069,803	(67,254)
Materials and Supplies	1,436,349	1,278,691	899,684	-	899,684	379,007
Contractual Services	361,334	351,078	343,174	-	343,174	7,904
Other	90,388	108,388	92,472	-	92,472	15,916
Total Opt-Fixed Route	7,890,620	7,740,706	7,403,179	1,954	7,405,133	335,573
Opt-Para Transit:						
Personnel Services	1,115,787	1,118,787	1,365,789	(437)	1,365,352	(246,565)
Materials and Supplies	184,707	167,705	107,613	-	107,613	60,092
Contractual Services	90,664	104,164	105,000	-	105,000	(836)
Other	11,983	11,983	8,767	-	8,767	3,216
Total Opt-Para Transit	1,403,141	1,402,639	1,587,169	(437)	1,586,732	(184,093)
Maint-Fixed Route:						
Personnel Services	1,492,478	1,537,478	1,451,456	(10,154)	1,441,302	96,176
Materials and Supplies	859,145	950,531	1,032,545	-	1,032,545	(82,014)
Contractual Services	183,808	186,480	160,126	-	160,126	26,354
Total Maint-Fixed Route	2,535,431	2,674,489	2,644,127	(10,154)	2,633,973	40,516
Maint-Para Transit:						
Personnel Services	225,070	225,070	221,888	(940)	220,948	4,122
Materials and Supplies	102,181	102,181	107,638	-	107,638	(5,457)
Contractual Services	43,879	52,175	46,687	-	46,687	5,488
Total Maint-Para Transit	371,130	379,426	376,213	(940)	375,273	4,153
Training and Safety:						
Personnel Services	68,888	69,088	70,220	(1,740)	68,480	608
Materials and Supplies	22,863	20,473	16,800	-	16,800	3,673
Contractual Services	2,447	1,798	1,628	-	1,628	170
Total Training and Safety	94,198	91,359	88,648	(1,740)	86,908	4,451
Building/Grounds:						
Personnel Services	253,454	263,454	239,994	-	239,994	23,460
Materials and Supplies	49,084	48,524	41,577	-	41,577	6,947
Contractual Services	368,614	344,068	229,746	-	229,746	114,322
Total Building/Grounds	\$ 671,152	656,046	511,317	-	511,317	144,729

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

(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	\$ 109,784	112,884	76,443	-	76,443	36,441
Contractual Services	7,348	7,348	8,164	-	8,164	(816)
Total Bus Stop/Shelters	117,132	120,232	84,607	-	84,607	35,625
General Administration:						
Personnel Services	334,216	334,441	338,451	(216)	338,235	(3,794)
Materials and Supplies	27,442	25,289	20,540	-	20,540	4,749
Contractual Services	612,727	627,792	608,245	-	608,245	19,547
Other	500	5,270	5,231	-	5,231	39
Total General Administration	974,885	992,792	972,467	(216)	972,251	20,541
Transit Center Building:						
Personnel Services	263,206	260,116	199,372	254	199,626	60,490
Materials and Supplies	51,227	72,827	52,989	-	52,989	19,838
Contractual Services	279,585	319,678	263,206	-	263,206	56,472
Other	27,950	-	-	-	-	-
Total Transit Center Building	621,968	652,621	515,567	254	515,821	136,800
Transit Center Facility:						
Personnel Services	57,413	58,613	65,139	(1,947)	63,192	(4,579)
Materials and Supplies	4,000	4,000	3,163	-	3,163	837
Contractual Services	13,739	15,989	11,080	-	11,080	4,909
Other	34,453	350	260	-	260	90
Total Transit Center Facility	109,605	78,952	79,642	(1,947)	77,695	1,257
Total Operating Expenses Before Depreciation	14,789,262	14,789,262	14,262,936	(13,226)	14,249,710	539,552
Depreciation	-	-	2,328,075	(2,328,075)	-	-
TOTAL OPERATING EXPENSES	14,789,262	14,789,262	16,591,011	(2,341,301)	14,249,710	539,552
Operating Income (Loss)	\$ (10,740,468)	(10,740,468)	(12,467,298)	2,341,301	(10,125,997)	614,471

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

(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>				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 12,100	12,100	18,345	-	18,345	6,245
Interest Earnings-Restricted	5,400	5,400	6,171	-	6,171	771
Discount Earnings	100	100	109	-	109	9
Sales Tax	7,824,748	7,783,898	7,966,064	-	7,966,064	182,166
Loss on Sale of Equipment	-	-	(48)	48	-	-
Interest Expense	(298,195)	(298,195)	(294,457)	(3,735)	(298,192)	3
Principal Paid Revenue Bonds	(1,004,577)	(1,004,577)	-	(1,004,576)	(1,004,576)	1
Loss on Advanced Refunding	-	-	(47,289)	47,289	-	-
Bond Issuance Costs/Premiums Amortized	-	-	28,675	(28,675)	-	-
FTA Operating Grant	3,304,105	3,304,105	3,235,328	-	3,235,328	(68,777)
Fiscal Agent Fees	-	-	(875)	-	(875)	(875)
State Operating Grant	595,507	679,663	679,663	-	679,663	-
Construction	(720,555)	(8,221,410)	-	(4,569,211)	(4,569,211)	3,652,199
Other Non-Operating Expenses	(1,140,040)	(2,422,083)	(197,976)	-	(197,976)	2,224,107
TOTAL NONOPERATING REVENUES AND (EXPENSES)	8,578,593	(160,999)	11,393,710	(5,558,860)	5,834,850	5,995,849
Income (Loss) Before Contributions and Transfers	(2,161,875)	(10,901,467)	(1,073,588)	(3,217,559)	(4,291,147)	6,610,320
Capital Contributions:						
Federal Capital Grant	351,397	4,322,044	611,686	-	611,686	(3,710,358)
State Capital Grant	-	201,318	201,318	-	201,318	-
Transfers In:						
Transit Sales Tax	6,643,905	6,575,271	-	6,266,620	6,266,620	(308,651)
Transfers Out:						
Transit Operations	(6,556,056)	(6,471,900)	-	(6,163,249)	(6,163,249)	308,651
Capital and Planning	(87,849)	(103,371)	-	(103,371)	(103,371)	-
Change in Net Position	(1,810,478)	(6,378,105)	(260,584)	(3,217,559)	(3,478,143)	2,899,962
Total Net Position-Beginning	37,120,909	37,120,909	37,120,909	-	37,120,909	-
Total Net Position-Ending	\$ 35,310,431	30,742,804	36,860,325	(3,217,559)	33,642,766	2,899,962

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	4,127,200
Payments to suppliers		(3,971,289)
Payments to employees		(10,079,084)
Payments for interfund services used		(176,495)
		(176,495)
Net cash provided (used) by operating activities		(10,099,668)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Subsidy from federal and state grants		6,533,556
Sales Tax		7,966,064
		7,966,064
Net cash provided (used) by noncapital and related financing activities		14,499,620

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Subsidy from federal and state grants		813,004
Acquisition and construction of capital assets		(4,767,185)
Principal paid on capital debt		(1,004,576)
Interest paid on capital debt		(299,067)
		(299,067)
Net cash provided (used) by capital and related financing activities		(5,257,824)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		852,474
Interest and dividends received		7,236
		7,236
Net cash provided (used) by investing activities		859,710

Net increase (decrease) in cash and cash equivalents

1,838

Cash and cash equivalents, October 1

34,168

Cash and cash equivalents, September 30

\$ 36,006

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	(12,467,298)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,328,075
(Increase) decrease in accounts receivable		987
(Increase) decrease in inventories		2,174
Increase in customer deposits		2,500
Increase (decrease) in accounts payable		16,377
Increase (decrease) in compensated absences payable		13,225
Increase (decrease) in accrued wages and employee benefits		4,292
Total adjustments		2,367,630
Net cash provided (used) by operating activities	\$	(10,099,668)

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

Disposition of assets		48
Bond issuance cost amortized		(28,675)
Accrued Interest Payable		(3,735)
Loss on Advance Refunding		47,289

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	<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>				
OPERATING REVENUES:						
Rental of Facilities	\$ 796,144	796,144	759,911	-	759,911	(36,233)
Toll Receipts	55,232,367	55,232,367	57,090,824	-	57,090,824	1,858,457
Miscellaneous	321,404	321,404	434,646	-	434,646	113,242
TOTAL OPERATING REVENUES	56,349,915	56,349,915	58,285,381	-	58,285,381	1,935,466
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,268,985	2,268,985	1,924,146	(11,687)	1,912,459	356,526
Materials and Supplies	240,385	257,385	174,904	-	174,904	82,481
Contractual Services	31,060,048	30,965,548	31,729,439	-	31,729,439	(763,891)
Other	10,000	10,000	1,585	-	1,585	8,415
Capital Outlay	-	55,000	-	52,845	52,845	2,155
Total Laredo Bridge Operations	33,579,418	33,556,918	33,830,074	41,158	33,871,232	(314,314)
Bridge II Operations:						
Personnel Services	2,338,102	2,338,102	2,171,097	4,024	2,175,121	162,981
Materials and Supplies	132,842	130,342	69,802	-	69,802	60,540
Contractual Services	379,114	369,214	296,239	-	296,239	72,975
Total Bridge II Operations	2,850,058	2,837,658	2,537,138	4,024	2,541,162	296,496
Colombia Bridge Operations:						
Personnel Services	1,230,113	1,230,113	1,220,110	(5,259)	1,214,851	15,262
Materials and Supplies	44,215	54,215	45,654	-	45,654	8,561
Contractual Services	241,085	255,185	220,585	-	220,585	34,600
Total Colombia Bridge Operations	1,515,413	1,539,513	1,486,349	(5,259)	1,481,090	58,423
Refrigerated Facility:						
Contractual Services	30,000	93,750	6,875	-	6,875	86,875
Total Refrigerated Facility	30,000	93,750	6,875	-	6,875	86,875
Fourth Bridge Operations:						
Personnel Services	2,265,391	2,265,391	2,150,618	(13,125)	2,137,493	127,898
Materials and Supplies	228,052	220,052	151,247	-	151,247	68,805
Contractual Services	787,395	798,395	791,605	-	791,605	6,790
Capital Outlay	-	7,800	-	7,800	7,800	-
Total Fourth Bridge Operations	3,280,838	3,291,638	3,093,470	(5,325)	3,088,145	203,493
Total Operating Expenses Before Depreciation						
Depreciation	41,255,727	41,319,477	40,953,906	34,598	40,988,504	330,973
Depreciation	-	-	2,979,773	(2,979,773)	-	-
TOTAL OPERATING EXPENSES	41,255,727	41,319,477	43,933,679	(2,945,175)	40,988,504	330,973
Operating Income (Loss)	\$ 15,094,188	15,030,438	14,351,702	2,945,175	17,296,877	2,266,439

(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

(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>				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 16,896	16,896	23,861	-	23,861	6,965
Interest Earnings - Restricted	29,764	29,764	52,309	-	52,309	22,545
Discount Earnings	-	-	9	-	9	9
Premiums	-	1,270,141	-	1,270,141	1,270,141	-
Miscellaneous	(1,250,000)	(1,122,043)	3,708	-	3,708	1,125,751
Bond Issues	-	9,585,000	-	9,585,000	9,585,000	-
Interest Expense	(3,138,668)	(2,786,625)	(2,786,624)	-	(2,786,624)	1
Principal Paid Revenue Bonds	(5,955,000)	(6,435,000)	-	(6,435,000)	(6,435,000)	-
Fiscal Agent Fees	(1,000)	(1,000)	(2,900)	-	(2,900)	(1,900)
Bond Issuance Cost/Premiums Amortized	-	(240,435)	145,100	(370,829)	(225,729)	14,706
Loss on Advance Refunding	-	-	(167,996)	167,996	-	-
Construction	(2,248,297)	(13,126,003)	(897,958)	(706,200)	(1,604,158)	11,521,845
TOTAL NONOPERATING REVENUES (EXPENSES)	(12,546,305)	(12,809,305)	(3,630,491)	3,511,108	(119,383)	12,689,922
Income (Loss) Before Contributions and Transfers	2,547,883	2,221,133	10,721,211	6,456,283	17,177,494	14,956,361
Transfers In:						
Bridge Operating Fund	10,127,982	10,742,688	-	10,021,245	10,021,245	(721,443)
Transfers Out:						
General Fund	(78,142)	(78,142)	(78,142)	-	(78,142)	-
Capital Improvements Fund	(4,252,149)	(4,252,149)	(6,902,908)	-	(6,902,908)	(2,650,759)
Debt Service	(771,860)	(771,860)	(771,860)	-	(771,860)	-
Bridge Construction	-	-	-	(400,000)	(400,000)	(400,000)
Bridge Refrigerated Facility	(15,000)	(15,000)	-	(15,000)	(15,000)	-
Bridge Debt Service	(10,112,982)	(10,727,688)	-	(9,606,245)	(9,606,245)	1,121,443
Change in Net Position	(2,554,268)	(2,881,018)	2,968,301	6,456,283	9,424,584	12,305,602
Total Net Position-Beginning	30,851,612	30,851,612	30,851,612	-	30,851,612	-
Prior Period Adjustment	-	-	(10,627,308)	-	(10,627,308)	(10,627,308)
Total Net Position-Ending	\$ 28,297,344	27,970,594	23,192,605	6,456,283	29,648,888	1,678,294

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	58,515,016
Payments to suppliers		(2,215,610)
Payments to employees		(7,511,567)
Payments for interfund services used		(31,340,366)
		(31,340,366)
Net cash provided by operating activities		17,447,473

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds		(7,752,910)
Net cash provided (used) by noncapital and related financing activities		(7,752,910)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt		10,629,412
Acquisition and construction of capital assets		(1,664,803)
Principal paid on capital debt		(6,435,000)
Interest paid on capital debt		(2,789,525)
Net cash provided (used) by capital and related financing activities		(259,916)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		(9,509,744)
Interest and dividends received		71,457
Net cash provided (used) by investing activities		(9,438,287)

Net increase (decrease) in cash and cash equivalents		(3,640)
Cash and cash equivalents, October 1		46,493
Cash and cash equivalents, September 30	\$	42,853

(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	14,351,702
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,979,773
(Increase) decrease in accounts receivable		3,000
Increase (decrease) in accounts payable		(68,041)
Increase (decrease) in deferred revenues		226,635
Increase (decrease) in compensated absences payable		26,048
Increase (decrease) in net pension liability		(99,084)
Increase (decrease) in accrued wages and employee benefits		27,440
Total adjustments		3,095,771
Net cash provided by operating activities	\$	17,447,473

Noncash investing, capital, and financing activities:

Premium on Refunding Issue	1,270,141
Bond issuance cost amortized	(370,829)
Loss on advance refunding	167,996

**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Rental of Facilities	\$ 1,240,000	1,240,000	1,252,632	-	1,252,632	12,632
Charges for Services	140,000	140,000	148,778	-	148,778	8,778
Miscellaneous	28,535	28,535	27,866	-	27,866	(669)
TOTAL OPERATING REVENUES	1,408,535	1,408,535	1,429,276	-	1,429,276	20,741
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	580,588	580,588	489,250	(17,842)	471,408	109,180
Materials and Supplies	149,407	139,619	119,170	-	119,170	20,449
Contractual Services	226,343	238,187	204,421	-	204,421	33,766
Other	51,400	46,900	19,368	(19,368)	-	46,900
Capital Outlay	-	-	-	-	-	-
Total Airport Housing	1,007,738	1,005,294	832,209	(37,210)	794,999	210,295
West Laredo Housing:						
Personnel Services	110,814	110,814	73,743	(2,322)	71,421	39,393
Materials and Supplies	43,339	35,339	22,015	-	22,015	13,324
Contractual Services	175,408	152,109	128,202	-	128,202	23,907
Other	20,100	20,100	-	-	-	20,100
Capital Outlay	-	-	-	7,150	7,150	(7,150)
Total West Laredo Housing	349,661	318,362	223,960	4,828	228,788	89,574
St. Peters Housing Project:						
Contractual Services	-	33,743	-	-	-	33,743
Capital Outlay	-	-	-	32,193	32,193	(32,193)
Total St. Peters Housing Project	-	33,743	-	32,193	32,193	1,550
Total Operating Expenses Before						
Depreciation	1,357,399	1,357,399	1,056,169	(189)	1,055,980	301,419
Depreciation Expense	-	-	47,858	(47,858)	-	-
TOTAL OPERATING EXPENSES	1,357,399	1,357,399	1,104,027	(48,047)	1,055,980	301,419
Operating Income (Loss)	51,136	51,136	325,249	48,047	373,296	322,160
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	6,100	6,100	8,054	-	8,054	1,954
TOTAL NONOPERATING REVENUES (EXPENSES)	6,100	6,100	8,054	-	8,054	1,954
Income (Loss) Before Contributions and Transfers	57,236	57,236	333,303	48,047	381,350	324,114
Transfer Out:						
General Fund	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,500,000)	-
Change in Net Assets	(1,442,764)	(1,442,764)	(1,166,697)	48,047	(1,118,650)	324,114
Total Net Assets-Beginning	2,917,686	2,917,686	2,917,686	-	2,917,686	-
Prior Period Adjustment	-	-	(765,982)	-	(765,982)	(765,982)
Total Net Position-Ending	\$ 1,474,922	1,474,922	985,007	48,047	1,033,054	(441,868)

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**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	1,447,777
Payments to suppliers		(299,639)
Payments to employees		(550,326)
Payments for interfund services used		(187,025)
		(187,025)
Net cash provided by operating activities		410,787

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds		(1,500,000)
Net cash provided (used) by noncapital and related financing activities		(1,500,000)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets		(39,343)
Net cash provided (used) by capital and related financing activities		(39,343)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		1,111,730
Interest and dividends received		7,405
		7,405
Net cash provided (used) by investing activities		1,119,135

Net increase (decrease) in cash and cash equivalents		(9,421)
Cash and cash equivalents, October 1		16,316

Cash and cash equivalents, September 30	\$	6,895
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(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	325,249
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		47,858
(Increase) decrease in accounts receivable		(2,396)
Increase in allowance for uncollectible accounts		17,933
Increase (decrease) in customer deposits		1,537
Increase (decrease) in accounts payable		5,229
Increase (decrease) in retainage payable		1,283
Increase (decrease) in deferred revenues		1,427
Increase (decrease) in compensated absences payable		20,164
Increase (decrease) in net pension liability		(7,140)
Increase (decrease) in accrued wages and employee benefits		(357)
Total adjustments		85,538
Net cash provided by operating activities	\$	410,787

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 37,912,454	37,912,454	34,643,695	-	34,643,695	(3,268,759)
Miscellaneous	4,721,421	4,721,421	4,954,663	-	4,954,663	233,242
TOTAL OPERATING REVENUES	42,633,875	42,633,875	39,598,358	-	39,598,358	(3,035,517)
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,619,285	1,634,285	1,273,989	(20,145)	1,253,844	380,441
Materials and Supplies	91,913	91,913	23,873	-	23,873	68,040
Contractual Services	3,310,840	3,280,495	3,092,690	-	3,092,690	187,805
Other	77,898	459,177	130,997	(125,203)	5,794	453,383
Capital Outlay	25,000	23,345	-	20,335	20,335	3,010
Total General and Administrative	5,124,936	5,489,215	4,521,549	(125,013)	4,396,536	1,092,679
Utility Engineering:						
Personnel Services	1,417,461	1,424,989	847,486	(1,640)	845,846	579,143
Materials and Supplies	88,427	83,447	38,320	-	38,320	45,127
Contractual Services	125,814	130,348	105,377	-	105,377	24,971
Other	400	-	14,135	-	14,135	(14,135)
Capital Outlay	20,000	30,039	-	20,335	20,335	9,704
Total Utility Engineering	1,652,102	1,668,823	1,005,318	18,695	1,024,013	644,810
Utility Billing:						
Personnel Services	2,406,159	2,406,159	2,262,190	(6,129)	2,256,061	150,098
Materials and Supplies	773,982	773,207	674,727	-	674,727	98,480
Contractual Services	1,024,098	1,024,873	876,247	-	876,247	148,626
Other	4,476	4,476	57	-	57	4,419
Total Utility Billing	4,208,715	4,208,715	3,813,221	(6,129)	3,807,092	401,623
Asset Management:						
Personnel Services	309,151	313,251	305,436	(631)	304,805	8,446
Materials and Supplies	17,008	13,608	7,312	-	7,312	6,296
Contractual Services	50,492	49,792	38,877	-	38,877	10,915
Total Asset Management	376,651	376,651	351,625	(631)	350,994	25,657
Water Treatment:						
Personnel Services	2,769,991	2,914,991	2,892,930	(11,294)	2,881,636	33,355
Materials and Supplies	1,784,487	1,663,237	1,150,941	-	1,150,941	512,296
Contractual Services	5,798,430	5,596,953	4,574,612	-	4,574,612	1,022,341
Capital Outlay	202,000	178,727	-	112,012	112,012	66,715
Total Water Treatment	10,554,908	10,353,908	8,618,483	100,718	8,719,201	1,634,707
Transmission and Distribution:						
Personnel Services	2,263,106	2,263,106	1,780,753	(6,143)	1,774,610	488,496
Materials and Supplies	1,058,932	888,970	820,579	-	820,579	68,391
Contractual Services	1,129,153	1,036,653	962,576	-	962,576	74,077
Other	-	850	2,463	-	2,463	(1,613)
Capital Outlay	491,583	563,195	-	551,480	551,480	11,715
Total Transmission and Distribution	\$ 4,942,774	4,752,774	3,566,371	545,337	4,111,708	641,066

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
Water Pollution Control:						
Personnel Services	\$ 395,716	395,716	303,000	(575)	302,425	93,291
Materials and Supplies	67,654	67,154	11,415	-	11,415	55,739
Contractual Services	151,687	131,081	41,961	-	41,961	89,120
Total Water Pollution Control	615,057	593,951	356,376	(575)	355,801	238,150
Total Operating Expenses Before Depreciation	27,475,143	27,444,037	22,232,943	532,402	22,765,345	4,678,692
Depreciation Expense	-	-	10,856,936	(10,856,936)	-	-
TOTAL OPERATING EXPENSES	27,475,143	27,444,037	33,089,879	(10,324,534)	22,765,345	4,678,692
Operating Income (Loss)	15,158,732	15,189,838	6,508,479	10,324,534	16,833,013	1,643,175
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	71,740	71,740	93,307	-	93,307	21,567
Interest Earnings Restricted	187,913	187,913	105,366	-	105,366	(82,547)
Discount Earnings	-	-	8,242	-	8,242	8,242
Interest Rebate	-	-	808,357	-	808,357	808,357
Premiums	-	483,406	-	483,406	483,406	-
Miscellaneous	20,110	20,110	160	-	160	(19,950)
Water Availability Fees	900,000	900,000	1,334,640	-	1,334,640	434,640
Bond Issues	-	22,420,448	-	22,420,448	22,420,448	-
Interest Expense	(10,426,707)	(10,559,629)	(10,574,298)	58,049	(10,516,249)	43,380
Principal Paid Revenue Bond / Capital Leases	(6,289,982)	(9,943,010)	-	(9,986,379)	(9,986,379)	(43,369)
Fiscal Agent Fees	-	-	(4,300)	-	(4,300)	(4,300)
Bond Issuance Cost/Premiums Amortized	-	(397,087)	(159,493)	(231,109)	(390,602)	6,485
Loss on Advance Funding	-	(547,420)	(101,301)	(446,119)	(547,420)	-
Water Rights Acq./Water Conservation	(1,524,936)	(3,663,704)	(154,931)	(1,779,768)	(1,934,699)	1,729,005
Other Non-Operating Expenses	(2,100,194)	(21,954,919)	(9,580,748)	(6,314,723)	(15,895,471)	6,059,448
TOTAL NONOPERATING REVENUES (EXPENSES)	(19,162,056)	(22,982,152)	(18,224,999)	4,203,805	(14,021,194)	8,960,958
Income (Loss) Before Contributions and Transfers	(4,003,324)	(7,792,314)	(11,716,520)	14,528,339	2,811,819	10,604,133
Capital Contributions:						
Intergovernmental Revenue	638	638	-	-	-	(638)
Contributions - Developers	-	-	2,501,694	(2,501,694)	-	-
Contributions - Other	-	1,234,943	993,590	(938,937)	54,653	(1,180,290)
Transfer In:						
Waterworks System	18,063,491	19,331,413	-	15,637,072	15,637,072	(3,694,341)
Water Availability	380,000	380,000	-	-	-	(380,000)
Water Bond Funds	-	852,643	-	-	-	(852,643)
Transfers Out:						
Water Construction Fund	(1,707,513)	(1,707,513)	-	(194,695)	(194,695)	1,512,818
Water Debt Service	(16,735,978)	(18,856,543)	-	(15,442,377)	(15,442,377)	3,414,166
Change in Net Position	(4,002,686)	(6,556,733)	(8,221,236)	11,087,708	2,866,472	9,423,205
Total Net Position-Beginning	167,296,187	167,296,187	167,296,187	-	167,296,187	-
Prior Period Adjustment	-	-	(13,583,528)	-	(13,583,528)	(13,583,528)
Total Net Position-Ending	\$ 163,293,501	160,739,454	145,491,423	11,087,708	156,579,131	(4,160,323)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	39,852,675
Receipts from interfund services provided		537,800
Payments to suppliers		(11,858,873)
Payments to employees		(9,681,108)
Payments for interfund services used		(4,119,775)
		(4,119,775)
Net cash provided by operating activities		14,730,719

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds		(15,637,072)
Transfer from other funds		15,253,969
		15,253,969
Net cash provided (used) by noncapital and related financing activities		(383,103)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt		21,965,832
Capital contributions		54,653
Purchases of capital assets		(704,162)
Acquisition and construction of capital assets		(16,495,370)
Principal paid on capital debt		(9,986,379)
Interest paid on capital debt		(10,520,549)
		(10,520,549)
Net cash provided (used) by capital and related financing activities		(15,685,975)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		387,450
Interest and dividends received		984,809
Issuance of notes receivable		(81,664)
		(81,664)
Net cash provided (used) by investing activities		1,290,595

Net increase (decrease) in cash and cash equivalents		(47,764)
Cash and cash equivalents, October 1		210,045

Cash and cash equivalents, September 30	\$	162,281
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(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	6,508,479
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		10,856,936
(Increase) decrease in accounts receivable		237,872
Increase (decrease) in allowance for uncollectible accounts		91,888
(Increase) decrease in inventories		123,854
Increase (decrease) in customer deposits		199,740
Increase (decrease) in accounts payable		(3,535,343)
Increase (decrease) in deferred revenues		262,617
Increase (decrease) in compensated absences payable		46,556
Increase (decrease) in net pension liability		(126,649)
Increase (decrease) in accrued wages and employee benefits		64,769
Total adjustments		8,222,240
Net cash provided by operating activities	\$	14,730,719

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

Bond issuance cost amortized		(231,109)
Premiums		483,406
Contributions of capital assets from developers		(2,501,694)
Contributions of capital assets from other		938,937
Increase (decrease) in accrued interest payable		58,048
Loss on advance refunding		446,119

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

	<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>				
OPERATING REVENUES:						
Charges for Services	\$ 33,796,865	33,796,865	27,994,808	-	27,994,808	(5,802,057)
Miscellaneous	75,144	75,144	414,542	-	414,542	339,398
TOTAL OPERATING REVENUES	33,872,009	33,872,009	28,409,350	-	28,409,350	(5,462,659)
OPERATING EXPENSES:						
Administrative:						
Contractual Services	6,311,466	6,311,466	6,236,035	-	6,236,035	75,431
Other	190,692	949,692	125,451	(125,451)	-	949,692
Total Administrative	6,502,158	7,261,158	6,361,486	(125,451)	6,236,035	1,025,123
Wastewater Treatment:						
Personnel Services	2,454,068	2,514,068	2,388,294	(17,175)	2,371,119	142,949
Materials and Supplies	881,317	825,342	654,032	-	654,032	171,310
Contractual Services	4,658,181	4,312,156	3,896,425	-	3,896,425	415,731
Capital Outlay	275,000	287,000	-	154,475	154,475	132,525
Total Wastewater Treatment	8,268,566	7,938,566	6,938,751	137,300	7,076,051	862,515
Wastewater Collection:						
Personnel Services	1,860,554	1,935,554	1,546,648	(1,987)	1,544,661	390,893
Materials and Supplies	1,125,050	940,714	540,886	-	540,886	399,828
Contractual Services	1,916,126	1,596,462	1,130,339	-	1,130,339	466,123
Capital Outlay	544,500	544,500	-	499,551	499,551	44,949
Total Wastewater Collection	5,446,230	5,017,230	3,217,873	497,564	3,715,437	1,301,793
Total Operating Expenses Before Depreciation	20,216,954	20,216,954	16,518,110	509,413	17,027,523	3,189,431
Depreciation Expense	-	-	6,819,473	(6,819,473)	-	-
TOTAL OPERATING EXPENSES	20,216,954	20,216,954	23,337,583	(6,310,060)	17,027,523	3,189,431
Operating Income (Loss)	\$ 13,655,055	13,655,055	5,071,767	6,310,060	11,381,827	(2,273,228)

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015**

(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>				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 62,087	62,087	114,088	-	114,088	52,001
Interest Earnings Restricted	116,334	116,334	80,251	-	80,251	(36,083)
Discount Earnings	-	-	11,597	-	11,597	11,597
Premium	-	315,089	-	315,089	315,089	-
Bond Issues	-	14,045,323	-	14,045,323	14,045,323	-
Miscellaneous	9,748	9,748	-	-	-	(9,748)
Interest Expense	(4,245,317)	(4,383,923)	(4,362,748)	(166,551)	(4,529,299)	(145,376)
Principal Paid Revenue Bond /						
Capital Leases	(5,367,191)	(8,142,541)	-	(7,997,154)	(7,997,154)	145,387
Fiscal Agent Fees	-	(3,600)	(3,675)	-	(3,675)	(75)
Bond Issuance Cost/Premiums Amortized	-	(216,673)	(158,269)	(69,079)	(227,348)	(10,675)
Loss on Advance Refunding	-	(373,204)	(84,237)	(271,603)	(355,840)	17,364
Other Non Operating Expenses	(1,234,052)	(13,594,268)	(4,567,408)	(7,361,751)	(11,929,159)	1,665,109
TOTAL NONOPERATING REVENUES (EXPENSES)	(10,658,391)	(12,165,628)	(8,970,401)	(1,505,726)	(10,476,127)	1,689,501
Income (Loss) Before Contributions and Transfers	2,996,664	1,489,427	(3,898,634)	4,804,334	905,700	(583,727)
Capital Contributions:						
Contributions - Others	-	581,115	290,320	(290,320)	-	(581,115)
Contributions - Developers	-	-	1,714,811	(1,714,811)	-	-
Transfers In:						
Sewer Debt Service	9,730,679	11,534,470	-	9,936,424	9,936,424	(1,598,046)
Sewer Construction	1,114,119	1,114,119	-	157,634	157,634	(956,485)
Transfers Out:						
Sewer Debt Service	(9,730,679)	(11,534,470)	-	(9,936,424)	(9,936,424)	1,598,046
Sewer Construction Fund	(1,114,119)	(1,114,119)	-	(157,634)	(157,634)	956,485
Change in Net Position	2,996,664	2,070,542	(1,893,503)	2,799,203	905,700	(1,164,842)
Total Net Position-Beginning	105,216,588	105,216,588	105,216,588	-	105,216,588	-
Prior Period Adjustment	-	-	(5,529,062)	-	(5,529,062)	(5,529,062)
Total Net Position-Ending	\$ 108,213,252	107,287,130	97,794,023	2,799,203	100,593,226	(6,693,904)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	28,692,081
Receipts from interfund services provided		472,214
Payments to suppliers		(15,386,723)
Payments to employees		(3,935,619)
Payments for interfund services used		(260,566)
		9,581,387
Net cash provided by operating activities		9,581,387

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds		10,094,058
Transfer to other funds		(10,094,058)
		-
Net cash provided (used) by noncapital and related financing activities		-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt		13,777,224
Acquisition and construction of capital assets		(12,583,183)
Principal paid on capital debt		(7,997,154)
Interest paid on capital debt		(4,532,974)
		(11,336,087)
Net cash provided (used) by capital and related financing activities		(11,336,087)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		1,770,377
Interest and dividends received		160,493
Issuance of notes receivable		(212,324)
		1,718,546
Net cash provided (used) by investing activities		1,718,546

Net increase (decrease) in cash and cash equivalents		(36,154)
Cash and cash equivalents, October 1		193,163

Cash and cash equivalents, September 30	\$	157,009
		157,009

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	5,071,767
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		6,819,473
(Increase) decrease in accounts receivable		417,171
Increase (decrease) in allowance for uncollectible accounts		125,451
(Increase) decrease in inventories		(18,113)
Increase (decrease) in accounts payable		(3,046,008)
Increase (decrease) in deferred revenues		212,323
Increase (decrease) in compensated absences payable		19,162
Increase (decrease) in net pension liability		(51,551)
Increase (decrease) in accrued wages and employee benefits		31,712
Total adjustments		4,509,620
Net cash provided by operating activities	\$	9,581,387

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

Contributions of capital assets from developers & others		(2,005,131)
Bond issuance cost amortized		69,079
Premiums		315,089
Increase (decrease) in accrued interest payable		8,448
Loss on advance refunding		271,603

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 20,679,763	20,679,763	21,345,590	-	21,345,590	665,827
Miscellaneous	67,917	67,917	37,853	-	37,853	(30,064)
TOTAL OPERATING REVENUES	20,747,680	20,747,680	21,383,443	-	21,383,443	635,763
OPERATING EXPENSES:						
Administration:						
Personnel Services	331,996	331,996	255,378	(2,828)	252,550	79,446
Materials and Supplies	14,395	21,505	14,430	-	14,430	7,075
Contractual Services	68,278	84,428	71,676	-	71,676	12,752
Capital Outlay	1,729	1,729	-	1,729	1,729	-
Total Administration	416,398	439,658	341,484	(1,099)	340,385	99,273
Branch Division:						
Personnel Services	492,481	492,481	451,157	(18,132)	433,025	59,456
Materials and Supplies	79,322	82,322	46,680	-	46,680	35,642
Contractual Services	89,059	89,059	86,440	-	86,440	2,619
Total Branch Division	660,862	663,862	584,277	(18,132)	566,145	97,717
Recycling:						
Personnel Services	903,452	903,452	811,770	(3,504)	808,266	95,186
Materials and Supplies	204,990	193,140	120,794	-	120,794	72,346
Contractual Services	484,756	535,306	406,408	-	406,408	128,898
Total Recycling	1,593,198	1,631,898	1,338,972	(3,504)	1,335,468	296,430
Sanitation:						
Personnel Services	3,561,264	3,561,264	3,379,709	15,028	3,394,737	166,527
Materials and Supplies	1,493,044	1,525,144	1,043,105	-	1,043,105	482,039
Contractual Services	2,925,551	2,672,996	2,614,473	-	2,614,473	58,523
Other	420,000	270,000	53,282	(53,282)	-	270,000
Total Sanitation	8,399,859	8,029,404	7,090,569	(38,254)	7,052,315	977,089
Landfill:						
Personnel Services	1,168,680	1,168,680	1,116,647	(28,535)	1,088,112	80,568
Materials and Supplies	856,081	871,780	586,320	-	586,320	285,460
Contractual Services	3,905,057	4,164,144	3,010,795	-	3,010,795	1,153,349
Other	500,000	500,255	876,092	-	876,092	(375,837)
Capital Outlay	652,340	682,791	-	280,947	280,947	401,844
Total Landfill	7,082,158	7,387,650	5,589,854	252,412	5,842,266	1,545,384
Total Operating Expenses Before Depreciation	18,152,475	18,152,472	14,945,156	191,423	15,136,579	3,015,893
Depreciation Expense	-	-	2,694,439	(2,694,439)	-	-
TOTAL OPERATING EXPENSES	18,152,475	18,152,472	17,639,595	(2,503,016)	15,136,579	3,015,893
Operating Income (Loss)	\$ 2,595,205	2,595,208	3,743,848	2,503,016	6,246,864	3,651,656

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2015

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 28,600	28,600	54,601	-	54,601	26,001
Interest Earnings-Restricted	28,700	28,700	36,755	-	36,755	8,055
Premiums	-	1,523,798	-	1,523,798	1,523,798	-
Discount Earnings	4,220	4,220	4,896	-	4,896	676
Gain (Loss) From Sale of Assets	-	-	(26,541)	28,094	1,553	1,553
Bond Issues	-	12,459,260	-	12,459,260	12,459,260	-
Interest Expense	(987,134)	(1,073,071)	(1,050,013)	44,474	(1,005,539)	67,532
Gain (Loss) on Advance Refunding	-	(840,737)	(52,169)	(788,568)	(840,737)	-
Principal Paid Revenue Bond	(2,876,246)	(7,904,292)	-	(7,971,819)	(7,971,819)	(67,527)
Fiscal Agent Fees	(1,300)	(1,300)	(1,425)	-	(1,425)	(125)
Bond Issuance Cost/Premiums Amortized	-	(180,275)	39,271	(215,752)	(176,481)	3,794
Other Non-Operating Expenses	-	-	(62,620)	-	(62,620)	(62,620)
Construction	(6,058)	(11,694,838)	-	(3,559,619)	(3,559,619)	8,135,219
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,809,218)	(7,649,935)	(1,057,245)	1,519,868	462,623	8,112,558
Income (Loss) Before Contributions and Transfers	(1,214,013)	(5,054,727)	2,686,603	4,022,884	6,709,487	11,764,214
Transfers In:						
Solid Waste Fund	3,864,680	4,265,617	-	4,265,669	4,265,669	52
Transfers Out:						
Solid Waste Fund	(3,864,680)	(4,265,617)	-	(4,265,669)	(4,265,669)	(52)
Change in Net Position	(1,214,013)	(5,054,727)	2,686,603	4,022,884	6,709,487	11,764,214
Total Net Position-Beginning	7,332,326	7,332,326	7,332,326	-	7,332,326	-
Prior Period Adjustment	-	-	(8,376,412)	-	(8,376,412)	(8,376,412)
Total Net Position-Ending	\$ 6,118,313	2,277,599	1,642,517	4,022,884	5,665,401	3,387,802

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$	16,049,369
Receipts from interfund services provided		236,107
Payments to suppliers		(4,586,598)
Payments to employees		(6,045,914)
Payments for interfund services used		(4,176,745)
		1,476,219
Net cash provided by operating activities		1,476,219

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds		(845,413)
Transfer from other funds		1,228,516
		383,103
Net cash provided (used) by noncapital and related financing activities		383,103

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt		13,142,321
Principal paid on capital debt		(7,971,819)
Interest paid on capital debt		(1,006,964)
Acquisition and construction of capital assets		(4,081,396)
Proceeds from sales of capital assets		1,553
		83,695
Net cash provided (used) by capital and related financing activities		83,695

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments		(2,004,912)
Interest and dividends received		62,732
		(1,942,180)
Net cash provided (used) by investing activities		(1,942,180)

Net increase (decrease) in cash and cash equivalents		837
Cash and cash equivalents, October 1		80,771

Cash and cash equivalents, September 30	\$	81,608
		81,608

(Continued)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2015**

(Continued)

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

Operating income	\$	3,743,848
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,694,439
(Increase) decrease in landfill closure and post closure costs		856,186
(Increase) decrease in accounts receivable		(5,144,111)
Increase (decrease) in allowance for uncollectible accounts		46,144
(Increase) decrease in inventories		4,074
Increase (decrease) in accounts payable		(693,108)
Increase (decrease) in compensated absences payable		37,970
Increase (decrease) in net pension liability		(78,100)
Increase (decrease) in accrued wages and employee benefits		8,877

Total adjustments		(2,267,629)
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Net cash provided by operating activities	\$	1,476,219
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**Noncash investing, capital, and financing
activities:**

Current closure and post closure costs		856,186
Premiums		1,523,798
Bond issuance cost amortized		(215,752)
Loss on advance refunding		(788,568)
Accrued interest payable		44,474
Sale of assets		28,094

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FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for other agencies or individuals, private organizations or governmental units, and/or other funds. Fiduciary funds include agency funds and pension trust funds.

Agency Funds include:

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

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

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

Pension Trust Funds include:

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

**CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015**

	<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>
ASSETS					
Equity in Investment Pool	-	-	11,943	11,943	-
Accounts Receivable	457,527	288,064	2,804	748,395	-
Accrued Interest Receivable	-	-	8,120	8,120	-
Investments, at Fair Market Value	-	-	2,095,950	2,095,950	-
TOTAL ASSETS	457,527	288,064	2,118,817	2,864,408	-
LIABILITIES					
Accounts Payable	457,527	288,064	2,118,817	2,864,408	-
TOTAL LIABILITIES	457,527	288,064	2,118,817	2,864,408	-
NET POSITION					
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	-	-	-	-	-

**CITY OF LAREDO, TEXAS
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended September 30, 2015**

POLICE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ -	857,726	857,726	-
Accounts Receivable	228,685	457,527	228,685	457,527
TOTAL ASSETS	<u>228,685</u>	<u>1,315,253</u>	<u>1,086,411</u>	<u>457,527</u>
LIABILITIES				
Accounts Payable	228,685	457,527	228,685	457,527
TOTAL LIABILITIES	<u>\$ 228,685</u>	<u>457,527</u>	<u>228,685</u>	<u>457,527</u>

FIRE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ -	891,236	891,236	-
Accounts Receivable	490,403	288,064	490,403	288,064
TOTAL ASSETS	<u>490,403</u>	<u>1,179,300</u>	<u>1,381,639</u>	<u>288,064</u>
LIABILITIES				
Accounts Payable	490,403	288,064	490,403	288,064
TOTAL LIABILITIES	<u>\$ 490,403</u>	<u>288,064</u>	<u>490,403</u>	<u>288,064</u>

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2015

(Continued)

PAYROLL CLEARING FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 14,027	110,830,584	110,832,668	11,943
Accounts Receivable	2,829	2,382	2,407	2,804
Accrued Interest Receivable	3,435	8,120	3,435	8,120
Investments, at Fair Market Value	2,005,505	2,095,950	2,005,505	2,095,950
Prepaid Items	-	4,454	4,454	-
TOTAL ASSETS	<u>2,025,796</u>	<u>112,941,490</u>	<u>112,848,469</u>	<u>2,118,817</u>
LIABILITIES				
Accounts Payable	2,025,796	89,769,377	89,676,356	2,118,817
Accrued Wages and Benefits	-	56,420,312	56,420,312	-
TOTAL LIABILITIES	<u>\$ 2,025,796</u>	<u>146,189,689</u>	<u>146,096,668</u>	<u>2,118,817</u>

TOTALS-ALL AGENCY FUNDS

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 14,027	112,579,546	112,581,630	11,943
Accounts Receivable	721,917	747,973	721,495	748,395
Accrued Interest Receivable	3,435	8,120	3,435	8,120
Investments, at Fair Market Value	2,005,505	2,095,950	2,005,505	2,095,950
Prepaid Items	-	4,454	4,454	-
TOTAL ASSETS	<u>2,744,884</u>	<u>115,436,043</u>	<u>115,316,519</u>	<u>2,864,408</u>
LIABILITIES				
Accounts Payable	2,744,884	90,514,968	90,395,444	2,864,408
Accrued Wages and Benefits	-	56,420,312	56,420,312	-
TOTAL LIABILITIES	<u>\$ 2,744,884</u>	<u>146,935,280</u>	<u>146,815,756</u>	<u>2,864,408</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Laredo's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Laredo's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. (Tables 1-5)

REVENUE CAPACITY

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. (Tables 6-10)

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

(Tables 11-16)

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. (Tables 17-20)

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report. (Tables 21-25)

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

NET POSITION BY COMPONENT
LAST TEN FISCAL PERIODS
(ACCRUAL BASIS OF ACCOUNTING)

CITY OF LAREDO, TEXAS
TABLE 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 215,439,510	\$ 241,151,427	\$ 226,128,108	\$ 327,113,377	\$ 371,030,290	\$ 404,332,329	\$ 426,071,062	\$ 435,213,156	\$ 454,275,907	\$ 487,452,144
Restricted	42,590,216	13,422,271	18,974,742	21,193,295	23,051,240	24,098,965	22,027,504	32,487,338	52,746,758	39,488,100
Unrestricted	44,842,955	81,277,357	72,424,497	71,981,867	36,509,233	28,981,198	15,921,760	24,657,948	(9,084,181)	(103,494,138)
Total governmental activities net position	\$ 302,872,681	\$ 335,851,055	\$ 317,527,347	\$ 420,288,539	\$ 430,590,763	\$ 455,412,492	\$ 464,020,326	\$ 492,358,442	\$ 497,938,484	\$ 423,446,106
Business-type activities										
Net investment in capital assets	\$ 228,622,897	\$ 182,101,727	\$ 289,915,339	\$ 241,824,056	\$ 251,995,464	\$ 273,496,354	\$ 235,628,019	\$ 308,880,051	\$ 279,700,006	\$ 266,890,409
Restricted	10,970,742	11,615,650	24,336,104	17,621,503	16,695,175	25,879,932	29,616,876	32,833,893	31,079,396	57,971,427
Unrestricted	53,992,989	112,203,891	40,616,292	36,022,700	36,287,912	44,344,017	91,031,789	21,796,947	44,775,230	(12,769,768)
Total business-type activities net position	\$ 293,586,627	\$ 305,921,468	\$ 354,867,735	\$ 297,468,259	\$ 304,978,551	\$ 343,720,303	\$ 356,278,684	\$ 363,512,891	\$ 355,554,632	\$ 312,092,088
Primary government										
Net investment in capital assets	\$ 444,062,407	\$ 423,253,154	\$ 516,043,447	\$ 568,937,433	\$ 623,025,754	\$ 677,828,683	\$ 661,699,081	\$ 744,093,207	\$ 733,975,913	\$ 754,342,553
Restricted	53,560,958	25,038,121	43,310,846	38,814,798	39,746,415	49,978,897	51,644,380	65,321,231	83,826,154	97,459,527
Unrestricted	98,835,943	193,481,248	113,040,789	110,004,567	72,797,145	71,325,215	106,953,549	46,456,895	36,691,049	(116,263,906)
Total primary government net position	\$ 596,459,308	\$ 641,772,523	\$ 672,395,082	\$ 717,756,798	\$ 735,669,314	\$ 799,132,795	\$ 820,297,010	\$ 853,871,333	\$ 853,493,116	\$ 735,538,174

SOURCE:

City of Laredo, Texas

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

**CITY OF LAREDO, TEXAS
TABLE 2**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$ 17,637,852	\$ 18,314,193	\$ 19,219,026	\$ 20,403,447	\$ 33,057,032	\$ 33,212,469	\$ 31,034,892	\$ 36,517,099	\$ 31,483,857	\$ 30,754,775
Public Safety	81,993,355	86,550,055	95,322,249	101,317,492	96,731,529	108,220,849	109,306,566	114,298,448	116,740,217	123,569,785
Public Works	22,544,287	22,524,297	26,609,686	33,983,968	31,945,588	28,971,676	35,937,652	29,742,584	29,275,673	30,339,614
Health and Welfare	15,734,517	17,053,474	18,974,496	19,374,716	21,408,808	21,559,624	23,663,834	25,149,324	25,049,024	25,392,674
Culture and Recreation	14,770,220	14,838,677	16,311,284	19,137,914	21,989,636	24,351,217	25,468,060	25,636,585	28,166,961	27,531,357
Air Transportation	6,487,313	7,157,616	5,709,233	6,014,102	5,592,799	8,337,337	5,896,045	10,379,579	10,866,517	11,424,789
Interest on Long Term Debt	9,337,731	9,809,368	60,052,703	29,610,058	11,170,771	11,330,317	11,215,644	11,253,582	15,939,639	14,675,052
Total Governmental Activities Expenses	168,505,275	176,247,680	242,198,677	229,841,697	221,896,173	235,983,489	242,522,693	252,977,201	257,521,888	263,688,046
Business-Type Activities										
Bridge System	38,315,376	38,421,137	42,734,185	39,335,750	40,917,048	41,558,090	41,674,262	40,886,900	53,740,997	47,492,006
Solid Waste Management System	13,559,190	15,000,574	17,157,717	18,828,910	14,516,888	15,794,014	16,279,971	19,527,143	17,714,332	18,207,099
Water System	20,607,390	22,213,666	28,212,391	28,536,428	40,110,255	42,840,185	43,022,231	43,113,971	46,627,133	53,339,444
Sewer System	12,733,207	14,251,997	16,765,662	18,235,772	25,526,830	24,269,283	28,980,517	31,051,237	32,680,138	32,339,112
Other Business-Type Activities	15,077,621	15,744,459	15,893,623	15,734,541	17,278,725	16,439,140	17,238,363	17,817,971	18,016,163	18,198,854
Total Business-Type Activities Expenses	100,292,784	105,631,833	120,763,578	120,671,401	138,349,746	140,900,712	147,195,364	152,397,222	168,778,763	169,576,515
Total Primary Government Expenses	\$ 268,798,059	\$ 281,879,513	\$ 362,962,255	\$ 350,513,098	\$ 360,245,919	\$ 376,884,201	\$ 389,718,057	\$ 405,374,423	\$ 426,300,651	\$ 433,264,561
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 34,295,011	\$ 32,910,354	\$ 37,689,581	\$ 33,923,642	\$ 36,183,314	\$ 40,374,802	\$ 37,543,445	\$ 40,285,380	\$ 48,476,887	\$ 49,951,513
General Government	6,638,370	8,172,180	5,778,145	10,016,804	12,060,974	8,589,950	7,515,182	10,135,563	9,689,452	10,161,855
Public Safety	2,535,760	5,465,043	5,397,891	3,675,472	4,528,772	2,158,284	5,556,032	13,359,717	681,523	570,033
Public Works	8,564,712	9,392,593	12,351,506	10,452,002	9,832,614	11,998,693	13,793,256	15,564,387	16,082,560	15,328,529
Health and Welfare	1,784,371	1,775,372	1,570,822	4,029,673	5,157,950	5,412,318	7,116,481	5,874,092	6,700,618	5,760,979
Culture and Recreation	4,066,353	4,838,526	4,828,695	4,624,053	5,516,704	4,586,437	4,966,208	7,105,179	6,213,731	8,428,408
Air Transportation	11,946,958	12,987,606	13,930,222	18,369,080	21,833,031	23,489,800	22,085,334	25,228,899	21,012,892	22,967,325
Operating Grants and Contributions	16,859,762	18,236,216	15,342,851	30,660,626	48,006,390	36,020,500	29,325,040	22,102,012	29,152,539	35,294,592
Capital Grants and Contributions	86,691,297	93,777,890	96,889,713	115,751,352	143,119,749	132,640,834	127,900,978	139,655,229	138,010,202	148,463,234
Total Governmental Activities Program Revenues	208,798,059	215,381,696	274,066,251	277,353,491	294,961,055	306,018,213	282,306,786	293,732,218	302,468,755	313,327,619
Business-Type Activities:										
Charges for Services	42,757,164	41,642,985	48,757,093	43,736,439	45,913,716	46,433,396	47,365,449	47,628,417	55,703,827	58,289,089
Bridge System	15,802,217	16,645,845	15,987,984	15,570,572	16,014,354	16,657,612	16,625,595	18,773,794	19,938,264	21,422,714
Solid Waste Management System	25,215,914	28,217,432	28,832,337	30,032,089	29,859,060	36,301,316	38,825,686	41,279,848	42,744,943	40,933,168
Water System	15,606,262	15,157,406	15,820,522	21,401,432	22,884,626	27,711,393	28,734,011	28,941,911	30,383,531	28,409,350
Sewer System	5,382,835	5,760,012	6,234,125	5,393,258	5,447,624	5,384,915	5,453,483	5,583,161	5,516,063	5,581,664
Other Business-Type Activities	4,644,435	4,732,614	4,519,591	4,433,244	4,439,854	4,279,472	4,473,530	5,004,473	4,425,506	3,914,991
Operating Grants and Contributions	13,062,195	9,447,512	57,024,886	41,035,105	26,282,072	36,609,025	12,928,054	6,365,385	5,746,419	6,313,419
Capital Grants and Contributions	122,391,022	121,603,806	177,176,538	161,602,139	151,841,306	173,377,379	154,405,808	154,076,989	164,488,553	164,894,385
Total Business-Type Activities Program Revenues	209,082,319	215,381,696	274,066,251	277,353,491	294,961,055	306,018,213	282,306,786	293,732,218	302,468,755	313,327,619

(Continued)

(Continued)

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue	\$ (81,813,978)	\$ (82,469,790)	\$ (145,308,964)	\$ (114,090,345)	\$ (78,776,424)	\$ (103,342,655)	\$ (114,621,715)	\$ (113,321,972)	\$ (119,511,686)	\$ (115,224,812)
Governmental Activities	22,099,238	15,971,973	56,412,960	40,930,738	13,491,560	32,476,667	7,210,444	1,679,767	(4,320,210)	(4,712,130)
Business-Type Activities	(59,715,740)	(66,497,817)	(88,896,004)	(73,159,607)	(65,284,864)	(70,865,988)	(107,411,271)	(111,642,205)	(123,831,896)	(119,936,942)
Total Primary Government Net Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Revenues and Other Changes in Net Position	\$ 49,472,071	\$ 55,844,667	\$ 62,332,204	\$ 68,693,562	\$ 69,155,582	\$ 69,142,902	\$ 68,704,058	\$ 69,563,546	\$ 68,900,077	\$ 72,930,004
Governmental Activities:	30,151,183	31,476,528	32,648,289	29,801,861	29,790,610	39,050,113	38,152,946	40,383,050	39,842,711	41,000,767
Taxes	6,595,084	6,528,053	6,835,933	6,714,232	6,681,712	7,018,602	7,085,923	7,089,931	7,434,775	7,613,867
Property Taxes	3,054,454	3,392,027	3,331,021	2,718,253	3,087,561	4,117,956	4,228,417	4,218,974	4,322,485	4,219,474
Sales Tax	318,415	341,440	334,273	323,349	308,966	329,521	298,772	345,476	436,204	463,447
Franchise Taxes	5,235,856	4,095,598	4,845,731	-	-	-	-	-	-	-
Hotel/Motel Tax	3,324,727	3,866,276	3,478,262	1,980,307	703,433	505,944	399,151	379,330	428,693	581,016
Alcoholic Beverage Taxes	54,052	344,958	409,102	122,890	36,680	1,327,296	314,627	15,898,197	177,320	50,721
Grants and Contributions Not Restricted to Specific Programs	-	-	1,227,777	1,893,419	-	829,086	84,484	-	0	0
Investment Earnings	15,406,004	9,651,953	13,622,444	8,108,009	4,683,701	5,842,964	3,961,171	3,781,584	7,585,617	9,252,910
Gain on Sale of Capital Assets	113,611,846	115,541,500	129,065,036	120,355,882	114,448,245	128,164,384	123,229,549	141,660,088	129,127,882	136,112,196
Bond Premium	-	-	-	-	-	-	-	-	-	-
Transfers	5,658,730	5,881,063	6,122,978	5,760,681	5,512,908	6,311,745	7,082,464	7,666,150	7,716,898	7,966,064
Total Governmental Activities	53,537	-	288,222	288,222	288,222	203,743	1,811,816	1,651,558	1,409,876	1,445,291
Business-Type Activities:	143,756	133,758	393,328	512,769	(533,697)	152,893	23,254	20,316	352,807	(26,589)
Sales Tax	-	-	-	-	-	5,439,668	389,574	-	-	-
Investment Earnings	(15,406,004)	(9,651,953)	(13,622,444)	(8,108,009)	(4,683,701)	(5,842,964)	(3,961,171)	(3,781,584)	(7,585,617)	(9,252,910)
Gain/(Loss) on Sale of Capital Assets	(9,549,981)	(3,637,132)	(7,106,138)	(1,834,559)	583,732	6,285,085	5,345,937	5,556,440	1,893,964	131,856
Bond Premium	104,061,865	111,904,368	121,958,898	118,521,323	115,031,977	134,429,469	128,575,486	147,216,528	131,021,846	136,244,052
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Primary Government	\$ 31,797,868	\$ 33,071,710	\$ (16,243,928)	\$ 6,265,537	\$ 35,671,821	\$ 24,821,729	\$ 8,607,834	\$ 28,338,116	\$ 9,616,196	\$ 20,887,384
Governmental Activities	12,548,257	12,334,841	49,306,822	39,096,179	14,075,292	38,741,752	12,556,381	7,236,207	(2,426,246)	(4,580,274)
Business-Type Activities	44,346,125	45,406,551	33,062,894	45,361,716	49,747,113	63,563,481	21,164,215	35,574,323	7,189,950	16,307,110
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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Taxes:										
Property	49,303,836	55,681,122	61,553,183	67,284,934	68,870,491	68,998,291	67,838,288	69,063,708	71,560,518	73,314,227
Sales	29,894,463	31,384,048	32,518,723	30,308,403	29,338,115	33,669,024	37,461,185	39,821,718	40,024,574	41,364,145
Franchise Fees	6,589,349	6,506,014	6,793,268	6,788,837	6,668,731	6,995,838	7,080,430	7,049,443	7,408,310	68,575
Bingo Tax	63,010	65,524	68,268	68,274	68,235	74,345	92,942	70,037	70,037	463,398
Alcoholic Beverage	3,024,062	3,330,740	3,327,146	2,775,027	3,077,683	3,411,545	289,304	320,504	429,823	4,204,569
Hotel Motel	6,603,719	6,736,908	6,029,355	6,370,472	6,496,534	6,487,718	4,236,295	4,206,676	4,321,690	7,588,828
Licenses and Permits	33,894,211	33,877,861	35,693,757	39,882,049	52,709,235	49,801,150	38,974,973	42,006,676	9,176,782	9,789,518
Intergovernmental	31,502,211	31,310,068	37,045,771	37,636,101	41,954,138	41,728,421	46,032,265	47,094,098	54,978,231	56,761,356
Charges for Services	2,901,019	3,147,555	3,646,728	3,392,829	3,734,101	3,762,977	3,631,708	3,355,374	3,781,433	3,750,121
Fees	3,004,802	3,386,329	3,492,841	3,837,470	3,592,488	3,547,545	3,916,479	4,815,100	5,266,624	5,453,663
Fees and Collections	6,314,430	6,314,430	6,545,628	5,714,968	6,482,548	5,731,032	6,012,866	9,050,040	7,309,197	8,506,613
Rents	4,528,522	8,370,527	7,238,944	4,843,786	1,933,321	1,511,880	1,268,514	464,348	513,968	1,426,394
Interest and Other	2,313,069	2,264,074	643,409	4,823,082	8,441,665	4,722,829	2,611,818	3,571,941	2,902,821	2,873,122
Miscellaneous	924,530	1,008,606	988,331	95,240	18,271,618	10,951,480	18,780,967	21,818,513	200,222	22,960,634
Contributions & Donations	1,395,698	1,585,062	1,729,311	1,913,507	1,322,816	2,280,613	1,038,430	1,780,401	1,544,995	1,647,804
Reimbursements										
TOTAL REVENUES	181,912,289	195,310,918	207,652,298	216,160,890	253,267,613	244,660,188	244,766,858	259,788,713	241,488,356	275,962,790
EXPENDITURES:										
General Government	17,112,707	17,413,287	17,894,512	18,892,213	18,688,270	19,098,129	18,681,665	19,339,843	19,730,538	23,618,033
Public Safety	78,048,861	83,246,215	91,511,415	93,373,168	97,621,453	101,057,294	108,305,984	112,682,130	114,898,390	119,758,393
Public Works	10,129,429	12,274,330	11,967,902	18,923,375	13,683,613	10,185,108	12,957,347	9,836,004	10,707,599	9,257,819
Health and Welfare	15,377,413	16,703,368	18,507,413	18,734,227	20,447,413	20,160,803	22,578,990	24,339,567	24,015,886	24,139,800
Cultural and Recreational	15,415,751	15,921,447	15,658,222	18,337,167	21,478,230	23,640,686	24,675,468	25,336,135	27,762,404	27,056,235
Air Transportation Services	4,488,854	5,160,618	4,109,813	4,317,786	4,439,025	4,651,685	4,989,131	6,006,842	6,158,489	6,467,036
Capital Outlay	35,722,670	34,033,486	44,092,402	56,947,674	82,767,916	85,712,034	71,468,161	51,861,368	50,975,719	52,394,194
Debt Service:										
Bond Costs	-	-	786,853	27,799,429	235,629	704,885	211,726	188,314	209,549	1,373,264
Principal Retirement	16,693,119	16,986,948	17,398,209	18,626,220	12,945,169	10,246,220	13,058,227	14,365,645	16,127,013	39,178,502
Interest and Fiscal Expenditures	8,639,131	9,250,941	12,691,697	15,621,180	10,711,226	10,866,914	11,071,614	10,772,155	9,987,587	9,097,392
TOTAL EXPENDITURES	201,627,935	210,990,640	234,598,750	291,572,439	283,017,944	286,323,852	287,998,313	274,728,003	280,573,174	312,340,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,715,646)	(15,679,722)	(26,946,452)	(75,411,749)	(29,750,331)	(41,663,664)	(43,231,455)	(14,939,290)	(39,084,818)	(36,377,878)
OTHER FINANCING SOURCES (USES):										
Transfers In	35,881,412	26,222,228	37,533,557	40,622,386	29,605,450	46,699,942	41,973,360	37,256,256	45,447,751	56,141,691
Issuance of Debt	35,185,000	76,160,000	79,855,000	56,980,000	8,715,629	23,189,078	9,764,975	3,800,000	20,795,730	45,028,000
Bond Premium	-	-	1,227,777	1,860,783	-	829,096	88,867	58,279	565,390	14,136,687
Bond Discounts	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(18,796,378)	-	-	-	(9,230)	(3,317,933)	(2,112,731)	-	-	-
Reimbursements	(20,405,531)	(16,463,011)	(23,493,174)	(31,697,145)	(24,521,749)	(39,073,000)	(37,198,426)	(31,974,672)	(37,121,060)	(45,138,782)
Transfers Out	-	-	(46,471,173)	9,340,787	-	-	-	-	19,667,880	-
Contributions	-	-	-	-	-	-	-	-	-	-
Issuance of Refunding Debt	-	-	-	-	-	-	-	-	-	-
Loss on Advance Refunding	-	-	(102,232)	(102,232)	1,330,425	807,663	-	4,852,652	-	(258,062)
Capital Leases	1,600,000	4,349,665	(194,959)	121,669	33,461	1,375,078	318,617	15,888,705	177,320	50,721
Sale of Assets	52,673	334,354	-	-	-	-	-	-	(15,666,556)	(65,313,860)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	33,517,176	90,603,236	48,744,714	77,126,244	15,153,986	30,509,904	12,830,279	29,881,220	33,879,458	60,253,342
Net Change in Fund Balances	13,801,530	74,923,514	21,798,262	1,714,495	(14,596,345)	(11,153,790)	(30,401,176)	14,941,930	(5,205,360)	23,875,464
Debt Service as a Percentage of non-capital expenditures	15.27%	14.83%	16.20%	26.45%	11.93%	10.88%	11.24%	11.36%	11.47%	19.10%

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									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,937	\$ 4,349	\$ 19,335	\$ 5,960	\$ 7,920
Restricted	-	-	-	-	-	786,681	1,641,354	3,644,122	11,981,702	11,445,903
Committed	-	-	-	-	-	22,393,198	22,988,878	27,564,635	27,842,577	29,091,945
Assigned	-	-	-	-	-	1,613,435	-	-	-	-
Unassigned	-	-	-	-	-	10,712,189	12,230,458	10,343,359	2,781,899	3,603,026
Reserved	1,663,551	1,376,988	1,297,655	1,516,661	2,122,655	-	-	-	-	-
Unreserved	19,425,653	21,769,926	25,322,950	29,175,762	32,823,677	-	-	-	-	-
Total General Fund	\$ 21,089,204	\$ 23,146,914	\$ 26,620,605	\$ 30,692,423	\$ 34,946,332	\$ 35,520,440	\$ 36,865,039	\$ 41,571,451	\$ 42,612,138	\$ 44,148,794
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,161	\$ 106,717	\$ 95,436	\$ 95,310	\$ 143,068
Restricted	-	-	-	-	-	104,259,849	72,008,350	57,826,607	60,868,607	75,004,683
Committed	-	-	-	-	-	6,756,570	7,729,123	5,263,091	3,559,782	6,018,039
Assigned	-	-	-	-	-	11,709,333	13,515,966	39,401,130	33,525,417	41,356,354
Unassigned (Deficit)	-	-	-	-	-	(125,741)	(2,386,759)	(1,377,349)	(3,086,248)	(5,220,468)
Reserved	16,551,117	29,244,789	26,694,766	36,478,312	81,538,217	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	6,866,441	7,725,320	12,831,254	25,473,486	27,153,981	-	-	-	-	-
Debt Service Funds	6,508,489	5,946,381	9,293,964	6,636,000	-	-	-	-	-	-
Capital Project Funds	34,329,414	94,204,775	106,834,652	84,709,516	25,754,862	-	-	-	-	-
Total all other governmental funds	\$ 64,255,461	\$ 137,121,265	\$ 155,654,636	\$ 153,297,314	\$ 134,447,060	\$ 122,719,172	\$ 90,973,397	\$ 101,208,915	\$ 94,962,868	\$ 117,301,676

NOTES:

* GASB Statement No. 54 was implemented in fiscal year 2011

SOURCE:

City of Laredo, Texas

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 5

FISCAL PERIODS	AD VALOREM TAXES	SALES TAX	BEVERAGE TAX	BINGO TAX	OCCUPANCY TAX	FRANCHISE TAX	TOTAL
2006	\$ 49,303,836	\$ 29,894,463	\$ 307,270	\$ 63,010	\$ 3,024,062	\$ 6,569,349	\$ 89,161,990
2007	55,681,122	31,384,048	341,130	65,524	3,330,740	6,506,014	97,308,578
2008	61,553,183	32,518,723	337,545	68,268	3,327,146	6,793,268	104,598,133
2009	67,284,934	30,308,403	325,611	68,274	2,775,027	6,788,837	107,551,086
2010	68,870,491	29,339,115	304,894	68,235	3,077,683	6,668,731	108,329,149
2011	68,998,291	33,669,024	341,545	74,345	4,055,510	6,995,838	114,134,553
2012	67,838,288	37,481,815	289,303	92,942	4,227,796	7,080,430	117,010,574
2013	69,063,708	39,921,718	320,504	71,581	4,236,295	7,049,443	120,663,249
2014	71,560,518	40,024,574	429,823	70,037	4,321,690	7,408,310	123,814,952
2015	\$ 73,314,227	\$ 41,364,145	\$ 463,398	\$ 68,575	\$ 4,204,569	\$ 7,588,858	\$ 127,003,772

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
2006	\$ 47,726,893	\$ 45,951,954	96.28	\$ 1,592,956	\$ 47,544,910	99.62
2007	53,847,576	52,024,898	96.62	1,605,369	53,630,267	99.60
2008	59,690,336	57,843,306	96.91	1,600,876	59,444,182	99.59
2009	65,419,993	63,194,853	96.60	1,922,075	65,116,928	99.54
2010	66,652,507	64,379,305	96.59	1,949,512	66,328,817	99.51
2011	67,016,086	65,241,316	97.35	1,453,558	66,694,874	99.52
2012	66,842,112	64,818,395	96.97	1,644,711	66,463,106	99.43
2013	67,621,015	65,858,772	97.39	1,321,253	67,180,025	99.35
2014	69,529,157	68,117,096	97.97	842,792	68,959,888	99.18
2015	\$ 71,691,453	\$ 70,277,149	98.03	\$ -	\$ 70,277,149	98.03

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 7

FISCAL PERIODS	-----RESIDENTIAL PROPERTY-----			-----COMMERCIAL PROPERTY-----			-----TOTALS-----			RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	EXEMPTIONS (2)	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (1)	TOTAL DIRECT TAX RATE		
2006 \$	4,713,754,396 \$	4,713,754,396 \$	3,285,932,811 \$	3,285,932,811 \$	550,543,393 \$	7,449,143,814 \$	7,449,143,814	0.637000	100%	
2007	5,411,082,137	5,411,082,137	3,582,097,472	3,582,097,472	585,142,683	8,408,036,926	8,408,036,926	0.637000	100%	
2008	6,069,242,179	6,069,242,179	3,971,864,502	3,971,864,502	647,577,934	9,393,528,747	9,393,528,747	0.637000	100%	
2009	6,654,553,665	6,654,553,665	4,402,760,384	4,402,760,384	671,339,004	10,385,975,045	10,385,975,045	0.637000	100%	
2010	6,825,803,972	6,825,803,972	4,571,159,052	4,571,159,052	773,831,223	10,623,131,801	10,623,131,810	0.637000	100%	
2011	6,938,223,832	6,938,223,832	4,460,292,962	4,460,292,962	761,010,658	10,637,506,136	10,637,506,136	0.637000	100%	
2012	6,909,967,001	6,909,967,001	4,454,071,509	4,454,071,509	779,291,720	10,584,746,790	10,584,746,790	0.637000	100%	
2013	6,361,188,581	6,361,188,581	4,329,884,664	4,329,884,664	807,321,080	10,691,073,245	10,691,073,245	0.637000	100%	
2014	6,467,306,659	6,467,306,659	4,531,514,190	4,531,514,190	800,231,949	10,998,820,849	10,998,820,849	0.637000	100%	
2015 \$	6,765,571,005 \$	6,765,571,005 \$	4,605,136,567 \$	4,605,136,567 \$	793,760,615 \$	11,370,707,572 \$	11,370,707,572	0.637000	100%	

NOTES:

- (1) This estimated valuation is for tax purposes only.
- (2) Total exemptions include Homestead, Veteran, Agricultural exemptions. Homestead valuations increased in 1983 from \$3,000 to \$7,500, to \$10,000 in 1986, and to \$20,000 in 1987. Veteran exemptions range from \$1,500 to \$3,000, based on disability percentage. Agriculture valuations represent land used for ranching and farming.

Does not reflect appeal adjustments after July assessment date.

SOURCE:

July Certified Tax Rolls received from Webb County Appraisal District.

**PROPERTY TAX RATES-DIRECT AND OVERLAPPING
GOVERNMENTS- LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 8

FISCAL PERIODS	CITY OF LAREDO	WEBB COUNTY	LAREDO INDEPENDENT SCHOOL DISTRICT	UNITED INDEPENDENT SCHOOL DISTRICT	LAREDO COMMUNITY COLLEGE
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TAX RATES (per \$100 of assessed value)

2006	0.63700	0.43792	1.55411	1.60687	0.23371
2007	0.63700	0.42006	1.49551	1.47436	0.23050
2008	0.63700	0.42006	1.27400	1.18487	0.22220
2009	0.63700	0.42006	1.27400	1.18487	0.22110
2010	0.63700	0.42006	1.27400	1.19486	0.22720
2011	0.63700	0.42005	1.27400	1.19486	0.23812
2012	0.63700	0.42005	1.27400	1.19486	0.25854
2013	0.63700	0.42005	1.27400	1.19486	0.25776
2014	0.63700	0.42005	1.27400	1.19486	0.25522
2015	0.63700	0.41470	1.41080	1.21486	0.29716

TAX LEVIES

2006	\$ 47,466,862	\$ 42,351,341	\$ 26,644,992	\$ 100,665,114	\$ 17,727,308
2007	53,559,195	50,623,052	27,671,836	113,168,711	19,720,017
2008	59,584,704	51,752,884	25,966,124	95,866,850	21,192,705
2009	65,642,009	55,559,866	27,408,723	108,147,626	23,297,634
2010	66,926,927	56,069,370	27,210,755	111,038,081	24,304,862
2011	67,184,974	57,474,928	27,078,969	112,407,770	25,422,145
2012	66,842,112	59,565,434	27,100,362	122,310,106	27,353,531
2013	67,621,015	63,960,211	27,193,890	138,858,407	27,592,527
2014	69,529,157	69,227,883	26,774,619	154,451,096	28,113,009
2015	\$ 71,691,453	\$ 76,580,966	\$ 29,450,271	\$ 180,574,086	\$ 33,605,043

SOURCES:

City of Laredo, Texas
Webb County Appraisal District Office

**SPECIAL ASSESSMENTS BILLING AND COLLECTIONS (1)
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 9

FISCAL PERIODS	BEGINNING BALANCE (2)	ASSESSMENTS BILLED	ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS OF AMOUNT DUE	TOTAL OUTSTANDING CURRENT AND DELINQUENT
2006	\$ 72,487	\$ 528,851	\$ 574,196	95.49%	\$ 27,142
2007	27,142	165,224	178,014	92.54%	14,352
2008	14,352	99,592	106,800	93.73%	7,144
2009	7,144	41,084	38,462	79.75%	9,766
2010	9,766	16,420	17,142	65.46%	9,044
2011	9,044	37,404	38,578	83.06%	7,870
2012	7,870	29,593	30,976	82.68%	6,487
2013	6,487	16,518	16,235	70.57%	6,770
2014	6,770	18,782	17,841	69.82%	7,711
2015	\$ 7,711	\$ 6,214	\$ 9,150	65.71%	\$ 4,775

(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, 2015**

CITY OF LAREDO, TEXAS

TABLE 10

TAXPAYER	TYPE OF BUSINESS	2014 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Hospital	\$96,577,975	14.88%
AEP Texas Central Company	Utility	93,213,560	14.36%
Mall Del Norte, LLC	Retail	55,567,120	8.56%
The GEO Group, Inc	Correctional	52,608,580	8.11%
Prolasma Inc.	Retail	44,130,260	6.80%
Laredo Regional Medical CTR LP	Medical	41,678,240	6.42%
Farias Development	Developers	38,463,580	5.93%
AEP Electric Transmission of Texas LLC	Utility	35,802,320	5.52%
International Bank of Commerce	Financial	33,969,063	5.23%
Killam Development Partnership Ltd	Developers	33,737,190	5.20%
TOTAL		\$525,747,888	81.00%

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2005**

TAXPAYER	TYPE OF BUSINESS	2005 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP.	Medical	\$100,485,510	1.48%
AEP Texas Central Company	Electricity	61,555,580	0.91%
H.E. Butt Grocery Co.	Grocery Co.	34,233,950	0.50%
Enterprise Laredo Associates	Enterprise	32,221,010	0.48%
Killam Ind. Dev. Partnership, LTD.	Development	27,078,540	0.40%
Southwestern Bell Telephone LP.	Telephone Co.	26,089,500	0.38%
Laredo Regional Medical Center	Medical	24,423,235	0.36%
BP County Correctional Center Public Fac.	Correctional Center	21,866,310	0.32%
Webb Hospital Holdings LLC	Medical	20,564,210	0.30%
Unites States Cold Storage	Cold Storage	16,680,190	0.25%
Total		\$365,198,035	5.38%

Numbers show total comparison for principal taxpayers as of 2014 and 10 years ago.

SOURCE:

City of Laredo, Texas

**COMPUTATION OF LEGAL DEBT
MARGIN AND AUTHORIZED AND
UNISSUED BONDS**

CITY OF LAREDO, TEXAS

TABLE 11

The Constitution of Texas in Article 11, Section 5, limits the maximum amount that a home rule city can tax to \$2.50 per \$100.00 of valuation and the same Article provides that no debt shall ever be created by any city unless at the same a time provision is made to assess and collect annually a sufficient sum to pay the interest thereon and create a sinking fund of at least two percent thereon. The Attorney General of Texas, in connection with the quoted provision, has created a rule for the guidance of home rule cities which states that the bond allowable under this constitutional provision shall be on the basis of no greater than \$1.50 per \$100.00 of valuation unless the city charter provides for less than the maximum specified in the Attorney General's rule. City Charter Section 6.13, as amended in November 1995, limits the total overall outstanding debt to 10% of the total assessed valuation of the City. At this time, the City has allocated approximately \$.145280 of the total tax rate.

Assessed value based on 2014 tax roll		\$11,370,707,572
Maximum amount of bonded indebtedness based on such assessed value (10%).....		\$1,137,070,757
Amount of debt applicable to said maximum debt limit:		
Total General Obligation Bonds and Certificates of Obligations ...	\$179,271,315	
(Percentage of G. O. and C. O. debt to assessed value)	1.58%	
Less: Debt Service Fund Balance as of September 30, 2015.....	\$3,025,147	
Total Amount of debt applicable to debt limit		\$176,246,168
The Debt Margin between current indebtedness and maximum allowable indebtedness		\$960,824,589

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL PERIODS

CITY OF LAREDO, TEXAS

TABLE 12

FISCAL PERIODS	POPULATION (A)	ASSESSED VALUE FOR OPERATIONS DEBT SERVICE	GROSS BONDED DEBT (1)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
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	237,032	10,385,975,045	342,955,001	6,529,078	336,425,923	3.2392%	1,419.33
2011	241,188 (2)	10,634,156,096	334,374,769	8,272,028	326,102,741	3.0666%	1,352.07
2012	245,461 (2)	10,576,729,269	321,438,433	6,102,576	315,335,857	2.9814%	1,284.67
2013	249,297 (2)	10,691,073,245	318,130,275	4,653,312	313,476,963	2.9321%	1,257.44
2014	252,309 (2)	10,998,820,849	315,056,642	3,775,973	311,280,669	2.8301%	1,233.73
2015	253,747 (2)	\$ 11,370,707,572	\$ 316,580,001	\$ 3,025,147	\$ 313,554,854	2.7576%	\$ 1,235.70

(1) Includes General Obligation and Certificates of Obligation Bonds.

(2) Estimated

SOURCES:

City of Laredo, Texas

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

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

CITY OF LAREDO, TEXAS

TABLE 13

FISCAL PERIODS	PRINCIPAL	INTEREST & FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2006	\$ 15,685,000	\$ 8,663,891	\$ 24,348,891	\$ 201,201,456	12.10%
2007	15,195,000	9,242,752	24,437,752	210,990,264	11.58%
2008	16,024,319	12,558,327	28,582,646	233,623,097	12.23%
2009	17,490,000	15,990,496	33,480,496	263,773,010	12.69%
2010	11,228,852	10,717,973	21,946,825	282,782,315	7.76%
2011	10,246,364	10,866,914	21,113,278	286,323,852	7.37%
2012	13,058,227	11,071,614	24,129,841	287,998,313	8.38%
2013	14,365,645	10,772,155	25,137,800	274,728,003	9.15%
2014	16,127,013	9,987,587	26,114,600	280,573,174	9.31%
2015	\$ 39,178,502	\$ 9,097,392	\$ 48,275,894	\$ 312,340,668	15.46%

(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, 2015**

CITY OF LAREDO, TEXAS

TABLE 14

TAXING AUTHORITY	NET DEBT OUTSTANDING (A)	ESTIMATED % APPLICABLE TO CITY (B)	AMOUNT APPLICABLE TO CITY
Direct:			
City of Laredo	<u>\$179,271,314</u>	100.00%	<u>\$179,271,314</u>
Overlapping:			
Webb County	69,791,000	59.35%	41,422,354
Laredo Independent School District	241,199,910	100.00%	241,199,910
United Independent School District	383,936,624	78.42%	301,098,458
Laredo Community College	<u>344,740,595</u>	100.00%	<u>344,740,595</u>
Total Overlapping	<u>1,039,668,129</u>		<u>928,461,317</u>
Total	<u><u>\$1,218,939,443</u></u>		<u><u>\$1,107,732,631</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	\$ 42,757,164	\$ 10,851,262	\$ 31,905,902	\$ 3,866,378	\$ 4,482,527	\$ 8,348,905	3.82
Water	24,047,927	14,010,809	10,037,118	1,263,000	704,275	1,967,275	5.10
Sewer	14,010,809	8,486,409	5,524,400	839,000	458,565	1,297,565	4.26
Sports Venue	6,614,948	173,785	6,441,163	930,000	1,818,838	2,748,838	2.34
Total 2006	\$ 87,430,848	\$ 33,522,265	\$ 53,908,583	\$ 6,898,378	\$ 7,464,205	\$ 14,362,583	3.75
Bridge	\$ 41,642,971	\$ 11,426,566	\$ 30,216,405	\$ 3,940,134	\$ 4,313,536	\$ 8,253,670	3.66
Water	26,483,082	15,098,280	11,384,802	1,558,000	986,146	2,544,146	4.47
Sewer	14,149,488	9,533,193	4,616,295	951,000	629,571	1,580,571	2.92
Sports Venue	7,344,091	240,967	7,103,124	1,040,000	1,777,551	2,817,551	2.52
Total 2007	\$ 89,619,632	\$ 36,299,006	\$ 53,320,626	\$ 7,489,134	\$ 7,706,804	\$ 15,195,938	3.51
Bridge	\$ 48,757,080	\$ 12,003,151	\$ 36,753,929	\$ 4,000,070	\$ 4,144,681	\$ 8,144,751	4.51
Water	27,357,618	17,030,252	10,327,366	1,833,000	1,279,557	3,112,557	3.32
Sewer	14,641,635	9,510,247	5,131,388	1,058,000	925,800	1,983,800	2.59
Sports Venue	7,246,612	292,815	6,953,797	1,160,000	1,731,163	2,891,163	2.41
Total 2008	\$ 98,002,945	\$ 38,836,465	\$ 59,166,480	\$ 8,051,070	\$ 8,081,201	\$ 16,132,271	3.67
Bridge	\$ 43,724,135	\$ 11,499,210	\$ 32,224,925	\$ 4,171,233	\$ 4,151,127	\$ 8,322,360	3.87
Water	28,883,564	17,782,323	11,101,241	2,158,000	1,121,489	3,279,489	3.39
Sewer	20,362,272	9,431,314	10,930,958	1,364,000	890,814	2,254,814	4.85
Sports Venue	6,509,630	469,113	6,040,517	1,285,000	1,679,338	2,964,338	2.04
Total 2009	\$ 99,479,601	\$ 39,181,960	\$ 60,297,641	\$ 8,978,233	\$ 7,842,768	\$ 16,821,001	3.58
Bridge	\$ 46,097,657	\$ 11,365,703	\$ 34,731,954	\$ 4,863,665	\$ 3,923,865	\$ 8,787,530	3.95
Water	29,152,173	17,217,851	11,934,322	6,505,300	6,019,456	12,524,756	0.95
Sewer	22,808,510	12,091,058	10,717,452	4,944,669	2,958,338	7,903,007	1.36
Sports Venue	6,193,405	541,473	5,651,932	1,430,000	1,616,288	3,046,288	1.86
Total 2010	\$ 104,251,745	\$ 41,216,085	\$ 63,035,660	\$ 17,743,634	\$ 14,517,947	\$ 32,261,581	1.95

(Continued)

**SCHEDULE OF REVENUE BOND
COVERAGE BRIDGE, WATER, SEWER
SYSTEM AND SPORTS VENUE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	----DEBT SERVICE REQUIREMENTS----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
Bridge	\$ 46,511,403	\$ 11,577,331	\$ 34,934,072	\$ 5,087,435	\$ 3,697,171	\$ 8,784,606	3.98
Water	35,136,866	17,237,107	17,899,759	9,544,541	8,737,268	18,281,809	0.98
Sewer	27,603,852	12,615,092	14,988,760	5,176,563	3,083,142	8,259,705	1.81
Sports Venue	6,993,484	285,418	6,708,066	1,575,000	1,539,194	3,114,194	2.15
Total 2011	\$ 116,245,605	\$ 41,714,948	\$ 74,530,657	\$ 21,383,539	\$ 17,056,775	\$ 38,440,314	1.94
Bridge	\$ 47,442,168	\$ 11,558,034	\$ 35,884,134	\$ 5,297,642	\$ 3,411,251	\$ 8,708,893	4.12
Water	37,406,533	19,443,290	17,963,243	6,935,076	9,243,574	16,178,650	1.11
Sewer	28,575,312	14,050,528	14,524,784	6,628,809	3,460,200	10,089,009	1.44
Sports Venue	7,716,848	575,086	7,141,762	1,900,000	1,963,443	3,863,443	1.85
Total 2012	\$ 121,140,861	\$ 45,626,938	\$ 75,513,923	\$ 20,761,527	\$ 18,078,468	\$ 38,839,995	1.94
Bridge	\$ 47,685,185	\$ 11,669,362	\$ 36,015,823	\$ 5,605,786	\$ 3,122,473	\$ 8,728,259	4.13
Water	40,294,251	20,092,010	20,202,241	20,326,347	10,020,234	30,346,581	0.67
Sewer	28,992,116	15,807,855	13,184,261	13,334,883	4,229,316	17,564,199	0.75
Sports Venue	8,205,434	3,757,874	4,447,560	2,010,000	1,856,275	3,866,275	1.15
Total 2013	\$ 125,176,986	\$ 51,327,101	\$ 73,849,885	\$ 41,277,016	\$ 19,228,298	\$ 60,505,314	1.22
Bridge	\$ 55,275,228	\$ 12,363,469	\$ 42,911,759	\$ 5,916,910	\$ 1,992,962	\$ 7,909,872	5.43
Water	41,926,736	21,678,964	20,247,772	8,109,433	10,552,363	18,661,796	1.08
Sewer	30,473,660	16,414,535	14,059,125	7,382,105	4,367,911	11,750,016	1.20
Sports Venue	8,067,526	962,205	7,105,321	2,105,000	1,762,826	3,867,826	1.84
Total 2014	\$ 135,743,150	\$ 51,419,173	\$ 84,323,977	\$ 23,513,448	\$ 18,676,062	\$ 42,189,510	2.00
Bridge	\$ 58,361,560	\$ 12,408,494	\$ 45,953,066	\$ 6,663,629	\$ 2,786,624	\$ 9,450,253	4.86
Water	39,691,665	22,232,943	17,458,722	9,986,379	10,574,298	20,560,677	0.85
Sewer	28,523,438	16,518,110	12,005,328	7,997,154	4,362,748	12,359,902	0.97
Sports Venue	8,359,484	1,536,555	6,822,929	2,635,000	1,228,804	3,863,804	1.77
Total 2015	\$ 134,936,147	\$ 52,696,102	\$ 82,240,045	\$ 27,282,162	\$ 18,952,474	\$ 46,234,636	1.78

NOTE:

- (1) Includes Operating Revenue and Interest Earnings.
- (2) Includes Operating Expenses other than Interest Expense, Depreciation, Amortization, and other non-operating expenses.
- (3) Revenue Bond Coverage is equal to Net Revenue Available for Debt Service divided by total Debt Service Requirements.

SOURCE:

City of Laredo, Texas

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 16

Fiscal Periods	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES				
	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Capital Lease Obligations	Notes Payable	General Obligation Bonds	Certificates of Obligations	Revenue Bonds	Capital Lease Obligations	Notes Payable
2006	\$ 79,690,000	\$ 76,250,000	\$ 36,205,000	\$ 2,629,868	\$ 1,105,000	\$ -	\$ -	\$ 104,293,969	\$ -	\$ 24,513,658
2007	72,200,000	145,745,000	35,165,000	5,165,702	1,020,000	-	-	116,533,053	-	23,478,758
2008	64,585,000	218,255,000	34,005,000	3,297,905	935,000	-	-	114,675,138	-	22,413,922
2009	27,989,344	172,020,000	32,720,000	1,730,061	850,000	32,100,655	115,815,000	108,065,223	-	21,317,923
2010	24,945,491	167,815,685	31,290,000	938,307	765,000	26,894,509	123,299,316	107,656,600	-	20,494,474
2011	25,154,037	168,839,892	40,160,000	1,175,951	680,000	26,835,731	113,545,109	181,297,000	-	19,637,040
2012	23,701,636	167,062,087	38,260,000	702,875	595,000	26,171,798	104,502,912	252,437,961	-	18,744,450
2013	19,990,050	162,712,273	36,250,000	5,061,282	510,000	20,811,436	114,616,516	282,021,367	-	17,815,264
2014	26,653,474	148,499,945	34,145,000	4,788,903	425,000	15,825,996	124,077,227	306,151,197	-	-
2015	\$ 74,583,210	\$ 104,688,104	\$ 29,510,000	\$ 4,420,308	\$ 340,000	\$ 19,206,791	\$ 118,101,896	\$ 329,064,000	\$ -	\$ -

	Total Primary Government	Personal Income	Per Capita	Percentage of Personal Income
2006	\$ 324,687,495	\$ 4,748,324,000	\$ 1,445	6.84%
2007	399,307,513	5,077,310,000	1,725	7.86%
2008	458,166,965	5,567,524,000	1,930	8.23%
2009	512,608,206	5,624,141,000	2,199	9.11%
2010	504,099,382	5,977,993,000	2,061	8.43%
2011	577,324,760	6,408,612,000	2,445	9.01%
2012	632,178,719	6,769,544,000	2,439	9.34%
2013	659,788,188	7,114,194,000	2,514	9.27%
2014	660,566,742	7,561,382,000	2,639	8.74%
2015	\$ 679,914,309	\$ 7,939,451,100	\$ 2,679	8.56%

NOTES:

(1) Median income data for calculation of Percentage of Personal Income for fiscal year 2015 was unavailable when table was compiled; therefore, an estimated increase of 5% for fiscal year 2015 was used.

SOURCE:

City of Laredo, Texas
Bureau of Economic Analysis, U.S. Department of Commerce

**DEMOGRAPHICS STATISTICS
LAST THREE CENSUS REPORTS**

CITY OF LAREDO, TEXAS

TABLE 17

	1990 Census	2000 Census	2010 Census	
TOTAL POPULATION BY RACE:				
WHITE	87,048	145,267	207,067	
AFRICAN AMERICAN	144	652	1,110	
OTHER	35,707	31,524	27,914	
HISPANIC PERCENTAGE	93.86%	94.10%	95.62%	
TOTAL HOUSEHOLDS	33,998	46,852	68,610	
HOUSEHOLD POPULATION	122,899	173,532	214,484	
AVERAGE HOUSEHOLD SIZE	3.61	3.70	3.64	
TOTAL POPULATION BY AGE:				
0-5	17,081	18,516	24,424	
6-13	20,316	18,620	49,273	
14-17	10,093	16,054	14,461	
18-24	17,987	29,608	27,275	
25-34	20,316	28,489	35,156	
35-44	14,752	23,657	34,332	
45-54	9,964	17,104	27,235	
55-64	8,541	10,746	18,641	
65+	10,223	13,782	19,507	
MEDIAN AGE TOTAL POPULATION	27.7	26.9	27.8	
MEDIAN AGE ADULT POPULATION	36.8	36.8	N/A	
HOUSEHOLD INCOME:				
\$ 0 -	\$ 7,499	7,639	5,398	N/A
\$ 7,500 -	\$ 9,999	3,074	1,799	N/A
\$ 10,000 -	\$ 14,999	4,169	4,996	10,504
\$ 15,000 -	\$ 24,999	5,600	8,208	7,332
\$ 25,000 -	\$ 34,999	3,865	6,814	7,628
\$ 35,000 -	\$ 49,999	3,226	7,078	9,130
\$ 50,000 -	\$ 74,999	1,765	6,780	9,947
\$ 75,000 +		1,096	5,835	14,036
MEDIAN HOUSEHOLD INCOME		15,610	29,108	36,784
AVERAGE HOUSEHOLD INCOME		N/A	N/A	57,545
MEDIAN FAMILY INCOME		17,532	30,449	38,029
AGGREGATE HOUSEHOLD INCOME		708,920	N/A	2,247,434
PERSONAL INCOME		1,260,121	2,990,748	6,055,155

SOURCE:

(Continued)

Laredo Chamber of Commerce
Bureau of Economic Analysis

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL PERIODS**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

FISCAL PERIODS	CIVILIAN LABOR FORCE	UNEMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT
2006	86,447	3,938	4.56%	82,509
2007	84,800	3,680	4.34%	81,120
2008	86,187	4,647	5.39%	81,540
2009	91,457	7,756	8.48%	83,701
2010	90,396	6,776	7.50%	83,620
2011	93,034	7,230	7.77%	85,804
2012	96,330	5,840	6.06%	90,490
2013	97,063	5,990	6.20%	91,073
2014	97,446	4,934	5.10%	92,512
2015	105,983	4,441	4.20%	101,542

SOURCE:

Texas Labor Market Information

Numbers as of September 30 each year.

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

GROWTH INDICATORS (1)

FISCAL PERIODS	ELECTRIC	GAS	WATER	SEWER	POSTAL RECEIPTS (2)
2006	70,083	24,102	57,489	54,568	16,420,000
2007	72,624	28,486	59,409	56,065	17,120,000
2008	78,080	28,477	60,519	57,851	18,142,000
2009	75,042	28,680	61,171	57,903	19,132,000
2010	75,497	28,862	62,195	58,726	18,500,644
2011	77,141	28,942	63,703	59,955	18,186,133
2012	78,585	29,483	65,288	61,191	17,276,826
2013	79,973	29,738	67,033	62,426	17,121,335
2014	84,494	29,904	68,213	63,410	16,813,171
2015	86,146	30,069	69,343	64,286	\$ 16,661,852

NOTES:

(1) Amount represents number of active customer accounts.

(2) Represents estimated total revenue collected.

* Legislation prohibits disclosure of telephone accounts information.

SOURCES:

Finance Department of respective entity

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL PERIODS (10)**

CITY OF LAREDO, TEXAS

TABLE 18

FISCAL PERIODS	COMMERCIAL CONSTRUCTION (A)		RESIDENTIAL CONSTRUCTION (A)		BANK (B) DEPOSITS	PROPERTY VALUE (A)			EXEMPTIONS (1)
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE		COMMERCIAL	RESIDENTIAL	VACANT PROPERTY	
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
2014	237	154,084,458	1034	207,923,276	12,512,568,000	4,863,861,131	6,554,541,075	387,782,150	800,231,949
2015	231	\$ 207,112,512	1096	\$ 156,254,633	\$ 12,629,167,000	\$ 4,975,763,549	\$ 6,846,769,974	\$ 356,633,107	\$ 793,760,615

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

SOURCES:

(A) City of Laredo, Texas

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

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2015**

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	6,282	6.79%
Laredo Independent School District	4,289	4.64%
City of Laredo	2,465	2.66%
U.S. Border Patrol	2,100	2.27%
U.S. CBP - Customs Field Officers	1,950	2.11%
H.E.B Grocery	1,800	1.95%
McDonald's Restaurant	1,540	1.66%
Webb County	1,500	1.62%
Laredo Medical Center	1,500	1.62%
Texas A&M International University	1,325	1.43%

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2005**

United Independent School District	4,500	6.25%
Laredo Independent School District	3,587	4.96%
City of Laredo	2,084	2.89%
Laredo Medical Center	1,700	2.31%
H.E.B Grocery Company	1,285	1.84%
Webb County	1,270	1.76%
U.S. Dept of Customs and Border Protection	1,628	1.59%
McDonald's Restaurants	1,333	1.55%
Laredo National Bank	977	1.30%
Texas A&M International University	1,027	1.22%

Principal Employers numbers as of September 2015 and 10 years ago.

Source:

Laredo Development Foundation
Texas Workforce Commission

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2015**

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	97,435,500
Texas A&M University System	Education	69,377,400
Laredo Community College	Education	38,713,400
United Independent School District	Education	53,002,000
Webb County Jail	County Jail	28,047,600
Laredo Regional Medical Center	Hospital	17,356,200
Clark Crossing Apartments	Housing	14,451,100
Laredo International Airport Terminal	Airport	10,704,600
Broad Acres Apartments	Housing	10,655,900
Howard Johnson Hotel	Hotel	10,041,800

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2005**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	80,263,500
Texas A&M International University	Central Plant	31,871,600
C P & L Power Plant	Electricity	21,104,100
Parks & Recreation-Scott & San Dario	Parks	20,437,700
Webb County Jail	County	19,567,500
City of Laredo-Cigarroa Recreation Center	Parks	18,318,300
Regent Care Center of Laredo	Nursing	17,071,800
Retama Manor Nursing Center	Nursing Home	12,711,500
International Bank of Commerce	Bank	11,525,800
Holiday Inn - Laredo	Hotel	10,884,000

NOTES:

(1) Total consumption in gallons
 Numbers show total comparison for principal water consumers as of fiscal year 2015 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, 2015:	2,426
Number of City Departments as of September 30, 2015:	23

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

YEAR	LAND AREA	INCREASE	TOTAL*
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	4.57	38.07
2000	78.82	1.13	79.95
2004	83.97	0.43	84.40
2005	84.40	1.35	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.57	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.66	92.06
2012	92.06	0.77	92.83
2013	92.83	0.03	92.86
2014	92.86	9.04	101.90
2015	101.90	N/A	N/A

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

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2015**

CITY OF LAREDO, TEXAS

TABLE 21

(continued)

ELECTIONS

Number of Registered Voters: 116,000

NUMBER OF VOTES CAST IN

Last Municipal Election: Nov 4, 2014 21,714

% OF REGISTERED VOTERS VOTING IN

Last Municipal Election: Nov 4, 2014 21.75%

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: 8.4

Scheduled Airplane Flights
Per Day Arriving: 8.4

Passengers Enplaning: 100,837 per year

Passengers Deplaned: 105,485 per year

BRIDGES

Number of Bridges: 4

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

Number of Crossing Pick-ups,
Motorcycles, Autos & 2 Axle
Vehicles: 5,060,633

Number of Crossing Commercial
Vehicles: 2,005,177

Number of Crossing Pedestrians
(includes bicycles): 3,029,633

Total Tolls: \$ 57,090,824

(continued)

RAILROADS

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: 1,759,852

Number of Elderly & Handicapped - Paid: 227,999

Number of Elderly & Handicapped - Free: 514,843

Number of Students: 183,202

Number of Children - Paid: 88,901

Number of Children - Free: 41,582

Number of I.D. Cards for Elderly: 3,284

Number of Medicaid Cards: 3,635

Number of Service Miles: 1,684,067

Number of Charter Miles: 0

Number of Employees: 171

Name of Interstate Bus Lines: Autobuses ADAME
 Americanos USA
 Cougar Bus Lines
 Greyhound
 Tornado
 Zima Real
 El Expreso Bus Co.
 Turimex

(continued)

FIRE PROTECTION

Number of Stations:	15
Number of Hydrants:	6,380
Number of Fire Pumpers:	14
Number of Aerial Trucks:	3
Number of Ambulances:	9
Number of Crash Trucks:	2
Number of Brush Trucks:	5
Number of Haz-Mat Trucks:	1
Number of Firefighters / EMT's / Paramedics:	345
Employees per 1,000 Population:	1.26

POLICE PROTECTION

Number of Stations:	2 Police Headquarters
Number of Neighborhood Policing Stations:	10
Number of Sworn Officers:	458
Number of Vehicular Patrol Units:	292
Employees per 1,000 Population:	1.8
Number of Law Violations:	28,710
Number of Physical Arrests:	9,076
Number of Traffic Violations:	27,882
Number of 911 Calls:	198,856
Number of Non-911 Calls:	202,602

(continued)

PUBLIC WORKS

WATERWORKS SYSTEM

Miles of Water Mains:	765
Daily Average Consumption:	31.9 MGD
Plant Capacity:	85 MGD
Storage Capacity:	42.7 MGD
Water Rights Owned:	60,647 Acre / Feet
Source of Water:	Rio Grande River
Number of Service Connections:	69,343

SEWER SYSTEM

Miles of Sanitary Sewer:	513
Number of Lift Stations:	69
Daily Average Treatment:	19.7 MGD
Maximum Capacity of Treatment Plants:	29.2 MGD
Number of Disposal Plants:	6
Number of Service Connections:	63,410

SOLID WASTE

Number of Garbage Clients:	59,118
Solid Waste Disposal Type:	Type I Landfill

STREETS

Number of Paved Streets:	10,956 Blocks
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	685 Miles
Miles of Unpaved Streets:	1 mile

(continued)

EDUCATIONAL

LAREDO INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	4
Number of Magnet Schools:	3
Number of Alternative Education Schools:	2
Number of Classrooms:	329
Number of Administrative Personnel:	79
Number of Teachers:	414
Number of Students:	6,033
Annual Budget:	\$44,515,615
Number of Middle Schools:	4
Number of Classrooms:	183
Number of Administrative Personnel:	49
Number of Teachers:	297
Number of Students:	4,737
Annual Budget:	\$29,158,263
Number of Elementary Schools:	20
Number of Classrooms:	691
Number of Administrative Personnel:	120
Number of Teachers:	812
Number of Students:	13,484
Annual Budget:	\$81,879,537

UNITED INDEPENDENT SCHOOL DISTRICT

(continued)

Number of Senior High Schools:	4
Number of Magnet Schools:	3
Number Alternative Education Schools:	1
Number of Classrooms:	693
Number of Administrative Personnel:	122
Number of Teachers:	782
Number of Students:	13,220
Annual Budget:	\$77,090,907
Number of Middle Schools:	9
Number of Classrooms:	533
Number of Administrative Personnel:	89
Number of Teachers:	573
Number of Students:	10,085
Annual Budget:	\$54,794,736
Number of Elementary Schools:	27
Number of Classrooms:	1,387
Number of Administrative Personnel:	155
Number of Teachers:	1,199
Number of Students:	20,388
Annual Budget:	\$111,457,656

(continued)

LIBRARIES

Number of Public Libraries:	1
Number of Volumes:	344,569
Circulation Transactions:	1,185,005
Circulation Per Capita:	4.7
New Library Cards Issued:	17,217
Library Cards in Force:	23,967
Number of Subscriptions:	754
Number of Titles:	287,058
Number of Library Visits:	474,796
Number of Materials Used:	14,416
Library Programs Presented:	2,617
Number Attending Library Programs:	78,512
Bookmobiles:	1
Branches and Outlets:	6

PRIVATE SCHOOLS

Number of Parochial/Private Schools:	38
Vocational Training Centers:	14

COMMUNICATIONS

Number of Daily Newspapers:	2
Major Newspaper:	Laredo Morning Times
Number of Radio Stations:	20
Number of Television Stations:	8
Number of Cable Television Companies:	1
Number of Satellite Companies:	2

TEXAS A&M INTERNATIONAL UNIVERSITY

(continued)

Date Established:	Established in 1970 as a division of Texas A&I, and as a separate University in 1977 as a division of the University System of South Texas. The University became a member of the Texas A&M University System on September 1, 1989.
Programs Offered:	Undergraduate, Graduate and Doctoral degrees are offered by the Colleges of Business Administration, Education, Humanities, Technology and Arts & Sciences.
Population Served:	Undergraduate and Graduate level college students seeking Liberal Arts, Education, Psychology, Business, International Trade, Science and Technology Degrees.
Region served:	South Texas Region
Number of Classrooms/Labs:	117
Number of Administrators:	147
Number of Full-Time Faculty:	195
Number of Part-Time Faculty:	96
Number of Full-Time Students:	4,808
Number of Part-Time Students:	2,386

LAREDO COMMUNITY COLLEGE

Date Founded:	1947
Programs Offered:	Associates of Art, Degrees in Engineering, Education, Medicine, Dentistry, Nursing, Law, Business Administration, Computer Science and Vocational Education.
Number of Classrooms/Labs:	392
Total Gross Square Footage:	1,573,798 Sq. Ft.
Number of Administrative Personnel:	19
Number of Full-Time Faculty:	183
Number of Part-Time Faculty:	154
Number of Full-Time Students:	3,024
Number of Part-Time Students:	5,283
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$52,530,134

(continued)

RECREATIONAL

PARKS

Number of Acres Maintained:	735
Number of Parks:	83
Number of Plazas:	4
Baseball and Softball Fields:	54
Number of Swimming Pools:	8
Number of Soccer Fields:	23
Number of Tennis Court Facilities:	4
Number of Racquetball Facilities:	6
Number of Recreational Centers:	10
Number of Splash Parks:	9
Number of Skate Parks:	8

CEMETERY

City:	1
Catholic:	1
Private:	3
Burials Served:	218
Cemetery Lots Sold:	112

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	43 with 4,087 Rooms
Meeting Facilities:	35

TABLE 21

MAJOR ATTRACTIONS

(continued)

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

CHURCHES

Number of Catholic Churches:	18
Number of Synagogues:	1
Other Churches:	67

(continued)

SPORTS ARENA

Facility Area:	178,000 Square Feet
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	3
Food Courts:	8
Parking Spaces:	2,000
Major Attractions:	Concerts, Sporting Events, Conventions Family Entertainment, Community & Charity Events

BASEBALL STADIUM

Facility Area:	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, 2015**

CITY OF LAREDO, TEXAS

TABLE 22

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$ 497,359,302
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	21,087,918 Per Accident 5,000,000
AIRPORT LIABILITY	Comprehensive General Liability Personal Injury Liability Coverage Airport Control Tower Operations	Primary Policy 20,000,000 Excess Policy 20,000,000 PER OCCURRENCE
LAW ENFORCEMENT	Law Enforcement Liability	1,000,000
PUBLIC OFFICIALS	Personal Injury and Errors & Omissions	1,000,000
WORKER'S COMPENSATION	All City Employees for All Funds- Employer's Liability (2): Total Annual Contribution Per Occurrence Retention Annual Aggregate Retention Aggregate Limit Of Liability Loss Deposit Fund	430,051 300,000 2,500,000 1,000,000 219,000
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	2015	2014	2013	2012	2011	2010	2009	2008
General Government	309.66	300.70	340.75	338.25	349.10	347.10	339.10	332.10
Public Safety:								
Police:								
Officers	482.00	482.00	482.00	482.00	482.00	455.00	455.00	455.00
Civilians	89.00	90.00	90.00	89.00	89.00	89.00	89.00	89.00
Fire:								
Firefighters and Officers	383.00	362.00	362.00	357.00	357.00	357.00	357.00	350.00
Civilians	19.00	14.00	14.00	10.00	10.00	10.00	10.00	9.00
Other Civilians	63.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00
Public Works	164.00	159.00	112.00	113.00	118.00	118.00	118.00	119.00
Health and Welfare	280.48	302.50	304.88	291.38	289.88	279.88	251.88	250.55
Culture and Recreation	296.83	274.09	246.24	243.97	245.93	245.93	245.93	241.93
Air Transportation	63.00	60.00	54.00	48.00	48.00	47.00	42.00	37.00
Bridge System	189.00	189.00	190.00	190.00	207.00	207.00	218.00	212.00
Solid Waste Management System	136.00	131.00	128.00	128.00	128.00	132.00	168.00	168.00
Water System	224.00	207.00	190.00	195.00	188.00	188.00	179.00	169.00
Sewer System	120.00	102.00	81.00	75.00	72.00	72.00	69.00	69.00
Transit System	171.00	171.00	181.00	162.00	185.10	184.70	184.70	179.31
Municipal Housing	13.00	13.00	12.00	12.00	11.00	11.00	11.00	11.00
Total	<u>3,002.97</u>	<u>2,919.29</u>	<u>2,849.87</u>	<u>2,796.60</u>	<u>2,842.01</u>	<u>2,805.61</u>	<u>2,799.61</u>	<u>2,753.89</u>

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2008.

SOURCE:

City of Laredo Budget Division

**OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 24

FUNCTION	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015
Police								
Physical Arrests	7,882	8,319	7,832	7,827	8,613	9,576	9,603	9,076
Vehicle Inspections (used dealerships)	321	818	29	34	40	36	42	330
Bridge Operations Conducted	6	134	115	63	151	177	81	36
Emergency Calls	155,379	189,312	158,922	120,567	196,802	180,305	184,987	198,856
Non-Emergency Calls	276,857	288,998	222,698	271,832	264,904	250,351	239,532	202,602
Dispatched Calls	432,236	478,310	381,620	392,399	461,706	430,656	424,519	401,458
Public Awareness/Training/Education	22	65	63	108	112	54	75	49
Fire								
Fire Department Responses	11,798	8,002	9,333	9,092	26,733	24,559	19,470	6,216
Inspections	2,061	3,067	1,873	1,712	4,610	4,600	5,860	5,397
Arson Cases Investigated	51	84	80	87	94	95	64	49
Public Education Presentations	89	65	77	81	107	150	150	139
Public Works								
Street Resurfaced	357	600	490	462	388	244	346	426
Potholes Repaired	23,842	23,733	23,967	22,247	24,490	24,694	24,816	23,975
Bridge								
Pedestrian Crossings	4,362,476	4,124,272	3,746,170	3,161,627	2,946,244	2,973,056	3,032,333	3,029,608
Gateway Passes Sold	4,255,304	4,010,461	3,638,851	3,110,189	2,923,079	2,934,065	2,913,971	2,614,406
Non-Commercial Vehicle Crossings	3,930,715	3,644,695	4,669,024	4,401,849	4,418,558	4,551,845	6,732,956	5,060,633
Commercial Vehicle Crossings	1,608,566	1,400,969	1,575,893	1,725,335	1,784,104	1,835,110	1,924,842	2,005,177
Non-Commercial AVI Accounts	12,261	13,000	14,033	10,448	10,406	10,632	11,476	12,433
Commercial AVI Accounts	2,060	2,150	2,819	3,388	3,721	3,931	4,374	4,852
Culture and Recreation								
Community Center Admissions	280,372	294,342	265,265	345,442	382,769	523,699	466,400	447,269
Community Service Special Events	67	74	63	71	70	93	90	217
After School Programs	5	11	14	7	6	9	8	8
Transit System								
Passenger Ridership	4,014,848	3,369,008	3,365,661	2,858,252	2,884,245	2,998,121	2,898,000	2,816,479
Miles Driven	1,991,672	1,980,520	1,968,004	1,953,600	1,961,651	1,961,745	1,941,131	1,684,067

**OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 24

(Continued)

FUNCTION	FISCAL YEAR 2008	FISCAL YEAR 2009	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015
Sanitation								
Household Customers	54,245	54,588	54,850	55,839	56,797	56,936	58,427	59,118
Refuse Collected (tons)	101,457	100,083	95,384	104,680	94,549	99,613	87,406	103,049
Recyclables Collected (tons)	3,328	3,385	4,200	3,684	3,378	3,128	11,506	11,940
Water								
Average Consumption (MGD)	36.72	37.96	32.60	40.00	28.40	35.00	26.00	31.90
Meters Read (per month)	59,840	60,880	61,675	63,031	64,561	66,512	67,662	68,897
Service Calls (per month)	7,269	6,973	6,943	7,561	8,415	9,030	9,785	11,301
Wastewater								
Average Sewage Treatment (MGD)	18.04	17.45	18.00	17.90	18.90	18.90	18.80	19.70
Airport								
Commercial Service Airlines	3	3	3	3	3	3	3	3
Land/Building Leases	93	90	89	83	86	86	90	95
Inbound/Outbound Passengers	220,520	203,854	221,558	208,173	192,869	200,803	204,496	206,332
Scheduled Flights Per Day	8	8	8	8	8	9	8	8

NOTES:

(1) This table was implemented by GASB beginning in fiscal year 2008.

SOURCE:

City of Laredo, Texas

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 25

FUNCTION	FISCAL YEAR 2015	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008
Public Safety								
Police:								
Stations	10	18	18	18	18	18	18	18
Patrol Units	292	294	261	297	381	468	413	433
Fire:								
Stations	15	15	14	14	14	14	14	14
EMS Units	9	9	9	9	10	9	13	13
Ladder Trucks	3	3	3	3	3	3	3	3
Pumper Trucks	14	14	14	14	14	14	17	18
Highways and Streets								
Public Works:								
Streets - Lane Miles	685	676	670	664	663	660	656	641
Traffic:								
Traffic Signals	248	246	248	242	243	246	243	241
Street Lights	12,850	12,761	12,480	12,400	13,649	13,261	13,087	13,035
Other Traffic Control Signs	36,000	35,331	34,862	34,624	34,209	33,775	33,475	32,500
Bridge System								
International Bridges	4	4	4	4	4	4	4	4
Cultural and Recreation								
Parks Acreage	735	886	860	863	882	878	838	1,035
Parks	83	74	74	73	72	71	70	64
Swimming Pools	8	8	7	7	6	6	6	6
Community Centers	10	9	9	10	8	10	8	8
Convention Centers	0	0	1	1	1	1	1	1
Stadiums	2	2	1	1	0	0	0	0
Transit System								
Buses	48	48	48	47	47	48	47	47
Trolleys	1	1	1	2	2	3	2	2

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)**

CITY OF LAREDO, TEXAS

TABLE 25

(Continued)

FUNCTION	FISCAL YEAR 2015	FISCAL YEAR 2014	FISCAL YEAR 2013	FISCAL YEAR 2012	FISCAL YEAR 2011	FISCAL YEAR 2010	FISCAL YEAR 2009	FISCAL YEAR 2008
Sanitation								
Collection Trucks - Rear Loaders	21	25	24	23	23	20	21	21
Collection Trucks - Automated	39	43	38	40	41	41	31	29
Collection Trucks - Dump Trucks	0	0	2	0	0	3	3	4
Collection Trucks - Grapplers	7	8	8	5	5	6	6	6
Collection Trucks - F-Loaders/Recycle	3	3	3	4	0	0	0	0
Collection Trucks - Roll-off Trucks	2	2						
Water								
Water Mains (miles)	765	721	721	716	711	702	702	681
Fire Hydrants	6,380	6,208	3,381	3,316	3,257	3,221	3,155	2,920
Maximum Capacity (MGD)	85	65	65	65	65	65	65	65
Wastewater								
Sanitary Sewer (miles)	513	513	504	500	498	450	491	473
Maximum Capacity (MGD)	29.20	24.70	25.10	25.10	24.70	22.70	21.10	21.00
Environmental Services								
Storm Drainage (miles)	201	201	198	187	183	230	202	121
Air Transportation								
Airports	1	1	1	1	1	1	1	1

NOTES:

(1) This table was implemented by GASB starting in fiscal year 2008.

SOURCE:

City of Laredo, Texas

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CONTINUING DISCLOSURES INFORMATION

The following table is hereby submitted in order to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12 for Continuing Disclosures of Information related to the new bonds issued during fiscal years 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015. The table applies to the following issues:

Waterworks System Revenue Bond, Series 2002	\$	741,000
Sewer System Revenue Bond, Series 2002		710,000
International Toll Bridge System Revenue Refunding Bond, Series 2005		24,565,000
Waterworks & Sewer System Revenue Bond, Series 2007		17,670,000
Combination Tax and Revenue Certificate of Obligation, Series 2007		72,480,000
Combination Tax, Waterworks, and Sewer System Certificate of Obligation, Series 2008		46,235,000
International Toll Bridge System Revenue Bond, Series 2008		3,070,000
Tax and Revenue Certificate of Obligation, Series 2008		30,065,000
Public Property Finance Contractual Obligations, Series 2008		3,555,000
Waterworks & Sewer System Revenue Bond, Series 2008		915,000
General Obligation Refunding Bond, Series 2009		27,150,000
Combination Tax and Revenue Certificate of Obligation, Series 2009A		11,270,000
Combination Tax and Revenue Certificate of Obligation, Series 2009B (BAB)		13,465,000
Waterworks & Sewer System Revenue Bond, Series 2009C		13,475,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2009		7,500,000
Combination Tax and Revenue Certificate of Obligation, Series 2009D (BAB)		37,945,000
Public Property Finance Contractual Obligations, Series 2010		5,080,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2010		4,095,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010		2,070,000
Combination Tax and Airport Refunding Certificate of Obligation, Series 2010B		2,040,000
General Obligation Refunding Bond, Series 2010		9,345,000
Combination Tax and Revenue Certificate of Obligation, Series 2010		9,545,000
Waterworks & Sewer System Revenue Bond, Series 2010		82,175,000
Sports Venue Sales Tax Revenue Bonds, Series 2011		10,445,000
Waterworks & Sewer System Revenue Bond, Series 2011		30,875,000
General Obligation Refunding Bonds, Series 2012		7,635,000
International Toll Bridge System Revenue Bond, Series 2012		7,640,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2012		48,750,000
Combination Tax and Revenue Certificate of Obligation, Series 2012		7,690,000
Public Property Finance Contractual Obligations, Series 2012		3,800,000
Solid Waste Certificate of Obligation Revenue Bond, Series 2012A		10,345,000
Solid Waste Certificate of Obligation Revenue Bond, Series 2012B		4,605,000
Waterworks & Sewer System Revenue Bond, Series 2012		41,120,000
Waterworks & Sewer System Refunding Bond, Series 2013		17,260,000
Public Property Finance Contractual Obligations, Series 2013		10,095,000
General Obligation Refunding Bonds, Series 2013		16,845,000
Tax and Revenue Certificate of Obligation, Series 2013		9,995,000
Waterworks & Sewer System Revenue Bond, Series 2013		18,255,000
Combination Tax and Airport Revenue Certificate of Obligation, Series 2014		5,600,000
International Toll Bridge System Refunding Bond, Series 2014		14,175,000
International Toll Bridge System Revenue Bond, Series 2014		9,585,000
International Toll Bridge System Taxable Refunding Bond, Series 2014		3,885,000
International Toll Bridge System Subordinated Refunding Bond, Series 2014		17,365,000
Public Property Finance Contractual Obligations, Series 2014		6,780,000
Sports Venue Sales Tax Revenue Bonds, Series 2014		20,545,000
Waterworks & Sewer System Revenue Bond, Series 2014		11,585,000
General Obligation Refunding Bonds, Series 2015		64,740,000
Tax and Revenue Certificate of Obligation, Series 2015		19,765,000
Waterworks & Sewer System Revenue Bond, Series 2015		15,045,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015	\$	5,500,000

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2014 Market Valuation Established by Webb County Appraisal District (as of September 2014)		12,179,192,800
Less Supplemental Tax Levy Adjustment	14,724,613	
Total Adjusted Levy		12,164,468,187
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	252,530,898	
Disabled Veterans Exemptions	40,906,788	
Agricultural and Open Space Land Use Reductions	211,753,796	
Free Port Exemptions	204,329,703	
Property Redevelopment and Tax Abatement	72,137,820	
Pollution Control	10,194,840	
Other Exemptions	1,906,770	793,760,615
2014 Taxable Assessed Valuation		11,370,707,572
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	74,583,210	
Certificates of Obligation	104,688,105	
Funded Debt Payable from Ad Valorem Taxes		179,271,315
Less: Self-supporting Debt		
Bridge System General Obligation Debt	4,121,178	
Airport System Certificates of Obligation	5,025,000	
Environmental Services General Obligation Debt	3,988,380	
Environmental Services Certificates of Obligation	15,465,859	
Parking System General Obligation Debt	1,340,842	29,941,259
General Purpose Funded Debt Payable from Ad Valorem Taxes		149,330,056
Interest and Sinking Fund		3,025,147
Ratio Funded Debt to Taxable Assessed Valuation		1.58%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.31%
2015 Estimated Population-	253,747	
Per Capita Taxable Assessed Valuation-	\$44,811	
Per Capita Funded Debt-	\$706	
Per Capita General Purpose Funded Debt-	\$588	

- (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: \$232,162,041 Waterworks System Revenue Bonds; \$136,431,406 Sewer System Revenue Bonds; \$60,530,000 International Toll Bridge System Revenue Bonds; \$7,844,641 Transit System Revenue Bonds; \$29,404,596 Solid Waste Revenue Bonds; and \$29,510,000 Sports Venue Sales Tax Revenue Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,975,815,013	49.13%	5,702,411,868	46.88%	5,640,577,811	46.37%
Real, Residential, Multifamily	434,278,245	3.57%	406,542,266	3.34%	375,691,113	3.09%
Real, Vacant Lots/Tracts	356,203,470	2.93%	387,547,909	3.19%	396,528,886	3.26%
Real, Acreage (Land Only)	212,511,779	1.75%	221,567,102	1.82%	355,696,350	2.92%
Real, Farm and Ranch Improvements	140,504,891	1.16%	143,009,485	1.18%	1,611,188	0.01%
Real, Commercial/Industrial	3,219,551,034	26.47%	3,100,899,447	25.49%	3,050,782,350	25.08%
Real, Oil, Gas, and Other Mineral Reserves	7,517,248	0.06%	6,432,922	0.05%	7,805,378	0.06%
Goods In-Transit	1,250,322	0.01%	1,787,779	0.01%	1,655,666	0.01%
Real and Tangible Personal, Utilities	250,433,728	2.06%	248,901,579	2.05%	229,889,347	1.89%
Tangible Personal, Commercial/Industrial	1,433,730,338	11.79%	1,437,850,956	11.82%	1,292,946,066	10.63%
Tangible Personal, Other	75,411,725	0.62%	77,050,967	0.63%	76,391,179	0.63%
Real Property, Inventory (1)	17,430,686	0.14%	32,287,021	0.27%	41,995,477	0.35%
Special Inventory	39,829,708	0.33%	32,763,497	0.27%	26,823,514	0.22%
Total Appraised Value Before Exemptions	12,164,468,187	100.00%	11,799,052,798	97.00%	11,498,394,325	100.00%
Less: Total Exemptions/Reductions	793,760,615		800,231,949		807,321,080	
Taxable Assessed Value	11,370,707,572		10,998,820,849		10,691,073,245	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2012		2011	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	5,743,367,125	48.68%	5,758,393,175	50.67%
Real, Residential, Multifamily	371,601,626	3.15%	363,783,782	3.20%
Real, Vacant Lots/Tracts	352,102,767	2.98%	374,194,726	3.29%
Real, Acreage (Land Only)	365,843,683	3.10%	364,100,202	3.20%
Real, Farm and Ranch Improvements	1,339,140	0.01%	2,094,360	0.02%
Real, Commercial/Industrial	2,980,783,465	25.26%	3,013,478,258	26.52%
Real, Oil, Gas, and Other Mineral Reserves	10,887,358	0.09%	20,194,565	0.18%
Goods In-Transit	0	0.00%	0	0.00%
Real and Tangible Personal, Utilities	211,669,018	1.79%	217,971,470	1.92%
Tangible Personal, Commercial/Industrial	1,181,912,878	10.02%	1,135,466,249	9.99%
Tangible Personal, Other	75,712,660	0.64%	75,657,587	0.67%
Real Property, Inventory (1)	47,172,340	0.40%	52,822,580	0.46%
Special Inventory	21,646,450	0.18%	20,359,840	0.17%
Total Appraised Value Before Exemptions	11,364,038,510	100.00%	11,398,516,794	100.00%
Less: Total Exemptions/Reductions	779,291,720		761,010,658	
Taxable Assessed Value	10,584,746,790		10,637,506,136	

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
2006	224,695	7,449,143,814	33,152	155,940,000	2.09%	694
2007	231,470	8,408,036,926	36,325	217,945,000	2.59%	942
2008	237,396	9,393,528,747	39,569	282,840,000	3.01%	1,191
2009	233,152	10,385,975,045	44,546	200,009,344	1.93%	858
2010	244,580	10,623,131,801	43,434	192,761,176	1.81%	788
2011	240,135	10,637,506,136	44,298	193,993,899	1.82%	808
2012	241,935	10,584,746,790	43,750	190,763,722	1.80%	788
2013	247,543	10,691,073,245	43,189	182,702,323	1.71%	738
2014	251,552	10,998,820,849	43,724	175,153,419	1.59%	696
2015	253,747	11,370,707,572	44,811	179,271,315	1.58%	706

(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
2006	0.637000	0.512019	0.124981	47,726,893	96.28%	99.62%
2007	0.637000	0.513745	0.123255	53,847,576	96.62%	99.60%
2008	0.637000	0.511426	0.125574	59,690,336	96.91%	99.59%
2009	0.637000	0.512737	0.124263	65,419,993	96.60%	99.54%
2010	0.637000	0.512772	0.124228	66,652,507	96.59%	99.51%
2011	0.637000	0.512304	0.124696	67,016,086	97.35%	99.52%
2012	0.637000	0.512326	0.124674	66,842,112	96.97%	99.43%
2013	0.637000	0.498866	0.138134	67,621,015	97.39%	99.35%
2014	0.637000	0.488257	0.148743	69,529,157	97.97%	99.18%
2015	0.637000	0.491720	0.145280	71,691,453	98.03%	98.03%

Tax collections as of September 30, 2015

TABLE 5 – TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	2014 Assessed Valuation Real & Personal Property	Percentage of Total Assessed Valuation
Laredo Texas Hospital Co., LP	Medical	96,577,975	14.88%
AEP Texas Central Company	Electricity	93,213,560	14.36%
Mall Del Norte, LLC	Retail	55,567,120	8.56%
The Geo Group, Inc.	Corrections	52,608,850	8.11%
Prolamsa Inc	Retail	44,130,260	6.80%
Laredo Regional Medical Center, LP	Medical	41,678,240	6.42%
Farias Development, Ltd.	Development	38,463,580	5.93%
AEP Electric Transmission of Texas, LLC	Electricity	35,802,320	5.52%
International Bank of Commerce	Banking	33,969,063	5.23%
Killam Development Partnership LTD	Developers	33,737,190	5.20%
		<u>525,748,158</u>	81.00%

NOTE: As of March 7, 2016, the following taxpayers are not current on their taxes: MALL DEL NORTE, INTERNATIONAL BANK OF COMMERCE, KILLAM DEVELOPMENT PARTNERSHIP.

GENERAL OBLIGATION DEBT LIMITATION...The City held a charter election on November 7, 1995. The voters approved Proposition 24 (2,093 in favor, 522 against), which stated that the total overall outstanding debt shall be limited to 10% of the total assessed value.

TABLE 6 – ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds (“Tax Debt”) was developed from information contained in “Texas Municipal Reports” published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities may have issued additional debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

<u>Taxing Jurisdiction</u>	<u>2014 Taxable Assessed Valuation</u>	<u>2014 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-15</u>
City of Laredo	11,370,707,572	0.637000	179,271,314	100.00%	179,271,314
Laredo Independent School District	2,082,068,785	1.410800	241,199,910	100.00%	241,199,910
Laredo Community College District	11,837,735,796	0.597160	344,740,595	100.00%	344,740,595
United Independent School District	16,028,432,068	0.121486	383,936,624	78.42%	301,098,458
Webb County	19,527,435,743	0.414700	69,791,000	59.35%	41,422,354
Total Direct and Overlapping G.O. Tax Debt					<u>1,107,732,631</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.82%
Per Capita Overlapping G. O. Tax Debt					4,365.50

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2016.....	\$	23,777,404
Interest and Sinking Fund, 9-30-2015.....	3,025,147	
Property Taxes for Interest and Sinking Fund.....	16,669,156	
Budgeted Transfers.....	7,514,538	
Estimated Investment Income.....	<u>33,100</u>	<u>27,241,941</u>
Estimated Balance, 9-30-2016.....	\$	<u><u>3,464,537</u></u>

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TABLE 8A – GENERAL OBLIGATION DEBT SERVICE

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2013 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2016	8,035,465	83,802	8,119,267	3,198,504	4,920,763	5.05%
2017	9,203,234	86,270	9,289,504	3,202,583	6,086,921	
2018	12,455,468	88,468	12,543,936	3,114,639	9,429,297	
2019	12,270,034	85,492	12,355,526	2,675,429	9,680,097	
2020	11,956,723	87,356	12,044,079	2,366,796	9,677,283	
2021	11,595,871	84,075	11,679,946	1,992,863	9,687,083	
2022	10,820,170	85,625	10,905,795	1,990,001	8,915,794	59.89%
2023	10,082,529	86,913	10,169,442	1,322,176	8,847,266	
2024	9,623,679	-	9,623,679	1,048,906	8,574,773	
2025	9,041,357	-	9,041,357	577,499	8,463,858	
2026	7,844,126	-	7,844,126	576,375	7,267,751	
2027	6,524,126	-	6,524,126	574,000	5,950,126	100.00%
Total	119,452,782	688,001	120,140,783	22,639,771	97,501,012	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2013	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2016	29,891,456	1,080,950	30,972,406	13,907,288	17,065,118	11.59%
2017	28,223,380	1,080,950	29,304,330	13,956,778	15,347,552	
2018	21,711,267	1,081,350	22,792,617	13,390,953	9,401,664	
2019	21,114,721	1,070,750	22,185,471	12,719,214	9,466,257	
2020	19,831,237	1,079,750	20,910,987	11,425,954	9,485,033	41.25%
2021	18,336,640	1,082,625	19,419,265	9,942,717	9,476,548	
2022	16,808,584	1,083,250	17,891,834	9,035,192	8,856,642	
2023	15,614,123	1,081,625	16,695,748	8,315,269	8,380,479	
2024	15,717,806	1,077,750	16,795,556	8,273,695	8,521,861	
2025	15,644,904	1,081,375	16,726,279	8,233,823	8,492,456	70.94%
2026	15,560,671	-	15,560,671	7,215,370	8,345,301	
2027	15,495,116	-	15,495,116	7,174,989	8,320,127	
2028	15,411,843	-	15,411,843	7,139,226	8,272,617	
2029	12,724,799	-	12,724,799	7,091,741	5,633,058	
2030	10,020,076	-	10,020,076	7,046,277	2,973,799	93.71%
2031	9,233,491	-	9,233,491	6,998,106	2,235,385	
2032	9,187,740	-	9,187,740	6,951,527	2,236,213	
2033	8,316,646	-	8,316,646	6,582,333	1,734,313	
2034	5,094,353	-	5,094,353	3,361,440	1,732,913	
2035	4,628,315	-	4,628,315	3,306,065	1,322,250	100.00%
2036	3,243,796	-	3,243,796	3,243,796	-	
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
Total	321,169,378	10,800,375	331,969,753	184,670,167	147,299,586	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Revenue from Fiscal Year Ended 9-30-15	1,812,844
Less: Airport Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>495,000</u>
Balance Available for Other Purposes	
Airport General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>-</u>
Balance	<u><u>1,317,844</u></u>
Percentage of Airport General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-15	12,005,328
Less: Sewer System Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>6,560,000</u>
Balance Available for Other Purposes	
Sewer System General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>3,631,182</u>
Balance	<u><u>1,814,146</u></u>
Percentage of Sewer System General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Waterworks System	
Net Revenue from Fiscal Year Ended 9-30-15	17,458,722
Less: Waterworks Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>10,936,799</u>
Balance Available for Other Purposes	
Waterworks System General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>6,583,889</u>
Balance	<u><u>(61,966)</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 9-30-15	(765,813)
Less: Mass Transit Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>829,045</u>
Balance Available for Other Purposes	
Mass Transit General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>472,528</u>
Balance	<u><u>(2,067,386)</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 9-30-15	3,750,939
Less: Solid Waste Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>4,633,429</u>
Balance Available for Other Purposes	(882,490)
Solid Waste General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>728,262</u>
Balance	<u><u>(1,610,752)</u></u>
Percentage of Solid Waste General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Bridge Fund	
Net Revenue from Fiscal Year Ended 9-30-15	45,953,066
Less: Bridge Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>9,079,430</u>
Balance Available for Other Purposes	36,873,636
Bridge General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>-</u>
Balance	<u><u>36,873,636</u></u>
Percentage of Bridge General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Environmental Fund	
Net Revenue from Fiscal Year Ended 9-30-15	2,459,710
Less: Environmental Fund Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>1,087,995</u>
Balance Available for Other Purposes	1,371,715
Environmental Fund General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>1,109,243</u>
Balance	<u><u>262,472</u></u>
Percentage of Environmental Fund General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Parking Meters Fund	
Net Revenue from Fiscal Year Ended 9-30-15	1,007,350
Less: Parking Meters Fund Revenue Bond Requirements, 2016 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	1,007,350
Parking Meters Fund General Obligation Bond Requirements, 2016 Fiscal Year Ended	<u>186,901</u>
Balance	<u><u>820,449</u></u>
Percentage of Parking Meters Fund General Obligation Bonds Self-supporting	100%

TABLE 10 - OTHER OBLIGATIONS

<u>Fiscal Year Ended September 30</u>	<u>Lease Payments</u>
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>5,084,025</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:					
Taxes	90,579,673	87,841,771	86,407,756	84,863,744	82,825,288
Franchises	7,588,828	7,408,310	7,049,443	7,080,430	6,995,838
Licenses & Permits	9,047,461	8,475,493	7,461,360	6,365,903	5,795,171
Intergovernmental	963,076	623,605	1,075,132	397,278	1,629,571
Charges for Services	46,174,319	44,017,007	37,320,387	34,908,091	32,061,368
Fine and Special Assessments	4,446,428	4,405,309	2,741,190	3,085,225	3,248,911
Interest and Other	1,043,228	208,691	194,996	913,152	931,281
Other	23,114,966	1,165,668	2,505,651	1,817,439	1,687,095
Total Revenues	182,957,979	154,145,854	144,755,915	139,431,262	135,174,523
Expenditures:					
General Government	22,935,953	19,086,641	18,640,156	18,035,867	18,295,821
Public Safety	110,182,155	106,976,068	102,151,843	97,701,526	92,803,746
Public Works	5,669,633	7,516,367	7,552,358	7,213,771	7,049,101
Health and Welfare	510,518	472,667	462,769	653,374	839,064
Culture and Recreation	16,116,735	16,702,160	14,776,847	13,077,790	11,139,218
Capital Outlay	23,188,472	22,378,959	11,460,293	14,348,689	11,291,552
Interest and Fiscal Expenditures	411,834	111,947	129,640	-	-
Total Expenditures	179,015,300	173,244,809	155,173,906	151,031,017	141,418,502
Excess (Deficiency) of Revenues Over Expenditures	3,942,679	(19,098,955)	(10,417,991)	(11,599,755)	(6,243,979)
Other Financing Sources (Uses):					
Transfers In	4,252,000	8,056,943	6,200,000	6,271,512	6,681,267
Bond/Capital Lease Proceeds	-	-	4,588,000	-	-
Contributions	-	19,667,880	8,430,999	13,991,368	9,749,327
Transfers Out	(6,693,630)	(7,740,352)	(8,102,019)	(7,335,197)	(9,738,939)
Sale of Assets	35,607	155,171	4,007,423	16,671	126,432
Total Other Financing Sources (Uses):	(2,406,023)	20,139,642	15,124,403	12,944,354	6,818,087
Net Increase (Decrease) Beginning Fund Balance	1,536,656	1,040,687	4,706,412	1,344,599	574,108
Ending Fund Balance	42,612,138	41,571,451	36,865,039	35,520,440	34,946,332
Ending Fund Balance	44,148,794	42,612,138	41,571,451	36,865,039	35,520,440

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>Total Collected (2)</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita (1)</u>
29,894,463	63%	0.4013	133.04
31,384,048	59%	0.3733	135.59
32,518,723	55%	0.3476	136.98
30,308,403	46%	0.2941	129.99
29,339,115	44%	0.2792	119.96
33,669,024	50%	0.3192	140.21
37,481,815	56%	0.3572	154.93
39,921,718	59%	0.3759	161.27
40,024,574	57%	0.3660	159.11
41,364,145	57%	0.3659	163.01

(1) Based on estimated population for all years.

(2) The City has also collected a 1/4 of 1% Local Sales and Use Tax since September, 1991 for funding of its Mass Transit System and a 1/4 of 1% since January 2001 for the Sports & Community Venue Project. The total collected column includes only amounts collected for the City and Sports & Community Venue.

The sales tax breakdown for the City is as follows:

Webb County	0.50%
Mass Transit Sales & Use Tax	0.25%
Sports Venue Tax	0.25%
City Sales & Use Tax	1.00%
State Sales & Use Tax	<u>6.25%</u>
Total	<u><u>8.25%</u></u>

TABLE 13 - CURRENT INVESTMENTS

As of September 30, 2015, 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 253 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 160,476,247
Certificates of Deposit	<u>187,615,732</u>
Total	<u>\$ 348,091,979</u>

LAREDO BRIDGE SYSTEM

The system presently consists of the Gateway to the Americas Bridge (Bridge No. 1), the Juarez/Lincoln International Bridge (Bridge No. 2), the Columbia Solidarity Bridge (Bridge No. 3), and the World Trade Bridge (Bridge No. 4). Bridge No. 1 was built in 1956 and was enlarged to a 40-foot width. It has four vehicular traffic lanes with 8-foot covered pedestrian sidewalks on each side and aluminum outside railings. Bridge No. 2 was built in 1976. Total width of Bridge No. 2 is 98.4 feet and accommodates up to eight vehicular traffic lanes with a sidewalk and includes protective barriers and high curbs to separate the sidewalk from the roadway. Bridge No. 3 was built in 1991. This bridge structure is a simple plan structure consisting of six 12' wide vehicular lanes. Bridge No. 4 was built in 2000 and has eight vehicle lanes.

The system presently has 25 toll lanes, all of which are equipped with an automated toll collection system which counts truck axles and charges accordingly. The toll collection process was recently restructured and upgraded to include a weight-in-motion system for truck toll collections for the Laredo Bridge System. The bridge system employs a staff of 189 employees, approximately 75 of which are directly involved in toll collection operations. Another 114 employees are involved in various aspects of administration, including maintenance, toll technicians, accounting, customer service, traffic control, and general administration.

LAREDO BRIDGE SYSTEM CURRENT AND HISTORICAL INFORMATION

TABLE 1 - ANALYSIS OF SYSTEM TRAFFIC

CALENDAR YEAR	NON- COMMERCIAL VEHICLES	COMMERCIAL VEHICLES	TOTAL VEHICLES	PEDESTRIANS
2006	6,056,829	1,704,727	7,761,556	4,148,359
2007	5,718,799	1,662,549	7,381,348	4,161,523
2008	5,539,281	1,608,566	7,147,847	4,362,476
2009	5,045,664	1,400,969	6,446,633	4,124,272
2010	4,669,024	1,575,893	6,244,917	3,746,170
2011	4,401,849	1,725,335	6,127,184	3,161,627
2012	4,418,558	1,784,104	6,202,662	2,946,244
2013	4,551,845	1,835,110	6,386,955	2,973,056
2014	4,808,114	1,924,842	6,732,956	3,032,333
2015	5,060,633	2,005,177	7,065,810	3,029,608

TABLE 2 - TOLL RATES FOR THE SYSTEM

<u>New Rate Schedule (Southbound only) Effective</u>	
<u>October 18, 2013:</u>	
Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.75
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.65
Commercial Vehicles (per axle)	\$4.25
Swipe Card Administrative Fee (per card)	\$1.00
Sticker Tag Cost	\$15.00
<u>Old Rate Schedule (Southbound only) Effective</u>	
<u>October 24, 2008:</u>	
Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00

TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM

<u>MONTH</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
OCT	4,968,175	4,364,888	3,846,856	3,623,798	3,627,234
NOV	4,500,124	4,396,270	3,691,331	3,594,343	3,591,235
DEC	4,713,485	4,456,362	3,698,769	3,766,094	3,788,623
JAN	4,508,842	4,323,100	3,690,675	3,570,567	3,454,475
FEB	4,340,487	4,131,500	3,469,806	3,563,175	3,373,217
MAR	4,787,194	4,579,634	3,765,810	3,915,306	3,790,362
APR	4,851,498	4,530,638	3,940,556	3,617,722	3,702,584
MAY	4,844,978	4,756,878	3,992,604	3,871,228	3,712,938
JUN	4,854,814	4,574,275	3,778,921	3,730,995	3,775,125
JUL	5,027,472	4,775,062	3,984,295	3,727,710	3,518,264
AUG	4,895,665	4,693,004	4,007,307	3,958,967	3,720,401
SEP	<u>4,798,090</u>	<u>4,499,933</u>	<u>3,715,872</u>	<u>3,528,057</u>	<u>3,583,744</u>
TOTAL	<u>57,090,824</u>	<u>54,081,544</u>	<u>45,582,802</u>	<u>44,467,962</u>	<u>43,638,202</u>

TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM

<u>Fiscal Year Ended 9-30</u>	<u>Revenue Bond</u>			<u>Subordinate Lien Total</u>	<u>Total Outstanding Debt</u>	<u>% of Total Debt Service Retired</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
	2016	5,650,000	1,917,280			
2017	5,880,000	1,694,707	7,574,707	1,516,200	9,090,907	
2018	6,135,000	1,462,113	7,597,113	1,519,350	9,116,463	
2019	3,930,000	1,205,134	5,135,134	1,722,350	6,857,484	
2020	3,425,000	1,044,818	4,469,818	1,724,100	6,193,918	
2021	3,575,000	906,382	4,481,382	1,727,850	6,209,232	61.32%
2022	3,735,000	750,011	4,485,011	1,728,350	6,213,361	
2023	2,970,000	586,368	3,556,368	1,730,600	5,286,968	
2024	3,110,000	443,106	3,553,106	1,734,350	5,287,456	
2025	2,740,000	293,006	3,033,006	1,719,350	4,752,356	
2026	960,000	193,086	1,153,086	1,720,600	2,873,686	93.48%
2027	1,010,000	145,695	1,155,695	1,723,275	2,878,970	
2028	1,060,000	95,833	1,155,833	-	1,155,833	
2029	870,000	43,500	913,500	-	913,500	100%
TOTAL	<u>45,050,000</u>	<u>10,781,039</u>	<u>55,831,039</u>	<u>20,078,525</u>	<u>75,909,564</u>	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>					
Toll Receipts	57,090,824	54,081,544	45,582,802	44,467,962	43,638,202
Rental of Facilities	759,911	804,762	1,798,954	2,653,682	2,734,637
Miscellaneous	<u>434,646</u>	<u>339,775</u>	<u>246,661</u>	<u>243,805</u>	<u>59,631</u>
Total	<u>58,285,381</u>	<u>55,226,081</u>	<u>47,628,417</u>	<u>47,365,449</u>	<u>46,432,470</u>
<u>EXPENSES</u>					
Personnel Services	7,465,971	7,439,512	7,392,123	7,373,053	7,451,573
Materials and Supplies	441,607	539,943	418,075	513,620	566,377
Contractual Services (1)	4,499,331	4,381,050	3,835,380	3,649,625	3,558,081
Other	<u>1,585</u>	<u>2,964</u>	<u>23,784</u>	<u>21,736</u>	<u>1,300</u>
Total	<u>12,408,494</u>	<u>12,363,469</u>	<u>11,669,362</u>	<u>11,558,034</u>	<u>11,577,331</u>
<u>NON-OPERATING REVENUE</u>					
Interest Earnings-Restricted	52,309	18,975	39,751	58,055	55,901
Interest Earnings-Unrestricted	<u>23,870</u>	<u>30,172</u>	<u>17,017</u>	<u>18,664</u>	<u>23,032</u>
Net Revenues Available for for Debt Service	45,953,066	42,911,759	36,015,823	35,884,134	34,934,072
Debt Service	<u>9,450,253</u>	<u>7,909,872</u>	<u>8,728,259</u>	<u>8,708,893</u>	<u>8,784,606</u>
Surplus Revenues	<u>36,502,813</u>	<u>35,001,887</u>	<u>27,287,564</u>	<u>27,175,241</u>	<u>26,149,466</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, 2016 through 2029	\$ 3,987,931
Coverage of Average Requirements by 9-30-15 Net Income	9.15
Maximum Annual Principal and Interest Requirements, after FY 2016 through 2029	
	\$ 7,597,113
Coverage of Maximum Requirements by 9-30-15 Net Income	4.80
Reserve Fund	\$ 3,987,931
Contingency Fund	\$ 500,000
DEBT SERVICE COVERAGE-FIRST LIEN REVENUE BONDS AND SUBORDINATE LIEN BOND	
Average Annual Principal and Interest Requirements on First Lien Revenue Bonds plus Sub., Lien Bond, 2016 through 2029	\$ 5,422,112
Coverage of Average Requirements by 9-30-15 Net Income	6.73
Maximum Annual Principal and Interest Requirements, after FYE 2016 through 2029	
	\$ 9,116,463
Coverage of Maximum Requirements by 9-30-15 Net Income	4.00

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
2006	42,757,164	10,851,262	31,905,902	8,348,905	4
2007	41,642,971	11,426,566	30,216,405	8,253,670	4
2008	48,757,080	12,003,151	36,753,929	8,144,751	5
2009	43,724,135	11,499,210	32,224,925	8,322,360	4
2010	46,097,657	11,365,703	34,731,954	8,787,530	4
2011	46,511,403	11,577,331	34,934,072	8,784,606	4
2012	47,442,168	11,558,034	35,884,134	8,708,893	4
2013	47,685,185	11,669,362	36,015,823	8,728,259	4
2014	55,275,228	12,363,469	42,911,759	7,909,872	5
2015	58,361,560	12,408,494	45,953,066	9,450,253	5

(1) Operating expenses do not include depreciation expense and non-operating expenses.

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LAREDO INTERNATIONAL AIRPORT DISCLOSURES

The City of Laredo International Airport encompasses approximately 1,700 acres of which 900 acres are dedicated to aviation for passenger and air cargo terminals, runways, taxiways and aprons, and 800 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by the following scheduled airlines: American Airlines to Dallas/Fort Worth, United Express to Houston Bush Intercontinental, Allegiant Air to Las Vegas, Nevada and seasonally to Orlando, Florida, on average, and 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 2015 increased by 2.01% compared to 2014.

The airport passenger terminal is master planned to expand from the original three gates with four passenger-boarding bridges to twenty gates by the year 2025. The passenger capacity for the terminal is 600 passengers per hour and the Federal Inspection Station has capacity for 300 passengers per hour.

Two (2) scheduled cargo operators and twenty six (26) charter air cargo companies are currently serving the Airport. Major scheduled service air cargo operators include Federal Express and UPS Supply Chain Solutions. In terms of all-air cargo activity in 2008 LRD ranked 78th nationally and in 2013 LRD's ranking improved to 56th.

The Laredo International Airport is unique in that it is the only place outside the Republic of Mexico to have an operation of Mexican Customs to pre-clear Mexico bound air cargo. Whereas, other countries may have passenger pre-clearance, LRD is the only airport worldwide with a cargo pre-clearance. Air cargo shipments to Mexico will be facilitated and expedited, this being an attraction to the Auto Manufacturing, Auto Parts, Electronics / Electrical and Aerospace industries who rely on "just-in-time" delivery of inventory.

In April 2014, LRD completed an update of Laredo's Airport Noise Compatibility Study. Residents within the approved Airport Noise Contours are eligible to participate in the City's voluntary noise abatement program. This program consists of the following options:

- Offer to acquire the fee simple interest, or
- Offer to soundproof, if feasible, the residential structure in exchange for an aviation easement, or
- Offer to acquire the aviation easement.

The estimated cost of the airport noise abatement program for the next eight to ten years is \$48.0 million of which the Federal Aviation Administration, under the current program, would fund 90% of the program cost.

Projects completed during 2015 included Airport Master Plan, Rehabilitate GA Apron Phase 8, Rehabilitate Terminal Apron, rubble removal, upgrade airport security system infrastructure, upgrade airport perimeter fence and security gates, and FAR Part 150 Noise Abatement Program.. The Federal Aviation Administration paid 90% of the costs.

Projects for 2016 include, but not limited to, update Airport Master Plan, Taxiway G Extension, Rehabilitate GA Apron Phase 9, Rehabilitate Terminal Apron, rubble removal, upgrade airport security

system infrastructure, upgrade airport perimeter fence and security gates, and FAR Part 150 Noise Abatement Program.

During the past twenty (22) years, the City and the Federal Aviation Administration have invested over \$214 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue in 2016 and into the future.

The airport leases facilities and land to non-aviation and aviation service providers, retailers, medical institutions, and public entities.

The goal of City Council to develop a Regional Medical Center on airport non-aeronautical use land is being realized. The University of Texas Health Science Center (UTHSC) inaugurated the first building of its medical research and education campus in Laredo in 2002, and the second building was completed in 2007. UTHSC is located adjacent to Mercy Regional Medical Center. During 2006, Laredo Specialty Hospital and Gateway Health Clinic completed the construction of their facilities and are currently offering medical services to the public. A new Veteran's Administration Clinic partnered with the UT Health and Science Center opened in 2013.

Calendar Year	Passengers Enplaned	Passengers Deplaned	Air Cargo Gross Landed Weight (lbs.)
1998	78,223	75,135	460,763,819
1999	89,306	87,017	374,202,303
2000	89,905	87,807	420,000,000
(1)2001	69,049	67,835	226,136,780
2002	74,286	73,719	261,473,820
2003	73,638	72,345	272,367,959
2004	81,342	81,924	366,161,425
2005	90,653	92,932	374,434,576
2006	92,783	93,979	360,000,000
2007	113,004	111,464	341,198,304
(2)2008	107,553	109,912	272,960,000
2009	102,065	105,107	265,480,642
(3)2010	110,615	113,219	419,323,814
2011	99,893	98,213	458,595,636
2012	96,523	94,544	454,254,623
2013	103,035	102,218	398,752,468
2014	101,505	103,909	447,352,556
2015	98,854	104,087	426,405,000

- (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						
	2015	2014	2013	2012	2011	2010	2009
Revenues:							
FAA	\$ 43,023	\$ 41,400	\$ 53,680	\$ 1,603	\$ 69,880	\$ -	\$ -
State Operating Grants	924	1,020	-	61,869	2,924	106,939	109,807
Rents	6,981,197	5,048,768	6,487,377	4,257,227	4,129,984	5,002,207	4,281,154
Interest Earnings	29,763	39,846	16,517	1,201	2,775	2,354	55
Miscellaneous	1,224,973	1,064,719	890,543	436,240	456,453	514,497	343,539
Total Revenues	8,279,880	6,195,753	7,448,117	4,758,140	4,662,016	5,625,997	4,734,555
Expenditures:							
Administration	3,149,108	3,022,377	3,267,114	2,584,797	2,460,491	2,530,733	2,433,606
Building Maintenance	1,254,836	1,052,504	972,596	811,348	723,818	638,191	618,010
Ground Maintenance	538,429	589,807	512,992	473,698	409,318	340,024	385,009
Airport Security	1,239,920	1,192,452	1,060,180	1,029,474	1,034,819	910,926	861,261
Foreign Trade Zone	15,092	19,236	15,924	28,603	23,239	19,151	19,900
Federal Inspection Services	269,651	282,113	178,036	61,211	-	-	-
Total Expenditures	6,467,036	6,158,489	6,006,842	4,989,131	4,651,685	4,439,025	4,317,786
Net Operating Revenues	1,812,844	37,264	1,441,275	(230,991)	10,331	1,186,972	416,769
Other Sources (Uses):							
Debt Service	(497,247)	(493,877)	(494,890)	(500,537)	(495,697)	(542,210)	(729,105)
Capital Outlay	(780,077)	(620,141)	(300,763)	(124,372)	(70,491)	(81,556)	-
Airport Construction Fund	(2,549,996)	(4,728,815)	(493,572)	(52,714)	(47,286)	(49,993)	(49,887)
General Fund	(78,141)	(828,141)	-	-	-	-	-
Noise Abatement	600,000	400,000	600,000	704,971	-	403,071	649,682
Sale of Assets	-	1,249	11,679,674	301,946	18,314	-	1,518
Total Other Sources (Uses)	(3,305,461)	(6,269,725)	10,990,449	329,294	(595,160)	(270,688)	(127,792)
Excess (Deficiency) of							
Revenues Over Expenditures	(1,492,617)	(6,232,461)	12,431,724	98,303	(584,829)	916,284	288,977
Beginning Fund Balance	6,466,268	12,698,729	267,005	168,702	753,531	(162,753)	(451,730)
Ending Fund Balance	\$ 4,973,651	\$ 6,466,268	\$ 12,698,729	\$ 267,005	\$ 168,702	\$ 753,531	\$ (162,753)

TABLE 2 - DEBT SERVICE REQUIREMENT

Fiscal Year Ended 9-30	Certificates of Obligation		Total Outstanding Debt	% of Principal Retired
	Principal	Interest		
2016	255,000	240,000	495,000	7.13%
2017	270,000	227,138	497,138	
2018	285,000	213,540	498,540	
2019	295,000	199,338	494,338	28.59%
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	64.28%
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>\$ 5,025,000</u>	<u>1,917,992</u>	<u>6,942,992</u>	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2016-2029	495,928
Coverage of Average Requirements by 9-30-15 Net Income	3.66
Maximum Annual Principal and Interest Requirements, after FYE 2016 through 2029	498,857
Coverage of Maximum Requirements by 9-30-15 Net Income	3.63

THE 2015 UTILITY SYSTEM

WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. The two plants in the City of Laredo are the Jefferson Water Treatment Plant 65 MGD and El Pico Water Treatment Plant 20 MGD for a combined capacity of 85 MGD. For the Jefferson Water Treatment Plant, the water is diverted directly from the river to the immediately adjacent water treatment plant facilities by two separate river intakes, two separate river pump structures and related multiple pump units. El Pico Water Treatment Plant was put into operation on April 2015. The City of Laredo owns approximately 57,829 acre-feet of municipal water rights under Certificate of Adjudication #23-3997 plus 2,818 acre-feet of municipal water rights under Certificate of Adjudication #0952, for a total of 60,647 acre-feet.

On April 1st, 2013, the City Council approved the acceptance of the Jefferson Street Water Treatment Plant 65 MGD Process and Electrical Upgrade project. The lower treatment plant has been closed down permanently. The process and electrical upgrades enhance the reliability of the treatment process. Improvements to the plant include replacement of power poles and overhead wiring with a looped underground electrical power distribution system including three electrical buildings housing new motor control centers.

A new Supervisory Control and Data Acquisition (SCADA) 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.

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

The combined pumpage capacity of the City's Treatment Plants is 85 million gallons per day. The average daily consumption during 2015 was approximately 31.9 million gallons per day and peak demand for 2015 was 54.39 million gallons per day. Connections to the water system as of September 30, 2015 were 69,343. The monthly average of meters read is 68,897. The average number of service calls per month is 11,301 for a FY 2014-2015 total of 135,606.

WASTEWATER SYSTEM

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 29.213 million gallons per day ("MGD"). The pounds of Biochemical Oxygen demand (BOD) treated is 13,030,000 by all six wastewater treatment plants and a Total Bio-Solids cost of \$875,508. The Sewer System includes approximately 520 miles of sewer lines and 69 lift stations. The average daily treatment is 19.701 MGD with 64,286 connections as of September 30, 2015.

TABLE 1 - WATER STORAGE AND DISTRIBUTION

At the present time the system incorporates the following treated water storage facilities:

<u>Location</u>	<u>No. Tanks</u>	<u>No. Clear Wells</u>	<u>Storage Capacity</u>
Jefferson St Water Treatment Plant		3	3,500,000 gallons
El Pico Water Treatment Plant		1	5,000,000 gallons
Lyon Street and Meadow Avenue	1		5,000,000 gallons
Milmo and Texas Avenue	2		2,000,000 gallons
Pinto Valle #1	1		200,000 gallons
Airbase Storage	1 (elevated)		500,000 gallons
Unitec Highway 35 North	1		250,000 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 NE	2		300,000 gallons
359 Hwy Booster	1		200,000 gallons
Las Blancas	1 (elevated)		500,000 gallons
Killam (TAMIU) Tank	1 (elevated)		2,000,000 gallons
Cuatro Vientos	1 (elevated)		2,000,000 gallons
Nixon Bartlett and Price	1 (elevated)		3,000,000 gallons
Total Treated Water Storage			<u>42,730,000 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. One high service pump station is served by one above ground clear well at El Pico Water Treatment Plant.

Currently, the system consists of approximately 765 miles of transmission and distribution lines and 6,380 fire hydrants.

In 1957, the City of Laredo entered into an agreement with Webb County to use Lake Casa Blanca Reservoir as off-channel storage for emergency use. This reservoir has an impoundment capacity of 77,800 acre feet at top of the Dam, 58,600 acre feet at maximum pool, (PMF – Probable Maximum Feet) of which 20,000 acre feet are reserved for emergency use. This agreement is still in effect.

TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)

Historical water usage for the City is as follows:

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage <u>(1,000 Gallons)</u>	Peak Day Pumpage <u>(1,000 Gallons)</u>	Total Yearly Pumpage <u>(1,000 Gallons)</u>
2002	37,254	61,120	13,654,310
2003	31,288	59,754	11,420,232
2004	32,231	50,231	11,764,315
2005	34,675	55,034	12,820,865
2006	40,918	58,940	14,086,761
2007	33,550	49,000	12,245,329
2008	36,720	53,640	13,345,812
2009	35,900	51,810	13,047,594
2010	32,565	47,470	11,900,196
2011	32,600	47,470	11,726,000
2012	28,386	52,312	10,427,878
2013	35,528	48,000	11,883,850
2014	25,936	47,594	9,465,347
2015	31,900	54,389	11,654,700

TABLE 3 - SEWAGE FLOW (THOUSAND GALLONS)

Fiscal Year Ended <u>9/30</u>	Average Day Pumpage <u>(1,000 Gallons)</u>	Peak Day Pumpage <u>(1,000 Gallons)</u>	Total Yearly Pumpage <u>(1,000 Gallons)</u>
2002	15,435	23,848	5,634,655
2003	16,767	25,125	6,120,027
2004	17,015	28,848	6,210,520
2005	16,776	22,240	6,123,186
2006	16,796	24,617	6,130,409
2007	18,215	28,656	6,648,535
2008	17,948	23,337	6,551,082
2009	17,572	24,057	6,413,631
2010	18,256	33,196	6,663,368
2011	18,783	24,234	6,855,795
2012	18,900	30,896	6,780,000
2013	19,300	33,356	6,849,845
2014	18,800	33,900	6,874,400
2015	19,701	29,824	7,190,787

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

TYPE OF BUSINESS	WATER CONSUMPTION (1)
Laredo Medical Center	97,435,500
Texas A&M University System	69,377,400
United Independent School District	53,002,000
Laredo Community College	38,713,400
New Webb County Jail	28,047,600
Laredo Regional Medical Center	17,356,200
Clark's Crossing Apartments	14,451,100
Laredo International Airport Terminal	10,704,600
Broad Acres Apartments	10,655,900
Howard Johnson Hotel	10,041,800

TYPE OF BUSINESS	SEWER BILLED (1)
Laredo Medical Center	97,435,500
New Webb County Jail	28,047,600
Laredo Regional Medical Center	17,356,200
Texas A&M University System	15,489,000
Clark's Crossing Apartments	14,451,100
Broad Acres Apartments	10,655,900
Howard Johnson Hotel	10,041,800
Towne North Mobile Homes	9,277,700
Flying J	8,754,100
Dorel Laredo Holdings, LLC	8,751,800

(1) Source: City of Laredo, Texas

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

**Water Rates
(Effective October 1, 2014)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	9.25
1" meter	20.15
1 1/2" meter	28.50
2" meter	44.25
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.80
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.93
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	2.00
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.13
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.36
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.71
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	34.85
1" meter	37.86
1 1/2" meter	42.11
2" meter	58.11
3" meter	115.61
4" meter	174.61
6" meter	314.46
8" meter	463.51
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.93
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.37
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.99
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.16

Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.41
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.76
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.45
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.56
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, 2013)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	8.90
1" meter	17.62
1 1/2" meter	24.30
2" meter	36.90
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.76
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	1.89
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	1.97
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.09
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.21
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.31
Per 1,000 gallons per month in excess of 50,000 gallons per month	4.62
Multi-Family and Commercial:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	34.17
1" meter	35.91
1 1/2" meter	39.31
2" meter	52.11
3" meter	98.11
4" meter	145.31
6" meter	257.19
8" meter	376.43

Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.89
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.32
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	2.93
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.09
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.34
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.69
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.36
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.47
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)

**Sewer Rates
(Effective October 1, 2014)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	8.9.10
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.11
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.17
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.33
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.58
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	24.38
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.32

Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.37
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	2.48
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.71
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.80
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.12
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.44
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.09
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.96

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, 2013)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	8.93
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.05
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.10
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.27
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.51
The maximum charge will be up to 30,000 gallons and the equivalent of \$92.36.	
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 of 10,000 gallons per month	2.43

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.

WATER CONSERVATION PROGRAM

The Utilities Department Water Conservation Program is designed to provide practices, techniques, and technologies that help reduce the consumption of water, reduce the loss or waste of water, improve efficiency in the use of water, and increase the recycling and reuse of water for the ultimate purpose of making available a water supply for future or alternative uses. The Water Conservation Program operates to implement and enforce the Water Conservation and Drought Contingency Ordinance. The program is divided into two sections; enforcement and public education. For enforcement, there were a total of 572 warnings issued and 12 citations. For public education, there were 8 events that included hosting proclamations, groundbreaking ceremonies, ribbon cutting ceremonies, career day events, and other City/civic events.

As part of the City’s water conservation efforts, the Utilities Department manages the WaterSense High Efficiency Toilet (HET) Rebate Program, which is designed to encourage water customers to replace old water wasting toilets with new high efficiency toilets that carry the WaterSense label. For each toilet replaced (maximum 2 per household per year, if more than two toilets in home), the City of Laredo Utilities Department provides the water customer with a standard one-hundred dollar (\$100) rebate, which is applied as a credit to the participant water account. Each installation of toilet is verified by 2 water conservation inspectors as a condition of the rebate approval, and the old water wasting toilet(s) are destroyed (tank only) by the participating customer. The old water wasting toilets are reported to the Solid Waste Department and are scheduled for collection at each participant’s address to be transported to the City of Laredo Landfill. During fiscal year 2014-2015, there were a total of 306 approved toilet rebates applied to customer accounts. A total of 17 vehicle car wash permits were issued during this fiscal year.

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

	2015			2014			2013		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
For Fiscal Year Ended September 30,									
Resources:									
Net System Value	\$ 326,762,677	168,426,135	495,188,812	325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885
Cash and Investments	71,561,005	69,663,599	141,224,604	71,965,756	71,424,687	143,390,443	118,326,865	94,097,469	212,424,334
Other Sources	11,178,167	6,895,648	18,073,815	10,823,947	7,104,926	17,928,873	8,405,047	5,589,881	13,994,928
Total Resources	409,501,849	244,985,382	654,487,231	408,170,032	243,754,314	651,924,346	418,921,566	235,591,581	654,513,147
Obligations:									
Bonds Payable	235,448,998	137,555,240	373,004,238	221,870,994	110,825,233	332,696,227	210,973,680	128,543,954	339,517,634
Less: Bond Funds	(12,187,063)	(7,953,603)	(20,140,666)	(13,886,950)	(8,924,685)	(22,811,635)	(11,211,241)	(6,826,501)	(18,037,742)
Other Obligations	223,261,935	129,601,637	352,863,572	207,984,044	101,900,548	309,884,592	199,762,439	121,717,453	321,479,892
Total Obligations	40,748,491	17,589,722	58,338,213	30,236,743	34,810,857	65,047,600	42,150,001	14,394,389	56,544,390
Total Obligations	264,010,426	147,191,359	411,201,785	238,220,787	136,711,405	374,932,192	241,912,440	136,111,842	378,024,282
City's Equity in System	\$ 145,491,423	97,794,023	243,285,446	169,949,245	107,042,909	276,992,154	177,009,126	99,479,739	276,488,865
Percentage City's Equity In System									
	35.53%	39.92%	37.17%	41.64%	43.91%	42.49%	42.25%	42.23%	42.24%
For Fiscal Year Ended September 30,									
Resources:									
Net System Value	\$ 235,601,227	119,273,980	354,875,207	199,695,438	119,883,100	319,578,538	167,670,838	117,529,740	285,200,578
Cash and Investments	133,115,463	110,677,751	243,793,214	140,604,318	51,560,635	192,164,953	81,639,476	44,109,722	125,749,198
Other Sources	9,785,688	5,848,079	15,633,767	12,143,781	4,514,104	16,657,885	13,201,529	4,155,250	17,356,779
Total Resources	378,502,378	235,799,810	614,302,188	352,443,537	175,957,839	528,401,376	262,511,843	165,794,712	428,306,555
Obligations:									
Bonds Payable	186,705,299	126,265,152	312,970,451	176,603,068	68,790,522	245,393,590	112,753,816	62,641,553	175,395,369
Less: Bond Funds	(9,009,639)	(6,150,316)	(15,159,955)	(6,236,122)	(1,568,062)	(7,804,184)	(2,370,132)	(1,531,444)	(3,901,576)
Other Obligations	177,695,660	120,114,836	297,810,496	170,366,946	67,222,460	237,589,406	110,383,684	61,110,109	171,493,793
Total Obligations	33,326,162	8,470,548	41,796,710	21,425,167	3,847,482	25,272,649	18,296,292	5,539,658	23,835,950
Total Obligations	211,021,822	128,585,384	339,607,206	191,792,113	71,069,942	262,862,055	128,679,976	66,649,767	195,329,743
City's Equity in System	\$ 167,480,556	107,214,426	274,694,982	160,651,424	104,887,897	265,539,321	133,831,867	99,144,945	232,976,812
Percentage City's Equity In System									
	44.25%	45.47%	44.72%	45.58%	59.61%	50.25%	50.98%	59.80%	54.39%

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

For Fiscal Year Ended
September 30,

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

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended September 30,	2012			2011			2010		
	Total			Total			Total		
	Water	Sewer	Utilities	Water	Sewer	Utilities	Water	Sewer	Utilities
<u>Revenues</u>									
Charges for Services	\$ 33,674,811	28,428,037	62,102,848	31,391,552	27,438,365	58,829,917	25,455,038	22,612,937	
Rental Of Facilities	-	-	-	40,128	-	40,128	40,128	-	-
Interest	74,014	80,595	154,609	79,399	64,847	144,246	121,919	84,664	
Miscellaneous	3,657,708	66,680	3,724,388	3,625,787	100,640	3,726,427	3,535,088	110,909	
Total Revenues	37,406,533	28,575,312	65,981,845	35,136,866	27,603,852	62,740,718	29,152,173	22,808,510	
<u>Expenses</u>									
Administrative	3,192,316	4,449,791	7,642,107	2,850,418	4,260,760	7,111,178	2,793,650	4,038,665	
Utility Engineering	1,039,716	-	1,039,716	876,627	-	876,627	826,978	-	
Utility Billing	3,244,021	-	3,244,021	3,030,774	-	3,030,774	2,929,649	-	
Asset Management	301,512	-	301,512	277,917	-	277,917	260,108	-	
Water Treatment Plant	7,630,318	-	7,630,318	7,073,309	-	7,073,309	6,414,438	-	
Transmission and Distribution	3,693,340	-	3,693,340	2,700,232	-	2,700,232	3,600,821	-	
Water Pollution Control	342,067	-	342,067	427,830	-	427,830	392,207	-	
Wastewater Treatment	-	6,248,182	6,248,182	-	5,351,976	5,351,976	-	5,319,244	
Wastewater Collection	-	3,352,555	3,352,555	-	2,733,149	2,733,149	-	2,733,149	
Total Expenses	19,443,290	14,050,528	33,493,818	17,237,107	12,345,885	29,582,992	17,217,851	12,091,058	
Net Available for Debt Service	\$ 17,963,243	14,524,784	32,488,027	17,899,759	15,257,967	33,157,726	11,934,322	10,717,452	
Number of Customers	65,288	61,191		63,703	59,995		62,195	58,726	

TABLE 10: DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Water Revenue Debt Requirement		Plus Contractual & General Obligation Water System Debt Service Requirements		Water Total		Sewer Revenue Debt		Plus Contractual & General Obligation Sewer System Debt Service Requirements		Sewer Total		Utility Grand Total		% of Grand Total Retired
2016	10,936,799		6,583,889		17,520,688		6,560,000		3,631,182		10,191,182		27,711,870		
2017	11,398,657		6,593,418		17,992,075		6,838,112		3,628,557		10,466,669		28,458,744		
2018	11,388,796		6,336,988		17,725,764		6,845,384		3,463,150		10,308,534		28,034,298		
2019	11,388,956		6,294,199		17,683,155		6,836,416		2,979,891		9,816,307		27,499,462		
2020	11,385,917		5,982,401		17,368,318		6,839,472		2,981,138		9,820,610		27,188,928		23.82%
2021	11,389,549		5,771,505		17,161,054		6,846,137		2,820,338		9,666,475		26,827,529		
2022	11,394,969		6,869,692		18,264,661		6,838,836		1,704,200		8,543,036		26,807,697		
2023	11,399,927		6,568,263		17,968,190		6,845,761		1,701,694		8,547,455		26,515,645		
2024	11,384,110		6,527,417		17,911,527		6,836,782		1,427,878		8,264,660		26,176,187		
2025	10,959,833		6,488,760		17,448,593		6,560,963		1,429,800		7,990,763		25,439,356		46.42%
2026	10,498,799		5,467,264		15,966,063		6,391,575		1,431,550		7,823,125		23,789,188		
2027	9,637,725		5,431,883		15,069,608		6,014,558		1,425,925		7,440,483		22,510,091		
2028	9,002,919		5,391,601		14,394,520		5,315,283		1,430,525		6,745,808		21,140,328		
2029	8,941,025		5,347,941		14,288,966		5,288,694		1,427,500		6,716,194		21,005,160		
2030	8,943,606		5,302,177		14,245,783		5,287,889		1,429,000		6,716,889		20,962,672		65.19%
2031	8,947,839		5,252,206		14,200,045		5,290,539		1,427,500		6,718,039		20,918,084		
2032	8,946,393		5,207,452		14,153,845		5,285,109		1,427,875		6,712,984		20,866,829		
2033	8,943,414		5,152,459		14,095,873		5,291,707		1,429,875		6,721,582		20,817,455		
2034	8,946,438		3,361,440		12,307,878		5,292,389		-		5,292,389		17,600,267		
2035	8,949,802		3,306,065		12,255,867		5,285,972		-		5,285,972		17,541,839		81.95%
2036	8,985,644		3,243,796		12,229,440		5,249,393		-		5,249,393		17,478,833		
2037	8,993,795		3,184,304		12,178,099		5,248,666		-		5,248,666		17,426,765		
2038	8,988,775		3,122,098		12,110,873		5,250,983		-		5,250,983		17,361,856		
2039	8,975,718		3,052,012		12,027,730		5,261,254		-		5,261,254		17,288,984		
2040	8,989,213		-		8,989,213		5,254,752		-		5,254,752		14,243,965		96.33%
2041	4,309,778		-		4,309,778		4,582,627		-		4,582,627		8,892,405		
2042	3,289,725		-		3,289,725		3,756,381		-		3,756,381		7,046,106		
2043	1,561,698		-		1,561,698		1,207,682		-		1,207,682		2,769,380		
2044	981,923		-		981,923		631,175		-		631,175		1,613,098		
2045	727,232		-		727,232		367,200		-		367,200		1,094,432		100.00%
Total	260,588,974		125,839,210		386,428,184		159,401,691		37,197,578		196,599,269		583,027,453		

TABLE 11: COVERAGE AND FUND BALANCES

Waterworks:

Average Annual Principal and Interest Requirements	\$	8,857,479
Coverage of Average Requirements by 2015 Net Income		1.97
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2015	\$	11,399,927
Coverage of Maximum Requirements by 2015 Net Income		1.53
Outstanding New Series Water Revenue Bonds	\$	260,588,974
Interest and Sinking Fund as of September 30, 2015	\$	3,329,584
Reserve Fund as of September 30, 2015	\$	8,857,479

Sewer:

Average Annual Principal and Interest Requirements	\$	5,639,058
Coverage of Average Requirements by 2015 Net Income		2.13
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2015	\$	6,846,137
Coverage of Maximum Requirements by 2015 Net Income		1.75
Outstanding New Series Sewer Revenue Bonds	\$	159,401,691
Interest and Sinking Fund as of September 30, 2015	\$	2,314,545
Reserve Fund as of September 30, 2015	\$	5,639,058

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

	Utility System		
	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Net Funds Available for Debt Service	\$ 17,458,722	12,005,328	29,464,050
Average Annual Principal and Interest Requirements	8,857,479	5,639,058	14,496,537
Coverage of Average Annual Requirements by Funds Available for Debt Service	1.97	2.13	2.03
Maximum Principal and Interest Revenue Bond Requirements	11,399,927	6,846,137	18,245,688
Coverage of Maximum Requirement by Funds Available for Debt Service	1.53	1.75	1.61
Outstanding Revenue Bonds as of 09/30/2015	260,588,974	159,401,691	419,990,665
Interest & Sinking Fund as of 09/30/2015	3,329,584	2,314,545	5,644,129
Reserve Funds as of 09/30/2015	\$ 8,857,479	5,639,058	14,496,537

SPORTS VENUE SALES TAX REVENUE BONDS

LAREDO ENERGY ARENA

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue Improvement and Refunding Bonds, Series 2005, to acquire and construct additional parking facilities for the Laredo Energy Arena, to achieve a debt service savings by partially refunding outstanding Sports Venue Tax Revenue Bonds, Series 2001, used to construct a sports venue project for a multipurpose entertainment arena and related infrastructure, and to pay for the issuance costs of the Bonds. The principal and interest due on the Sports Venue Tax Revenue Bonds, Series 2005, are to be paid on the scheduled interest payment dates from funds deposited with an escrow agent until discharged.

The bonds constitute special and limited obligations of the City and are payable solely from, and secured solely by a first lien on and pledge of the Sales Tax Revenues, as approved by the citizens on a special election on August 12, 2000. The Sales Tax Revenues consist of the gross receipts from $\frac{1}{4}$ of 1% sales and use tax collected within the boundaries of the City. The bonds were issued pursuant to the provisions of (i) Chapter 334 of the Texas Local Government code, as amended (the "Act"), and (ii) an authorizing ordinance (the "Ordinance") adopted by the City Council of the City on May 23, 2001.

The bonds are payable solely from, and secured solely by, a first lien on and pledge of the Sales Tax Revenues as provided in the Ordinance and not from any other revenues, properties or income of the City. Neither the State of Texas nor any political corporation, subdivision, or agency of the State other than the City will be obligated to pay the bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State or any political corporation, subdivision, or agency thereof is pledged to the payment of principal of or interest on the bonds.

The construction of the Laredo Entertainment Center was completed by September 2002. This enormous entertainment center provides inexpensive world class entertainment for the whole family such as concerts, rodeos, circuses, civic events, sporting events, and more. After the construction 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.

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

In 2015, the Laredo Energy Arena hosted more than 100 events including major concerts by top artists and events such as Juan Gabriel, Disney On Ice, Professional Bull Riding, South Texas Collectors' Expo, Julion Alvarez, Mana, and WWE Raw, among others.

BASEBALL STADIUM

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue, Taxable Series 2011, for the purpose of acquiring, constructing and equipping a baseball stadium (Laredo Ballpark) and related infrastructure and to pay costs of issuance. The Laredo Ballpark was approved by the voters of the City at an election held on November 4, 2008 as a related venue project to a previously approved and constructed multi-purpose entertainment arena. The Laredo Ballpark has over 3,940 seats which includes ten suites, a party suite, club seating and fixed general admission seating. Grass berm areas will accommodate an additional 1,700 spectators and picnic tables another 370 visitors. Restrooms, typical fan amenities and cooking concession stands are distributed throughout the 10 acre ballpark. A club with bar, press box, team offices, clubhouses, and maintenance areas are included. The remaining 29 acres of the site is utilized for parking approximately 985 vehicles, with an area for future parking expansion; the City has spent approximately \$21 million on construction costs for this project.

TABLE 1 – SALES TAX RECEIPTS

<u>Fiscal Year Ending 9/30</u>	<u>Actual 1% Sales & Use Tax Receipts</u>	<u>1/4 of 1% Sales Tax Receipts</u>	<u>Maximum Annual Debt Service</u>	<u>Estimated Coverage</u>
2006	23,862,993	5,965,748	3,121,125	1.91
2007	25,426,235	6,356,559	3,121,125	2.04
2008	25,962,164	6,490,541	3,121,125	2.08
2009	24,315,518	6,078,880	3,121,125	1.95
2010	23,471,292	5,867,823	3,121,125	1.88
2011	26,935,219	6,733,805	3,871,463	1.74
2012	29,985,452	7,496,363	3,871,463	1.94
2013	31,937,374	7,984,344	3,871,463	2.06
2014	32,019,659	8,004,915	3,871,463	2.07
2015	33,091,316	8,272,829	3,867,826	2.14

(*) 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, 2016-2036	2,171,555
Fiscal Year 2015 Sales Tax Revenues	8,272,829
Coverage of Average Requirements for Fiscal Year 2015	3.81
Maximum Principal and Interest Requirements, 2016-2036	3,867,826
Fiscal Year 2015 Sales Tax Revenues	8,272,829
Coverage of Maximum Requirements for Fiscal 2015	2.14

TABLE 3 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	2011 & 2014 Sports Venue Sales Tax Revenue Bonds, Taxable Series			Total Outstanding Debt	% of Debt Service Retired
	Outstanding Debt	Principal	Interest		
2016	3,118,600	2,470,000	1,391,627	6,980,227	10.17%
2017	3,114,600	2,160,000	1,303,213	6,577,813	
2018	3,115,350	2,260,000	1,208,059	6,583,409	
2019	3,112,531	2,365,000	1,096,704	6,574,235	
2020	3,115,481	2,485,000	978,386	6,578,867	48.53%
2021	3,114,875	2,610,000	853,493	6,578,368	
2022	3,115,750	2,740,000	721,838	6,577,588	
2023	3,119,625	2,885,000	583,100	6,587,725	
2024	3,121,125	3,035,000	436,713	6,592,838	86.92%
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	91.28%
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	95.64%
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>\$ 28,047,937</u>	<u>29,510,000</u>	<u>\$ 11,050,167</u>	<u>\$ 68,608,104</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, 2015. 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, 2015.

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.

Canabe, Hargis & Baum, PLLC

Laredo, Texas
February 22, 2016

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
U.S. Department of Health and Human Services							
Center for Disease Control and Prevention Passed Through Texas Department of State Health Services: Center for Disease Control and Prevention: Project Grants and Cooperative Assistance for Tuberculosis Control	93.116 93.116	2014-001424-001 2015-001424-001	\$ 95,734 146,789	11,379 7,640	- 115,880	11,379 100,681	- 22,839
Center for Disease Control and Prevention, Public Health Services: Immunization Cooperative Agreements: Immunization Cooperative Agreements 14 Immunization Cooperative Agreements 15 Immunization Cooperative Agreements 16	93.268 93.268 93.268	2014-001135-001 2015-001135-001 2016-001135-001	320,491 205,307 230,491	52,171 1,231 -	- 237,322 13,139	52,171 169,377 -	- 69,176 13,139
Center for Disease Control and Prevention Public Health Emergency Preparedness: Public Health Emergency Preparedness - 12-13 Public Health Emergency Preparedness - 14-15 Public Health Emergency Preparedness - 15-16 Public Health Emergency Preparedness 14-15	93.069 93.069 93.069 93.069	2014-001232-001 2015-001232-001 2016-001232-001 2015-047197-001	327,117 359,829 364,249 21,597	45,569 19,716 -	- 278,158 87,391	45,569 297,874 19,406	- - 67,985
Department of Health and Human Services, Office of the Secretary National Bioterrorism Hospital Preparedness Program 14-15 National Bioterrorism Hospital Preparedness Program 15-16 Health Resources and Services Administration: HIV Care Formula Grants:	93.889 93.889	2014-045746-001 2015-003703-001	250,000 159,889	35,158 -	133,044 44,619	157,501 -	10,701 44,619
H.I.V. Care Formula Grant - 13-14 H.I.V. Care Formula Grant - 14-15 H.I.V. Care Formula Grant - 15-16 H.I.V. Care Formula Grant (Supplemental) - 14-15 H. I. V. Prevention Activities - Health Department Based Epidemiologic Research Studies of AIDS & HIV in Selected Population Groups	93.917 93.917 93.917 93.917	019-01-13 (14) 019-01-14 (15) 019-01-15 (16) 019-01-14 (15)	398,233 378,321 245,185 37,088	88,570 24,975 26,105 -	- 344,601 -	88,570 272,926 -	- 96,650 26,105 21,921
Epidemiologic Research Studies of AIDS & HIV '14 Epidemiologic Research Studies of AIDS & HIV '15 Epidemiologic Research Studies of AIDS & HIV '16 Centers for Disease Control and Prevention: Preventive Health & Health Services Block Grant	93.943 93.943 93.943	2014-001325-001 2015-001325-001 2016-001325-001	300,600 310,600 400,800	38,519 21,622 -	- 288,978 16,875	38,519 305,539 -	- 5,061 16,875
Preventive Health and Health Service Block Grant Preventive Health and Health Service Block Grant - 13-14 / O.P.H.P. Preventive Health and Health Service Block Grant - 14-15 / O.P.H.P. Preventive Health and Health Service Block Grant - 15-16 / O.P.H.P.	93.991 93.991 93.991	2014-001192-001 2015-001192-001 2016-001192-001	248,536 248,536 497,072	207,187 4,796 -	- 236,285 11,598	207,187 188,717 -	- 52,364 11,598
Center for Disease Control and Prevention Investigations and Technical Assistance The Affordable Care Act: Community Diabetes Project - 13-14 The Affordable Care Act: Community Diabetes Project - 14-15	93.283 93.283	2014-001276-001 2015-001276-001	\$ 80,000 80,000	4,982 5,262	- 63,732	4,982 55,943	- 13,051

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
Food and Drug Administration Research: Food Inspection Innovation	93.103	1U18FD004740-03	\$ 100,000	6,769	82,338	89,107	-
Women's Health and Family Planning Association of Texas Substance Abuse and Mental Health Administration Center for Substance Abuse Treatment	93.217	N/A	-	(13,833)	146,959	172,180	(39,054)
Erasing Barriers / Partners in HIV & Mental Health Project Center for Disease Control and Prevention	93.243	1H79TI025893-01	500,000	-	425,587	289,171	136,416
Health Promotions & Chronic Disease Prevention Texas Healthy Communities	93.991	2015-047236-001	50,000	-	47,836	41,321	6,515
Total U. S. Department of Health and Human Services			\$ 6,356,464	587,818	2,606,401	2,618,258	575,961

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

Direct Programs:							
Community Planning and Development:							
Community Development Block Grants / Entitlement Grants 10	14.218	N/A	\$ 3,936,450	2,160	17,612	19,772	-
Community Development Block Grants / Entitlement Grants 11	14.218	N/A	3,290,569	22,529	91,543	23,223	90,849
Community Development Block Grants / Entitlement Grants 12	14.218	N/A	3,347,669	93,245	745,809	743,556	95,498
Community Development Block Grants / Entitlement Grants 13	14.218	N/A	3,605,219	157,625	1,256,787	1,256,787	119,501
Community Development Block Grants / Entitlement Grants 14	14.218	N/A	3,553,204	-	1,832,888	1,612,015	220,873
Emergency Solutions Grant Program 2012	14.231	N/A	284,955	3,055	-	3,055	-
Emergency Solutions Grant Program 2013	14.231	N/A	244,222	2,592	182,904	185,496	-
Emergency Solutions Grant Program 2014	14.231	N/A	292,883	-	57,472	53,764	3,708
Housing Opportunities for Persons with AIDS:							
Housing Opportunities for Persons with AIDS - 14-15	14.241	019-3-14 (15)	77,237	14,655	34,234	48,889	-
Housing Opportunities for Persons with Aids - 15-16	14.241	019-3-15 (16)	81,652	-	37,551	27,312	10,239
HOME Investment Partnerships Program 2009 GRANT	14.239	N/A	1,389,582	3,591	15,401	18,992	-
HOME Investment Partnerships Program 2012 GRANT	14.239	N/A	879,662	20,030	457,518	454,791	22,757
HOME Investment Partnerships Program 2013 GRANT	14.239	N/A	631,123	1,365	281,502	266,519	16,348
HOME Investment Partnerships Program 2014 GRANT	14.239	N/A	685,083	-	197,089	194,513	2,576
Total U. S. Department of HUD			\$ 22,299,510	320,847	5,170,186	4,908,684	582,349

U. S. Department of Transportation

Direct Programs:							
Federal Transit Administration:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030274	2,546,681	-	28,792	28,578	214
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030299	1,943,557	-	796	796	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	714,000	-	12,432	1,902	10,530
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	2,549,000	-	21,346	15,984	5,362
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX340005	346,687	15,102	196,923	200,766	11,259
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX340009	439,246	-	351,397	351,397	-
Federal Transit Formula Grants:							
Urbanized Area Formula Program	20.507	TX90Y124	3,304,105	3,304,105	-	3,304,105	-
Urbanized Area Formula Program	20.507	TX90Y847	3,268,008	-	3,235,328	2,694,629	540,699
Federal Aviation Administration:							
Airport Improvement Program	20.106	3-48-0136-67-11	285,000	28,788	2,653	31,421	-
Airport Improvement Program	20.106	3-48-0136-69-11	3,000,000	65,566	1,071,062	1,136,628	-
Airport Improvement Program	20.106	3-48-0136-70-12	8,617,353	-	-	-	-
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-72-12	4,000,000	42,973	1,383,516	1,190,556	235,933
Airport Improvement Program (ARFF Building- Infrastructure & Equipment)	20.106	3-48-0136-73-12	4,500,000	207,004	6,304	213,308	-
Airport Improvement Program (Airport Master Plan Update)	20.106	3-48-0136-75-13	2,703,707	61,178	294,645	223,138	132,685
Airport Improvement Program (Security Fence)	20.106	3-48-0136-76-14	2,890,905	244,130	1,849,384	2,004,845	88,669
Airport Improvement Program (Airport Development)	20.106	3-48-0136-77-14	4,202,381	178,735	4,576,653	4,755,388	-
Airport Improvement Program	20.106	3-48-0136-79-15	-	-	435,355	-	435,355
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090	HST50213HSUR266	97,455	6,685	43,023	34,913	14,795
FY 14 Law Enforcement Officer Reimbursement Program							(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
Pass Through Texas Department of Transportation: Highway Planning and Construction-Manadas Crk Hike/Bike Trail	20.205	CSJ-09222-33-139	\$ 318,546	1,096	-	1,096	-
New Freedom Program	20.521	51322F7169	350,000	7,701	44,728	52,429	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	512XXF7078	156,590	-	156,590	16,311	140,279
Formula Grants for Other Than Urbanized Areas	20.509	51522F7127	99,716	-	99,716	99,716	-
National Highway Traffic Safety - State and Community Highway Safety	20.509	51522F7058	579,947	-	579,947	579,947	-
Texas Department of Transportation Comprehensive Commercial Vehicle STEP - 2014	20.600	2014-LAREDDP-S-1YG-0093	25,004	10,914	456	11,370	-
STEP - 2015 CMV	20.600	2015-LAREDDP-S-1YG-0028	52,489	-	42,739	23,519	19,220
Comprehensive STEP	20.600	2014-LAREDDP-S-1YG-0090	50,077	11,464	-	11,464	-
STEP - 2015 Comprehensive	20.600	2015-LAREDDP-S-1YG-0026	94,000	-	93,985	65,655	28,330
STEP - Click It Or Ticket	20.600	2015-LAREDDP-CIOT-00051	7,002	-	7,002	-	-
National Highway Traffic Safety - Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	2014-LAREDDP-IDM-00024	19,975	8,294	-	8,294	-
Texas Department of Transportation Step - Impaired Driving Mobilization 2014	20.601	2015-LAREDDP-IDM-00081	23,400	-	22,224	13,081	9,143
Step - Impaired Driving Mobilization	20.205	50-72-2-15-1113-70-806	1,038,411	-	275,367	167,070	108,297
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-72-2-14-1113-70-806	1,117,087	141,626	-	141,626	-
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205						
U. S. Department of Transportation							
Highway Planning and Construction- West Laredo Multimodal Trade Corridor	20.205	CSJ-09222-33-093	18,889,751	145,766	640,020	781,986	3,800
Highway Planning and Construction-Scott Sanchez RR Grade Separation	20.205	CSJ-09222-33-105	393,873	-	-	-	-
Highway Planning and Construction-Cielito Lindo Ave/ SL 20 Intersection	20.205	1,777,818	1,777,818	539,995	892,592	1,278,477	154,110
Highway Planning and Construction-Los Presidentes Blvd/ SL 20 Intersection	20.205	266,768	266,768	44,891	35,154	47,743	32,302
Highway Planning and Construction-Scuitgate Blvd/ SL 20 Intersection	20.205	1,992,867	1,992,867	980,719	1,058,436	1,605,833	433,322
Highway Planning and Construction- Chacon Creek Hike & Bike Phase II	20.205	1,482,244	1,482,244	-	761,200	535,549	225,651
Highway Planning and Construction- Chacon Creek Hike & Bike Phase III	20.205	1,243,767	1,243,767	372	-	372	-
Total U. S. Department of Transportation			\$ 75,484,892	6,047,084	18,219,765	21,636,894	2,629,955
U. S. Department of Agriculture							
Passed Through Texas Department of State Health Services: Food & Nutrition Service - Special Supplemental Nutrition Program for WIC:							
Women, Infants and Children 13-14	10.557	2014-045074-001	4,862,437	947,246	82,377	1,029,623	-
Women, Infants and Children 14-15	10.557	2015-047370-001	4,228,002	-	3,722,292	2,941,642	780,650
Women, Infants and Children 13-14	10.557	2014-045074-001	37,540	5,576	-	5,576	-
Women, Infants and Children Dietary Intern13-14	10.557	2015-047370-001	50,000	-	83,094	46,135	36,959
Women, Infants and Children Registered Dietician 14-15	10.557	2015-047370-001	72,636	-	58,283	45,039	13,244
Women, Infants and Children Lactation Services 14-15	10.557	2014-045074-001	406,878	84,848	3,909	88,757	-
Women, Infants and Children Counties 13-14	10.557	2015-047370-001	984,339	-	916,895	736,963	179,932
Women, Infants and Children Counties 14-15	10.557						
Total U. S. Department of Agriculture			\$ 10,641,832	1,037,670	4,866,850	4,893,735	1,010,785

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
U. S. Department of Justice							
Passed Through State Department of Criminal Justice: Criminal Justice Discretionary Grant Program Office of Justice Program - Bureau of Justice Assistance - Edward Byrne Memorial Justice Assistance Grant Program: Laredo City & Webb County FY 2012 JAG Project Laredo City & Webb County FY 2013 JAG Program City of Laredo & Webb County FY 2014 JAG Project	16.738 16.738 16.738	2012-DJ-BX-0538 2013-DJ-BX-0847 2014-DJ-BX-0303	\$ 96,591 90,054 90,982	- 11,117 -	35,255 10,419 77,067	35,255 21,536 71,759	- - 5,308
Total U. S. Department of Justice			\$ 277,627	11,117	122,741	128,550	5,308
Executive Office of the President							
High Intensity Drug Trafficking Areas Program Financial Task Force 13 Financial Task Force 14 Financial Task Force 15	95.001 95.001 95.001	G13SS0001A G14SS0001A G15SS0001A	676,020 810,795 810,795	88,428 232,768 -	- 501,654 170,962	88,428 677,134 73,879	- 57,288 97,083
Total Executive of the President			\$ 2,297,610	321,196	672,616	839,441	154,371
U.S. Department of Homeland Security							
Federal Emergency Management Agency Disaster Grants-Public Assistance (Presidentially Declared Disasters) Passed Through Webb County: 2012 Stone Garden Grant 2013 Stone Garden Grant 2014 Stone Garden Grant Passed Through HMG: Hazard Mitigation Grant Program - Canal Street Channel Improvements	97.036 97.067 97.067 97.067 97.039	FEMA-1931-DR-PA EMW-2012-SS-0018-S01 EMW-2013-SS-00045 EMW-2014-SS-00029 FEMA-1791-DR-TX	\$ - 709,840 1,683,093 1,019,730 3,768,107	(99,134) 16,052 434,939 -	- - 328,975 357,053 -	- 16,052 763,914 126,234 231,520	(99,134) - - 230,819 -
Total U. S. Department of Homeland Security			\$ 7,180,770	583,377	686,028	1,137,720	131,685
Institute of Museum and Library Services							
Passed Through Texas State Library & Archives Commission Interlibrary Loan Reimbursement Funds	45.310	LS-00-13-0044-13	\$ 5,147	-	16,493	5,147	11,346
Total Institute of Museum and Library Services			\$ 5,147	-	16,493	5,147	11,346

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
U. S. Department of Environmental Protection Agency							
Survey, Studies, Investigations & Special Purpose Grants							
Air Pollution Control Program Support:							
Clean Water State Revolving Loan	66.458	1120019	\$ 48,750,000	(5,552,508)	3,457,327	6,404	(2,101,585)
Total U. S. of Environmental Protection Agency			\$ 48,750,000	(5,552,508)	3,457,327	6,404	(2,101,585)
American Recovery and Reinvestment Act							
ARRA- Public Safety Partnership and Community Policing Grants							
2010 COPS Hiring Program	16.710	2010JULWX0025	\$ 4,369,266	330,757	956,759	1,161,363	126,153
ARRA-HUD-Neighborhood Stabilization Program	14.256	77090000107	2,127,102	48,796	(28,679)	20,117	-
ARRA-Investments. for Public Works and Eco. Develop. Facilities-River Vega	11.300	08-01-04443	1,000,000	-	101,760	-	101,760
Total American Recovery and Reinvestment Act			7,496,368	379,553	1,029,840	1,181,480	227,913
Total Federal Assistance			\$ 180,790,220	3,736,154	36,848,247	37,356,313	3,228,088
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program 13-14	N/A	2014-044431-001	177,000	24,709	-	24,709	-
Primary Health Care Program 14-15	N/A	2015-046178-001	159,171	12,993	142,002	125,548	29,447
Primary Health Care Program 15-16	N/A	2016-048591-001	159,171	-	11,746	-	11,746
Tuberculosis Prevention and Control 13-14	N/A	2014-001448-001	187,356	26,739	-	26,739	-
Tuberculosis Prevention and Control 14-15	N/A	2015-001448-001	230,491	13,172	159,381	154,730	17,823
Tuberculosis Prevention and Control 15-16	N/A	2016-001448-001	156,757	-	8,499	-	8,499
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. - 15	N/A	2015-046152-001	75,000	9,324	60,409	65,612	4,121
Bureau of Clinical and Nutrition Services - Prenatal, Preventive & Primary Child Health, Genetics and Dental Serv. - 16	N/A	2016-003934-001	75,000	-	7,773	-	7,773
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 15	N/A	2015-046007-001	37,986	4,743	48,725	37,391	16,077
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 16	N/A	2015-003885-001	43,490	-	4,125	-	4,125
Influenza Surveillance - 14	N/A	2014-002514-001	10,000	967	-	967	-
Influenza Surveillance - 15	N/A	2015-046847-001	10,000	5	6,157	6,162	-
Border Binational Health Week	N/A	1X408TXUSMEXBRD	12,550	(1,197)	-	-	(1,197)
Office of Border Health - Border Health	N/A	53700-4-0000-400045	8,000	2,436	-	2,436	-
Office of Border Health - Border Health	N/A	53700-5-0000-408853	4,900	-	2,296	2,296	-
Office of Border Health - Border Health	N/A	53700-5-0000-411905	4,400	-	960	960	-
Office of Border Health - Border Health	N/A	53700-5-0000-415384	4,000	-	4,000	-	4,000
Laredo Healthy Living Walking Club	N/A	53700-4-0000-405403	6,000	(20)	-	-	(20)
Passed Through South Texas Development Council:							
H. I. V. Social Services 13-14	N/A	19-1-13 (14)	132,444	22,049	-	22,049	-
H. I. V. Social Services 14-15	N/A	19-1-14 (15)	133,700	10,535	114,003	109,751	14,787
H. I. V. Social Services 14-15	N/A	19-2-15 (16)	140,110	-	3,942	-	3,942
Seven Flags Regional Advisory Council	N/A	N/A	13,000	-	7,515	7,515	-
Total - Texas Department of State Health Services			\$ 1,780,526	126,455	581,533	586,865	121,123

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	\$ 32,844	-	924	-	-
Law Enforcement Officer Standards and Education	N/A	N/A	1,744	(724)	-	1,732	(1,532)
Total - Commission on Law Enforcement Officers Standards and Education			\$ 34,588	(724)	924	1,732	(1,532)
State Department of Motor Vehicles:							
Auto Theft Task Force	N/A	608-16-2400100	637,768	-	49,016	-	49,016
Auto Theft Task Force	N/A	2015-T01-CITY OF-00003	433,514	38,745	394,769	422,714	10,800
Auto Theft Task Force	N/A	2014-T01-CITY OF-00014	433,514	26,192	-	26,192	-
Total - State Department of Motor Vehicles			\$ 1,504,796	64,937	443,785	448,906	59,816
State Department of Transportation:							
TX Dept. of Transportation-Routine Airport Maintenance Program '14	N/A	CSJ-M122LREDO	50,000	5,879	-	5,879	-
TX Dept. of Transportation-Routine Airport Maintenance Program '15	N/A		50,000	-	49,996	49,558	438
TX. Dept of Transportation- West Laredo CPL Road Phase II	N/A	CSJ-0922-33-076	2,597,272	50,201	58,313	67,501	41,013
Total - State Department of Transportation			\$ 2,747,272	56,080	108,309	122,938	41,451
Texas Commission on Environmental Quality							
Passed Through STDC:							
T.C.E.Q.-Regional Solid Waste Management	N/A	15-19-G02	45,000	-	45,000	38,800	6,200
Total - Texas Commission on Environmental Quality			\$ 45,000	-	45,000	38,800	6,200
State Department of Public Safety							
Local Border Security Program FY - 2012	N/A	LBSP-120051	145,000	259	-	259	-
Local Border Security Program FY - 2013	N/A	LBSP-1339	80,000	7,540	-	7,540	-
Local Border Security Program FY - 2014	N/A	LBSP-14-0046	129,375	111,428	17,947	129,375	-
Local Border Security Program FY -2015	N/A	LBSP-15-0025	152,445	-	152,445	50,894	101,551
Total - State Department of Public Safety			\$ 506,820	119,227	170,392	188,068	101,551
Texas Health and Human Services Commission:							
Passed Through Texas Nurse-Family Partnership Program:							
Nurse-Family Partnership Program - '13-14	*	52900-4-0000074246	472,358	54,727	-	54,727	-
Nurse-Family Partnership Program - '14-15	*	52900-5-0000081115	472,358	35,339	378,909	388,142	26,106
Nurse-Family Partnership Program - '15-16	*	52900-6-0000088566	415,000	-	22,005	-	22,005
Nurse-Family Partnership Program - Additional Registered Nurse '13-14	*	52900-2-0000074246	33,456	9,364	-	9,364	-
Nurse-Family Partnership Program - Additional Registered Nurse '14-15	*	52900-5-0000081115	88,065	2,355	53,635	45,897	10,093
Passed Through Webb County:							
Regional Healthcare Partnership (1115 Wavler)	*	N/A	-	(593,087)	583,956	775,800	(784,931)
Total - Texas Health and Human Services Commission			\$ 1,481,237	(491,302)	1,038,505	1,273,930	(726,727)
Total State Assistance			\$ 8,100,239	(125,327)	2,388,448	2,661,239	(398,118)

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2015**

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, 2014	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2015
OTHER ASSISTANCE							
Custom-Narcotics 2014	N/A	N/A	91,000	1,698	-	1,698	-
ICE- Custom-Narcotics 2015	N/A	N/A	91,000	-	23,437	19,556	3,881
OCEDEF-OCED14 FY2014	N/A	N/A	7,000	1,704	-	1,704	-
OCEDEF-DEA0818 FY 2014	N/A	N/A	7,000	3,360	(1,101)	2,259	-
OCEDEF-DEA0838 FY 2014	N/A	N/A	7,000	4,490	-	4,490	-
OCEDEF-DEA0838 Rope a Dope	N/A	SW-TXS-0838	5,757	-	5,757	5,757	-
OCEDEF-DEA0851 Zahhak	N/A	SW-TXS-0851	8,600	-	8,812	5,495	3,317
OCEDEF-DEA0982	N/A	2,843	17,202	2,296	-	2,296	-
Laredo Joint Terrorism TF 2014	N/A	N/A	17,202	9,595	-	9,595	-
Laredo Joint Terrorism TF 2015	N/A	N/A	34,404	4,417	-	4,417	-
Safe Streets Task Force 2014	N/A	N/A	34,404	-	27,193	20,692	6,501
Safe Streets Task Force 2015	N/A	N/A	5,500	2,162	-	2,162	-
Fugitive Apprehension Task Force 2014	N/A	N/A	14,000	-	13,992	13,777	215
Fugitive Apprehension Task Force 2015	N/A	M-15-D79-0-000157	70,000	34,223	-	34,223	-
Bureau of Alcohol and Tobacco 2014	N/A	N/A	92,569	-	97,562	77,996	19,566
Bureau of Alcohol and Tobacco 2015	N/A	N/A	114,500	-	114,354	88,996	25,358
TEOAF- CBP Task Force	N/A	N/A					
OTHER ASSISTANCE							
911 Regional Communications Grant - FY2012	N/A	N/A	1,226,600	(650)	650	-	-
911 Regional Communications Grant - FY2013	N/A	N/A	1,203,614	-	585,772	585,772	-
911 Regional Communications Grant - FY2014	N/A	N/A	1,997,185	(85,494)	4,056	(81,438)	-
911 Regional Communications Grant - FY2015	N/A	N/A	2,329,870	(346,086)	1,176,743	1,027,608	(196,951)
911 Regional Communications Grant - FY2015 Equipment Replacement	N/A	N/A	1,093,977	-	820,871	780,135	40,736
911 Regional Communications Grant - FY2016	N/A	N/A	2,395,630	-	71,695	-	71,695
911 Regional Communications Grant - FY2016 Equipment Replacement	N/A	N/A	85,000	-	-	-	-
USAC Erate	N/A	16026145	14,869	-	2,615	-	-
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	28,180	(13,603)	4,419	-	(9,184)
Mexican Consulate - Ventanilla de Salud Program	N/A	N/A	34,000	-	24,481	34,000	(9,519)
Fernando Salinas Trust	N/A	N/A	40,000	(3,917)	3,603	13,833	(14,147)
UISD - Memorandum of Understanding - Student Immunization	N/A	N/A	-	-	37,569	37,569	-
Paso del Norte Foundation	N/A	N/A	2,500	-	-	2,500	-
STDC - Mass Fatality Grant	N/A	N/A	15,000	-	15,000	15,000	(2,500)
Total - Other Assistance			11,086,406	(395,400)	3,047,075	2,712,707	(61,032)
Total Federal, State and Other Assistance			199,976,865	3,215,427	42,283,770	42,730,259	2,768,938

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 as presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.



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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2015, 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 22, 2016.

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 22, 2016

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

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>
20.106	Airport Improvement Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 1,105,447

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

City of Laredo, Texas
 State Schedule of Findings and Questioned Costs
 Year Ended September 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Health and Human Services Commission Nurse-Family Partnership Program
None	Texas Health and Human Services Commission Regional Healthcare Partnership

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, 2015

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, 2015

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, 2015

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.