

CITY OF LAREDO, TEXAS



**Comprehensive Annual Financial Report
For The Year Ended
September 30, 2017**

CITY OF LAREDO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

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, 2017

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March 9, 2018

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, 2017. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

statements of the City of Laredo for the fiscal year ended September 30, 2017, 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, 2017 are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

The City of Laredo incorporated in 1755. It is located on the north bank of the historical Rio Grande River. Laredo is unique because it is the only City to operate international bridges between two Mexican states. The City owns, maintains and operates four-border crossing, three with Nuevo Laredo, Mexico and one with Colombia, Mexico. Laredo is at the center of the primary trade route. It is the only border city strategically positioned at the convergence of all land transportation systems between Canada, the United States and Mexico. The City of Laredo is the largest city in the County of Webb with an estimated population of 257,156 in 2017, according to the U.S. Census estimates.

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

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

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

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

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

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

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

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

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

Factors Affecting Financial Condition

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

Local economy: The City of Laredo has been very fortunate and experienced steady growth to our economy. Laredo is strategically positioned with a large transportation and warehousing industry. Trade between the United States and México is a vital part of our economy and continues to prosper. The Port of Laredo is the #1 inland port on the U.S. – México border. We have four (4) international bridges; two of which are commercial crossings and have over 2.2 million trucks cross annually. Laredo trades over \$303 billion imports and exports annually. Based on trade statistics by World City Magazine, Laredo set trade records for seven consecutive years. Laredo's trade increased 7.13% for 2017. Laredo remains the third largest U.S. Customs District in the country; up from its position as the sixth 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 Mexico, Central and South America to our City in order to establish stronger economic growth. We have established strong business alliances with the Mexican Ports of Lazaro Cardenas and Manzanillo. The ports are using Laredo as the main port to import products into the United States. During the workweek, more than 8,460 trucks cross daily into Laredo. On rail, more than 1,500 rail cars pass through Laredo daily, making it one of the top

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

Top imports totaled \$177.37 billion that crossed through Laredo were:

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

Top exports totaled \$126.01 billion that crossed through Laredo were:

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

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

In addition to the FIS at the airport, the Laredo International Airport is rank seventh among all cargo airports in Texas and 54th in the nation. In 2017, we handled approximately 539.6 million pounds of cargo in landed weight.

Locally, investors continue to be very interested in Laredo and its market, especially in retail. Laredo continues to be the home of the Wal-Mart store ranked #1 in sales in the nation per square foot. 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 continue to open in Laredo and others that have relocated or expanded their operations. 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, Bealls, Macy's, J.C. Penny, Sears, Guess, Hollister, American Eagle, Aeropostale, Chuck E. Cheese's, and many more.

In addition, The Outlet Shoppes at Laredo-Phase I open to the public in March 2017. The outlet mall is an \$80 million facility with 350,800 sq. ft. The development is in downtown Laredo with outlet stores such as Coach, NIKE, Carter's, Guess, Gap, Michael Kors, Old Navy, Papaya, Puma, Sketchers, and other have a presence in the outlet mall. Ninety stores are anticipated to open in this new facility. Additional sales tax and hotel/motel tax are estimated to be generated by this facility thus further enhancing our economy even more.

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 have been included indoor football, exhibition basketball games, motor cross racing, wrestling, major concert performers and rodeos. The Uni-trade Baseball Stadium is a \$20 million facility that will be home to the Tecolotes Dos Laredos, a triple-a Mexican minor baseball league team. The Tecolotes play in the professional Mexican Baseball League and it was the first binational team to play in two different nations. 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. Golf Advisor and Golf.com rate the course in the top 20 best public golf courses. All three facilities were built for the community to enjoy premier entertainment in Laredo.

MAJOR INITIATIVES

For the Year 2016-2017

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

- Completion of improvements to streets, including curb and gutter at a cost of \$9.7 million during this fiscal year. Public Works crews did with the improvements in-house.
- Drainage improvements projects completed during the current year totaled \$10.8 million
- Infrastructure projects at a cost of \$23.25 million were completed during the fiscal year 2017. Among the completed projects includes downtown plazas improvements, downtown parking lots, sidewalks, airport runway, taxiways and apron improvements. Other projects included are parks improvements, traffic signal improvements and street lighting improvements in the downtown area. Infrastructure projects include \$8.3 million of water and wastewater system improvements.
- Acquisition of machinery and equipment including vehicles and equipment for all City departments total \$15.9 million.
- Major building improvements projects at a cost of \$2.7 million were completed during the fiscal year. Among the improvements includes the Administration building of the South Laredo Wastewater Treatment Plant at a cost of \$1.2 million.
- Land at a cost of \$2.3 million was acquired during the fiscal year for downtown area to create additional parking spaces. Land acquired includes properties for the Airport Noise Abatement project.
- Water rights acquisition during the fiscal year total \$1.6 million.

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:
 - \$1.5 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.
 - \$1.2 million for parks and leisure improvements. Parks to be improve include El Elen, Sanchez-Ochoa, Ponderosa and De Llano. Improvements include bicycle lane to City Council District VII and VIII.

- Other projects include the Slaughter Park Water feature, Center of the Arts area renovation, Tatangelo Walkway improvements, Fasken Rainwater Containment System and the Canseco Property renovation improvements
- The Utilities Department has various water and sewer capital improvement projects underway, they are the following:
 - Zacate Creek sewer line project with an estimated cost of \$10 million.
 - Administration building improvements and administration building for wastewater treatment plant at an estimated cost of \$4.5 million.
 - Wastewater treatment plant project at an estimated cost of \$5 million. Improvements include an industrial pre-treatment unit at the Unitec Plant.
 - Construction of a wastewater treatment plant at Manadas Creek at an estimated cost of \$48 million. Funding is proposed form a loan from the Texas Water Development Board.
- Other City Wide Projects include:
 - The construction improvements of Fire Station #4 and #5 at a cost of \$750 thousand.
 - Building improvements at an estimated cost of \$2.7 million.
 - Rehabilitation of streets project at an estimated cost of \$4 million.
 - The construction / improvements of parks, streets, sidewalks, drainage, traffic signals, street signalization, street lighting and renovation or improvements of buildings at an estimated cost of \$5.6 million.
 - Airport improvements project at a cost of \$6.3 million apron reconstruction and noise compatibility program. Funding includes \$5.7 million form Federal Aviation Administration.
 - The upgrade of the International Bridges Electronic Toll Collection, Weigh-in-Motion and Customer Service Center Systems with an estimated cost of \$10 million and a completion date of May 2018.
 - Construction of fast lane project at the World Trade Bridge at an estimated cost of \$10.3 million. Project will expedite the flow of truck traffic coming northbound from Mexico.

- The construction of Upper Zacate Creek Hike and Bike Trail with an estimated cost of \$1.25 million. The Upper Zacate Creek Hike and Bike trail consists of approximately 10,000 linear feet of Hike and Bike trails that will connect Jacaman Road to Del Mar Blvd. The estimated time for completion is April 2018. \$1 Million of this funding is through a FHwy Grant administered by Texas Department of Transportation (TXDOT), and awarded by the MPO.
- The City of Laredo, in conjunction with the Laredo Metropolitan Planning Organization are working on alleviation of a transportation challenges which include:
 - An interchange at IH35 and U.S.59/I-69 West. This project originally estimated to cost over \$25 million and to begin construction in 2017 but has recently become part of a larger project to construct five additional direct connectors. An INFRA Grant formerly Fastlane Grant application was resubmitted on behalf of the City, TXDOT, Webb County and the Regional Mobility Authority requesting \$78 million in federal funds, \$30 million from TXDOT and \$22 million from local agencies including the City of Laredo.
 - The construction of a \$46 million road called Hachar-Reuthinger Road, which will connect FM 1472 and IH35 for the critical movement of trucks in West Laredo. The project is under design and is scheduled to be released in late 2018. Phase I is at a cost of \$24.14 million and Phase II at an estimated cost of \$22 million. TXDOT, Webb County and the City of Laredo will be providing funding for this project.
- The Texas Department of Transportation and the City of Laredo are working jointly on projects along Loop 20, they include:
 - 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 with an estimated project cost of \$15.4 million.

Awards and Acknowledgements

The City has received the Government Finance Officers Association of the United States and Canada (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting for twenty-eight years. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently

organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

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

Respectfully,



Martin Aleman,
Executive Director of Finance and Technology



Government Finance Officers Association

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

Presented to

**City of Laredo
Texas**

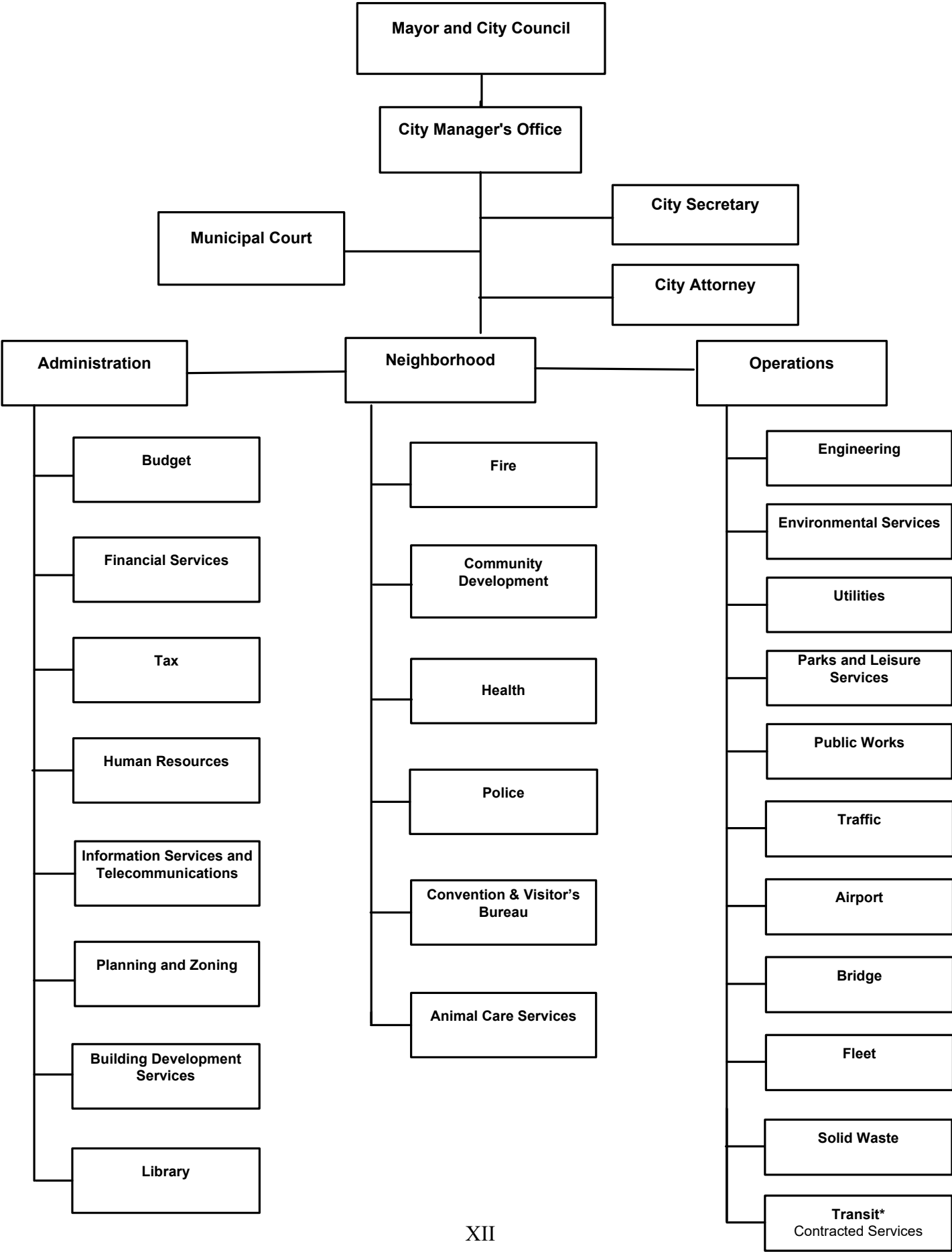
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrell

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	Nelly Vielma	V
Vidal Rodriguez	II	Charlie San Miguel	VI
Alejandro “Alex” Perez, Jr. Mayor Pro-Tempore	III	George J. Altgelt	VII
Alberto Torres, Jr.	IV	Roberto Balli	VIII

CITY STAFF

Horacio De Leon, City Manager

Cynthia Collazo, Deputy City Manager

Martin Aleman, Executive Director of Finance and Technology

Blasita Lopez, Executive Director of Tourism, Marketing & Communications

Monica Flores, Executive Director of Personnel and Civil Service

Ramon E. Chavez, P.E. Executive Director of Public Services

Mario Maldonado, Executive Director of Transportation

Kristina Laurel Hale, City Attorney

FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financials Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Laredo, Texas basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Laredo, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements.

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

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

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

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

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2018, 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, Hargis & Baum, PLLC

Laredo, Texas
March 9, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

This section of the City of Laredo's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$682.11 million (net position) which represent an increase of \$9.91 million from the previous year. The negative ending balance of \$211.27 million in unrestricted net position is the result of the recognition of Net Pension Liability of \$260.31 million. The unrestricted net position would under normal circumstances, be used to meet the government's ongoing obligations to citizens and creditors.
- The City's governmental activities reported a combined ending net position of \$353.84 million. This represents a decrease of \$6.83 million. The business type activities reported a combined ending net position of \$328.27 million, representing an increase of \$16.74. These are the results of the operating of the City for the fiscal year.
- The City's governmental funds reported a combined ending fund balances of \$167.37 million, a decrease of \$8.09 million compared to the fiscal year 2016 ending fund balance. The total fund balances consist of \$88.34 million restricted, \$33.33 million is committed, \$44.55 million is assigned, \$195,555 is nonspendable and \$39,052 thousands is an unassigned deficit.
- At the end of the current fiscal year, total fund balance for the General Fund of \$45.06 million represented 26.71% of General Fund expenditures net of capital outlay.
- During the fiscal year, the city did not issue any long-term debt. Long-term liabilities related to bond issuance net of current year principal payments decreased by \$45.17 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

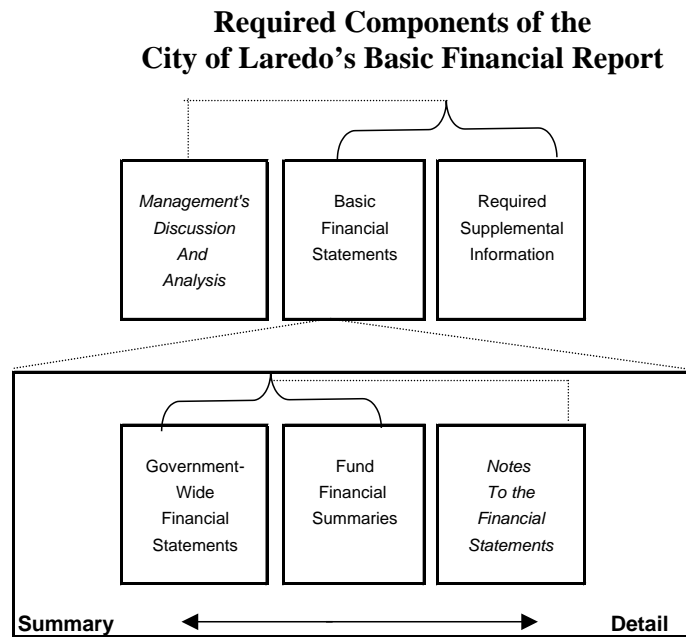
FUND FINANCIAL STATEMENTS

	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 of when cash is received or paid

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

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

Figure A-2



Government-wide Statements

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

The *Statement of Net 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 detailed information about the City’s most significant funds – not the City as a whole. Funds are group by related accounts that the City uses to keep track of the specific sources of funding and spending for particular purposes.

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

The City has three kinds of funds:

- *Governmental funds* – Most of the City’s basic services are included in Governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be use in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, we provide additional information at the bottom of the Governmental Funds Statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the Government-wide Statements, provide both long-term and short-term financial information. These funds are generally used to account for services for which the City charges customers either outside customers or internal cost centers of the City.
 - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Municipal Transit System, Bridge System, Municipal Housing, Waterworks, Sewer, and Solid Waste Funds.
 - Internal service funds are an accounting devise used to accumulate and allocate costs internally among the City’s various functions. The City uses its internal service funds to account for its Risk Management, Health & Benefits, Fleet and Information Technology Funds.
- *Fiduciary funds* – The City is the trustee, or fiduciary, for its employee’s pension plans. It is also responsible for other assets that – because of a trust arrangement can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net 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 \$682.1 million as of September 30, 2017. The net position of the City is further breakdown between the governmental net position of \$353.8 million and the business-type net position is \$328.3 million. This analysis focuses on the net position (Table A-1) and changes in general revenues (Table A-2) and significant expenses of the City’s governmental and business-type activities.

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

Table A-1

City of Laredo’s Net Position September 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 230,201,962	\$ 242,397,552	\$ 215,751,276	\$ 236,400,639	\$ 445,953,238	\$ 478,798,191
Capital assets	715,134,843	697,778,557	650,206,784	634,645,068	1,365,341,627	1,332,423,625
Total Assets	945,336,805	940,176,109	865,958,060	871,045,707	1,811,294,865	1,811,221,816
Deferred outflows of resources	39,232,491	53,309,150	18,389,055	22,541,621	57,621,546	75,850,771
Total assets and deferred outflows of resources	984,569,296	993,485,259	884,347,115	893,587,328	1,868,916,411	1,887,072,587
Current liabilities	44,087,481	42,675,584	45,746,803	45,711,556	89,834,284	88,387,140
Non-current liabilities	585,202,430	584,169,648	509,883,458	535,173,761	1,095,085,888	1,119,343,409
Total Liabilities	629,289,911	626,845,232	555,630,261	580,885,317	1,184,920,172	1,207,730,549
Deferred inflows of resources	1,438,037	5,965,042	443,632	1,169,366	1,881,669	7,134,408
Total liabilities and deferred inflows of resources	630,727,948	632,810,274	556,073,893	582,054,683	1,186,801,841	1,214,864,957
Net Position:						
Net investments in capital assets	513,425,058	497,557,400	262,866,023	254,793,229	776,291,081	752,350,629
Restricted	42,852,730	41,277,879	74,243,372	74,371,213	117,096,102	115,649,092
Unrestricted	(202,436,440)	(178,160,294)	(8,836,173)	(17,631,797)	(211,272,613)	(195,792,091)
Total net position	\$ 353,841,348	\$ 360,674,985	\$ 328,273,222	\$ 311,532,645	\$ 682,114,570	\$ 672,207,630

A portion of the City's net position or \$117.10 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 1.25% over the prior year.

Generally, the net position generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net position decreased by \$24.28 million to a negative balance of \$202.44 million for the year. The negative balance is due to the recognition of net pension liability of \$212.9 million for the two pension plans sponsored by the City.

Unrestricted net assets in the business-type activities reflect an increase of \$8.80 million to a negative balance of \$8.8 million as of September 30, 2017. The negative balance is due to the recognition of the net pension liability for the business-type activities.

The table below provides a summary of the City's operations for the year ended September 30, 2017. Governmental activities decreased the City's net position by \$7.2 million, while Business-Type activities increased by \$17.11 million, before prior period adjustment of \$367 thousands. The City's Net Position increased by \$9.61 million. Total revenues realized by the City total \$479.37 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 \$247,342 thousands from prior year to \$469.46 million. The most significant governmental expense for the City was in providing public safety, public works repairs and improvements and cultural and recreational activities. These expenses were offset by revenues collected by a variety of sources such as property taxes, fines, and forfeitures. The most significant portion of the police activity is the cost of personnel, which is approximately \$62.7 million and the fire department with \$46.6 million (both areas including benefits and overtime expenditures).

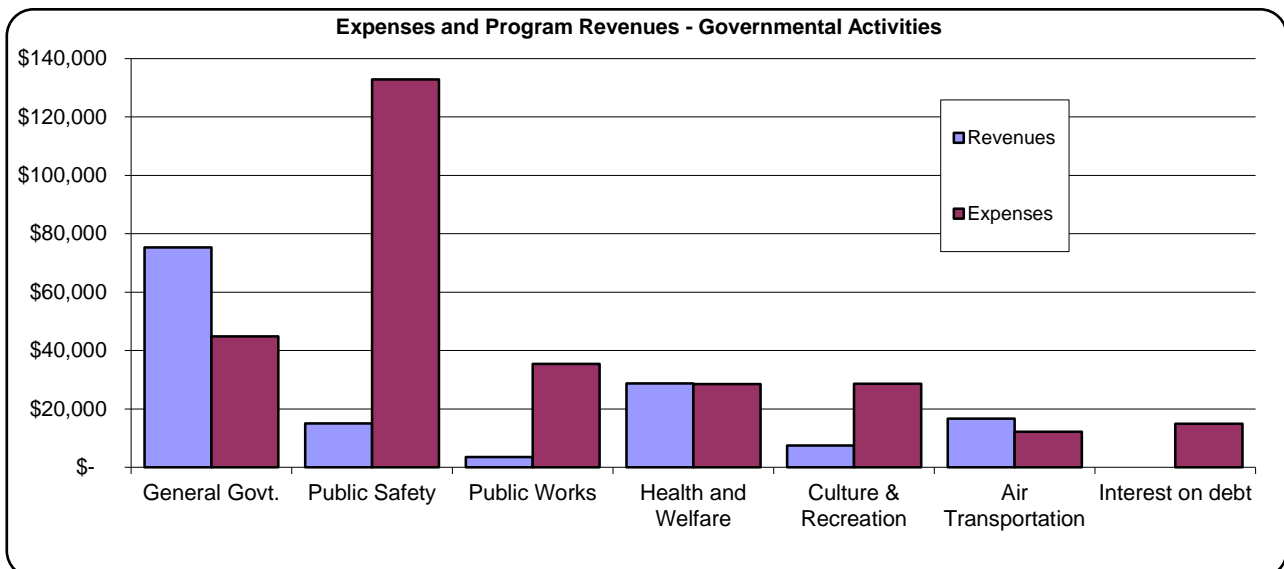
Table A-2

**City of Laredo's Changes in Net Position
September 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 84,515,973	\$ 92,597,013	\$175,100,361	\$ 167,570,667	\$ 259,616,334	\$ 260,167,680
Operating grants and contributions	21,047,107	21,731,076	4,091,169	3,837,360	25,138,276	25,568,436
Capital grants and contributions	41,090,817	40,400,218	6,735,114	9,332,615	47,825,931	49,732,833
General revenues:						
Sales tax	39,788,063	38,983,785	7,592,193	7,474,608	47,380,256	46,458,393
Property taxes	80,508,743	76,362,877	-	-	80,508,743	76,362,877
Other taxes	12,250,886	11,920,955	-	-	12,250,886	11,920,955
Other	3,229,084	1,292,558	3,420,634	2,208,421	6,649,718	3,500,979
Total revenue	<u>\$ 282,430,673</u>	<u>\$ 283,288,482</u>	<u>\$196,939,471</u>	<u>\$ 190,423,671</u>	<u>\$ 479,370,144</u>	<u>\$ 473,712,153</u>

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Expenses:						
General Government	\$ 44,803,625	\$ 31,282,913	\$ -	\$ -	\$ 44,803,625	\$ 31,282,913
Public Safety	132,796,643	136,161,243	-	-	132,796,643	136,161,243
Public Works	35,411,496	32,262,592	-	-	35,411,496	32,262,592
Health & Welfare	28,523,686	26,694,339	-	-	28,523,686	26,694,339
Culture & Recreation	28,661,521	29,029,634	-	-	28,661,521	29,029,634
Air Transportation	12,139,052	12,068,122	-	-	12,139,052	12,068,122
Interest & Other long - term debt	14,874,684	14,833,434	-	-	14,874,684	14,833,434
Transit System	-	-	18,103,372	18,193,506	18,103,372	18,193,506
Bridge System	-	-	49,498,472	50,002,193	49,498,472	50,002,193
Solid Waste	-	-	23,279,911	19,076,156	23,279,911	19,076,156
Water System	-	-	48,030,778	60,707,954	48,030,778	60,707,954
Sewer System	-	-	31,763,534	37,537,057	31,763,534	37,537,057
Municipal Housing	-	-	1,576,430	1,366,719	1,576,430	1,366,719
Other Business -Types	-	-	-	-	-	-
Total expenses	297,210,707	282,332,277	172,252,497	186,883,585	469,463,204	469,215,862
Inc (dec) in net position before transfers	(14,780,034)	956,205	24,686,974	3,540,086	9,906,940	4,496,291
Transfers	7,578,582	6,345,593	(7,578,582)	(6,345,593)	-	-
Change in Net Position	(7,201,452)	7,301,798	17,108,392	(2,805,507)	9,906,940	4,496,291
Net position, beginning	360,674,985	423,446,106	311,532,645	312,092,068	672,207,630	735,538,174
Prior Period Adj.	367,815	(70,072,919)	(367,815)	2,246,084	-	(67,826,835)
Net position, ending	\$ 353,841,348	\$ 360,674,985	\$ 328,273,222	\$ 311,532,645	\$ 682,114,570	\$ 672,207,630

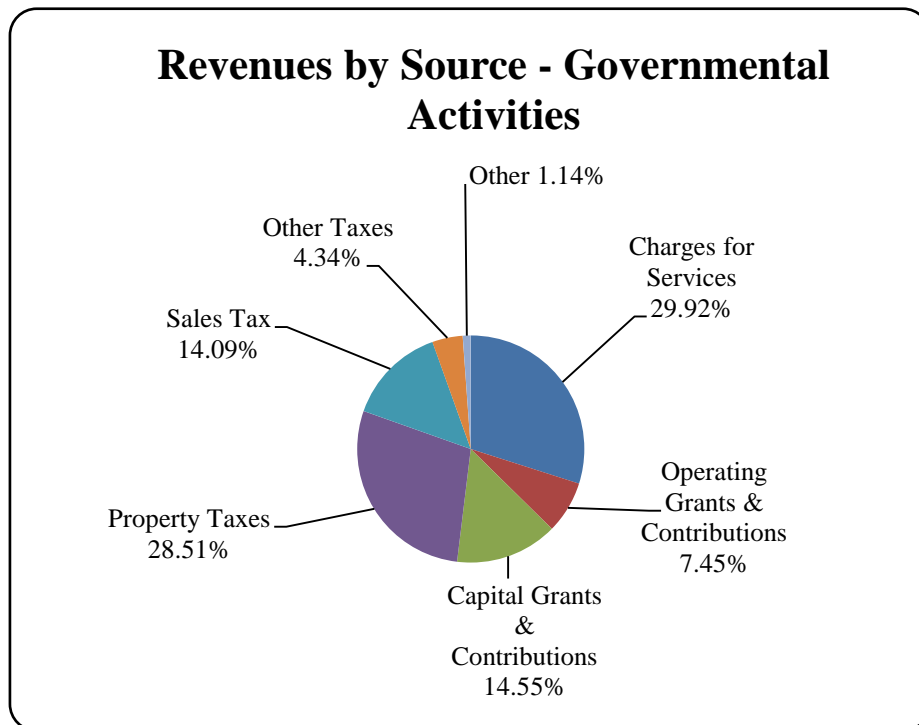
Graph 1



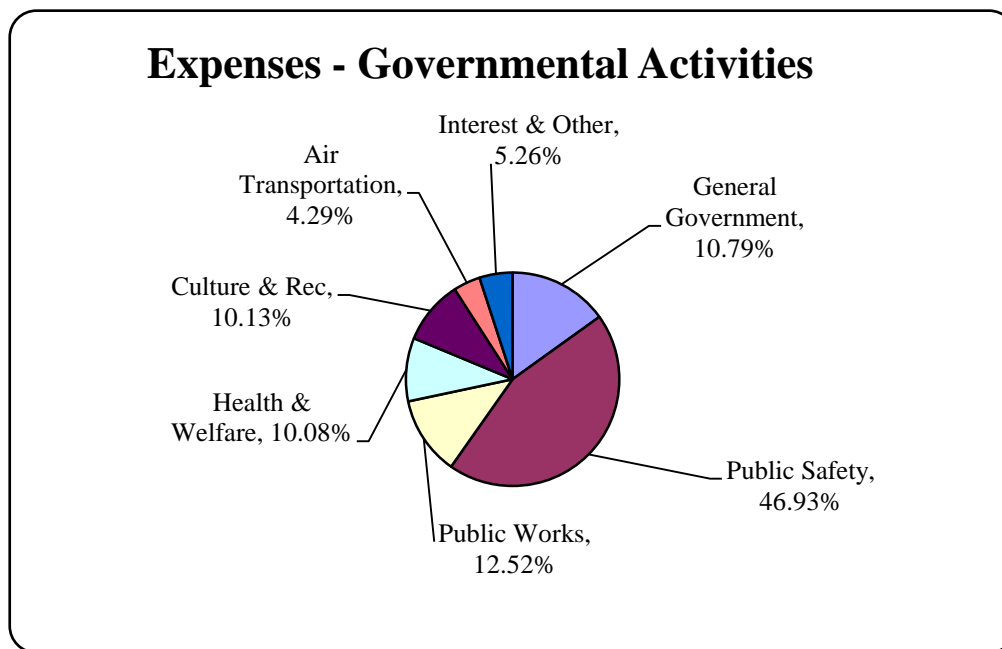
Graph 1 represents the cost of each of the City's seven largest programs as well as each of the programs revenue. The net cost is the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all Governmental activities this year was \$297.21 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 \$282.43 million.
- General Government expenses (support services) comprised approximately 15.07% of the total expenses in Fiscal Year 2017; this represents an increase 3.998% or \$13.5 million from prior year.
- Expenses for Public Safety represent 44.68% of total expenditures with a decrease of 3.55% or \$3.36 million as compared to the prior year.
- Public Works expenses represent 11.91% of total expenditures and an increase of \$3.15 million or an increase of 0.49% as compared to the prior year.
- Health and Welfare expenses represent 9.60% of total expenditures with a minimal increase of \$1.8 million or 0.15% as compared to the prior year.
- Cultural & Recreational expenses represent 9.64% of the total expenditures with a decrease of \$368 thousands or 0.64% as compared to prior year.
- Air Transportation and Other expenditures represent 9.08% of total expenditures with an increase of only \$112 thousands or 0.87% from prior year.
- Business-Type Activities transferred to Governmental Activities a total of \$7.6 million; an increase of \$1.2 million from prior year.
- Overall, there was an increase in the net position of \$9.9 million for the City before prior period adjustments. There was a decrease of \$7.2 million in the governmental activities and an increase of \$17.1 million in the business type activities before prior period adjustments.
- Governmental Activity revenues were generated by charges for services 29.92%, property taxes 28.51%, sales tax and other taxes 18.43% and Capital and Operating Grants generated 22.00% (see Graph 2).

Graph 2



Graph 3



Business-type Activities

Revenues of the City's business-type activities were \$196.94 million for the fiscal year ending September 30, 2017, an increase of \$6.52 million from prior year. Charges for Services increased by \$7.53 million; Operating Grants and Contributions decreased by \$254 thousands; Capital Grants and Contributions decreased by \$2.60 million; while all other revenues increased by \$1.33 million. Expenses for the City's business-type activities were \$172.25 million for the year, representing a decrease of \$14.63 million from the prior fiscal year. (Refer to Table A-2). The areas where these increases and decreases occurred are as follows:

- Waterworks System expenses decreased by \$12.68 million. Operating expenses increased by \$1.11 million and non-operating expenses decreased by \$13.79 million.
- Sewer System expenses decreased by \$5.77 million. Operating expenses increased by \$1.16 million and non-operating expenses decreased by \$6.93 million.
- Bridge System expenses decreased by \$504 thousands; operating expenses decreased by \$174 thousands and non-operating expenses decreased by \$330 thousands.
- Other business-type activities increased by \$4.32 million in operating expenses for the Transit System, Solid Waste System and Municipal Housing Funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As the City completed the year, its governmental funds reported a combined fund balance of \$167.4 million. The fund balance is categorized as follows: \$196 thousand for non-spendable funds which are used for inventory items and an endowment fund; \$88.34 million which are restricted for debt and grants; \$34.33 million are committed for specific purposes as it relates to reserves, public safety, etc.; \$44.55 million are assigned for a specific use for Governmental Funds other than General Fund and \$39 thousand 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 \$45.06 million of which \$30.69 million is committed, and \$1.71 million is unassigned, \$12.65 million is restricted and \$17 thousand is non-spendable. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenses. The ratio of total fund balance to operating expenses (total expenses less capital outlay) is 26.71%. The unassigned fund balance in General Fund represents 3.79% of the total fund balance category.

During the current fiscal year, the City's General Fund balance increased by \$623 thousand (net of a prior period adjustment of \$4.6 million) as compared to prior year. The City was able to match its revenues to its expenditures while using a conservative spending approach. Some of the key factors are as follows:

- As compared to prior year, property tax revenues increased by \$4.1 million. Assessed valuations increased by \$669 million from prior year. The City has not increased its tax rate for the thirteenth consecutive year.
- Other tax revenues reflect an increase of \$620 thousands. Sales tax increased \$586 thousands as compared to prior years.
- Charges for Services increased by \$962 thousands as compared to prior year due to administrative fee charges to various funds but mainly the Bridge System which increased by \$657 thousands.
- General Fund expenses decreased by \$1.33 million from prior year. While most of the departments remained stable, growth (increases) occurred in categories such as: Public Safety by \$3.3 million and General Government and Public Works by \$1.09 million. Capital Outlay decreased by \$6.3 million. The major increase for public safety was in personnel expenses by \$1.61 million. This was due to contractual obligations with public safety personnel such as Fire and Police.

The Debt Service Fund has a total fund balance of \$4.6 million, all of which is reserved for the payment of debt. The fund balance increased by \$270 thousands,

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 \$328.3 million. The total net assets increased by \$16.74 million as compared to prior year. The largest area of change was in the Waterworks System, with an increase of \$6.0 million, the Bridge System with an increase of \$5.0 million, the Sewer System increased by \$5.7 million and other enterprise funds increased by \$620 thousands.

General Fund Budgetary Highlights

Overall, the City has not only maintained at least a 15% fund balance as required by City Charter, but has also been able to maintain a rate to 26.71% of operating expenditures (excluding capital outlay) in FY 2017. The City has been able to maintain its fund balance for the General Fund with a modest increase of \$623 thousand while operating expenditures (excluding capital outlay) increased by \$4.98 million. The city experienced an overall increase of 4.11% in revenues. Property Tax revenues increased by \$4.1 million or 6.299% and Charges for Services increased by \$962 thousand or 2%. The City has been able to sustain its strong economic condition.

Original Budget vs. Final Amended Budget:

Revenues and Other Financing Sources:

- The General Fund revenue and other financing sources increase by \$732 thousands for additional revenues appropriated during the year for reimbursement, intergovernmental revenues and capital lease proceeds.

Expenditures and Other Financing Uses:

- General Fund expenditures and other financing uses budget was amended by a net increase of \$736 thousand. The operating budget for public safety departments were increased.

Amended Budget as compared to Actual Revenues and other Sources:

Revenues and Other Financing Sources:

- The actual revenues reflect an overall favorable variance of \$21.54 million as compared to the amended budget. This variance had various attributes:
 - Property taxes revenue exceeded projections by \$878 thousand; Miscellaneous Revenues exceeded projections by \$406 thousand. Sales and Use Tax revenues had a revenue shortfall of \$431 thousand; charges for services also experience a shortfall of \$290 thousands. Intergovernmental Revenues had an unfavorable balance of \$1.02 million.
 - Contribution and Donations exceeded projection by \$21.38 million. The variance was due to recognizing the value of donations related to infrastructure assets by developers.
 - Transfers In of \$3.7 million did not materialize during the year.

Expenditures and Other Financing Uses:

- Expenditures and Other Financing Uses reflect a negative variance of \$12.48 million when comparing the amended budget to the actual expenditures. A large portion of this unfavorable variance was due to capital outlay of \$21.49 million.
 - General Government realized savings of \$3.14 million from various areas including Municipal Court, Building Inspections, City Attorney's Office, Planning Zoning and Drafting & Surveying.
 - Public Safety realized savings of \$471 thousand. The Fire Department realized savings of \$272 thousand while the Police Department exceeded its budget by \$231 thousand. The Traffic Department realized savings of \$431 thousand.
 - Cultural and Recreation realized savings of \$2.46 million from various divisions from the Parks and Recreation divisions and the Public Library.
 - All other departments of General Fund played a proactive role in limiting and restricting expenses and ensuring that the City's fund balance remained strong and healthy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Laredo's investment in capital assets for its Governmental and Business-Type activities as of September 30, 2017 was \$1.37 billion (net of accumulated depreciation). The City's investment in capital assets increased by \$23.94 million for the current fiscal year. Additions, to capital assets such as land, infrastructure, buildings, equipment and construction in progress for the year totaled \$52.44 million for governmental activities and \$36.17 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			
	2017	2016	2017	2016	2017	2016
Land	\$ 98,764,554	\$ 96,569,983	\$ 39,970,799	\$ 39,454,770	\$ 138,735,353	\$ 136,024,753
Buildings	219,059,837	221,032,848	283,955,212	275,578,898	503,015,049	496,611,746
Machinery & Equipment	136,653,446	124,180,770	97,071,298	98,056,576	233,724,744	222,237,346
Water Rights	-	-	51,013,419	49,422,638	51,013,419	49,422,638
Improve'ts other than Bldg	742,935,797	704,252,261	455,508,137	422,700,422	1,198,443,934	1,126,952,683
Construction in Progress	6,728,964	5,664,956	81,053,444	87,193,583	87,782,408	92,858,539
Total	<u>\$ 1,204,142,598</u>	<u>\$ 1,151,700,818</u>	<u>\$ 1,008,572,309</u>	<u>\$ 972,406,887</u>	<u>\$ 2,212,714,907</u>	<u>\$ 2,124,107,705</u>

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

Governmental

- Various land acquisitions totaling \$2.2 million. Land acquisition of \$1.66 million for airport improvements and noise abatement program; \$1.24 million for various parking and drainage improvements projects. Assets sold or conveyed to other agencies total \$700 thousands.
- Assets for the Building category decreased by \$1.97 million; mainly due to the reclassification of assets from Building to Machinery & Equipment.
- Infrastructure Improvements increased by \$38.68 million for various projects including Airport improvements of \$7.6 million; Parks improvements \$4.01; Street Improvements of \$23.75 million; and drainage improvements of \$3.32 million;
- Machinery, equipment, vehicles and heavy equipment acquired during the fiscal year amounted to \$12.47 million for all departments within the City.
- Construction in Progress increased by \$1.06 million for various projects initiated during the year such as Fire Station #8, West Laredo Trade Corridor project and other Street and Parks Improvements Projects.

Proprietary

- Land and Water rights assets increased by \$2.11 million for the proprietary funds. The majority of the increases were in the Waterworks System for water right acquisition \$1.59 million and donated easements from developers.
- Improvements other than building increased by \$32.81 million, which include Water (\$27.32 million) and Sewer (\$5.07 million) in plant improvements, collections and distribution systems.
- Construction in progress decreased by \$6.14 million. The majority of the decreases were in the Waterworks System (\$22.23 million), and increases in Sewer System (\$11.74 million), Bridge System (\$770 thousand) and Solid Waste Fund (\$3.58 million).

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

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

Long-term Debt

At year-end, the City had \$1.1 billion in outstanding bonds and other long-term debt representing a net decrease of \$22.94 million over last year. Net Pension Liability and net other net pension obligations increased by \$12.85 million. (See Table A-4). The Governmental Activities recorded a net increase of \$1.71 million while the Business Type Activities recorded a decrease of \$24.65 million. Detailed information about the City's long-term liabilities is presented in Note 11 and 12 of the financial statements.

New debt issues for Governmental activities were \$2.8 capital lease obligation. Business Type activities did not issue any long-term debt during fiscal year 2017. The issuance of long-term debt is to finance the acquisition of equipment and vehicles for various city departments.

Bond Ratings

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

Table A-4
City of Laredo's Outstanding Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 100,087,556	\$ 103,951,365	\$ 53,732,208	\$ 56,735,044	\$ 153,819,764	\$ 160,686,409
Certificates of obligation	98,811,954	109,405,572	71,942,015	79,306,631	170,753,969	188,712,203
Revenue bonds	27,095,437	29,651,343	350,511,203	367,711,220	377,606,640	397,362,563
Capital lease obligations	7,129,282	4,333,835	-	-	7,129,282	4,333,835
Compensated Absences	33,781,364	31,414,283	2,358,014	2,408,820	36,139,378	33,823,103
Notes payable	-	255,000	-	-	-	255,000
Landfill Post Closure	-	-	10,989,763	7,047,406	10,989,763	7,047,406
Net Penion Ob. - OPEB	125,019,712	112,832,424	-	-	125,019,712	112,832,424
Net Penion Liability	212,937,807	211,309,719	47,372,454	48,341,863	260,310,261	259,651,582
Total	\$ 604,863,112	\$ 603,153,541	\$ 536,905,657	\$ 561,550,984	\$ 1,141,768,769	\$ 1,164,704,525

Economic Factors and Next Year's Budgets and Rates

The City Management and City Council considered many factors when setting the fiscal year 2017-2018 budget. General Fund revenues for FY 2018 are estimated to be \$194.43 million; an increase of \$11.27 million or 6.15% over the prior year's original budget. Expenditures are estimated at \$194.47 million; an increase of \$11.27 million or 6.15% over prior year budgeted expenditures. The City's unemployment rate decreased by 1.0% to 3.6% as of September 30, 2017. This average, places it below the State average of 4.00%. 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 of \$4.29 million or 6.15% and are good indicators of the local state of the economy.

The FY 2018 consolidated budget for revenue reflects an appropriation of \$679.39 million. This represents an increase in revenues of \$81.46 million or 13.62% over the FY 2017 Original Budget. The property tax rate for FY 2018 is 0.6370 per \$100 valuation; the rate has remained the same for the fourteenth consecutive year. Assessed valuations for FY 2018 are \$13.3 billion, which represents an increase of 6.62% over prior year with an estimated levy of \$84.85 million. Of the 0.6370 tax rate, 77.237% or 0.4920 cents are utilized for General Fund activities, the remaining 22.763% or 0.145 cents are designated for Debt Service. The General Fund's portion of property tax revenue for FY 2018 is projected to be \$62.864 million. Sales tax revenues for the General Fund for FY 2018 are budgeted to be \$32.44 million, an increase of \$474 thousand or 1.484% as compared to prior year's budgeted amounts.

A cost of living increase of 2% is included for all civilian personnel beginning October 1st, and a merit increase program was reinstated at an estimated cost of \$1.8 million and \$840 thousand respectively. The budget includes a 4% salary increase for the police officers at an estimated cost of \$2.2 million and a 3% for firefighters at an estimated cost of \$1.5 million as per contractual obligations. The FY 2018 budget includes 3,118 full time equivalent positions with an estimated cost of \$215.6 million.

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

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents: (Note 4)			
Cash	\$ 1,252,752	\$ 23,800	\$ 1,276,552
Equity in Investment Pool	963,374	665,737	1,629,111
Investments (Note 5)	184,207,500	122,101,660	306,309,160
Receivable, net of allowances: (Note 6)			
Accrued Interest	837,573	407,477	1,245,050
Property Taxes, Penalty and Interest	7,764,849	-	7,764,849
Hotel-Motel Tax, Penalty and Interest	454,945	-	454,945
Accounts	16,423,317	13,383,997	29,807,314
Notes	16,482,019	207,582	16,689,601
Paving Assessments	3,885	-	3,885
Internal Balances (Note 13)	(5,699,872)	5,699,872	-
Due From Other Governments	6,705,695	3,486,163	10,191,858
Inventory, at cost	595,164	2,529,582	3,124,746
Prepaid Items	210,761	-	210,761
Total Current Assets	230,201,962	148,505,870	378,707,832
Noncurrent Assets:			
Restricted Assets: (Note 7)			
Investments (Note 5)	-	67,048,619	67,048,619
Accrued Interest (Note 6)	-	193,434	193,434
Accounts Receivable (Note 6)	-	3,353	3,353
Capital Assets: (Note 8)			
Nondepreciable Assets:			
Land and Improvements	98,764,554	90,984,218	189,748,772
Construction in Progress	6,728,964	81,053,444	87,782,408
Depreciable Assets:			
Buildings	219,059,837	283,955,212	503,015,049
Machinery and Equipment	136,653,446	97,071,298	233,724,744
Infrastructure	742,935,797	455,508,137	1,198,443,934
Accumulated Depreciation	(489,007,755)	(358,508,378)	(847,516,133)
Unamortized Bond Issuance Cost	-	142,853	142,853
Total Non Current Assets	715,134,843	717,452,190	1,432,587,033
TOTAL ASSETS	945,336,805	865,958,060	1,811,294,865
Deferred Outflows of Resources (Note 1)	39,232,491	18,389,055	57,621,546
TOTAL ASSETS AND DEFERRRED OUTFLOWS OF RESOURCES	\$ 984,569,296	\$ 884,347,115	\$ 1,868,916,411

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
September 30, 2017

(Continued)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 8,478,905	\$ 5,104,912	\$ 13,583,817
Claims and Judgments Payable (Note 18)	5,033,922	-	5,033,922
Retainage Payable	588,768	652,709	1,241,477
Accrued Wages and Employee Benefits	3,148,825	799,114	3,947,939
Accrued Interest Payable	1,106,753	1,554,288	2,661,041
Compensated Absences (Note 11 & 12)	3,438,086	828,996	4,267,082
Contracts Payable	366,311	2,067,088	2,433,399
Customer and Tenant Deposits	203,823	5,860,930	6,064,753
Due To Other Governments	65,459	-	65,459
Due to Developers	173,350	-	173,350
Unearned Revenue	5,260,683	2,685,563	7,946,246
General Obligation Bonds (Note 11 & 12)	7,299,550	3,010,449	10,309,999
Certificates of Obligation (Note 11 & 12)	5,407,246	6,832,754	12,240,000
Revenue Bond Payable (Note 11 & 12)	2,340,000	16,350,000	18,690,000
Capital Lease Obligation (Note 11)	1,175,800	-	1,175,800
Total Current Liabilities	44,087,481	45,746,803	89,834,284
Noncurrent Liabilities:			
Noncurrent portion of long term liabilities:			
General Obligation Bonds (Note 11 & 12)	92,788,006	50,721,759	143,509,765
Certificates of Obligation (Note 11 & 12)	93,404,708	65,109,261	158,513,969
Revenue Bonds Payable (Note 11 & 12)	24,755,437	334,161,203	358,916,640
Capital Lease Obligations (Note 11)	5,953,482	-	5,953,482
Compensated Absences (Note 11 & 12)	30,343,278	1,529,018	31,872,296
Net Pension Obligations - OPEB (Note 11)	125,019,712	-	125,019,712
Net Pension Liability (Note 9)	212,937,807	47,372,454	260,310,261
Landfill Closure & Postclosure Costs (Note 12)	-	10,989,763	10,989,763
Total Noncurrent Liabilities	585,202,430	509,883,458	1,095,085,888
TOTAL LIABILITIES	629,289,911	555,630,261	1,184,920,172
Deferred Inflows of Resources (Note 1)	1,438,037	443,632	1,881,669
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	630,727,948	556,073,893	1,186,801,841
NET POSITION			
Net Investments in Capital Assets	513,425,058	262,866,023	776,291,081
Restricted for:			
Debt Service	6,328,632	42,667,131	48,995,763
Capital Projects	36,328,543	-	36,328,543
Improvements	-	31,576,241	31,576,241
Canseco Endowment Fund			
Nonexpendable	195,555	-	195,555
Unrestricted	(202,436,440)	(8,836,173)	(211,272,613)
TOTAL NET POSITION	\$ 353,841,348	\$ 328,273,222	\$ 682,114,570

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, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 44,803,625	53,273,825	518,843	21,511,790	30,500,833	-	30,500,833
Public Safety	132,796,643	8,685,210	5,852,051	456,702	(117,802,680)	-	(117,802,680)
Public Works	35,411,496	1,336,890	-	2,202,365	(31,872,241)	-	(31,872,241)
Health and Welfare	28,523,686	8,467,793	12,159,406	8,043,416	146,929	-	146,929
Culture and Recreation	28,661,521	6,162,968	15,285	1,280,582	(21,202,686)	-	(21,202,686)
Air Transportation	12,139,052	6,589,287	2,501,522	7,595,962	4,547,719	-	4,547,719
Interest and Other on Long-Term Debt	14,874,684	-	-	-	(14,874,684)	-	(14,874,684)
Total Governmental Activities	297,210,707	84,515,973	21,047,107	41,090,817	(150,556,810)	-	(150,556,810)
Business-Type Activities:							
Transit System	18,103,372	3,930,186	3,893,718	1,166,536	-	(9,112,932)	(9,112,932)
Bridge System	49,498,472	61,381,489	-	-	-	11,883,017	11,883,017
Waterworks System	48,030,778	49,522,342	-	3,190,909	-	4,682,473	4,682,473
Sewer System	31,763,534	33,365,973	-	2,377,669	-	3,980,108	3,980,108
Solid Waste Management System	23,279,911	25,314,209	-	-	-	2,034,298	2,034,298
Municipal Housing	1,576,430	1,586,162	197,451	-	-	207,183	207,183
Total Business-Type Activities	172,252,497	175,100,361	4,091,169	6,735,114	-	13,674,147	13,674,147
Total Primary Government	\$ 469,463,204	259,616,334	25,138,276	47,825,931	(150,556,810)	13,674,147	(136,882,663)
General Revenues:							
Property Taxes					80,508,743	-	80,508,743
Sales Tax					39,788,063	7,592,193	47,380,256
Franchise Fees					7,798,793	-	7,798,793
Hotel Motel Tax					3,939,200	-	3,939,200
Alcoholic Beverage Tax					512,893	-	512,893
Unrestricted investment earnings					2,148,609	1,751,860	3,900,469
Gain on sale of capital assets					1,080,475	1,668,774	2,749,249
Transfers (Note 14)					7,578,582	(7,578,582)	-
Total general revenues and transfers					143,355,358	3,434,245	146,789,603
Change in net position					(7,201,452)	17,108,392	9,906,940
Net position-beginning					360,674,985	311,532,645	672,207,630
Prior Period Adjustment (Note 23)					367,815	(367,815)	-
Net position-ending					\$ 353,841,348	328,273,222	682,114,570

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

**CITY OF LAREDO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents:				
Cash	\$ 25,943	-	1,226,409	1,252,352
Equity in Investment Pool	312,839	29,071	538,510	880,420
Investments (Note 5)	49,064,025	4,566,662	117,571,851	171,202,538
Receivable, net of allowances:				
Accrued Interest (Note 6)	246,449	22,938	502,862	772,249
Taxes, Penalty and Interest (Note 6)	6,591,599	1,106,933	118,722	7,817,254
Accounts (Note 6)	5,798,715	-	1,381,551	7,180,266
Notes (Note 6)	-	-	16,482,019	16,482,019
Paving Assessments (Note 6)	-	3,885	-	3,885
Due from Other Funds	857,436	-	195,729	1,053,165
Due from Other Governments	243,575	-	6,462,120	6,705,695
Inventory, at cost	17,258	-	128,297	145,555
TOTAL ASSETS	63,157,839	5,729,489	144,608,070	213,495,398
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	3,288,500	277	3,301,481	6,590,258
Retainage Payable	-	-	588,768	588,768
Accrued Wages and Employee Benefits	2,593,936	-	457,875	3,051,811
Contracts Payable	-	-	366,311	366,311
Customer and Tenant Deposits	870	-	202,953	203,823
Due to Other Funds	-	-	581,580	581,580
Due to Other Governments	-	-	65,459	65,459
Due to Developers	-	-	173,350	173,350
Unearned Revenue	12,211,610	1,111,477	21,177,328	34,500,415
TOTAL LIABILITIES	18,094,916	1,111,754	26,915,105	46,121,775
FUND BALANCES (Note 22)				
Nonspendable	17,258	-	178,297	195,555
Restricted	12,650,292	4,617,735	71,069,194	88,337,221
Committed	30,688,417	-	3,641,281	34,329,698
Assigned	-	-	44,550,201	44,550,201
Unassigned (Deficit)	1,706,956	-	(1,746,008)	(39,052)
TOTAL FUND BALANCES	45,062,923	4,617,735	117,692,965	167,373,623
TOTAL LIABILITIES AND FUND BALANCES	\$ 63,157,839	5,729,489	144,608,070	

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.	710,355,273
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	47,835,972
Internal service funds are used by management to charge the costs of fleet management, risk management, and health benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	2,685,499
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)	(574,409,019)
Net position of governmental activities	\$ 353,841,348

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, 2017

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes:				
Property	\$ 62,934,397	17,654,731	-	80,589,128
Sales	31,534,286	-	7,883,571	39,417,857
Bingo Tax	68,077	-	-	68,077
Alcoholic Beverage	490,013	-	-	490,013
Hotel Motel	-	-	3,842,751	3,842,751
Franchise Fees	7,776,288	-	-	7,776,288
Licenses and Permits	9,421,119	-	767,719	10,188,838
Intergovernmental Revenues	894,876	-	32,839,142	33,734,018
Charges for Services	48,983,032	-	11,116,029	60,099,061
Fines	3,542,266	-	483,174	4,025,440
Fees and Collections	1,558,291	-	3,639,077	5,197,368
Rents	-	-	7,222,326	7,222,326
Interest and Other	1,443,193	70,850	1,041,604	2,555,647
Miscellaneous	617,749	436,148	1,690,448	2,744,345
Contributions & Donations	21,587,230	-	420,506	22,007,736
Reimbursements	-	3,520	1,867,158	1,870,678
TOTAL REVENUES	190,850,817	18,165,249	72,813,505	281,829,571
EXPENDITURES:				
Current:				
General Government	24,444,362	32,840	522,077	24,999,279
Public Safety	120,422,538	-	8,033,639	128,456,177
Public Works	6,229,622	-	4,360,178	10,589,800
Health and Welfare	628,047	-	25,440,681	26,068,728
Cultural and Recreational	16,580,772	-	11,381,524	27,962,296
Air Transportation Services	-	-	6,709,908	6,709,908
Capital Outlay	22,017,357	-	29,823,155	51,840,512
Debt Service:				
Bond Costs	-	-	-	-
Principal Retirement	318,774	15,140,327	125,518	15,584,619
Interest and Fiscal Expenditures	93,060	9,661,053	10,846	9,764,959
TOTAL EXPENDITURES	190,734,532	24,834,220	86,407,526	301,976,278
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,285	(6,668,971)	(13,594,021)	(20,146,707)
OTHER FINANCING SOURCES (USES):				
Transfers In	10,807,278	6,938,640	18,841,844	36,587,762
Transfers Out	(5,774,122)	-	(20,435,057)	(26,209,179)
Capital Leases (Note 11)	62,168	-	-	62,168
Sale of Assets	41,247	-	1,039,227	1,080,474
TOTAL OTHER FINANCING SOURCES (USES)	5,136,571	6,938,640	(553,986)	11,521,225
Net Change in Fund Balances	5,252,856	269,669	(14,148,007)	(8,625,482)
Fund Balances-Beginning	44,440,223	4,348,066	126,672,543	175,460,832
Prior Period Adjustment	(4,630,156)	-	5,168,429	538,273
FUND BALANCES-ENDING	\$ 45,062,923	4,617,735	117,692,965	167,373,623

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, 2017

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

Net change in fund balances-total governmental funds	\$ (8,625,482)
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)	13,481,592
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(847,490)
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)	15,522,452
Accrued interest expense recorded for entity-wide statements.	(52,739)
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.	(23,604,105)
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.	(3,075,680)
Change in net position of governmental activities	\$ <u>(7,201,452)</u>

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

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CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2017

	<u>Budgeted Amounts</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
REVENUES:						
Taxes						
Property Taxes	\$ 60,466,504	60,466,504	61,195,962	-	61,195,962	729,458
Penalty and Interest	1,589,997	1,589,997	1,738,435	-	1,738,435	148,438
Alcoholic Beverage	476,058	476,058	490,013	-	490,013	13,955
Bingo Tax	66,900	66,900	68,077	-	68,077	1,177
Sales and Use	31,965,178	31,965,178	31,534,286	-	31,534,286	(430,892)
Franchise Fees	7,671,692	7,671,692	7,776,288	-	7,776,288	104,596
Licenses and Permits	9,194,004	9,194,004	9,421,119	-	9,421,119	227,115
Intergovernmental Revenues	1,554,000	1,914,104	894,876	-	894,876	(1,019,228)
Charges for Services	49,273,348	49,273,348	48,983,032	-	48,983,032	(290,316)
Fines	3,368,842	3,368,842	3,542,266	-	3,542,266	173,424
Fees and Collections	1,264,985	1,276,585	1,558,291	-	1,558,291	281,706
Interest and Other	1,184,738	1,184,738	1,443,193	-	1,443,193	258,455
Miscellaneous	-	601,970	617,749	-	617,749	15,779
Contributions and Donations	577,487	260,022	21,587,230	-	21,587,230	21,327,208
TOTAL REVENUES	168,653,733	169,309,942	190,850,817	-	190,850,817	21,540,875
EXPENDITURES:						
General Government						
Mayor and City Council	723,755	747,973	766,653	48,911	815,564	(67,591)
City Manager	1,394,192	1,429,192	1,874,182	21,787	1,895,969	(466,777)
Internal Audit	348,635	348,635	282,807	-	282,807	65,828
Council Support	490,097	490,097	314,343	7,784	322,127	167,970
Public Information Office	103,629	103,629	2,090	782	2,872	100,757
City Hall Annex II	121,450	128,425	119,020	9,253	128,273	152
Budget	399,732	399,732	369,424	289	369,713	30,019
Municipal Court	1,686,368	1,829,368	1,483,873	31,698	1,515,571	313,797
Building Inspections	1,547,126	1,566,156	1,076,405	6,162	1,082,567	483,589
Development Review Engineering	537,932	538,007	465,414	-	465,414	72,593
Code Enforcement	278,211	299,856	268,318	1,950	270,268	29,588
Public Right of Way	239,048	239,098	230,994	-	230,994	8,104
Geographic Information Systems	215,947	210,147	136,793	-	136,793	73,354
City Attorney	1,280,782	1,280,782	905,970	8,528	914,498	366,284
City Secretary	480,012	480,012	271,081	11,066	282,147	197,865
Elections	17,142	77,791	72,366	-	72,366	5,425
City Hall Maintenance	669,020	662,045	548,619	46,037	594,656	67,389
Tax Office	1,320,163	1,321,875	1,192,925	27,637	1,220,562	101,313
Accounting	1,243,898	1,243,898	1,159,743	6,989	1,166,732	77,166
Purchasing	524,602	552,102	519,609	28,294	547,903	4,199
Payroll	262,658	262,658	253,369	3,350	256,719	5,939
Accounts Payable	412,087	412,087	380,350	2,211	382,561	29,526
Personnel and Civil Service	588,041	588,041	541,992	3,821	545,813	42,228
Training	299,989	299,989	239,280	2,917	242,197	57,792
Municipal Civil Service	2,942	2,942	760	343	1,103	1,839
Planning	973,525	973,525	678,191	5,900	684,091	289,434
Section 112	1,000,000	1,000,000	289,576	7,510	297,086	702,914
Engineering	661,351	661,351	603,462	467	603,929	57,422
Drafting & Surveying	1,290,727	1,280,727	1,167,266	3,428	1,170,694	110,033
Construction & Inspections	608,275	618,275	549,528	1,039	550,567	67,708
311 Program	376,321	376,321	319,913	2,225	322,138	54,183
Public Acces Center	539,516	539,516	516,751	2,638	519,389	20,127
Center for Non-Profit	104,002	104,185	85,994	1,790	87,784	16,401
Real Estate	291,623	277,467	218,087	705	218,792	58,675
Public Safety						
Police	4,225,749	4,181,350	4,204,730	37,107	4,241,837	(60,487)
Records/Property	1,374,328	1,373,046	1,451,377	3,023	1,454,400	(81,354)
Auto theft Grant Match	1,049,780	1,030,329	835,212	-	835,212	195,117
Detective	6,572,622	6,689,867	6,547,849	40,491	6,588,340	101,527
Narcotics/Pipeline/K-9	3,549,490	3,554,358	3,498,520	9,726	3,508,246	46,112
911 Communications	3,065,052	3,371,689	2,689,553	53	2,689,606	682,083
Criminal Int. Acquisition	536,661	547,661	503,280	1,979	505,259	42,402
Patrols	45,242,955	45,519,042	46,232,641	443,113	46,675,754	(1,156,712)
Fire	37,618,413	37,658,276	37,868,696	63,170	37,931,866	(273,590)
Fire - EMS Division	7,683,038	7,723,202	7,296,392	35,216	7,331,608	391,594
Fire - EMS Trauma (Webb Co.)	4,655	3,000	3,001	-	3,001	(1)
Fire Civilians	1,010,300	1,011,955	961,969	1,655	963,624	48,331
Fire - Prevention & Arson	1,951,606	1,951,606	1,987,912	450	1,988,362	(36,756)
Fire Airport	1,216,319	1,216,319	1,228,134	1,392	1,229,526	(13,207)
Fire - Training (In House)	885,883	866,222	682,069	19,920	701,989	164,233
Fire Emergency Management	34,299	13,299	7,872	1,211	9,083	4,216
Traffic	2,532,887	2,510,218	2,153,745	40,107	2,193,852	316,366
Street Lighting	\$ 2,377,836	2,390,915	2,269,586	6,623	2,276,209	114,706

CITY OF LAREDO, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended September 30, 2017

	<u>Budgeted Amounts</u>				<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>		
Public Works						
Administration	\$ 739,413	739,913	645,492	37,337	682,829	57,084
Street Maintenance	1,119,195	1,079,195	839,808	185	839,993	239,202
Street Construction	1,275,028	1,269,528	1,083,629	6,636	1,090,265	179,263
Street Cleaning	1,819,717	1,859,717	1,736,415	2,344	1,738,759	120,958
Building Rehabilitation	1,017,611	1,017,611	784,645	2,217	786,862	230,749
Warehouse	204,901	209,901	163,256	2,687	165,943	43,958
Special Construction Projects	566,261	566,261	976,377	-	976,377	(410,116)
Health and Welfare						
Third-Party Funding	353,725	357,910	352,153	993	353,146	4,764
Non CDBG Code Enforcement	239,787	278,943	275,894	1,838	277,732	1,211
Cultural and Recreational						
Parks	389,537	406,856	485,690	1,141	486,831	(79,975)
Maintenance	6,919,183	6,751,329	5,747,189	342,553	6,089,742	661,587
Construction	1,359,084	1,377,084	1,168,854	20,234	1,189,088	187,996
Aquatics	1,372,302	1,338,802	1,033,907	77,918	1,111,825	226,977
Recreation Centers	4,903,342	4,794,379	3,881,284	143,346	4,024,630	769,749
Cemetery	355,400	364,217	327,161	7,356	334,517	29,700
Library	4,739,055	4,741,993	3,936,687	172,109	4,108,796	633,197
Other	9,311,902	8,444,134	6,539,214	189,218	6,728,432	1,715,702
Capital Outlay	169,363	588,174	22,017,357	65,002	22,082,359	(21,494,185)
Debt Service:						
Principal Retirement	-	318,774	318,774	-	318,774	-
Interest and Fiscal Expenditures	-	93,060	93,060	-	93,060	-
TOTAL EXPENDITURES	178,819,477	179,556,039	190,734,532	2,073,861	192,808,393	(13,252,354)
Excess (Deficiency) of Revenues Over Expenditures	(10,165,744)	(10,246,097)	116,285	(2,073,861)	(1,957,576)	8,288,521
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Hotel Motel Fund	160,818	160,818	162,088	-	162,088	1,270
Capital Improvements Fund	10,870,190	10,870,190	7,170,190	-	7,170,190	(3,700,000)
Parking Meters	250,000	250,000	250,000	-	250,000	-
Risk Management	2,800,000	2,800,000	2,800,000	-	2,800,000	-
Municipal Housing	425,000	425,000	425,000	-	425,000	-
Transfers Out:						
Auto Theft Task Force	(475,427)	(475,427)	(372,560)	-	(372,560)	102,867
Health Fund	(2,949,462)	(2,949,462)	(2,949,462)	-	(2,949,462)	-
Special Police Program	(571,566)	(571,566)	(218,759)	-	(218,759)	352,807
Max Mandel Golf Course	(400,000)	(400,000)	(481,784)	-	(481,784)	(81,784)
Animal Care	(2,151,739)	(2,151,739)	(1,751,557)	-	(1,751,557)	400,182
Capital Lease Proceeds	-	62,168	62,168	-	62,168	-
Sale of Assets	-	14,000	41,247	-	41,247	27,247
TOTAL OTHER FINANCING SOURCES (USES)	7,957,814	8,033,982	5,136,571	-	5,136,571	(2,897,411)
Net Change in Fund Balance	(2,207,930)	(2,212,115)	5,252,856	(2,073,861)	3,178,995	5,391,110
Fund Balances at Beginning of Year	44,391,444	44,440,223	44,440,223	(21,412)	44,418,811	(21,412)
Prior Period Adjustment	-	-	(4,630,156)	-	(4,630,156)	(4,630,156)
FUND BALANCES AT END OF YEAR	\$ 42,183,514	42,228,108	45,062,923	(2,095,273)	42,967,650	739,542

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, 2017

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	SOLID WASTE MANAGEMENT
ASSETS				
Current Assets:				
Cash and Cash Equivalents: (Note 4)				
Cash	\$ 11,000	2,700	600	3,900
Equity in Investment Pool	39,236	249,347	209,186	157,915
Investments (Note 5)	11,093,087	43,700,391	37,988,129	27,749,556
Receivable:				
Accrued Interest (Note 6)	30,888	196,417	47,075	125,208
Accounts (Note 6)	253,069	6,042,752	5,183,437	1,880,724
Notes (Note 6)	-	195,411	12,171	-
Prepaid Items	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	20,646	46,647	1,989,043
Inventory, at Cost	-	2,066,745	160,301	4,083
Total Current Assets	11,427,280	52,474,409	43,647,546	31,910,429
Noncurrent Assets:				
Restricted Assets:				
Investments (Note 5)	4,153,625	25,435,728	30,210,701	7,248,565
Accrued Interest Receivable (Note 6)	306	34,882	158,246	-
Accounts Receivable (Note 6)	3,353	-	-	-
Due from Other Funds	-	-	-	675
Total Restricted Assets (Note 7)	4,157,284	25,470,610	30,368,947	7,249,240
Capital Assets: (Note 8)				
Transportation Vehicles and Equipment	17,918,462	12,230,670	12,804,366	32,076,044
Buildings	33,396,326	185,707,175	45,273,703	1,348,365
Improvements	68,337,139	220,079,310	147,779,878	8,273,064
Land and Improvements	11,265,265	55,809,226	8,719,483	624,668
Land Easements	-	3,654,058	1,018,169	-
Construction in Progress	4,976,814	1,543,418	66,699,941	4,899,998
Less Accumulated Depreciation	(56,039,214)	(149,523,980)	(101,087,511)	(23,245,642)
Total Capital Assets (net of accumulated depreciation)	79,854,792	329,499,877	181,208,029	23,976,497
Other Assets:				
Unamortized Bond Issuance Costs	142,853	-	-	-
Total Noncurrent Assets	84,154,929	354,970,487	211,576,976	31,225,737
TOTAL ASSETS	95,582,209	407,444,896	255,224,522	63,136,166
Deferred Outflows of Resources	2,215,483	11,112,887	3,218,263	1,362,953
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 97,797,692	418,557,783	258,442,785	64,499,119

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
5,600	23,800	400
10,053	665,737	82,954
1,570,497	122,101,660	13,004,962
7,889	407,477	65,324
24,015	13,383,997	12,046
-	207,582	-
-	-	210,761
3,486,163	3,486,163	-
414,692	2,471,028	771,069
298,453	2,529,582	449,609
5,817,362	145,277,026	14,597,125
-	67,048,619	-
-	193,434	-
-	3,353	-
-	675	-
-	67,246,081	-
22,041,756	97,071,298	13,318,189
18,229,643	283,955,212	420,681
11,038,746	455,508,137	11,391
9,893,349	86,311,991	-
-	4,672,227	-
2,933,273	81,053,444	-
(28,612,031)	(358,508,378)	(8,970,691)
35,524,736	650,063,931	4,779,570
-	142,853	-
35,524,736	717,452,865	4,779,570
41,342,098	862,729,891	19,376,695
479,469	18,389,055	-
41,821,567	881,118,946	19,376,695

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

(Continued)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM	SOLID WASTE MANAGEMENT
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 198,781	2,434,048	1,374,349	320,368
Retainage Payable	-	183,315	469,394	-
Contracts Payable	-	682,348	1,384,740	-
Due to Other Funds (Note 13)	-	20,646	46,647	1,989,718
Accrued Interest	-	1,001,432	395,828	130,786
Accrued Wages & Employee Benefits	134,816	217,309	112,162	121,713
Claims and Judgments Payable	-	-	-	-
Compensated Absences	219,270	200,783	95,778	145,494
Capital Lease Obligation	-	-	-	-
Customer Deposits	8,000	5,752,627	-	-
Unearned Revenue	1,167,333	1,479,038	29,129	1,292
General Obligation Bonds (Note 12)	-	954,956	890,013	776,237
Certificates of Obligation (Note 12)	-	963,754	1,098,192	4,040,808
Revenue Bonds Payable (Note 12)	7,050,000	5,043,524	4,256,476	-
Total Current Liabilities	8,778,200	18,933,780	10,152,708	7,526,416
Noncurrent Liabilities:				
General Obligation Bonds (Note 12)	-	22,991,960	18,846,343	6,292,434
Certificates of Obligation (Note 12)	-	45,252,561	3,131,262	14,462,898
Revenue Bonds Payable (Note 12)	43,669,867	169,801,669	120,689,667	-
Due to Other Funds (Note 13)	-	-	-	-
Capital Lease Obligations	-	-	-	-
Closure and Postclosure Cost (Note 12)	-	-	-	10,989,763
Net Pension Liability	12,346,229	15,833,657	6,423,581	9,732,720
Compensated Absences	406,584	421,354	182,244	379,238
Total Noncurrent Liabilities	56,422,680	254,301,201	149,273,097	41,857,053
TOTAL LIABILITIES	65,200,880	273,234,981	159,425,805	49,383,469
Deferred Inflows of Resources	65,160	94,474	43,089	55,098
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	65,266,040	273,329,455	159,468,894	49,438,567
NET POSITION				
Net Investment in Capital Assets	35,954,840	123,668,810	70,443,839	2,850,254
Restricted for Debt Service	3,825,939	29,904,668	8,936,524	-
Restricted for Improvements	-	18,625,312	12,950,929	-
Unrestricted (Deficit)	(7,249,127)	(26,970,462)	6,642,599	12,210,298
TOTAL NET POSITION	\$ 32,531,652	145,228,328	98,973,891	15,060,552

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

Net position of business-type activities

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

(Continued)

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
777,365	5,104,911	1,888,647
-	652,709	-
-	2,067,088	-
37,231	2,094,242	-
26,242	1,554,288	-
213,114	799,114	97,014
-	-	5,033,922
167,671	828,996	105,279
-	-	771,069
100,303	5,860,930	-
8,771	2,685,563	-
389,243	3,010,449	-
730,000	6,832,754	-
-	16,350,000	-
<u>2,449,940</u>	<u>47,841,044</u>	<u>7,895,931</u>
2,591,022	50,721,759	-
2,262,540	65,109,261	-
-	334,161,203	-
400,563	400,563	771,069
-	-	2,406,502
-	10,989,763	-
3,036,267	47,372,454	-
139,598	1,529,018	258,224
<u>8,429,990</u>	<u>510,284,021</u>	<u>3,435,795</u>
<u>10,879,930</u>	<u>558,125,065</u>	<u>11,331,726</u>
<u>185,811</u>	<u>443,632</u>	<u>-</u>
<u>11,065,741</u>	<u>558,568,697</u>	<u>11,331,726</u>
29,948,280	262,866,023	4,779,570
-	42,667,131	-
-	31,576,241	-
807,546	(14,559,146)	3,265,399
<u>30,755,826</u>	<u>322,550,249</u>	<u>8,044,969</u>
	<u>5,722,973</u>	
\$	<u>328,273,222</u>	

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2017

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
OPERATING REVENUES:			
Charges for Services	\$ -	39,526,105	32,670,580
Rental of Facilities	213,171	-	-
Toll Receipts	59,966,346	-	-
Miscellaneous	759,160	6,921,551	375,134
TOTAL OPERATING REVENUES	60,938,677	46,447,656	33,045,714
OPERATING EXPENSES:			
Costs of Services	-	-	-
Personnel Services	8,330,870	11,742,731	5,364,277
Materials and Supplies	276,037	3,844,421	1,386,665
Contractual Services	35,266,637	10,006,831	13,088,921
Other	4,767	161,484	171,138
Total Operating Expenses Before Depreciation	43,878,311	25,755,467	20,011,001
Depreciation Expense (Note 8)	3,039,323	11,302,854	6,821,670
TOTAL OPERATING EXPENSES	46,917,634	37,058,321	26,832,671
Operating Income (Loss)	14,021,043	9,389,335	6,213,043
NON-OPERATING REVENUES (EXPENSES):			
Sales Tax	-	-	-
Interest Earnings	61,449	280,299	260,129
Interest Earnings - Restricted	142,806	293,230	300,916
Discount Earnings	4	11,926	11,796
Interest Rebate	-	811,845	-
Miscellaneous	49,684	-	-
Closure/Post Closure	-	-	-
Water Availability Fees	-	1,371,218	-
Gain (Loss) on Sale of Assets	(4,461)	691,408	1,105,339
Interest Expense	(2,192,787)	(9,881,172)	(4,297,443)
Federal Operating Grant	-	-	-
Gain (Loss) on Advance Refunding	(183,129)	(567,106)	(258,121)
Water Rights Acq./Water Conservation	-	(20,965)	-
Other Non-Operating Expenses	(162,102)	(432,212)	(325,933)
Fiscal Agent Fees	(4,400)	(7,625)	(6,400)
Bond Issuance Cost/Premiums Amortized	393,128	891,623	320,259
State Operating Grant	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,899,808)	(6,557,531)	(2,889,458)

(Continued)

**BUSINESS TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
24,819,485	3,329,589	100,345,759	46,626,866
71,183	1,958,146	2,242,500	-
-	-	59,966,346	-
7,091	199,938	8,262,874	1,065,366
24,897,759	5,487,673	170,817,479	47,692,232
-	-	-	37,997,391
7,030,159	11,166,336	43,634,373	4,938,190
1,617,817	2,164,867	9,289,807	335,744
6,209,421	2,703,801	67,275,611	4,765,263
111,158	94,235	542,782	18,448
14,968,555	16,129,239	120,742,573	48,055,036
3,080,869	2,506,057	26,750,773	509,780
18,049,424	18,635,296	147,493,346	48,564,816
6,848,335	(13,147,623)	23,324,133	(872,584)
-	7,592,193	7,592,193	-
210,221	41,264	853,362	104,007
98,898	-	835,850	-
5,951	148	29,825	6,881
-	-	811,845	-
5,773	-	55,457	-
(3,942,357)	-	(3,942,357)	-
-	-	1,371,218	-
(49,244)	(74,268)	1,668,774	290,051
(1,082,504)	(223,959)	(17,677,865)	(39,960)
-	3,317,200	3,317,200	-
(99,869)	(47,289)	(1,155,514)	-
-	-	(20,965)	-
(1,883)	(764,498)	(1,686,628)	-
(2,592)	(1,042)	(22,059)	-
410,677	28,675	2,044,362	-
-	773,969	773,969	-
(4,446,929)	10,642,393	(5,151,333)	360,979

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year ended September 30, 2017

(Continued)

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
Income Before Contributions and Transfers	12,121,235	2,831,804	3,323,585
Capital Contributions-Intergovernmental	-	-	-
Capital Contributions-Other	-	28,842	1,398
Capital Contributions-Developers	-	3,162,067	2,376,271
Transfers In	-	-	-
Transfers Out	(7,136,102)	-	-
Change in Net Position	4,985,133	6,022,713	5,701,254
Total Net Position-Beginning	27,546,519	139,205,615	93,640,452
Prior Period Adjustment (Note 23)	-	-	(367,815)
Total Net Position-Ending	\$ 32,531,652	145,228,328	98,973,891

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

Change in net position of business-type activities

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

(Continued)

BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS			
SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
2,401,406	(2,505,230)	18,172,800	(511,605)
-	1,166,536	1,166,536	-
-	-	30,240	-
-	-	5,538,338	-
-	-	-	381,963
-	(442,480)	(7,578,582)	(3,181,963)
2,401,406	(1,781,174)	17,329,332	(3,311,605)
12,659,146	32,537,000		11,527,032
-	-		(170,458)
15,060,552	30,755,826		8,044,969
		(220,940)	
		\$ 17,108,392	

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2017

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 60,742,684	46,539,709	32,335,051
Receipts from interfund services provided	-	631,220	536,537
Payments to suppliers	(31,578,878)	(13,004,581)	(10,559,433)
Payments to employees	(7,786,579)	(9,227,844)	(5,133,025)
Payments for interfund services used	(4,017,462)	(3,396,859)	(3,013,797)
Net cash provided (used) by operating activities	17,359,765	21,541,645	14,165,333
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer to other funds	(7,149,282)	-	(59,153)
Transfer from other funds	13,180	-	59,153
Subsidy from federal and state grants	-	-	-
Sales Tax	-	-	-
Net cash provided (used) by noncapital and related financing activities	(7,136,102)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from capital debt	-	-	-
Acquisition and construction of capital assets	(2,987,057)	(8,910,719)	(16,434,364)
Principal paid on capital debt	(6,815,000)	(6,791,812)	(6,152,441)
Interest paid on capital debt	(2,197,187)	(10,170,978)	(4,347,015)
Proceeds from sales of capital assets	58	700,489	1,402,960
Net cash provided (used) by capital and related financing activities	(11,999,186)	(25,173,020)	(25,530,860)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	1,596,300	2,390,866	10,946,703
Interest and dividends received	186,989	1,251,483	443,718
Issuance of Notes Receivable	-	32,246	(36)
Net cash provided (used) by investing activities	1,783,289	3,674,595	11,390,385
Net increase (decrease) in cash and cash equivalents	7,766	43,220	24,858
Cash and cash equivalents, October 1	42,470	208,827	184,928
Cash and cash equivalents, September 30	\$ 50,236	252,047	209,786

(Continued)

**BUSINESS-TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
24,365,654	5,089,846	169,072,944	1,853,010
236,707	398,995	1,803,459	45,843,732
(4,180,656)	(4,661,378)	(63,984,926)	(41,938,301)
(6,681,716)	(11,744,579)	(40,573,743)	(4,917,188)
(4,454,430)	(411,855)	(15,294,403)	(1,184,043)
9,285,559	(11,328,971)	51,023,331	(342,790)
(5,769,386)	(442,480)	(13,420,301)	(3,181,963)
5,769,386	23,102	5,864,821	381,963
-	712,911	712,911	-
-	7,592,193	7,592,193	-
-	7,885,726	749,624	(2,800,000)
-	1,166,536	1,166,536	4,044,868
(7,165,690)	(2,081,435)	(37,579,265)	(4,173,990)
(4,634,240)	(1,078,094)	(25,471,587)	(794,343)
(1,126,781)	(229,675)	(18,071,636)	(39,960)
92,797	6,705	2,203,009	6,614
(12,833,914)	(2,215,963)	(77,752,943)	(956,811)
3,325,003	5,571,497	23,830,369	3,982,565
246,893	53,044	2,182,127	92,459
-	-	32,210	-
3,571,896	5,624,541	26,044,706	4,075,024
23,541	(34,667)	64,718	(24,577)
138,274	50,320	624,819	107,931
161,815	15,653	689,537	83,354

(Continued)

CITY OF LAREDO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2017

(Continued)

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	BRIDGE SYSTEM	WATERWORKS SYSTEM	SEWER SYSTEM
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 14,021,043	9,389,335	6,213,043
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	3,039,323	11,302,854	6,821,670
(Increase) decrease in accounts receivable	(256,422)	345,603	(343,781)
Increase (decrease) in allowance for uncollectible accounts	-	175,605	169,619
(Increase) decrease in inventories	-	134,763	8,129
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in customer deposits	-	174,706	-
Increase (decrease) in accounts payable	(48,899)	(289,281)	630,368
Increase (decrease) in retainage payable	-	(406,252)	434,997
Increase (decrease) in unearned revenues	60,429	27,359	36
Increase (decrease) in compensated absences payable	(1,990)	(9,248)	12,315
Increase (decrease) in deferred outflows-pension	861,229	1,143,459	381,922
Increase (decrease) in deferred inflows-pension	(225,801)	(307,351)	(113,600)
Increase (decrease) in net pension liability	(83,184)	(120,607)	(55,008)
Increase (decrease) in accrued wages and employee benefits	(5,963)	(19,300)	5,623
Increase (decrease) in claims & judgements payables	-	-	-
Total adjustments	3,338,722	12,152,310	7,952,290
Net cash provided (used) by operating activities	\$ 17,359,765	21,541,645	14,165,333
Noncash investing, capital, and financing activities:			
Premiums	-	-	-
Bond issuance cost amortized	393,128	891,623	320,259
Contributions of capital assets from developers & others	-	3,190,909	2,377,669
Current landfill closure and postclosure cost	-	-	-
Sale of assets	(4,519)	(9,081)	(297,621)
Loss on advance refunding	(183,129)	(567,106)	(258,121)
Increase (Decrease) in accrued interest payable	-	289,806	49,573

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

(Continued)

**BUSINESS-TYPE ACTIVITIES-
ENTERPRISE FUNDS**

SOLID WASTE MANAGEMENT	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
6,848,335	(13,147,623)	23,324,133	(872,584)
3,080,869	2,506,057	26,750,773	509,779
(405,308)	(10,722)	(670,630)	4,509
108,618	10,190	464,032	-
(1,526)	15,269	156,635	(16,682)
-	-	-	(2,000)
-	3,516	178,222	-
(695,164)	(125,599)	(528,575)	109,587
-	-	28,745	-
1,292	(1,816)	87,300	-
(53,302)	1,419	(50,806)	14,985
655,097	(44,656)	2,997,051	-
(177,009)	98,027	(725,734)	-
(70,340)	(640,270)	(969,409)	-
(6,003)	7,237	(18,406)	6,017
-	-	-	(96,401)
2,437,224	1,818,652	27,699,198	529,794
9,285,559	(11,328,971)	51,023,331	(342,790)
-	(1,471)	(1,471)	-
462,695	28,675	2,096,380	-
-	-	5,568,578	-
3,942,357	-	3,942,357	-
(142,041)	(80,973)	(534,235)	210,483
(99,869)	(47,289)	(1,155,514)	-
(50,050)	4,674	294,003	-

**CITY OF LAREDO, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017**

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 234,076	-
Equity in Investment Pool (Note 4)	-	28,751
Accrued Interest Receivable (Note 6)	26,152	22,599
Investments, at Fair Market Value (Note 5)	-	4,499,057
Investment with Fiscal Agent, at Fair Market Value (Note 5):		
Money Market Funds	2,455,202	-
Private Equity	658,918	-
Domestic Corporate Bonds	27,180,982	-
Domestic Stocks	58,953,234	-
Foreign Stocks	52,602,596	-
Accounts Receivable (Note 6)	-	451,288
TOTAL ASSETS	142,111,160	5,001,695
LIABILITIES		
Accounts Payable	126,468	5,001,695
Accrued Wages and Employee Benefits	1,418	-
TOTAL LIABILITIES	127,886	5,001,695
NET POSITION RESTRICTED FOR PENSIONS		
Held in Trust for Pension Benefits, Plan Participants, and Other Purposes	\$ 141,983,274	-

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, 2017

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
ADDITIONS:	
Contributions:	
Employer Contributions	\$ 8,433,634
Plan Members	5,208,357
Other Contributions	12,434
	<hr/>
Total Contributions	13,654,425
	<hr/>
Investment Earnings:	
Interest Earnings and Dividends	1,940,899
Net Increase (decrease) in the Fair Value of Investments	8,106,363
Gains (Loss) on Sale of Investment	4,568,775
	<hr/>
Total Investment Earnings	14,616,037
Less: Investment Expense	(417,965)
	<hr/>
Net Investment Earnings	14,198,072
	<hr/>
TOTAL ADDITIONS	27,852,497
	<hr/>
DEDUCTIONS:	
Benefits	11,755,289
Administrative Expenses	419,138
	<hr/>
TOTAL DEDUCTIONS	12,174,427
	<hr/>
Change in Net Position	15,678,070
	<hr/>
Net Position - Beginning	126,305,204
	<hr/>
NET POSITION - ENDING	\$ 141,983,274
	<hr/>

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, 2017

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CITY OF LAREDO, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The City has defined its reporting entity in accordance with GASB 14, "The Financial Reporting Entity". In conformity with generally accepted accounting principles, the financial statements of the component units have been included in the financial reporting entity as blended components. The basis for blending the component units is discussed below:

For the *Laredo Convention and Visitor's Bureau*, *Laredo Transit Management, Inc.*, *Laredo Energy Arena*, *Max Mandel Golf Course*, and *Laredo Public Facilities Corporation-La Terraza, L.L.C.*, the component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit. In addition, the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with the resources of the primary government. The City Council is the governing board for these component units. These entities are bound by the City's legal requirements and the City Council approves the budget, major contracts, surplus dispositions, and any fees or charges. Additionally, the City is legally responsible for debt and public service rendered within the City's boundaries.

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

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

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

Laredo Transit Management, Inc. provides both a fixed-route and Paratransit (El Lift) services within the city boundaries of Laredo. Currently, the fixed-route service is comprised of 22 bus routes. The fixed route bus service has a total of 35 buses operating during a regular workday, 30 buses on a Saturday and 18 buses on Sunday. The Laredo Transit Management, Inc. bus fleet consists of 44 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).

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

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

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following as major governmental funds:

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

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

The City reports the following as major proprietary funds:

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

Water Works System Fund is used to account for the operations, maintenance, and debt service from three water treatment plants and seventeen booster stations and the related revenue received from 71,788 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 66,707 customers.

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

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

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

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

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.

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	\$ 14,558,097	\$ 119,694	\$ 14,677,791
Contributions after measurement date	21,563,731	2,695,637	24,259,368
Change in assumptions	-	-	-
Unamortized advance refunding loss from bonds	3,110,663	15,573,725	18,684,388
Total Deferred Outflows of Resources	<u>\$ 39,232,491</u>	<u>\$ 18,389,056</u>	<u>\$ 57,621,547</u>
Deferred Inflows of Resources			
Deferred inflows from pension activities			
Difference in expected and actual experience	\$ 1,406,895	\$ 257,675	\$ 1,664,570
Difference in projected earnings	31,142	185,957	217,099
Total Deferred Inflows of Resources	<u>\$ 1,438,037</u>	<u>\$ 443,632</u>	<u>\$ 1,881,669</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.”

The details of this \$574,409,019 difference are as follows:

Bonds, notes payable, and capital leases	\$ 229,946,658
Accrued interest	1,106,753
Deferred revenue	(29,239,732)
Compensated absences	33,781,364
Elimination of Interfund activity	(581,580)
Net Pension Liability	125,019,712
Net Pension Obligations-OPEB	<u>214,375,844</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	\$ <u><u>574,409,019</u></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 \$15,522,452 difference are as follows:

Debt issued:	
Bond & Capital lease proceeds	\$ (62,168)
Premiums	-
Repayments:	
Bond & Notes payments	15,140,328
Capital lease	<u>444,292</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><u>15,522,452</u></u>

An element of the reconciliation states that for governmental funds, capital outlay should be reported as expenditures. In the statement of activities, “the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The amount of capital outlays exceeding depreciation in this fiscal year were \$13,481,592. The details of this are as follows:

Assets that were purchased and capitalized in the current year	\$ 51,840,512
Assets that were disposed during the current fiscal year	(1,452,081)
Current year depreciation	<u>(36,906,839)</u>
Amount by which capital outlays exceed depreciation	\$ <u><u>13,481,592</u></u>

NOTE 3 - FUND DEFICITS

The following is a list of the unassigned deficit fund balances in the Non-Major Governmental Funds operating as grants: Block Grants \$290,901; Emergency Shelter \$265,065; and 911 Emergency Communications \$1,111,229. 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: Laredo Energy Arena \$78,813. Deficits are a result of operations. The deficit balances will be covered by revenues received next fiscal year from events.

NOTE 4 - CASH AND CASH EQUIVALENTS

The monetary assets of the City are held in various forms and accounts. These assets are described and presented in the basic financial statements in three groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash in bank accounts, petty cash and change funds. Another group is disclosed as Equity in Investment Pool and consists of cash in bank accounts. The third group of monetary assets is presented in the basic financial statements as "Investments". Cash balances of all City funds (except for the Laredo Firefighters Retirement System) are pooled and invested. All securities are reported at fair value in order to comply with GASB Statement 31 - *Accounting and Financial Reporting for External Investment Pools*. Investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The net increase in the fair value of the securities was \$8,106,363 for the Laredo Firefighters Retirement System.

As of September 30, 2017, cash and cash equivalents consisted of the following:

Petty Cash and Change Fund	\$ 96,843
Cash with Fiscal Agent	1,413,786
Cash in Pooled Funds	<u>1,657,861</u>
	\$ <u><u>3,168,490</u></u>

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposit policy is in compliance with Texas Government Code Chapter 2257 – “Collateral for Public Funds”. All deposits were covered by federal depository insurance up to \$250,000 and collateralized with eligible securities in

amounts of at least 102% of the book value of deposits. As of September 30, 2017, the book value of all the City's deposits was \$3,168,490. Deposits were properly secured during the fiscal year with the exception of September 30, 2017. Deposits were fully collateralized within one business day. All collateral securities were held by a third party in the City's name and were not exposed to custodial credit risk.

NOTE 5 - INVESTMENTS

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

The investment and maturities at September 30, 2017, were as follows:

	<u>Fair Value</u>	<u>Allocation(2)</u>	<u>Rating (3)</u>	<u>WAM</u>
Short Term Money Market Accts (1) (4)	\$ 2,455,202	0.47%	N/A	N/A
Domestic Corporate Bonds (1)	27,180,982	5.23%	AA	7.8-8.3 years
Private Equity (1)	658,918	0.13%	N/A	N/A
Foreign & Domestic Stocks (1)	111,555,830	21.47%	N/A	N/A
Managed Pools	377,856,836	72.71%	AAAm	.43 years
Total Investments	<u>\$ 519,707,768</u>	<u>100%</u>		

(1) Investments of the Laredo Firefighters Retirement System.

(2) Allocation is based on fair value.

(3) Standard & Poors rating.

(4) Laredo Firefighters do not invest in individual Government securities. The following numbers are equal to a percentage of the mutual fund held: iShares Core US AGG 38.28%, PIMCO Real Returns 92.80%.

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy limits the maximum maturities exceeding two years to 25% of the total portfolio. The other 75% must, to the extent possible, be matched with projected cash flow requirements.

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

The Laredo Firefighters' Retirement System, as per their investment policy, is allowed to invest in other types of investments such as mutual funds and common stock. As of September 30, 2017, the Laredo Firefighters Retirement System had the following Corporate Bonds subject to interest and credit risk: iShares U.S. Aggregate Bond Index Fund and PIMCO Real Return Fund.

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

Custodial Credit Risk. For an investment security, custodial credit risk is the risk that in the event of a failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2017, the City had no repurchase agreements. The City's investment policy dictates that a third party financial institution, designated by the City, shall be the holder of the City's investment securities. The Firefighters' Retirement System investments are not exposed to custodial credit risk because all securities are held by the System's custodial bank in the System's name.

NOTE 6 - RECEIVABLES

The City's property tax is levied each October 1st on the assessed value listed on the tax roll as of the prior January 1st for all real and personal property located in the City. The City Charter stipulates that taxes shall become due on October 1st of the year of levy and shall be paid by the following January 31st. All real and personal property in the City on January 1st each year will be subject to lien from that date for taxes due thereon. The adjusted assessed value for the tax roll as of January 1, 2016, upon which the 2017 levy was based, was \$12,490,928,773.

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, 2017 was \$.637000 per \$100 of assessed valuation (\$.494068 for general government and \$.142932 for debt service). Thus, the City has a tax margin of approximately \$.863000 per \$100, and could levy approximately \$107,796,715 in additional taxes per year from the present assessed valuation of \$12,490,928,773 before the limit is reached. Because of limitations imposed by state law, cases in which accumulated taxes exceed property value, other problems in tax collection and because of the possible uncollectibility of certain other

accounts receivable, allowances have been provided for uncollectible accounts resulting in only the net collectible amounts being reflected in the balance sheet.

The net receivables and allowances for uncollectible accounts for taxes and other receivables as of September 30, 2017 are reflected in the following table:

	Accounts	Property Taxes	Hotel/Motel Taxes	Notes	Accured Interest	Paving Assessment	Total Net Receivables
Governmental Activities	\$ 16,423,317	7,764,849	454,945	16,482,019	837,573	3,885	41,966,588
Business-Type Funds							
Bridge	\$ 256,422	-	-	-	31,194	-	287,616
Waterworks System	6,042,752	-	-	195,411	231,299	-	6,469,462
Sewer System	5,183,437	-	-	12,171	205,321	-	5,400,929
Solid Waste	1,880,724	-	-	-	125,208	-	2,005,932
Other Enterprise Funds	24,015	-	-	-	7,889	-	31,904
Total Business Type Funds	\$ 13,387,350	-	-	207,582	600,911	-	14,195,843
Allowance for Uncollectible	\$ 52,609,793	147,536	11,916	1,297,430	-	150,941	54,217,616

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, 2017:

	Other Enterprise Fund	Bridge System	Waterworks System	Sewer System	Solid Waste	Total
Revenue Bond Retirement Reserve \$	-	3,325,939	12,109,404	8,936,524	-	24,371,867
Revenue Bond Contingency	-	500,000	-	-	-	500,000
Construction Account	-	331,345	11,645,550	21,432,423	7,249,240	40,658,558
Water Rights	-	-	1,715,656	-	-	1,715,656
Total Restricted Assets	\$ -	4,157,284	25,470,610	30,368,947	7,249,240	67,246,081

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

A – Governmental Activities:

	Balance as of September 30, 2016	Additions	Deletions and Transfers	Balance as of September 30, 2017
Capital Assets, Not Being Depreciated:				
Land	\$ 96,569,983	2,906,493	(711,922)	98,764,554
Construction in Progress	5,664,956	2,672,533	(1,618,526)	6,728,963
Total Capital Assets, Not Being Depreciated	102,234,939	5,579,026	(2,320,448)	105,493,517
Capital Assets Being Depreciated				
Buildings	221,032,848	599,376	(2,572,387)	219,059,837
Improvements Other Than Buildings	704,252,661	37,221,980	1,461,556	742,935,797
Machinery and Equipment	124,180,771	15,578,412	(3,105,737)	136,653,446
Total Assets Being Depreciated	1,049,465,880	60,218,120	(4,216,568)	1,098,649,080
Less Accumulated Depreciation For:				
Buildings	(59,276,166)	(5,296,292)	2,401,176	(62,171,282)
Improvements Other Than Buildings	(301,706,687)	(23,978,441)	(9,504,780)	(335,189,908)
Machinery and Equipment	(92,939,409)	(8,141,885)	9,434,729	(91,646,565)
Total Accumulated Depreciation	(418,319,126)	(37,416,618)	2,331,125	(489,007,755)
Total Capital Assets, Being Depreciated, Net	559,543,618	15,983,150	(1,885,443)	609,641,325
Governmental Activities Capital Assets, Net	\$ 697,778,557	21,562,176	(4,205,891)	715,134,842

B - Business Type Activities:

	Balance as of September 30, 2016	Additions	Deletions and Transfers	Balance as of September 30, 2017
Capital Assets, Not Being Depreciated:				
Land	\$ 39,454,769	813,651	(297,621)	39,970,799
Construction in Progress	87,193,584	29,951,117	(36,092,257)	81,053,444
Water rights	49,422,639	1,590,780	-	51,013,419
Total Capital Assets, Not Being Depreciated	<u>176,070,992</u>	<u>32,355,548</u>	<u>(36,388,878)</u>	<u>172,037,662</u>
Capital Assets Being Depreciated:				
Buildings	275,578,898	7,088,305	1,288,008	283,955,211
Improvements Other Than Buildings	422,700,420	29,953,789	2,853,927	455,508,136
Machinery and Equipment	98,056,576	5,412,833	(6,398,111)	97,071,298
Total Assets Being Depreciated	<u>796,335,894</u>	<u>42,454,927</u>	<u>(2,256,176)</u>	<u>836,534,645</u>
Less Accumulated Depreciation For:				
Buildings	(47,735,900)	(6,100,853)	-	(58,836,753)
Improvements Other Than Buildings	(218,867,879)	(13,750,508)	-	(232,618,387)
Machinery and Equipment	(71,315,324)	(4,477,513)	3,739,599	(72,053,238)
Total Accumulated Depreciation	<u>(337,919,103)</u>	<u>(24,328,874)</u>	<u>3,739,599</u>	<u>(358,508,378)</u>
Total Capital Assets, Being Depreciated, Net	<u>458,416,791</u>	<u>18,126,053</u>	<u>1,483,423</u>	<u>478,026,267</u>
Business Type Activities Capital Assets, Net	<u>\$ 634,487,783</u>	<u>50,481,601</u>	<u>(34,905,455)</u>	<u>650,063,929</u>

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

Government Activities:	
General Government	\$ 1,569,624
Public Health	1,656,273
Culture and Recreational	862,596
Public Works	25,248,958
Public Safety	2,222,687
Air Transportation	5,379,905
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>509,779</u>
Total depreciation expense-governmental activities	<u>\$ 37,449,822</u>
Business-Type Activities:	
Solid Waste Management	\$ 3,080,869
Municipal Transit System	2,464,279
Bridge System	3,039,323
Waterworks System	11,302,854
Sewer System	6,821,670
Municipal Housing	<u>41,778</u>
Total depreciation expense-business-type activities	<u>\$ 26,750,773</u>

NOTE 9 - RETIREMENT PLANS

Texas Municipal Retirement System (TMRS)

General Information

The City provides benefits for all of its full-time employees (except for firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 872 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits

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

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

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

Contributions

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

that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2015 valuation is effective for rates beginning January 2017).

As of actuarial valuation and measurement date of 12/31/16, membership data for the City's pension plan is as follows:

Number of:

Inactive employees or beneficiaries currently receiving benefits	814
Inactive employees entitled to but not yet receiving benefits	471
Active employees	<u>2058</u>
Total	<u>3,343</u>

Actuarial Assumptions

Actuarial Cost Method -	Entry Age Normal
Amortization Method-	Level Percent of Payroll
Remaining Amortization Period-	20 Years – Closed Period
Asset Valuation Method-	10-year smoothed market
Investment Rate of Return-	6.75%
Projected Salary Increases	3.00% including inflation
Includes Inflation At	2.5%

The City of Laredo is one of 872 municipalities having the benefit plan administered by TMRS. Each of the 872 municipalities has an annual, individual actuarial valuation performed. All assumptions of the December 31, 2015 valuations are contained in the 2016 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin TX 78714-9153.

Net Pension Liability

Under 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, 2016 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, 2016

Total Pension Liability	\$582,566,716
Plan Fiduciary Net Position	<u>\$420,077,296</u>
Net Pension Liability	<u>\$162,489,420</u>

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

Schedule of Changes in Net Pension Liability

Changes in the City's Net Pension Liability and Related Ratios as of 12/31/16 are presented below:

Total pension liability

Service cost	\$ 17,550,829
Interest (on the Total Pension Liability)	36,935,879
Changes of benefit terms	-
Difference between expected and actual experience	(2,007,074)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(16,671,410)</u>
Net change in total pension liability	35,808,224
Total pension liability-beginning	<u>546,758,492</u>
Total pension liability-ending	<u><u>\$ 582,566,716</u></u>

Plan fiduciary net position

Contributions-employer	\$ 21,915,367
Contributions-employee	7,206,069
Net investment income	25,837,605
Benefit payments, including refunds of employee contributions	(16,671,410)
Administrative Expense	(291,637)
Other	<u>(15,713)</u>
Net change in plan fiduciary net position	37,980,281
Plan fiduciary net position-beginning	<u>382,097,015</u>
Plan fiduciary net position-ending	<u><u>\$ 420,077,296</u></u>

Net Change	(2,172,057)
Net pension liability-beginning	<u>164,661,477</u>
Net pension liability-ending	<u><u>\$ 162,489,420</u></u>

Pension Expense

Total Service Cost	\$ 17,550,829
Interest on the Total Pension Liability	36,935,879
Current Period Benefit Changes	-
Employee Contributions (Reduction of Expenses)	(7,206,069)
Projected Earnings on Plan Investments (Reduction of Expense)	(25,791,549)
Administrative Expense	291,637
Other Changes in Fiduciary Net Position	15,713
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(342,504)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	(9,211)
Amortization of Prior Year Outflow (Inflow) of Resources-Liabilities	(2,089,490)
Amortization of Prior Year Outflow (Inflow) of Resources-Assets	5,917,013
Total Pension Expense	<u>\$ 25,272,248</u>

Schedule of Deferred Outflow and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2016 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience (actuarial (gains) or losses)	5.86	\$ (2,007,074)	\$ (342,504)	\$ (1,664,570)
Difference in assumption change (actuarial (gains) or losses)	5.86	-	-	-
			<u>\$ (342,504)</u>	<u>\$ (1,664,570)</u>
Due to Assets:				
Difference in projected and actual earnings on pension plan investments (actuarial (gains) or losses)	5.000	(46,056)	(9,211)	\$ (36,845)
Contributions after 12/31/16	0.00	17,413,675	-	17,413,675
			<u>\$ (9,211)</u>	<u>\$ 17,376,830</u>
Total:			\$	<u>15,712,260</u>

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

	Net deferred outflows (inflows) of resource
2018 \$	24,248
2019	24,248
2020	(1,455,357)
2021	(294,554)
2022	-
Thereafter	-
Total \$	<u><u>(1,701,415)</u></u>

Discount Rate

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

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

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

	5.75%	6.75%	7.75%
City's net pension liability \$	251,794,497	\$ 162,489,420	\$ 89,599,637

Laredo Firefighters' Retirement System

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

The Board of Trustees of the Laredo Firefighters Retirement System is the administrator of a single-employer defined benefit pension plan. The Laredo Firefighters Retirement System is considered

part of the City of Laredo financial reporting entity and is included in the City's financial reports as a pension trust fund.

The Laredo Firefighters Retirement System covers the firefighters in the Laredo Fire Department. The table below summarizes the membership of the System reflected in the actuarial valuation as of September 30, 2016, which is performed every two years. Subsequent biennial actuarial valuations will be as of September 30 in even-numbered years. Information from the latest valuation report dated September 30, 2016 is shown below.

	9/30/16
Retirees and beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	0
Active employees	388
Total	<u>536</u>

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

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

Contributions Required and Contributions Made

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

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

Annual Pension Cost

For the fiscal year ending September 30, 2017, the City of Laredo's annual pension cost of \$7,458,140 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, 2017 the city contribution rate was 20.10% of pay for all firefighters. The required contributions were reflected in the September 30, 2016 actuarial valuation.

The entry age actuarial cost method was used, with the normal cost calculated as a level percentage of payroll. The actuarial value is equal to the expected actuarial value of assets adjusted by 40% of the difference between the actual market value and the expected actuarial value. The actuarial value is not more than 110% or less than 90% of the actual market value of assets. The actuarial assumptions included an investment return assumption of 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, 2016 actuarial valuation.

Schedule of Employer Contributions

Plan Year Ended	Annual Contribution As a Percentage of Payroll	Required Contribution	Contribution Contributed
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%
9/30/2016	20.10%	6,801,034	100%
9/30/2017	20.10%	6,845,693	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, 2016, 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	\$221,982,300
Plan Fiduciary Net Position	<u>\$126,305,204</u>
Net Pension Liability	<u>\$ 95,677,096</u>

Schedule of Changes in Net Pension Liability

Changes in the System's Net Pension Liability and Related Ratios as of 9/30/16 are presented below:

Total pension liability

Service cost	\$ 5,959,061
Interest (on the Total Pension Liability)	16,635,239
Changes of benefit terms	(4,481,331)
Difference between expected and actual experience	2,728,669
Changes of assumptions	3,829,393
Benefit payments, including refunds of employee contributions	<u>(9,340,307)</u>
Net change in total pension liability	15,330,724
Total pension liability-beginning	<u>206,651,576</u>
Total pension liability-ending	<u>\$ 221,982,300</u>

Plan fiduciary net position

Contributions-employer	\$ 6,801,034
Contributions-employee	5,075,400
Net investment income	9,529,045
Benefit payments, including refunds of employee contributions	(9,340,307)
Administrative Expense	(209,946)
Other	<u>11,587</u>
Net change in plan fiduciary net position	11,866,813
Plan fiduciary net position-beginning	<u>114,438,391</u>
Plan fiduciary net position-ending	<u>\$ 126,305,204</u>
Net Change	\$ 3,463,911
Net pension liability-beginning	<u>92,213,185</u>
Net pension liability-ending	<u>\$ 95,677,096</u>

Pension Expense

Total Service Cost	\$ 5,959,061
Interest on the Total Pension Liability	16,635,239
Employee Contributions (Reduction of Expenses)	(5,075,400)
Projected Earnings on Plan Investments (Reduction of Expense)	(9,248,119)
Amortization of differences between projected and actual earnings on plan investments	2,861,470
Amortization of changes of assumptions	348,761
Amortization of differences between expected and actual experience	248,513
Pension Plan administrative expenses	209,946
Changes of benefit provisions	(4,481,331)
Total Pension Expense	<u>\$ 7,458,140</u>

Schedule of Deferred Outflows and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2016 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Difference in projected and actual earnings on pension plan investments (actuarial (gains) or losses)	5.00	\$ 18,016,641	\$ 3,458,544	\$ 14,558,097
Contributions after 9/30/16	-	\$ 6,845,693	-	<u>6,845,693</u>
Total:			\$	<u>21,403,790</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
2018 \$	3,458,544
2019	3,458,544
2020	3,530,545
2021	538,772
2022	597,274
2023	2,974,418
Thereafter	-
Total \$	<u>14,558,097</u>

Discount Rate

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

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

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

	1% Decrease 6.90%	Discount Rate 7.90%	1% Increase 8.90%
City's net pension liability \$	124,146,615	\$ 95,677,096	\$ 71,835,518

Laredo Transit Management, Inc. System

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

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

LTMI defined benefit plan provides retirement benefits to eligible employees in the El Metro system. The table below summarizes the membership of the System reflected in the actuarial valuation as of September 30, 2017.

	9/30/17
Active Participants	164
Retirees and Beneficiaries	32
Inactive, Non-Retired Participants	<u>69</u>
Total	<u>265</u>

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

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

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

For the fiscal year ended September 30, 2017, LTMI's annual pension cost of \$877,000 was equal to the required and actual contributions during the year.

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

Schedule of Contributions

FY Ending 9/30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as % of Covered Valuation Payroll
2016	643,000	600,000	43,000	6,772,317	8.86%
2017	790,120	877,000	(86,880)	6,873,995	12.76%

Additional years will be built prospectively.

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

Net Pension Liability

Actuarial Valuation and Measurement Date, September 30, 2017.

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

Total Pension Liability	\$10,544,681
Plan Fiduciary Net Position	<u>\$ 8,400,936</u>
Net Pension Liability	<u>\$ 2,143,745</u>

A. Schedule of Changes in Net Pension Liability

Total pension liability

Service cost	\$	169,500
Interest (on the Total Pension Liability)		660,804
Changes of benefit terms		-
Difference between expected and actual experience		139,715
Changes of assumptions		-
Benefit payments, including refunds of employee contributions		(150,612)
Net change in total pension liability		819,407
Total pension liability-beginning		9,725,274
Total pension liability-ending	\$	<u>10,544,681</u>

Plan fiduciary net position

Contributions-employer	\$	877,000
Contributions-employee		54,373
Net investment income		671,821
Benefit payments, including refunds of employee contributions		(150,612)
Administrative Expense		-
Other		-
Net change in plan fiduciary net position	\$	<u>1,452,582</u>
Plan fiduciary net position-beginning		6,948,354
Plan fiduciary net position-ending	\$	<u>8,400,936</u>

Net Change	\$	(633,175)
Net pension liability-beginning		2,776,920
Net pension liability-ending	\$	<u>2,143,745</u>

B. Pension Expense

Total Service Cost	\$	169,500
Interest on the Total Pension Liability		660,804
Employee Contributions (Reduction of Expenses)		(54,373)
Projected Earnings on Plan Investments (Reduction of Expense)		(495,365)
Difference between expected and actual experience		20,021
Difference between projected and actual investment earnings on plan investments		(48,320)
Total Pension Expense	\$	<u>252,267</u>

C. Schedule of Deferred Outflows and Inflows of Resources

	Recognition Period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2017 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Difference in projected and actual experience	6.00 \$	139,715 \$	20,021 \$	119,694
Difference in projected and actual investment earnings	6.00 \$	(228,574) \$	(48,320) \$	<u>(180,254)</u>
Total				<u><u>(60,560)</u></u>

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

	Net deferred outflows (inflows) of resource
2018 \$	(28,299)
2019	(28,299)
2020	(28,301)
2021	(15,270)
2022	20,021
2023	19,642
Thereafter	<u>-</u>
Total \$	<u><u>(60,506)</u></u>

D. Discount Rate

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

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

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
LTMI's net pension liability	\$ 3,851,264	\$ 2,143,745	\$ 765,931

Summary

Pension Expense for the fiscal year ended September 30, 2017 are as follows:

TMRS	\$ 25,272,248
Laredo Firefighters	7,458,140
Laredo Transit	252,267
Total	<u>\$ 32,982,655</u>

Deferred outflows of resources and deferred inflows of resources related to pensions for the fiscal year ended September 30, 2017 are as follows:

	TMRS		Laredo Firefighters		Laredo Transit	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in expected and actual experience \$	-	(1,664,570)	14,558,097	-	119,694	-
Difference in projected and actual earnings	-	(36,845)	-	-	-	(180,254)
Contributions after measurment date	17,413,675	-	6,845,693	-	-	-
Total	\$ 17,413,675	(1,701,415)	21,403,790	-	119,694	(180,254)

	Total	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in expected and actual experience \$	14,677,791	(1,664,570)
Difference in projected and actual earnings	-	(217,099)
Contributions after measurment date	24,259,368	-
Total	\$ 38,937,159	(1,881,669)

Net Deferred Outflows/(Inflows) of Resources				
	TMRS	Laredo Fire	Laredo Transit	Total
2018	\$ 24,248	3,458,544	(28,299)	3,454,493
2019	24,248	3,458,544	(28,299)	3,454,493
2020	(1,455,357)	3,530,545	(28,301)	2,046,887
2021	(294,554)	538,772	(15,270)	228,948
2022	-	597,274	20,021	617,295
2023	-	2,974,418	19,642	2,994,060
Total	\$ (1,701,415)	14,558,097	(60,506)	12,796,176

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, 205 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.

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):

	2014	2015	2016	217
<i>Determination of Annual Required Contribution</i>				
Normal Cost at year end	\$ 7,699,867	\$ 7,422,635	\$ 7,422,635	\$ 8,430,594
amortization of UAAL & Loss	7,634,504	7,817,233	8,432,853	8,169,243
Annual Required Contribution (ARC)	15,334,371	15,239,868	15,855,488	16,599,837
<i>Determination of Net OPEB Obligation</i>				
Annual Required Contribution	\$ 15,334,371	\$ 15,239,868	\$ 15,855,488	\$ 16,599,837
Interest on prior year Net OPEB Obligation	3,136,096	3,624,035	4,066,880	4,513,297
Adjustment to AC	(4,359,633)	(5,037,940)	(5,653,559)	(6,274,145)
Annual OPEB Cost	14,110,834	13,825,963	14,268,809	14,838,989
Contributions made	(1,912,370)	(2,754,832)	(3,108,383)	(2,651,701)
Estimated Increase in Net OPEB Obligation	12,198,464	11,071,131	11,160,426	12,187,288
Net OPEB Obligation- beginning of year	\$ 78,402,403	\$ 90,600,867	\$ 101,671,998	\$ 112,832,424
Estimated Net OPEB Obligation- end of year	\$ 90,600,867	\$ 101,671,998	\$ 112,832,424	\$ 125,019,712
Percentage of Annual OPEB Cost Contribution	13.55%	19.93%	21.78%	17.87%

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	\$ 9,594	N/A
Fire	\$ 4,571	\$ 9,142	N/A
City Employees	\$ 4,571	\$ 9,142	N/A

Funded Status and Funding Progress:

The funded status of the plan beginning as of October 1, 2015, 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
10-01-2013	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%	114,592,890	117.96%
10-01-2015	0	4.00%	145,250,679 (3)	145,250,679	0.00%	114,592,890(4)	126.75%
10-01-2016	0	4.00%	141,262,813	141,262,813	0.00%	N/A	N/A

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

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

(3) Actuarial accrued liability estimated based on roll-forward of prior year October 1st valuation results.

(4) Estimated covered payroll based on prior year October 1st valuation results.

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, 2016-September 30, 2017

Unfunded Actuarial Liability (UAAL)	
Actuarial Accrued Liability	\$ 141,262,813
Assets	-
Unfunded Actuarial Accrued Liability	\$ 141,262,813
Fund Percentage	0.00%
Amortization of UAAL for ARC	
UAAL	\$ 141,262,813
Amortization Period	30 years
Amortization Amount-October 1, 2016	\$ 8,106,340
Interest to end of year	\$ 324,254
Amortization Amount- September 30, 2017	\$ 8,430,594

Actuarial Methods and Assumptions:

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

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

In the actuarial valuation beginning October 1, 2016, 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 return 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 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 2017, 2016, and 2015 were \$201,223, \$200,750, and \$173,700, 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, 2017:

	General Obligation Serial Bonds	Certificates of Obligation	Revenue Bonds	Compensated Absences	Capital Lease Obligations	Notes Payable	Net Pension Liability
Long Term Obligations:							
Beginning Balances	\$ 103,951,365	109,405,572	29,651,343	31,414,283	4,333,835	255,000	112,832,424
Increases	-	-	-	2,367,081	3,239,739	-	12,187,288
Amort-Premiums	(1,029,147)	(532,953)	(310,906)	-	-	-	-
Decreases	(10,134,212)	(15,467,911)	(4,585,000)	(3,438,086)	(1,620,092)	(255,000)	-
Ending Long-Term Liabilities	92,788,006	93,404,708	24,755,437	30,343,278	5,953,482	-	125,019,712
Current Liabilities:							
Due Within One Year	7,299,550	5,407,246	2,340,000	3,438,086	1,175,800	-	-
Total Liabilities	\$ 100,087,556	98,811,954	27,095,437	33,781,364	7,129,282	-	125,019,712

Compensated absences are generally liquidated by the General Fund.

Bonds payable as of September 30, 2017 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.	\$ 1,558,508
\$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.	847,859
\$7,635,000 General Obligation Refunding Bonds, Series 2012 issued for the purpose of refunding outstanding obligations in order to restructure the City's debt service requirements and achieve a debt service savings. Principal is due in varying amounts through 2030 with interest at 3.00% per annum.	1,693,205
\$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.	10,179,174
\$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.	55,880,127
\$54,545,000 General Obligation refunding Bonds, Series 2016 issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay costs related to thie issuance of the bonds. Principal is due in varying amounts through 2033 with interest at 2.00% to 5.00% per annum.	20,290,000
Subtotal	90,448,873
Deferred premiums/loss for various general obligation bonds	9,638,683
Total General Obligation Bonds	\$ <u>100,087,556</u>
Due Within One Year	\$ <u>7,299,550</u>

B – Certificates of Obligation

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

\$ 5,165,000

\$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.

72,883

\$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

2,995,000

\$2,070,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010, for the purpose of refunding the Municipal Airport land indenture. Principal is due in varying amounts through 2029 with interest of 4.750% per annum.

1,510,000

\$2,040,000 Combination Tax and Airport Revenue Refunding Contractual Obligations, Series 2010B, for the purpose of constructing and equipping a Federal inspection station at the City's Municipal Airport, and the payment of legal, fiscal, and engineering fees related to the project. Principal is due in varying amounts through 2029 with interest of 5.200% per annum.

\$ 1,505,000

\$9,545,000 Combination Tax and Revenue Contractual Obligations, Series 2010, for the purpose of constructing City streets and sidewalks, traffic signals and lighting improvements, equipment and vehicles for various City departments, improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2030 with interest from 2.00% to 5.00% per annum.	\$ 6,925,000
\$7,690,000 Combination Tax and Revenue Contractual Obligations Series 2012, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2032 with interest from 2.00% to 3.50% per annum.	6,085,000
\$3,800,000 Public Property Finance Contractual Obligations, Series 2012, for the purpose of acquiring and purchaisng equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2022 with interest from 1.50% to 2.25% per annum.	1,985,000
\$10,095,000 Public Property Finance Contractual Obligations, Series 2013, for the purpose of acquiring and purchasing equipment for various City departments and the payment of issuance costs. Principal is due in varying amounts through 2021 with interest from 2.00% to 5.00% per annum.	2,225,000
\$9,995,000 Combination Tax and Revenue Contractual Obligations Series 2013, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2025 with interest from 2.00% to 5.00% per annum.	645,000
\$6,780,000 2014 Public Property Finance Contractual Obligation for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022 with interest from 3.0% to 5.0% per annum.	\$ 2,703,000

\$5,600,000 Combination Tax and Revenue Contractual Obligations Series 2014, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2034 with interest from 2.00% to 5.00% per annum.	\$ 4,965,000
\$19,765,000 Combination Tax and Revenue Contractual Obligations Series 2015, for the purpose of constructing City streets, sidewalks and drainage improvements, traffic signals and lighting improvements, equipment and vehicles for various City departments, repairs and improvements to various City facilities, land acquisition, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2020 with interest from 2.00% to 5.00% per annum.	12,995,000
\$22,610,000 Combination Tax and Revenue Certificates of Obligations Series 2016A, for the purpose of planning, constructing City streets, sidewalks, drainage, traffic signals and lighting improvements, constructing/renovating buildings, parking lots, and parks and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2036 with interest from 3.00% to 5.00% per annum.	21,690,000
\$3,075,000 Combination Tax and Revenue Certificates of Obligations Series 2016B, for the purpose of purchasing of land in the downtown area for parking and buildings, including a city-owned convention center, and the payment of legal, fiscal, and engineering fees related to the various projects. Principal is due in varying amounts through 2026 with interest from 0.90% to 2.62% per annum.	2,785,000
\$8,080,000 2016 Public Property Finance Contractual Obligation for the purchase of personal property for various City departments. Principal is due in varying amounts through 2026 with interest from 3.0% to 5.0% per annum.	<u>4,758,202</u>
Subtotal	92,474,085
Deferred Premiums for Various Certificate of Obligations	<u>6,337,869</u>
Total Certificates of Obligations	\$ <u><u>98,811,954</u></u>
Due Within One Year	\$ <u><u>5,407,246</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, 2017 consist of the following:

\$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.	\$ 295,000
\$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.	16,050,000
\$8,970,000 2016 Sports Venue Sales Tax Revenue Refunding Bonds issued for the purpose refunding a portion of the City's outstanding Sports Venue Sales Tax Revenue Bonds, Series 2011 in order to achieve a debt service savings and to pay costs related to the issuance of the bonds. Principal is due in varying amounts through 2036 with interest from 1.13% to 3.88% per annum.	<u>8,885,000</u>
Subtotal	25,230,000
Deferred Premiums for Various Revenue Bonds	<u>1,865,437</u>
Total Sales Tax Revenue Bonds	\$ <u><u>27,095,437</u></u>
Due Within One Year	\$ <u><u>2,340,000</u></u>

D - Capital Lease Obligations

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

\$4,588,000 Bank of America for the purchase and installation of energy-savings facility upgrades. Payments are due in semiannual installments in varying amounts through 2027. Interest is at 2.440% per annum.	\$ 3,654,547
\$285,061 Deere Credit Inc. for the purchase of heavy equipment for lawn maintenance. Payments are due in monthly installments in varying amounts through 2021. Interest is at 3.25% per annum.	222,022
\$16,580 Deere Credit Inc. for the purchase of lawn equipment. Payments are due in monthly installments in varying amounts through 2021. Interest is at 4.25% per annum.	12,974
\$62,168 AT&T for the purchase of Police Communications Equipment. Payments are due in monthly installments in varying amounts through 2021. Interest is at 5.399% per annum.	62,168
\$3,971,914 Motorola Solutions for the purchase of an 800Mhz equipment. Payments are due in annual payments in varying amounts through 2021. Interest is at 1.99% per annum.	<u>3,177,571</u>
Total Present Value of Future Minimum Lease Payments	7,129,282
Plus Amount Representing Interest	\$ <u>472,006</u>
Total Minimum Lease Payments	\$ <u><u>7,601,288</u></u>

The assets acquired through capital leases are as follows:

Governmental Activities	
Asset:	
Automotive Equipment	\$ 370,152
Machinery & Equipment	8,918,723
Less: Accumulated Depreciation	<u>(2,921,763)</u>
Total	\$ <u><u>6,367,112</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, are as follows:

Year Ending Sep. 30	Governmental Activities
2018	\$ 1,175,800
2019	1,202,260
2020	1,229,351
2021	1,223,127
2022	360,138
2023	369,034
2024	378,149
2025	387,490
2026	397,062
2027	406,871
Total Minimum lease payments	7,129,282
Add: amount representing interest	472,006
Present value of minimum lease payments	\$ 7,601,288

E - Notes Payable

No Notes Payables are outstanding as of September 30, 2017.

F - Refunding and Early Extinguishment

No issues were refunded in fiscal year 2017.

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, 2017, \$100,534,845 in bonds outstanding are considered defeased.

H – OPEB

As per actuarial update issued on October 1, 2016, the latest actuarial valuation reflected a net obligation for Other Post-Employment Benefits in the amount of \$125,019,712. The unfunded

actuarial liability is updated on a biannual basis and, as per the latest calculations dated September 30, 2017, stands at \$141,262,813.

NOTE 12 – PROPRIETARY LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the City's Proprietary Funds for the year ended September 30, 2017:

	Revenue Bonds	Certificates of Obligation	General Oblig. Bond
Long Term Obligations:			
Beginning Balances	\$ 367,711,220	79,306,632	56,757,968
Increases	-	-	-
Decreases	(32,384,000)	(13,732,089)	(5,608,712)
Amortization of Premiums	(1,166,017)	(465,282)	(427,497)
Ending Long Term Liabilities	334,161,203	65,109,261	50,721,759
Current Liabilities:			
Due Within One Year	16,350,000	6,832,754	3,010,449
Total Liabilities	\$ 350,511,203	71,942,015	53,732,208
	Landfill Costs	Compensated Absences	
Long Term Liabilities:			
Beginning Balances	\$ 7,047,406	2,408,820	
Additions	3,942,357.00	339,280	
Retirements	-	(1,219,082)	
Ending Balances	10,989,763	1,529,018	
Current Liabilities:			
Due Within One Year	-	828,996	
Total Liabilities	\$ 10,989,763	2,358,014	

A – Bonds

\$741,000 2002 Waterworks Systems Revenue Bond issued for the purpose of improving and extending the Water System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.	\$	347,000
\$710,000 2002 Sewer Systems Revenue Bond issued for the purpose of improving and extending the Sewer System with principal due in varying amounts through year 2024, including interest at 3.3% to 5.9% per annum.		333,000
\$3,070,000 2008 International Toll Bridge System Revenue Bond issued for the purpose of improving and constructing expansion of inspection station booths for Bridge No. IV with principal due in varying amounts through year 2028, including interest at 4.71% per annum.		145,000
\$915,000 2008 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2028, including interest at 4.21% to 5.26% per annum.		608,000
\$7,500,000 2009 Waterworks and Sewer System Revenue Bond for the purpose of purchasing and acquiring additional water rights with principal due in varying amounts through year 2029 at .0001 per annum.		3,245,000
\$82,175,000 2010 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2040, including interest at 2.00% per annum.		5,305,000
\$30,875,000 2011 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2041, including interest at 5.00% per annum.	\$	26,915,000

\$48,750,000 2012 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2042, including interest at 1.63% to 2.15% per annum.	\$	41,685,000
\$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.		4,195,000
\$41,120,000 2012 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2042, including interest at 2.0% to 5.0% per annum.		36,825,000
\$17,260,000 2013 Waterworks & Sewer Systems Revenue Refunding Bond issued for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2026, including interest at 1.0% to 5.0% per annum.		14,600,000
\$18,255,000 2013 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2043, including interest at 2.0% to 5.0% per annum.		16,800,000
\$17,365,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding a State Infrastructure Bank loan with the Texas Department of Transportation with principal due in varying amounts through year 2027, including interest at 3.0% to 5.0% per annum.		13,720,000
\$14,175,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2025, including interest at 3.0% to 5.0% per annum.		12,200,000
\$3,885,000 2014 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding International Toll Bridge Revenue Bonds with principal due in varying amounts through year 2024, including interest at 2.0% to 4.0% per annum.		2,970,000
\$11,585,000 2014 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2044, including interest at 2.0% to 5.0% per annum.	\$	8,860,000

\$15,045,000 2015 Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2045, including interest at 2.0% to 5.0% per annum.	\$ 14,650,000
\$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.	5,175,000
\$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.	8,105,000
\$4,600,000 2015A Subordinate Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2045, including interest at 0.06% to 2.050% per annum.	4,315,000
\$22,075,000 2015B Subordinate Waterworks & Sewer Systems Revenue Bond issued for the purpose of improving and extending the combined Water and Sewer System with principal due in varying amounts through year 2045, including interest at 0.18% to 1.75% per annum.	20,695,000
\$75,395,000 2016 Waterworks & Sewer Systems Revenue Improvements and Refunding Bonds issued for the purpose of improving and extending the combined Water and Sewer System; refunding outstanding obligations of the City in order to achieve savings; and pay costs related to the issuance of bonds with principal due in varying amounts through year 2046, including interest at 3.125% to 5.00% per annum.	75,395,000
\$9,745,000 2016 Waterworks & Sewer Systems Revenue Refunding Bonds issued for the purpose of refunding water and sewer system revenue bonds with principal due in varying amounts through year 2027, including interest at 2.00% to 5.00% per annum.	9,675,000
\$8,700,000 2016 International Toll Bridge System Revenue Refunding Bond for the purpose of refunding currently outstanding obligations of the City in order to achieve debt service savings and pay costs associated the issuance of the bonds with principal due in varying amounts through year 2028, including interest at 2.00% to 4.0% per annum.	<u>5,455,000</u>
Subtotal	332,218,000
Deferred Charges/Premiums for Various Revenue Refunding Bonds	<u>18,293,203</u>
Total Revenue Bonds	\$ <u><u>350,511,203</u></u>
Due Within One Year	\$ <u><u>16,350,000</u></u>

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

B – Certificates of Obligations

\$3,555,000 2008 Public Property Finance Contractual Obligations, for the purpose of purchasing municipal buses for the Mass Transit System with principal due in varying amounts through 2020 with interest at 3.399% per annum.	\$ 1,060,000
\$13,475,000 2009C Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks and Sewer System with principal due in varying amounts through year 2021, including interest at 2.00% to 5.00% per annum.	5,130,000
\$37,945,000 2009D Combination Tax and Waterworks and Sewer System Revenue Certificates of Obligation for the purpose of constructing and extending Waterworks System and Sewer System with principal due in varying amount through year 2039, including interest at 6.566% per annum.	37,945,000
\$5,060,000 2010 Public Property Finance Contractual Obligations, for the purpose of personal property with principal due in varying amounts through 2018 with interest at 3.875% per annum.	652,117
\$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.	\$ 3,835,000

\$4,605,000 2012B Combination Tax and Revenue Certificates of Obligation for the purpose of acquiring equipment and vehicles for Solid Waste and acquiring, designing, constructing, improving, and equipping landfill cells and buildings, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2032 with interest from .50% to 4.0% per annum.	\$ 3,645,000
\$10,095,000 2013 Public Property Finance Contractual for the purchase of personal property for various City departments including Transit, Solid Waste, and other departments. Principal is due in varying amounts through 2021, with interest from 2.0% to 5.0% per annum.	3,220,000
\$9,995,000 2013 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2025 with interest from 2.0% to 5.0% per annum.	6,490,000
\$6,780,000 2014 Public Property Finance Contractual for the purchase of personal property for various City departments. Principal is due in varying amounts through 2022, with interest from 3.0% to 5.0% per annum.	1,762,000
\$19,765,000 2015 Combination Tax and Revenue Certificates of Obligation for the purpose of improving, and repairing City streets, improving City buildings, acquiring equipment and vehicles for various City departments, and for paying legal, fiscal, and engineering fees in construction with such projects. Principal is due in varying amounts through 2020 with interest from 2.0% to 5.0% per annum.	3,115,000
\$8,080,000 2016 Public Property Finance Contractual for the purchase of planning, constructing, improving City streets , drainage, traffic/street signalization, improvign City buildings, acquiring equipment and vehicles, constructing and improving parks, and for paying legal, fiscal and engineering fees in connection with such projects. Principal is due in varying amounts through 2026, with interest from 3.0% to 5.0% per annum.	<u>2,636,798</u>
Subtotal	69,490,915
Deferred Charges/Premiums for various Certificates of Obligations	<u>2,451,100</u>
Total Certificates of Obligations	\$ <u><u>71,942,015</u></u>
Due Within One Year	\$ <u><u>6,832,754</u></u>

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.	\$ 416,492
\$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.	3,052,141
\$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.	4,001,795
\$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.	480,826
\$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.	6,174,871
\$54,545,000 2016 General Obligation Refunding Bond issued for the purpose of refunding outstanding obligations in order to achieve a debt service savings and pay cost related to the issuance of the bonds. Principal is due in varying amount through 2033 with interest varying from 2.00% to 5.00% per annum.	<u>33,800,000</u>
Subtotal	47,926,125
Deferred Charges for Various General Obligation Bonds	<u>5,806,083</u>
Total General Obligation Bonds	\$ <u><u>53,732,208</u></u>
Due Within One Year	\$ <u><u>3,010,449</u></u>

D - Compensated Absences

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

<u>Fund</u>		<u>Amount</u>
Transit System	\$	105,676
Bridge System		406,584
Municipal Housing		33,923
Waterworks System		421,354
Sewer System		379,237
Solid Waste Fund		182,244
Total Long Term	\$	<u>1,529,018</u>

E - Refunding and Early Extinguishment

No debt issues were refunded in fiscal year 2017.

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, 2017 \$181,151,470 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, 2017 is \$15,817,285 of which \$10,989,763 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 \$10,989,763 as of September 30, 2017 represents the cumulative amount for 9789 acres of the landfill filled with solid waste for closure and 4300 acres for post-closure care. The percentage of the landfill capacity for solid waste used as of September 30, 2017 is 69.48%. With Landfill receiving a permit for vertical expansion the estimated remaining life of the landfill is 9 years. Based on the remaining life, the landfill will

be filled to capacity by the year 2026. The estimated total current cost of the landfill closure and post closure care (\$15,817,285) 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, 2016. 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, 2017 are as follows:

	Interfund Receivables	Interfund Payables	Net
Governmental Activity			
Transit System	\$ 23,101	-	23,101
Due to Business Type Activities for for Internal Service			
Funds Allocation	\$ -	5,722,973	(5,722,973)
Total Governmental Activity	<u>\$ 23,101</u>	<u>\$ 5,722,973</u>	<u>(5,699,872)</u>
Business Type Activity			
General Fund	\$ -	23,101	(23,101)
Due from Governmental Activities for Internal Service			
Funds Allocation	\$ 5,722,973	-	5,722,973
Total Business Type Activity	<u>\$ 5,722,973</u>	<u>\$ 23,101</u>	<u>5,699,872</u>

NOTE 14 - INTERFUND TRANSFERS

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

	Transfers In	Transfers Out	Net Transfers
GOVERNMENTAL FUND:			
GENERAL FUND			
Municipal Housing	\$ 425,000	-	425,000
DEBT SERVICE			
Bridge	774,110	-	774,110
HOME INVESTMENT PARTNERSHIP			
Municipal Housing	17,480	-	17,480
CAPITAL IMPROVEMENTS			
Bridge	6,361,992	-	6,361,992
TOTAL - GOVERNMENT TYPE	<u>7,578,582</u>	<u>-</u>	<u>7,578,582</u>
BUSINESS TYPE:			
BRIDGE			
Capital Improvements	-	6,361,992	6,361,992
Debt Service	-	774,110	774,110
MUNICIPAL HOUSING			
General Fund	-	425,000	425,000
Home Investment Partnership	-	17,480	17,480
TOTAL - BUSINESS TYPE	<u>\$ -</u>	<u>7,578,582</u>	<u>7,578,582</u>

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

The following is a summary of the City's debt service requirements for all funds as of September 30, 2017

Business-Type and Governmental Activities															
Year	Revenue Bonds			Notes / Lease Payables			Certificates of Obligation			General Obligation Bonds			Debt Service to Maturity		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	18,690,000	12,635,080	31,325,080	1,218,352	155,307	1,373,659	12,240,001	7,898,575	20,138,576	10,310,001	6,051,385	16,361,386	42,458,354	26,740,347	69,198,701
2019	17,046,000	12,020,600	29,066,600	1,181,558	129,931	1,311,489	11,570,000	7,409,657	18,979,657	11,299,999	5,554,652	16,854,651	41,097,557	25,114,840	66,212,397
2020	16,989,000	11,422,365	28,411,365	1,207,503	103,986	1,311,489	10,775,000	6,928,678	17,703,678	11,794,999	5,062,155	16,857,154	40,766,502	23,517,184	64,283,686
2021	17,065,001	10,834,473	27,899,474	1,223,126	77,472	1,300,598	9,745,000	6,475,244	16,220,244	12,310,001	4,538,448	16,848,449	40,343,128	21,925,637	62,268,765
2022	17,694,000	10,207,967	27,901,967	360,138	51,696	411,834	8,735,000	6,039,516	14,774,516	12,615,000	3,989,596	16,604,596	39,404,138	20,288,775	59,692,913
2023	17,697,000	9,522,366	27,219,366	369,034	42,800	411,834	8,430,000	5,609,128	14,039,128	12,319,999	3,416,866	15,736,865	38,816,033	18,591,160	57,407,193
2024	18,391,000	8,806,729	27,197,729	378,149	33,684	411,833	9,115,000	5,156,730	14,271,730	12,519,999	2,838,230	15,358,229	40,404,148	16,835,373	57,239,521
2025	15,100,000	8,136,799	23,236,799	387,490	24,343	411,833	9,565,000	4,667,595	14,232,595	12,515,001	2,244,033	14,759,034	37,567,491	15,072,770	52,640,261
2026	14,402,999	7,595,418	21,998,417	397,062	14,772	411,834	9,155,000	4,174,812	13,329,812	12,330,000	1,643,926	13,973,926	36,285,061	13,428,928	49,713,989
2027	13,687,000	7,045,961	20,732,961	406,870	4,964	411,834	7,855,000	3,727,778	11,582,778	11,179,999	1,064,049	12,244,048	33,128,869	11,842,752	44,971,621
2028	11,116,000	6,585,227	17,701,227	-	-	-	8,215,000	3,306,031	11,521,031	5,045,001	682,101	5,727,102	24,376,001	10,573,359	34,949,360
2029	11,265,000	6,181,761	17,446,761	-	-	-	8,590,000	2,852,599	11,442,599	2,615,000	527,350	3,142,350	22,470,000	9,561,710	32,031,710
2030	10,775,000	5,761,765	16,536,765	-	-	-	6,285,000	2,457,751	8,742,751	2,710,000	429,050	3,139,050	19,770,000	8,648,566	28,418,566
2031	11,185,000	5,362,939	16,547,939	-	-	-	5,830,000	2,133,791	7,963,791	2,815,000	326,749	3,141,749	19,830,000	7,823,479	27,653,479
2032	11,580,000	4,958,438	16,538,438	-	-	-	6,080,000	1,831,940	7,911,940	2,930,001	211,849	3,141,850	20,590,001	7,002,227	27,592,228
2033	11,989,999	4,549,521	16,539,520	-	-	-	5,504,999	1,541,997	7,046,996	3,065,000	76,625	3,141,625	20,559,998	6,168,143	26,728,141
2034	12,420,000	4,122,372	16,542,372	-	-	-	5,735,000	1,254,653	6,989,653	-	-	-	18,155,000	5,377,025	23,532,025
2035	12,870,001	3,675,152	16,545,153	-	-	-	5,570,000	953,615	6,523,615	-	-	-	18,440,001	4,628,767	23,068,768
2036	13,330,000	3,205,277	16,535,277	-	-	-	4,465,000	681,096	5,146,096	-	-	-	17,795,000	3,886,373	21,681,373
2037	13,160,000	2,726,643	15,886,643	-	-	-	2,715,000	469,304	3,184,304	-	-	-	15,875,000	3,195,947	19,070,947
2038	13,640,000	2,238,676	15,878,676	-	-	-	2,835,000	287,098	3,122,098	-	-	-	16,475,000	2,525,774	19,000,774
2039	14,150,000	1,729,114	15,879,114	-	-	-	2,955,000	97,012	3,052,012	-	-	-	17,105,000	1,826,126	18,931,126
2040	14,690,000	1,198,158	15,888,158	-	-	-	-	-	-	-	-	-	14,690,000	1,198,158	15,888,158
2041	9,775,000	808,573	10,583,573	-	-	-	-	-	-	-	-	-	9,775,000	808,573	10,583,573
2042	8,235,000	440,032	8,675,032	-	-	-	-	-	-	-	-	-	8,235,000	440,032	8,675,032
2043	4,160,000	239,326	4,399,326	-	-	-	-	-	-	-	-	-	4,160,000	239,326	4,399,326
2044	3,120,000	122,124	3,242,124	-	-	-	-	-	-	-	-	-	3,120,000	122,124	3,242,124
2045	2,680,000	46,614	2,726,614	-	-	-	-	-	-	-	-	-	2,680,000	46,614	2,726,614
2046	545,000	8,516	553,516	-	-	-	-	-	-	-	-	-	545,000	8,516	553,516
Total	357,448,000	152,187,986	509,635,986	7,129,282	638,955	7,768,237	161,965,000	75,954,600	237,919,600	138,375,000	38,657,064	177,032,064	664,917,282	267,438,605	932,355,887

NOTE 16 - CONSTRUCTION AND IMPROVEMENT COMMITMENTS

As of September 30, 2017, the City had contractual commitments of \$11,903,494 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	\$ 245,300	Grant Proceeds
Environmental Services	30,242	Bond Proceeds
Airport Construction	221,349	Grant Proceeds
2015 C.O. Issue	408,738	Bond Proceeds
2016 C.O. Issue	1,914,955	Bond Proceeds
Solid Waste System	36,716	Bond Proceeds
Waterworks System	6,537,142	Bond Proceeds
Sewer System	2,509,052	Bond Proceeds
Total Commitments	<u>\$ 11,903,494</u>	

NOTE 17 – FUND EXPENDITURES EXCEEDING APPROPRIATIONS

During the fiscal year ended September 30, 2017, expenses in General Fund exceeded appropriations in the amount of \$13,252,354, expenses in Health and Benefits exceeded appropriations in the amount of \$128,618, and expenses in Laredo Public Facility Corporation exceeded appropriations in the amount of \$1,063.

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 \$250,000.00 per employee, with no maximum lifetime benefit. There is a maximum medical aggregate liability of \$28,187,829.00 and projected net claims of \$25,053,240.00. Claims exceeding \$250,000.00 per employee are paid by the City and reimbursed by the City's stop/loss insurance carrier. The City has accrued for claims that have been incurred but not reported.

The incurred claims liability of \$3,492,576 reported in the Fund as of September 30, 2017 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 2015, 2016, and 2017 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>
2014-2015	2,704,281.00	20,090,551	19,821,593	2,973,239
2015-2016	2,973,239.00	23,654,286	23,154,369	3,473,156
2016-2017	3,473,156.00	23,306,260	23,286,840	3,492,576

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

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

B. RISK MANAGEMENT FUND

On October 1, 1996, the City established a self-insured retention program for the workers' compensation liability within the Risk Management Fund which also accounts for the following policies: (a) General Liability (b) Law Enforcement Liability (c) Errors and Omission (d) Auto Liability (e) Auto Physical Damage - ACV. The self-insured retention program for worker's compensation was implemented with \$300,000 retention per occurrence and a \$2,500,000.00 aggregated for FY14-15 and \$2,500,000.00 aggregated for FY15-16 and \$2,000,000.00 aggregated for FY16-17. 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, 2017, a liability was recorded based on fiscal year 2017 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 2015, 2016 and 2017 were:

<u>Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Current Claims & Payments</u>	<u>Balance at Fiscal Year end ²</u>
2014-2015	2,221,559.00	694,879	1,427,371	1,489,067
2015-2016	1,489,066.64	1,782,902	1,614,801	1,657,168
2016-2017	1,657,168.00	2,041,904	2,157,726	1,541,346

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

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

NOTE 19 – CONTINGENCIES

The City participates in a number of grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations. As of September 30, 2017, significant amounts of grant expenditures have not been audited by the grantor agencies. However, the City believes it has substantially complied with applicable laws and regulations and that the results of subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is a party to various lawsuits and claims arising in the ordinary course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material, adverse effect on the financial condition of the City.

NOTE 20 – DONOR-RESTRICTED ENDOWMENTS

The Canseco Foundation Children's Endowment Trust Fund was established on January of 1998, when the City accepted the endowment for the Canseco Foundation in the amount of \$50,000. The program would have the City seek all opportunities to augment children's programming resources provided through the Laredo Public Library. Funding of children's programming from the fund each year will be based on interest accrued on the endowment. Interest distributions will be from the Canseco Foundation Children's Endowment Fund. For September 30, 2017, the amount of unspent interest to date was \$24,416. This amount is reported in the government-wide financial statements under Net Position-Restricted for other purposes.

Texas State Law:

- (a) Except as provided by Subsection (e), the governing board may appropriate for expenditure, for the uses and purposes for which the fund is established, the net appreciation, realized and unrealized, in the fair market value of the assets of an endowment fund over the historic dollar value of the fund to the extent prudent under the standard provided by Section 163.007.
- (b) A determination of the historic dollar value made in good faith by the governing board is conclusive.
- (c) Subsection (a) does not limit the authority of the governing board to expend funds as permitted under other law, the terms of the applicable gift instrument, or the charter or articles of incorporation of the institution.

- (d) Subsection (a) does not apply if the applicable gift instrument indicates the donor's intention that the net appreciation not be extended. A restriction on the expenditure of net appreciation may not be implied from a designation of a gift as an endowment or from a direction or authorization in the applicable gift instrument to use only "income" This rule of construction applies to gift instruments executed or in effect before, on, or after the effective date of this chapter.

NOTE 21- BUDGET BASIS REPORTING

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

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

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

	General Fund
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses (GAAP Basis)-	\$ 5,252,856
Adjustments:	
Timing Differences-Encumbrances	(2,095,273)
Basic Differences:	
Non Budgeted-Allowance for Doubtful Accounts	<u>21,412</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP Basis)-budgetary classifications	3,178,995
Other adjustments-Excess of revenues and other financing Sources over expenditures and other uses for non-budgeted Funds-(Entity Differences)	<u>44,418,811</u>
	47,597,806
Prior Period Adjustment	<u>(4,630,156)</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other uses – Budget Basis	<u>\$ 42,967,650</u>

NOTE 22 – FUND EQUITY

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

	General Fund	Debt Service	Other Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	17,258	-	128,297
Permanent Fund Principal	-	-	50,000
Restricted for:			
Debt Service	-	4,617,735	1,710,897
Police	315,152	-	4,079,472
Fire	4,934,449	-	-
Municipal Court	438,685	-	-
911 Regional Fund	-	-	671
Urban Redevelopment and Housing	-	-	314,919
Health Services	-	-	1,425,204
Welfare	6,867,677	-	-
Environmental Services	-	-	4,297,584
Noise Abatement	-	-	345,068
Convention and Tourism	-	-	5,200,297
Parks and Recreation	12,397	-	23,370,931
Education	81,932	-	766,560
Permanent Fund Revenues	-	-	24,416
Capital Projects (Parks, Infrastructure, Municipal Improvements)	-	-	29,213,216
Transportation	-	-	319,959
Committed to:			
General Government	28,837,384	-	-
Police	535,492	-	-
Fire	123,014	-	-
Municipal Court	31,698	-	-
Traffic Safety	46,730	-	-
911 Emergency	-	-	1,111,229
Parking Meters	-	-	39,375
Public Works	51,406	-	-
Urban Redevelopment and Housing	-	-	555,966
Health Services	-	-	313,779
Welfare	22,403	-	-
Environmental Services	-	-	605,452
Parks and Recreation	764,657	-	8,752
Education	-	-	132
Other	210,631	-	-
Transportation	-	-	365,657
Capital Purchases (Equipment)	65,002	-	558,089
Capital Projects	-	-	82,850
Assigned to:			
Parking Meters	-	-	1,729,363
Health Services	-	-	5,272
Environmental Services	-	-	3,612,330
Parks and Recreation	-	-	761,951
Education	-	-	80,884
Transportation	-	-	6,025,563
Capital Projects	-	-	32,334,838
Unassigned	1,706,956	-	(1,746,008)
Total Fund Balances	<u>45,062,923</u>	<u>4,617,735</u>	<u>117,692,965</u>

NOTE 23 – PRIOR YEAR ADJUSTMENT

The Governmental and Business Type Activities in the Statement of Activities are reflecting a prior period adjustment. This prior period adjustment is a result of incorrect Airport rental charges being charged to several City Departments for previous fiscal years. These City departments are renting facilities on the Airport and had been charged the incorrect rental rates for the past years. A prior period adjustment was recorded in fiscal year 2017 for the discrepancies in those years. The prior period adjustments are as follow: General Fund \$(4,630,156), Airport \$5,168,429, Fleet Managements \$(170,458), and Sewer System \$(367,815).

**CITY OF LAREDO, TEXAS
REQUIRED FIDUCIARY FUNDS
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	LAREDO FIREFIGHTERS RETIREMENT SYSTEM PENSION TRUST FUND	CITY ANNUITY PENSION TRUST FUND
ADDITIONS:		
Contributions:		
Employer Contributions	\$ 6,845,693	1,587,941
Plan Members	5,109,297	99,060
Other Contributions	1,440	10,994
	<hr/>	<hr/>
Total Contributions	11,956,430	1,697,995
	<hr/>	<hr/>
Investment Earnings:		
Interest Earnings and Dividends	1,940,899	-
Net Increase (decrease) in the Fair Value of Investments	8,106,363	-
Gains (Loss) on Sale of Investment	4,568,775	-
	<hr/>	<hr/>
Total Investment Earnings	14,616,037	-
Less: Investment Expense	(417,965)	-
	<hr/>	<hr/>
Net Investment Earnings	14,198,072	-
	<hr/>	<hr/>
TOTAL ADDITIONS	26,154,502	1,697,995
	<hr/>	<hr/>
DEDUCTIONS:		
Benefits	10,165,487	1,589,802
Administrative Expenses	310,945	108,193
	<hr/>	<hr/>
TOTAL DEDUCTIONS	10,476,432	1,697,995
	<hr/>	<hr/>
Change in Net Position	15,678,070	-
	<hr/>	<hr/>
Net Position - Beginning	126,305,204	-
	<hr/>	<hr/>
NET POSITION - ENDING	\$ 141,983,274	-
	<hr/> <hr/>	<hr/> <hr/>

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

City Of Laredo (TMRS)

	2017	2016	2015
Total pension liability			
Service Cost	\$ 17,550,829	16,137,452	14,954,531
Interest (on the Total Pension Liability)	36,935,879	36,278,827	34,062,490
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,007,074)	(6,889,003)	(3,571,761)
Change of assumptions	-	(1,671,663)	-
Benefit payments, including refunds of employee contributions	(16,671,410)	(14,594,700)	(14,154,831)
Net Change in Total Pension Liability	35,808,224	29,260,913	31,290,429
Total Pension Liability-Beginning	546,758,492	517,497,579	486,207,150
Total Pension Liability-Ending	<u>\$ 582,566,716</u>	<u>546,758,492</u>	<u>517,497,579</u>
Plan Fiduciary Net Position			
Contributions-Employer	\$ 21,915,367	20,857,055	19,414,300
Contributions-Employee	7,206,069	6,894,937	6,639,377
Net Investment Income	25,837,605	544,191	19,324,455
Benefit payments, including refunds of employee contributions	(16,671,410)	(14,594,700)	(14,154,831)
Administrative Expense	(291,637)	(331,414)	(201,717)
Other	(15,713)	(16,368)	(16,584)
Net Change in Plan Fiduciary Net Position	37,980,281	13,353,701	31,005,000
Plan Fiduciary Net Position-Beginning	382,097,015	368,743,314	337,738,314
Plan Fiduciary Net Position-Ending	<u>\$ 420,077,296</u>	<u>382,097,015</u>	<u>368,743,314</u>
Net Pension Liability-Ending	<u>\$ 162,489,420</u>	<u>164,661,477</u>	<u>148,754,265</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 72.11%	 69.88%	 71.26%
 Covered Employee Payroll	 \$ 102,937,415	 98,459,134	 94,769,773
Net Pension Liability as a Percentage of Covered Employee Payroll	157.85%	167.24%	156.96%

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

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

Laredo Firefighters Retirement System

	2017	2016	2015
Total pension liability			
Service Cost	\$ 5,959,061	5,757,547	5,562,847
Interest (on the Total Pension Liability)	16,635,239	15,644,420	14,710,813
Changes of benefit terms	(4,481,331)	-	-
Difference between expected and actual experience	2,728,669	-	-
Change of assumptions	3,829,393	-	-
Benefit payments, including refunds of employee contributions	(9,340,307)	(9,096,190)	(8,500,340)
Net Change in Total Pension Liability	15,330,724	12,305,777	11,773,320
Total Pension Liability-Beginning	206,651,576	194,345,799	182,572,479
Total Pension Liability-Ending	<u>\$ 221,982,300</u>	<u>206,651,576</u>	<u>194,345,799</u>
Plan Fiduciary Net Position			
Contributions-Employer	\$ 6,801,034	6,222,249	6,044,620
Contributions-Employee	5,075,400	4,642,722	4,521,220
Net Investment Income	9,529,045	(5,430,523)	9,030,933
Benefit payments, including refunds of employee contributions	(9,340,307)	(9,096,190)	(8,500,340)
Administrative Expense	(209,946)	(239,505)	(221,416)
Other	11,587	-	-
Net Change in Plan Fiduciary Net Position	11,866,813	(3,901,247)	10,875,017
Plan Fiduciary Net Position-Beginning	114,438,391	118,339,638	107,464,621
Plan Fiduciary Net Position-Ending	<u>\$ 126,305,204</u>	<u>114,438,391</u>	<u>118,339,638</u>
Net Pension Liability-Ending	<u>\$ 95,677,096</u>	<u>92,213,185</u>	<u>76,006,161</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 56.90%	55.38%	60.89%
 Covered Employee Payroll	 \$ 33,836,000	30,951,453	31,185,860
Net Pension Liability as a Percentage of Covered Employee Payroll	282.77%	297.93%	243.72%

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

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

LTFMI Defined Benefit Plan

	2017	2016
Total pension liability		
Service Cost	\$ 169,500	160,902
Interest (on the Total Pension Liability)	660,804	608,457
Changes of benefit terms	-	-
Difference between expected and actual experience	139,715	-
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	(150,612)	(116,526)
Net Change in Total Pension Liability	819,407	652,833
Total Pension Liability-Beginning	9,725,274	9,072,441
Total Pension Liability-Ending	<u>\$ 10,544,681</u>	<u>9,725,274</u>
Plan Fiduciary Net Position		
Contributions-Employer	\$ 877,000	600,000
Contributions-Employee	54,373	54,264
Net Investment Income	671,821	483,385
Benefit payments, including refunds of employee contributions	(150,612)	(116,526)
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	1,452,582	1,021,123
Plan Fiduciary Net Position-Beginning	6,948,354	5,927,231
Plan Fiduciary Net Position-Ending	<u>\$ 8,400,936</u>	<u>6,948,354</u>
Net Pension Liability-Ending	<u>\$ 2,143,745</u>	<u>2,776,920</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 79.67%	 71.45%
 Covered Employee Payroll	 \$ 6,873,995	 6,772,317
Net Pension Liability as a Percentage of Covered Employee Payroll	31.19%	41.00%

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

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

City of Laredo (TMRS)

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2015	\$ 20,612,369	\$ 20,612,369	\$ -	\$ 94,769,773	21.75%	\$ 6,815,346
9/30/2016	\$ 22,695,362	\$ 22,695,362	\$ -	\$ 98,459,134	23.05%	\$ 7,406,657
9/30/2017	\$ 22,611,153	\$ 22,611,153	\$ -	\$ 102,937,415	21.97%	\$ 7,403,182

Laredo Firefighters Retirement System

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2015	\$ 6,221,242	\$ 6,221,242	\$ -	\$31,185,860	19.95%	\$ 4,642,722
9/30/2016	\$ 6,801,034	\$ 6,801,034	\$ -	\$30,951,453	21.97%	\$ 5,075,400
9/30/2017	\$ 6,845,693	\$ 6,845,693	\$ -	\$33,836,000	20.23%	\$ 5,109,297

LTMI Defined Benefit Plan

Fiscal Year	Annual Required Contributions (ARC)	Contributions Made	Contribution (Deficiency) Excess	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll	Employee Contributions
9/30/2016	\$ 600,000	\$ 600,000	\$ -	\$ 6,772,317	8.86%	\$ 54,264
9/30/2017	\$ 877,000	\$ 877,000	\$ -	\$ 6,873,995	12.76%	\$ 54,373

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

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DEBT SERVICE

**CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2017**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes:				
Current	\$ 17,196,354	17,196,354	17,300,742	104,388
Delinquent - Prior	245,827	245,827	353,989	108,162
Total Taxes	17,442,181	17,442,181	17,654,731	212,550
Investment Income:				
Interest Earnings	54,300	54,300	70,850	16,550
Total Investment Income	54,300	54,300	70,850	16,550
Special Assessments:				
Paving Assessments	5,114	5,114	3,520	(1,594)
Total Special Assessments	5,114	5,114	3,520	(1,594)
Miscellaneous:				
Reimbursements	-	-	156,836	156,836
Interest Rebates	273,613	273,613	279,312	5,699
Total Miscellaneous	273,613	273,613	436,148	162,535
TOTAL REVENUES	17,775,208	17,775,208	18,165,249	390,041
EXPENDITURES:				
Principal Retirement:				
General Obligations Debt	2,834,667	2,834,667	2,834,662	5
Revenue Bonds Debt	2,160,000	2,245,000	2,245,000	-
Contractual Obligations Debt	8,409,869	9,407,513	10,060,665	(653,152)
Total Principal Retirement	13,404,536	14,487,180	15,140,327	(653,147)
Interest:				
General Obligations Debt	4,186,068	4,186,068	4,185,904	164
Revenue Bonds Debt	1,303,213	1,131,414	1,131,413	1
Contractual Obligations Debt	3,159,521	4,343,740	4,343,736	4
Total Interest	8,648,802	9,661,222	9,661,053	169
Other:				
Contractual Services	18,000	18,000	15,362	2,638
Other	2,100,000	4,936	4,936	-
Fiscal Agent Fees	12,000	12,000	12,542	(542)
Total Other	2,130,000	34,936	32,840	2,096
TOTAL EXPENDITURES	24,183,338	24,183,338	24,834,220	(650,882)
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (6,408,130)	(6,408,130)	(6,668,971)	(260,841)

(Continued)

CITY OF LAREDO, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
Year Ended September 30, 2017

(Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Airport	\$ 497,138	497,138	-	(497,138)
Environmental Services	2,196,754	2,196,754	2,196,754	-
Parking Meters	186,032	186,032	186,032	-
Sports and Community Venue	3,463,213	3,463,213	3,463,213	-
Contractual Obligations Fund	-	-	11,331	11,331
2007 Certificate of Obligation	-	-	7,566	7,566
2008 Certificate of Obligation	-	-	299,621	299,621
2010 Tax Certificate of Obligation	-	-	13	13
Bridge System	774,110	774,110	774,110	-
TOTAL OTHER FINANCING SOURCES (USES):	7,117,247	7,117,247	6,938,640	(178,607)
Net Change in Fund Balances	709,117	709,117	269,669	(439,448)
Fund Balances-Beginning	4,343,510	4,348,066	4,348,066	-
Fund Balances-Ending	\$ 5,052,627	5,057,183	4,617,735	(439,448)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Revenue Funds include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SPORTS AND COMMUNITY VENUE - to account for the sales tax proceeds of 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.

ANIMAL CARE - to account for the operation of the City's animal shelter and animal control.

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

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 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.

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

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, 2017**

(Continued)

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ 100	-	-	-	-
Equity in Investment Pool	6,610	-	596	-	-
Cash with Fiscal Agent	-	-	-	-	-
Investments	1,025,763	13,479	113,627	-	-
Receivables, net of allowances:					
Accrued Interest	5,152	68	571	-	10,948
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	940	-	-	-	-
Notes	-	1,473,478	13,954,463	-	1,042,720
Due from Other Funds	-	-	-	-	-
Due from Other Governments	173,382	-	142,670	411	-
Inventory	-	-	-	-	-
TOTAL ASSETS	1,211,947	1,487,025	14,211,927	411	1,053,668
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	21,660	5	734	-	-
Retainage Payable	38,790	-	-	-	-
Accrued Wages and Employee Benefits	22,294	87	1,191	134	-
Contracts Payable	15,850	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	277	-
Due to Other Governments	-	-	-	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	1,113,353	1,473,478	13,954,463	-	1,053,668
TOTAL LIABILITIES	1,211,947	1,473,570	13,956,388	411	1,053,668
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	13,455	255,539	-	-
Committed	290,901	-	-	265,065	-
Assigned	-	-	-	-	-
Unassigned	(290,901)	-	-	(265,065)	-
TOTAL FUND BALANCES	-	13,455	255,539	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,211,947	1,487,025	14,211,927	411	1,053,668

(Continued)

(Continued)

SPECIAL REVENUE					
AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 EMERGENCY COMM. FUND	HEALTH FUND	INT'L AIRPORT
-	5,000	-	200	3,875	2,300
885	14,580	-	827	10,089	45,058
-	-	-	-	-	-
149,249	2,289,441	-	117,007	1,569,457	7,063,596
750	11,500	-	588	7,883	35,481
-	-	-	-	-	-
-	-	-	592	23,522	142,372
-	-	-	-	-	-
-	-	-	-	-	-
202,295	173,850	249,054	228,993	2,480,309	9,962
-	-	-	-	5,970	-
353,179	2,494,371	249,054	348,207	4,101,105	7,298,769
1,629	61,041	-	339,234	495,180	146,571
-	-	-	-	-	-
17,803	9,680	23,105	8,302	202,067	47,134
-	-	-	-	-	-
-	-	-	-	-	59,306
-	-	223,615	-	-	-
-	36,733	-	-	7,850	14,620
-	-	-	-	-	-
-	-	-	-	1,645,783	319,959
19,432	107,454	246,720	347,536	2,350,880	587,590
-	-	-	-	5,970	-
333,747	2,386,917	2,334	671	1,425,204	319,959
-	-	-	1,111,229	313,779	365,657
-	-	-	-	5,272	6,025,563
-	-	-	(1,111,229)	-	-
333,747	2,386,917	2,334	671	1,750,225	6,711,179
353,179	2,494,371	249,054	348,207	4,101,105	7,298,769

(Continued)

**CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2017**

(Continued)

	SPECIAL REVENUE				
	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	LAREDO CONVENT. & VISITORS	RECREATION FUND	PARKING METERS
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	-	1,550	-	925
Equity in Investment Pool	31,710	4,879	2,109	4,610	11,338
Cash with Fiscal Agent	-	-	-	-	-
Investments	4,975,927	758,987	338,021	707,764	1,787,610
Receivables, net of allowances:					
Accrued Interest	24,994	3,812	1,698	3,555	8,979
Hotel-Motel Tax, Penalty and Interest	118,722	-	-	-	-
Accounts	-	81,047	590	-	373,646
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	5,151,353	848,725	343,968	715,929	2,182,498
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	66,278	1,149	89,050	60,104	16,708
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	-	-	14,694	319	18,200
Contracts Payable	-	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	82	-	-
Due to Developers	-	-	-	-	-
Deferred Revenue	119,920	-	5,000	-	378,852
TOTAL LIABILITIES	186,198	1,149	108,826	60,423	413,760
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	4,965,155	766,560	235,142	-	-
Committed	-	132	-	8,752	39,375
Assigned	-	80,884	-	646,754	1,729,363
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	4,965,155	847,576	235,142	655,506	1,768,738
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,151,353	848,725	343,968	715,929	2,182,498

(Continued)

(Continued)

SPECIAL REVENUE

ENVIRONMENTAL SERVICES	KEEP LAREDO BEAUTIFUL	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.
350	-	-	-	31,700	-
24,935	151	3,024	146,066	-	208
-	-	-	-	1,139,462	-
8,202,633	18,721	477,649	24,617,893	-	46,543
21,222	94	2,399	115,199	-	234
-	-	-	-	-	-
412,036	-	33,944	-	214,591	-
11,358	-	-	-	-	-
-	-	-	37,584	5,422	-
167,329	-	-	-	-	-
-	-	-	-	78,813	-
8,839,863	18,966	517,016	24,916,742	1,469,988	46,985
208,489	4,733	21,464	53,311	486,668	1,060
-	-	-	-	-	-
40,549	3,201	6,443	3,110	-	-
75,017	-	-	-	-	-
-	-	128,749	-	-	-
-	-	-	5,422	37,584	-
-	-	-	-	-	-
-	-	-	-	-	-
11,474	-	15,292	-	945,736	-
335,529	7,934	171,948	61,843	1,469,988	1,060
-	-	-	-	78,813	-
4,297,584	-	345,068	24,854,899	-	45,925
594,420	11,032	-	-	-	-
3,612,330	-	-	-	-	-
-	-	-	-	(78,813)	-
8,504,334	11,032	345,068	24,854,899	-	45,925
8,839,863	18,966	517,016	24,916,742	1,469,988	46,985

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2017

(Continued)

	SPECIAL REVENUE				
	MAX MANDEL GOLF COURSE	ANIMAL CARE	PARKLAND ACQUISITION PARK IMPROVEMENTS	POLICE TRUST FUND	SUBDIVISION TRUST FUND
ASSETS					
Cash and Cash Equivalents:					
Cash	\$ -	700	-	-	-
Equity in Investment Pool	1,201	448	1,417	8,781	1,143
Cash with Fiscal Agent	40,247	-	-	-	-
Investments	172,391	77,745	224,394	1,358,064	171,351
Receivables, net of allowances:					
Accrued Interest	866	391	1,127	6,822	861
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-
Accounts	48,049	-	-	222	-
Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventory	43,514	-	-	-	-
TOTAL ASSETS	306,268	79,284	226,938	1,373,889	173,355
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	44,545	51,217	9	17,415	5
Retainage Payable	-	-	-	-	-
Accrued Wages and Employee Benefits	-	28,067	-	-	-
Contracts Payable	-	-	-	-	-
Customer Deposits	14,898	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	6,174	-	-	-	-
Due to Developers	-	-	-	-	173,350
Deferred Revenue	81,940	-	-	-	-
TOTAL LIABILITIES	147,557	79,284	9	17,415	173,355
Fund Balances:					
Nonspendable	43,514	-	-	-	-
Restricted	-	-	226,929	1,356,474	-
Committed	-	-	-	-	-
Assigned	115,197	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	158,711	-	226,929	1,356,474	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 306,268	79,284	226,938	1,373,889	173,355

(Continued)

(Continued)

CAPITAL PROJECTS					
PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 08 ISSUE	CERTIFICATE OF OBLIGATION 09 ISSUE	CERTIFICATE OF OBLIGATION 12 ISSUE
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,943,147	229,491	316,573	309,093
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,832	-	-	-	-
999	169,567	-	-	-	-
-	-	-	-	-	-
999	171,399	1,943,147	229,491	316,573	309,093
-	10,104	109,813	214,508	140,013	348
-	-	-	283	20,000	-
-	-	-	-	-	-
-	-	-	-	-	-
665	161,294	-	-	-	9,176
-	-	-	-	-	-
-	-	-	-	-	-
100	-	-	-	-	-
765	171,398	109,813	214,791	160,013	9,524
-	-	-	-	-	-
234	1	-	14,700	156,560	299,569
-	-	278,307	-	-	-
-	-	1,555,027	-	-	-
-	-	-	-	-	-
234	1	1,833,334	14,700	156,560	299,569
999	171,399	1,943,147	229,491	316,573	309,093

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2017

	CAPITAL PROJECTS					PERMANENT FUND	
	CERTIFICATE OF OBLIGATION 14 ISSUE	CERTIFICATE OF OBLIGATION 15 ISSUE	CERTIFICATE OF OBLIGATION 16 ISSUE	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash and Cash Equivalents:							
Cash	\$ -	-	-	-	-	-	46,700
Equity in Investment Pool	-	-	-	30,678	186,703	464	538,510
Cash with Fiscal Agent	-	-	-	-	-	-	1,179,709
Investments	423,059	6,171,649	17,690,471	4,845,625	29,291,846	73,585	117,571,851
Receivables, net of allowances:							
Accrued Interest	-	1,662	64,320	24,182	147,134	370	502,862
Hotel-Motel Tax, Penalty and Interest	-	-	-	-	-	-	118,722
Accounts	-	-	-	-	50,000	-	1,381,551
Notes	-	-	-	-	-	-	16,482,019
Due from Other Funds	-	-	150,534	-	357	-	195,729
Due from Other Governments	-	-	-	654,849	1,808,450	-	6,462,120
Inventory	-	-	-	-	-	-	128,297
TOTAL ASSETS	423,059	6,173,311	17,905,325	5,555,334	31,484,490	74,419	144,608,070
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	3,227	43,028	359,913	219,743	12,522	3	3,301,481
Retainage Payable	7,229	76,731	64,368	381,367	-	-	588,768
Accrued Wages and Employee Benefits	-	475	3,109	3,751	4,160	-	457,875
Contracts Payable	-	138,543	136,901	-	-	-	366,311
Customer Deposits	-	-	-	-	-	-	202,953
Due to Other Funds	-	143,547	-	-	-	-	581,580
Due to Other Governments	-	-	-	-	-	-	65,459
Due to Developers	-	-	-	-	-	-	173,350
Deferred Revenue	-	-	-	-	58,310	-	21,177,328
TOTAL LIABILITIES	10,456	402,324	564,291	604,861	74,992	3	26,915,105
Fund Balances:							
Nonspendable	-	-	-	-	-	50,000	178,297
Restricted	412,603	5,770,987	17,341,034	4,950,473	267,055	24,416	71,069,194
Committed	-	-	-	-	362,632	-	3,641,281
Assigned	-	-	-	-	30,779,811	-	44,550,201
Unassigned	-	-	-	-	-	-	(1,746,008)
TOTAL FUND BALANCES	412,603	5,770,987	17,341,034	4,950,473	31,409,498	74,416	117,692,965
TOTAL LIABILITIES AND FUND BALANCES	\$ 423,059	6,173,311	17,905,325	5,555,334	31,484,490	74,419	144,608,070

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CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2017

(Continued)

	SPECIAL REVENUE				
	BLOCK GRANTS	HOUSING REHAB	HOME INVESTMENT	EMERGENCY SHELTER	HOME INV. AFFORDABLE HOUSING
REVENUES:					
Taxes	\$ -	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	3,264,422	-	820,653	309,641	-
State	-	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	-	-	-	-	-
Investment Income:					
Interest Earnings	-	183	486	-	42
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	616,215	39,956	117,131	-	52,038
Other	-	-	-	-	-
TOTAL REVENUES	3,880,637	40,139	938,270	309,641	52,080
EXPENDITURES:					
Public Safety	456,702	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	1,129,408	35,900	820,653	309,641	1
Cultural and Recreational	131,351	-	-	-	-
General Government	513,380	8,697	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	2,230,841	44,597	820,653	309,641	1
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	1,649,796	-	-	-	-
TOTAL EXPENDITURES	3,880,637	44,597	820,653	309,641	1
Excess (Deficiency) of Revenues Over Expenditures	-	(4,458)	117,617	-	52,079
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	69,559	-	-
Transfers Out	-	-	-	-	(52,079)
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	69,559	-	(52,079)
Net Change in Fund Balance	-	(4,458)	187,176	-	-
Fund Balances at Beginning of Year	-	17,913	68,363	-	-
Prior Period Adjustment	-	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	13,455	255,539	-	-

(Continued)

(Continued)

SPECIAL REVENUE				
AUTO THEFT TASK FORCE	FINANCIAL TASK FORCE	SPECIAL POLICE PROGRAM	911 REGIONAL COMM. FUND	HEALTH FUND
-	-	-	-	-
-	-	-	-	436,712
-	927,512	1,121,529	-	1,963,589
638,055	-	396,470	2,212,970	8,483,230
-	-	-	-	390,632
-	-	-	-	-
-	-	-	-	-
-	-	-	-	719,341
284	19,830	-	2,743	15,913
-	-	-	-	339
-	-	-	-	1,049
-	-	-	-	-
89	38,907	8,307	-	374,847
-	788	-	-	552,925
638,428	987,037	1,526,306	2,215,713	12,938,577
991,228	813,251	1,457,836	2,205,729	-
-	-	-	-	-
-	-	-	-	15,501,746
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
991,228	813,251	1,457,836	2,205,729	15,501,746
-	-	-	-	-
-	-	-	-	-
-	157,510	294,852	9,984	346,048
991,228	970,761	1,752,688	2,215,713	15,847,794
(352,800)	16,276	(226,382)	-	(2,909,217)
372,560	-	218,759	-	2,949,462
-	-	-	-	-
-	-	-	-	-
372,560	-	218,759	-	2,949,462
19,760	16,276	(7,623)	-	40,245
313,987	2,370,641	9,957	671	1,709,980
-	-	-	-	-
333,747	2,386,917	2,334	671	1,750,225

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2017

(Continued)

	SPECIAL REVENUE				
	INT'L. AIRPORT	HOTEL/MOTEL OCCUPANCY TAX	PUBLIC ACCESS CHANNEL	LAREDO CONVENT. & VISITORS	RECREATION FUND
REVENUES:					
Taxes	\$ -	3,842,751	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental:					
Federal	43,388	-	-	-	-
State	1,541	-	-	-	-
Other	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	-	-	-	-	-
Fees and Collections	508,841	-	312,102	48,304	387,355
Investment Income:					
Interest Earnings	23,022	49,051	6,530	173	5,725
Rents and Royalties	5,513,625	-	-	-	-
Discount Earnings	148	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	147,050	-
Reimbursements	391,453	125	-	2,042	60
Other	-	-	-	-	-
TOTAL REVENUES	6,482,018	3,891,927	318,632	197,569	393,140
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	1,070,419	4,750	2,697,752	466,586
General Government	-	-	-	-	-
Air Transportation Services	6,709,908	-	-	-	-
Total Operating Expenditures	6,709,908	1,070,419	4,750	2,697,752	466,586
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	182,450	-	198,148	-	42,283
TOTAL EXPENDITURES	6,892,358	1,070,419	202,898	2,697,752	508,869
Excess (Deficiency) of Revenues Over Expenditures	(410,340)	2,821,508	115,734	(2,500,183)	(115,729)
OTHER FINANCING SOURCES (USES):					
Transfers In	750,000	-	-	2,537,361	242,825
Transfers Out	(1,158,003)	(2,942,274)	-	-	-
Sale of Assets	576,045	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	168,042	(2,942,274)	-	2,537,361	242,825
Net Change in Fund Balance	(242,298)	(120,766)	115,734	37,178	127,096
Fund Balances at Beginning of Year	1,785,048	5,085,921	731,842	197,964	528,410
Prior Period Adjustment	5,168,429	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ 6,711,179	4,965,155	847,576	235,142	655,506

(Continued)

(Continued)

SPECIAL REVENUE				
PARKING METERS	ENVIRO. SERVICES	KEEP LAREDO BEAUTIFUL, INC. FUND	NOISE ABATE. LEASE PROGRAM	SPORTS & COMMUNITY VENUE
-	-	-	-	7,883,571
9,207	321,800	-	-	-
-	-	-	-	-
-	174,661	-	-	-
300	17,000	9,000	-	-
-	6,901,416	-	-	-
483,174	-	-	-	-
1,344,067	-	-	39,643	-
18,743	76,038	11	6,051	216,904
4	-	-	1,708,358	-
557	6,478	-	454	-
-	-	2,525	-	-
106	22,282	-	6,132	27,693
-	-	-	-	-
1,856,158	7,519,675	11,536	1,760,638	8,128,168
1,585,680	-	-	-	-
-	-	-	-	-
-	4,437,463	130,247	1,161,760	-
-	-	-	-	684,885
-	-	-	-	-
-	-	-	-	-
1,585,680	4,437,463	130,247	1,161,760	684,885
-	-	-	-	-
-	-	-	-	-
35,417	2,085,786	-	67,025	186,328
1,621,097	6,523,249	130,247	1,228,785	871,213
235,061	996,426	(118,711)	531,853	7,256,955
-	183,742	121,155	-	-
(436,032)	(2,317,909)	-	(750,000)	(4,962,941)
-	-	-	106	-
(436,032)	(2,134,167)	121,155	(749,894)	(4,962,941)
(200,971)	(1,137,741)	2,444	(218,041)	2,294,014
1,969,709	9,642,075	8,588	563,109	22,560,885
-	-	-	-	-
1,768,738	8,504,334	11,032	345,068	24,854,899

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2017

(Continued)

	SPECIAL REVENUE					
	LAREDO ENERGY ARENA	LDO PUBLIC FACILITY CORP.	MAX MANDEL GOLF COURSE	ANIMAL CARE	PARKLAND ACQUISITION/ PARK IMPROVEMENTS	POLICE TRUST FUND
REVENUES:						
Taxes	\$ -	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Other	-	-	-	-	-	-
Charges for Services	3,321,760	-	892,853	-	-	-
Fines	-	-	-	-	-	-
Fees and Collections	-	-	-	79,720	199,704	-
Investment Income:						
Interest Earnings	-	540	-	131	625	13,202
Rents and Royalties	-	-	-	-	-	-
Discount Earnings	-	-	-	-	-	-
Miscellaneous:						
Local Contributions	-	-	5,000	575	26,600	-
Reimbursements	-	24,367	-	9,539	-	-
Other	-	-	-	-	-	427,794
TOTAL REVENUES	3,321,760	24,907	897,853	89,965	226,929	440,996
EXPENDITURES:						
Public Safety	-	-	-	-	-	523,213
Public Works	-	-	-	-	-	-
Health and Welfare	-	72,340	-	1,841,522	-	-
Cultural and Recreational	4,821,488	-	1,504,293	-	-	-
General Government	-	-	-	-	-	-
Air Transportation Services	-	-	-	-	-	-
Total Operating Expenditures	4,821,488	72,340	1,504,293	1,841,522	-	523,213
Debt Service:						
Principal	-	-	56,568	-	-	68,950
Interest	-	-	8,784	-	-	2,062
Capital Outlay	-	-	-	-	-	41,472
TOTAL EXPENDITURES	4,821,488	72,340	1,569,645	1,841,522	-	635,697
Excess (Deficiency) of Revenues Over Expenditures	(1,499,728)	(47,433)	(671,792)	(1,751,557)	226,929	(194,701)
OTHER FINANCING SOURCES (USES):						
Transfers In	1,499,728	-	481,784	1,751,557	-	-
Transfers Out	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	163,455
TOTAL OTHER FINANCING SOURCES (USES)	1,499,728	-	481,784	1,751,557	-	163,455
Net Change in Fund Balance	-	(47,433)	(190,008)	-	226,929	(31,246)
Fund Balances at Beginning of Year	-	93,358	348,719	-	-	1,387,720
Prior Period Adjustment	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	45,925	158,711	-	226,929	1,356,474

(Continued)

(Continued)

CAPITAL PROJECTS				
PARKS CAPITAL GRANTS	CAPITAL GRANTS	CONTRACTUAL OBLIGATIONS	CERTIFICATE OF OBLIGATION 07 ISSUE	CERTIFICATE OF OBLIGATION 08 ISSUE
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	204,366	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
222	36	19,302	13	2,256
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	10,421	-	-
222	204,402	29,723	13	2,256
-	-	-	-	-
-	-	41,392	-	393,377
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	41,392	-	393,377
-	-	-	-	-
-	-	-	-	-
-	315,066	618,876	-	17,599
-	315,066	660,268	-	410,976
222	(110,664)	(630,545)	13	(408,720)
-	110,665	-	-	-
-	-	(11,331)	(7,566)	(299,620)
-	-	-	-	299,621
-	110,665	(11,331)	(7,566)	1
222	1	(641,876)	(7,553)	(408,719)
12	-	2,475,210	7,553	423,419
-	-	-	-	-
234	1	1,833,334	-	14,700

(Continued)

CITY OF LAREDO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year ended September 30, 2017

(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	4,510	95	3,784	6,755	75,503
Rents and Royalties	-	-	-	-	-
Discount Earnings	-	-	-	-	-
Miscellaneous:					
Local Contributions	-	-	-	-	-
Reimbursements	-	-	30,499	-	59,002
Other	-	-	-	-	-
TOTAL REVENUES	4,510	95	34,283	6,755	134,505
EXPENDITURES:					
Public Safety	-	-	-	-	-
Public Works	80,953	9,711	2,345	1,322	665,076
Health and Welfare	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
General Government	-	-	-	-	-
Air Transportation Services	-	-	-	-	-
Total Operating Expenditures	80,953	9,711	2,345	1,322	665,076
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	690,646	11,030	311,515	706,747	4,015,412
TOTAL EXPENDITURES	771,599	20,741	313,860	708,069	4,680,488
Excess (Deficiency) of Revenues Over Expenditures	(767,089)	(20,646)	(279,577)	(701,314)	(4,545,983)
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	-	-
Transfers Out	-	(13)	(270,905)	-	(55,797)
Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(13)	(270,905)	-	(55,797)
Net Change in Fund Balance	(767,089)	(20,659)	(550,482)	(701,314)	(4,601,780)
Fund Balances at Beginning of Year	923,649	20,659	850,051	1,113,917	10,372,767
Prior Period Adjustment	-	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ 156,560	-	299,569	412,603	5,770,987

(Continued)

CERTIFICATE OF OBLIGATION 16 ISSUE	CAPITAL PROJECTS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	AIRPORT CONSTRUCTION FUND	CAPITAL IMPROVEMENT	CANSECO ENDOWMENT FUND	
-	-	-	-	11,726,322
-	-	-	-	767,719
-	10,002,558	1,577,931	-	20,031,223
-	49,997	229,697	-	12,390,987
-	-	-	-	416,932
-	-	-	-	11,116,029
-	-	-	-	483,174
-	-	-	-	3,639,077
173,706	37,374	261,158	663	1,041,604
-	-	-	-	7,222,326
4	-	-	-	8,690
-	-	238,756	-	420,506
37,678	-	-	-	1,858,468
-	95,100	603,420	-	1,690,448
211,388	10,185,029	2,910,962	663	72,813,505
-	-	-	-	8,033,639
38,007	2,456,593	671,402	-	4,360,178
-	-	-	-	25,440,681
-	-	-	-	11,381,524
-	-	-	-	522,077
-	-	-	-	6,709,908
38,007	2,456,593	671,402	-	56,448,007
-	-	-	-	125,518
-	-	-	-	10,846
6,968,876	9,214,335	1,655,954	-	29,823,155
7,006,883	11,670,928	2,327,356	-	86,407,526
(6,795,495)	(1,485,899)	583,606	663	(13,594,021)
-	1,158,003	6,394,684	-	18,841,844
-	-	(7,170,587)	-	(20,435,057)
-	-	-	-	1,039,227
-	1,158,003	(775,903)	-	(553,986)
(6,795,495)	(327,896)	(192,297)	663	(14,148,007)
24,136,529	5,278,369	31,601,795	73,753	126,672,543
-	-	-	-	5,168,429
17,341,034	4,950,473	31,409,498	74,416	117,692,965

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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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
CDBG Grants	\$ 26,338,829	3,264,422	29,603,251	33,351,355
Miscellaneous:				
Reimbursements	856,783	616,215	1,472,998	2,566,997
TOTAL REVENUES	27,195,612	3,880,637	31,076,249	35,918,352
EXPENDITURES:				
Public Safety	3,433,715	456,702	3,890,417	4,141,492
Health and Welfare	5,568,373	1,129,408	6,697,781	7,967,201
Cultural and Recreational	635,119	131,351	766,470	926,763
General Government	5,581,959	513,380	6,095,339	6,254,870
Capital Outlay	11,976,446	1,649,796	13,626,242	16,628,026
TOTAL EXPENDITURES	27,195,612	3,880,637	31,076,249	35,918,352
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, 2017

	<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	\$ -	-	183	-	183	183
Miscellaneous:						
Reimbursements	72,000	72,000	39,956	-	39,956	(32,044)
TOTAL REVENUES	72,000	72,000	40,139	-	40,139	(31,861)
EXPENDITURES:						
Administration:						
Personnel Services	8,626	8,776	8,697	-	8,697	79
Contractual Services	200	50	50	-	50	-
Total Administration	8,826	8,826	8,747	-	8,747	79
Housing Rehabilitation Loans:						
Contractual Services	63,174	63,174	35,850	-	35,850	27,324
Total Housing Rehabilitation Loans	63,174	63,174	35,850	-	35,850	27,324
TOTAL EXPENDITURES	72,000	72,000	44,597	-	44,597	27,403
Excess (Deficiency) of Revenues Over Expenditures	-	-	(4,458)	-	(4,458)	(4,458)
Fund Balances at Beginning of Year	9,950	17,913	17,913	-	17,913	-
FUND BALANCE AT END OF YEAR	\$ 9,950	17,913	13,455	-	13,455	(4,458)

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
HOME Grants	\$ 2,485,821	820,653	3,306,474	4,360,951
Investment Income:				
Interest Earnings	2,925	486	3,411	2,911
Miscellaneous:				
Reimbursements	1,053,751	117,131	1,170,882	1,245,020
TOTAL REVENUES	3,542,497	938,270	4,480,767	5,608,882
EXPENDITURES:				
Personnel Services	246,315	66,451	312,766	319,002
Materials and Supplies	4,992	811	5,803	6,017
Contractual Services	3,435,001	753,391	4,188,392	5,670,997
Other	-	-	-	288,428
Capital Outlay	463,407	-	463,407	-
TOTAL EXPENDITURES	4,149,715	820,653	4,970,368	6,284,444
Excess (Deficiency) of Revenues Over (Under) Expenditures	(607,218)	117,617	(489,601)	(675,562)
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Inv. Afford. Housing	680,054	52,079	732,133	680,035
Municipal Housing	-	17,480	17,480	-
Transfer Out:				
Home Inv. Afford. Housing	(4,473)	-	(4,473)	(4,473)
TOTAL OTHER FINANCING SOURCES:	675,581	69,559	745,140	675,562
Net Change in Fund Balances	\$ 68,363	187,176	255,539	-
Fund Balances-Beginning		68,363		
Fund Balances-Ending		\$ 255,539		

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Emergency Shelter Grants	\$ <u>329,248</u>	<u>309,641</u>	<u>638,889</u>	<u>921,066</u>
TOTAL REVENUES	<u>329,248</u>	<u>309,641</u>	<u>638,889</u>	<u>921,066</u>
EXPENDITURES:				
Personnel Services	31,750	6,540	38,290	54,499
Materials and Supplies	832	1,295	2,127	2,196
Contractual Services	<u>296,666</u>	<u>301,806</u>	<u>598,472</u>	<u>864,371</u>
TOTAL EXPENDITURES	<u>329,248</u>	<u>309,641</u>	<u>638,889</u>	<u>921,066</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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Las Terrazas Project	\$ 470,623	-	470,623	470,623
Fernando Salinas Elderly Project	-	-	-	44,567
Investment Income:				
Interest Earnings	1,779	42	1,821	1,770
Miscellaneous:				
Reimbursements	1,411,816	52,038	1,463,854	1,463,865
TOTAL REVENUES	1,884,218	52,080	1,936,298	1,980,825
EXPENDITURES:				
Contractual Services	170	1	171	43,157
Other	8,467	-	8,467	10,068
Capital Outlay	1,200,000	-	1,200,000	1,200,000
TOTAL EXPENDITURES	1,208,637	1	1,208,638	1,253,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	675,581	52,079	727,660	727,600
OTHER FINANCING SOURCES (USES):				
Transfer In:				
Home Investment Partnership	4,473	-	4,473	4,473
Transfer Out:				
Home Investment Fund	(680,054)	(52,079)	(732,133)	(732,073)
TOTAL OTHER FINANCING SOURCES:	(675,581)	(52,079)	(727,660)	(727,600)
Net Change in Fund Balances	\$ -	-	-	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ -		

CITY OF LAREDO, TEXAS
 AUTO THEFT TASK FORCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
REVENUES:						
Intergovernmental:						
State	\$ 637,768	1,223,677	638,055	-	638,055	(585,622)
Investment Income:						
Interest Earnings	300	300	284	-	284	(16)
Miscellaneous:						
Reimbursements	-	-	89	-	89	89
TOTAL REVENUES	638,068	1,223,977	638,428	-	638,428	(585,549)
EXPENDITURES:						
Personnel Services	883,268	1,669,250	849,241	-	849,241	820,009
Contractual Services	138,060	237,759	141,987	-	141,987	95,772
Other	92,167	106,382	-	-	-	106,382
Total Operating Expenditures	1,113,495	2,013,391	991,228	-	991,228	1,022,163
TOTAL EXPENDITURES	1,113,495	2,013,391	991,228	-	991,228	1,022,163
Excess (Deficiency) of Revenues Over Expenditures	(475,427)	(789,414)	(352,800)	-	(352,800)	436,614
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	475,427	475,427	372,560	-	372,560	(102,867)
TOTAL OTHER FINANCING SOURCES (USES)	475,427	475,427	372,560	-	372,560	(102,867)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	(313,987)	19,760	-	19,760	333,747
Fund Balances at Beginning of Year	-	313,987	313,987	-	313,987	-
FUND BALANCES AT END OF YEAR	\$ -	-	333,747	-	333,747	333,747

**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, 2017**

	<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	\$ 817,908	1,525,793	927,512	-	927,512	(598,281)
Investment Income:						
Interest Earnings	12,400	12,400	19,830	-	19,830	7,430
Miscellaneous:						
Forfeitures	320,000	320,000	38,907	-	38,907	(281,093)
Other	-	-	788	-	788	788
TOTAL REVENUES	1,150,308	1,858,193	987,037	-	987,037	(871,156)
EXPENDITURES:						
Personnel Services	467,576	1,309,375	776,099	-	776,099	533,276
Material and Supplies	31,800	44,209	12,610	2,376	14,986	29,223
Contractual Services	61,515	91,210	24,542	1	24,543	66,667
Other	457,017	143,478	-	-	-	143,478
Total Operating Expenditures	1,017,908	1,588,272	813,251	2,377	815,628	772,644
Capital Outlay	-	137,521	157,510	8,911	166,421	(28,900)
TOTAL EXPENDITURES	1,017,908	1,725,793	970,761	11,288	982,049	743,744
Excess (Deficiency) of Revenues Over						
Expenditures and Other Sources (Uses)	132,400	132,400	16,276	(11,288)	4,988	(127,412)
Fund Balances at Beginning of Year	2,434,471	2,370,641	2,370,641	-	2,370,641	-
FUND BALANCES AT END OF YEAR	\$ 2,566,871	2,503,041	2,386,917	(11,288)	2,375,629	(127,412)

**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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 2,249,528	2,977,912	1,121,529	-	1,121,529	(1,856,383)
State	976,664	976,664	396,470	-	396,470	(580,194)
Miscellaneous:						
Reimbursements	-	23,988	8,307	-	8,307	(15,681)
TOTAL REVENUES	3,226,192	3,978,564	1,526,306	-	1,526,306	(2,452,258)
EXPENDITURES:						
Police Grants:						
Click It or Ticket	26,400	22,376	9,001	-	9,001	13,375
Impaired Driving Mobilization	65,000	65,000	40,557	-	40,557	24,443
Alcohol Tobacco Firearms	97,404	94,163	82,367	-	82,367	11,796
Comprehensive Comm. Vehicle STEP	121,500	121,500	117,279	-	117,279	4,221
Comprehensive STEP	154,000	154,000	153,309	-	153,309	691
US Marshals - Sex Offenders	-	4,236	4,260	-	4,260	(24)
Customs Narcotics	118,184	118,184	79,644	-	79,644	38,540
Bulletproof Vest Partnership	60,000	-	-	-	-	-
Justice Assistance Grant	205,950	162,862	124,506	-	124,506	38,356
Body-Worn Camera Project	407,080	-	-	-	-	-
Fugitive Apprehension	19,481	19,481	18,535	-	18,535	946
Ldo. Joint Terrorism TF	22,340	22,340	9,835	-	9,835	12,505
Cops Program	467,064	-	-	-	-	-
OCDETF	55,744	46,351	44,386	-	44,386	1,965
FBI-Safe Streets	44,681	47,129	47,128	-	47,128	1
Stonegarden Grant	1,500,000	1,820,367	461,253	-	461,253	1,359,114
CBP Task Force	132,930	145,779	145,776	-	145,776	3
GDEM Border Security	300,000	300,000	120,000	-	120,000	180,000
Other	-	986,326	-	-	-	986,326
Total Operating Expenditures	3,797,758	4,130,094	1,457,836	-	1,457,836	2,672,258
Capital Outlay	-	420,036	294,852	-	294,852	125,184
TOTAL EXPENDITURES	3,797,758	4,550,130	1,752,688	-	1,752,688	2,797,442
Excess (Deficiency) of Revenues Over Expenditures	(571,566)	(571,566)	(226,382)	-	(226,382)	345,184
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	571,566	571,566	218,759	-	218,759	(352,807)
TOTAL OTHER FINANCING SOURCES (USES)	571,566	571,566	218,759	-	218,759	(352,807)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	(7,623)	-	(7,623)	(7,623)
Fund Balances at Beginning of Year	-	9,957	9,957	-	9,957	-
FUND BALANCES AT END OF YEAR	\$ -	9,957	2,334	-	2,334	(7,623)

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
State Emergency Commission	\$ 2,480,630	6,336,823	2,212,970	-	2,212,970	(4,123,853)
Investment Income:						
Interest Earnings	<u>1,000</u>	<u>1,000</u>	<u>2,743</u>	<u>-</u>	<u>2,743</u>	<u>1,743</u>
TOTAL REVENUES	<u>2,481,630</u>	<u>6,337,823</u>	<u>2,215,713</u>	<u>-</u>	<u>2,215,713</u>	<u>(4,122,110)</u>
EXPENDITURES:						
Personnel Services	495,129	1,133,267	426,964	-	426,964	706,303
Materials and Supplies	227,800	524,421	93,845	171,847	265,692	258,729
Contractual Services	1,632,700	4,021,044	1,324,816	733,971	2,058,787	1,962,257
Other	<u>3,645</u>	<u>3,965</u>	<u>360,104</u>	<u>-</u>	<u>360,104</u>	<u>(356,139)</u>
Total Operating Expenditures	2,359,274	5,682,697	2,205,729	905,818	3,111,547	2,571,150
Capital Outlay	<u>125,001</u>	<u>657,771</u>	<u>9,984</u>	<u>206,082</u>	<u>216,066</u>	<u>441,705</u>
TOTAL EXPENDITURES	<u>2,484,275</u>	<u>6,340,468</u>	<u>2,215,713</u>	<u>1,111,900</u>	<u>3,327,613</u>	<u>3,012,855</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,645)	(2,645)	-	(1,111,900)	(1,111,900)	(1,109,255)
Fund Balances at Beginning of Year	<u>2,645</u>	<u>671</u>	<u>671</u>	<u>-</u>	<u>671</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ <u>-</u>	<u>(1,974)</u>	<u>671</u>	<u>(1,111,900)</u>	<u>(1,111,229)</u>	<u>(1,109,255)</u>

**CITY OF LAREDO, TEXAS
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Intergovernmental:						
Federal Grants	\$ 2,109,069	5,600,451	1,963,589	-	1,963,589	(3,636,862)
State Grants	9,577,390	12,678,504	8,483,230	-	8,483,230	(4,195,274)
Other	639,046	915,355	390,632	-	390,632	(524,723)
Licenses and Permits	437,750	437,750	436,712	-	436,712	(1,038)
Fees and Collections	854,859	897,179	719,341	-	719,341	(177,838)
Investment Income:						
Interest Earnings	2,000	2,000	15,913	-	15,913	13,913
Rents and Royalties	956	956	339	-	339	(617)
Discount Earnings	-	-	1,049	-	1,049	1,049
Miscellaneous:						
Contributions	335,229	223,780	-	-	-	(223,780)
Reimbursements	436,463	1,012,869	374,847	-	374,847	(638,022)
Other	390,823	861,848	552,925	-	552,925	(308,923)
TOTAL REVENUES	14,783,585	22,630,692	12,938,577	-	12,938,577	(9,692,115)
EXPENDITURES:						
Administrative Divisions:						
Administration	1,448,328	1,448,187	1,299,513	(17,619)	1,281,894	166,293
Health Education	101,159	98,659	84,804	4,029	88,833	9,826
Vital Statistics	238,766	241,542	238,328	-	238,328	3,214
E.M.S. Billing	280,345	265,099	224,903	2,895	227,798	37,301
STD Clinic	82,114	82,236	70,406	1,654	72,060	10,176
Maternity	67,555	67,555	37,269	4,552	41,821	25,734
Immunization	254,203	256,772	220,134	21,652	241,786	14,986
Tuberculosis	150,209	150,209	135,041	1,816	136,857	13,352
Adult Health	50,805	50,805	42,836	-	42,836	7,969
Laboratory	809,644	819,403	777,304	21,141	798,445	20,958
Personal Health Services	71,856	71,856	42,645	-	42,645	29,211
Budget and Grant Management	397,582	399,067	381,262	-	381,262	17,805
Environmental	746,866	748,042	720,884	-	720,884	27,158
Animal Control	6,876	-	-	-	-	-
Animal Shelter	94,448	-	-	-	-	-
Total Administrative Divisions	<u>4,800,756</u>	<u>4,699,432</u>	<u>4,275,329</u>	<u>40,120</u>	<u>4,315,449</u>	<u>383,983</u>
State Grants:						
H.I.V. - Prevention	300,600	435,846	317,541	2,642	320,183	115,663
T.B. Federal - Tuberculosis	217,156	169,382	140,739	-	140,739	28,643
Primary Care	194,326	562,427	174,939	-	174,939	387,488
Tuberculosis Elimination	187,678	417,896	216,322	-	216,322	201,574
Immunization Action Plan	422,712	651,480	337,027	-	337,027	314,453
Bureau of Regional/Local Health Operations	905,601	1,653,006	543,994	20,216	564,210	1,088,796
Women Infant and Children (W.I.C.)	4,550,826	4,480,370	3,909,868	19,491	3,929,359	551,011
W.I.C. Counties Expansion	1,153,137	1,195,659	1,023,201	878	1,024,079	171,580
Bio-Terrorism Preparedness	331,135	653,662	327,398	1,473	328,871	324,791
Office of Border Health - Surveillance	3,000	11,550	1,400	-	1,400	10,150
Associateship for Community Health and Resource Development - Dental	75,000	139,500	69,750	-	69,750	69,750
Associateship for Community Health and Resource Development - Prenatal	\$ 43,490	79,705	41,406	-	41,406	38,299

(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, 2017**

(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.)	\$ 76,507	119,789	77,243	12,622	89,865	29,924
H.I.V. - Consortia (Ryan White)	419,041	613,595	369,344	110,659	480,003	133,592
HIV Social Services	140,110	600,427	254,635	-	254,635	345,792
Community Diabetes Program	69,162	69,162	-	-	-	69,162
Hospital Preparedness Program	164,669	297,429	126,160	-	126,160	171,269
Influenza Surveillance	10,000	10,000	-	-	-	10,000
Texas Healthy Communities	50,000	50,000	44,201	20	44,221	5,779
Ebola Preparedness	-	6,806	3,054	-	3,054	3,752
Ebola Surveillance	165,000	270,296	85,849	-	85,849	184,447
HPP Ebola Supplemental	-	6,843	5,531	-	5,531	1,312
Texas Adolescent Initiative	200,000	391,040	180,425	170	180,595	210,445
Zika PHPR	-	470,693	104,375	45,625	150,000	320,693
Nurse-Family Partnership	531,196	1,104,113	548,115	-	548,115	555,998
1115 Wavie Program	974,870	1,854,906	537,903	8,211	546,114	1,308,792
HIV and Mental Health Project	500,000	1,012,211	477,617	5	477,622	534,589
Healthy Disparities Initiative	-	24,304	19,773	-	19,773	4,531
Healthy Texas Women	-	1,200,440	325,792	10,881	336,673	863,767
Family Planning Open Enrollment	-	342,000	155,043	-	155,043	186,957
Women's Health and Family Planning	103,003	220,024	99,944	5,156	105,100	114,924
WHFPT - Client Transportation	-	3,000	3,000	-	3,000	-
Zika Data Collection	-	10,000	5,155	-	5,155	4,845
TAMU Si Texas	479,656	641,885	234,779	-	234,779	407,106
CHIP Perinate	23,159	23,159	9,811	-	9,811	13,348
Ventanilla de Salud Program	34,000	48,679	28,904	13,512	42,416	6,263
Fernando Salinas Trust	10,000	50,206	-	-	-	50,206
Ryan White Part D	54,662	103,857	60,665	-	60,665	43,192
Coastal Bend Wellness	-	10,000	426	-	426	9,574
Hepatitis B Program	15,750	15,750	4,801	-	4,801	10,949
Women and Children Health Program	371,000	380,105	357,964	175	358,139	21,966
Special Projects	344,334	213,816	2,323	-	2,323	211,493
Total State Grant Expenses	13,120,780	20,615,018	11,226,417	251,736	11,478,153	9,136,865
Total Operating Expenses	17,921,536	25,314,450	15,501,746	291,856	15,793,602	9,520,848
Capital Outlay	-	395,410	346,048	-	346,048	49,362
TOTAL EXPENDITURES	17,921,536	25,709,860	15,847,794	291,856	16,139,650	9,570,210
Excess (Deficiency) of Revenues Over Expenditures	(3,137,951)	(3,079,168)	(2,909,217)	(291,856)	(3,201,073)	(121,905)
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	2,949,462	2,949,462	2,949,462	-	2,949,462	-
TOTAL OTHER FINANCING SOURCES (USES)	2,949,462	2,949,462	2,949,462	-	2,949,462	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(188,489)	(129,706)	40,245	(291,856)	(251,611)	(121,905)
Fund Balances at Beginning of Year	-	1,709,980	1,709,980	(21,923)	1,688,057	(21,923)
FUND BALANCE AT END OF YEAR	\$ (188,489)	1,580,274	1,750,225	(313,779)	1,436,446	(143,828)

**CITY OF LAREDO, TEXAS
INTERNATIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017**

	<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	\$ 65,760	65,760	43,388	-	43,388	(22,372)
State	122,260	122,260	1,541	-	1,541	(120,719)
Fees and Collections	584,500	584,500	508,841	-	508,841	(75,659)
Investment Income:						
Interest Earnings	33,000	33,000	23,022	-	23,022	(9,978)
Discount Earnings	-	-	148	-	148	148
Rents and Royalties	5,588,263	5,588,263	5,513,625	-	5,513,625	(74,638)
Miscellaneous:						
Reimbursements	498,230	498,230	391,453	-	391,453	(106,777)
TOTAL REVENUES	6,892,013	6,892,013	6,482,018	-	6,482,018	(409,995)
EXPENDITURES:						
Administration:						
Personnel Services	729,856	736,853	633,375	-	633,375	103,478
Materials and Supplies	38,873	50,594	23,572	3,265	26,837	23,757
Contractual Services	2,741,800	2,787,099	2,519,208	72,353	2,591,561	195,538
Other	171,619	25,368	(31)	-	(31)	25,399
Total Administration	<u>3,682,148</u>	<u>3,599,914</u>	<u>3,176,124</u>	<u>75,618</u>	<u>3,251,742</u>	<u>348,172</u>
Building Maintenance:						
Personnel Services	738,518	774,695	546,533	-	546,533	228,162
Materials and Supplies	170,248	210,248	137,806	18,765	156,571	53,677
Contractual Services	1,068,201	995,452	536,155	131,481	667,636	327,816
Total Building Maintenance	<u>1,976,967</u>	<u>1,980,395</u>	<u>1,220,494</u>	<u>150,246</u>	<u>1,370,740</u>	<u>609,655</u>
Ground Maintenance:						
Personnel Services	411,045	411,045	395,073	-	395,073	15,972
Materials and Supplies	46,292	46,292	27,094	208	27,302	18,990
Contractual Services	176,400	170,511	119,519	28,063	147,582	22,929
Total Ground Maintenance	<u>633,737</u>	<u>627,848</u>	<u>541,686</u>	<u>28,271</u>	<u>569,957</u>	<u>57,891</u>
Airport Security:						
Personnel Services	1,277,226	1,271,293	1,226,691	-	1,226,691	44,602
Materials and Supplies	131,838	161,358	131,629	4,000	135,629	25,729
Contractual Services	197,258	203,215	133,364	30,430	163,794	39,421
Other	-	-	365	-	365	(365)
Total Airport Security	<u>\$ 1,606,322</u>	<u>1,635,866</u>	<u>1,492,049</u>	<u>34,430</u>	<u>1,526,479</u>	<u>109,387</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, 2017

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
Foreign Trade Zone:						
Personnel Services	\$ 30,029	30,029	5,148	-	5,148	24,881
Materials and Supplies	500	500	-	-	-	500
Contractual Services	5,500	5,500	500	-	500	5,000
Total Foreign Trade Zone	36,029	36,029	5,648	-	5,648	30,381
Federal Inspection Services:						
Personnel Services	224,376	228,836	217,269	-	217,269	11,567
Materials and Supplies	15,804	14,367	7,106	817	7,923	6,444
Contractual Services	180,462	167,940	49,532	174	49,706	118,234
Total Federal Inspection Services	420,642	411,143	273,907	991	274,898	136,245
Operation Stonegarden:						
Personnel Services	120,460	10,000	-	-	-	10,000
Other	-	110,460	-	-	-	110,460
Total Operation Stonegarden	120,460	120,460	-	-	-	120,460
Total Operating Expenditures	8,476,305	8,411,655	6,709,908	289,556	6,999,464	1,412,191
Capital Outlay	173,398	238,048	182,450	76,101	258,551	(20,503)
TOTAL EXPENDITURES	8,649,703	8,649,703	6,892,358	365,657	7,258,015	1,391,688
Excess (Deficiency) of Revenues Over Expenditures	(1,757,690)	(1,757,690)	(410,340)	(365,657)	(775,997)	981,693
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Noise Abatement Fund	750,000	750,000	750,000	-	750,000	-
Transfers Out:						
Debt Service	(497,138)	(497,138)	-	-	-	497,138
Airport Construction Fund	(1,158,003)	(1,158,003)	(1,158,003)	-	(1,158,003)	-
Sale of Assets	2,092,000	2,092,000	576,045	-	576,045	(1,515,955)
TOTAL OTHER FINANCING SOURCES (USES)	1,186,859	1,186,859	168,042	-	168,042	(1,018,817)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(570,831)	(570,831)	(242,298)	(365,657)	(607,955)	(37,124)
Fund Balances at Beginning of Year	2,878,530	1,785,048	1,785,048	-	1,785,048	-
Prior Period Adjustment	-	-	5,168,429	-	5,168,429	5,168,429
FUND BALANCE AT END OF YEAR	\$ 2,307,699	1,214,217	6,711,179	(365,657)	6,345,522	5,131,305

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Actual Budget Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:						
Taxes:						
Hotel-Motel Occupancy Tax	\$ 3,791,863	3,791,863	3,833,835	-	3,833,835	41,972
Penalty and Interest	9,328	9,328	8,916	-	8,916	(412)
Investment Income:						
Interest Earnings	25,600	25,600	49,051	-	49,051	23,451
Miscellaneous:						
Reimbursements	-	-	125	-	125	125
TOTAL REVENUES	3,826,791	3,826,791	3,891,927	-	3,891,927	65,136
EXPENDITURES:						
Contractual Services:						
Administration	-	-	(2,509)	3,550	1,041	(1,041)
Tourism and Promotion	268,750	268,750	260,560	371	260,931	7,819
Historical and Arts	1,187,856	1,187,856	812,368	49,932	862,300	325,556
TOTAL EXPENDITURES	1,456,606	1,456,606	1,070,419	53,853	1,124,272	332,334
Excess (Deficiency) of Revenues Over Expenditures	2,370,185	2,370,185	2,821,508	(53,853)	2,767,655	397,470
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
General Fund	(160,818)	(160,818)	(162,088)	-	(162,088)	(1,270)
Convention and Visitors Bureau	(3,297,333)	(3,297,333)	(2,537,361)	-	(2,537,361)	759,972
Recreation Fund	(300,000)	(300,000)	(242,825)	-	(242,825)	57,175
TOTAL OTHER FINANCING SOURCES (USES)	(3,758,151)	(3,758,151)	(2,942,274)	-	(2,942,274)	815,877
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,387,966)	(1,387,966)	(120,766)	(53,853)	(174,619)	1,213,347
Fund Balances at Beginning of Year	4,817,042	5,085,921	5,085,921	3,550	5,089,471	3,550
FUND BALANCES AT END OF YEAR	\$ 3,429,076	3,697,955	4,965,155	(50,303)	4,914,852	1,216,897

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, 2017

	<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	\$ 303,960	303,960	312,102	-	312,102	8,142
Investment Income:						
Interest Earnings	3,100	3,100	6,530	-	6,530	3,430
TOTAL REVENUES	307,060	307,060	318,632	-	318,632	11,572
EXPENDITURES:						
Materials and Supplies	-	24,800	4,750	-	4,750	20,050
Other	648,921	648,921	-	-	-	648,921
Total Operating Expenditures	648,921	673,721	4,750	-	4,750	668,971
Capital Outlay	287,261	262,461	198,148	132	198,280	64,181
TOTAL EXPENDITURES	936,182	936,182	202,898	132	203,030	733,152
Excess (Deficiency) of Revenues Over Expenditures	(629,122)	(629,122)	115,734	(132)	115,602	744,724
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(629,122)	(629,122)	115,734	(132)	115,602	744,724
Fund Balances at Beginning of Year	626,861	731,842	731,842	-	731,842	-
FUND BALANCE AT END OF YEAR	\$ (2,261)	102,720	847,576	(132)	847,444	744,724

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, 2017

	<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	\$ 34,400	34,400	48,304	-	48,304	13,904
Investment Income:						
Interest Earnings	-	-	173	-	173	173
Miscellaneous:						
Contributions	106,000	106,000	147,050	-	147,050	41,050
Reimbursements	51,100	51,100	2,042	-	2,042	(49,058)
TOTAL REVENUES	191,500	191,500	197,569	-	197,569	6,069
EXPENDITURES:						
Personnel Services	730,360	730,360	730,734	-	730,734	(374)
Materials and Supplies	238,243	267,530	188,058	21,308	209,366	58,164
Contractual Services	2,582,530	2,668,577	1,778,960	213,834	1,992,794	675,783
Other	125,666	10,332	-	-	-	10,332
Total Operating Expenditures	3,676,799	3,676,799	2,697,752	235,142	2,932,894	743,905
Capital Outlay	10,000	10,000	-	-	-	10,000
TOTAL EXPENDITURES	3,686,799	3,686,799	2,697,752	235,142	2,932,894	753,905
Excess (Deficiency) of Revenues Over Expenditures	(3,495,299)	(3,495,299)	(2,500,183)	(235,142)	(2,735,325)	759,974
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	3,297,333	3,297,333	2,537,361	-	2,537,361	(759,972)
TOTAL OTHER FINANCING SOURCES (USES)	3,297,333	3,297,333	2,537,361	-	2,537,361	(759,972)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(197,966)	(197,966)	37,178	(235,142)	(197,964)	2
Fund Balances at Beginning of Year	-	197,964	197,964	-	197,964	-
FUND BALANCE AT END OF YEAR	\$ (197,966)	(2)	235,142	(235,142)	-	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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Negative
REVENUES:						
Investment Income:						
Interest Earnings	\$ 1,800	1,800	5,725	-	5,725	3,925
Fees and Collections	302,830	302,830	387,355	-	387,355	84,525
Miscellaneous:						
Reimbursements	-	-	60	-	60	60
TOTAL REVENUES	304,630	304,630	393,140	-	393,140	88,510
EXPENDITURES:						
Personnel Services	103,690	103,690	118,055	-	118,055	(14,365)
Materials and Supplies	119,942	237,942	177,572	5,775	183,347	54,595
Contractual Services	141,341	227,341	170,949	2,977	173,926	53,415
Other	282,053	35,053	10	-	10	35,043
Total Operating Expenditures	647,026	604,026	466,586	8,752	475,338	128,688
Capital Outlay	-	43,000	42,283	-	42,283	717
TOTAL EXPENDITURES	647,026	647,026	508,869	8,752	517,621	129,405
Excess (Deficiency) of Revenues Over Expenditures	(342,396)	(342,396)	(115,729)	(8,752)	(124,481)	217,915
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Hotel-Motel Occupancy Tax	300,000	300,000	242,825	-	242,825	(57,175)
TOTAL OTHER FINANCING SOURCES (USES)	300,000	300,000	242,825	-	242,825	(57,175)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(42,396)	(42,396)	127,096	(8,752)	118,344	160,740
Fund Balances at Beginning of Year	478,731	528,410	528,410	-	528,410	-
FUND BALANCES AT END OF YEAR	\$ 436,335	486,014	655,506	(8,752)	646,754	160,740

**CITY OF LAREDO, TEXAS
PARKING METERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017**

	<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	4,500	4,500	9,207	-	9,207	4,707
Fines	675,000	675,000	483,174	-	483,174	(191,826)
Fees and Collections	940,072	940,072	1,344,067	-	1,344,067	403,995
Investment Income:						
Interest Earnings	8,900	8,900	18,743	-	18,743	9,843
Rents	-	-	4	-	4	4
Discount Earnings	-	-	557	-	557	557
Miscellaneous:						
Reimbursements	-	-	106	-	106	106
TOTAL REVENUES	1,628,772	1,628,772	1,856,158	-	1,856,158	227,386
EXPENDITURES:						
Personnel Services	1,031,084	1,036,324	994,384	-	994,384	41,940
Materials and Supplies	89,518	261,838	166,951	8,210	175,161	86,677
Contractual Services	487,198	505,578	424,205	18,313	442,518	63,060
Other	308,161	76,221	140	-	140	76,081
Total Operating Expenditures	1,915,961	1,879,961	1,585,680	26,523	1,612,203	267,758
Capital Outlay	12,852	48,852	35,417	12,852	48,269	583
TOTAL EXPENDITURES	1,928,813	1,928,813	1,621,097	39,375	1,660,472	268,341
Excess (Deficiency) of Revenues Over Expenditures	(300,041)	(300,041)	235,061	(39,375)	195,686	495,727
OTHER FINANCING SOURCES (USES):						
Transfers Out:						
Debt Service Fund	(186,032)	(186,032)	(186,032)	-	(186,032)	-
General Fund	(250,000)	(250,000)	(250,000)	-	(250,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(436,032)	(436,032)	(436,032)	-	(436,032)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(736,073)	(736,073)	(200,971)	(39,375)	(240,346)	495,727
Fund Balances at Beginning of Year	1,802,890	1,969,709	1,969,709	-	1,969,709	-
FUND BALANCE AT END OF YEAR	\$ 1,066,817	1,233,636	1,768,738	(39,375)	1,729,363	495,727

**CITY OF LAREDO, TEXAS
ENVIRONMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017**

	<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	\$ 6,978,550	6,978,550	6,901,416	-	6,901,416	(77,134)
Hazardous Materials Fees	305,000	305,000	321,800	-	321,800	16,800
Intergovernmental:						
STDC	50,000	53,185	49,973	-	49,973	(3,212)
Texas Department of Transportation	1,100,000	1,096,815	124,688	-	124,688	(972,127)
Universities and Colleges	17,000	17,000	17,000	-	17,000	-
Investment Income:						
Interest Earnings	24,800	24,800	38,422	-	38,422	13,622
Discount Earnings	8,404	8,404	6,478	-	6,478	(1,926)
Miscellaneous:						
Contributions	30,975	30,975	-	-	-	(30,975)
Reimbursements	4,000	4,000	6,560	-	6,560	2,560
TOTAL REVENUES	8,518,729	8,518,729	7,466,337	-	7,466,337	(1,052,392)
EXPENDITURES:						
Administration:						
Personnel Services	255,153	255,153	258,625	-	258,625	(3,472)
Materials and Supplies	-	1,000	1,000	-	1,000	-
Contractual Services	59,926	90,099	65,992	368	66,360	23,739
Other	-	-	30,114	(30,114)	-	-
Total Administration	315,079	346,252	355,731	(29,746)	325,985	20,267
Creek Cleaning:						
Personnel Services	965,392	785,769	781,786	-	781,786	3,983
Materials and Supplies	106,518	87,018	76,639	1,120	77,759	9,259
Contractual Services	207,356	389,479	407,301	3,231	410,532	(21,053)
Total Creek Cleaning	1,279,266	1,262,266	1,265,726	4,351	1,270,077	(7,811)
Stormwater:						
Personnel	868,267	849,417	718,425	-	718,425	130,992
Materials and Supplies	125,781	89,608	52,950	8,006	60,956	28,652
Contractual Services	1,570,159	1,561,159	1,363,050	114,491	1,477,541	83,618
Total Stormwater	2,564,207	2,500,184	2,134,425	122,497	2,256,922	243,262
CD Code Enforcement:						
Personnel Services	62,571	62,571	67,591	-	67,591	(5,020)
Materials and Supplies	610	462	461	-	461	1
Contractual Services	450	598	457	-	457	141
Total CD Code Enforcement	63,631	63,631	68,509	-	68,509	(4,878)
CNG Conversion Grant:						
Other	100,000	96,815	-	-	-	96,815
Total CNG Conversion Grant	100,000	96,815	-	-	-	96,815
Hazardous Materials:						
Personnel Services	208,123	208,123	201,580	-	201,580	6,543
Materials and Supplies	5,912	5,912	5,108	-	5,108	804
Contractual Services	15,712	15,712	10,564	3,000	13,564	2,148
Total Hazardous Materials	229,747	229,747	217,252	3,000	220,252	9,495
STDC- Glass Pulverizer Project:						
Materials and Supplies	-	25,393	22,182	-	22,182	3,211
Contractual Services	-	3,112	3,112	-	3,112	-
Other	50,000	-	-	-	-	-
Total STDC-Glass Pulverizer Project	\$ 50,000	28,505	25,294	-	25,294	3,211

(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, 2017

(Continued)

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
EXPENDITURES (Continued)						
Zacate Hike & Bike Trail:						
Other	\$ 1,250,000	-	-	-	-	-
Total Zacate Hike & Bike Trail	1,250,000	-	-	-	-	-
Storm Water Improvements:						
Contractual Services	1,085,984	1,184,655	369,250	386,853	756,103	428,552
Reserve Appropriation	758,330	569,659	-	-	-	569,659
Total Storm Water Improvements	1,844,314	1,754,314	369,250	386,853	756,103	998,211
2013 C.O. Issue:						
Contractual Services	-	560	491	-	491	69
Reserve Appropriation	191	5,396	-	-	-	5,396
Total 2013 C.O. Issue	191	5,956	491	-	491	5,465
2016 C.O. Issue:						
Contractual Services	-	1,000	785	-	785	215
Total 2016 C.O. Issue	-	1,000	785	-	785	215
Total Operating Expenditures	7,696,435	6,288,670	4,437,463	486,955	4,924,418	1,364,252
Capital Outlay	396,443	3,138,063	2,085,786	540,490	2,626,276	511,787
TOTAL EXPENDITURES	8,092,878	9,426,733	6,523,249	1,027,445	7,550,694	1,876,039
Excess (Deficiency) of Revenues Over Expenditures	425,851	(908,004)	943,088	(1,027,445)	(84,357)	823,647
OTHER FINANCING SOURCES (USES):						
Transfers In:						
2012 C.O. Issue	-	183,742	183,742	-	183,742	-
Miscellaneous	-	-	15,722	-	15,722	15,722
Bond Interest Earnings	191	271	37,616	-	37,616	37,345
Transfers Out:						
Debt Service	(2,196,754)	(2,196,754)	(2,196,754)	-	(2,196,754)	-
Keep Laredo Beautiful	(129,000)	(129,000)	(121,155)	-	(121,155)	7,845
TOTAL OTHER FINANCING SOURCES (USES)	(2,325,563)	(2,141,741)	(2,080,829)	-	(2,080,829)	60,912
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(1,899,712)	(3,049,745)	(1,137,741)	(1,027,445)	(2,165,186)	884,559
Fund Balances at Beginning of Year	4,358,262	9,642,075	9,642,075	(30,114)	9,611,961	(30,114)
FUND BALANCE AT END OF YEAR	\$ 2,458,550	6,592,330	8,504,334	(1,057,559)	7,446,775	854,445

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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive Positive (Negative)
REVENUES:						
Intergovernmental:						
Keep America Beautiful	\$ -	-	9,000	-	9,000	9,000
Investment Income:						
Interest Earnings	-	-	11	-	11	11
Miscellaneous:						
Contributions	25,000	25,000	2,525	-	2,525	(22,475)
TOTAL REVENUES	25,000	25,000	11,536	-	11,536	(13,464)
EXPENDITURES:						
Personnel Services	83,036	83,036	84,080	-	84,080	(1,044)
Materials and Supplies	43,771	43,578	29,657	10,457	40,114	3,464
Contractual Services	10,781	19,974	16,510	575	17,085	2,889
Other	25,000	16,000	-	-	-	16,000
TOTAL EXPENDITURES	162,588	162,588	130,247	11,032	141,279	21,309
Excess (Deficiency) of Revenues Over Expenditures	(137,588)	(137,588)	(118,711)	(11,032)	(129,743)	7,845
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Environmental Services	129,000	129,000	121,155	-	121,155	(7,845)
TOTAL OTHER FINANCING SOURCES (USES)	129,000	129,000	121,155	-	121,155	(7,845)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(8,588)	(8,588)	2,444	(11,032)	(8,588)	-
Fund Balances at Beginning of Year	-	8,588	8,588	-	8,588	-
FUND BALANCE AT END OF YEAR	\$ (8,588)	-	11,032	(11,032)	-	-

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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Investment Income:						
Interest Earnings	\$ 4,600	4,600	6,051	-	6,051	1,451
Fees and Collections	44,322	44,322	39,643	-	39,643	(4,679)
Rents and Royalties	1,631,582	1,631,582	1,708,358	-	1,708,358	76,776
Discount Earnings	-	-	454	-	454	454
Miscellaneous:						
Reimbursements	1,182	1,182	6,132	-	6,132	4,950
TOTAL REVENUES	1,681,686	1,681,686	1,760,638	-	1,760,638	78,952
EXPENDITURES:						
Personnel Services	367,025	371,225	351,955	-	351,955	19,270
Materials and Supplies	169,646	170,446	162,842	1,722	164,564	5,882
Contractual Services	702,848	693,482	630,920	31,525	662,445	31,037
Other	-	-	16,043	(16,043)	-	-
Total Operating Expenditures	1,239,519	1,235,153	1,161,760	17,204	1,178,964	56,189
Capital Outlay	64,734	69,102	67,025	-	67,025	2,077
TOTAL EXPENDITURES	1,304,253	1,304,255	1,228,785	17,204	1,245,989	58,266
Excess (Deficiency) of Revenues Over Expenditures	377,433	377,431	531,853	(17,204)	514,649	137,218
OTHER FINANCING SOURCES (USES):						
Transfer Out:						
Airport Fund	(750,000)	(750,000)	(750,000)	-	(750,000)	-
Sale of Assets	-	-	106	-	106	106
TOTAL OTHER FINANCING SOURCES (USES)	(750,000)	(750,000)	(749,894)	-	(749,894)	106
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(372,567)	(372,569)	(218,041)	(17,204)	(235,245)	137,324
Fund Balances at Beginning of Year	537,528	563,109	563,109	(16,043)	547,066	(16,043)
FUND BALANCES AT END OF YEAR	\$ 164,961	190,540	345,068	(33,247)	311,821	121,281

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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Taxes:						
General Sales & Use Tax	\$ 8,013,574	8,013,574	7,883,571	-	7,883,571	(130,003)
Investment Income:						
Interest Earnings	118,600	118,600	216,904	-	216,904	98,304
Miscellaneous:						
Reimbursements	-	-	27,693	-	27,693	27,693
TOTAL REVENUES	8,132,174	8,132,174	8,128,168	-	8,128,168	(4,006)
EXPENDITURES:						
Personnel	171,499	199,648	187,837	-	187,837	11,811
Materials and Supplies	88,255	198,115	70,346	81,851	152,197	45,918
Contractual Services	556,559	768,898	426,702	52,904	479,606	289,292
Other	2,314,838	780,100	-	-	-	780,100
Total Operating Expenditures	3,131,151	1,946,761	684,885	134,755	819,640	1,127,121
Capital Outlay	10,173,573	11,372,073	186,328	5,099,868	5,286,196	6,085,877
TOTAL EXPENDITURES	13,304,724	13,318,834	871,213	5,234,623	6,105,836	7,212,998
Excess (Deficiency) of Revenues Over Expenditures	(5,172,550)	(5,186,660)	7,256,955	(5,234,623)	2,022,332	7,208,992
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Operations	3,354,361	3,354,361	-	3,162,989	3,162,989	(191,372)
Transfers Out:						
Sports & Community Debt Service	(3,354,361)	(3,354,361)	-	(3,162,989)	(3,162,989)	191,372
Laredo Energy Arena Operations	(1,641,466)	(1,641,466)	(1,499,728)	-	(1,499,728)	141,738
Debt Service	(3,463,213)	(3,463,213)	(3,463,213)	-	(3,463,213)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,104,679)	(5,104,679)	(4,962,941)	-	(4,962,941)	141,738
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(10,277,229)	(10,291,339)	2,294,014	(5,234,623)	(2,940,609)	7,350,730
Fund Balances at Beginning of Year	23,029,633	22,560,885	22,560,885	-	22,560,885	-
FUND BALANCES AT END OF YEAR	\$ 12,752,404	12,269,546	24,854,899	(5,234,623)	19,620,276	7,350,730

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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Charges for Services	\$ 3,928,666	3,928,666	3,321,760	-	3,321,760	(606,906)
TOTAL REVENUES	3,928,666	3,928,666	3,321,760	-	3,321,760	(606,906)
EXPENDITURES:						
Contractual Services	5,570,132	5,570,132	4,821,488	-	4,821,488	748,644
TOTAL EXPENDITURES	5,570,132	5,570,132	4,821,488	-	4,821,488	748,644
Excess (Deficiency) of Revenues Over Expenditures	(1,641,466)	(1,641,466)	(1,499,728)	-	(1,499,728)	141,738
OTHER FINANCING SOURCES (USES):						
Transfer In:						
Sports & Community Venue Fund	1,641,466	1,641,466	1,499,728	-	1,499,728	(141,738)
TOTAL OTHER FINANCING SOURCES (USES)	1,641,466	1,641,466	1,499,728	-	1,499,728	(141,738)
FUND BALANCES AT END OF YEAR	\$ -	-	-	-	-	-

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 2,977	540	3,517	4,078
Miscellaneous:				
Reimbursements	656,828	24,367	681,195	633,646
TOTAL REVENUES	659,805	24,907	684,712	637,724
EXPENDITURES:				
Contractual Services	24,652	26,069	50,721	49,658
Other	58,795	46,271	105,066	105,066
TOTAL EXPENDITURES	83,447	72,340	155,787	154,724
Excess (Deficiency) of Revenues Over (Under) Expenditures	576,358	(47,433)	528,925	483,000
OTHER FINANCING SOURCES (USES):				
Transfer Out:				
General Fund	(483,000)	-	(483,000)	(483,000)
TOTAL OTHER FINANCING SOURCES:	(483,000)	-	(483,000)	(483,000)
Net Change in Fund Balances	\$ 93,358	(47,433)	45,925	-
Fund Balances-Beginning		93,358		
Fund Balances-Ending		\$ 45,925		

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, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Charges for Services	\$ 1,174,116	1,174,116	892,853	-	892,853	(281,263)
Miscellaneous:						
Contributions	-	-	5,000	-	5,000	5,000
TOTAL REVENUES	1,174,116	1,174,116	897,853	-	897,853	(276,263)
EXPENDITURES:						
Contractual Services	1,669,766	1,669,766	1,504,293	-	1,504,293	165,473
Total Operating Expenditures	1,669,766	1,669,766	1,504,293	-	1,504,293	165,473
Debt Service:						
Principal	-	-	56,568	-	56,568	(56,568)
Interest	-	-	8,784	-	8,784	(8,784)
Capital Outlay	311,028	311,028	-	-	-	311,028
TOTAL EXPENDITURES	1,980,794	1,980,794	1,569,645	-	1,569,645	411,149
Excess (Deficiency) of Revenues Over Expenditures	(806,678)	(806,678)	(671,792)	-	(671,792)	134,886
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	400,000	400,000	481,784	-	481,784	81,784
Proceeds- Long Term Debt	311,028	311,028	-	-	-	(311,028)
TOTAL OTHER FINANCING SOURCES (USES)	711,028	711,028	481,784	-	481,784	(229,244)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(95,650)	(95,650)	(190,008)	-	(190,008)	(94,358)
Fund Balances at Beginning of Year	391,781	348,719	348,719	-	348,719	-
FUND BALANCE AT END OF YEAR	\$ 296,131	253,069	158,711	-	158,711	(94,358)

**CITY OF LAREDO, TEXAS
ANIMAL CARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017**

	<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	\$ 95,050	95,050	79,720	-	79,720	(15,330)
Investment Income:						
Interest Earnings	-	-	131	-	131	131
Miscellaneous:						
Contributions	-	-	575	-	575	575
Reimbursements	11,000	11,000	9,539	-	9,539	(1,461)
TOTAL REVENUES	106,050	106,050	89,965	-	89,965	(16,085)
EXPENDITURES:						
Personnel Services	1,474,337	1,518,092	1,312,155	-	1,312,155	205,937
Materials and Supplies	300,862	311,012	223,879	63,104	286,983	24,029
Contractual Services	482,590	388,501	305,310	44,582	349,892	38,609
Other	-	184	178	-	178	6
Total Operating Expenditures	2,257,789	2,217,789	1,841,522	107,686	1,949,208	268,581
Capital Outlay	-	40,000	-	25,424	25,424	14,576
TOTAL EXPENDITURES	2,257,789	2,257,789	1,841,522	133,110	1,974,632	283,157
Excess (Deficiency) of Revenues Over Expenditures	(2,151,739)	(2,151,739)	(1,751,557)	(133,110)	(1,884,667)	267,072
OTHER FINANCING SOURCES (USES):						
Transfer In:						
General Fund	2,151,739	2,151,739	1,751,557	-	1,751,557	(400,182)
TOTAL OTHER FINANCING SOURCES (USES)	2,151,739	2,151,739	1,751,557	-	1,751,557	(400,182)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	-	-	(133,110)	(133,110)	(133,110)
FUND BALANCE AT END OF YEAR	\$ -	-	-	(133,110)	(133,110)	(133,110)

CITY OF LAREDO, TEXAS
 PARKLAND ACQUISITION/PARK IMPROVEMENTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
 Year ended September 30, 2017

	Original Budget	Final Budget	Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
REVENUES:						
Fees and Collections	\$ -	-	199,704	-	199,704	199,704
Investment Income:						
Interest Earnings	-	-	625	-	625	625
Miscellaneous:						
Contributions	-	-	26,600	-	26,600	26,600
TOTAL REVENUES	-	-	226,929	-	226,929	226,929
Excess (Deficiency) of Revenues Over Expenditures	-	-	226,929	-	226,929	226,929
FUND BALANCE AT END OF YEAR	\$ -	-	226,929	-	226,929	226,929

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, 2017

	<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	\$ 10,900	10,900	13,202	-	13,202	2,302
Miscellaneous:						
Forfeitures	375,000	375,000	427,794	-	427,794	52,794
TOTAL REVENUES	385,900	385,900	440,996	-	440,996	55,096
EXPENDITURES:						
Materials and Supplies	608,178	757,896	441,814	17,863	459,677	298,219
Contractual Services	153,078	203,028	81,399	67,865	149,264	53,764
Total Operating Expenditures	761,256	960,924	523,213	85,728	608,941	351,983
Debt Service:						
Principal	68,950	68,950	68,950	-	68,950	-
Interest	2,062	2,062	2,062	-	2,062	-
Capital Outlay	172,165	122,522	41,472	28,860	70,332	52,190
TOTAL EXPENDITURES	1,004,433	1,154,458	635,697	114,588	750,285	404,173
Excess (Deficiency) of Revenues Over Expenditures	(618,533)	(768,558)	(194,701)	(114,588)	(309,289)	459,269
OTHER FINANCING SOURCES (USES):						
Sale of Assets	-	150,025	163,455	-	163,455	13,430
TOTAL OTHER FINANCING SOURCES (USES)	-	150,025	163,455	-	163,455	13,430
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(618,533)	(618,533)	(31,246)	(114,588)	(145,834)	472,699
Fund Balances at Beginning of Year	851,778	1,387,720	1,387,720	-	1,387,720	-
FUND BALANCES AT END OF YEAR	\$ 233,245	769,187	1,356,474	(114,588)	1,241,886	472,699

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
State	\$ 2,081,477	-	2,081,477	3,437,398
Investment Income:				
Interest Earnings	12,954	222	13,176	12,942
Miscellaneous:				
Contributions and Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,030,189</u>
TOTAL REVENUES	<u>2,094,431</u>	<u>222</u>	<u>2,094,653</u>	<u>7,480,529</u>
EXPENDITURES:				
Other	-	-	-	1,890,743
Capital Outlay	<u>2,359,071</u>	<u>-</u>	<u>2,359,071</u>	<u>5,927,390</u>
TOTAL EXPENDITURES	<u>2,359,071</u>	<u>-</u>	<u>2,359,071</u>	<u>7,818,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(264,640)</u>	<u>222</u>	<u>(264,418)</u>	<u>(337,604)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In:				
2008 C.O. Bond	193,896	-	193,896	193,896
Capital Improvements	65,535	-	65,535	138,487
General Fund	<u>5,221</u>	<u>-</u>	<u>5,221</u>	<u>5,221</u>
TOTAL OTHER FINANCING SOURCES:	<u>264,652</u>	<u>-</u>	<u>264,652</u>	<u>337,604</u>
Net Change in Fund Balances	\$ <u>12</u>	222	<u>234</u>	<u>-</u>
Fund Balances-Beginning		<u>12</u>		
Fund Balances-Ending		\$ <u>234</u>		

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

	<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	6,619,261	204,366	6,823,627	24,984,603
Investment Income:				
Interest Earnings	10	36	46	10
TOTAL REVENUES	6,819,261	204,402	7,023,663	25,184,613
EXPENDITURES:				
Contractual Services	218,460	-	218,460	218,460
Other	-	-	-	244,972
Capital Outlay	7,310,532	315,066	7,625,598	28,515,299
TOTAL EXPENDITURES	7,528,992	315,066	7,844,058	28,978,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(709,731)	(110,664)	(820,395)	(3,794,118)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Capital Improvements Fund	-	397	397	1,427,224
2007 C.O. Bond	38,237	-	38,237	38,237
2008 C.O. Bond	397	-	397	397
2012 C.O. Bond	652,673	87,163	739,836	1,000,000
2015 C.O. Bond	3,424	23,105	26,529	1,193,260
2016 C.O. Bond	15,000	-	15,000	135,000
TOTAL OTHER FINANCING SOURCES:	709,731	110,665	820,396	3,794,118
Net Change in Fund Balances	\$ -	1	1	-
Fund Balances-Beginning		-		
Fund Balances-Ending		\$ 1		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 26,087	19,302	45,389	25,801
Miscellaneous:				
Other	39,734	10,421	50,155	50,734
TOTAL REVENUES	65,821	29,723	95,544	76,535
EXPENDITURES:				
Materials and Supplies	565,036	39,559	604,595	613,348
Contractual Services	18,635	1,833	20,468	11,920
Other	-	-	-	25,735
Bond Costs	343,956	-	343,956	349,273
Capital Outlay	16,296,789	618,876	16,915,665	18,699,093
TOTAL EXPENDITURES	17,224,416	660,268	17,884,684	19,699,369
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,158,595)	(630,545)	(17,789,140)	(19,622,834)
OTHER FINANCING SOURCES (USES):				
Bond Issues	17,717,629	-	17,717,629	17,717,629
Bond Premium	1,905,205	-	1,905,205	1,905,205
Transfers Out:				
Debt Service Fund	(29)	(11,331)	(11,360)	-
Sale of Assets	11,000	-	11,000	-
TOTAL OTHER FINANCING SOURCES:	19,633,805	(11,331)	19,622,474	19,622,834
Net Change in Fund Balances	\$ 2,475,210	(641,876)	1,833,334	-
Fund Balances-Beginning		2,475,210		
Fund Balances-Ending		\$ 1,833,334		

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, 2017

	<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	4,363,355	13	4,363,368	4,363,522
Miscellaneous:				
Contributions and Donations	1,000,000	-	1,000,000	1,000,000
Other	904,782	-	904,782	904,782
TOTAL REVENUES	6,295,337	13	6,295,350	6,295,504
EXPENDITURES:				
Materials and Supplies	888,785	-	888,785	888,816
Contractual Services	253,623	-	253,623	253,623
Other	27,200	-	27,200	34,889
Bond Costs	938,978	-	938,978	938,978
Capital Outlay	53,350,027	-	53,350,027	53,350,027
TOTAL EXPENDITURES	55,458,613	-	55,458,613	55,466,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,163,276)	13	(49,163,263)	(49,170,829)
OTHER FINANCING SOURCES (USES):				
Bond Issues	72,480,000	-	72,480,000	72,480,000
Bond Premium	2,207,551	-	2,207,551	2,207,551
Payment to Refunded Bond Escrow Agent	(939,467)	-	(939,467)	(939,467)
Transfer In:				
2010 C.O. Bond Issue	750,000	-	750,000	750,000
Transfers Out:				
Environmental Services Fund	(16,742,074)	-	(16,742,074)	(16,742,074)
Debt Service Fund	-	(7,566)	(7,566)	-
Capital Grants Fund	(1,193,542)	-	(1,193,542)	(1,193,541)
Solid Waste Fund	(7,460,586)	-	(7,460,586)	(7,460,586)
Capital Improvements Fund	(62,088)	-	(62,088)	(62,089)
Sale of Assets	131,035	-	131,035	131,035
TOTAL OTHER FINANCING SOURCES:	49,170,829	(7,566)	49,163,263	49,170,829
Net Change in Fund Balances	\$ 7,553	(7,553)	-	-
Fund Balances-Beginning		7,553		
Fund Balances-Ending		\$ -		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 1,336,382	2,256	1,338,638	1,340,079
Other	332,095	-	332,095	332,095
TOTAL REVENUES	1,668,477	2,256	1,670,733	1,672,174
EXPENDITURES:				
Materials and Supplies	96,653	-	96,653	96,654
Contractual Services	713,443	393,377	1,106,820	1,108,620
Other	-	-	-	4,336
Bond Costs	520,293	-	520,293	520,293
Capital Outlay	31,743,053	17,599	31,760,652	31,770,656
TOTAL EXPENDITURES	33,073,442	410,976	33,484,418	33,500,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,404,965)	(408,720)	(31,813,685)	(31,828,385)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	30,065,000	-	30,065,000	30,065,000
Bond Premium	455,293	-	455,293	455,293
Sale of Assets	2,385	299,621	302,006	2,385
Transfer In:				
2010 C.O. Bond Issue	1,500,000	-	1,500,000	1,500,000
Transfers Out:				
Debt Service	-	(299,620)	(299,620)	-
Parks Capital Grant	(193,897)	-	(193,897)	(193,896)
Capital Grants Fund	(397)	-	(397)	(397)
TOTAL OTHER FINANCING SOURCES:	31,828,384	1	31,828,385	31,828,385
Net Change in Fund Balances	\$ 423,419	(408,719)	14,700	-
Fund Balances-Beginning		423,419		
Fund Balances-Ending		\$ 14,700		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 244,451	4,510	248,961	246,461
Other	71,944	-	71,944	71,943
TOTAL REVENUES	316,395	4,510	320,905	318,404
EXPENDITURES:				
Materials and Supplies	49,149	-	49,149	49,150
Contractual Services	104,598	80,953	185,551	185,551
Other	-	-	-	196
Debt Service	480,247	-	480,247	480,248
Capital Outlay	26,251,499	690,646	26,942,145	27,096,006
TOTAL EXPENDITURES	26,885,493	771,599	27,657,092	27,811,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,569,098)	(767,089)	(27,336,187)	(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	\$ 923,649	(767,089)	156,560	-
Fund Balances-Beginning		923,649		
Fund Balances-Ending		\$ 156,560		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 73,128	95	73,223	73,241
Miscellaneous:				
Reimbursements	15,803	-	15,803	15,803
TOTAL REVENUES	88,931	95	89,026	89,044
EXPENDITURES:				
Materials and Supplies	5,592	-	5,592	5,592
Contractual Services	67,466	9,711	77,177	77,186
Other	-	-	-	19
Bond Costs	195,403	-	195,403	195,403
Capital Outlay	4,995,214	11,030	5,006,244	5,006,244
TOTAL EXPENDITURES	5,263,675	20,741	5,284,416	5,284,444
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,174,744)	(20,646)	(5,195,390)	(5,195,400)
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:				
Debt Service Fund	-	(13)	(13)	(3)
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	(13)	5,195,390	5,195,400
Net Change in Fund Balances	\$ 20,659	(20,659)	-	-
Fund Balances-Beginning		20,659		
Fund Balances-Ending		\$ -		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 48,871	3,784	52,655	49,144
Miscellaneous:				
Reimbursements	-	30,499	30,499	-
TOTAL REVENUES	48,871	34,283	83,154	49,144
EXPENDITURES:				
Materials and Supplies	86,422	-	86,422	86,423
Contractual Services	144,491	2,345	146,836	146,836
Bond Cost	166,174	-	166,174	166,175
Capital Outlay	3,018,419	311,515	3,329,934	3,335,327
TOTAL EXPENDITURES	3,415,506	313,860	3,729,366	3,734,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,366,635)	(279,577)	(3,646,212)	(3,685,617)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	7,690,000	-	7,690,000	7,690,000
Bond Discount	(4,383)	-	(4,383)	(4,383)
Transfers Out:				
Environmental Services	(1,316,258)	(183,742)	(1,500,000)	(1,500,000)
Capital Improvements Fund	(1,500,000)	-	(1,500,000)	(1,500,000)
Capital Grants	(652,673)	(87,163)	(739,836)	(1,000,000)
TOTAL OTHER FINANCING SOURCES:	4,216,686	(270,905)	3,945,781	3,685,617
Net Change in Fund Balances	\$ 850,051	(550,482)	299,569	-
Fund Balances-Beginning		850,051		
Fund Balances-Ending		\$ 299,569		

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 20,520	6,755	27,275	23,083
TOTAL REVENUES	20,520	6,755	27,275	23,083
EXPENDITURES:				
Materials and Supplies	-	213	213	213
Contractual Services	19,627	1,109	20,736	3,363
Bond Cost	128,366	-	128,366	135,366
Capital Outlay	4,895,339	706,747	5,602,086	6,020,870
TOTAL EXPENDITURES	5,043,332	708,069	5,751,401	6,159,812
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,022,812)	(701,314)	(5,724,126)	(6,136,729)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	5,600,000	-	5,600,000	5,600,000
Bond Premium	536,729	-	536,729	536,729
TOTAL OTHER FINANCING SOURCES:	6,136,729	-	6,136,729	6,136,729
Net Change in Fund Balances	\$ 1,113,917	(701,314)	412,603	-
Fund Balances-Beginning		1,113,917		
Fund Balances-Ending		\$ 412,603		

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 36,938	75,503	112,441	38,012
Miscellaneous:				
Reimbursements	86,579	59,002	145,581	136,319
TOTAL REVENUES	123,517	134,505	258,022	174,331
EXPENDITURES:				
Materials and Supplies	-	89,583	89,583	90,532
Contractual Services	286,590	575,493	862,083	766,673
Bond Cost	219,742	-	219,742	219,742
Capital Outlay	4,194,262	4,015,412	8,209,674	12,499,661
TOTAL EXPENDITURES	4,700,594	4,680,488	9,381,082	13,576,608
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,577,077)	(4,545,983)	(9,123,060)	(13,402,277)
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	14,790,000	-	14,790,000	14,790,000
Bond Premium	969,031	-	969,031	969,031
Transfers Out:				
Capital Improvements Fund	(805,763)	(32,692)	(838,455)	(1,163,494)
Capital Grants	(3,424)	(23,105)	(26,529)	(1,193,260)
TOTAL OTHER FINANCING SOURCES:	14,949,844	(55,797)	14,894,047	13,402,277
Net Change in Fund Balances	\$ 10,372,767	(4,601,780)	5,770,987	-
Fund Balances-Beginning		10,372,767		
Fund Balances-Ending		\$ 5,770,987		

CITY OF LAREDO, TEXAS
CERTIFICATE OF OBLIGATION 2016 ISSUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment Income:				
Interest Earnings	\$ 7,814	173,706	181,520	-
Discount Earnings	-	4	4	-
Miscellaneous				
Reimbursements	-	37,678	37,678	-
TOTAL REVENUES	<u>7,814</u>	<u>211,388</u>	<u>219,202</u>	<u>-</u>
EXPENDITURES:				
Contractual Services	258	38,007	38,265	39,157
Other	-	-	-	99,912
Bond Cost	339,481	-	339,481	339,481
Capital Outlay	101,027	6,968,876	7,069,903	23,970,931
TOTAL EXPENDITURES	<u>440,766</u>	<u>7,006,883</u>	<u>7,447,649</u>	<u>24,449,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(432,952)</u>	<u>(6,795,495)</u>	<u>(7,228,447)</u>	<u>(24,449,481)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds - Long Term Debt	21,378,000	-	21,378,000	21,378,000
Bond Premium	3,206,481	-	3,206,481	3,206,481
Transfers Out:				
Capital Grants	(15,000)	-	(15,000)	(135,000)
TOTAL OTHER FINANCING SOURCES:	<u>24,569,481</u>	<u>-</u>	<u>24,569,481</u>	<u>24,449,481</u>
Net Change in Fund Balances	<u>\$ 24,136,529</u>	<u>(6,795,495)</u>	<u>17,341,034</u>	<u>-</u>
Fund Balances-Beginning		<u>24,136,529</u>		
Fund Balances-Ending		<u>\$ 17,341,034</u>		

CITY OF LAREDO, TEXAS
AIRPORT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
FAA Grants	\$ 26,185,724	10,002,558	36,188,282	48,211,021
Texas Department of Transportation	99,557	49,997	149,554	150,000
Investment Income:				
Interest Earnings	80,928	37,374	118,302	92,657
Miscellaneous:				
Other	376,463	95,100	471,563	378,206
TOTAL REVENUES	26,742,672	10,185,029	36,927,701	48,831,884
EXPENDITURES:				
Personnel	827,611	182,041	1,009,652	1,561,807
Materials and Supplies	444,653	103,576	548,229	561,042
Contractual Services	5,805,484	2,170,976	7,976,460	11,743,776
Other	(2)	-	(2)	6,925,636
Bond Cost	95,000	-	95,000	95,000
Capital Outlay	28,628,267	9,214,335	37,842,602	43,410,768
TOTAL EXPENDITURES	35,801,013	11,670,928	47,471,941	64,298,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,058,341)	(1,485,899)	(10,544,240)	(15,466,145)
OTHER FINANCING SOURCES (USES):				
Proceeds - Bond Issues	4,095,000	-	4,095,000	4,095,000
Sale of Assets	1,235,567	-	1,235,567	1,235,567
Transfers In:				
General Fund	787,986	-	787,986	787,985
International Airport	10,292,309	1,158,003	11,450,312	11,450,293
Noise Abatement Lease Program	91,008	-	91,008	91,007
Airport Construction	\$ 511,680	-	511,680	1,781,321

(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, 2017**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
Airport Construction	\$ (2,676,840)	-	(2,676,840)	(3,975,028)
TOTAL OTHER FINANCING SOURCES:	14,336,710	1,158,003	15,494,713	15,466,145
Net Change in Fund Balances	\$ 5,278,369	(327,896)	4,950,473	-
Fund Balances-Beginning		5,278,369		
Fund Balances-Ending		\$ 4,950,473		

**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, 2017**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Federal	\$ 1,694,888	1,577,931	3,272,819	1,112,616
State	1,728,954	229,697	1,958,651	2,845,747
Other	107,743	-	107,743	107,743
Investment Income:				
Interest Earnings	5,558,626	261,158	5,819,784	5,662,141
Discount Earnings	1,223	-	1,223	1,222
Miscellaneous:				
Contribution	4,234,816	238,756	4,473,572	4,308,092
Other	14,059,080	603,420	14,662,500	14,512,466
TOTAL REVENUES	27,385,330	2,910,962	30,296,292	28,550,027
EXPENDITURES:				
Materials and Supplies	1,175,709	145,514	1,321,223	2,315,023
Contractual Services	3,182,930	500,367	3,683,297	3,902,674
Other	462,307	25,521	487,828	15,924,264
Capital Outlay	16,793,919	1,655,954	18,449,873	22,620,371
TOTAL EXPENDITURES	21,614,865	2,327,356	23,942,221	44,762,332
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,770,465	583,606	6,354,071	(16,212,305)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
General Fund	6,341,545	-	6,341,545	6,341,545
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	62,088
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	805,763	32,692	838,455	1,163,494
Bridge System	21,683,199	6,361,992	28,045,191	23,669,622
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, 2017**

(Continued)

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
Transfers Out:				
General Fund	\$ (10,778,618)	(7,170,190)	(17,948,808)	(21,241,620)
Civic Center	(54,101)	-	(54,101)	(54,101)
Parks Capital Grants	(65,535)	-	(65,535)	(138,487)
Capital Grants Fund	<u>(557,225)</u>	<u>(397)</u>	<u>(557,622)</u>	<u>(1,984,450)</u>
TOTAL OTHER FINANCING SOURCES:	<u>25,831,330</u>	<u>(775,903)</u>	<u>25,055,427</u>	<u>16,212,305</u>
Net Change in Fund Balances	\$ <u>31,601,795</u>	(192,297)	<u>31,409,498</u>	<u>-</u>
Fund Balances-Beginning		<u>31,601,795</u>		
Fund Balances-Ending		\$ <u><u>31,409,498</u></u>		

CITY OF LAREDO, TEXAS
CANSECO ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)
Year ended September 30, 2017

	<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	\$ 400	400	663	-	663	263
TOTAL REVENUES	400	400	663	-	663	263
EXPENDITURES:						
Materials and Supplies	18,000	18,000	-	-	-	18,000
TOTAL EXPENDITURES	18,000	18,000	-	-	-	18,000
Excess (Deficiency) of Revenues Over Expenditures	(17,600)	(17,600)	663	-	663	18,263
Fund Balances at Beginning of Year	23,708	73,753	73,753	-	73,753	-
FUND BALANCES AT END OF YEAR	\$ 6,108	56,153	74,416	-	74,416	18,263

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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, 2017

	<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	27,484	44,278	6,193	4,999	82,954
Investments	4,293,905	6,953,609	959,199	798,249	13,004,962
Accounts Receivable	-	-	1,296	10,750	12,046
Due from Other Funds	-	-	-	771,069	771,069
Accrued Interest Receivable	21,568	34,928	4,818	4,010	65,324
Inventory	-	-	449,609	-	449,609
Prepaid items	201,000	9,761	-	-	210,761
Total Current Assets	<u>4,543,957</u>	<u>7,042,576</u>	<u>1,421,515</u>	<u>1,589,077</u>	<u>14,597,125</u>
Noncurrent Assets:					
Capital Assets:					
Buildings	1,188	-	419,493	-	420,681
Improvements	-	-	11,391	-	11,391
Machinery and Equipment	-	-	-	5,146,685	5,146,685
Transportation Vehicles and Equipment	120,831	17,217	7,938,501	94,955	8,171,504
Less Accumulated Depreciation	<u>(59,448)</u>	<u>(17,217)</u>	<u>(7,639,732)</u>	<u>(1,254,294)</u>	<u>(8,970,691)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>62,571</u>	<u>-</u>	<u>729,653</u>	<u>3,987,346</u>	<u>4,779,570</u>
TOTAL ASSETS	<u>4,606,528</u>	<u>7,042,576</u>	<u>2,151,168</u>	<u>5,576,423</u>	<u>19,376,695</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	478,767	793,801	535,643	80,436	1,888,647
Claims and Judgments Payable	1,541,346	3,492,576	-	-	5,033,922
Accrued Wages and Employee Benefits	18,821	7,047	45,411	25,735	97,014
Compensated Absences	18,566	2,573	44,234	39,906	105,279
Capital Lease Obligation	-	-	-	771,069	771,069
Total Current Liabilities	<u>2,057,500</u>	<u>4,295,997</u>	<u>625,288</u>	<u>917,146</u>	<u>7,895,931</u>
Noncurrent Liabilities:					
Due to Other Funds	-	-	-	771,069	771,069
Capital Lease Obligations	-	-	-	2,406,502	2,406,502
Compensated Absences	<u>31,914</u>	<u>4,351</u>	<u>110,978</u>	<u>110,981</u>	<u>258,224</u>
Total Noncurrent Liabilities	<u>31,914</u>	<u>4,351</u>	<u>110,978</u>	<u>3,288,552</u>	<u>3,435,795</u>
TOTAL LIABILITIES	<u>2,089,414</u>	<u>4,300,348</u>	<u>736,266</u>	<u>4,205,698</u>	<u>11,331,726</u>
NET POSITION					
Net Investment in Capital Assets	62,571	-	729,653	3,987,346	4,779,570
Unrestricted	<u>2,454,543</u>	<u>2,742,228</u>	<u>685,249</u>	<u>(2,616,621)</u>	<u>3,265,399</u>
TOTAL NET POSITION	<u>\$ 2,517,114</u>	<u>2,742,228</u>	<u>1,414,902</u>	<u>1,370,725</u>	<u>8,044,969</u>

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year ended September 30, 2017

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
OPERATING REVENUES:					
Charges for Services	\$ 6,530,230	26,540,585	9,562,882	3,993,169	46,626,866
Reimbursements	1,470	774,183	276,481	13,232	1,065,366
TOTAL OPERATING REVENUES	6,531,700	27,314,768	9,839,363	4,006,401	47,692,232
OPERATING EXPENSES:					
Cost of Services	4,287,900	27,096,854	6,092,441	520,196	37,997,391
Personnel Services	1,021,491	305,315	2,249,001	1,362,383	4,938,190
Materials and Supplies	90,932	2,867	66,429	175,516	335,744
Contractual Services	705,951	2,079,025	1,293,509	686,778	4,765,263
Other	18,449	-	-	(1)	18,448
Depreciation	8,405	-	203,191	298,184	509,780
TOTAL OPERATING EXPENSES	6,133,128	29,484,061	9,904,571	3,043,056	48,564,816
Operating Income (Loss)	398,572	(2,169,293)	(65,208)	963,345	(872,584)
NON-OPERATING REVENUES (EXPENSES):					
Investment Income:					
Interest Earnings	40,108	52,242	8,116	3,541	104,007
Discount Earnings	679	-	6,202	-	6,881
Interest Expense	-	-	-	(39,960)	(39,960)
Gain/(Loss) on Sale of Assets	805	-	282,632	6,614	290,051
TOTAL NON-OPERATING REVENUES (EXPENSES)	41,592	52,242	296,950	(29,805)	360,979
Income Before Contributions and Transfers	440,164	(2,117,051)	231,742	933,540	(511,605)
OPERATING TRANSFERS IN/(OUT):					
Transfers In	381,963	-	-	-	381,963
Transfers Out	(2,800,000)	(381,963)	-	-	(3,181,963)
TOTAL OPERATING TRANSFERS IN/(OUT)	(2,418,037)	(381,963)	-	-	(2,800,000)
Change in Net Position	(1,977,873)	(2,499,014)	231,742	933,540	(3,311,605)
Total Net Position - Beginning	4,494,987	5,241,242	1,353,618	437,185	11,527,032
Prior Period Adjustment	-	-	(170,458)	-	(170,458)
TOTAL NET POSITION- ENDING	\$ 2,517,114	2,742,228	1,414,902	1,370,725	8,044,969

CITY OF LAREDO, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2017

	RISK MANAGEMENT	HEALTH & BENEFITS	FLEET MANAGEMENT	INFORMATION TECHNOLOGY	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 3,609	1,481,467	278,851	89,083	1,853,010
Receipts from interfund services provided	6,530,230	25,833,301	9,562,882	3,917,319	45,843,732
Payment to suppliers	(4,703,322)	(29,148,182)	(6,846,478)	(1,240,319)	(41,938,301)
Payment to employees	(1,027,326)	(303,939)	(2,207,025)	(1,378,898)	(4,917,188)
Payment for interfund services used	(369,354)	(3,315)	(635,130)	(176,244)	(1,184,043)
Net cash provided (used) by operating activities	433,837	(2,140,668)	153,100	1,210,941	(342,790)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	381,963	-	-	-	381,963
Transfer to Other Funds	(2,800,000)	(381,963)	-	-	(3,181,963)
Net cash provided (used) by noncapital and related financing activities	(2,418,037)	(381,963)	-	-	(2,800,000)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(44,508)	-	(17,980)	(4,111,502)	(4,173,990)
Proceeds from sales of capital debt	-	-	-	3,971,914	3,971,914
Principle Paid on capital debt	-	-	-	(794,343)	(794,343)
Interest Paid on capital debt	-	-	-	(39,960)	(39,960)
Proceeds from sales of capital assets	805	-	72,149	6,614	79,568
Net cash provided (used) by capital and related financing activities	(43,703)	-	54,169	(967,277)	(956,811)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturity of investments	1,979,727	2,464,916	(218,796)	(243,282)	3,982,565
Interest and dividends received	36,365	43,056	11,990	1,048	92,459
Net cash provided (used) by investing activities	2,016,092	2,507,972	(206,806)	(242,234)	4,075,024
Net increase (decrease) in cash and cash equivalents	(11,811)	(14,659)	463	1,430	(24,577)
Cash and cash equivalents - October 1	39,295	58,937	6,130	3,569	107,931
Cash and cash equivalents - September 30	\$ 27,484	44,278	6,593	4,999	83,354
Reconciliation of Operating income to net cash provided (used) by operating activities:					
Operating income	\$ 398,572	(2,169,293)	(65,208)	963,345	(872,584)
Adjustments to reconcile operating income to net cash provided (used)					
Depreciation expense	8,405	(1)	203,191	298,184	509,779
(Increase) decrease in accounts receivable	2,139	-	2,370	-	4,509
(Increase) decrease in inventories	-	-	(16,682)	-	(16,682)
(Increase) decrease in prepaid items	(2,000)	-	-	-	(2,000)
Increase (decrease) in accounts payable	148,378	7,829	(12,547)	(34,073)	109,587
Increase (decrease) in compensated absences payable	(6,528)	1,084	36,448	(16,019)	14,985
Increase (decrease) in accrued wages and employee benefits	693	292	5,528	(496)	6,017
Increase (decrease) in claims and judgements payable	(115,822)	19,421	-	-	(96,401)
Total adjustments	35,265	28,625	218,308	247,596	529,794
Net cash provided by operating activities	\$ 433,837	(2,140,668)	153,100	1,210,941	(342,790)
Noncash investing, capital, and financing activities:					
Disposition of Assets	-	-	210,483	-	210,483

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CITY OF LAREDO, TEXAS
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2017

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Adjustment</u>	<u>Budget</u>	<u>Positive</u>
					<u>Basis</u>	<u>(Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 6,577,804	6,577,804	6,530,230	-	6,530,230	(47,574)
Reimbursements	-	-	1,470	-	1,470	1,470
TOTAL OPERATING REVENUES	6,577,804	6,577,804	6,531,700	-	6,531,700	(46,104)
OPERATING EXPENSES:						
Cost of Services	4,145,898	4,467,449	4,287,900	-	4,287,900	179,549
Personnel Services	1,076,756	1,082,756	1,021,491	6,529	1,028,020	54,736
Materials and Supplies	125,599	131,104	90,932	-	90,932	40,172
Contractual Services	911,322	899,817	705,951	-	705,951	193,866
Other	490,706	124,647	18,449	-	18,449	106,198
Capital Outlay	-	44,508	-	44,508	44,508	-
Depreciation	-	-	8,405	(8,405)	-	-
TOTAL OPERATING EXPENSES	6,750,281	6,750,281	6,133,128	42,632	6,175,760	574,521
Operating Income (Loss)	(172,477)	(172,477)	398,572	(42,632)	355,940	528,417
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	23,300	23,300	40,108	-	40,108	16,808
Discount Earnings	-	-	679	-	679	679
Gain/(Loss) on Sale of Assets	-	-	805	-	805	805
TOTAL NON-OPERATING REVENUES (EXPENSES)	23,300	23,300	41,592	-	41,592	18,292
Income (Loss) Before Contributions and Transfers	(149,177)	(149,177)	440,164	(42,632)	397,532	546,709
OPERATING TRANSFERS IN/(OUT):						
Transfers In:						
Health and Benefits Fund	381,963	381,963	381,963	-	381,963	-
Transfers Out:						
General Fund	(2,800,000)	(2,800,000)	(2,800,000)	-	(2,800,000)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(2,418,037)	(2,418,037)	(2,418,037)	-	(2,418,037)	-
Change in Net Position	(2,567,214)	(2,567,214)	(1,977,873)	(42,632)	(2,020,505)	546,709
Total Net Position - Beginning	4,494,987	4,494,987	4,494,987	-	4,494,987	-
TOTAL NET POSITION - ENDING	\$ 1,927,773	1,927,773	2,517,114	(42,632)	2,474,482	546,709

CITY OF LAREDO, TEXAS
RISK MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2017

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 3,609
Receipts from interfund services provided	6,530,230
Payment to suppliers	(4,703,322)
Payment to employees	(1,027,326)
Payment for interfund services used	<u>(369,354)</u>
Net cash provided (used) by operating activities	<u>433,837</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	381,963
Transfer to other funds	<u>(2,800,000)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(2,418,037)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	(44,508)
Proceeds from sales of capital assets	<u>805</u>
Net cash provided (used) by capital and related financing activities	<u>(43,703)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	1,979,727
Interest and dividends received	<u>36,365</u>
Net cash provided (used) by investing activities	<u>2,016,092</u>

Net increase (decrease) in cash and cash equivalents	(11,811)
Cash and cash equivalents - October 1	<u>39,295</u>

Cash and cash equivalents - September 30	\$ <u>27,484</u>
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Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>398,572</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	8,405
(Increase) decrease in accounts receivable	2,139
(Increase) decrease in prepaid items	(2,000)
Increase (decrease) in accounts payable	148,378
Increase (decrease) in compensated absences payable	(6,528)
Increase (decrease) in accrued wages and employee benefits	693
Increase (decrease) in claims and judgments payable	<u>(115,822)</u>
Total adjustments	<u>35,265</u>
Net cash provided by operating activities	\$ <u>433,837</u>

CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2017

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 27,669,551	27,669,551	26,540,585	-	26,540,585	(1,128,966)
Reimbursements	482,998	482,998	774,183	-	774,183	291,185
TOTAL OPERATING REVENUES	28,152,549	28,152,549	27,314,768	-	27,314,768	(837,781)
OPERATING EXPENSES:						
Cost of Services	26,094,625	26,947,242	27,096,854	-	27,096,854	(149,612)
Personnel Services	312,241	315,148	305,315	(1,085)	304,230	10,918
Materials and Supplies	8,137	3,046	2,867	-	2,867	179
Contractual Services	1,942,020	2,088,922	2,079,025	-	2,079,025	9,897
Other	997,335	-	-	-	-	-
TOTAL OPERATING EXPENSES	29,354,358	29,354,358	29,484,061	(1,085)	29,482,976	(128,618)
Operating Income (Loss)	(1,201,809)	(1,201,809)	(2,169,293)	1,085	(2,168,208)	(966,399)
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	40,100	40,100	52,242	-	52,242	12,142
TOTAL NON-OPERATING REVENUES (EXPENSES)	40,100	40,100	52,242	-	52,242	12,142
Income Before Contributions and Transfers	(1,161,709)	(1,161,709)	(2,117,051)	1,085	(2,115,966)	(954,257)
OPERATING TRANSFERS IN/(OUT):						
Transfers Out:						
Risk Management Fund	(381,963)	(381,963)	(381,963)	-	(381,963)	-
TOTAL OPERATING TRANSFERS IN/(OUT)	(381,963)	(381,963)	(381,963)	-	(381,963)	-
Change in Net Position	(1,543,672)	(1,543,672)	(2,499,014)	1,085	(2,497,929)	(954,257)
Total Net Position - Beginning	5,241,242	5,241,242	5,241,242	-	5,241,242	-
TOTAL NET POSITION-ENDING	\$ 3,697,570	3,697,570	2,742,228	1,085	2,743,313	(954,257)

**CITY OF LAREDO, TEXAS
HEALTH AND BENEFITS
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,481,467
Receipts from interfund services provided	25,833,301
Payment to suppliers	(29,148,182)
Payment to employees	(303,939)
Payment for interfund services used	<u>(3,315)</u>
Net cash provided (used) by operating activities	<u>(2,140,668)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	<u>(381,963)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(381,963)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	2,464,916
Interest and dividends received	<u>43,056</u>
Net cash provided (used) by investing activities	<u>2,507,972</u>

Net increase (decrease) in cash and cash equivalents	(14,659)
Cash and cash equivalents - October 1	<u>58,937</u>

Cash and cash equivalents - September 30	\$ <u>44,278</u>
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Reconciliation of Operating income to net cash provided (used) by operating activities:

Operating income	\$ <u>(2,169,293)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	(1)
Increase (decrease) in accounts payable	7,829
Increase (decrease) in compensated absences payable	1,084
Increase (decrease) in accrued wages and employee benefits	292
Increase (decrease) in claims and judgements payable	<u>19,421</u>
Total adjustments	<u>28,625</u>
Net cash provided by operating activities	\$ <u>(2,140,668)</u>

CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2017

	Budgeted Amount		Actual	Adjustment	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 11,064,043	11,064,043	9,562,882	-	9,562,882	(1,501,161)
Reimbursements	225,000	225,000	276,481	-	276,481	51,481
TOTAL OPERATING REVENUES	11,289,043	11,289,043	9,839,363	-	9,839,363	(1,449,680)
OPERATING EXPENSES:						
Cost of Services	7,803,165	7,803,165	6,092,441	-	6,092,441	1,710,724
Personnel Services	2,506,998	2,506,998	2,249,001	(36,448)	2,212,553	294,445
Materials and Supplies	121,226	114,326	66,429	-	66,429	47,897
Contractual Services	1,405,931	1,517,868	1,293,509	-	1,293,509	224,359
Other	75,000	34,919	-	-	-	34,919
Capital Outlay	100,000	35,044	-	17,980	17,980	17,064
Depreciation	-	-	203,191	(203,191)	-	-
TOTAL OPERATING EXPENSES	12,012,320	12,012,320	9,904,571	(221,659)	9,682,912	2,329,408
Operating Income (Loss)	(723,277)	(723,277)	(65,208)	221,659	156,451	879,728
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	2,200	2,200	8,116	-	8,116	5,916
Discount Earnings	-	-	6,202	-	6,202	6,202
Gain/(Loss) on Sale of Assets	-	-	282,632	(210,483)	72,149	72,149
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,200	2,200	296,950	(210,483)	86,467	84,267
Change in Net Position	(721,077)	(721,077)	231,742	11,176	242,918	963,995
Total Net Position - Beginning	1,353,618	1,353,618	1,353,618	-	1,353,618	-
Prior Period Adjustment	-	-	(170,458)	-	(170,458)	(170,458)
TOTAL NET POSITION- ENDING	\$ 632,541	632,541	1,414,902	11,176	1,426,078	793,537

**CITY OF LAREDO, TEXAS
FLEET MANAGEMENT FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 278,851
Receipts from interfund services provided	9,562,882
Payment to suppliers	(6,846,478)
Payment to employees	(2,207,025)
Payment for interfund services used	<u>(635,130)</u>
Net cash provided (used) by operating activities	<u>153,100</u>

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

Purchase of capital assets	(17,980)
Proceeds from sales of capital assets	<u>72,149</u>
Net cash provided (used) by capital and related financing activities	<u>54,169</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(218,796)
Interest and dividends received	<u>11,990</u>
Net cash provided (used) by investing activities	<u>(206,806)</u>

Net increase (decrease) in cash and cash equivalents	463
Cash and cash equivalents - October 1	<u>6,130</u>
Cash and cash equivalents - September 30	<u>\$ 6,593</u>

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

Operating income	\$ <u>(65,208)</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	203,191
(Increase) decrease in accounts receivable	2,370
(Increase) decrease in inventories	(16,682)
Increase (decrease) in accounts payable	(12,547)
Increase (decrease) in compensated absences payable	36,448
Increase (decrease) in accrued wages and employee benefits	<u>5,528</u>
Total adjustments	<u>218,308</u>

Net cash provided by operating activities	<u>\$ 153,100</u>
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**Noncash investing, capital, and financing
activities:**

Dispositions of assets	210,483
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**CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
Year ended September 30, 2017**

	<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	\$ 4,431,531	4,431,531	3,993,169	-	3,993,169	(438,362)
Reimbursements	-	-	13,232	-	13,232	13,232
TOTAL OPERATING REVENUES	4,431,531	4,431,531	4,006,401	-	4,006,401	(425,130)
OPERATING EXPENSES:						
Cost of Services	766,397	660,232	520,196	-	520,196	140,036
Personnel Services	1,490,397	1,492,505	1,362,383	16,019	1,378,402	114,103
Materials and Supplies	323,920	232,032	175,516	-	175,516	56,516
Contractual Services	967,653	1,040,425	686,778	-	686,778	353,647
Other	249,472	-	(1)	-	(1)	1
Capital Outlay	90,876	592,114	-	(4,111,501)	(4,111,501)	4,703,615
Depreciation	-	-	298,184	(298,184)	-	-
TOTAL OPERATING EXPENSES	3,888,715	4,017,308	3,043,056	(4,393,666)	(1,350,610)	5,367,918
Operating Income (Loss)	542,816	414,223	963,345	4,393,666	5,357,011	4,942,788
NON-OPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	2,700	2,700	3,541	-	3,541	841
Capital Leases Proceeds	-	-	-	3,971,914	3,971,914	3,971,914
Capital Leases Payments	-	-	-	(794,343)	(794,343)	(794,343)
Interest Expense	-	-	(39,960)	-	(39,960)	(39,960)
Gain/(Loss) on Sale of Assets	-	-	6,614	-	6,614	6,614
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,700	2,700	(29,805)	3,177,571	3,147,766	3,145,066
Change in Net Position	545,516	416,923	933,540	7,571,237	8,504,777	8,087,854
Total Net Position - Beginning	437,185	437,185	437,185	-	437,185	-
TOTAL NET POSITION - ENDING	\$ 982,701	854,108	1,370,725	7,571,237	8,941,962	8,087,854

CITY OF LAREDO, TEXAS
INFORMATION TECHNOLOGY FUND
STATEMENT OF CASH FLOWS
Year ended September 30, 2017

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 89,083
Receipts from interfund services provided	3,917,319
Payment to suppliers	(1,240,319)
Payment to employees	(1,378,898)
Payment for interfund services used	<u>(176,244)</u>
Net cash provided (used) by operating activities	<u>1,210,941</u>

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

Purchase of capital assets	(4,111,502)
Proceeds from sales of capital debt	3,971,914
Principle Paid on capital debt	(794,343)
Interest Paid on capital debt	(39,960)
Proceeds from sales of capital assets	<u>6,614</u>
Net cash provided (used) by capital and related financing activities	<u>(967,277)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturity of investments	(243,282)
Interest and dividends received	<u>1,048</u>
Net cash provided (used) by investing activities	<u>(242,234)</u>
Net increase (decrease) in cash and cash equivalents	1,430
Cash and cash equivalents - October 1	<u>3,569</u>
Cash and cash equivalents - September 30	\$ <u><u>4,999</u></u>

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

Operating income	\$ <u>963,345</u>
Adjustments to reconcile operating income to net cash provided (used)	
Depreciation expense	298,184
Increase (decrease) in accounts payable	(34,073)
Increase (decrease) in compensated absences payable	(16,019)
Increase (decrease) in accrued wages and employee benefits	<u>(496)</u>
Total adjustments	<u>247,596</u>
Net cash provided by operating activities	\$ <u><u>1,210,941</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Governmental Funds Capital Assets:		
Land	\$ 98,764,554	96,569,983
Buildings	218,639,156	220,612,167
Improvements Other Than Buildings	742,924,406	704,240,870
Vehicles	74,852,105	71,089,058
Machinery & Equipment	48,483,152	45,008,455
Construction in Progress	6,728,964	5,664,956
Total Governmental Funds Capital Assets	<u>1,190,392,337</u>	<u>1,143,185,489</u>

Investments in Governmental Funds Capital Assets by Source:

General Fund	414,700,326	393,434,593
Special Revenue Funds	220,524,843	217,829,133
Capital Projects Funds	555,167,168	531,921,763
Total Investments in Governmental Funds \$	<u>1,190,392,337</u>	<u>1,143,185,489</u>

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

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For The Year Ended September 30, 2017

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
General Government:				
Mayor and City Council	\$ -	-	-	-
City Manager	26,459	-	-	26,459
Municipal Court	389,292	-	-	389,292
Human Resources	26,292	-	-	26,292
Building Inspections	200,469	-	132,831	333,300
City Secretary	27,593	9,980	-	37,573
Tax Office	94,937	-	-	94,937
City Planning	42,625	-	-	42,625
Finance	27,337	-	9,760	37,097
Real Estate	7,992,060	113,574	(711,921)	7,393,713
City Hall Maintenance	7,333,145	-	-	7,333,145
City Hall Annex	24,537	-	-	24,537
Engineering	53,121	-	-	53,121
Information Technology	573,999	-	-	573,999
Communications and Support	48,432	-	-	48,432
Community Development	31,187,010	1,612,269	(40,397)	32,758,882
Telecommunications	292,390	-	(15,630)	276,760
General Government	48,339,698	1,735,823	(625,357)	49,450,164
Public Safety:				
Police	8,192,181	136,128	(267,162)	8,061,147
Police Trust Fund	14,322,871	41,472	(1,919,978)	12,444,365
Auto Theft Task Force	223,607	-	-	223,607
Financial Task Force	853,301	157,510	-	1,010,811
Special Police	3,102,730	294,853	(3,714)	3,393,869
Laredo Border Violence	93,687	-	(23,712)	69,975
Homeland Security Grant	2,330,836	-	-	2,330,836
Fire	6,561,490	23,174	(35,437)	6,549,227
Hazardous Materials	9,085	-	-	9,085
Parking Meters	4,180,154	35,417	(79,283)	4,136,288
911 Administration	844,430	9,984	(241,842)	612,572
911 - General Fund	52,056	-	-	52,056
Communication System	6,879,563	-	-	6,879,563
Special Fire Grants	1,179,355	-	-	1,179,355
Traffic Safety	7,998,915	9,349	(490)	8,007,774
Public Safety	56,824,261	707,887	(2,571,618)	54,960,530
Public Works:				
Capital Improvements Project	79,835,367	1,368,832	(98,974)	81,105,225
1998 CO Issue	1,789,903	-	-	1,789,903
Infrastructure Maint.	131,017	-	-	131,017
DPW Infrastructure	7,956,450	-	-	7,956,450
Keep Laredo Beautiful	20,500	-	-	20,500
New Fire Stations	2,741,302	-	-	2,741,302
Fire Training Facility	1,835,790	-	(28,287)	1,807,503
2000 CO Issue	7,980,197	-	-	7,980,197
LEC Construction Project	33,348,399	-	-	33,348,399
2002 CO Issue	5,361,405	-	-	5,361,405
2003 CO Issue	3,725,268	-	-	3,725,268
2005 CO Issue	14,263,138	-	(462)	14,262,676
2006 CO Issue	18,552,783	-	-	18,552,783
2007 CO Issue	51,779,485	-	(251,648)	51,527,837
2008 CO Issue	30,565,632	17,599	(45,964)	30,537,267
2009 CO Issue	25,856,724	679,099	11,546	26,547,369
2010 CO Issue	4,968,165	11,030	11,710	4,990,905
2012 CO Issue	3,018,418	311,515	-	3,329,933
2014 CO Issue	4,895,339	703,997	-	5,599,336
2015 CO Issue	4,046,061	3,458,497	681,594	8,186,152
2016 CO Issue	1,410	5,794,737	-	5,796,147
FAA-Noise Abatement	\$ 18,944,149	-	-	18,944,149

(Continued)

CITY OF LAREDO, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For The Year Ended September 30, 2017

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE AT END OF YEAR
Public Works: (Cont.)				
Airport Construction Fund	\$ 135,412,038	9,214,334	-	144,626,372
Ryan Street Railroad Bridge	668,019	-	-	668,019
Streets of Laredo Urban Mall	1,158,524	-	-	1,158,524
Contractual Obligation	27,789,642	618,876	(763,152)	27,645,366
Parks Capital Grants	3,024,649	-	811,514	3,836,163
Capital Grants	29,706,746	11,866	-	29,718,612
Public Works	326,265,502	21,398,216	135,269	347,798,987
Public Works	845,642,022	43,588,598	463,146	889,693,766
Health & Welfare:				
Health	7,782,048	86,255	(315,255)	7,553,048
Noise Abatement Lease	119,554	67,025	-	186,579
Home Investment Partnership	463,407	-	-	463,407
A.R.R.A. - C.D.	975,026	-	-	975,026
Environmental Services	35,294,583	2,046,245	(19,569)	37,321,259
Health & Welfare	44,634,618	2,199,525	(334,824)	46,499,319
Cultural & Recreational:				
Parks & Recreation	16,791,509	319,566	1,154	17,112,229
Library	7,908,825	7,370	-	7,916,195
New Public Library	56,167	-	-	56,167
Cemetery	180,591	-	-	180,591
Friends of the Library	1,017,154	-	-	1,017,154
Public Access Channel	3,789,263	198,148	-	3,987,411
Mercado	1,162,235	-	-	1,162,235
Convention & Visitors Bureau	120,632	-	-	120,632
Sports & Community Venue	9,271,114	186,328	10,846	9,468,288
Recreation Fund	185,786	42,283	-	228,069
Baseball Stadium	19,447,094	-	-	19,447,094
Max Mandel Golf Course	319,049	-	-	319,049
Cultural & Recreational	60,249,419	753,695	12,000	61,015,114
Air Transportation Services:				
Airport	81,830,514	182,451	31,515	82,044,480
Air Transportation Services	81,830,514	182,451	31,515	82,044,480
Total Assets In Service	1,137,520,532	49,167,979	(3,025,138)	1,183,663,373
Construction in Progress	5,664,957	2,672,533	(1,608,526)	6,728,964
Total Governmental Funds Capital Assets	\$ 1,143,185,489	51,840,512	(4,633,664)	1,190,392,337

(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, 2017

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	389,292	39,981	63,911	-	-	285,400
Human Resources	26,292	-	-	-	26,292	-
Building	458,300	-	62,782	125,000	83,046	187,472
City Secretary	37,573	-	-	-	14,643	22,930
Tax Office	94,937	-	-	-	-	94,937
City Planning	42,625	-	-	-	15,125	27,500
Finance	19,012	-	-	-	-	19,012
Real Estate	7,393,712	5,854,712	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	53,121	-	-	-	18,528	34,593
Information Technology	573,999	-	-	-	-	573,999
Communications and Support	48,432	-	-	-	13,968	34,464
Community Development	32,758,882	6,329,121	4,308,058	20,280,810	1,718,510	122,383
Telecommunications	284,575	-	18,683	27,808	-	238,084
General Government	49,574,801	15,289,888	10,174,100	20,433,618	1,924,557	1,752,638
Public Safety:						
Police	7,979,277	-	6,310,720	11,425	636,057	1,021,075
Police Trust Fund	12,444,365	-	920,960	-	8,338,650	3,184,755
Auto Theft Task Force	223,608	-	-	-	187,268	36,340
Financial Task Force	1,010,811	-	-	-	285,202	725,609
Special Police	3,393,868	-	-	-	1,599,122	1,794,746
Laredo Border Violence	69,975	-	-	-	45,903	24,072
Homeland Security Grant	2,330,836	-	-	-	427,219	1,903,617
Fire	6,529,166	767,503	1,439,105	-	3,657,284	665,274
Hazardous Materials	9,085	-	9,085	-	-	-
Parking Meters	4,136,288	1,247,536	60,342	2,309,718	152,074	366,618
911 Administration	612,571	-	-	-	-	612,571
911 - General Fund	52,056	-	-	-	33,590	18,466
Communications	6,879,563	-	-	-	-	6,879,563
Special Fire Grants	1,179,355	-	47,015	-	850,000	282,340
Traffic Safety	8,025,543	-	13,524	7,461,924	138,066	412,029
Public Safety	54,876,367	2,015,039	8,800,751	9,783,067	16,350,435	17,927,075
Public Works:						
Capital Improvements Projects	81,105,226	1,729,840	8,532,301	65,483,328	2,584,028	2,775,729
1998 C.O. Issue	1,789,903	108,232	864,429	626,445	190,797	-
Infrastructure Maint.	131,017	-	-	105,993	25,024	-
DPW	7,956,450	-	7,956,450	-	-	-
Keep Laredo Beautiful	20,500	-	-	-	20,500	-
New Fire Stations	2,741,302	-	2,148,486	-	592,816	-
Fire Training Facility	1,807,503	455,769	1,184,184	-	-	167,550
2000 CO Issue	7,980,197	933,003	3,278,920	3,768,274	-	-
LEC Construction Project	33,348,400	258,500	30,505,966	-	180,622	2,403,312
2002 CO Issue	5,361,405	4,548,595	812,810	-	-	-
2003 CO Issue	3,725,268	31,022	1,584,737	2,109,509	-	-
2005 CO Issue	14,262,677	1,493,130	1,097,865	10,278,613	1,246,437	146,632
2006 CO Issue	18,552,783	-	8,053,796	10,054,327	444,660	-
2007 CO Issue	51,527,837	638,763	10,741,662	28,675,343	10,493,661	978,408
2008 CO Issue	30,537,266	521,679	15,098,007	11,478,421	3,090,080	349,079
2009 CO Issue	26,547,369	222,365	11,721,873	13,034,189	1,384,782	184,160
2010 CO Issue	4,990,905	92,264	218,104	4,619,343	13,167	48,027
2012 CO Issue	3,329,933	56,331	886,402	1,911,770	383,670	91,760
2014 CO Issue	5,599,335	-	-	5,551,478	-	47,857
2015 CO Issue	8,186,152	1,170,661	143,113	4,142,218	2,729,998	162
2016 CO Issue	5,796,147	909,235	169,830	1,517,735	3,199,347	-
FAA-Noise Abatement	18,944,149	17,605,254	1,338,895	-	-	-
Airport Const. Fund.	\$ 144,626,372	19,332,015	8,992,048	112,312,288	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, 2017

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	27,645,366	-	61,528	13,157	17,817,477	9,753,204
Parks Capital Grants	3,836,163	498,762	-	3,219,707	111,223	6,471
Capital Grants	29,718,613	4,601	398,390	29,315,622	-	-
Public Works	<u>347,798,987</u>	<u>3,930,255</u>	<u>3,877,909</u>	<u>336,122,538</u>	<u>3,785,212</u>	<u>83,073</u>
Public Works	<u>889,693,768</u>	<u>54,540,276</u>	<u>119,667,705</u>	<u>646,166,841</u>	<u>49,898,748</u>	<u>19,420,198</u>
Health & Welfare:						
Health	7,553,048	421,278	4,483,745	171,500	328,744	2,147,781
Noise Abtm. Lease	186,579	-	-	-	174,296	12,283
Home Investment Partnership	463,407	-	463,407	-	-	-
A.R.R.A.-CD	975,026	-	-	975,026	-	-
Environmental Services	<u>37,321,259</u>	<u>4,023,970</u>	<u>1,623,806</u>	<u>29,106,330</u>	<u>2,104,225</u>	<u>462,928</u>
Health & Welfare	<u>46,499,319</u>	<u>4,445,248</u>	<u>6,570,958</u>	<u>30,252,856</u>	<u>2,607,265</u>	<u>2,622,992</u>
Cultural & Recreational:						
Parks & Recreation	17,071,752	11,017,735	3,406,584	165,321	1,597,396	884,716
Library	7,916,195	-	7,124,408	33,000	89,755	669,032
New Public Library	56,168	-	22,347	-	-	33,821
Cemetery	180,591	-	7,900	-	145,441	27,250
Friends of the Library	1,017,154	-	261,792	-	-	755,362
Public Access Channel	3,987,411	-	1,406,518	178,730	105,655	2,296,508
Mercado	1,162,235	-	1,162,235	-	-	-
Convention & Visitor's Bureau	120,632	-	17,300	-	103,332	-
Sports & Community Venue	9,468,289	6,663,649	968,751	796,218	153,607	886,064
Recreation Fund	228,069	-	-	-	185,786	42,283
Baseball Stadium	19,447,094	-	17,975,174	541,760	-	930,160
Max Mandel Golf Course	<u>319,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,896</u>	<u>65,153</u>
Cultural & Recreational	<u>60,974,639</u>	<u>17,681,384</u>	<u>32,353,009</u>	<u>1,715,029</u>	<u>2,634,868</u>	<u>6,590,349</u>
Air Transportation Services:						
Airport	<u>82,044,479</u>	<u>4,792,719</u>	<u>41,072,633</u>	<u>34,572,995</u>	<u>1,436,232</u>	<u>169,900</u>
Air Transportation Services	<u>82,044,479</u>	<u>4,792,719</u>	<u>41,072,633</u>	<u>34,572,995</u>	<u>1,436,232</u>	<u>169,900</u>
Total Assets in service	<u>1,183,663,373</u>	<u>98,764,554</u>	<u>218,639,156</u>	<u>742,924,406</u>	<u>74,852,105</u>	<u>48,483,152</u>
Construction in Progress	<u>6,728,964</u>					
Total Governmental Funds Capital Assets	<u>\$ 1,190,392,337</u>					

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

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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, 2017

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash	\$ 5,400	200	5,600
Equity in Investment Pool	4,224	5,829	10,053
Investments	674,222	896,275	1,570,497
Receivables, net of allowances:			
Accrued Interest	3,387	4,502	7,889
Accounts	676	23,339	24,015
Due from Other Funds	414,692	-	414,692
Due from Other Governments	3,486,163	-	3,486,163
Inventory, at cost	298,453	-	298,453
Total Current Assets	4,887,217	930,145	5,817,362
Capital Assets:			
Transportation Vehicles and Equipment	21,767,520	274,236	22,041,756
Buildings	14,574,019	3,655,624	18,229,643
Improvements	10,907,384	131,362	11,038,746
Land and Improvements	9,521,557	371,792	9,893,349
Construction in Progress	2,933,273	-	2,933,273
Less Accumulated Depreciation	(24,815,187)	(3,796,844)	(28,612,031)
Total Capital Assets (net of accumulated depreciation)	34,888,566	636,170	35,524,736
Total Noncurrent Assets	34,888,566	636,170	35,524,736
TOTAL ASSETS	39,775,783	1,566,315	41,342,098
Deferred Outflows of Resources	422,591	56,878	479,469
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 40,198,374	1,623,193	41,821,567

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2017

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 755,303	22,062	777,365
Due to Other Funds	37,231	-	37,231
Accrued Interest Payable	26,242	-	26,242
Accrued Wages and Employee Benefits	200,453	12,661	213,114
Compensated Absences	153,956	13,715	167,671
Customer Deposits	13,735	86,568	100,303
Unearned Revenue	-	8,771	8,771
General Obligation Bonds	389,243	-	389,243
Certificates of Obligation	730,000	-	730,000
Total Current Liabilities	<u>2,306,163</u>	<u>143,777</u>	<u>2,449,940</u>
Noncurrent Liabilities:			
General Obligation Bonds	2,591,022	-	2,591,022
Certificates of Obligation	2,262,540	-	2,262,540
Due to Other Funds	400,563	-	400,563
Net Pension Liability	2,143,745	892,522	3,036,267
Compensated Absences	105,675	33,923	139,598
Total Noncurrent Liabilities	<u>7,503,545</u>	<u>926,445</u>	<u>8,429,990</u>
TOTAL LIABILITIES	<u>9,809,708</u>	<u>1,070,222</u>	<u>10,879,930</u>
Deferred Inflows of Resources	<u>180,254</u>	<u>5,557</u>	<u>185,811</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>9,989,962</u>	<u>1,075,779</u>	<u>11,065,741</u>
NET POSITION			
Net Investment in Capital Assets	29,312,110	636,170	29,948,280
Unrestricted	<u>896,302</u>	<u>(88,756)</u>	<u>807,546</u>
TOTAL NET POSITION	<u>\$ 30,208,412</u>	<u>547,414</u>	<u>30,755,826</u>

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year ended September 30, 2017

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
OPERATING REVENUES:			
Charges for Services	\$ 3,157,576	172,013	3,329,589
Rental of Facilities	601,457	1,356,689	1,958,146
Miscellaneous	142,478	57,460	199,938
TOTAL OPERATING REVENUES	3,901,511	1,586,162	5,487,673
OPERATING EXPENSES:			
Personnel Services	10,490,395	675,941	11,166,336
Materials and Supplies	1,976,815	188,052	2,164,867
Contractual Services	2,054,469	649,332	2,703,801
Other	76,510	17,725	94,235
Total Operating Expenses Before Depreciation	14,598,189	1,531,050	16,129,239
Depreciation Expense	2,464,279	41,778	2,506,057
TOTAL OPERATING EXPENSES	17,062,468	1,572,828	18,635,296
Operating Income (Loss)	(13,160,957)	13,334	(13,147,623)
NONOPERATING REVENUES (EXPENSES):			
Investment Income:			
Interest Earnings	31,259	10,005	41,264
Discount Earnings	144	4	148
Sales Tax	7,592,193	-	7,592,193
Gain (Loss) on Sale of Assets	(72,797)	(1,471)	(74,268)
Interest Expense	(223,959)	-	(223,959)
Gain (Loss) on Advance Refunding	(47,289)	-	(47,289)
Federal Operating Grant	3,317,200	-	3,317,200
Fiscal Agent Fees	(1,042)	-	(1,042)
Bond Issuance Cost/Premiums Amortized	28,675	-	28,675
Other Non-Operating Expenses	(764,498)	-	(764,498)
State Operating Grant	576,518	197,451	773,969
TOTAL NONOPERATING REVENUES (EXPENSES)	10,436,404	205,989	10,642,393
Income (Loss) Before Contributions and Transfers	(2,724,553)	219,323	(2,505,230)
Capital Contributions-Grants	1,166,536	-	1,166,536
Transfers Out:			
General Fund	-	(425,000)	(425,000)
Home Investment	-	(17,480)	(17,480)
Change in Net Position	(1,558,017)	(223,157)	(1,781,174)
Total Net Position-Beginning	31,766,429	770,571	32,537,000
Total Net Position-Ending	\$ 30,208,412	547,414	30,755,826

**CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 3,505,039	1,584,807	5,089,846
Receipts from interfund services provided	398,995	-	398,995
Payments to suppliers	(3,810,051)	(851,327)	(4,661,378)
Payments to employees	(11,103,243)	(641,336)	(11,744,579)
Payments for interfund services used	(223,994)	(187,861)	(411,855)
Net cash provided (used) by operating activities	(11,233,254)	(95,717)	(11,328,971)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer to other funds	-	(442,480)	(442,480)
Subsidy from federal and state grants	515,460	197,451	712,911
Sales Tax	7,592,193	-	7,592,193
Transfer from other funds	23,102	-	23,102
Net cash provided (used) by noncapital and related financing activities	8,130,755	(245,029)	7,885,726
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from capital debt	1,166,536	-	1,166,536
Purchases of capital assets	-	(29,638)	(29,638)
Principal paid on capital debt	(1,078,094)	-	(1,078,094)
Interest paid on capital debt	(229,675)	-	(229,675)
Acquisition and construction of capital assets	(2,051,797)	-	(2,051,797)
Proceeds from sales of capital assets	6,705	-	6,705
Net cash provided (used) by capital and related financing activities	(2,186,325)	(29,638)	(2,215,963)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	5,212,201	359,296	5,571,497
Interest and dividends received	44,105	8,939	53,044
Net cash provided (used) by investing activities	5,256,306	368,235	5,624,541
Net increase (decrease) in cash and cash equivalents	(32,518)	(2,149)	(34,667)
Cash and cash equivalents, October 1	42,142	8,178	50,320
Cash and cash equivalents, September 30	\$ 9,624	6,029	15,653

CITY OF LAREDO, TEXAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2017

	MUNICIPAL TRANSIT SYSTEM	MUNICIPAL HOUSING CORPORATION	TOTALS
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ (13,160,957)	13,334	(13,147,623)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	2,464,279	41,778	2,506,057
(Increase) decrease in accounts receivable	1,298	(12,020)	(10,722)
Increase in allowance for uncollectible accounts	-	10,190	10,190
(Increase) decrease in inventories	15,269	-	15,269
Increase in customer deposits	1,225	2,291	3,516
Increase (decrease) in accounts payable	58,480	(184,079)	(125,599)
Increase (decrease) in deferred revenues	-	(1,816)	(1,816)
Increase (decrease) in compensated absences payable	5,673	(4,254)	1,419
Increase (decrease) in deferred outflows-pension	(106,665)	62,009	(44,656)
Increase (decrease) in deferred inflows-pension	115,107	(17,080)	98,027
Increase (decrease) in net pension liability	(633,175)	(7,095)	(640,270)
Increase (decrease) in accrued wages and employee benefits	6,212	1,025	7,237
Total adjustments	1,927,703	(109,051)	1,818,652
Net cash provided (used) by operating activities	\$ (11,233,254)	(95,717)	(11,328,971)
Noncash investing, capital, and financing activities:			
Loss on sale of equipment	(79,502)	(1,471)	(80,973)
Premiums	-	-	-
Bond issuance cost amortized	28,675	-	28,675
Loss on advance refunding	(47,289)	-	(47,289)
Accrued interest payable	4,674	-	4,674

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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, 2017

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
OPERATING REVENUES:						
Charges for Services	\$ 3,185,175	3,185,175	3,157,576	-	3,157,576	(27,599)
Miscellaneous	113,522	160,657	142,478	-	142,478	(18,179)
Rental of Facilities	540,000	540,000	601,457	-	601,457	61,457
TOTAL OPERATING REVENUES	3,838,697	3,885,832	3,901,511	-	3,901,511	15,679
OPERATING EXPENSES:						
Opt-Fixed Route:						
Personnel Services	6,413,402	6,434,447	5,909,321	(5,199)	5,904,122	530,325
Materials and Supplies	834,826	843,383	778,797	-	778,797	64,586
Contractual Services	417,064	548,030	510,696	-	510,696	37,334
Other	439,107	74,047	67,216	-	67,216	6,831
Total Opt-Fixed Route	8,104,399	7,899,907	7,266,030	(5,199)	7,260,831	639,076
Opt-Para Transit:						
Personnel Services	1,453,244	1,454,944	1,480,515	(5,305)	1,475,210	(20,266)
Materials and Supplies	120,682	118,766	100,444	-	100,444	18,322
Contractual Services	108,550	162,691	157,469	-	157,469	5,222
Other	12,412	10,412	9,291	-	9,291	1,121
Total Opt-Para Transit	1,694,888	1,746,813	1,747,719	(5,305)	1,742,414	4,399
Maint-Fixed Route:						
Personnel Services	1,651,920	1,712,870	1,756,641	11,777	1,768,418	(55,548)
Materials and Supplies	800,205	885,703	873,061	-	873,061	12,642
Contractual Services	215,686	246,468	223,867	-	223,867	22,601
Total Maint-Fixed Route	2,667,811	2,845,041	2,853,569	11,777	2,865,346	(20,305)
Maint-Para Transit:						
Personnel Services	240,217	256,692	264,283	78	264,361	(7,669)
Materials and Supplies	106,921	105,648	86,787	-	86,787	18,861
Contractual Services	60,159	59,858	43,207	-	43,207	16,651
Total Maint-Para Transit	407,297	422,198	394,277	78	394,355	27,843
Training and Safety:						
Personnel Services	69,497	69,522	72,780	(2,122)	70,658	(1,136)
Materials and Supplies	18,881	11,496	7,900	-	7,900	3,596
Contractual Services	1,870	1,870	1,318	-	1,318	552
Total Training and Safety	90,248	82,888	81,998	(2,122)	79,876	3,012
Building/Grounds:						
Personnel Services	271,748	294,180	311,183	(2,236)	308,947	(14,767)
Materials and Supplies	65,057	54,713	35,104	-	35,104	19,609
Contractual Services	447,020	393,716	226,643	-	226,643	167,073
Total Building/Grounds	\$ 783,825	742,609	572,930	(2,236)	570,694	171,915

(Continued)

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

(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	\$ 85,632	87,852	89,448	-	89,448	(1,596)
Materials and Supplies	6,987	14,210	11,841	-	11,841	2,369
Contractual Services	21,689	22,619	11,729	-	11,729	10,890
Total Bus Stop/Shelters	114,308	124,681	113,018	-	113,018	11,663
General Administration:						
Personnel Services	335,423	340,123	345,830	(2,634)	343,196	(3,073)
Materials and Supplies	31,617	29,467	25,147	-	25,147	4,320
Contractual Services	653,524	649,608	619,076	-	619,076	30,532
Other	5,270	5,275	6	-	6	5,269
Total General Administration	1,025,834	1,024,473	990,059	(2,634)	987,425	37,048
Transit Center Building:						
Personnel Services	187,819	194,859	196,360	682	197,042	(2,183)
Materials and Supplies	56,471	61,921	56,171	-	56,171	5,750
Contractual Services	324,808	313,368	250,034	-	250,034	63,334
Total Transit Center Building	569,098	570,148	502,565	682	503,247	66,901
Transit Center Facility:						
Personnel Services	56,146	61,896	64,034	(716)	63,318	(1,422)
Materials and Supplies	5,000	1,566	1,563	-	1,563	3
Contractual Services	15,018	11,652	10,430	-	10,430	1,222
Other	550	550	(3)	-	(3)	553
Total Transit Center Facility	76,714	75,664	76,024	(716)	75,308	356
Total Operating Expenses Before Depreciation	15,534,422	15,534,422	14,598,189	(5,675)	14,592,514	941,908
Depreciation	-	-	2,464,279	(2,464,279)	-	-
TOTAL OPERATING EXPENSES	15,534,422	15,534,422	17,062,468	(2,469,954)	14,592,514	941,908
Operating Income (Loss)	\$ (11,695,725)	(11,648,590)	(13,160,957)	2,469,954	(10,691,003)	957,587

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 28,800	28,800	31,259	-	31,259	2,459
Interest Earnings-Restricted	100	100	-	-	-	(100)
Discount Earnings	100	100	144	-	144	44
Sales Tax	7,565,137	7,565,137	7,592,193	-	7,592,193	27,056
Loss on Sale of Asstes	-	-	(72,797)	79,502	6,705	6,705
Interest Expense	(228,633)	(228,633)	(223,959)	(4,674)	(228,633)	-
Principal Paid Revenue Bonds	(1,078,094)	(1,078,094)	-	(1,078,094)	(1,078,094)	-
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	3,317,200	-	3,317,200	13,095
Fiscal Agent Fees	-	(1,200)	(1,042)	-	(1,042)	158
State Operating Grant	577,055	577,055	576,518	-	576,518	(537)
Construction	(563,588)	(4,874,901)	-	(1,287,301)	(1,287,301)	3,587,600
Other Non-Operating Expenses	(1,916,578)	(1,645,482)	(764,498)	-	(764,498)	880,984
TOTAL NONOPERATING REVENUES AND (EXPENSES)	7,688,404	3,646,987	10,436,404	(2,271,953)	8,164,451	4,517,464
Income (Loss) Before Contributions and Transfers	(4,007,321)	(8,001,603)	(2,724,553)	198,001	(2,526,552)	5,475,051
Capital Contributions:						
Federal Capital Grant	442,310	4,037,016	1,166,536	-	1,166,536	(2,870,480)
Transfers In:						
Transit Sales Tax	7,729,176	7,720,099	-	6,878,257	6,878,257	(841,842)
Transfers Out:						
Transit Operations	(7,618,598)	(7,618,598)	-	(6,846,806)	(6,846,806)	771,792
Capital and Planning	(110,578)	(101,501)	-	(31,451)	(31,451)	70,050
Change in Net Position	(3,565,011)	(3,964,587)	(1,558,017)	198,001	(1,360,016)	2,604,571
Total Net Position-Beginning	31,766,429	31,766,429	31,766,429	-	31,766,429	-
Total Net Position-Ending	\$ 28,201,418	27,801,842	30,208,412	198,001	30,406,413	2,604,571

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**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 3,505,039
Receipts from interfund services provided	398,995
Payments to suppliers	(3,810,051)
Payments to employees	(11,103,243)
Payments for interfund services used	(223,994)
Net cash provided (used) by operating activities	(11,233,254)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Advances from other funds	23,102
Subsidy from federal and state grants	515,460
Sales Tax	7,592,193
Net cash provided (used) by noncapital and related financing activities	8,130,755

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from capital debt	1,166,536
Acquisition and construction of capital assets	(2,051,797)
Principal paid on capital debt	(1,078,094)
Interest paid on capital debt	(229,675)
Proceeds from sales of capital assets	6,705
Net cash provided (used) by capital and related financing activities	(2,186,325)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	5,212,201
Interest and dividends received	44,105
Net cash provided (used) by investing activities	5,256,306

Net increase (decrease) in cash and cash equivalents	(32,518)
Cash and cash equivalents, October 1	42,142
Cash and cash equivalents, September 30	\$ 9,624

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL TRANSIT SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$	(13,160,957)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		2,464,279
(Increase) decrease in accounts receivable		1,298
(Increase) decrease in inventories		15,269
Increase in customer deposits		1,225
Increase (decrease) in accounts payable		58,480
Increase (decrease) in compensated absences payable		5,673
Increase (decrease) in net pension liability		(633,175)
Increase (decrease) in deferred outflows-pension		(106,665)
Increase (decrease) in deferred inflows-pension		115,107
Increase (decrease) in accrued wages and employee benefits		6,212

Total adjustments		1,927,703
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Net cash provided (used) by operating activities	\$	(11,233,254)
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**Noncash investing, capital and financing
activities:**

Disposition of assets	(79,502)
Bond issuance cost amortized	28,675
Accrued interest payable	4,674
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, 2017

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 388,796	388,796	213,171	-	213,171	(175,625)
Toll Receipts	61,279,913	61,279,913	59,966,346	-	59,966,346	(1,313,567)
Miscellaneous	489,547	489,547	759,160	-	759,160	269,613
TOTAL OPERATING REVENUES	62,158,256	62,158,256	60,938,677	-	60,938,677	(1,219,579)
OPERATING EXPENSES:						
Laredo Bridge Operations:						
Personnel Services	2,322,956	2,322,956	2,702,602	(15,398)	2,687,204	(364,248)
Materials and Supplies	244,683	247,683	132,081	-	132,081	115,602
Contractual Services	34,833,685	34,831,685	33,897,087	-	33,897,087	934,598
Other	12,512	12,512	4,767	-	4,767	7,745
Capital Outlay	1,879	22,379	-	20,480	20,480	1,899
Total Laredo Bridge Operations	37,415,715	37,437,215	36,736,537	5,082	36,741,619	695,596
Bridge II Operations:						
Personnel Services	2,465,615	2,465,615	2,203,307	7,278	2,210,585	255,030
Materials and Supplies	222,446	139,446	50,569	-	50,569	88,877
Contractual Services	381,156	386,156	294,315	-	294,315	91,841
Total Bridge II Operations	3,069,217	2,991,217	2,548,191	7,278	2,555,469	435,748
Colombia Bridge Operations:						
Personnel Services	1,325,620	1,325,620	1,143,539	14,792	1,158,331	167,289
Materials and Supplies	31,755	32,755	20,094	-	20,094	12,661
Contractual Services	258,604	267,104	218,268	-	218,268	48,836
Total Colombia Bridge Operations	1,615,979	1,625,479	1,381,901	14,792	1,396,693	228,786
Refrigerated Facility:						
Contractual Services	131,950	131,950	-	-	-	131,950
Total Refrigerated Facility	131,950	131,950	-	-	-	131,950
Fourth Bridge Operations:						
Personnel Services	2,337,203	2,337,203	2,281,422	(4,682)	2,276,740	60,463
Materials and Supplies	294,692	300,692	73,293	-	73,293	227,399
Contractual Services	885,992	926,992	856,967	-	856,967	70,025
Total Fourth Bridge Operations	3,517,887	3,564,887	3,211,682	(4,682)	3,207,000	357,887
Total Operating Expenses Before Depreciation	45,750,748	45,750,748	43,878,311	22,470	43,900,781	1,849,967
Depreciation	-	-	3,039,323	(3,039,323)	-	-
TOTAL OPERATING EXPENSES	45,750,748	45,750,748	46,917,634	(3,016,853)	43,900,781	1,849,967
Operating Income (Loss)	\$ 16,407,508	16,407,508	14,021,043	3,016,853	17,037,896	630,388

(Continued)

CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 34,376	34,376	61,449	-	61,449	27,073
Interest Earnings - Restricted	65,317	35,859	142,806	-	142,806	106,947
Discount Earnings	-	-	4	-	4	4
Miscellaneous	-	-	49,684	-	49,684	49,684
Gain/(Loss) On Sale of Assets	-	-	(4,461)	4,519	58	58
Interest Expense	(2,315,907)	(2,315,907)	(2,192,787)	-	(2,192,787)	123,120
Principal Paid	(6,775,000)	(6,775,000)	-	(6,815,000)	(6,815,000)	(40,000)
Fiscal Agent Fees	(2,500)	(2,500)	(4,400)	-	(4,400)	(1,900)
Bond Issuance Cost/Premiums Amortized	-	-	393,128	(393,128)	-	-
Loss on Advance Refunding	-	-	(183,129)	183,129	-	-
Other Non-Operating Expenses	(836,293)	(836,293)	(162,102)	-	(162,102)	674,191
Construction	(1,299,393)	(8,904,162)	-	(2,854,159)	(2,854,159)	6,050,003
TOTAL NONOPERATING REVENUES (EXPENSES)	(11,129,400)	(18,763,627)	(1,899,808)	(9,874,639)	(11,774,447)	6,989,180
Income (Loss) Before Contributions and Transfers	5,278,108	(2,356,119)	12,121,235	(6,857,786)	5,263,449	7,619,568
Transfers In:						
Bridge Operating Fund	10,059,543	10,059,543	-	9,929,168	9,929,168	(130,375)
Transfers Out:						
Capital Improvements Fund	(5,885,917)	(5,885,917)	(6,361,992)	-	(6,361,992)	(476,075)
Debt Service	(774,110)	(774,110)	(774,110)	-	(774,110)	-
Bridge Construction	(1,300,000)	(1,300,000)	-	(1,300,000)	(1,300,000)	-
Bridge Refrigerated Facility	(15,000)	(15,000)	-	(15,000)	(15,000)	-
Bridge Debt Service	(8,744,543)	(8,744,543)	-	(8,614,168)	(8,614,168)	130,375
Change in Net Position	(1,381,919)	(9,016,146)	4,985,133	(6,857,786)	(1,872,653)	7,143,493
Total Net Position-Beginning	27,546,519	27,546,519	27,546,519	-	27,546,519	-
Total Net Position-Ending	\$ 26,164,600	18,530,373	32,531,652	(6,857,786)	25,673,866	7,143,493

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 60,742,684
Payments to suppliers	(31,578,878)
Payments to employees	(7,786,579)
Payments for interfund services used	(4,017,462)
	<hr/>
Net cash provided by operating activities	17,359,765

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(7,149,282)
Transfer from other funds	13,180
	<hr/>
Net cash provided (used) by noncapital and related financing activities	(7,136,102)

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

Acquisition and construction of capital assets	(2,987,057)
Principal paid on capital debt	(6,815,000)
Interest paid on capital debt	(2,197,187)
Proceeds from sales of capital assets	58
	<hr/>
Net cash provided (used) by capital and related financing activities	(11,999,186)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	1,596,300
Interest and dividends received	186,989
	<hr/>
Net cash provided (used) by investing activities	1,783,289

Net increase (decrease) in cash and cash equivalents

7,766

Cash and cash equivalents, October 1

42,470

Cash and cash equivalents, September 30

\$ 50,236

(Continued)

**CITY OF LAREDO, TEXAS
BRIDGE SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$ 14,021,043
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,039,323
(Increase) decrease in accounts receivable	(256,422)
Increase (decrease) in accounts payable	(48,899)
Increase (decrease) in deferred revenues	60,429
Increase (decrease) in compensated absences payable	(1,990)
Increase (decrease) in net pension liability	(83,184)
Increase (decrease) in deferred outflows-pension	861,229
Increase (decrease) in deferred inflows-pension	(225,801)
Increase (decrease) in accrued wages and employee benefits	(5,963)

Total adjustments	3,338,722
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Net cash provided by operating activities	\$ 17,359,765
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**Noncash investing, capital, and financing
activities:**

Disposition of Assets	(4,519)
Bond issuance cost amortized	393,128
Loss on advance refunding	(183,129)

CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017

	Budgeted Amount				Actual	Variance
	Original	Final	Actual	Adjustments	Budget Basis	Positive (Negative)
OPERATING REVENUES:						
Rental of Facilities	\$ 1,364,087	1,364,087	1,356,689	-	1,356,689	(7,398)
Charges for Services	140,000	140,000	172,013	-	172,013	32,013
Miscellaneous	38,812	38,812	57,460	-	57,460	18,648
TOTAL OPERATING REVENUES	1,542,899	1,542,899	1,586,162	-	1,586,162	43,263
OPERATING EXPENSES:						
Airport Housing:						
Personnel Services	580,720	584,459	591,610	5,374	596,984	(12,525)
Materials and Supplies	193,999	177,539	165,169	-	165,169	12,370
Contractual Services	363,240	512,193	309,453	-	309,453	202,740
Other	140,000	2,100	17,725	(10,190)	7,535	(5,435)
Capital Outlay	40,860	60,860	-	29,638	29,638	31,222
Total Airport Housing	1,318,819	1,337,151	1,083,957	24,822	1,108,779	228,372
West Laredo Housing:						
Personnel Services	96,936	97,936	84,005	(1,120)	82,885	15,051
Materials and Supplies	44,039	34,039	22,594	-	22,594	11,445
Contractual Services	168,010	145,010	133,426	-	133,426	11,584
Total West Laredo Housing	308,985	276,985	240,025	(1,120)	238,905	38,080
Weatherization Grant						
Contractual Services	-	220,000	197,451	-	197,451	22,549
Total Weatherization Grant	-	220,000	197,451	-	197,451	22,549
Downtown Elderly Duplex:						
Personnel Services	-	981	326	-	326	655
Materials and Supplies	-	3,800	289	-	289	3,511
Contractual Services	7,476	16,363	9,002	-	9,002	7,361
Total Downtown Elderly Duplex Project	7,476	21,144	9,617	-	9,617	11,527
Total Operating Expenses Before Depreciation	1,635,280	1,855,280	1,531,050	23,702	1,554,752	300,528
Depreciation Expense	-	-	41,778	(41,778)	-	-
TOTAL OPERATING EXPENSES	1,635,280	1,855,280	1,572,828	(18,076)	1,554,752	300,528
Operating Income (Loss)	(92,381)	(312,381)	13,334	18,076	31,410	343,791
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	11,000	11,000	10,005	-	10,005	(995)
Discount Earnings	-	-	4	-	4	4
Gain (Loss) From Sales of Assets	-	-	(1,471)	1,471	-	-
Weatherization Grant	-	220,000	197,451	-	197,451	(22,549)
TOTAL NONOPERATING REVENUES (EXPENSES)	11,000	231,000	205,989	1,471	207,460	(23,540)
Income (Loss) Before Contributions and Transfers	(81,381)	(81,381)	219,323	19,547	238,870	320,251
Transfer Out:						
General Fund	(425,000)	(425,000)	(425,000)	-	(425,000)	-
Home Investment	-	-	(17,480)	-	(17,480)	(17,480)
Change in Net Assets	(506,381)	(506,381)	(223,157)	19,547	(203,610)	302,771
Total Net Assets-Beginning	770,571	770,571	770,571	-	770,571	-
Total Net Position-Ending	\$ 264,190	264,190	547,414	19,547	566,961	302,771

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**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 1,584,807
Payments to suppliers	(851,327)
Payments to employees	(641,336)
Payments for interfund services used	(187,861)
	<hr/>
Net cash provided by operating activities	(95,717)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	(442,480)
Subsidiary from federal and state grant	197,451
	<hr/>
Net cash provided (used) by noncapital and related financing activities	(245,029)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of capital assets	(29,638)
	<hr/>
Net cash provided (used) by capital and related financing activities	(29,638)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	359,296
Interest and dividends received	8,939
	<hr/>
Net cash provided (used) by investing activities	368,235

Net increase (decrease) in cash and cash equivalents	(2,149)
Cash and cash equivalents, October 1	8,178
	<hr/>

Cash and cash equivalents, September 30	\$ 6,029
	<hr/> <hr/>

(Continued)

**CITY OF LAREDO, TEXAS
MUNICIPAL HOUSING CORPORATION
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$ 13,334
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	41,778
(Increase) decrease in accounts receivable	(12,020)
Increase in allowance for uncollectible accounts	10,190
Increase (decrease) in customer deposits	2,291
Increase (decrease) in accounts payable	(184,079)
Increase (decrease) in deferred revenues	(1,816)
Increase (decrease) in compensated absences payable	(4,254)
Increase (decrease) in deferred outflows-pension	62,009
Increase (decrease) in deferred inflows-pension	(17,080)
Increase (decrease) in net pension liability	(7,095)
Increase (decrease) in accrued wages and employee benefits	1,025
Total adjustments	(109,051)
Net cash provided by operating activities	\$ (95,717)

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

Disposition of assets	(1,471)
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**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 39,167,309	39,167,309	39,526,105	-	39,526,105	358,796
Miscellaneous	6,411,202	6,411,202	6,921,551	-	6,921,551	510,349
TOTAL OPERATING REVENUES	45,578,511	45,578,511	46,447,656	-	46,447,656	869,145
OPERATING EXPENSES:						
General and Administrative:						
Personnel Services	1,540,545	1,299,415	1,827,934	8,572	1,836,506	(537,091)
Materials and Supplies	110,547	87,888	32,864	-	32,864	55,024
Contractual Services	3,215,750	3,237,344	3,077,161	-	3,077,161	160,183
Other	442,131	358,192	177,278	(175,605)	1,673	356,519
Capital Outlay	-	26,244	-	26,244	26,244	-
Total General and Administrative	5,308,973	5,009,083	5,115,237	(140,789)	4,974,448	34,635
GIS:						
Personnel Services	318,306	322,255	320,276	396	320,672	1,583
Materials and Supplies	36,120	13,848	3,652	-	3,652	10,196
Contractual Services	49,212	54,252	36,349	-	36,349	17,903
Capital Outlay	-	13,283	-	13,282	13,282	1
Total GIS	403,638	403,638	360,277	13,678	373,955	29,683
Utility Engineering:						
Personnel Services	1,318,953	1,318,953	1,047,852	18,183	1,066,035	252,918
Materials and Supplies	56,570	51,674	21,467	-	21,467	30,207
Contractual Services	121,579	128,744	105,966	-	105,966	22,778
Other	-	940	938	-	938	2
Total Utility Engineering	1,497,102	1,500,311	1,176,223	18,183	1,194,406	305,905
Utility Billing:						
Personnel Services	2,440,908	2,440,908	2,274,901	(2,499)	2,272,402	168,506
Materials and Supplies	1,210,924	1,199,218	1,047,328	-	1,047,328	151,890
Contractual Services	1,188,587	1,258,721	1,134,173	-	1,134,173	124,548
Other	4,000	16,500	15,756	-	15,756	744
Capital Outlay	-	85,400	-	25,070	25,070	60,330
Total Utility Billing	4,844,419	5,000,747	4,472,158	22,571	4,494,729	506,018
Asset Management:						
Personnel Services	297,873	312,101	308,699	772	309,471	2,630
Materials and Supplies	32,423	31,497	25,480	-	25,480	6,017
Contractual Services	52,804	51,882	41,854	-	41,854	10,028
Total Asset Management	383,100	395,480	376,033	772	376,805	18,675
Water Treatment:						
Personnel Services	2,854,563	3,122,970	3,110,558	(8,126)	3,102,432	20,538
Materials and Supplies	1,560,204	1,908,241	1,786,599	-	1,786,599	121,642
Contractual Services	5,253,428	4,913,953	4,612,444	-	4,612,444	301,509
Capital Outlay	13,000	19,341	-	18,629	18,629	712
Total Water Treatment	9,681,195	9,964,505	9,509,601	10,503	9,520,104	444,401
Transmission and Distribution:						
Personnel Services	2,517,330	2,362,811	2,346,515	(6,191)	2,340,324	22,487
Materials and Supplies	818,663	917,902	903,721	-	903,721	14,181
Contractual Services	874,273	978,997	954,989	-	954,989	24,008
Other	-	325	(41,689)	-	(41,689)	42,014
Capital Outlay	66,000	397,028	-	381,143	381,143	15,885
Total Transmission and Distribution	\$ 4,276,266	4,657,063	4,163,536	374,952	4,538,488	118,575

(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

(Continued)

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
Water Pollution Control:						
Personnel Services	\$ 502,830	738,840	505,996	(1,860)	504,136	234,704
Materials and Supplies	48,540	73,139	23,310	-	23,310	49,829
Contractual Services	68,881	98,494	43,895	-	43,895	54,599
Other	-	46,600	9,201	-	9,201	37,399
Total Water Pollution Control	620,251	957,073	582,402	(1,860)	580,542	376,531
Total Operating Expenses Before Depreciation	27,014,944	27,887,900	25,755,467	298,010	26,053,477	1,834,423
Depreciation Expense	-	-	11,302,854	(11,302,854)	-	-
TOTAL OPERATING EXPENSES	27,014,944	27,887,900	37,058,321	(11,004,844)	26,053,477	1,834,423
Operating Income (Loss)	18,563,567	17,690,611	9,389,335	11,004,844	20,394,179	2,703,568
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	109,611	109,611	280,299	-	280,299	170,688
Interest Earnings Restricted	174,371	112,050	293,230	-	293,230	181,180
Discount Earnings	11,531	11,531	11,926	-	11,926	395
Interest Rebate	812,716	812,716	811,845	-	811,845	(871)
Water Availability Fees	1,334,640	1,334,640	1,371,218	-	1,371,218	36,578
Gain on Sale of Assets	34,643	34,643	691,408	9,081	700,489	665,846
Interest Expense	(10,396,010)	(10,396,010)	(9,881,172)	(289,806)	(10,170,978)	225,032
Principal Paid	(7,641,616)	(7,641,616)	-	(6,791,812)	(6,791,812)	849,804
Fiscal Agent Fees	(5,500)	(5,500)	(7,625)	-	(7,625)	(2,125)
Bond Issuance Cost/Premiums Amortized	-	-	891,623	(891,623)	-	-
Loss on Advance Funding	-	-	(567,106)	567,106	-	-
Water Rights Acq./Water Conservation	(1,059,940)	(1,550,925)	(20,965)	(1,375,000)	(1,395,965)	154,960
Other Non-Operating Expenses	(1,107,536)	(1,107,536)	(432,212)	-	(432,212)	675,324
Construction	(132,404)	(29,018,532)	-	(7,989,392)	(7,989,392)	21,029,140
TOTAL NONOPERATING REVENUES (EXPENSES)	(17,865,494)	(47,304,928)	(6,557,531)	(16,761,446)	(23,318,977)	23,985,951
Income (Loss) Before Contributions and Transfers	698,073	(29,614,317)	2,831,804	(5,756,602)	(2,924,798)	26,689,519
Capital Contributions:						
Contributions - Developers	-	-	3,162,067	(3,162,067)	-	-
Contributions - Other	-	1,234,943	28,842	(28,842)	-	(1,234,943)
Transfer In:						
Waterworks Operations to Construction	1,167,703	1,167,703	-	1,039,905	1,039,905	(127,798)
Water Availability to Debt Service	380,000	380,000	-	380,000	380,000	-
Waterworks Operations to Debt Service	16,700,253	16,700,253	-	15,635,444	15,635,444	(1,064,809)
Transfers Out:						
Water Construction Fund	(1,167,703)	(1,167,703)	-	(1,039,905)	(1,039,905)	127,798
Water Debt Service-Water Availability	(380,000)	(380,000)	-	(380,000)	(380,000)	-
Water Debt Service-Operations	(16,700,253)	(16,700,253)	-	(15,635,444)	(15,635,444)	1,064,809
Change in Net Position	698,073	(28,379,374)	6,022,713	(8,947,511)	(2,924,798)	25,454,576
Total Net Position-Beginning	139,205,615	139,205,615	139,205,615	-	139,205,615	-
Total Net Position-Ending	\$ 139,903,688	110,826,241	145,228,328	(8,947,511)	136,280,817	25,454,576

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 46,539,709
Receipts from interfund services provided	631,220
Payments to suppliers	(13,004,581)
Payments to employees	(9,227,844)
Payments for interfund services used	(3,396,859)
Net cash provided by operating activities	21,541,645

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

Purchases of capital assets	(8,910,719)
Principal paid on capital debt	(6,791,812)
Interest paid on capital debt	(10,170,978)
Proceeds from sales of capital assets	700,489
Net cash provided (used) by capital and related financing activities	(25,173,020)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	2,390,866
Interest and dividends received	1,251,483
Issuance of notes receivable	32,246
Net cash provided (used) by investing activities	3,674,595

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

43,220
208,827

Cash and cash equivalents, September 30

\$ 252,047
(Continued)

**CITY OF LAREDO, TEXAS
WATERWORKS SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$ 9,389,335
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	11,302,854
(Increase) decrease in accounts receivable	345,603
Increase (decrease) in allowance for uncollectible accounts	175,605
(Increase) decrease in inventories	134,763
Increase (decrease) in customer deposits	174,706
Increase (decrease) in accounts payable	(695,533)
Increase (decrease) in deferred revenues	27,359
Increase (decrease) in compensated absences payable	(9,248)
Increase (decrease) in net pension liability	(120,607)
Increase (decrease) in deferred inflows-pension	(307,351)
Increase (decrease) in deferred outflows-pension	1,143,459
Increase (decrease) in accrued wages and employee benefits	(19,300)
Total adjustments	12,152,310
Net cash provided by operating activities	\$ 21,541,645

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

Bond issuance cost amortized	891,623
Contributions of capital assets from developers	3,162,067
Contributions of capital assets from other	28,842
Accrued interest payable	289,806
Loss on advance refunding	(567,106)
Disposition of Assets	(9,081)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

	Budgeted Amount				Actual Budget Basis	Variance Positive (Negative)
	Original	Final	Actual	Adjustments		
OPERATING REVENUES:						
Charges for Services	\$ 33,557,571	33,557,571	32,670,580	-	32,670,580	(886,991)
Miscellaneous	204,500	204,500	375,134	-	375,134	170,634
TOTAL OPERATING REVENUES	33,762,071	33,762,071	33,045,714	-	33,045,714	(716,357)
OPERATING EXPENSES:						
Administrative:						
Contractual Services	7,819,350	7,821,644	7,814,077	-	7,814,077	7,567
Other	123,162	123,162	169,619	(169,619)	-	123,162
Total Administrative	7,942,512	7,944,806	7,983,696	(169,619)	7,814,077	130,729
Wastewater Treatment:						
Personnel Services	3,009,085	3,009,085	3,053,150	12,404	3,065,554	(56,469)
Materials and Supplies	777,508	726,471	660,430	-	660,430	66,041
Contractual Services	3,934,108	4,162,345	3,955,981	-	3,955,981	206,364
Capital Outlay	9,000	25,000	-	23,228	23,228	1,772
Total Wastewater Treatment	7,729,701	7,922,901	7,669,561	35,632	7,705,193	217,708
Wastewater Collection:						
Personnel Services	2,184,238	2,296,482	2,311,127	(24,718)	2,286,409	10,073
Materials and Supplies	784,187	860,949	726,235	-	726,235	134,714
Contractual Services	1,565,776	1,522,708	1,318,863	-	1,318,863	203,845
Other	-	1,520	1,519	-	1,519	1
Capital Outlay	138,000	138,000	-	136,139	136,139	1,861
Total Wastewater Collection	4,672,201	4,819,659	4,357,744	111,421	4,469,165	350,494
Total Operating Expenses Before Depreciation	20,344,414	20,687,366	20,011,001	(22,566)	19,988,435	698,931
Depreciation Expense	-	-	6,821,670	(6,821,670)	-	-
TOTAL OPERATING EXPENSES	20,344,414	20,687,366	26,832,671	(6,844,236)	19,988,435	698,931
Operating Income (Loss)	\$ 13,417,657	13,074,705	6,213,043	6,844,236	13,057,279	(17,426)

(Continued)

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017**

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 121,191	121,191	260,129	-	260,129	138,938
Interest Earnings Restricted	145,562	677,460	300,916	-	300,916	(376,544)
Discount Earnings	11,558	11,558	11,796	-	11,796	238
Gain/Loss On Sale of Equipment	-	1,500,000	1,105,339	297,621	1,402,960	(97,040)
Interest Expense	(4,376,176)	(4,376,176)	(4,297,443)	(49,573)	(4,347,016)	29,160
Principal Paid	(6,452,443)	(6,452,443)	-	(6,152,441)	(6,152,441)	300,002
Fiscal Agent Fees	(5,000)	(5,000)	(6,400)	-	(6,400)	(1,400)
Bond Issuance Cost/Premiums Amortized	-	-	320,259	(320,259)	-	-
Loss on Advance Refunding	-	-	(258,121)	258,121	-	-
Other Non-Operating Expenses	(733,198)	(733,198)	(325,933)	-	(325,933)	407,265
Construction	(116,068)	(44,377,011)	-	(15,949,064)	(15,949,064)	28,427,947
TOTAL NONOPERATING REVENUES (EXPENSES)	(11,404,574)	(53,633,619)	(2,889,458)	(21,915,595)	(24,805,053)	28,828,566
Income (Loss) Before Contributions and Transfers	2,013,083	(40,558,914)	3,323,585	(15,071,359)	(11,747,774)	28,811,140
Capital Contributions:						
Contributions - Others	-	-	1,398	(1,398)	-	-
Contributions - Developers	-	-	2,376,271	(2,376,271)	-	-
Transfers In:						
Sewer Operations to Debt Service	10,381,263	10,381,263	-	10,380,731	10,380,731	(532)
Sewer Operations to Construction	763,465	763,465	-	488,386	488,386	(275,079)
Transfers Out:						
Sewer Debt Service	(10,381,263)	(10,381,263)	-	(10,380,731)	(10,380,731)	532
Sewer Construction Fund	(763,465)	(763,465)	-	(488,386)	(488,386)	275,079
Change in Net Position	2,013,083	(40,558,914)	5,701,254	(17,449,028)	(11,747,774)	28,811,140
Total Net Position-Beginning	93,640,452	93,640,452	93,640,452	-	93,640,452	-
Prior Period Adjustment	-	-	(367,815)	-	(367,815)	(367,815)
Total Net Position-Ending	\$ 95,653,535	53,081,538	98,973,891	(17,449,028)	81,524,863	28,443,325

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 32,335,051
Receipts from interfund services provided	536,537
Payments to suppliers	(10,559,433)
Payments to employees	(5,133,025)
Payments for interfund services used	(3,013,797)
Net cash provided by operating activities	14,165,333

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	59,153
Transfer to other funds	(59,153)
Net cash provided (used) by noncapital and related financing activities	-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of capital assets	(16,434,364)
Principal paid on capital debt	(6,152,441)
Interest paid on capital debt	(4,347,015)
Proceeds from sales of capital assets	1,402,960
Net cash provided (used) by capital and related financing activities	(25,530,860)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	10,946,703
Interest and dividends received	443,718
Issuance of notes receivable	(36)
Net cash provided (used) by investing activities	11,390,385

Net increase (decrease) in cash and cash equivalents

24,858

Cash and cash equivalents, October 1

184,928

Cash and cash equivalents, September 30

\$ 209,786

(Continued)

**CITY OF LAREDO, TEXAS
SEWER SYSTEM
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$ 6,213,043
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	6,821,670
(Increase) decrease in accounts receivable	(343,781)
Increase (decrease) in allowance for uncollectible accounts	169,619
(Increase) decrease in inventories	8,129
Increase (decrease) in accounts payable	1,065,365
Increase (decrease) in deferred revenues	36
Increase (decrease) in compensated absences payable	12,315
Increase (decrease) in net pension liability	(55,008)
Increase (decrease) in deferred inflows-pension	(113,600)
Increase (decrease) in deferred outflows-pension	381,922
Increase (decrease) in accrued wages and employee benefits	5,623
Total adjustments	7,952,290
Net cash provided by operating activities	\$ 14,165,333

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

Contributions of capital assets from developers & others	2,377,669
Bond issuance cost amortized	320,259
Accrued interest payable	49,573
Disposition of Assets	(297,621)
Loss on advance refunding	(258,121)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017

	<u>Budgeted Amount</u>				<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Budget Basis</u>	<u>Positive (Negative)</u>
OPERATING REVENUES:						
Charges for Services	\$ 23,851,993	23,726,993	24,819,485	-	24,819,485	1,092,492
Rental of Facilities	-	125,000	71,183	-	71,183	(53,817)
Miscellaneous	480	480	7,091	-	7,091	6,611
TOTAL OPERATING REVENUES	23,852,473	23,852,473	24,897,759	-	24,897,759	1,045,286
OPERATING EXPENSES:						
Administration:						
Personnel Services	353,335	380,235	772,309	14,302	786,611	(406,376)
Materials and Supplies	14,376	16,179	6,620	-	6,620	9,559
Contractual Services	80,082	73,082	45,693	-	45,693	27,389
Other	-	-	500	(500)	-	-
Total Administration	447,793	469,496	825,122	13,802	838,924	(369,428)
Branch Division:						
Personnel Services	557,937	558,962	523,896	(1,923)	521,973	36,989
Materials and Supplies	68,322	69,322	55,986	-	55,986	13,336
Contractual Services	30,629	30,629	27,574	-	27,574	3,055
Total Branch Division	656,888	658,913	607,456	(1,923)	605,533	53,380
Recycling:						
Personnel Services	857,219	857,219	748,742	12,828	761,570	95,649
Materials and Supplies	191,285	198,848	53,196	-	53,196	145,652
Contractual Services	525,015	523,092	395,119	-	395,119	127,973
Capital Outlay	1,581	1,618	-	-	-	1,618
Total Recycling	1,575,100	1,580,777	1,197,057	12,828	1,209,885	370,892
Sanitation:						
Personnel Services	3,932,046	3,900,721	3,808,724	11,064	3,819,788	80,933
Materials and Supplies	1,237,982	1,238,682	1,021,137	-	1,021,137	217,545
Contractual Services	3,098,261	2,975,190	2,876,789	-	2,876,789	98,401
Other	700,000	336,402	92,011	(92,011)	-	336,402
Capital Outlay	-	12,903	-	6,424	6,424	6,479
Total Sanitation	8,968,289	8,463,898	7,798,661	(74,523)	7,724,138	739,760
Landfill:						
Personnel Services	1,241,625	1,245,025	1,176,488	17,032	1,193,520	51,505
Materials and Supplies	672,169	721,299	480,878	-	480,878	240,421
Contractual Services	4,144,926	4,152,926	2,864,246	-	2,864,246	1,288,680
Other	850,000	852,541	18,647	(16,107)	2,540	850,001
Capital Outlay	263,341	274,794	-	265,692	265,692	9,102
Total Landfill	7,172,061	7,246,585	4,540,259	266,617	4,806,876	2,439,709
Total Operating Expenses Before Depreciation	18,820,131	18,419,669	14,968,555	216,801	15,185,356	3,234,313
Depreciation Expense	-	-	3,080,869	(3,080,869)	-	-
TOTAL OPERATING EXPENSES	18,820,131	18,419,669	18,049,424	(2,864,068)	15,185,356	3,234,313
Operating Income (Loss)	\$ 5,032,342	5,432,804	6,848,335	2,864,068	9,712,403	4,279,599

(Continued)

CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year ended September 30, 2017

(Continued)

	Budgeted Amount		Actual	Adjustments	Actual Budget Basis	Variance Positive (Negative)
	Original	Final				
NONOPERATING REVENUES (EXPENSES):						
Investment Income:						
Interest Earnings	\$ 69,500	69,500	210,221	-	210,221	140,721
Interest Earnings-Restricted	50,492	50,492	98,898	-	98,898	48,406
Premiums	-	495,018	-	495,018	495,018	-
Discount Earnings	4,555	4,555	5,951	-	5,951	1,396
Miscellaneous	-	-	5,773	-	5,773	5,773
Closure/Post Closure	-	-	(3,942,357)	-	(3,942,357)	(3,942,357)
Gain (Loss) From Sale of Assets	28,000	28,000	(49,244)	142,041	92,797	64,797
Interest Expense	(1,013,160)	(1,132,556)	(1,082,504)	50,050	(1,032,454)	100,102
Gain (Loss) on Advance Refunding	-	-	(99,869)	99,869	-	-
Principal Paid	(4,390,039)	(4,634,241)	-	(4,634,240)	(4,634,240)	1
Fiscal Agent Fees	(2,817)	(2,817)	(2,592)	-	(2,592)	225
Bond Issuance Cost/Premiums Amortized	-	(52,018)	410,677	(462,695)	(52,018)	-
Other Non-Operating Expenses	-	(21,323)	(1,883)	-	(1,883)	19,440
Construction	(21,323)	(3,324,000)	-	-	-	3,324,000
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,274,792)	(8,519,390)	(4,446,929)	(4,309,957)	(8,756,886)	(237,496)
Income (Loss) Before Contributions and Transfers	(242,450)	(3,086,586)	2,401,406	(1,445,889)	955,517	4,042,103
Contributions						
Transfers In:						
Solid Waste Fund	5,406,016	5,769,614	-	5,769,386	5,769,386	(228)
Transfers Out:						
Solid Waste Fund	(5,406,016)	(5,769,614)	-	(5,769,386)	(5,769,386)	228
Change in Net Position	(242,450)	(3,086,586)	2,401,406	(1,445,889)	955,517	4,042,103
Total Net Position-Beginning	12,659,146	12,659,146	12,659,146	-	12,659,146	-
Total Net Position-Ending	\$ 12,416,696	9,572,560	15,060,552	(1,445,889)	13,614,663	4,042,103

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

CASH FLOW FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 24,365,654
Receipts from interfund services provided	236,707
Payments to suppliers	(4,180,656)
Payments to employees	(6,681,716)
Payments for interfund services used	(4,454,430)
Net cash provided by operating activities	9,285,559

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer to other funds	5,769,386
Transfer from other funds	(5,769,386)
Net cash provided (used) by noncapital and related financing activities	-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on capital debt	(4,634,240)
Interest paid on capital debt	(1,126,781)
Acquisition and construction of capital assets	(7,165,690)
Proceeds from sales of capital assets	92,797
Net cash provided (used) by capital and related financing activities	(12,833,914)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	3,325,003
Interest and dividends received	246,893
Net cash provided (used) by investing activities	3,571,896

Net increase (decrease) in cash and cash equivalents

23,541

Cash and cash equivalents, October 1

138,274

Cash and cash equivalents, September 30

\$ 161,815

(Continued)

**CITY OF LAREDO, TEXAS
SOLID WASTE MANAGEMENT
STATEMENT OF CASH FLOWS
Year ended September 30, 2017**

(Continued)

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

Operating income	\$ 6,848,335
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,080,869
(Increase) decrease in accounts receivable	(405,308)
Increase (decrease) in allowance for uncollectible accounts	108,618
(Increase) decrease in inventories	(1,526)
Increase (decrease) in accounts payable	(695,164)
Increase (decrease) in deferred revenues	1,292
Increase (decrease) in compensated absences payable	(53,302)
Increase (decrease) in deferred outflows-pension	655,097
Increase (decrease) in deferred inflows-pension	(177,009)
Increase (decrease) in net pension liability	(70,340)
Increase (decrease) in accrued wages and employee benefits	(6,003)
Total adjustments	2,437,224
Net cash provided by operating activities	\$ 9,285,559

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

Bond issuance cost amortized	462,695
Loss on advance refunding	(99,869)
Accrued interest payable	(50,050)
Disposition of assets	(142,041)

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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, 2017**

	AGENCY FUNDS				PENSION TRUST FUND
	POLICE RETIREE DEPENDENTS FUND	FIRE RETIREE DEPENDENTS FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS	CITY ANNUITY FUND
ASSETS					
Equity in Investment Pool	\$ -	-	28,751	28,751	-
Accounts Receivable	369,135	79,349	2,804	451,288	-
Accrued Interest Receivable	-	-	22,599	22,599	-
Investments, at Fair Market Value	-	-	4,499,057	4,499,057	-
TOTAL ASSETS	369,135	79,349	4,553,211	5,001,695	-
LIABILITIES					
Accounts Payable	369,135	79,349	4,553,211	5,001,695	-
TOTAL LIABILITIES	369,135	79,349	4,553,211	5,001,695	-
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, 2017

POLICE RETIREES DEPENDENTS FUND

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ -	1,146,482	1,146,482	-
Accounts Receivable	476,330	369,135	476,330	369,135
TOTAL ASSETS	<u>476,330</u>	<u>1,515,617</u>	<u>1,622,812</u>	<u>369,135</u>
LIABILITIES				
Accounts Payable	476,330	369,135	476,330	369,135
TOTAL LIABILITIES	<u>\$ 476,330</u>	<u>369,135</u>	<u>476,330</u>	<u>369,135</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	\$ -	740,104	740,104	-
Accounts Receivable	134,657	79,349	134,657	79,349
TOTAL ASSETS	<u>134,657</u>	<u>819,453</u>	<u>874,761</u>	<u>79,349</u>
LIABILITIES				
Accounts Payable	134,657	79,349	134,657	79,349
TOTAL LIABILITIES	<u>\$ 134,657</u>	<u>79,349</u>	<u>134,657</u>	<u>79,349</u>

(Continued)

CITY OF LAREDO, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended September 30, 2017

(Continued)

PAYROLL CLEARING FUND

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 28,506	118,533,830	118,533,585	28,751
Accounts Receivable	2,804	-	-	2,804
Accrued Interest Receivable	12,474	22,599	12,474	22,599
Investments, at Fair Market Value	4,563,997	4,499,057	4,563,997	4,499,057
Prepaid Items	-	3,000	3,000	-
TOTAL ASSETS	<u>4,607,781</u>	<u>123,058,486</u>	<u>123,113,056</u>	<u>4,553,211</u>
LIABILITIES				
Accounts Payable	4,607,781	108,800,086	108,854,656	4,553,211
Accrued Wages and Benefits	-	60,654,002	60,654,002	-
TOTAL LIABILITIES	<u>\$ 4,607,781</u>	<u>169,454,088</u>	<u>169,508,658</u>	<u>4,553,211</u>

TOTALS-ALL AGENCY FUNDS

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and Cash Equivalents:				
Equity in Investment Pool	\$ 28,506	120,420,416	120,420,171	28,751
Accounts Receivable	613,791	448,484	610,987	451,288
Accrued Interest Receivable	12,474	22,599	12,474	22,599
Investments, at Fair Market Value	4,563,997	4,499,057	4,563,997	4,499,057
Prepaid Items	-	3,000	3,000	-
TOTAL ASSETS	<u>5,218,768</u>	<u>125,393,556</u>	<u>125,610,629</u>	<u>5,001,695</u>
LIABILITIES				
Accounts Payable	5,218,768	109,248,570	109,465,643	5,001,695
Accrued Wages and Benefits	-	60,654,002	60,654,002	-
TOTAL LIABILITIES	<u>\$ 5,218,768</u>	<u>169,902,572</u>	<u>170,119,645</u>	<u>5,001,695</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 226,128,108	\$ 327,113,377	\$ 371,030,290	\$ 404,332,329	\$ 426,071,062	\$ 435,213,156	\$ 454,275,907	\$ 487,452,144	\$ 497,557,400	\$ 513,425,058
Restricted	18,974,742	21,193,295	23,051,240	24,098,965	22,027,504	32,487,338	52,746,758	39,488,100	41,402,347	42,852,730
Unrestricted	72,424,497	71,981,867	36,509,233	26,981,198	15,921,760	24,657,948	(9,084,181)	(103,494,138)	(178,284,762)	(202,436,440)
Total governmental activities net position	\$ 317,527,347	\$ 420,288,539	\$ 430,590,763	\$ 455,412,492	\$ 464,020,326	\$ 492,358,442	\$ 497,938,484	\$ 423,446,106	\$ 380,674,985	\$ 353,841,348
Business-type activities										
Net investment in capital assets	\$ 289,915,339	\$ 241,824,056	\$ 251,995,464	\$ 273,496,354	\$ 235,628,019	\$ 308,880,051	\$ 279,700,006	\$ 266,890,409	\$ 254,793,229	\$ 262,866,023
Restricted	24,336,104	17,621,503	16,695,175	25,879,932	29,616,876	32,833,893	31,079,396	57,971,427	74,371,213	74,243,372
Unrestricted	40,616,292	38,022,700	36,287,912	44,344,017	91,031,789	21,798,947	44,775,230	(12,769,768)	(17,631,797)	(8,836,173)
Total business-type activities net position	\$ 354,867,735	\$ 297,468,259	\$ 304,978,551	\$ 343,720,303	\$ 356,276,684	\$ 363,512,891	\$ 355,554,632	\$ 312,092,068	\$ 311,532,645	\$ 328,273,222
Primary government										
Net investment in capital assets	\$ 516,043,447	\$ 568,937,433	\$ 623,025,754	\$ 677,828,683	\$ 661,699,081	\$ 744,093,207	\$ 733,975,913	\$ 754,342,553	\$ 752,350,629	\$ 776,291,081
Restricted	43,310,846	36,814,796	39,746,415	49,978,897	51,644,380	65,321,231	83,826,154	97,489,527	115,773,560	117,096,102
Unrestricted	113,040,789	110,004,567	72,797,145	71,325,215	106,953,549	46,456,895	35,691,049	(116,263,906)	(195,916,559)	(211,272,619)
Total primary government net position	\$ 672,395,082	\$ 717,756,798	\$ 735,569,314	\$ 799,132,795	\$ 820,297,010	\$ 855,871,333	\$ 853,493,116	\$ 735,538,174	\$ 672,207,630	\$ 682,114,570

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 19,219,026	\$ 20,403,447	\$ 33,057,032	\$ 33,212,469	\$ 31,034,892	\$ 36,517,099	\$ 31,483,857	\$ 30,754,775	\$ 31,282,913	\$ 44,803,625
Public Safety	95,322,249	101,317,492	96,731,529	108,220,849	109,306,566	114,298,448	116,740,217	123,569,785	136,161,243	132,796,643
Public Works	26,609,686	33,983,968	31,945,598	28,971,676	35,937,652	29,742,584	29,275,673	30,339,614	32,262,592	35,411,496
Health and Welfare	18,974,496	19,374,716	21,408,808	21,559,624	23,663,834	25,149,324	25,049,024	25,392,674	26,694,339	28,523,686
Culture and Recreation	16,311,284	19,137,914	21,989,636	24,351,217	25,468,060	25,636,585	28,166,961	27,531,357	29,029,634	28,661,521
Air Transportation	5,709,233	6,014,102	5,592,799	8,337,337	5,896,045	10,379,579	10,866,517	11,424,789	12,068,122	12,139,052
Interest on Long Term Debt	60,052,703	29,610,058	11,170,771	11,330,317	11,215,644	11,253,582	15,939,639	14,675,052	14,833,434	14,874,684
Total Governmental Activities Expenses	242,198,677	229,841,697	221,896,173	235,983,489	242,522,693	252,977,201	257,521,888	263,688,046	282,332,277	297,210,707
Business-Type Activities										
Bridge System	42,734,185	39,335,750	40,917,048	41,558,090	41,674,262	40,886,900	53,740,997	47,492,006	50,002,193	49,498,472
Solid Waste Management System	17,157,717	18,828,910	14,516,888	15,794,014	16,279,971	19,527,143	17,714,332	18,207,099	19,076,156	23,279,911
Water System	28,212,391	28,536,428	40,110,255	42,840,185	43,022,231	43,113,971	46,627,133	53,339,444	60,707,954	48,030,778
Sewer System	16,765,662	18,235,772	25,526,830	24,269,283	28,980,517	31,051,237	32,680,138	32,339,112	37,537,057	31,763,534
Other Business-Type Activities	15,893,623	15,734,541	17,278,725	16,439,140	17,238,383	17,817,971	18,016,163	18,198,854	19,560,225	19,679,802
Total Business-Type Activities Expenses	120,763,578	120,671,401	138,349,746	140,900,712	147,195,364	152,397,222	168,778,763	169,576,515	186,883,585	172,252,497
Total Primary Government Expenses	\$ 362,962,255	\$ 350,513,098	\$ 360,245,919	\$ 376,884,201	\$ 389,718,057	\$ 405,374,423	\$ 426,300,651	\$ 433,264,561	\$ 469,215,862	\$ 469,463,204
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 37,689,581	\$ 33,923,642	\$ 36,183,314	\$ 40,374,802	\$ 37,543,445	\$ 40,285,380	\$ 48,476,887	\$ 49,951,513	\$ 52,780,001	\$ 53,273,825
General Government	5,776,145	10,016,804	12,060,974	8,589,950	7,515,182	10,135,563	9,689,452	10,161,855	9,347,027	8,685,210
Public Safety	5,397,891	3,675,472	4,528,772	2,158,284	5,556,032	13,559,717	681,523	570,033	1,057,448	1,336,890
Public Works	12,351,506	10,452,002	9,832,614	11,998,683	13,793,256	15,564,387	16,082,560	15,328,529	16,664,531	8,467,793
Health and Welfare	1,570,822	4,029,673	5,157,950	5,412,318	7,116,481	5,874,092	6,700,618	5,760,979	6,764,430	6,162,968
Culture and Recreation	4,828,695	4,624,053	5,516,704	4,586,437	4,966,208	7,105,179	6,213,731	8,428,408	5,983,576	6,589,287
Air Transportation	13,930,222	18,369,080	21,833,031	23,499,860	22,085,334	25,228,899	21,012,892	22,967,325	21,731,076	21,047,107
Capital Grants and Contributions	15,342,651	30,660,626	48,006,390	36,020,500	29,325,040	22,102,012	29,152,539	35,294,592	40,400,218	41,090,817
Total Governmental Activities Program Revenues	96,889,713	115,751,352	143,119,749	132,640,834	127,900,978	139,655,229	138,010,202	148,463,234	154,728,307	146,653,897
Business-Type Activities:										
Charges for Services										
Bridge System	48,757,093	43,736,439	45,913,716	46,433,396	47,365,449	47,628,417	55,703,827	58,289,089	60,192,764	61,381,489
Solid Waste Management System	15,987,984	15,570,572	16,014,354	16,657,612	16,625,595	18,773,794	19,938,264	21,422,714	24,141,768	25,314,209
Water System	28,832,337	30,032,089	29,859,060	36,301,316	38,825,686	41,279,848	42,744,943	40,933,158	46,018,021	49,522,342
Sewer System	18,820,522	21,401,432	22,884,626	27,711,393	28,734,011	28,941,911	30,383,531	28,409,350	31,850,492	33,365,973
Other Business-Type Activities	6,234,125	5,393,258	5,447,624	5,384,915	5,453,483	5,583,161	5,516,063	5,581,664	5,367,622	5,516,348
Operating Grants and Contributions	4,519,591	4,519,244	5,439,854	4,279,722	5,054,473	5,044,473	4,425,506	3,914,991	3,837,360	4,091,169
Capital Grants and Contributions	57,024,886	41,035,105	26,282,072	36,609,025	12,928,054	6,365,385	5,746,419	6,313,419	9,332,615	6,735,114
Total Business-Type Activities Program Revenues	177,176,538	161,602,139	151,841,306	173,377,379	154,405,608	154,076,989	164,458,553	164,864,385	180,740,642	185,926,644
Total Primary Government Program Revenues	\$ 274,066,251	\$ 277,353,491	\$ 294,961,055	\$ 306,018,213	\$ 282,306,786	\$ 293,732,218	\$ 302,468,755	\$ 313,327,619	\$ 335,468,949	\$ 332,580,541

(Continued)

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

CITY OF LAREDO, TEXAS

TABLE 2

(Continued)

	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Net (Expense)/Revenue											
Governmental Activities	\$ (145,308,964)	\$ (114,090,345)	\$ (78,776,424)	\$ (103,342,655)	\$ (114,621,715)	\$ (113,321,972)	\$ (119,511,686)	\$ (115,224,812)	\$ (127,603,970)	\$ (150,556,810)	
Business-Type Activities	56,412,960	40,930,738	13,491,560	32,476,667	7,210,444	1,679,767	(4,320,210)	(4,712,130)	(6,142,943)	13,674,147	
Total Primary Government Net Expense	<u>\$ (88,896,004)</u>	<u>\$ (73,159,607)</u>	<u>\$ (65,284,864)</u>	<u>\$ (70,865,988)</u>	<u>\$ (107,411,271)</u>	<u>\$ (111,642,205)</u>	<u>\$ (123,831,896)</u>	<u>\$ (119,936,942)</u>	<u>\$ (133,746,913)</u>	<u>\$ (136,882,663)</u>	
General Revenues and Other Changes in											
Net Position											
Governmental Activities:											
Taxes											
Property Taxes	\$ 62,332,204	\$ 68,693,562	\$ 69,155,582	\$ 69,142,902	\$ 68,704,058	\$ 69,563,546	\$ 68,900,077	\$ 72,930,004	\$ 76,362,877	\$ 80,508,743	
Sales Tax	32,648,289	29,801,861	29,790,610	39,050,113	38,152,946	40,383,050	39,842,711	41,000,767	38,983,785	39,788,063	
Franchise Taxes	6,835,933	6,714,232	6,681,712	7,018,602	7,085,923	7,089,931	7,434,775	7,613,857	7,656,015	7,798,793	
Hotel/Motel Tax	3,331,021	2,718,253	3,087,561	4,117,956	4,228,417	4,218,974	4,322,485	4,219,474	3,797,579	3,939,200	
Alcoholic Beverage Taxes	334,273	323,349	308,966	329,521	298,772	345,476	436,204	463,447	467,361	512,893	
Grants and Contributions Not Restricted to Specific Programs	4,845,731	-	-	-	-	-	-	-	-	-	
Investment Earnings	3,478,262	1,980,307	703,433	505,944	399,151	379,330	428,693	581,016	780,283	2,148,609	
Gain on Sale of Capital Assets	409,102	122,890	36,680	1,327,296	314,627	15,898,197	177,320	50,721	512,275	1,080,474	
Bond Premium	1,227,777	1,893,419	-	829,086	84,484	-	-	-	-	-	
Transfers	13,622,444	8,108,009	4,683,701	5,842,964	3,961,171	3,781,584	7,585,617	9,252,910	6,345,593	7,578,583	
Total Governmental Activities	<u>129,065,036</u>	<u>120,355,882</u>	<u>114,448,245</u>	<u>128,164,384</u>	<u>123,229,549</u>	<u>141,660,088</u>	<u>129,127,882</u>	<u>136,112,196</u>	<u>134,905,768</u>	<u>143,355,358</u>	
Business-Type Activities:											
Sales Tax	6,122,978	5,760,681	5,512,908	6,311,745	7,082,464	7,666,150	7,716,898	7,966,064	7,474,608	7,592,193	
Investment Earnings	-	-	288,222	203,743	1,811,816	1,651,558	1,409,876	1,445,291	1,818,713	1,751,860	
Gain/(Loss) on Sale of Capital Assets	393,328	512,769	(533,697)	152,893	23,254	20,316	352,807	(26,589)	389,708	1,668,774	
Bond Premium	-	-	-	5,439,668	389,574	-	-	-	-	-	
Transfers	(13,622,444)	(8,108,009)	(4,683,701)	(5,842,964)	(3,961,171)	(3,781,584)	(7,585,617)	(9,252,910)	(6,345,593)	(7,578,582)	
Total Business-Type Activities	<u>(7,106,136)</u>	<u>(1,834,559)</u>	<u>583,732</u>	<u>6,265,085</u>	<u>5,345,937</u>	<u>5,556,440</u>	<u>1,893,964</u>	<u>131,856</u>	<u>3,337,436</u>	<u>3,434,245</u>	
Total Primary Government	<u>\$ 121,958,898</u>	<u>\$ 118,521,323</u>	<u>\$ 115,031,977</u>	<u>\$ 134,429,469</u>	<u>\$ 128,575,486</u>	<u>\$ 147,216,528</u>	<u>\$ 131,021,846</u>	<u>\$ 136,244,052</u>	<u>\$ 138,243,204</u>	<u>\$ 146,789,603</u>	
Change in Net Position											
Governmental Activities	\$ (16,243,928)	\$ 6,265,537	\$ 35,671,821	\$ 24,821,729	\$ 8,607,834	\$ 28,338,116	\$ 9,616,196	\$ 20,887,384	\$ 7,301,798	\$ (7,201,452)	
Business-Type Activities	49,306,822	39,096,179	14,075,292	38,741,752	12,556,381	7,236,207	(2,426,246)	(4,580,274)	(2,805,507)	17,108,392	
Total Primary Government	<u>\$ 33,062,894</u>	<u>\$ 45,361,716</u>	<u>\$ 49,747,113</u>	<u>\$ 63,563,481</u>	<u>\$ 21,164,215</u>	<u>\$ 35,574,323</u>	<u>\$ 7,189,950</u>	<u>\$ 16,307,110</u>	<u>\$ 4,496,291</u>	<u>\$ 9,906,940</u>	

SOURCE:

City of Laredo, Texas

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES:										
Taxes:										
Property	\$ 61,553,183	\$ 67,284,934	\$ 68,870,491	\$ 68,998,291	\$ 67,838,288	\$ 69,063,708	\$ 71,560,518	\$ 73,314,227	\$ 75,826,000	\$ 80,589,128
Sales	32,518,723	30,308,403	29,339,115	33,669,024	37,481,815	39,921,718	40,024,574	41,364,145	38,685,571	39,417,857
Franchise Fees	6,793,268	6,788,837	6,668,731	6,995,838	7,080,430	7,049,443	7,048,310	68,575	7,651,588	7,776,288
Bingo Tax	68,268	68,274	68,235	74,345	82,942	71,581	70,037	463,398	67,340	68,077
Alcoholic Beverage	337,545	325,611	304,894	341,545	289,303	320,504	429,823	4,204,569	456,784	490,013
Hotel Motel	3,327,146	2,775,027	3,077,683	4,055,510	4,227,796	4,236,295	4,321,690	7,588,828	3,851,082	3,842,751
Licenses and Permits	6,029,355	6,370,472	6,496,534	6,487,718	7,037,889	8,200,676	9,176,782	9,789,518	9,996,342	10,188,838
Intergovernmental	35,693,757	39,882,049	52,709,235	49,801,150	37,425,328	38,974,973	31,999,133	35,599,823	34,493,046	33,734,018
Charges for Services	37,045,771	37,636,101	41,954,138	41,728,421	46,032,265	47,094,098	54,978,231	56,761,356	59,886,689	60,099,061
Fines	3,646,728	3,392,829	3,734,101	3,762,977	3,631,708	3,355,374	3,781,433	3,750,121	3,986,414	4,025,440
Fees and Collections	3,492,841	3,837,470	3,592,488	3,547,545	3,916,479	4,815,100	5,266,624	5,453,663	5,288,848	5,197,368
Rents	6,545,628	5,714,968	6,482,548	5,731,032	6,012,866	9,050,040	7,309,197	8,506,613	6,646,131	7,222,326
Interest and Other	7,238,944	4,843,786	1,933,321	1,511,880	1,268,514	464,348	513,966	1,426,394	2,002,081	2,555,647
Miscellaneous	643,499	4,923,082	8,441,665	4,722,829	2,611,818	3,571,941	2,902,821	2,873,122	2,176,195	2,744,345
Contributions & Donations	988,331	95,240	18,271,618	10,951,450	18,780,987	21,818,513	200,222	22,950,634	27,872,691	22,007,736
Reimbursements	1,729,311	1,913,607	1,322,816	2,280,613	1,038,430	1,780,401	1,544,995	1,847,804	1,512,842	1,870,678
TOTAL REVENUES	207,652,298	216,160,690	253,267,613	244,660,168	244,766,858	259,788,713	241,488,356	275,962,790	280,399,644	281,829,571
EXPENDITURES:										
General Government	17,894,512	18,892,213	18,688,270	19,098,129	18,681,665	19,339,843	19,730,538	23,618,033	24,034,077	24,993,279
Public Safety	91,511,415	93,373,168	97,621,453	101,057,294	108,305,984	112,862,130	114,898,390	119,758,393	126,401,411	128,456,177
Public Works	11,967,902	18,923,375	13,683,613	10,185,108	12,957,347	9,836,004	10,707,599	9,257,819	9,081,025	10,589,800
Health and Welfare	18,507,725	18,734,227	20,447,413	20,160,603	22,578,990	24,339,567	24,015,886	24,139,800	24,960,106	26,063,726
Cultural and Recreational	15,658,222	18,337,167	21,478,230	23,640,666	24,575,468	25,336,135	27,762,404	27,056,235	28,088,962	27,962,296
Air Transportation Services	4,109,813	4,317,786	4,439,025	4,651,685	4,989,131	6,006,842	6,158,489	6,467,036	6,883,264	6,709,908
Capital Outlay	44,092,402	56,947,674	82,767,916	85,712,034	71,468,161	51,861,368	50,975,719	52,384,194	66,817,376	51,840,512
Bond Costs	766,853	27,799,429	235,629	704,855	211,726	188,314	209,549	1,373,264	969,313	-
Debt Service:										
Principal Retirement	17,398,209	18,626,220	12,945,169	10,246,364	13,058,227	14,365,645	16,127,013	39,178,502	23,395,142	15,584,619
Loss on Advance Refunding	-	-	-	-	-	-	-	258,062	584,424	-
Interest and Fiscal Expenditures	12,691,697	15,621,180	10,711,226	10,866,914	11,071,614	10,772,155	9,987,587	9,097,392	9,127,731	9,764,959
TOTAL EXPENDITURES	234,598,750	291,572,439	283,017,944	286,323,852	287,998,313	274,728,003	280,573,174	312,598,730	320,342,831	301,976,278
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,946,452)	(75,411,749)	(29,750,331)	(41,663,684)	(43,231,455)	(14,939,290)	(39,084,818)	(36,635,940)	(39,943,187)	(20,146,707)
OTHER FINANCING SOURCES (USES):										
Transfers In	37,533,557	40,622,386	29,605,450	46,699,942	41,973,360	37,256,256	45,447,751	56,141,691	44,180,899	36,587,762
Issuance of Debt	79,855,000	56,980,000	8,715,629	23,189,078	9,764,975	3,800,000	20,795,730	45,028,000	40,155,641	-
Bond Premium	1,227,777	1,860,783	-	829,086	88,867	56,279	565,390	14,136,687	7,867,533	-
Bond Discounts	-	-	-	-	(4,383)	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(9,230)	(3,317,933)	(2,112,731)	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	15,005	-	-	-
Transfers Out	(23,493,174)	(31,697,149)	(24,521,749)	(39,073,000)	(37,198,426)	(31,974,672)	(37,121,060)	(45,138,782)	(35,374,394)	(26,209,179)
Contributions	(46,471,173)	9,340,787	-	-	-	-	19,667,880	-	-	-
Issuance of Refunding Debt	-	-	-	-	-	-	-	-	-	-
Capital Leases	(102,232)	(102,232)	1,330,425	807,653	-	4,852,652	-	55,606,967	20,450,000	-
Sale of Assets	194,959	121,669	33,461	1,375,078	318,617	15,888,705	177,320	50,721	512,275	62,168
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(15,668,558)	(15,668,558)	(65,313,880)	(23,238,405)	1,080,474
TOTAL OTHER FINANCING SOURCES (USES)	48,744,714	77,126,244	15,153,986	30,509,904	12,830,279	29,881,220	33,879,458	60,511,404	53,953,549	11,521,225
Net Change in Fund Balances	\$ 21,798,262	\$ 1,714,495	\$ (14,596,345)	\$ (11,153,780)	\$ (30,401,176)	\$ 14,941,930	\$ (5,205,360)	\$ 23,875,464	\$ 14,010,362	\$ (8,625,482)
Debt Service as a Percentage of non-capital expenditures	16.20%	26.45%	11.93%	10.88%	11.24%	11.36%	11.47%	19.08%	13.21%	10.13%

SOURCE:

**FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

CITY OF LAREDO, TEXAS

TABLE 4

	Fiscal Year									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	14,937	\$ 4,349	\$ 19,335	\$ 5,960	\$ 7,920	\$ 11,197	\$ 17,258
Restricted	-	-	-	786,681	1,641,354	3,644,122	11,981,702	11,445,903	12,490,116	12,650,292
Committed	-	-	-	22,393,198	22,988,878	27,564,635	27,842,577	29,091,945	31,053,457	30,688,417
Assigned	-	-	-	1,613,435	-	-	-	-	-	-
Unassigned	-	-	-	10,712,189	12,230,458	10,343,359	2,781,899	3,603,026	885,453	1,706,956
Reserved	1,297,655	1,516,661	2,122,655	-	-	-	-	-	-	-
Unreserved	25,322,950	29,175,762	32,823,677	-	-	-	-	-	-	-
Total General Fund	\$ 26,620,605	\$ 30,692,423	\$ 34,946,332	\$ 35,520,440	\$ 36,865,039	\$ 41,571,451	\$ 42,612,138	\$ 44,148,794	\$ 44,440,223	\$ 45,062,923
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ -	\$ -	119,161	\$ 106,717	\$ 95,436	\$ 95,310	\$ 143,068	\$ 124,468	\$ 178,297
Restricted	-	-	-	104,259,849	72,008,350	57,826,607	60,888,607	75,004,683	89,143,791	75,686,929
Committed	-	-	-	6,756,570	7,729,123	5,263,091	3,559,782	6,018,039	6,205,935	3,641,281
Assigned	-	-	-	11,709,333	13,515,966	39,401,130	33,525,417	41,356,354	38,986,497	44,550,201
Unassigned (Deficit)	-	-	-	(125,741)	(2,386,759)	(1,377,349)	(3,086,248)	(5,220,468)	(3,440,082)	(1,746,008)
Reserved	26,694,766	36,478,312	81,538,217	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	12,831,254	25,473,486	27,153,981	-	-	-	-	-	-	-
Debt Service Funds	9,293,964	6,636,000	-	-	-	-	-	-	-	-
Capital Project Funds	106,834,652	84,709,516	25,754,862	-	-	-	-	-	-	-
Total all other governmental funds	\$ 155,654,636	\$ 153,297,314	\$ 134,447,060	\$ 122,719,172	\$ 90,973,397	\$ 101,208,915	\$ 94,962,868	\$ 117,301,676	\$ 131,020,609	\$ 122,310,700

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
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
2016	75,826,000	38,685,571	456,784	67,340	3,851,082	7,651,588	126,538,365
2017	\$ 80,589,128	\$ 39,417,857	\$ 490,013	\$ 68,077	\$ 3,842,751	\$ 7,776,288	\$ 132,184,114

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			
2008	\$	59,690,336	\$	57,843,306	96.91	\$	1,617,173	\$	59,460,479	99.61
2009		65,419,993		63,194,853	96.60		1,947,206		65,142,059	99.58
2010		66,652,507		64,379,305	96.59		1,990,367		66,369,672	99.58
2011		67,016,086		65,241,316	97.35		1,525,828		66,767,144	99.63
2012		66,842,112		64,818,395	96.97		1,732,093		66,550,488	99.56
2013		67,621,015		65,858,772	97.39		1,447,246		67,306,018	99.53
2014		69,529,157		68,117,096	97.97		1,071,087		69,188,183	99.51
2015		71,691,453		70,277,149	98.03		959,983		71,237,132	99.37
2016		75,020,129		73,312,814	97.72		1,010,952		74,323,766	99.07
2017	\$	78,914,153	\$	77,288,444	97.94	\$	-	\$	77,288,444	97.94

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	
2008	\$ 6,069,242,179	\$ 6,069,242,179	\$ 3,971,864,502	\$ 3,971,864,502	\$ 3,971,864,502	\$ 647,577,934	\$ 9,393,528,747	\$ 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	4,402,760,384	671,339,004	10,385,975,045	10,385,975,045	10,385,975,045	0.637000	100%
2010	6,825,803,972	6,825,803,972	4,571,159,052	4,571,159,052	4,571,159,052	773,831,223	10,623,131,801	10,623,131,801	10,623,131,810	0.637000	100%
2011	6,938,223,832	6,938,223,832	4,460,292,962	4,460,292,962	4,460,292,962	761,010,658	10,637,506,136	10,637,506,136	10,637,506,136	0.637000	100%
2012	6,909,967,001	6,909,967,001	4,454,071,509	4,454,071,509	4,454,071,509	779,291,720	10,584,746,790	10,584,746,790	10,584,746,790	0.637000	100%
2013	6,361,188,581	6,361,188,581	4,329,884,664	4,329,884,664	4,329,884,664	807,321,080	10,691,073,245	10,691,073,245	10,691,073,245	0.637000	100%
2014	6,467,306,659	6,467,306,659	4,531,514,190	4,531,514,190	4,531,514,190	800,231,949	10,998,820,849	10,998,820,849	10,998,820,849	0.637000	100%
2015	6,765,571,005	6,765,571,005	4,605,136,567	4,605,136,567	4,605,136,567	793,760,615	11,370,707,572	11,370,707,572	11,370,707,572	0.637000	100%
2016	6,996,535,128	6,996,535,128	5,184,897,773	5,184,897,773	5,184,897,773	872,562,927	11,857,665,347	11,857,665,347	11,857,665,347	0.637000	100%
2017	\$ 8,019,104,900	\$ 8,019,104,900	\$ 5,585,863,430	\$ 5,585,863,430	\$ 5,585,863,430	\$ 880,948,630	\$ 12,490,928,773	\$ 12,490,928,773	12,490,928,773	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)

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
2016	0.63700	0.41470	1.39550	1.22486	0.33024
2017	0.63700	0.41470	1.38970	1.22486	0.34300

TAX LEVIES

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
2016		75,020,129		79,217,751		28,362,620		196,450,033		37,132,750
2017	\$	78,914,153	\$	72,900,284	\$	29,103,820	\$	170,690,335	\$	42,288,131

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
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
2016	4,775	10,072	10,875	73.25%	3,972
2017	\$ 3,972	\$ 4,424	\$ 3,520	41.92%	\$ 3,885

(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, 2017**

CITY OF LAREDO, TEXAS

TABLE 10

TAXPAYER	TYPE OF BUSINESS	2017 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
AEP Texas Central Company	Utility	\$144,050,410	1.08%
Laredo Texas Hospital Co. LP	Hospital	96,438,140	0.72%
Mall Del Norte, LLC	Retail	56,446,120	0.42%
The GEO Group, INC	Correctional	53,181,680	0.40%
Laredo Outlet Shoppes, LLC	Retail	45,585,530	0.34%
Farias Development LTD	Real Estate	44,133,920	0.33%
Laredo Regional Medical CTR LP	Medical	43,793,670	0.33%
AEP Electric Transmission of Texas LLC	Utility	43,404,120	0.33%
Card Border, LLC	Real Estate	36,583,406	0.27%
Killam Development Partnership LTD	Developers	36,487,176	0.27%
TOTAL		\$600,104,172	4.49%

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2007**

TAXPAYER	TYPE OF BUSINESS	2007 ASSESSED VALUATION REAL & PERSONAL PROPERTY	PERCENTAGE OF TOTAL ASSESSED VALUATION
Laredo Texas Hospital Co. LP	Medical	\$99,841,700	1.19%
AEP Texas Central Company	Electricity	83,521,630	0.99%
Laredo/MDN Limited Partnership	Mall	49,160,130	0.58%
Laredo Regional Medical Center	Medical	46,150,740	0.55%
International Bank of Commerce	Banking	33,832,690	0.40%
Killam Ind. Dev. Partnership LTD	Development	29,349,980	0.35%
Southwestern Bell Telephone Co.	Telephone Co.	28,712,860	0.34%
H.E.Butt Grocery Co.	Grocery	26,514,530	0.32%
WRI Trautmann LP	Development	26,410,750	0.31%
Walmart Real Estate Business Trust	Retail	21,355,170	0.25%
Total		\$444,850,180	5.29%

Numbers show total comparison for principal taxpayers as of 2017 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 2016 tax roll	\$12,490,928,773
Maximum amount of bonded indebtedness based on such assessed value (10%).....	\$1,249,092,877
Amount of debt applicable to said maximum debt limit:	
Total General Obligation Bonds and Certificates of Obligations .	\$198,899,510
(Percentage of G. O. and C. O. debt to assessed value)	1.59%
Less: Debt Service Fund Balance as of September 30, 2017....	\$4,617,735
Total Amount of debt applicable to debt limit	\$194,281,775
The Debt Margin between current indebtedness and maximum allowable indebtedness	\$1,054,811,102

**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
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
2016	255,789 (2)	11,857,665,347	349,398,612	4,348,066	345,050,546	2.9099%	1,348.97
2017	257,156 (2)	\$ 12,490,928,773	\$ 324,573,733	\$ 4,617,735	\$ 319,955,998	2.5615%	\$ 1,244.21

(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
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%
2016	23,395,142	9,127,731	32,522,873	320,342,831	10.15%
2016	\$ 15,584,619	\$ 9,764,959	\$ 25,349,578	\$ 301,976,278	8.39%

(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, 2017**

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>\$198,899,510</u>	100.00%	<u>\$198,899,510</u>
Overlapping:			
Webb County	57,229,000	65.57%	37,525,055
Laredo Independent School District	223,032,226	100.00%	223,032,226
United Independent School District	459,077,025	78.48%	360,283,649
Laredo Community College	<u>222,817,187</u>	100.00%	<u>222,817,187</u>
Total Overlapping	<u>962,155,438</u>		<u>843,658,118</u>
Total	<u><u>\$1,161,054,948</u></u>		<u><u>\$1,042,557,628</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	\$ 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
Bridge	\$ 46,511,403	\$ 11,577,331	\$ 34,934,072	\$ 5,087,435	\$ 3,697,171	\$ 8,784,606	3.98
Water	35,136,866	17,237,107	17,899,759	9,544,541	8,737,268	18,281,809	0.98
Sewer	27,603,852	12,615,092	14,988,760	5,176,563	3,083,142	8,259,705	1.81
Sports Venue	6,993,484	285,418	6,708,066	1,575,000	1,539,194	3,114,194	2.15
Total 2011	\$ 116,245,605	\$ 41,714,948	\$ 74,530,657	\$ 21,383,539	\$ 17,056,775	\$ 38,440,314	1.94
Bridge	\$ 47,442,168	\$ 11,558,034	\$ 35,884,134	\$ 5,297,642	\$ 3,411,251	\$ 8,708,893	4.12
Water	37,406,533	19,443,290	17,963,243	6,935,076	9,243,574	16,178,650	1.11
Sewer	28,575,312	14,050,528	14,524,784	6,628,809	3,460,200	10,089,009	1.44
Sports Venue	7,716,848	575,086	7,141,762	1,900,000	1,963,443	3,863,443	1.85
Total 2012	\$ 121,140,861	\$ 45,626,938	\$ 75,513,923	\$ 20,761,527	\$ 18,078,468	\$ 38,839,995	1.94

(Continued)

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

CITY OF LAREDO, TEXAS

TABLE 15

(Continued)

FISCAL PERIODS	TOTAL REVENUE (1)	OPERATING EXPENSE (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	-----DEBT SERVICE REQUIREMENTS-----			REVENUE BOND COVERAGE (3)
				PRINCIPAL	INTEREST	TOTAL	
Bridge	\$ 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
Bridge	\$ 60,191,985	\$ 44,063,764	\$ 16,128,221	\$ 6,515,000	\$ 2,544,689	\$ 9,059,689	1.78
Water	46,005,339	25,089,331	20,916,008	4,460,137	6,671,362	11,131,499	1.88
Sewer	31,843,713	18,764,427	13,079,286	4,031,863	3,424,431	7,456,294	1.75
Sports Venue	7,865,883	2,069,960	5,795,923	2,470,000	1,391,627	3,861,627	1.50
Total 2016	\$ 145,906,920	\$ 89,987,482	\$ 55,919,438	\$ 17,477,000	\$ 14,032,109	\$ 31,509,109	1.77
Bridge	\$ 61,142,936	\$ 13,895,138	\$ 47,247,798	\$ 6,815,000	\$ 2,192,787	\$ 9,007,787	5.25
Water	46,727,955	25,755,467	20,972,488	4,967,900	6,346,412	11,314,312	1.85
Sewer	33,305,843	20,011,001	13,294,842	3,763,100	3,331,047	7,094,147	1.87
Sports Venue	8,128,168	684,885	7,443,283	2,245,000	1,131,413	3,376,413	2.20
Total 2017	\$ 149,304,902	\$ 60,346,491	\$ 88,958,411	\$ 17,791,000	\$ 13,001,659	\$ 30,792,659	2.89

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
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	-	-
2016	103,951,365	109,405,572	29,651,343	4,333,835	255,000	56,735,044	79,306,631	367,711,220	-	-
2017	\$ 100,087,556	\$ 98,811,954	\$ 27,095,437	\$ 7,129,282	\$ -	\$ 53,732,208	\$ 71,942,015	\$ 350,511,203	\$ -	\$ -
	Total Primary Government	Personal Income	Per Capita	Percentage of Personal Income						
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	5,977,983,000	2,061	8.43%						
2011	577,324,760	6,408,612,000	2,445	9.01%						
2012	632,178,719	6,769,544,000	2,439	9.34%						
2013	659,788,188	7,114,194,000	2,514	9.27%						
2014	660,566,742	7,561,382,000	2,639	8.74%						
2015	679,914,309	7,939,451,100	2,679	8.56%						
2016	751,350,010	8,031,782,000	2,786	9.35%						
2017	\$ 709,309,655	\$ 7,980,237,000	2,925	8.89%						

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
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
2016	110,626	5,060	4.60%	105,566
2017	114,560	4,148	3.60%	110,412

SOURCE:

U.S. Bureau of Labor Statistics

Numbers as of September 30 each year.

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

CITY OF LAREDO, TEXAS

TABLE 17

(Continued)

FISCAL PERIODS	GROWTH INDICATORS (1)				POSTAL RECEIPTS (2)
	ELECTRIC	GAS	WATER	SEWER	
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
2016	87,797	30,144	70,545	65,291	15,362,228
2017	88,536	30,370	71,788	66,707	\$ 14,117,888

NOTES:

(1) Amount represents number of active customer accounts.

(2) Represents estimated total revenue collected.

* Legislation prohibits disclosure of telephone accounts information.

SOURCES:

Finance Department of respective entity

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

CITY OF LAREDO, TEXAS

TABLE 18

FISCAL PERIODS	COMMERCIAL CONSTRUCTION (A)		RESIDENTIAL CONSTRUCTION (A)		PROPERTY VALUE (A)			
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	BANK (B) DEPOSITS	COMMERCIAL	RESIDENTIAL	VACANT PROPERTY
2008	278	\$ 152,367,779	1250	\$ 132,572,308	\$ 7,606,202,000	\$ 3,971,864,502	\$ 5,699,588,209	\$ 369,653,970
2009	148	52,017,727	709	96,056,087	7,592,090,000	4,402,760,384	6,257,490,215	397,063,450
2010	110	70,266,920	622	96,580,902	8,183,979,000	4,571,159,052	6,448,188,579	377,615,393
2011	85	94,785,851	641	108,466,180	8,478,675,000	4,460,292,962	6,488,371,519	374,194,726
2012	126	172,267,390	935	150,077,555	8,638,444,000	4,454,071,509	6,557,864,234	352,102,767
2013	231	186,626,982	943	137,643,461	12,365,894,000	4,329,884,664	5,963,993,048	397,195,533
2014	237	154,084,458	1034	207,923,276	12,512,568,000	4,863,861,131	6,554,541,075	387,782,150
2015	231	207,112,512	1096	156,254,633	12,629,167,000	4,975,763,549	6,846,769,974	356,633,107
2016	258	271,214,041	1202	157,224,474	12,639,632,000	5,184,897,773	6,996,535,128	560,503,540
2017	332	\$ 294,300,035	1121	\$ 168,546,999	\$ 11,640,413,000	\$ 5,585,863,430	\$ 8,019,104,900	\$ 628,569,861
								\$ 880,948,630

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

SOURCES:

(A) City of Laredo, Texas

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

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2017**

CITY OF LAREDO, TEXAS

TABLE 19

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Independent School District	6,358	6.87%
Laredo Independent School District	4,253	4.60%
City of Laredo	2,535	2.74%
Wal-Mart (4 locations)	2,125	2.30%
U.S. CBP - Customs Field Officers	1,959	2.12%
H.E.B Grocery	1,800	1.95%
McDonald's Restaurant	1,520	1.64%
Webb County	1,700	1.84%
Laredo Medical Center	1,450	1.57%
Texas A&M International University	1,350	1.46%

**PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2007**

United Independent School District	5,341	6.58%
Laredo Independent School District	4,649	5.73%
City of Laredo	2,254	2.78%
U.S. Dept of Customs and Border	1,730	2.13%
McDonald's Restaurants	1,500	1.85%
Laredo Medical Center	1,406	1.73%
H-E-B Grocery Store	1,360	1.68%
Webb County	1,297	1.60%
Wal-Mart (3 locations)	1,234	1.52%
The Laredo National Bank	1,229	1.52%

Principal Employers numbers as of September 2017 and 10 years ago.

Source:

Laredo Development Foundation
Texas Workforce Commission

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2017**

CITY OF LAREDO, TEXAS

TABLE 20

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Medical	77,573,400
United I.S.D.	Education	69,420,600
Texas A&M University System	Education	61,232,400
Laredo Community College	Education	35,140,900
Laredo Regional Medical Center	Medical	18,580,600
New Webb County Jail	County Jail	16,133,000
Phillips & Jordan, Inc.	Civil Construction	15,346,000
Clarks Crossing Apartments	Real Estate	14,974,500
Flying J	Truck Travel Center	12,065,400
Broad Acres Apartments	Real Estate	11,382,100

**PRINCIPAL WATER CONSUMERS
SEPTEMBER 30, 2007**

TYPE OF BUSINESS	PRODUCT OR SERVICE	CONSUMPTION (1)
Laredo Medical Center	Hospital	111,627,700
Texas A&M University System	Education	55,108,200
Webb County Jail	County Jail	22,415,000
C.P.L. Power Plant	Utility	21,826,000
Laredo Municipal Housing Corp.	Housing	15,292,400
Texas Energy Services, LP	Energy	11,590,200
Corrections Corp. of America	Jail	11,573,000
Retama Manor Nursing Home	Nursing Home	11,333,300
Broad Acres Apartments	Housing	10,581,900
Webb County (Irrigation)	Water Point	10,083,000

NOTES:

(1) Total consumption in gallons

Numbers show total comparison for principal water consumers as of fiscal year 2017 and 10 years ago.

SOURCE:

City of Laredo, Texas

GENERAL

Form of Government:	City Manager & City Council
Terms of Office:	Mayor - 4 Year Term (2 Terms Maximum) City Council - 4 Year Staggered Terms (2 Terms Maximum) City Manager - Appointed by City Council
Date of First Charter Adoption:	1848
Date of Original Public Sale Of Town Lots:	1880
Second Charter:	February 23, 1911
Home Rule Amendment to Charter:	January 29, 1921
Amendments to Charter:	July 8, 1941, January 8, 1946, October 9, 1951, April 3, 1962, November 30, 1965, January 14, 1981, January 16, 1988, November 7, 1995, November 7, 2006, and November 2, 2010
Number of City Employees as of September 30, 2017:	2,461
Number of City Departments as of September 30, 2017:	28

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

YEAR	LAND AREA	INCREASE	TOTAL*
1960	13.12	-	13.12
1970	13.12	7.12	20.24
1980	20.24	13.26	33.50
1990	33.50	4.57	38.07
2000	78.82	1.13	79.95
2005	84.40	1.35	85.75
2006	85.75	0.26	86.01
2007	86.01	2.95	88.96
2008	88.96	0.57	89.53
2009	89.53	-	89.53
2010	89.53	0.87	90.40
2011	90.40	1.66	92.06
2012	92.06	0.77	92.83
2013	92.83	0.03	92.86
2014	92.86	9.04	101.90
2015	101.90	N/A	101.90
2016	101.90	2.99	104.89
2017	104.89	N/A	N/A

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

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2017****CITY OF LAREDO, TEXAS****TABLE 21****ELECTIONS**

(continued)

Number of Registered Voters: 115,866

NUMBER OF VOTES CAST IN

Last Municipal Election: Nov 8, 2016 56,168

% OF REGISTERED VOTERS VOTING IN

Last Municipal Election: Nov 8, 2016 48.50%

TRANSPORTATION**AIRPORTS**

Number of Airports: 1

Name of Airport: Laredo International Airport
Flights Daily to/from
Houston, Dallas, Las Vegas,
& OrlandoScheduled Airplane Flights
Per Day Departing: 9Scheduled Airplane Flights
Per Day Arriving: 9

Passengers Enplaning: 88,531 per year

Passengers Deplaned: 83,898 per year

BRIDGES

Number of Bridges: 4

Name of Bridges: Gateway to the Americas Bridge
Juarez - Lincoln International Bridge
Colombia Solidarity Bridge
World Trade BridgeNumber of Crossing Pick-ups,
Motorcycles, Autos & 2 Axle
Vehicles: 4,992,233Number of Crossing Commercial
Vehicles: 2,176,995Number of Crossing Pedestrians
(includes bicycles): 3,116,492

Total Tolls: \$ 59,966,346

RAILROADS

(continued)

Number of Railroads: 2

Names of Railroads: Union Pacific Railroad
Kansas City Southern Railroad

HIGHWAYS

Number of Highways: 6

Name of Major Highways: IH 35 - to San Antonio, Dallas & North to the
Canadian Border
Hwy. 59 - to Houston, New Orleans & East
Hwy. 359 - to Corpus Christi
Hwy. 83 - to Brownsville (East) & El Paso (West)
Hwy 255 - Columbia Bridge to IH 35
FM1472 (Mines Rd)

BUS LINES

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

Number of Adult Passengers: 1,700,400

Number of Elderly & Handicapped - Paid: 246,613

Number of Elderly & Handicapped - Free: 518,672

Number of Students: 165,244

Number of Children - Paid: 87,731

Number of Children - Free: 31,912

Number of I.D. Cards for Elderly: 3,059

Number of Medicaid Cards: 3,558

Number of Service Miles: 1,716,803

Number of Charter Miles: 0

Number of Employees: 171

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

TABLE 21

FIRE PROTECTION

(continued)

Number of Stations:	15
Number of Hydrants:	7,374
Number of Fire Pumps:	14
Number of Aerial Trucks:	3
Number of Ambulances:	10
Number of Crash Trucks:	1
Number of Brush Trucks:	5
Number of Haz-Mat Trucks:	1
Number of Firefighters / EMT's / Paramedics:	622
Employees per 1,000 Population:	1.26

POLICE PROTECTION

Number of Stations:	2 Police Headquarters
Number of Neighborhood Policing Stations:	8
Number of Sworn Officers:	471
Number of Vehicular Patrol Units:	324
Employees per 1,000 Population:	1.7
Number of Law Violations:	22,853
Number of Physical Arrests:	6,983
Number of Traffic Violations:	29,857
Number of 911 Calls:	170,309
Number of Non-911 Calls:	213,834

PUBLIC WORKS

(continued)

WATERWORKS SYSTEM

Miles of Water Mains:	1,067
Daily Average Consumption:	34.05 MGD
Plant Capacity:	85.5 MGD
Storage Capacity:	42.7 MGD
Water Rights Owned:	60,647 Acre / Feet
Source of Water:	Rio Grande River
Number of Service Connections:	71,788

SEWER SYSTEM

Miles of Sanitary Sewer:	775
Number of Lift Stations:	69
Daily Average Treatment:	19.5 MGD
Maximum Capacity of Treatment Plants:	29.2 MGD
Number of Disposal Plants:	6
Number of Service Connections:	66,707

SOLID WASTE

Number of Garbage Clients:	61,091
Solid Waste Disposal Type:	Type I Landfill

STREETS

Number of Paved Streets:	11,204 Blocks
Number of Unpaved Streets:	16 Blocks
Miles of Paved Streets:	681 Miles
Miles of Unpaved Streets:	1 mile

EDUCATIONAL

(continued)

LAREDO INDEPENDENT SCHOOL DISTRICT

Number of Senior High Schools:	4
Number of Magnet Schools:	3
Number of Alternative Education Schools:	2
Number of Classrooms:	351
Number of Administrative Personnel:	80
Number of Teachers:	429
Number of Students:	6,289
Annual Budget:	\$48,122,961
Number of Middle Schools:	4
Number of Classrooms:	189
Number of Administrative Personnel:	43
Number of Teachers:	305
Number of Students:	4,678
Annual Budget:	\$29,914,085
Number of Elementary Schools:	20
Number of Classrooms:	685
Number of Administrative Personnel:	113
Number of Teachers:	817
Number of Students:	13,047
Annual Budget:	\$82,730,511

UNITED INDEPENDENT SCHOOL DISTRICT

(continued)

Number of Senior High Schools:	7
Number of Magnet Schools:	3
Number Alternative Education Schools:	1
Number of Classrooms:	791
Number of Administrative Personnel:	127
Number of Teachers:	812
Number of Students:	13,507
Annual Budget:	\$83,876,168
Number of Middle Schools:	9
Number of Classrooms:	538
Number of Administrative Personnel:	91
Number of Teachers:	571
Number of Students:	9,771
Annual Budget:	\$55,678,103
Number of Elementary Schools:	28
Number of Classrooms:	1,417
Number of Administrative Personnel:	157
Number of Teachers:	1,190
Number of Students:	19,996
Annual Budget:	\$116,684,436

TABLE 21

LIBRARIES

(continued)

Number of Public Libraries:	1
Number of Volumes:	316,930
Circulation Transactions:	1,528,469
Circulation Per Capita:	6
New Library Cards Issued:	14,541
Library Cards in Force:	202,691
Number of Subscriptions:	495
Number of Titles:	272,479
Number of Library Visits:	444,933
Number of Materials Used:	155,269
Library Programs Presented:	3,712
Number Attending Library Programs:	90,018
Bookmobiles:	1
Branches and Outlets:	5

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

TABLE 21

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:	98
Number of Non-Faculty Staff:	0
Full-time	266
Part-Time	37
Number of Full-Time Faculty:	225
Number of Part-Time Faculty:	124
Number of Full-Time Students:	5,428
Number of Part-Time Students:	2,226

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:	257
Total Gross Square Footage:	1,286,792 Sq. Ft.
Number of Administrators:	156
Number of Full-Time Faculty:	186
Number of Part-Time Faculty:	213
Number of Full-Time Students:	2,838
Number of Part-Time Students:	7,046
Counties Served:	Webb, Jim Hogg, Zapata
Total Annual Budget:	\$56,950,204

RECREATIONAL

(continued)

PARKS

Number of Acres Maintained:	854
Number of Parks:	55
Number of Plazas:	4
Baseball and Softball Fields:	56
Number of Swimming Pools:	9
Number of Soccer Fields:	27
Number of Tennis Court Facilities:	5
Number of Racquetball Facilities:	3
Number of Recreational Centers:	8
Number of Splash Parks:	9
Number of Skate Parks:	6

CEMETERY

City:	1
Catholic:	1
Private:	3
Burials Served:	216
Cemetery Lots Sold:	129

LODGING/MEETING FACILITIES

Number of Hotels/Motels:	39 with 3,959 Rooms
Meeting Facilities:	35

TABLE 21

MAJOR ATTRACTIONS

(continued)

Number of Rodeo Arenas:	2
Number of Museums:	9
Number of Golf Courses:	3
Number of Tennis Courts:	21
Number of Tennis Court Facilities:	5
Number of Malls:	2
Number of Bowling Alleys:	1
Number of Movie Theaters:	3
Number of Country Clubs:	1
Annual Festivities:	Washington's Birthday Celebration 16 de Septiembre Laredo International Fair & Exposition Laredo Birding Festival Memorial Day Pow Wow 4th of July Celebration Laredo Sister Cities Festival Urban Fest Autmus Fest Navidad Fest Jalapeno Festival Jamboozie Farmers Market City Kite Festival Cycling Race Laredo Big Bad BBQ Cook-off

CHURCHES

Number of Catholic Churches:	26
Other Churches:	70

TABLE 21

SPORTS ARENA

(continued)

Facility Area:	178,000 Square Feet
Seat Capacity:	10,000
Luxury Suites:	14
Meeting Rooms:	5
Food Courts:	8
Parking Spaces:	2,000
Major Attractions:	Concerts, Sporting Events, Conventions, Family Entertainment, Community & Charity Events, WBCA Carnival, Graduations, and Special Events

BASEBALL STADIUM

Facility Area:	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 Concerts

SOURCES:

Finance Department, City of Laredo
Laredo Chamber of Commerce
Laredo Community College
Laredo Independent School District
Texas A&M International University
United Independent School District
Laredo Energy Arena

**INSURANCE IN FORCE FOR THE CITY OF LAREDO
INCLUDING THE INTERNATIONAL TOLL BRIDGE SYSTEM,
LAREDO WATERWORKS SYSTEM, AND THE LAREDO
SEWER SYSTEM
SEPTEMBER 30, 2017**

CITY OF LAREDO, TEXAS

TABLE 22

DESCRIPTION	TYPE OF COVERAGE	POLICY LIMIT
BUILDINGS	Fire and Extended Coverage (1)	\$ 674,659,664
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	24,807,004 Per Accident 5,000,000
AIRPORT LIABILITY	Comprehensive General Liability Personal Injury Liability Coverage Airport Control Tower Operations	Primary Policy 20,000,000 Excess Policy 50,000,000 PER OCCURRENCE
LAW ENFORCEMENT	Law Enforcement Liability	1,000,000
PUBLIC OFFICIALS	Personal Injury and Errors & Omissions	1,000,000
WORKER'S COMPENSATION	All City Employees for All Funds- Employer's Liability (2): Total Annual Contribution Per Occurrence Retention Annual Aggregate Retention Aggregate Limit Of Liability Loss Deposit Fund	350,222 300,000 2,000,000 1,000,000 201,000
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	2017	2016	2015	2014	2013	2012	2011	2010
General Government	292.14	295.18	309.66	300.70	340.75	338.25	349.10	347.10
Public Safety:								
Police:								
Officers	485	486.00	482.00	482.00	482.00	482.00	482.00	455.00
Civilians	88	88.00	89.00	90.00	90.00	89.00	89.00	89.00
Fire:								
Firefighters and Officers	382	383.00	383.00	362.00	362.00	357.00	357.00	357.00
Civilians	19	19.00	19.00	14.00	14.00	10.00	10.00	10.00
Other Civilians	62	62.00	63.00	62.00	62.00	62.00	62.00	62.00
Public Works	164	164.00	164.00	159.00	112.00	113.00	118.00	118.00
Health and Welfare	326	309.96	280.48	302.50	304.88	291.38	289.88	279.88
Culture and Recreation	301	297.83	296.83	274.09	246.24	243.97	245.93	245.93
Air Transportation	68	63.00	63.00	60.00	54.00	48.00	48.00	47.00
Bridge System	189	189.00	189.00	189.00	190.00	190.00	207.00	207.00
Solid Waste Management System	141	136.00	136.00	131.00	128.00	128.00	128.00	132.00
Water System	226	224.00	224.00	207.00	190.00	195.00	188.00	188.00
Sewer System	118	120.00	120.00	102.00	81.00	75.00	72.00	72.00
Transit System	181.1	181.10	171.00	171.00	181.00	162.00	185.10	184.70
Municipal Housing	13	13.00	13.00	13.00	12.00	12.00	11.00	11.00
Total	<u>\$ 3,055.24</u>	<u>3,031.07</u>	<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>

NOTES:

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

SOURCE:

City of Laredo Budget Division

OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 24

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

OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS (1)

CITY OF LAREDO, TEXAS

TABLE 24

(Continued)

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

NOTES:

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

SOURCE:

City of Laredo, Texas

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

CITY OF LAREDO, TEXAS

TABLE 25

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

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

CITY OF LAREDO, TEXAS

TABLE 25
(Continued)

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

NOTES:

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

SOURCE:

City of Laredo, Texas

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 2002-2017. The table applies to the following issues:

Sewer System Revenue Bond, Series 2002	\$ 710,000
Waterworks Revenue Bond, Series 2002	741,000
International Toll Bridge System Revenue Bond, Series 2008	3,070,000
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
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015A	4,600,000
Waterworks & Sewer System Subordinated Revenue Bond, Series 2015B	22,075,000
Waterworks & Sewer System Revenue Bond, Series 2016	75,395,000
Waterworks & Sewer System Revenue Bond, Series 2016	9,745,000
Waterworks & Sewer System Revenue Bond, Series 2016	66,470,000

Waterworks & Sewer System Revenue Bond, Series 2016	9,745,000
Waterworks & Sewer System Revenue Bond, Series 2016	66,470,000
Sports Venue Sales Tax Revenue Bonds, Series 2016	8,970,000
Tax and Revenue Certificate of Obligation, Series 2016 T/E	22,610,000
Tax and Revenue Certificate of Obligation, Series 2016	3,075,000
Public Property Finance Contractual Obligations, Series 2016	8,080,000
General Obligation Refunding Bonds, Series 2016	54,545,000
International Toll Bridge System Refunding Bond, Series 2016	\$ 8,700,000

GENERAL OBLIGATION BONDS

TABLE 1 - VALUATION, EXEMPTIONS AND DEBT OBLIGATIONS

2016 Market Valuation Established by Webb County Appraisal District (as of September 2016)		13,381,615,696
Less Supplemental Tax Levy Adjustment	9,924,330	
Total Adjusted Levy		13,371,691,366
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	268,843,690	
Disabled Veterans Exemptions	53,603,843	
Agricultural and Open Space Land Use Reductions	220,288,230	
Free Port Exemptions	249,466,110	
Property Redevelopment and Tax Abatement	69,214,680	
Pollution Control	9,215,710	
Other Exemptions	<u>10,130,330</u>	<u>880,762,593</u>
2016 Taxable Assessed Valuation		<u><u>12,490,928,773</u></u>
General Obligation Debt Payable from Ad Valorem Taxes (1)		
General Obligation Bonds	100,087,556	
Certificates of Obligation	<u>98,811,954</u>	
Funded Debt Payable from Ad Valorem Taxes		198,899,510
Less: Self-supporting Debt		
Bridge System General Obligation Debt	2,906,975	
Airport System Certificates of Obligation	4,500,000	
Environmental Services General Obligation Debt	14,865,639	
Environmental Services Certificates of Obligation	1,735,637	
Parking System General Obligation Debt	<u>1,046,692</u>	<u>25,054,943</u>
General Purpose Funded Debt Payable from Ad Valorem Taxes		<u><u>173,844,567</u></u>
Interest and Sinking Fund		4,617,735
Ratio Funded Debt to Taxable Assessed Valuation		1.59%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		1.39%
2017 Estimated Population-		257,156
Per Capita Taxable Assessed Valuation-		\$48,573
Per Capita Funded Debt-		\$773
Per Capita General Purpose Funded Debt-		\$676

- (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: \$229,791,084 Waterworks System Revenue Bonds; \$143,896,848 Sewer System Revenue Bonds; \$46,790,000 International Toll Bridge System Revenue Bonds; \$5,730,265 Transit System Revenue Bonds; \$23,426,844 Solid Waste Revenue Bonds; and \$25,230,000 Sports Venue Sales Tax Revenue Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

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

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

- (1) Real inventory properties in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

<u>Fiscal Year Ended 9-30</u>	<u>Estimated Population (1)</u>	<u>Taxable Assessed Valuations (2)</u>	<u>Taxable Assessed Valuation Per Capita</u>	<u>G.O. Tax Debt Outstanding at End of Year</u>	<u>Ratio of G.O. Tax Debt to Taxable Assessed Valuation</u>	<u>G.O. Tax Debt Per Capita</u>
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
2016	255,789	11,857,665,347	46,357	213,356,937	1.80%	834
2017	257,156	12,490,928,773	48,573	198,899,510	1.59%	773

(1) Source: City of Laredo and Laredo Development Foundation.

(2) As reported by the Webb County Appraisal District on City's annual State Property Tax Board Reports.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

<u>Fiscal Year Ended 9-30</u>	<u>Tax Rate</u>	<u>Distribution General Fund</u>	<u>Interest and Sinking Fund</u>	<u>Tax Levy</u>	<u>% Current Collections</u>	<u>% Total Collections</u>
2008	0.637000	0.511426	0.125574	59,690,336	96.91%	99.61%
2009	0.637000	0.512737	0.124263	65,419,993	96.60%	99.58%
2010	0.637000	0.512772	0.124228	66,652,507	96.59%	99.58%
2011	0.637000	0.512304	0.124696	67,016,086	97.35%	99.63%
2012	0.637000	0.512326	0.124674	66,842,112	96.97%	99.56%
2013	0.637000	0.498866	0.138134	67,621,015	97.39%	99.53%
2014	0.637000	0.488257	0.148743	69,529,157	97.97%	99.51%
2015	0.637000	0.491720	0.145280	71,691,453	98.03%	99.37%
2016	0.637000	0.493751	0.143249	75,020,129	97.72%	99.07%
2017	0.637000	0.494068	0.142932	78,914,153	97.94%	97.94%

Tax collections as of September 30, 2017

TABLE 5 – TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	2017 Assessed Valuation Real & Personal Property	Percentage of Total Assessed Valuation
AEP Texas Central Company	Utility	144,050,410	1.08%
Laredo Texas Hospital Co., LP	Hospital	96,438,140	0.72%
Mall Del Norte, LLC	Retail	56,446,120	0.42%
The Geo Group, INC.	Correctional	53,181,680	0.40%
Laredo Outlet Shoppes, LLC	Retail	45,585,530	0.34%
Farias Development, LTD.	Real Estate	44,133,920	0.33%
Laredo Regional Medical Center, LP	Medical	43,793,670	0.33%
AEP Electric Transmission of Texas, LLC	Utility	43,404,120	0.33%
Card Border LLC	Real Estate	36,583,406	0.27%
Killam Development LTD	Developers	36,487,176	0.27%
		<u>600,104,172</u>	4.49%

NOTE: As of March 6, 2018, the following taxpayer is not current on their taxes: The GEO Group.

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>2016 Taxable Assessed Valuation</u>	<u>2016 Tax Rate</u>	<u>Total Funded Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Funded Debt As of 09-30-17</u>
City of Laredo	12,490,928,773	0.637000	198,899,510	100.00%	198,899,510
Laredo Independent School District	2,255,292,142	1.389700	223,032,226	100.00%	223,032,226
Laredo Community College District	13,249,895,497	0.343000	222,817,187	100.00%	222,817,187
United Independent School District	15,438,799,212	1.224860	459,077,025	78.48%	360,283,649
Webb County	19,435,834,601	0.414700	57,229,000	65.57%	37,525,055
Total Direct and Overlapping G.O. Tax Debt					<u>1,042,557,628</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					1.66%
Per Capita Overlapping G. O. Tax Debt					4,054.18

Source: Finance Departments of respective entities.

TABLE 7 – INTEREST AND SINKING FUND BUDGET PROJECTION

Estimated Debt Service Requirements, Fiscal Year Ended 9-30-2018.....	\$	26,299,704
Interest and Sinking Fund, 9-30-2017.....	4,617,735	
Property Taxes for Interest and Sinking Fund.....	18,826,440	
Paving Assessments.....	10,345	
Budgeted Transfers.....	6,862,133	
Estimated Investment Income.....	<u>55,300</u>	<u>30,371,953</u>
Estimated Balance, 9-30-2018.....	\$	<u>4,072,249</u>

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TABLE 8A – GENERAL OBLIGATION DEBT SERVICE

Fiscal Year Ended 09-30	Total Outstanding GO Debt	2016 GO Refunding Issue	Fund Debt Requirements	Less: Self Supporting GO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2018	12,586,186	3,775,200	16,361,386	5,032,989	11,328,397	10.03%
2019	12,397,776	4,456,875	16,854,651	5,127,554	11,727,097	
2020	12,086,329	4,770,825	16,857,154	5,130,521	11,726,633	
2021	11,722,199	5,126,250	16,848,449	5,117,465	11,730,984	41.17%
2022	10,947,046	5,657,550	16,604,596	5,116,602	11,487,994	
2023	10,211,690	5,525,175	15,736,865	4,312,900	11,423,965	
2024	9,665,929	5,692,300	15,358,229	4,212,131	11,146,098	
2025	9,083,609	5,675,425	14,759,034	3,719,351	11,039,683	81.09%
2026	7,886,376	6,087,550	13,973,926	3,721,850	10,252,076	
2027	6,566,373	5,677,675	12,244,048	3,717,348	8,526,700	
2028	344,502	5,382,600	5,727,102	3,146,501	2,580,601	100.00%
2029	26,750	3,115,600	3,142,350	3,142,350	-	
2030	548,374	2,590,675	3,139,049	3,139,049	-	
2031	-	3,141,750	3,141,750	3,141,750	-	
2032	-	3,141,850	3,141,850	3,141,850	-	
2033	-	3,141,625	3,141,625	3,141,625	-	100.00%
Total	<u>104,073,139</u>	<u>72,958,925</u>	<u>177,032,064</u>	<u>64,061,836</u>	<u>112,970,228</u>	

TABLE 8B – CERTIFICATES OF OBLIGATION DEBT SERVICE

Fiscal Year 9-30	Outstanding Certificates of Obligation Debt	Certificate of Oblig, Series 2016	Fund Debt Requirements	Less: Self Supporting CO Debt Service Requirements	General Purpose Funded Debt	% of Debt Retired
2018	18,855,256	1,283,320	20,138,576	10,582,791	9,555,785	7.43%
2019	18,103,237	876,420	18,979,657	9,912,833	9,066,824	
2020	16,821,458	882,220	17,703,678	8,619,590	9,084,088	
2021	15,338,099	882,145	16,220,244	7,136,849	9,083,395	
2022	13,800,621	973,895	14,774,516	6,227,552	8,546,964	35.27%
2023	12,607,983	1,431,145	14,039,128	5,508,094	8,531,034	
2024	12,714,460	1,557,270	14,271,730	5,470,823	8,800,907	
2025	12,645,200	1,587,395	14,232,595	5,430,972	8,801,623	
2026	11,482,042	1,847,770	13,329,812	4,410,277	8,919,535	
2027	10,051,008	1,531,770	11,582,778	4,008,064	7,574,714	68.43%
2028	9,970,511	1,550,520	11,521,031	3,969,139	7,551,892	
2029	9,881,704	1,560,895	11,442,599	3,924,241	7,518,358	
2030	7,174,731	1,568,020	8,742,751	3,878,527	4,864,224	
2031	6,391,896	1,571,895	7,963,791	3,831,731	4,132,060	
2032	6,342,620	1,569,320	7,911,940	3,783,527	4,128,413	90.37%
2033	5,476,176	1,570,820	7,046,996	3,415,083	3,631,913	
2034	5,414,633	1,575,020	6,989,653	3,361,440	3,628,213	
2035	4,943,855	1,579,760	6,523,615	3,306,065	3,217,550	
2036	3,565,096	1,581,000	5,146,096	3,243,796	1,902,300	100.00%
2037	3,184,304	-	3,184,304	3,184,304	-	
2038	3,122,098	-	3,122,098	3,122,098	-	
2039	3,052,012	-	3,052,012	3,052,012	-	100.00%
Total	<u>210,939,000</u>	<u>26,980,600</u>	<u>237,919,600</u>	<u>109,379,808</u>	<u>128,539,792</u>	

TABLE 9 – COMPUTATION OF SELF-SUPPORTING DEBT

Computation of Self-supporting Debt-Airport	
Net Revenue from Fiscal Year Ended 9-30-17	(227,890)
Less: Airport Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	(227,890)
Airport Certificate Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>498,540</u>
Balance	<u><u>(726,430)</u></u>
Percentage of Airport Certificate Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Sewer System	
Net Revenue from Fiscal Year Ended 9-30-17	13,294,842
Less: Sewer System Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>7,573,413</u>
Balance Available for Other Purposes	5,721,429
Sewer System General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>2,896,994</u>
Balance	<u><u>2,824,435</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 9-30-17	20,972,488
Less: Waterworks Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>11,340,560</u>
Balance Available for Other Purposes	9,631,928
Waterworks System General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>5,650,568</u>
Balance	<u><u>3,981,360</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 9-30-17	(16,659)
Less: Mass Transit Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	(16,659)
Mass Transit General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>1,307,813</u>
Balance	<u><u>(1,324,472)</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 9-30-17	10,198,920
Less: Solid Waste Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	10,198,920
Solid Waste General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>5,760,408</u>
Balance	<u><u>4,438,512</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 9-30-17	47,247,798
Less: Bridge Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>9,031,942</u>
Balance Available for Other Purposes	38,215,856
Bridge General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance	<u><u>38,215,856</u></u>
Percentage of Bridge General Obligation Bonds Self-supporting	100%
Computation of Self-supporting Debt-Environmental Fund	
Net Revenue from Fiscal Year Ended 9-30-17	3,028,874
Less: Environmental Fund Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	3,028,874
Environmental Fund General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>2,523,729</u>
Balance	<u><u>505,145</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 9-30-17	270,478
Less: Parking Meters Fund Revenue Bond Requirements, 2018 Fiscal Year Ended	<u>-</u>
Balance Available for Other Purposes	270,478
Parking Meters Fund General Obligation Bond Requirements, 2018 Fiscal Year Ended	<u>189,689</u>
Balance	<u><u>80,789</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>
2018	\$ 1,373,659
2019	1,311,489
2020	1,311,489
2021	1,300,598
2022	411,834
2023	411,834
2024	411,833
2025	411,833
2026	411,834
2027	<u>411,834</u>
Total Minimum Lease Payments	\$ <u><u>7,768,237</u></u>

Pension Obligation

The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System (TMRS), a statewide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

FINANCIAL INFORMATION

TABLE 11 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:					
Taxes	95,026,773	90,302,500	90,579,673	87,841,771	86,407,756
Franchises	7,776,288	7,651,588	7,588,828	7,408,310	7,049,443
Licenses & Permits	9,421,119	9,229,632	9,047,461	8,475,493	7,461,360
Intergovernmental	894,876	595,857	963,076	623,605	1,075,132
Charges for Services	48,983,032	48,020,795	46,174,319	44,017,007	37,320,387
Fine and Special Assessments	5,100,557	4,736,734	4,446,428	4,405,309	2,741,190
Interest and Other	1,443,193	1,420,305	1,043,228	208,691	194,996
Other	22,204,979	28,358,710	23,114,966	1,165,668	2,505,651
Total Revenues	<u>190,850,817</u>	<u>190,316,121</u>	<u>182,957,979</u>	<u>154,145,854</u>	<u>144,755,915</u>
Expenditures:					
General Government	24,444,362	23,381,194	22,935,953	19,086,641	18,640,156
Public Safety	120,422,538	117,117,831	110,182,155	106,976,068	102,151,843
Public Works	6,229,622	6,198,320	5,669,633	7,516,367	7,552,358
Health and Welfare	628,047	583,255	510,518	472,667	462,769
Culture and Recreation	16,580,772	16,043,063	16,116,735	16,702,160	14,776,847
Capital Outlay	22,017,357	28,332,168	23,188,472	22,378,959	11,460,293
Interest and Fiscal Expenditures	<u>411,834</u>	<u>411,833</u>	<u>411,834</u>	<u>111,947</u>	<u>129,640</u>
Total Expenditures	<u>190,734,532</u>	<u>192,067,664</u>	<u>179,015,300</u>	<u>173,244,809</u>	<u>155,173,906</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>116,285</u>	<u>(1,751,543)</u>	<u>3,942,679</u>	<u>(19,098,955)</u>	<u>(10,417,991)</u>
Other Financing Sources (Uses):					
Transfers In	10,807,278	7,684,137	4,252,000	8,056,943	6,200,000
Bond/Capital Lease Proceeds	62,168	-	-	-	4,588,000
Contributions	-	-	-	19,667,880	8,430,999
Transfers Out	(5,774,122)	(6,025,692)	(6,693,630)	(7,740,352)	(8,102,019)
Sale of Assets	<u>41,247</u>	<u>384,527</u>	<u>35,607</u>	<u>155,171</u>	<u>4,007,423</u>
Total Other Financing Sources (Uses):	<u>5,136,571</u>	<u>2,042,972</u>	<u>(2,406,023)</u>	<u>20,139,642</u>	<u>15,124,403</u>
Net Increase (Decrease)	5,252,856	291,429	1,536,656	1,040,687	4,706,412
Prior Period Adjustment	(4,630,156)	-	-	-	-
Beginning Fund Balance	<u>44,440,223</u>	<u>44,148,794</u>	<u>42,612,138</u>	<u>41,571,451</u>	<u>36,865,039</u>
Ending Fund Balance	<u>45,062,923</u>	<u>44,440,223</u>	<u>44,148,794</u>	<u>42,612,138</u>	<u>41,571,451</u>

TABLE 12 – MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, VATCS, Tax Code Chapter 321, which grants the City the power to impose and levy a 1% Local Sales Tax within the City proceeds of which are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

<u>Total Collected (2)</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita (1)</u>
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
38,685,571	52%	0.3283	151.24
39,417,857	50%	0.3179	153.28

(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, 2017, all of the City's investments consisted of secured certificates of deposits and government investment pools. The City's certificate of deposit portfolio had a weighted average maturity of 270 days to its final maturity. The City's funds are invested as follows:

Investment Pools	\$ 154,354,204
Certificates of Deposit	<u>223,502,632</u>
Total	<u>\$ 377,856,836</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 155 employees, approximately 78 of which are directly involved in toll collection operations. Another 77 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
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
2016	5,212,091	2,087,586	7,299,677	3,074,538
2017	4,992,263	2,176,965	7,169,228	3,116,492

TABLE 2 - TOLL RATES FOR THE SYSTEMNew Rate Schedule (Southbound only) EffectiveOctober 18, 2013:

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

Old Rate Schedule (Southbound only) EffectiveOctober 24, 2008:

Pedestrians	\$0.75
Children under 6 years of age	Free
Bicycle and Rider	\$0.75
All non-commercial vehicles not utilizing the Automated Vehicle Identification System (AVI) or Colombia Solidarity Bridge (per axle)	\$1.50
Emergency vehicles, fire engines, ambulances, police cars, etc., answering or returning from an emergency call	Free
All non-commercial vehicles utilizing the AVI or Colombia Solidarity Bridge (per axle)	\$1.40
Commercial Vehicles (per axle)	\$3.75
Swipe Card Administrative Fee (per card)	\$1.00

TABLE 3 - HISTORICAL REVENUES OF THE SYSTEM

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2017</u>	<u>FISCAL YEAR</u> <u>2016</u>	<u>FISCAL YEAR</u> <u>2015</u>	<u>FISCAL YEAR</u> <u>2014</u>	<u>FISCAL YEAR</u> <u>2013</u>
OCT	4,964,412	4,955,045	4,968,175	4,364,888	3,846,856
NOV	4,914,181	4,872,898	4,500,124	4,396,270	3,691,331
DEC	5,077,817	4,772,885	4,713,485	4,456,362	3,698,769
JAN	4,715,223	4,798,046	4,508,842	4,323,100	3,690,675
FEB	4,553,547	4,830,374	4,340,487	4,131,500	3,469,806
MAR	5,273,804	5,411,377	4,787,194	4,579,634	3,765,810
APR	4,803,943	5,105,546	4,851,498	4,530,638	3,940,556
MAY	5,090,443	4,921,404	4,844,978	4,756,878	3,992,604
JUN	5,281,603	4,999,924	4,854,814	4,574,275	3,778,921
JUL	5,002,491	4,818,895	5,027,472	4,775,062	3,984,295
AUG	5,312,779	5,078,869	4,895,665	4,693,004	4,007,307
SEP	<u>4,976,103</u>	<u>4,905,890</u>	<u>4,798,090</u>	<u>4,499,933</u>	<u>3,715,872</u>
TOTAL	<u>59,966,346</u>	<u>59,471,153</u>	<u>57,090,824</u>	<u>54,081,544</u>	<u>45,582,802</u>

TABLE 4 - DEBT SERVICE REQUIREMENTS OF THE SYSTEM

<u>Fiscal</u> <u>Year</u> <u>Ended</u> <u>9-30</u>	<u>Revenue Bond</u>			<u>Subordinate</u> <u>Lien</u> <u>Total</u>	<u>Total</u> <u>Outstanding</u> <u>Debt</u>	<u>% of</u> <u>Total</u> <u>Debt</u> <u>Service</u> <u>Retired</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2018	6,125,000	1,387,592	7,512,592	1,519,350	9,031,942	15.86%
2019	3,900,000	1,164,713	5,064,713	1,722,350	6,787,063	
2020	3,395,000	1,007,313	4,402,313	1,724,100	6,126,413	
2021	3,540,000	872,513	4,412,513	1,727,850	6,140,363	
2022	3,695,000	720,013	4,415,013	1,728,350	6,143,363	60.09%
2023	2,930,000	559,213	3,489,213	1,730,600	5,219,813	
2024	3,065,000	418,863	3,483,863	1,734,350	5,218,213	
2025	2,690,000	271,913	2,961,913	1,719,350	4,681,263	
2026	910,000	175,413	1,085,413	1,720,600	2,806,013	91.56%
2027	955,000	131,513	1,086,513	1,723,275	2,809,788	
2028	995,000	88,713	1,083,713	-	1,083,713	
2029	870,000	43,500	913,500	-	913,500	100%
TOTAL	<u>33,070,000</u>	<u>6,841,272</u>	<u>39,911,272</u>	<u>17,050,175</u>	<u>56,961,447</u>	

TABLE 5 – INTERNATIONAL TOLL BRIDGE SYSTEM CONDENSED STATEMENT OF OPERATIONS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
REVENUES					
Toll Receipts	59,966,346	59,471,153	57,090,824	54,081,544	45,582,802
Rental of Facilities	213,171	240,289	759,911	804,762	1,798,954
Miscellaneous	<u>759,160</u>	<u>480,543</u>	<u>434,646</u>	<u>339,775</u>	<u>246,661</u>
Total	<u>60,938,677</u>	<u>60,191,985</u>	<u>58,285,381</u>	<u>55,226,081</u>	<u>47,628,417</u>
EXPENSES					
Personnel Services	8,330,870	8,710,828	7,465,971	7,439,512	7,392,123
Materials and Supplies	276,037	595,027	441,607	539,943	418,075
Contractual Services (1)	5,283,464	5,017,307	4,499,331	4,381,050	3,835,380
Other	<u>4,767</u>	<u>5,025</u>	<u>1,585</u>	<u>2,964</u>	<u>23,784</u>
Total	<u>13,895,138</u>	<u>14,328,187</u>	<u>12,408,494</u>	<u>12,363,469</u>	<u>11,669,362</u>
NON-OPERATING REVENUE					
Interest Earnings-Restricted	142,806	90,924	52,309	18,975	39,751
Interest Earnings-Unrestricted	<u>61,453</u>	<u>35,372</u>	<u>23,870</u>	<u>30,172</u>	<u>17,017</u>
Net Revenues Available for for Debt Service	47,247,798	45,990,094	45,953,066	42,911,759	36,015,823
Debt Service	<u>9,012,187</u>	<u>9,403,991</u>	<u>9,450,253</u>	<u>7,909,872</u>	<u>8,728,259</u>
Surplus Revenues	<u>38,235,611</u>	<u>36,586,103</u>	<u>36,502,813</u>	<u>35,001,887</u>	<u>27,287,564</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, 2018 through 2029

\$ 3,325,939

Coverage of Average Requirements by 9-30-17 Net Income

11.50

Maximum Annual Principal and Interest Requirements,
after FY 2018 through 2029

\$ 7,512,592

Coverage of Maximum Requirements by 9-30-17 Net Income

5.09

Reserve Fund

\$ 3,325,939

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, 2018 through 2029

\$ 4,746,787

Coverage of Average Requirements by 9-30-17 Net Income

8.06

Maximum Annual Principal and Interest Requirements,
after FYE 2018 through 2029

\$ 9,031,942

Coverage of Maximum Requirements by 9-30-17 Net Income

4.23

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
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
2016	60,318,281	14,328,187	45,990,094	9,403,991	5
2017	61,142,936	13,895,138	47,247,798	9,012,187	5

(1) Operating expenses do not include depreciation expense and non-operating expenses.

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LAREDO INTERNATIONAL AIRPORT DISCLOSURES

The City of Laredo International Airport (LRD) encompasses approximately 1,700 acres of which 900 acres are dedicated to aviation for passenger and air cargo terminals, runways, taxiways and aprons, and 800 acres are dedicated for industrial, commercial, retail, institutional, and recreational.

The Airport is currently being served by the following scheduled airlines: American Airlines to Dallas/Fort Worth, United Express to Houston Bush Intercontinental, Allegiant Air to Las Vegas, Nevada and seasonally to Orlando, Florida. On average, the airlines have in total ten (10) daily scheduled round trip flights. A top priority for the Airport is the re-instatement of direct air service to Mexico City and Guadalajara, Mexico.

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

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

Three (3) scheduled cargo operators and twenty-two (22) charter air cargo companies are currently serving the Airport. Major scheduled service air cargo operators include Federal Express, DHL, and UPS Supply Chain Solutions. In terms of all-air cargo activity in 2008, LRD ranked 78th nationally, and in 2016, LRD's ranking improved to 53rd with a 5.03% increase from previous year. Laredo International Airport is ranked 7th in Texas for Air Cargo.

The Laredo International Airport is unique in that it is the only place outside the Republic of Mexico to have an operation of Mexican Customs to pre-inspection Mexico bound air cargo. Whereas, other countries may have passenger pre-clearance, LRD is the only airport worldwide with a cargo pre-inspection. Air cargo shipments to Mexico are expedited, this being an attraction to the Auto Manufacturing, Auto Parts, Electronics / Electrical and Aerospace industries who rely on "just-in-time" delivery of inventory.

In April 2014, LRD completed an update of Laredo's Airport Noise Compatibility Study. Residents within the approved Airport Noise Contours are eligible to participate in the City's voluntary noise abatement program. This program consists of the following options:

- Offer to acquire the fee simple interest, or
- Offer to soundproof, if feasible, the residential structure in exchange for an aviation easement, or
- Offer to acquire the aviation easement.

The estimated cost of the airport noise abatement program for the next eight to ten years is \$48.0 million, of which the Federal Aviation Administration, under the current program, would fund 90% of the program cost.

Projects completed during 2017 included Taxiway G Extension, Cargo Apron Phase 9 Reconstruction, and FAR Part 150 Noise Abatement Program. The Federal Aviation Administration paid 90% of the costs.

Projects for 2018 include, but not limited to, Taxiway E Widening, Cargo Apron Phase 10 Reconstruction, Cargo Apron Phase 11 Reconstruction Design, Runway Re-designation, and FAR Part 150 Noise Abatement Program.

During the past twenty-four (24) years, the City and the Federal Aviation Administration have invested over \$250 million in Laredo International Airport infrastructure including noise abatement. This trend we anticipate will continue into the future.

The airport leases facilities and land to non-aviation and aviation service providers, retailers, medical institutions, and public entities.

The goal of City Council to develop a Regional Medical Center on airport non-aeronautical use land is being realized. The University of Texas Health Science Center (UTHSC) inaugurated the first building of its medical research and education campus in Laredo in 2002, and the second building was completed in 2007. UTHSC is located adjacent to Mercy Regional Medical Center. During 2006, Laredo Specialty Hospital and Gateway Health Clinic completed the construction of their facilities and are currently offering medical services to the public. A new Veteran's Administration Clinic partnered with the UT Health and Science Center opened in 2013.

Calendar Year	Passengers Enplaned	Passengers Deplaned	Air Cargo Gross Landed Weight (lbs.)
(1)2008	107,553	109,912	272,960,000
2009	102,065	105,107	265,480,642
(2)2010	110,615	113,219	419,323,814
2011	99,893	98,213	458,595,636
2012	96,523	94,544	454,254,623
2013	103,035	102,218	398,752,468
2014	101,505	103,909	447,352,556
2015	98,854	104,087	426,405,000
2016	93,483	94,308	450,164,591
2017	85,511	90,326	588,553,181

(1) Global economic conditions during 2008 negatively affected both passenger and cargo activity.

(2) 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

	2017	2016	2015	2014	2013	2012
Revenues:						
FAA	\$ 43,388	\$ 215,013	\$ 43,023	\$ 41,400	\$ 53,680	\$ 1,603
State Operating Grants	1,541	245	924	1,020	-	61,869
Rents	5,513,625	5,067,020	6,981,197	5,048,768	6,487,377	4,257,227
Interest Earnings	23,022	23,029	29,763	39,846	16,517	1,201
Discount Earnings	148	159	-	-	-	-
Fees & Collections	508,841	491,738	-	-	-	-
Miscellaneous	391,453	424,639	1,224,973	1,064,719	890,543	436,240
Total Revenues	6,482,018	6,221,843	8,279,880	6,195,753	7,448,117	4,758,140
Expenditures:						
Administration	3,176,124	3,342,143	3,149,108	3,022,377	3,267,114	2,584,797
Building Maintenance	1,220,494	1,143,788	1,254,836	1,052,504	972,596	811,348
Ground Maintenance	541,686	574,084	538,429	589,807	512,992	473,698
Airport Security	1,492,049	1,527,184	1,239,920	1,192,452	1,060,180	1,029,474
Foreign Trade Zone	5,648	24,479	15,092	19,236	15,924	28,603
Federal Inspection Services	273,907	271,586	269,651	282,113	178,036	61,211
Total Expenditures	6,709,908	6,883,264	6,467,036	6,158,489	6,006,842	4,989,131
Net Operating Revenues	(227,890)	(661,421)	1,812,844	37,264	1,441,275	(230,991)
Other Sources (Uses):						
Debt Service	-	(495,000)	(497,247)	(493,877)	(494,890)	(500,537)
Capital Outlay	(182,450)	(104,041)	(780,077)	(620,141)	(300,763)	(124,372)
Airport Construction Fund	(1,158,003)	(2,450,000)	(2,549,996)	(4,728,815)	(493,572)	(52,714)
General Fund	-	(78,141)	(78,141)	(828,141)	-	-
Noise Abatement	750,000	600,000	600,000	400,000	600,000	704,971
Sale of Assets	576,045	-	-	1,249	11,679,674	301,946
Total Other Sources (Uses)	(14,408)	(2,527,182)	(3,305,461)	(6,269,725)	10,990,449	329,294
Excess (Deficiency) of						
Revenues Over Expenditures	(242,298)	(3,188,603)	(1,492,617)	(6,232,461)	12,431,724	98,303
Beginning Fund Balance	1,785,048	4,973,651	6,466,268	12,698,729	267,005	168,702
Prior Period Adjustment	5,168,429	-	-	-	-	-
Ending Fund Balance	\$ 6,711,179	\$ 1,785,048	\$ 4,973,651	\$ 6,466,268	\$ 12,698,729	\$ 267,005

TABLE 2 - DEBT SERVICE REQUIREMENT

Fiscal Year Ended 9-30	Certificates of Obligation		Total Outstanding Debt	% of Principal Retired
	Principal	Interest		
2018	285,000	213,540	498,540	
2019	295,000	199,338	494,338	
2020	310,000	184,530	494,530	
2021	330,000	168,857	498,857	33.38%
2022	345,000	152,320	497,320	
2023	360,000	135,047	495,047	
2024	375,000	117,040	492,040	
2025	400,000	98,049	498,049	66.69%
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>\$ 4,500,000</u>	<u>1,450,854</u>	<u>5,950,854</u>	

TABLE 3 - DEBT SERVICE COVERAGE

Average Annual Principal and Interest Requirements, 2018-2029	495,905
Coverage of Average Requirements by 9-30-17 Net Income	(0.46)
Maximum Annual Principal and Interest Requirements, after FYE 2018 through 2029	498,857
Coverage of Maximum Requirements by 9-30-17 Net Income	(0.46)

THE 2017 UTILITY SYSTEM

WATER SUPPLY

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. The three plants in the City of Laredo are the Jefferson Water Treatment Plant 65 MGD and El Pico Water Treatment Plant 20 MGD and Colombia Water Treatment Plan 0.5 MGD for a combined capacity of 85.5 MGD. The average daily consumption during fiscal year 2017 was approximately 34.05 million gallons per day and peak demand for fiscal year 2017 was 49.616 million gallons per day. Connections to the water system as of September 30, 2017 were 71,788. The monthly average of meters read is 71,278. The average number of service calls per month is 12,895 for a FY 2016-17 total of 154,730. Currently, the system consists of approximately 1,067 miles of transmission and distribution lines and 7,374 fire hydrants.

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

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

In 1957, the City of Laredo entered into an agreement with Webb County to use Lake Casa Blanca Reservoir as off-channel storage for emergency use. This reservoir has an impoundment capacity of 77,800 acre feet at top of the dam, 58,600 acre feet at maximum pool, (PMF – Probable Maximum Feet) of which 20,000 acre feet are reserved for emergency use. This agreement is still in effect.

WASTEWATER SYSTEM

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 29.251 million gallons per day ("MGD"). The pounds of Biochemical Oxygen demand (BOD) treated is 12,200,328 by all six wastewater treatment plants and a Total Bio-Solids cost of \$749,227. The Sewer System includes approximately 775 miles of sewer lines and 69 lift stations. The average daily treatment is 19.5 MGD with 66,707 connections as of September 30, 2017.

TABLE 1 - WATER STORAGE AND DISTRIBUTION

At the present time the system incorporates the following treated water storage facilities:

<u>Location</u>	<u>No. Tanks</u>	<u>No. Clear Wells</u>	<u>Storage Capacity</u>
Jefferson St Water Treatment Plant		3	3,500,000 gallons
El Pico Water Treatment Plant		1	5,000,000 gallons
Colombia Water Treatment Plan		1	200,000 gallons
Lyon Street and Meadow Avenue	1		5,000,000 gallons
Milmo and Texas Avenue	2		2,000,000 gallons
Pinto Valle #1	1		200,000 gallons
MHOC	2		10,000,000 gallons
Sierra Vista	1		5,000,000 gallons
San Isidro NE	1		310,000 gallons
359 Hwy Booster	1		200,000 gallons
South Laredo	1 (elevated)		1,000,000 gallons
North Laredo (Highlands)	1 (elevated)		1,000,000 gallons
Northwest Laredo	1 (elevated)		1,000,000 gallons
Las Blancas	1 (elevated)		500,000 gallons
Killam (TAMIU) Tank	1 (elevated)		2,000,000 gallons
Cuatro Vientos	1 (elevated)		2,000,000 gallons
Nixon Bartlett and Price	1 (elevated)		3,000,000 gallons
Total Treated Water Storage			<u>41,910,000 gallons</u>

TABLE 2 - WATER PUMPAGE (THOUSAND GALLONS)

Historical water usage for the City is as follows:

<u>Fiscal Year Ended 9/30</u>	<u>Average Day Pumpage (1,000 Gallons)</u>	<u>Peak Day Pumpage (1,000 Gallons)</u>	<u>Total Yearly Pumpage (1,000 Gallons)</u>
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
2016	36,291	58,506	12,520,848
2017	34,050	49,616	12,434,677

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>
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
2016	20,637	30,400	7,241,500
2017	19,500	43,375	6,917,746

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

TYPE OF BUSINESS	WATER CONSUMPTION (1)
Laredo Medical Center	77,573,400
United I.S.D.	69,420,600
Texas A&M University System	61,232,400
Laredo Community College	35,140,900
Laredo Regional Medical Center	18,580,600
Webb County Jail	16,133,000
Phillips & Jordan Inc.	15,346,000
Clarks Crossing Apartments	14,974,500
Flying J	12,065,400
Broad Acres Apartments	11,382,100

TYPE OF BUSINESS	SEWER BILLED (1)
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Laredo Medical Center	77,573,400
Texas A&M University System	19,185,100
Laredo Regional Medical Center	18,580,600
Webb County Jail	16,133,000
Phillips & Jordan Inc.	15,346,000
Clarks Crossing Apartments	14,974,500
Flying J	12,065,400
Broad Acres Apartments	11,382,100

(1) Source: City of Laredo, Texas

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

**Water Rates
(Effective October 1, 2016)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	9.82
1" meter	21.38
1 1/2" meter	30.24
2" meter	46.96
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	1.92
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.05
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	2.12
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	2.25
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	2.40
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 40,000 gallons per month	2.51
Per 1,000 gallons per month in excess of 50,000 gallons per month	5.00
Multi-Family and Commercial:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & 3/4" meter	36.99
1" meter	40.18

1 ½" meter	44.69
2" meter	61.67
3" meter	122.69
4" meter	185.29
6" meter	333.71
8" meter	491.88
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.05
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.52
Per 1,000 gallons (for the next 30,000 gallons) per month in excess of 10,000 gallons per month	3.17
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	3.35
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.62
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	4.00
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.72
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	4.83
Outside City Limits:	
The rates for water outside the City limits shall be two times those established for commercial rates.	

**Old Water Rates
(Effective October 1, 2015)**

Inside City Limits	
Residential:	
Meter sized based minimum monthly water charges for metered consumption from zero to 2,000 gallons:	
5/8" & ¾" meter	9.44
1" meter	20.55
1 ½" meter	29.07
2" meter	45.14
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	35.55
1" meter	38.62
1 1/2" meter	42.95
2" meter	59.27
3" meter	117.92
4" meter	178.10
6" meter	320.75
8" meter	472.78
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.	

TABLE 6 - MONTHLY SEWER RATES (BASED ON WATER CONSUMPTION)

**Sewer Rates
(Effective October 1, 2016)**

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

There shall be no maximum monthly charges for commercial users.

Outside City Limits:

The rates for sewer outside the City Limits shall be two times those established for commercial rates.

**Old Sewer Rates
(Effective October 1, 2015)**

Inside City Limits	
Residential:	
Monthly minimum, including the use of 2,000 gallons per month	9.29
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons	3.18
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	3.23
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 10,000 gallons per month	3.40
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 20,000 gallons per month	3.65
Per 1,000 gallons (for the next 10,000 gallons) per month in excess of 30,000 gallons per month	3.65
Commercial:	
Monthly minimum, including use of 2,000 gallons per month	24.87
Per 1,000 gallons (for the next 2,000 gallons) per month in excess of 2,000 gallons per month	2.37
Per 1,000 gallons (for the next 6,000 gallons) per month in excess of 4,000 gallons per month	2.41
Per 1,000 gallons (for the next 20,000 gallons) per month in excess of 10,000 gallons per month	2.76
Per 1,000 gallons (for the next 110,000 gallons) per month in excess of 40,000 gallons per month	2.86
Per 1,000 gallons (for the next 150,000 gallons) per month in excess of 150,000 gallons per month	3.19
Per 1,000 gallons (for the next 300,000 gallons) per month in excess of 300,000 gallons per month	3.51
Per 1,000 gallons (for the next 400,000 gallons) per month in excess of 600,000 gallons per month	4.17
Per 1,000 gallons per month in excess of 1,000,000 gallons per month	5.06

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 91 warnings issued and 6 citations. For public education, there were 12 events that included hosting proclamations, groundbreaking ceremonies, ribbon cutting ceremonies, career day events, and other City/civic events.

As part of the City's water conservation efforts, the Utilities Department manages the WaterSense High Efficiency Toilet (HET) Rebate Program, which is designed to encourage water customers to replace old water wasting toilets with new high efficiency toilets that carry the WaterSense label. For each toilet replaced (maximum 2 per household per year, if more than two toilets in home), the City of Laredo Utilities Department provides the water customer with a standard one-hundred dollar (\$100) rebate, which is applied as a credit to the participant water account. Each installation of toilet is verified by water conservation inspectors as a condition of the rebate approval, and the old water wasting toilet(s) are destroyed (tank only) by the participating customer. The old water wasting toilets are reported to the Solid Waste Department and are scheduled for collection at each participant's address to be transported to the City of Laredo Landfill. During fiscal year 2016-2017, there were a total of 96 approved toilet rebates applied to customer accounts. A total of 11 vehicle car wash permits were issued during this fiscal year.

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TABLE 7: VALUE OF SYSTEM - CITY OF LAREDO UTILITIES

For Fiscal Year Ended September 30,	2017			2016			2015		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 220,079,310	147,779,878	367,859,188	192,761,074	142,714,252	335,475,326	189,316,812	139,046,539	328,363,351
Vehicles and Equipment	12,230,670	12,804,366	25,035,036	12,031,162	12,636,646	24,667,808	11,771,180	12,258,403	24,029,583
Buildings	185,707,175	45,273,703	230,980,878	180,552,155	43,985,694	224,537,849	180,537,830	43,276,125	223,813,955
Land and Improvements	55,809,226	8,719,483	64,528,709	54,218,446	9,017,104	63,235,550	49,857,546	5,270,559	55,128,105
Easements	3,654,058	1,018,169	4,672,227	3,023,577	852,199	3,875,776	1,856,984	572,519	2,429,503
Construction in Progress	1,543,418	66,699,941	68,243,359	23,777,372	54,956,454	78,733,826	21,180,364	55,425,994	76,606,358
Less: Total Depreciation	(149,523,980)	(101,087,511)	(250,611,491)	(138,571,644)	(94,321,130)	(232,892,774)	(127,758,039)	(87,424,004)	(215,182,043)
Value After Depreciation	\$ 329,499,877	181,208,029	510,707,906	327,792,142	169,841,219	497,633,361	326,762,677	168,426,135	495,188,812
	2014			2013			2012		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
System Improvements	\$ 179,983,483	126,911,984	306,895,467	166,862,379	124,466,870	291,329,249	163,411,485	123,014,206	286,425,691
Vehicles and Equipment	10,775,057	11,803,394	22,578,451	9,352,381	10,915,689	20,268,070	8,672,475	9,829,214	18,501,689
Buildings	179,552,009	43,266,210	222,818,219	69,332,750	43,267,510	112,600,260	31,840,411	39,025,959	70,866,370
Land and Improvements	48,077,778	5,240,513	53,318,291	45,386,814	4,648,513	50,035,327	45,198,415	4,648,513	49,846,928
Easements	658,929	253,880	912,809	602,622	251,880	854,502	187,489	188,603	376,092
Construction in Progress	23,280,822	58,682,600	81,963,422	108,379,921	26,657,118	135,037,039	86,539,667	10,136,376	96,676,043
Less: Total Depreciation	(116,947,749)	(80,933,880)	(197,881,629)	(107,727,213)	(74,303,349)	(182,030,562)	(100,248,715)	(67,568,891)	(167,817,606)
Value After Depreciation	\$ 325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,207

TABLE 8: CITY'S EQUITY IN UTILITY SYSTEM

For Fiscal Year Ended
September 30,

	2017			2016			2015		
	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities	Water	Sewer	Total Utilities
Resources:									
Net System Value	\$ 329,499,877	181,208,029	510,707,906	327,792,142	169,841,219	497,633,361	326,762,677	168,426,135	495,188,812
Cash and Investments	69,423,048	68,566,862	137,989,910	72,421,282	79,700,362	152,121,644	71,561,005	69,663,599	141,224,604
Other Sources	19,634,858	8,667,894	28,302,752	21,273,458	9,234,460	30,507,918	11,178,167	6,895,648	18,073,815
Total Resources	418,557,783	258,442,785	677,000,568	421,486,882	258,776,041	680,262,923	409,501,849	244,985,382	654,487,231
Obligations:									
Bonds Payable	245,008,424	148,911,953	393,920,377	252,728,946	155,384,654	408,113,600	232,162,040	136,431,409	368,593,449
Less: Bond Funds	(29,904,668)	(8,936,524)	(38,841,192)	(29,748,964)	(8,988,269)	(38,737,233)	(12,187,063)	(7,953,603)	(20,140,666)
Other Obligations	215,103,756	139,975,429	355,079,185	222,979,982	146,396,385	369,376,367	219,974,977	128,477,806	348,452,783
	58,225,699	19,493,465	77,719,164	59,301,285	18,739,204	78,040,489	44,035,449	18,713,553	62,749,002
Total Obligations	273,329,455	159,468,894	432,798,349	282,281,267	165,135,589	447,416,856	264,010,426	147,191,359	411,201,785
City's Equity in System	\$ 145,228,328	98,973,891	244,202,219	139,205,615	93,640,452	232,846,067	145,491,423	97,794,023	243,285,446
Percentage City's Equity In System	34.70%	38.30%	36.07%	33.03%	36.19%	34.23%	35.53%	39.92%	37.17%
For Fiscal Year Ended September 30,									
Resources:									
Net System Value	\$ 325,380,329	165,224,701	490,605,030	292,189,654	135,904,231	428,093,885	235,601,227	119,273,980	354,875,207
Cash and Investments	71,965,756	71,424,687	143,390,443	118,326,865	94,097,469	212,424,334	133,115,463	110,677,751	243,793,214
Other Sources	8,170,889	5,278,605	13,449,494	8,405,047	5,589,881	13,994,928	9,785,688	5,848,079	15,633,767
Total Resources	405,516,974	241,927,993	647,444,967	418,921,566	235,591,581	654,513,147	378,502,378	235,799,810	614,302,188
Obligations:									
Bonds Payable	221,870,994	130,825,233	352,696,227	210,973,680	128,543,954	339,517,634	186,705,299	126,265,152	312,970,451
Less: Bond Funds	(13,886,950)	(8,924,685)	(22,811,635)	(11,211,241)	(6,826,501)	(18,037,742)	(9,009,639)	(6,150,316)	(15,159,955)
Other Obligations	207,984,044	121,900,548	329,884,592	199,762,439	121,717,453	321,479,892	177,695,660	120,114,836	297,810,496
	30,236,743	14,810,857	45,047,600	42,150,001	14,394,389	56,544,390	33,326,162	8,470,548	41,796,710
Total Obligations	238,220,787	136,711,405	374,932,192	241,912,440	136,111,842	378,024,282	211,021,822	128,585,384	339,607,206
City's Equity in System	\$ 167,296,187	105,216,588	272,512,775	177,009,126	99,479,739	276,488,865	167,480,556	107,214,426	274,694,982
Percentage City's Equity In System	41.26%	43.49%	42.09%	42.25%	42.23%	42.24%	44.25%	45.47%	44.72%

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 1

		2017			2015			2016		
		For Fiscal Year Ended								
		September 30,								
		Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
<u>Revenues</u>										
Charges for Services	\$	39,526,105	32,670,580	72,196,685	34,643,695	27,994,808	62,638,503	39,459,935	31,509,797	70,969,732
Interest		280,299	260,129	540,428	93,307	114,088	207,395	143,573	156,096	299,669
Miscellaneous		6,921,551	375,134	7,296,685	4,954,663	414,542	5,369,205	6,545,404	333,916	6,879,320
Total Revenues		46,727,955	33,305,843	80,033,798	39,691,665	28,523,438	68,215,103	46,148,912	31,999,809	78,148,721
<u>Expenses</u>										
Administrative		5,115,237	7,983,696	13,098,933	4,521,549	6,361,486	10,883,035	5,764,291	8,051,170	13,815,461
GIS		360,277	-	360,277	-	-	-	-	-	-
Utility Engineering		1,176,223	-	1,176,223	1,005,318	-	1,005,318	1,401,321	-	1,401,321
Utility Billing		4,472,158	-	4,472,158	3,813,221	-	3,813,221	4,029,783	-	4,029,783
Asset Management		376,033	-	376,033	351,625	-	351,625	370,581	-	370,581
Water Treatment Plant		9,509,601	-	9,509,601	8,618,483	-	8,618,483	8,925,619	-	8,925,619
Transmission and Distribution		4,163,536	-	4,163,536	3,566,371	-	3,566,371	4,155,910	-	4,155,910
Water Pollution Control		582,402	-	582,402	356,376	-	356,376	441,826	-	441,826
Wastewater Treatment		-	7,669,561	7,669,561	-	6,938,751	6,938,751	-	7,377,534	7,377,534
Wastewater Collection		-	4,357,744	4,357,744	-	3,217,873	3,217,873	-	3,335,723	3,335,723
Total Expenses		25,755,467	20,011,001	45,766,468	22,232,943	16,518,110	38,751,053	25,089,331	18,764,427	43,853,758
Net Available for Debt Service	\$	20,972,488	13,294,842	34,267,330	17,458,722	12,005,328	29,464,050	21,059,581	13,235,382	34,294,963
Number of Customers		71,788	66,707		69,343	64,286		70,545	65,291	

TABLE 9: UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS PART 2

For Fiscal Year Ended September 30,	2014			2013			2012		
	Total			Total			Total		
	Water	Sewer		Water	Sewer		Water	Sewer	
<u>Revenues</u>									
Charges for Services	\$ 36,738,275	30,178,398		35,457,341	28,757,673		33,674,811	28,428,037	62,102,848
Rental Of Facilities	-	-		-	-		-	-	-
Interest	66,707	77,484		78,506	78,638		74,014	80,595	154,609
Miscellaneous	5,121,754	217,778		4,758,404	155,805		3,657,708	66,680	3,724,388
Total Revenues	41,926,736	30,473,660		40,294,251	28,992,116		37,406,533	28,575,312	65,981,845
<u>Expenses</u>									
Administrative	4,380,112	6,353,152		3,835,991	5,942,302		3,192,316	4,449,791	7,642,107
GIS	-	-		-	-		-	-	-
Utility Engineering	1,239,415	-		1,203,525	-		1,039,716	-	1,039,716
Utility Billing	3,594,252	-		3,696,993	-		3,244,021	-	3,244,021
Asset Management	345,740	-		331,829	-		301,512	-	301,512
Water Treatment Plant	8,602,608	-		7,796,657	-		7,630,318	-	7,630,318
Transmission and Distribution	3,175,360	-		2,866,383	-		3,693,340	-	3,693,340
Water Pollution Control	341,477	-		360,632	-		342,067	-	342,067
Wastewater Treatment	-	6,496,735		-	6,462,672		-	6,248,182	6,248,182
Wastewater Collection	-	3,564,648		-	3,402,881		-	3,352,555	3,352,555
Total Expenses	21,678,964	16,414,535		20,092,010	15,807,855		19,443,290	14,050,528	33,493,818
Net Available for Debt Service	\$ 20,247,772	14,059,125		20,202,241	13,184,261		17,963,243	14,524,784	32,488,027
Number of Customers	68,213	63,410		67,033	62,426		65,288	61,191	

TABLE 10 Debt Service Requirements

Fiscal Year Ended 9-30	Plus Contractual & General Obligation				Plus Contractual & General Obligation				% of Grand Total Retired			
	Water Revenue Debt Requirement	Water System Debt Service Requirements	Water Total	Sewer Revenue Debt	Sewer System Debt Service Requirements	Sewer Total	Utility Grand Total					
2018	11,340,560	5,650,568	16,991,128	7,573,413	2,896,994	10,470,407	27,461,535					
2019	11,340,719	5,900,814	17,241,533	7,563,486	2,655,420	10,218,906	27,460,439					
2020	11,338,640	5,760,266	17,098,906	7,568,301	2,797,916	10,366,217	27,465,123					
2021	10,839,869	5,746,962	16,586,831	7,545,079	2,800,095	10,345,174	26,932,005					19.49%
2022	10,884,667	6,846,724	17,731,391	7,500,275	1,685,256	9,185,531	26,916,922					
2023	10,997,195	6,469,883	17,467,078	7,621,397	1,620,548	9,241,945	26,709,023					
2024	10,980,826	6,525,706	17,506,532	7,613,031	1,426,467	9,039,498	26,546,030					
2025	10,558,201	6,475,567	17,033,768	7,334,799	1,418,919	8,753,718	25,787,486					
2026	11,244,262	5,454,277	16,698,539	7,288,068	1,420,837	8,708,905	25,407,444					42.91%
2027	10,375,110	5,418,963	15,794,073	6,913,493	1,415,268	8,328,761	24,122,834					
2028	9,742,180	5,378,677	15,120,857	6,214,495	1,419,862	7,634,357	22,755,214					
2029	9,684,600	5,334,161	15,018,761	6,185,461	1,416,130	7,601,591	22,620,352					
2030	9,690,335	5,286,477	14,976,812	6,186,500	1,416,000	7,602,500	22,579,312					
2031	9,696,602	5,238,205	14,934,807	6,190,307	1,416,875	7,607,182	22,541,989					63.35%
2032	9,692,361	5,193,453	14,885,814	6,185,444	1,415,724	7,601,168	22,486,982					
2033	9,688,733	5,138,459	14,827,192	6,192,076	1,418,250	7,610,326	22,437,518					
2034	9,689,169	3,361,440	13,050,609	6,192,287	-	6,192,287	19,242,896					
2035	9,698,121	3,306,065	13,004,186	6,184,881	-	6,184,881	19,189,067					
2036	9,730,978	3,243,796	12,974,774	6,146,786	-	6,146,786	19,121,560					81.62%
2037	9,737,636	3,184,304	12,921,940	6,149,007	-	6,149,007	19,070,947					
2038	9,729,913	3,122,098	12,852,011	6,148,763	-	6,148,763	19,000,774					
2039	9,718,121	3,052,012	12,770,133	6,160,993	-	6,160,993	18,931,126					
2040	9,732,196	-	9,732,196	6,155,962	-	6,155,962	15,888,158					
2041	5,050,734	-	5,050,734	5,532,839	-	5,532,839	10,583,573					96.51%
2042	4,035,412	-	4,035,412	4,639,620	-	4,639,620	8,675,032					
2043	2,308,456	-	2,308,456	2,090,870	-	2,090,870	4,399,326					
2044	1,728,162	-	1,728,162	1,513,962	-	1,513,962	3,242,124					
2045	1,469,414	-	1,469,414	1,257,200	-	1,257,200	2,726,614					
2046	553,516	-	553,516	-	-	-	553,516					100.00%
Total	251,276,688	111,088,877	362,365,565	169,848,795	28,640,561	198,489,356	560,854,921					

TABLE 11: COVERAGE AND FUND BALANCES

Waterworks:

Average Annual Principal and Interest Requirements	\$	8,862,507
Coverage of Average Requirements by 2017 Net Income		2.37
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2017	\$	11,340,719
Coverage of Maximum Requirements by 2017 Net Income		1.85
Outstanding New Series Water Revenue Bonds	\$	251,276,688
Interest and Sinking Fund as of September 30, 2017	\$	3,246,897
Reserve Fund as of September 30, 2017	\$	8,862,507

Sewer:

Average Annual Principal and Interest Requirements	\$	6,194,340
Coverage of Average Requirements by 2017 Net Income		2.15
<i>Maximum Principal and Interest Revenue Bond Requirements</i>		
After Fiscal Year Ended September 30, 2017	\$	7,621,397
Coverage of Maximum Requirements by 2017 Net Income		1.74
Outstanding New Series Sewer Revenue Bonds	\$	169,848,795
Interest and Sinking Fund as of September 30, 2017	\$	2,742,184
Reserve Fund as of September 30, 2017	\$	6,194,340

TABLE 12: COVERAGE AND FUND BALANCES – UTILITY SYSTEM

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Net Funds Available for Debt Service	\$ 20,972,488	13,294,842	34,267,330
Average Annual Principal and Interest Requirements	\$ 8,862,507	6,194,340	15,056,847
Coverage of Average Annual Requirements by Funds Available for Debt Service	2.37	2.15	2.28
Maximum Principal and Interest Revenue Bond Requirements	\$ 11,340,719	7,621,397	18,962,116
Coverage of Maximum Requirement by Funds Available for Debt Service	1.85	1.74	1.81
Outstanding Revenue Bonds as of 09/30/2017	\$ 251,276,688	169,848,795	421,125,483
Interest and Sinking Fund as of 9/30/2017	\$ 3,246,897	2,742,184	5,989,081
Reserve Funds as of 9/30/2017	\$ 8,862,507	6,194,340	15,056,847

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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 2017, the Laredo Energy Arena continued to host more than 130 events that include concerts, sporting events, entertainment shows, assemblies, family shows, festivals and other special events.

Major concerts included top artists Journey, Marco Antonio Solis, Gloria Trevi versus Alejandra Guzman, Pepe Aguilar and major events like WWE RAW, Cirque du Soleil, local school and college graduations, International Sisters Cities Festival, Disney on Ice, Harlem Globetrotters and Holiday Skate Days and many more.

BASEBALL STADIUM

The City of Laredo, Texas issued the Sports Venue Sales Tax Revenue, Taxable Series 2011, for the purpose of acquiring, constructing and equipping a baseball stadium (Laredo Ballpark) and related infrastructure and to pay costs of issuance. The Laredo Ballpark was approved by the voters of the City at an election held on November 4, 2008 as a related venue project to a previously approved and constructed multi-purpose entertainment arena. The Laredo Ballpark has over 3,940 seats, which includes ten suites, a party suite, club seating and fixed general admission seating. Grass berm areas will accommodate an additional 1,700 spectators and picnic tables another 370 visitors. Restrooms, typical fan amenities and cooking concession stands are distributed throughout the 10 acre ballpark. A club with bar, press box, team offices, clubhouses, and maintenance areas are included. The remaining 29 acres of the site is utilized for parking approximately 985 vehicles, with an area for future parking expansion; the City has spent approximately \$21 million on construction costs for this project.

TABLE 1 – SALES TAX RECEIPTS

Fiscal Year Ending 9/30	Actual 1% Sales & Use Tax Receipts	1/4 of 1% Sales Tax Receipts	Maximum Annual Debt Service	Estimated Coverage
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
2016	30,948,457	7,737,114	3,385,660	2.29
2017	31,534,286	7,883,571	3,385,660	2.33

(*) 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, 2017-2036	1,710,897
Fiscal Year 2017 Sales Tax Revenues	7,883,571
Coverage of Average Requirements for Fiscal Year 2017	4.61
Maximum Principal and Interest Requirements, 2017-2036	3,871,463
Fiscal Year 2017 Sales Tax Revenues	7,883,571
Coverage of Maximum Requirements for Fiscal 2017	2.04

TABLE 3 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Sports Venue Sales Tax Revenue Bonds, Taxable Series			Total Outstanding Debt	% of Debt Service Retired
	Outstanding Debt	Principal	Interest		
2018	3,018,039	80,000	281,126	3,379,165	
2019	2,712,750	385,000	277,583	3,375,333	
2020	2,717,000	390,000	271,012	3,378,012	
2021	3,034,625	395,000	263,414	3,693,039	43.78%
2022	2,590,875	405,000	254,788	3,250,663	
2023	2,591,375	415,000	245,087	3,251,462	
2024	2,655,000	430,000	234,285	3,319,285	
2025	-	440,000	222,537	662,537	
2026	-	450,000	210,075	660,075	79.08%
2027	-	465,000	196,571	661,571	
2028	-	480,000	180,840	660,840	
2029	-	500,000	163,200	663,200	
2030	-	515,000	144,930	659,930	
2031	-	535,000	126,030	661,030	89.55%
2032	-	555,000	105,633	660,633	
2033	-	575,000	83,711	658,711	
2034	-	600,000	60,916	660,916	
2035	-	625,000	37,151	662,151	
2036	-	645,000	12,513	657,513	100.00%
	<u>\$ 19,319,664</u>	<u>8,885,000</u>	<u>\$ 3,371,402</u>	<u>\$ 31,576,066</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 THE UNIFORM
GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

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

Report on Compliance for Each Major Federal Program

We have audited City of Laredo, Texas, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the City of Laredo, Texas' major federal and state programs for the year ended September 30, 2017. The City of Laredo, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Laredo, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the provisions of the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Laredo, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Laredo, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Laredo, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of the City of Laredo, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Laredo, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Laredo, Texas', internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of the testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Canales, Garza & Baum, PLLC

Laredo, Texas
March 9, 2018

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2017**

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
U.S. Department of Health and Human Services							
Center for Disease Control and Prevention							
Passed Through Texas Department of State Health Services:							
Center for Disease Control and Prevention:							
Project Grants and Cooperative Assistance for							
Tuberculosis Control							
Tuberculosis Control Programs - '16	93.116	2016-001424-00	\$ 112,533	23,659	28,752	52,411	-
Tuberculosis Control Programs - '17	93.116	2016-001424-01	112,533	-	81,821	59,806	22,015
Center for Disease Control and Prevention, Public Health Services:							
Immunization Cooperative Agreements:							
Immunization Cooperative Agreements 16	93.268	2016-001135-001	230,491	42,065	-	42,065	-
Immunization Cooperative Agreements 17	93.268	2016-001135-01	230,491	16,535	210,716	182,105	45,146
Immunization Cooperative Agreements 18	93.268	537-18-0061-00001	230,491	-	17,890	-	17,890
Center for Disease Control and Prevention							
Public Health Emergency Preparedness:							
Public Health Emergency Preparedness - 16-17	93.069	2016-001232-02	331,135	34,466	213,933	248,399	-
Public Health Emergency Preparedness - 17-18	93.069	537-18-0168-00001	331,135	-	81,409	-	81,409
Public Health Emergency Preparedness - One Time Discretionary 15-16	93.069	2016-004036-00	43,402	1,232	-	1,232	-
Hospital Preparedness Program - 15-16	93.074	2015-003643-00	27,642	327	15,413	15,740	-
Public Health Emergency Preparedness	93.069	537-18-0346-00001	198,969	-	40,482	548	39,934
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	537-18-0346-00001	283,004	-	97,828	2,232	95,596
Epidemiology & Laboratory Capacity for Infectious Diseases-Vector Control	93.323	537-18-0346-00001	80,186	-	39,962	11,566	28,396
Department of Health and Human Services, Office of the Secretary							
National Biodefense Hospital Preparedness Program 16-17	93.889	2015-003703-01	164,669	20,353	126,160	146,513	-
HPP Ebola Preparedness & Response Activities 15-17	93.817	2015-003728-00	13,828	-	5,531	5,531	-
State Partnership Grant Program to Improve Minority Health 15-16	93.296	529-16-0131-00001	20,000	10,360	-	10,360	-
State Partnership Grant Program to Improve Minority Health 16-17	93.296	529-16-0131-00001	30,000	5,696	19,768	17,904	7,560
State Partnership Grant Program to Improve Minority Health 17-18	93.296	529-16-0131-00001	30,000	-	5	-	5
Health Resources and Services Administration:							
HIV Care Formula Grants:							
H.I.V. Care Formula Grant - 16-17	93.917	019-01-16 (17)	419,041	155,921	203,280	359,201	-
H.I.V. Care Formula Grant - 17-18	93.917	019-01-17 (18)	402,227	-	166,064	60,678	105,386
H.I.V. Care Formula Grant (Supplemental) - 16-16	93.917	019-01-16 (16)	39,721	23,389	-	23,389	-
H. I. V. Prevention Activities - Health Department Based							
Center for Disease Control and Prevention							
Epidemiologic Research Studies of AIDS & HIV in Selected Population Groups							
Epidemiologic Research Studies of AIDS & HIV Infection '16	93.943	2016-001325-001	400,800	49,945	118,911	168,856	-
Epidemiologic Research Studies of AIDS & HIV Infection '17	93.943	2016-001325-02	300,600	-	198,630	140,204	58,426
Centers for Disease Control and Prevention:							
Preventive Health & Health Services Block Grant							
Preventive Health and Health Service Block Grant - 15-16 / O.P.H.P.	93.991	2016-001192-001	497,072	96,396	-	96,396	-
Preventive Health and Health Service Block Grant - 16-17 / O.P.H.P.	93.991	2017-001192-001	497,072	9,309	238,021	186,566	60,764
Preventive Health and Health Service Block Grant - 17-18 / O.P.H.P.	93.991	537-18-0230-00001	497,072	-	9,707	-	9,707

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2017**

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
Office of Population Affairs: Family Planning Services - Title X Family Planning Services Substance Abuse and Mental Health Services Administration Center for Substance Abuse Treatment	93.217	N/A	\$ -	(36,555)	108,103	145,137	(73,589)
Substance Abuse & Mental Health Svs Prj of Regional&Nat'l Significance 14-15	93.243	1H79TI025893-01	500,000	-	4,365	4,365	-
Substance Abuse & Mental Health Svs Prj of Regional&Nat'l Significance 15-16	93.243	1H79TI025893-02	500,000	97,662	563	98,225	-
Substance Abuse & Mental Health Svs Prj of Regional&Nat'l Significance 16-17	93.243	1H79TI025893-03	500,000	800	476,884	413,655	64,029
Substance Abuse & Mental Health Svs Prj of Regional&Nat'l Significance 17-18	93.243	5H79TI025893-04	500,000	-	170	-	170
Center for Disease Control and Prevention Health Promotions & Chronic Disease Prevention							
Preventive Health & Health Svs Block Grant - Texas Healthy Communities	93.991	2016-003854-00	50,000	16,742	-	16,742	-
Preventive Health & Health Svs Block Grant - Texas Healthy Communities	93.991	2016-003854-01	50,000	-	44,201	40,030	4,171
Total U. S. Department of Health and Human Services			\$ 7,624,114	568,302	2,548,569	2,549,856	567,015

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	\$ 3,678,968	15,000	20,000	15,000	20,000
Community Development Block Grants / Entitlement Grants 11	14.218	N/A	3,290,569	-	-	-	-
Community Development Block Grants / Entitlement Grants 12	14.218	N/A	3,347,669	8,539	14,853	23,392	1,924
Community Development Block Grants / Entitlement Grants 13	14.218	N/A	3,605,219	75,915	111,145	185,136	9,711
Community Development Block Grants / Entitlement Grants 14	14.218	N/A	3,553,204	-	527,994	518,283	46,740
Community Development Block Grants / Entitlement Grants 15	14.218	N/A	3,459,923	328,024	1,195,835	1,477,119	95,007
Community Development Block Grants / Entitlement Grants 16	14.218	N/A	3,436,805	-	1,394,595	1,299,588	-
Emergency Solutions Grant Program 2014	14.231	N/A	292,883	3,263	-	3,263	-
Emergency Solutions Grant Program 2015	14.231	N/A	316,721	13,268	280,356	293,624	-
Emergency Solutions Grant Program 2016	14.231	N/A	311,462	-	29,285	28,874	411
Housing Opportunities for Persons with AIDS: Housing Opportunities for Persons with AIDS - 16-17	14.241	019-3-16 (17)	76,507	8,958	34,427	43,385	-
Housing Opportunities for Persons with AIDS - 17-18	14.241	019-3-17 (18)	78,007	-	42,816	29,230	13,586
HOME Investment Partnerships Program 2012 GRANT	14.239	N/A	879,662	29,998	52,811	82,809	-
HOME Investment Partnerships Program 2013 GRANT	14.239	N/A	631,123	-	57,982	57,982	-
HOME Investment Partnerships Program 2014 GRANT	14.239	N/A	685,083	-	79,845	64,846	14,999
HOME Investment Partnerships Program 2015 GRANT	14.239	N/A	810,705	19,251	539,710	458,918	100,043
HOME Investment Partnerships Program 2016 GRANT	14.239	N/A	854,378	-	90,305	62,677	27,628
Total U. S. Department of HUD			\$ 29,308,888	502,216	4,471,959	4,644,126	330,049

U. S. Department of Transportation

Direct Programs: Federal Transit Administration: Federal Transit Capital Investment Grants:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030274	\$ 2,546,681	11,924	18,243	30,167	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX030299	1,943,557	4,944	1,640	6,584	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040047	714,000	8,112	461,501	467,517	2,096
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.500	TX040055	2,549,000	79,954	111,848	191,802	(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

PERIOD ENDED SEPTEMBER 30, 2017

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
Federal Transit Formula Grants:							
Urbanized Area Formula Program	20.507	TX90Y124	\$ 3,304,105	2,971	8,891	6,306	5,556
Urbanized Area Formula Program	20.507	TX90Y080	3,288,008	-	32,680	32,680	-
Urbanized Area Formula Program	20.507	TX2017069	3,317,200	-	3,317,200	-	3,317,200
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX2016052	247,845	-	176,558	22,800	153,758
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX2017024	247,069	-	7,553	-	7,553
Bus and Bus Facilities Formula Program:							
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526	TX340005	346,697	-	-	-	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526	TX340021	347,622	-	347,622	347,622	-
Fixed Guideway Modernization Bus & Bus Facility New Starts	20.526	TX2016009	312,710	-	-	-	-
Federal Aviation Administration:							
Airport Improvement Program (Noise Mitigation)	20.106	3-48-0136-72-2012	4,000,000	176,609	140,932	317,541	-
Airport Improvement Program (Airport Master Plan Update)	20.106	3-48-0136-75-2013	2,703,707	17,983	-	17,983	-
Airport Improvement Program (Airport Improv)	20.106	3-48-0136-78-2014	4,000,000	134,143	2,628,272	2,688,909	73,506
Airport Improvement Program	20.106	3-48-0136-79-2015	7,596,816	561,864	80,826	642,690	-
Airport Improvement Program	20.106	3-48-0136-80-2015	6,000,000	-	763,229	572,634	190,595
Airport Improvement Program	20.106	3-48-0136-81-2016	5,000,000	-	-	-	-
Airport Improvement Program	20.106	3-48-0136-82-2016	7,819,990	1,021,032	6,389,299	7,022,998	387,333
Transportation Security Administration-Law Enf. Officer Reimb. Program	97.090	HSTS0216HSLR878	41,400	21,659	43,388	55,085	9,962
FY 16 Law Enforcement Officer Reimbursement Program							
Pass Through Texas Department of Transportation:							
National Highway Traffic Safety - State and Community Highway Safety							
STEP - 2016 CMV	20.600	2016-LAREDOPD-S-1YG-0040	53,308	13,997	-	13,997	-
STEP - 2017 CMV	20.600	2017-LAREDOPD-S-1YG-0042	86,925	-	86,925	53,449	33,476
STEP - 2016 Comprehensive	20.600	2016-LAREDOPD-S-1YG-0027	90,970	29,257	-	29,257	-
STEP - 2017 Comprehensive	20.600	2017-LAREDOPD-S-1YG-0038	105,730	-	105,730	75,077	30,653
STEP - Click It Or Ticket	20.600	2017-LAREDOPD-CIOT-00040	9,001	-	9,001	9,001	-
National Highway Traffic Safety -Alcohol Impaired Driving							
Countermeasures Incentive Grants I							
Step - Impaired Driving Mobilization 2016	20.601	2016-LAREDOPD-IDM-00031	25,200	10,512	-	10,512	-
Step - Impaired Driving Mobilization 2017	20.601	2017-LAREDOPD-IDM-00008	30,520	-	30,520	25,020	5,500
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50-17XF0011	810,000	-	289,576	234,170	55,406
Highway Planning & Const.-Federal Aid Hwy Pgm, Fed Lands Hwy Pgm	20.205	50216111370	475,682	95,224	-	95,224	-
Highway Planning and Construction-Zacate Creek Hike & Bike Trail	20.205	CSJ-0922-33-170	1,000,000	-	117,355	-	117,355
Highway Planning and Construction-West Laredo Multimodal Trade Corridor-II	20.205	CSJ-0922-33-076	2,845,747	11,520	229,697	10,697	230,520
Highway Planning and Construction- West Laredo Multimodal Trade Corridor-III	20.205	CSJ-0922-33-093	18,889,751	14,375	204,367	49,175	169,567
Highway Planning and Construction- Chacon Creek Hike & Bike Phase II	20.205	CSJ-0922-33-142	1,482,244	101,609	-	100,610	999
Highway Planning and Construction- Chacon Creek Hike & Bike Phase III	20.205	CSJ-0922-33-149/150	1,243,767	37,216	-	37,216	-
Highway Planning and Construction- Citywide Traffic Signal Upgrade-Synchronization	20.205	CSJ-0922-33-158	480,000	-	-	-	-
Total U. S. Department of Transportation			\$ 83,935,252	2,354,905	15,602,853	13,166,723	4,791,035
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 15-16	* 10.557	2015-047370-001	4,228,002	937,759	61,666	999,425	-
Women, Infants and Children 16-17	* 10.557	2017-049856-001	4,263,947	-	4,105,121	3,135,663	969,458
Women, Infants and Children Counties 15-16	* 10.557	2015-047370-001	984,339	231,819	2,839	234,658	-
Women, Infants and Children Counties 16-17	* 10.557	2017-049856-001	1,157,137	-	1,020,397	804,705	215,692
Total U. S. Department of Agriculture			\$ 10,633,425	1,169,578	5,190,023	5,174,451	1,185,150

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2017**

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
U. S. Department of Justice							
Passed Through State Department of Criminal Justice:							
Criminal Justice Discretionary Grant Program							
Office of Justice Program - Bureau of Justice Assistance -							
Edward Byrne Memorial Justice Assistance Grant Program:							
Edward Byrne Memorial Justice Assistance Grant Program FY15 JAG Program	16.738	2015-DJ-BX-0581	\$ 79,329	6,472	4,330	10,802	-
Edward Byrne Memorial Justice Assistance Grant Program FY16 JAG Program	16.738	2016-DJ-BX-0019	81,341	-	44,042	42,387	1,655
Passed Through Office of the Governor:							
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2878301	47,713	3,284	-	3,284	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2878302	44,294	-	44,294	44,294	-
Total U. S. Department of Justice			\$ 252,677	9,756	92,666	100,767	1,655
Executive Office of the President							
High Intensity Drug Trafficking Areas Program							
Financial Task Force 15	95.001	G15SS0001A	\$ 810,795	26,134	176,617	202,751	-
Financial Task Force 16	95.001	G16SS0001A	810,795	189,429	530,480	691,731	28,178
Financial Task Force 17	95.001	G17SS0001A	810,795	-	220,415	74,744	145,671
Total Executive of the President			\$ 2,432,385	215,563	927,512	969,226	173,849
U.S. Department of Homeland Security							
Federal Emergency Management Agency							
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1931-DR-PA	\$ -	(99,134)	-	-	(99,134)
Passed Through Office of the Governor:							
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00621	5,312,952	-	-	-	-
Homeland Security Grant Program - 2015 Stone Garden Grant	97.067	3075301	912,000	144,221	730,044	858,895	15,370
Homeland Security Grant Program - 2016 Stone Garden Grant	97.067	3075302	1,031,232	-	15,789	-	15,789
Homeland Security Grant Program - 2016 Stone Garden Grant	97.067	3335701	10,000	-	-	-	-
Total U. S. Department of Homeland Security			\$ 7,286,184	45,087	745,833	858,895	(67,975)
Institute of Museum and Library Services							
Passed Through Texas State Library & Archives Commission							
InterLibrary Loan Reimbursement Funds	45.310	LS-00-16-0044-16	\$ 14,847	-	14,847	14,847	-
Family Place Libraries Project	45.310	N/A	-	-	-	-	-
Total Institute of Museum and Library Services			\$ 14,847	-	14,847	14,847	-
U.S. Department of Environmental Protection Agency							
Survey, Studies, Investigations & Special Purpose Grants							
Air Pollution Control Program Support:							
Clean Water State Revolving Loan	66.458	L120019	\$ 48,750,000	(1,836,247)	1,744,435	5,860	(97,672)
Clean Water State Revolving Loan	66.458	L1000357	22,075,000	(20,753,391)	5,424,876	71,849	(15,400,364)
Drinking Water State Revolving Loan	66.468	L1000358	4,600,000	(4,298,596)	2,501,522	4,319	(1,801,393)
Drinking Water State Revolving Loan	66.468	L1000339	5,500,000	(5,133,359)	-	18,102	(5,151,461)
Total U. S. of Environmental Protection Agency			\$ 80,925,000	(32,021,593)	9,670,833	100,130	(22,450,890)
Total Federal Assistance			\$ 222,392,772	(27,156,186)	39,265,095	27,579,021	(15,470,112)

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2017**

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
STATE AWARDS							
Texas Department of State Health Services:							
Primary Health Care Program - 15-16	N/A	2016-048591-001	\$ 159,171	33,188	-	33,188	-
Primary Health Care Program - 16-17	N/A	2016-048591-002	159,171	8,577	141,790	113,095	37,272
Primary Health Care Program - 17-18	N/A	2016-048591-002	159,171	-	7,982	-	7,982
Tuberculosis Prevention and Control - 15-16	N/A	2016-001448-001	156,757	34,798	-	34,798	-
Tuberculosis Prevention and Control - 16-17	N/A	2016-001448-01	156,757	10,110	145,724	110,590	45,244
Tuberculosis Prevention and Control - 17-18	N/A	537-18-0030-00001	156,757	-	12,556	-	12,556
Bureau of Clinical and Nutrition Services - Prenatal, Preventive &							
Primary Child Health, Genetics and Dental Serv. - 16	N/A	2016-003934-001	75,000	11,254	-	11,254	-
Primary Child Health, Genetics and Dental Serv. - 17	N/A	2016-003934-01	69,750	8,204	61,547	69,751	-
Primary Child Health, Genetics and Dental Serv. - 18	N/A	2016-003934-02	69,750	-	3,230	-	3,230
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 16	N/A	2015-003885-001	43,490	3,912	-	3,912	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 17	N/A	2016-003885-01	40,446	2,948	37,498	40,446	-
Maternal and Child Health Svs. Block Grant to the States: Prenatal - 18	N/A	2016-003885-02	40,446	-	3,138	-	3,138
Influenza Surveillance - '16	N/A	2016-003751-00	10,000	5,183	-	5,183	-
Infectious Disease Control Unit/Surveillance & Epidemiology Ebola Activities	N/A	2016-003828-00	165,000	13,967	80,761	82,731	11,997
Infectious Disease Control Unit/Surveillance & Epidemiology Ebola Activities	N/A	537-18-0306-00001	165,000	-	5,088	-	5,088
Texas Healthy Adolescent Initiative Clinic Based Program - '16	N/A	2016-048897-001	200,000	123,093	-	123,093	-
Texas Healthy Adolescent Initiative Clinic Based Program - '17	N/A	2016-048897-002	200,000	8,960	170,810	111,353	68,417
Texas Healthy Adolescent Initiative Clinic Based Program - '18	N/A	2016-048897-002A	200,000	-	9,614	-	9,614
Border Binational Health Week	N/A	1X408TXUSMEXBRD	12,550	(1,197)	1,197	-	-
Office of Border Health - Border Health	N/A	53700-6-0000-419730	8,500	507	-	507	-
Office of Border Health - Border Health	N/A	53700-6-0000-425303	60,000	36,132	-	36,132	-
Office of Border Health - Border Health	N/A	53700-6-0000-427806	1,600	-	1,400	1,600	(200)
Laredo Influenza Drive Thru Vaccine Clinic	N/A	53700-4-0000-405403	6,000	(20)	20	-	(3,200)
Passed Through South Texas Development Council:	N/A	53700-7-0000431293	3,200	-	-	3,200	-
H. I. V. Social Services 15-16	N/A	19-2-15 (16)	140,110	22,775	-	22,775	-
H. I. V. Social Services 16-17	N/A	19-2-16 (17)	140,110	7,892	114,879	87,975	34,796
H. I. V. Social Services Rebate 16-17	N/A	19-2-16 (17)	152,498	-	123,613	44,174	79,439
H. I. V. Social Services 17-18	N/A	19-2-17 (18)	134,260	-	9,375	-	9,375
H. I. V. Social Services Rebate 17-18	N/A	19-2-17 (18)	188,812	-	6,768	-	6,768
Texas Commission on the Arts-	N/A	N/A	438	-	438	-	-
Seven Flags Regional Advisory Council	N/A	N/A	3,500	-	3,001	3,001	-
Total - Texas Department of State Health Services			\$ 3,078,244	330,283	940,429	939,196	331,516
Commission on Law Enforcement Officers Standards and Education							
Law Enforcement Officer Standards and Education	N/A	N/A	32,844	(3,642)	3,642	-	-
Law Enforcement Officer Standards and Education	N/A	N/A	29,075	-	600	29,075	(28,475)
Law Enforcement Officer Standards and Education	N/A	N/A	1,744	(2,994)	1,541	-	(1,453)
Law Enforcement Officer Standards and Education	N/A	N/A	1,622	-	-	1,622	(1,622)
Total - Commission on Law Enforcement Officers Standards and Education			\$ 65,285	(6,636)	5,783	30,697	(31,550)
State Department of Motor Vehicles:							
Auto Theft Task Force	N/A	608-18-2400100	637,768	-	55,735	-	55,735
Auto Theft Task Force	N/A	608-17-2400100	637,768	51,859	582,320	487,618	146,561
Auto Theft Task Force	N/A	608-16-2400100	637,768	155,783	-	155,783	-
Total - State Department of Motor Vehicles			\$ 1,913,304	207,642	638,055	643,401	202,296

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
PERIOD ENDED SEPTEMBER 30, 2017**

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
State Department of Transportation:							
TX Dept. of Transportation-Routine Airport Maintenance Program '17	N/A	CSJ-42M1722LRED	\$ 50,000	-	49,997	46,582	3,415
Formula Grants for Other Than Urbanized Areas	N/A	STATE-U-2016-LAREDO-00108	576,518	-	576,518	576,518	-
Formula Grants for Other Than Urbanized Areas	N/A	STATE-U-2017-LAREDO-00107	581,555	-	-	-	-
Total - State Department of Transportation			\$ 1,208,073	-	626,515	623,100	3,415
Texas Commission on Environmental Quality							
Passed Through STDC:							
T.C.E.Q.-City of Laredo Glass Pulverizer	N/A	17-19-04	\$ 53,184	-	49,974	-	49,974
Total - Texas Commission on Environmental Quality			\$ 53,184	-	49,974	-	49,974
Passed Through Office of the Governor:							
Local Border Security Program FY -2016	N/A	2995401	\$ 110,000	1,898	-	1,898	-
Passed Through Office of the Governor:							
Local Border Security Program FY -2017	N/A	2995402	120,000	-	120,000	98,537	21,463
Total - State Department of Public Safety			\$ 230,000	1,898	120,000	100,435	21,463
Texas Health and Human Services Commission:							
Passed Through Texas Nurse-Family Partnership Program:							
Nurse-Family Partnership Program - '15-16	N/A	52900-6-0000088566	\$ 415,000	71,279	-	71,279	-
Nurse-Family Partnership Program - '16-17	N/A	529-16-0069-00001	521,159	40,687	463,242	400,209	103,720
Nurse-Family Partnership Program - '17-18	N/A	529-16-0069-00001	521,159	-	29,888	-	29,888
Passed Through Webb County:							
Regional Healthcare Partnership (1115 Xavier)	N/A	N/A	-	(920,752)	540,747	937,000	(1,317,005)
Passed Through Family Planning Grant:							
Family Planning Open Enrollment	N/A	529-16-0102-00042	173,000	-	22,093	15,597	6,496
Family Planning Open Enrollment	N/A	529-16-0102-00042-B	87,500	-	3,447	-	3,447
Healthy Texas Women	N/A	529-16-0132-00009	810,020	-	278,423	213,632	64,791
Healthy Texas Women	N/A	529-16-0132-00009-B	810,020	-	15,890	-	15,890
Texas Ambulance Supplemental Payment Program	**	N/A	-	-	1,577,931	-	1,577,931
Total - Texas Health and Human Services Commission			\$ 3,337,858	(808,786)	2,931,661	1,637,717	485,158
Total State Assistance			\$ 9,885,948	(275,599)	5,312,417	3,974,546	1,062,272

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

PERIOD ENDED SEPTEMBER 30, 2017

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, 2016	Revenue Recognized	Receipts	Accrued (Deferred) Revenue at September 30, 2017
OTHER ASSISTANCE							
ICE- Custom-Narcotics 2016	N/A	N/A	\$ 91,000	27,261	-	27,261	-
ICE- Custom-Narcotics 2017	N/A	N/A	91,000	-	66,199	24,793	41,406
OCEDETF-DEA0982 Sand Castle	N/A	N/A	8,774	736	9,111	9,027	820
OCEDETF-DEA0997 Knife Hands	N/A	SW-TXS-0982	17,374	4,418	17,352	21,770	-
OCEDETF-DEA1025 Dusty Crop Hopper	N/A	SW-TXS-1025	18,042	-	260	-	260
OCEDETF-DEA1039 King's Riches	N/A	SW-TXS-1039	8,774	1,073	6,076	6,203	946
Laredo Joint Terrorism TF 2016	N/A	N/A	17,548	2,399	-	2,399	-
Laredo Joint Terrorism TF 2017	N/A	N/A	17,753	-	7,630	2,528	5,102
Safe Streets Task Force 2016	N/A	N/A	35,096	8,287	-	8,287	-
Safe Streets Task Force 2017	N/A	N/A	35,506	-	32,807	22,145	10,662
Fugitive Apprehension Task Force 2016	N/A	N/A	14,000	330	-	330	-
Fugitive Apprehension Task Force 2017	N/A	JLEOTFS4	14,000	-	13,911	13,264	647
Bureau of Alcohol and Tobacco 2016	N/A	N/A	70,297	20,829	-	20,829	-
Bureau of Alcohol and Tobacco 2017	N/A	N/A	71,012	-	61,636	52,754	8,882
TEOAF- CBP Task Force 2016	N/A	N/A	80,000	35,091	-	35,091	-
TEOAF- CBP Task Force 2017	N/A	N/A	80,000	-	109,681	56,555	53,126
U.S. Marshals - Sex Offenders Joint Operation	N/A	N/A	3,296	-	3,296	-	3,296
OTHER ASSISTANCE							
911 Regional Communications Grant - FY2015	N/A	N/A	2,329,870	282,598	360,104	642,702	-
911 Regional Communications Grant - FY2016	N/A	N/A	2,395,630	(118,620)	16,378	(102,242)	-
911 Regional Communications Grant - FY2017	N/A	N/A	1,811,809	(353,983)	1,720,672	1,237,897	128,792
911 Regional Communications Grant - FY2017 Equipment Replacement	N/A	N/A	652,711	-	61,184	15,616	45,568
911 Regional Communications Grant - FY2018	N/A	N/A	2,416,169	-	54,632	-	54,632
Mexican Consulate - Venianilla de Salud Program	N/A	N/A	34,000	(17,247)	28,905	31,432	(19,774)
Fernando Salinas Trust	N/A	N/A	40,000	(9,038)	-	1,000	(10,038)
Paso del Norte Foundation	N/A	N/A	2,500	(2,500)	-	-	(1,398)
Valley Aids - Ryan White Part D	N/A	N/A	54,662	-	1,102	-	-
Valley Aids - Ryan White Part D	N/A	N/A	49,195	-	52,109	52,109	6,646
TAMIU - SI	N/A	N/A	483,181	69,766	8,555	1,909	-
TAMIU - SI	N/A	N/A	228,470	-	159,604	229,370	-
Coastal Bend Regional Advisory Council	N/A	N/A	188,168	-	75,175	-	75,175
Keep Laredo Beautiful	N/A	N/A	-	-	188,168	-	188,168
Frontier Associates - Weatherization Program	N/A	N/A	-	-	9,000	9,000	-
Total - Other Assistance			220,000	-	197,451	197,451	-
Total Federal, State and Other Assistance			11,579,837	(48,600)	3,260,998	2,619,480	592,918
			\$ 243,858,557	(27,480,385)	47,838,510	34,173,047	(13,814,922)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

* Major Federal Program

** Major State Program

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Laredo is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

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



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laredo, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Laredo, Texas' basic financial statements and have issued our report thereon dated March 9, 2018.

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.

Comales, Garza & Baum, PLLC

Laredo, Texas
March 9, 2018

City of Laredo, Texas
Federal Schedule of Findings and Questioned Costs
Year Ended September 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants, and Children
66.458	Clean Water State Revolving Loan
66.468	Drinking Water State Revolving Loan

Dollar threshold used to distinguish between Type A and Type B programs: \$1,177,953

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, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State of Texas Single Audit Circular? _____ yes X no

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Health and Human Services Commission Texas Ambulance Supplemental Payment Program

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

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

Section II - Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

City of Laredo, Texas
Federal Summary Schedule of Prior Audit Findings
Year Ended September 30, 2017

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, 2017

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.

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