

CITY OF  
**LEAGUE CITY**  
— TEXAS —



# FISCAL YEAR 2023

## Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2023



City of League City  
300 W. Walker St., 77573 Texas



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*ANNUAL COMPREHENSIVE  
FINANCIAL REPORT*

of the

**CITY OF LEAGUE CITY, TEXAS**

**For the Year Ended  
September 30, 2023**

**Prepared by  
Finance Department**

**Kimberly Corell  
Director of Finance**

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# CITY OF LEAGUE CITY, TEXAS

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***INTRODUCTORY SECTION***

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March 15, 2024

Mayor, Members of the City Council,  
and Citizens of the City of League City:

The Annual Comprehensive Financial Report of the City of League City, Texas (the “City”) for the fiscal year ended September 30, 2023 is herein presented. Responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to fairly present 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. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023 are free from 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2023 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial 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’s MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of League City is located 25 miles south of downtown Houston, Texas in northern Galveston County and the southern part of Harris County. As of January 2024, the City has a population estimated at 121,595 and encompasses an area of 53 square miles. The City adopted a “Home Rule Charter” on March 27, 1962. That charter provided for the “Mayor-Council” form of government as referenced in Vernon’s Annotated Civil Statutes, Art. 1164 et seq. In May 2010, the voters of League City elected to adopt a “Council-Manager” form of government.

The City provides a full range of municipal services. These services include police, fire (volunteer department), emergency medical services, animal control, and municipal court facilities; the construction and maintenance of streets, water, wastewater, drainage systems, and other infrastructure; recreational parks, swimming pools, and athletic fields; and a public library and other facilities used for various cultural and civic activities. The City’s water and wastewater system serves nearly all residential and commercial locations within its limits. The City utilizes the services of a contractor in order to provide solid waste collection services and residential recycling.

The following entities have met the requirements for component units and have appropriately been included within the financial statements:

- City of League City 4B Industrial Development Corporation
- City of League City Tax Increment Reinvestment Zone No. Two – Victory Lakes
- City of League City Tax Increment Reinvestment Zone No. Three – CenterPointe
- City of League City Tax Increment Reinvestment Zone No. Four – Westwood
- City of League City Public Improvement District No. One – Magnolia Creek
- City of League City Public Improvement District No. Two – Victory Lakes
- City of League City Public Improvement District No. Three – CenterPointe
- City of League City Public Improvement District No. Five – Park on Clear Creek

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The activities of the General Fund, Debt Service Fund, and certain individual Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control is at the department level in each fund as provided in the City Charter.

### **Economic Condition and Outlook**

The economic condition and outlook for League City are positive, based upon strong local and regional growth. Given the attractiveness of the region, the opportunities for new development in nearly one-half of the City, and the responsible approach to managing growth adopted by City leadership, the prospect of additional steady and healthy growth is highly likely. The 2010 Census placed League City’s population at 83,560, which is an 84% increase over its population of 45,444 in 2000. The 2020 Census placed League City’s population at 114,392, which is a 36% increase over its population of 83,560 in 2010. League City’s

population is estimated at 121,595 as of January 1, 2024. League City is the largest city in Galveston County, which has transformed from a small town into a bustling suburban community.

League City, like much of the Greater Houston Region, has been characterized by steady, long-term growth. Due to its proximity to the petrochemical plants in surrounding communities, League City has been positively impacted, both directly and indirectly, by oil and gas prices. In 2023, League City continued to see new construction of all types, and the community continues to be a highly attractive location for families and businesses alike. Between 2016-2023, an annual average of 600 new home construction permits were granted with 820 in 2016, 767 in 2017, 671 in 2018, 802 in 2019, 484 in 2020, 352 in 2021, 329 in 2022, and 578 in 2023. New home starts are anticipated at 1,200 in 2024.

In April 2018, the Mayor and City Council collaborated with the City Manager and executive staff to develop League City’s Strategic Action Plan. Adopted formally by the City Council in June 2018, the framework of the plan consists of a vision statement for the City’s future “League City – the best place to live, work, and play.” The plan also consists of eight critical success factors, which are listed below.

-  **Develop and Maintain our Infrastructure**
-  **Financially Sustainable**
-  **Safe and Desirable Community**
-  **Quality Community Amenities**
-  **Trained, Committed, and Valued Workforce**
-  **Engaged Residents**
-  **Economic Development and Tourism**
-  **Quality-Built Environment**

This **Economic Outlook** highlights League City’s major assets and strengths:

#### Strategic Location

- The City’s strategic location at the nexus of I-45 and the future Grand Parkway, midway between Houston and Galveston, offers access to four major ports – Houston, Freeport, Texas City, and Galveston – Hobby International Airport, and the Houston Spaceport, which is the only spaceport located within a major metropolitan area of the USA.
- Strong relationships with the energy/petrochemical, aerospace, medical/life sciences, professional services, global logistics, and tourism industries make the City an attractive community for doctors, engineers, astronauts, business owners, highly skilled workers, and their families to live, work, play, and stay.

### Medical/Life Sciences

In conjunction with corporate offices and destination retailers, much of the City's primary job footprint and daytime population is associated with the medical sector:

- The University of Texas Medical Branch (UTMB) has long-term plans to reach full time employment of 2,200 medical personnel, 800,000 square feet of medical facilities, up to 350 additional hospital rooms, and an ultimate buildout of 3.5 million square feet of medical space by 2040. UTMB initially opened its 64-acre campus with a \$90 million project in early 2016, embarked upon a \$156 million expansion in 2017, and purchased additional acreage to increase the size of its campus in the City to 92 acres in 2018.
- Kelsey Seybold constructed a single-story, 15,000-square-foot clinic in 2023 with lab and imaging services such as x-rays and ultrasounds for up to seven providers. The facility provides comprehensive primary care, including Family Medicine, Pediatrics, and Internal Medicine with plans to add OB/GYN, dermatology, and other specialties. The health care provider also plans to open a two-story, 33,000-square-foot clinic on the west side of League City in 2024.
- Houston Methodist recently completed construction on its new, 10,000-square foot emergency care center.

### Houston Spaceport and the Space Economy

- Proximity to the Houston Spaceport, which was licensed by the Federal Aviation Administration in 2015 and offers 592 acres for aerospace development. The City of Houston invested \$24 million for Phase #1 of the Houston Spaceport for roads and utilities, which attracted more than 350,000 square feet and \$200 million in commercial, aerospace development and created 1,800 new jobs. Tenants at the Houston Spaceport currently include the San Jacinto College EDGE Center for high-tech aerospace career training, Axiom Aerospace, Intuitive Machines, Collins Aerospace, and Venus Aerospace. The City of Houston is now planning for Phase #2, which will cost about \$80 million and provide the infrastructure necessary to offer an additional 300 acres for private, commercial, aerospace development.
- The Houston Airport System is planning to develop an Aerospace Institute at the Houston Spaceport where colleges and universities, like San Jacinto College, University of Houston – Clear Lake, Rice University, Texas A&M University, and Texas Southern University, can collaborate. The vision of the Aerospace Institute is to provide training programs for the aerospace industry workforce that will focus on research, recruitment, workforce, and professional development in support of the aerospace industry.
- The Texas Legislature approved House Bill 3447 in 2023 to establish the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission. The Texas Space Commission will identify research opportunities for entities within Texas to strengthen the state's proven leadership in civil, commercial, and military aerospace activities; enhance its position in aeronautics research and development, space commercialization, and space flight infrastructure; and enhance the integration of the space, aeronautics, astronautics, and aviation industries into

Texas' economy. The legislation also provided \$350 million to support the commission, fund research, and provide grants to grow and expand the Texas aerospace economy.

- Next to the Johnson Space Center, the Texas A&M University's (TAMU) Board of Regents approved the construction of a new \$200 million Space Institute, which will be owned and operated by TAMU. The Space Institute will include labs, shops, classrooms, meeting rooms, control rooms, dedicated spaces for astro material curation and sample research, and two large extraterrestrial testbeds – one emulating the surface of Mars and the second emulating the surface of the moon. The Space Institute will identify opportunities to work with local high schools and community colleges to promote science, technology, engineering, and mathematics education to build a pipeline of talent. TAMU is already well-versed in aerospace with four astronauts on faculty plus scientists and engineers who've participated in the NASA rover missions to Mars. The students, faculty, and researchers at the university are currently working on nearly 300 space-related projects across TAMU's 12 colleges and schools.

#### Ellington Airport and Hobby Airport

- Texas Southern University (TSU) plans to start construction in May 2024 on a flight academy at Ellington Airport. The two-acre site will feature a 24,000-square-foot aircraft hangar; 11,000-square-foot aircraft apron; 4,200-square-foot office, training and classroom space, and an aviation fuel tank. TSU is the only university in the state that offers a four-year aviation degree. In July 2023, the university's aviation program was professionally accredited by the American Accreditation Board International, which is one of the highest levels of recognition for an in-house aviation, professional pilot program. According to the Bureau of Labor Statistics, the median annual wage for airline pilots, copilots, and flight engineers was \$211,790 in May 2022. Although construction of the flight academy is not expected until May 2025, 156 students enrolled in the program in the fall 2023 semester.
- Hobby Airport has a \$470 million expansion planned to begin in early 2024 that will improve the baggage system to meet the current and future needs of commercial traffic at Hobby and provide more space for retail, restaurants, and public art. For the second year in a row, Hobby Airport has been rated a five-star airport by Skytrax. It is one of 18 five-star airports worldwide, and it's the only five-star airport in North America.

#### Higher Education

- The City is engaged in partnerships with the University of Houston – Clear Lake, Texas A&M University at Galveston, College of the Mainland, San Jacinto College, and Clear Creek, Dickinson, and Santa Fe Independent School Districts. Both main campuses of the University of Houston and Texas A&M University are nationally recognized as Tier 1 Research Universities.
- University of Houston – Clear Lake now offers a Master of Science in Nursing Education and Leadership, and efforts are underway to start a Bachelor of Science in Aerospace Engineering as well as a degree or concentration in commercial aerospace enterprises.
- The Aspen Institute recognized San Jacinto College in 2023 as one of the 10 finalists for the Aspen Prize for Community College Excellence, an honor that follows the College's recognition as an

Aspen Prize Finalist with Distinction in 2021. New courses at San Jacinto College include autonomous vehicles (certificate), engineering technology (Associate of Applied Science degree), heavy diesel equipment/crane technician (certificate and A.A.S. degree), medical laboratory assistance (certificate), and plumbing technology (certificate). In 2024, new spring courses that will be offered include a Bachelor of Applied Science in education and biomanufacturing (certificate and A.A.S. degree). In the spring of 2024, a bachelor's degree in education will be offered in response to a statewide teacher shortage, and a bachelor's degree in information technology with an emphasis on cybersecurity will be offered in the fall of 2024.

- College of the Mainland (COM) received approval from voters in May 2023 for a \$250 million bond package to complete COM's 10-year plan and construct a new 134,000-square-foot library and classroom building, a new 50,000-square-foot public services center, a new 20,000-square-foot corporate and continuing education center, and a new 50,000-square-foot, 3-story classroom building. COM opened a 27,570-square-foot facility in late 2020 in the City to offer dual credit courses to high schoolers and general education. In November 2018, voters approved a previous bond program, which completed the first phase of COM's 10-year plan and led to the construction of a new STEAM/Allied Health Building, Industrial Careers Building, Student Success Building, Fine Arts Building and Theater Addition and Renovations, Demolition of Police Department, Technical Vocational Building and Administration & Enrollment Center Technology Upgrades, and Physical Plant Expansion. COM is designated as an Achieving the Dream Leader College, which is a national initiative to help more community college students, categorized as low-income students and students of color, succeed. Graduates with technical degrees earn the highest starting salaries of any new university or college graduate in Texas – \$73,509 – according to a study by a higher education research group called College Measures.

### K-12 Education

- The City cultivates an integral partnership with nationally regarded Clear Creek ISD, which Niche.com recognized in 2024 as the 5th Best School District in the Houston area and 42nd Best School District in Texas. In 2022, the National Merit Scholarship Corporation announced 18 semifinalists from Clear Creek ISD in its annual National Merit Scholarship Program. In 2021, www.character.org noted that two Clear Creek ISD high schools were among fewer than 200 high schools across the United States to receive recognition for their character development programs. Clear Creek ISD also earned a top spot in Forbes' 2022 list of America's Best Employers By State, when it was ranked #21 out of 101 total companies and organizations in Texas!
- Dickinson ISD is recognized by Niche.com as the 56th Most Diverse District in Texas, and it is among the fastest growing school districts in the Houston area. Santa Fe ISD is a steadily growing, 5-A school district with a tremendous opportunity for new growth on the City's southwest side.

### Tourism

- Unique amenities that draw tourists to the community include the City's historic downtown, Butler Oaks, Clear Creek, Clear Lake Pinnacle Park (including Cabela's/Bass Pro), Chester L. Davis Sportsplex, One Room School House, League Park, Heritage Park, Hometown Heroes Park, Big League Dreams, and a variety of local and national retail and dining opportunities.

- Proximity to both Clear Creek and Clear Lake, which is home to the third-largest concentration of privately-owned pleasure boats in the United States, provides the City's residents and visitors with the longest continuous waterfront of any mainland community in Galveston County.
- Establishment of the League City Convention and Visitors Bureau and approval of a contract with the Bay Area Houston Convention and Visitors Bureau attracts more tourists and events to the City. League City's first visitor center opened in late 2023 in the historical 1890s GH&H railroad building, and the Soulfreak Railroad Café is the visitor center's main tenant.
- As a result of the 2017 Texas Legislative Session, the City is eligible to commit up to 10 years of the state's portion of sales tax revenue (6.25%) and hotel occupancy tax revenue (6%) to develop one or more convention centers and hotel projects. The City has been in discussions with several private developers to develop new amenities in support of conventions, tourism, live entertainment, retail development, sports events, and public spaces. In August 2019, the City Council approved two development agreements for projects to potentially benefit from this state legislation. In 2022-2024, the City has been in discussions with a new, private development company to investigate the development opportunity for a large HB 2445 Project. A new market, economic, and financial feasibility study is being conducted, and a final development agreement may be considered this fall.

#### Recent Development

- The City had growth in both new housing starts and commercial investment. In 2023, the City issued permits for the construction of 578 new homes, welcomed 73 new businesses to the community, received \$55 million in new commercial investment, and collected 2.85% more in sales tax revenue as compared to 2022.
- In 2023, the City was ranked as the #1 Most Affordable Housing Market in the Houston Region by the Metro Affordability Report and the 10th Safest City in America by HomeSnacks. In 2022, the City was recognized by the ETC Institute as being in the Top 10% Overall & Amongst All Large Cities in the U.S.A. and by HomeSnacks as the 10th Richest City in the USA. In 2020-2021, the City was recognized by AdvisorSmith as the 4th Safest City in Texas, Safewise as the 43rd Safest City in America to Raise a Child, SmartAsset as the 16th Most Livable Mid-Sized Cities in America, and ConsumerAffairs as the 15th fastest-growing city in the U.S. by percentage of population growth.
- In 2022, Amazon constructed a \$30 million, 180,000-square-foot delivery station, which is currently empty, but provides an opportunity for a tenant in the regional, space-limited industrial sector.
- Highbridge at Egret Bay is a new, four-story, \$58 million, Class A, 254-unit multi-family complex that is now open! The complex was constructed in a "garage-wrap style", in which the apartments wrap around and hide a central parking garage. The complex offers community amenities such as a pool, putting green, two-story fitness center, game room, business center, running/walking track, package lockers, and units are renting for \$1.85 - \$1.90 per square foot.

- Grand Living at Tuscan Lakes is a \$35 million project with a four-story, 211,000-square-foot building and more than 180 units for senior citizens along with several amenities, including a library, theater, fitness center, spa, chapel, outdoor spaces, and more.
- The Domain at Ballpark by CityStreet Residential Partners is a Class A multi-family project of approximately \$50 million that received approval from both the Planning & Zoning Commission and City Council to rezone property in Pinnacle Park. The project will offer approximately 339 units and include a parking deck, clubroom, fitness center, resort style pool area, biergarten with yard games, outdoor living area, grills, business center, and conference room.
- The Aura at Beacon Island is a \$30 million project that is under construction with 69 patio homes, 95 townhomes, 250-350 garden style apartments, 4.5 acres of parks, and 12,100 feet of trails.
- Pinnacle Park is a 100-acre mixed-use development that hosts the first and only Cabela's in the Greater Houston Region and hosts retailers such as Red Wing Shoes, Nothing Bundt Cakes, Fuji Ramen & Bar, Salata, Abuelo's Mexican Restaurant, Kabuki Japanese Grill & Sushi Bar, Black Bear Diner, Toasted Yolk, Beef Jerky Outlet, and Tracker Boats. In Pinnacle Park, a new five-story, 112-room Marriott Fairfield Inn & Suites Hotel opened in 2020 during the COVID-19 Pandemic, and the Domain at Ballpark is scheduled to begin construction in 2024. In the next few years, Pinnacle Park will include office space and an additional 80,000 square feet of retail space.
- New retail and restaurant businesses that recently opened in the City include Gordon Food Services, The Spot, Salad and Go, Kelsey Seybold, Soulfreak Railroad Café, Crust Pizza, Dutch Bros Coffee, Houston Methodist League City Emergency Care, Tracker Boats & ATVs, Main Street Bistro (relocated and expanded on Main Street), Pawsh Doghouse, Pure Chiropractic, Space City Orthodontics, Threaded Secrets Boutique, Amy Baez Interiors, Elegant Blossoms, and Miru Seafood. New businesses that are planning to open soon include the Houston Methodist Primary Care Group, AMOCO Federal Credit Union, Black Rock Coffee Bar, Scooters Coffee, Tuscany Bistro, Queen of Pho Vietnamese Restaurant, Gulf Coast Spice Company, Durb's Restaurant, Hawaii Fluid Art, Ninja Bagz, Sharks Orthodontics and Pediatric Dentistry, Tuscan Lakes Family Dentistry, and others.

### Infrastructure Improvements

- As a result of Hurricane Harvey and the need to relieve the traffic congestion associated with the City's rapid growth, the citizens of the City voted in May 2019 to commit a ¼ cent of the local option sales tax for \$73 million in local drainage improvements and \$72 million in local road construction projects. These improvements do not include other drainage and road construction projects which are funded by Galveston County and/or the Texas Department of Transportation (TxDOT). In calendar year 2023, the City collected \$4.47 million in sales tax collections attributable to the additional ¼ cent local sales tax, which is 2.85% greater than the amount which was collected in calendar year 2022.
- Construction is scheduled to begin in 2027 for the portion of the Grand Parkway/State Highway 99 Segment B from I-45 in League City to FM 2403 in Alvin – a 13.8-mile route at a cost of nearly \$1 billion – and be completed by 2031. New designs for the Grand Parkway will provide more

land for drainage and retention ponds, and the route of delineation will be slightly modified to avoid newly constructed homes.

- In preparation for new development along the Grand Parkway, the City issued a Request for Proposals in late 2023 and is now interviewing prospective consultants, who will assist us in developing a Regional Center Master Plan for the western area of the City, including both sides of the future Grand Parkway.
- League City plans to invest up to \$90 million to expand the City's water plant facility in preparation for the population boom on the undeveloped, western portion of the City along the Grand Parkway.
- In late 2023, the City issued a Request for Proposals to engage a new owner/developer, who would assist us in redeveloping approximately 2 acres of City-owned real property to generate more economic development and stimulate additional, private redevelopment in the City's historic downtown district.
- TxDOT is scheduled to expand FM 646 from State Highway 3 to State Highway 146 from two to four lanes with a raised median, to increase the road's capacity and improve mobility and safety. The project is scheduled to be bid for construction in May 2024, start construction by 2025, and be completed within two years.
- TxDOT is also scheduled to begin accepting contractor bids in May 2023 to widen State Highway 146 from four to six lanes from FM 518 all the way through League City to Dickinson Bayou. The project is anticipated to start construction by 2024 and be completed within three years.

#### New Initiatives to Support Robust Economic Growth

- The City Council annually adopts new ordinances to enhance the quality of development and the quality of life in the City. More specifically, the City Council adopted new ordinances to increase the standards for hotel development, provide City staff with increased authority to manage specific uses in the City, allow live entertainment with a restaurant in a Commercial Mixed-Use project, and require the establishment of homeowner and business owner associations that will enforce enhanced design standards and manage common areas. These new measures are intended to attract quality development to the remaining tracts of land in the City that will result in a more robust tax base and financially sustain the community's superior quality of life in perpetuity.
- The City hosted a Volunteer Team of Economic Development Professionals in 2020 from the International Economic Development Council (IEDC), to provide us with professional insights regarding strategic ways to strengthen the City's economic base and enhance its economic resilience to withstand future natural disasters and economic downturns. Findings and conclusions from the IEDC Volunteer Team's observations will be used to update and revise the City's Economic Development Strategic Plan.
- The City is focused on attracting top-tier national and international employers to occupy undeveloped, commercial-zoned portions of the City. Over 1 million highly educated professionals in the following targeted industry sectors reside within a 45-minute drivetime of the City: Aerospace, Medical/Life Sciences, Energy/Petrochemical, Professional Services, and Global Logistics.



- To promote opportunities for economic development in League City, Texas and attract fast-growing, high technology companies from targeted industries to our community, the City of League City partners and collaborates with a range of partners:
  - Bay Area Houston Convention and Visitors Bureau
  - Bay Area Houston Economic Partnership
  - Galveston County Economic Development
  - Galveston County Small Business Development Center
  - Galveston Economic Development Partnership
  - Governor’s Office of Economic Development & Tourism
  - Greater Houston Partnership
  - Houston Region Economic Development Alliance
  - International Economic Development Council
  - League City Regional Chamber of Commerce
  - League City Convention and Visitors Bureau
  - Team Texas
  - Texas Downtown Association
  - Texas Economic Development Corporation

#### Long-Term Financial Planning

- The City of League City’s most recent Long Range Financial Forecast (LRFF) for FY2024-2028 was presented to Council in June 2023. The LRFF included revenue and expenditure projections for the City’s three major funds, the General, Utility, and Debt Service Funds. Leading economic indicators, such as total City water customers, new home construction, and value of new construction, provide the means to explain past revenue performance and help in projecting future revenues.
- The LRFF included debt capacity models for tax-supported and revenue-supported debt, indicating the City’s capacity to issue new debt over the next several years for needed improvements. The results of this capacity modeling provided the basis for the Capital Improvement Plan (CIP) for FY2024-2028 released in July 2023. The CIP includes priority projects that support the City’s goals as identified in the Strategic Plan including those approved in the May 2019 General Obligation (GO) Bond election.
- The City’s FY2024 budget was developed and built upon the Strategic Action Plan. The final adopted budget included a property tax rate of \$0.395 per \$100 of taxable value, with \$0.3242 for maintenance and operations and \$0.0708 for interest and sinking fund. This is a \$0.020526 reduction from the FY2023 tax rate.
- During FY2023, monthly revenue and budget reports for the major funds were reviewed by the City Manager. Quarterly reports were presented to the Mayor and City Council that included year-to-date and projected year-end results for revenue, expenditures, and performance, as well as the status of capital projects included in the FY2023 Capital Budget. The monitoring reports continue in FY2024.

Financial Management Policies:

- As a part of the annual budget process, the City adopts Financial Management Policy Statements, which establish a framework for fiscal decision-making and that ensure that financial resources are available to meet the present and future needs of its citizens.
- The Financial Management Policy requires that the City maintain reserve balances at 110 days working capital in the General Fund (90 days in the Utility Fund) to protect the City’s credit worthiness, as well as its financial position in the event of a disaster. As of September 30, 2023, the General and Utility Funds exceeded these goals. Additionally, the Utility Fund maintained net assets sufficient to meet bond covenant requirements for debt coverage, working capital as previously described, and excess reserves sufficient to provide funds for future capital projects.
- City leadership expects to maintain this program of continuous improvement, combining responsive management, planning, and goal setting that is appropriate for the City’s size and growth rate. The values adopted by the Mayor and City Council will guide these efforts and provide a focus in keeping with the hopes and desires of the City’s citizens.

Major Initiatives for the Year

- In 2023 a total of \$65.8 million was invested in projects such as drainage, water, roadway, facility, parks, and sewer improvements. As projected, this large dollar amount for 2023 spawns from the relocation of a pipeline and land acquisition for North Landing Extension, continued construction of the 36-inch Waterline from South Highway 3 to South Shore Harbor Booster Station (currently at 80% completion), construction of Bay Ridge Phase 2, and construction of Grisson Road Reconstruction. The total investments of these four projects in fiscal year 2023 is \$28.6 million, over 40% of the year’s total.
- Also important is the addition of ten (10) full-time-equivalent (FTE) positions to key areas throughout the City in FY2023.

Annual Overview:

- Invested nearly \$65.8 million in capital improvements projects—including traffic, drainage, facilities, parks, water, and wastewater—compared to \$44.8 million in 2022.
- Completed mobility improvements along League City Parkway including new traffic lights, turning lanes, and intersection improvements.
- Completed \$4.5 million of asphalt rehabilitation on nearly half a dozen neighborhood streets.
- Completed over \$7.5 million in drainage related improvements—many involving the expansion or creation of detention ponds—in various neighborhoods across the City including Bay Colony, Oaks of Clear Creek, and Dove Meadows.
- Invested nearly \$1 million in design, land acquisition, and utility relocation on various other drainage projects, many of them from the 2019 GO Bond.

### Reinvestment Program

- Continued cash funding for the annual reinvestment program used to update and improve aging assets is also included in the budget. At the end of 2022, an additional \$2 million was transferred from General Fund to the Reinvestment Program to use towards projects in the upcoming fiscal year. The adopted transfer amount in fiscal year 2023 was \$4.5 million, totaling \$6.5 million to be used towards projects in the fiscal year 2023 CIP budget.
- The City’s ongoing Asphalt & Concrete reinvestment program has progressed well since its initial implementation. Initially, projects were easily identified and prioritized based on worst condition roadways and available funding. Moving forward, projects will be comprehensively evaluated and prioritized based on the 2021 Pavement Management Program’s pavement condition index to address the roadways most in need of repair. The current Reinvestment Program is not adequately funded to address all the needs identified.
- Historically, the asphalt overlay annual project is comprised of (1) construction of a package designed in a prior year and (2) the design of a new package. This allows seamless transition from design to construction year to year. Due to the substantial cost of full depth repair, the cadence of design going forward will be every other year to allow for more reinvestment dollars to be allocated towards construction, keeping the balance of work designed in alignment with available constructions dollars allotted to the program. In summer of 2022, the notice to proceed was issued for construction of Package 6 which consisted of Seminole and Glen Cove in the Glen Cove Subdivision, Moody Avenue, Cedar Avenue, Mary Lane, and Tallow Forest West of I-45 (perpendicular to FM 517). Construction continued through 2023 with the addition of 2nd Street along with extra spot base repair. Construction concluded late 2023 with a total of 26,014 linear feet rehabbed, bringing the overall investment to \$4.5 million for Package 6.

### Street Production Numbers for 2023:

- 3,892.50 Linear feet of street panel replacements installed (0.74 Lane Miles)
- 11,478 Linear feet of asphalt streets were repaved
- 15,276.5 Linear feet of sidewalks raised
- 413 Linear feet of curbs replaced
- 9,546 Linear feet of sidewalks replaced

### Transportation, Traffic, and Drainage Improvements

- Transportation and traffic improvements continue to be a priority in the City. The City participated in a joint project with TxDOT to provide landscape improvements along the major TxDOT corridors within League City. The first phase of the project was let by TxDOT May 4, 2023, with anticipated completion of the improvements on FM 518, FM 2094, FM 96, and a section of FM 646 by spring of 2024. Phase two, which consists of the improvements to the I-45 corridor and I-45 detention, will let in fiscal year 2025. Phase two improvements have a current cost estimate of \$2.9 million. The services the City is responsible for include design, irrigation, and signage. TxDOT’s construction improvements are currently valued at \$5.1 million.

- The section of Butler from the roundabout north to League City Parkway was completed in FY2020. The second half of the roundabout was complete May 2021. After completion of this phase, a separate project will reconstruct the remainder of Turner (west of the roundabout) and the remainder of Butler (south of the roundabout) to widen and improve the roadway. Design for the next phase of construction was brought to Council for award early 2021, with construction anticipated late 2024. This project is currently earmarked to be used as a 10% match for the Regional Strategic Transportation Fund for North Landing Extension project. The Regional Strategic Transportation Fund provides a mechanism to exchange transportation development credits for local funds so the federal government will fund the project 100%. In exchange, the City will be required to remit 10% of the total project cost into the Regional Strategic Transportation Fund when the project is let and be required to commit to spend 10% of the project cost on a local transportation project. The estimated construction cost for North Landing Extension in the FY2024 CIP is \$69 million; Turner & Butler is estimated at \$6.4 million.
- Grissom Road Reconstruction Project replaced approximately 5,600 feet of an existing two-lane rural open ditch roadway with a four-lane divided urban roadway. The new lanes are being constructed along the north side of Grissom Road. It provides a pedestrian sidewalk along the south side of Grissom Road., as well as drainage mitigation required for increased run-off. This project also includes approximately 5,000 feet of 12-inch waterline from the North Service Area Booster Station to West NASA Road. The boundary of this project runs from Abigail Lane to the West NASA Road/Grissom Road intersection. All four lanes opened to traffic July 17, 2023.
- The City has completed final design of a 1.7-mile four-lane divided suburban boulevard extension of Landing Boulevard. By extending Landing Boulevard over Clear Creek and connecting into IH-45 at the NASA 1 interchange, this project will provide much needed relief to the congested area along FM 518 just west of IH-45. Land acquisition is currently underway with construction bid letting postponed by TxDOT until June 2025.
- Other traffic improvements programmed include rebuilding signals, constructing Walker Street Corridor Upgrades, construction of League City Parkway and Walker Street Intersection Improvements, South Highway 3 and South Highway 96 Intersection Improvements, League City Parkway Right Turn Lane – Calder to Butler, South Highway 3 and FM 518 Intersection Improvements, and design for the Extension of Hobbs to FM 517 with construction anticipated in FY2024. The City also continues to fund the Advanced Transportation Management System (ATMS) software, which provides control and monitors integration of all signals within the City along with two programs, the Transportation CIP Scheduling Program to help prioritize transportation projects from the adopted Master Mobility Plan, and the Transportation Corridor Analysis & Evaluation Program to help evaluate current and long-term corridor travel demands.
- Hurricane Harvey hit League City in late August 2017 and several neighborhoods experienced flooding. Drainage studies in these areas have been completed and projects identified are included in the May 2019 GO Bond Election: Bay Ridge/Gum Bayou, Bay Colony/Magnolia Bayou/Borden Gully, Oaks of Clear Creek/Bensons Bayou/Interurban Ditch, The Meadows, The Landing, and neighborhoods near Cedar Gully & Magnolia Creek such as Rustic Oaks & Villages of Oak Creek Colony. These studies offer solutions to mitigate flooding of these neighborhoods. The recommendations were presented to residents and Council in late 2018. In addition, the City reviewed the drainage standards for new development and Council passed recommendations to

minimize flooding in new developments moving forward. The City continues to work with regional partners to look at Clear Creek and Dickinson Bayou and develop mitigation projects to benefit neighborhoods near those waterways. Moving forward, a funding strategy will need to be developed to pay for the identified improvements.

- In May of 2019, League City voters approved \$145 million of general obligation bonds designated for 31 capital improvement projects across the City.
- Proposition A consists of twenty-one flood protection and drainage improvement projects. As of January 2024, the City-wide 2D Modeling, Bay Ridge Phase 3, Bay Colony Area Detention Improvements, and Deer Ridge Overland Flow are complete. Currently two projects are under construction, one project is in design, two projects will be bid in January of 2024, and a total of four projects are on hold including Hidden Oaks, which is on hold due to issues with constructability and Magnolia Bayou is on hold due to lack of identified benefit.
- Proposition B consists of ten street, roadway, and mobility improvement projects; League City Parkway Lane Improvements at Hobbs Road, Calder Road South (Ervin to Cross Colony), Traffic Signal on League City Parkway at Brittany Lakes/Fennigan, and Grissom Road are complete. North Landing Extension is currently under land acquisition but will be ready, along with three other PROP B projects for bid in 2024. Walker Street Extension was removed from the bond program by City Council action in January 2022 based on citizen input as well as Winfield Road – New I-45 Frontage Road to Hobbs Road.

#### Water and Wastewater System

- The City continues to focus on improving the distribution and renewal of the existing water system and to address obtaining new supply and its distribution. Updates to the water and wastewater master plans began late 2022 with anticipated completion in 2024.
- A construction contract for the 36-inch waterline from SH 3 booster pump station to South Shore Harbor booster pump station was awarded Summer of 2021. This project will provide an alternative connection from the City’s “point of take” from the City of Houston’s water system, SH 3, to a major booster station at South Shore Harbour, providing a secondary route to better distribute the water supply into the City. The City is partnering with Gulf Coast Water Authority and the City of Houston to replace the 42-inch waterline along State Highway 3 and size it to provide additional water supply at 54-inches. This line is the City’s main “point of take” of water from the Southeast Water Purification Plant (SEWPP). This project will be acquiring land during FY2022-2024, with construction anticipated in FY2025. The City’s cash call for FY2024 is \$49.7 million.
- Design of the Southwest Water Reclamation Facility (SWWRF) from 4.0 to 8.0 million gallons per day (MDG) was awarded in August of 2023 for \$6.1 million. Identified in the 2018 Wastewater Master Plan, this project includes the construction of an additional 4.0 MGD of wastewater treatment capacity at the SWWRF. The project will add a mirror process train of the existing SWWRF and includes an additional aeration basin, blower, wet well expansion, secondary clarifier, UV channel, tertiary disk filter, digester, dewatering unit, and all peripheral electrical, instrumentation, pumps, odor control, and SCADA upgrades. Construction and construction design

phase services are anticipated to take 36 months from the time construction is awarded and is currently budgeted at \$97.5 million.

- Water and Wastewater projects completed in 2023 include: Southeast Service Area Trunks – Sections 3 & 5, Main Street Waterline Replacements (South Highway 3 to I-45) and (I-45 to Palamino), North Service Area 12” Water Line along Grissom, South Shore 1 & 2 Lift Station Improvements, and Meadowbend 16” Force Main Replacement.

#### Other City Facilities

- In 2023, the City utilized Reinvestment dollars to renovate the Burd House, which is now home to the City’s Visitor Center and local coffee shop. The Burd House was built in the late 1890s to provide living quarters for the superintendent of the GH&H Railroad. The building was formerly used for office space by the Parks Department until 2022. The coffee shop is on a current 12-month retail lease agreement to operate inside the City-owned Burd House in League Park.
- Phase 2 of the Mountain Bike Trail at Lynn Gripon Park at Countryside includes a low water crossing across Magnolia Creek to allow access east of the creek to develop and maintain. Phase 1 of the mountain bike trail was completed by City personnel and opened to the public for use in early October 2021. The low-water crossing will connect phase 1 and phase 2 of the mountain bike trail. The low-water crossing will also allow the Public Works and Parks departments the only access point for continuous maintenance of the area east of Magnolia Creek. Following the construction of the low water crossing, City personnel will once again be utilized to layout and construct phase 2 of the mountain bike trail, which will complete this project.
- Architectural plans for a new 10,000-square-foot Operations Building at Dallas Salmon Wastewater Treatment Plant were advertised for construction on November 10, 2022, and one bid was received on December 20th. The single bid was rejected via Council action on February 14, 2023, due to lack of competitiveness as required by the grant funding slated for the project. The project was re-advertised in May 2023 and three bids were received on June 15th. The construction contract was brought before Council on July 11th and failed to pass for award. Staff is awaiting Council direction on the next steps for the project, including the possibility of utilizing modular buildings.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of League City, Texas for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This is the 45th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our appreciation for their efforts. We also appreciate the support of the City Manager, administrative staff, and all departments who contributed to this effort. In addition, we thank the Mayor and members of the City Council for their interest and support in the financial operations of the City of League City, Texas.

Respectfully submitted,



Kimberly E. Corell  
Director of Finance

**CITY OF LEAGUE CITY, TEXAS**  
*CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of League City  
Texas**

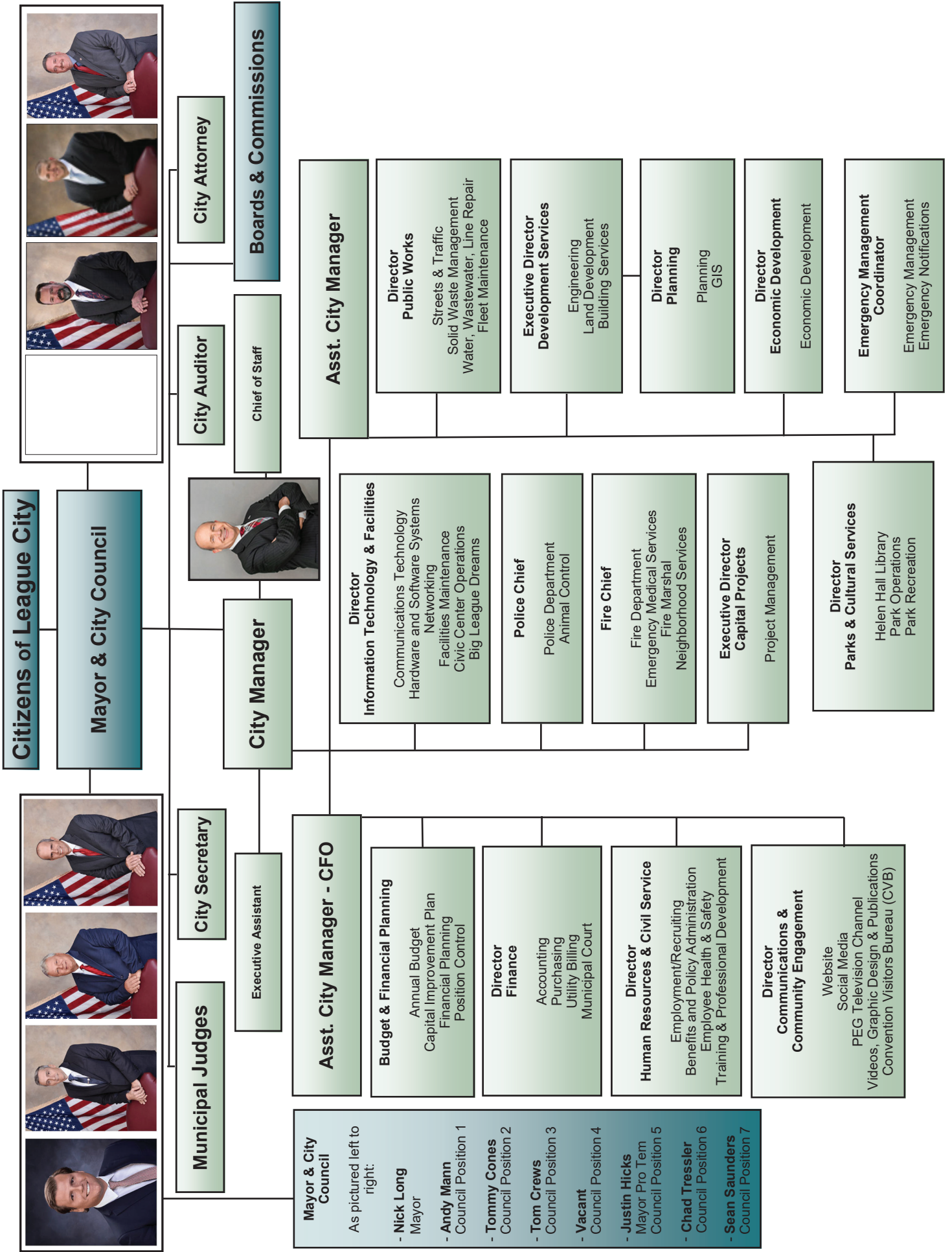
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO





**CITY OF LEAGUE CITY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
September 30, 2023

<b>Elected Officials</b>	<b>Position</b>
Nick Long	Mayor
Justin Hicks	Mayor Pro Tem
Andy Mann	Council Member
Tommy Cones	Council Member
Tom Crews	Council Member
Vacant	Council Member
Chad Tressler	Council Member
Sean Sanders	Council Member
<b>Appointed Officials</b>	<b>Position</b>
John Baumgartner	City Manager
Rick Davis	Assistant City Manager
Angie Steelman	Assistant City Manager/Chief Financial Officer
Michelle Villareal	Interim City Attorney
Diana Stapp	City Secretary
Candace Brown	City Auditor
Kimberly Corell	Director of Finance
Chien Wei	Director of Parks and Cultural Services
James Brumm	Director of Human Resources and Civil Service
Ryan Smith	Director of Information Technology
Sarah Greer Osborne	Director of Communications, Parks, and Cultural Service
Christopher Sims	Director of Engineering
Cliff Weitena	Chief of Police
Mike Lugo	Fire Chief
Jody Hooks	Director of Public Works
Scott Livingston	Director of Economic Development

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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Honorable Mayor and  
City Council Members of the  
City of League City, Texas:

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of League City, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibility of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the City's 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 the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLP features the names 'BELT HARRIS PECHACEK, LLLP' in a stylized, cursive font. The letters are dark brown or black, with a slight shadow effect. The 'B', 'H', and 'P' are significantly larger and more ornate than the other letters.

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 15, 2024



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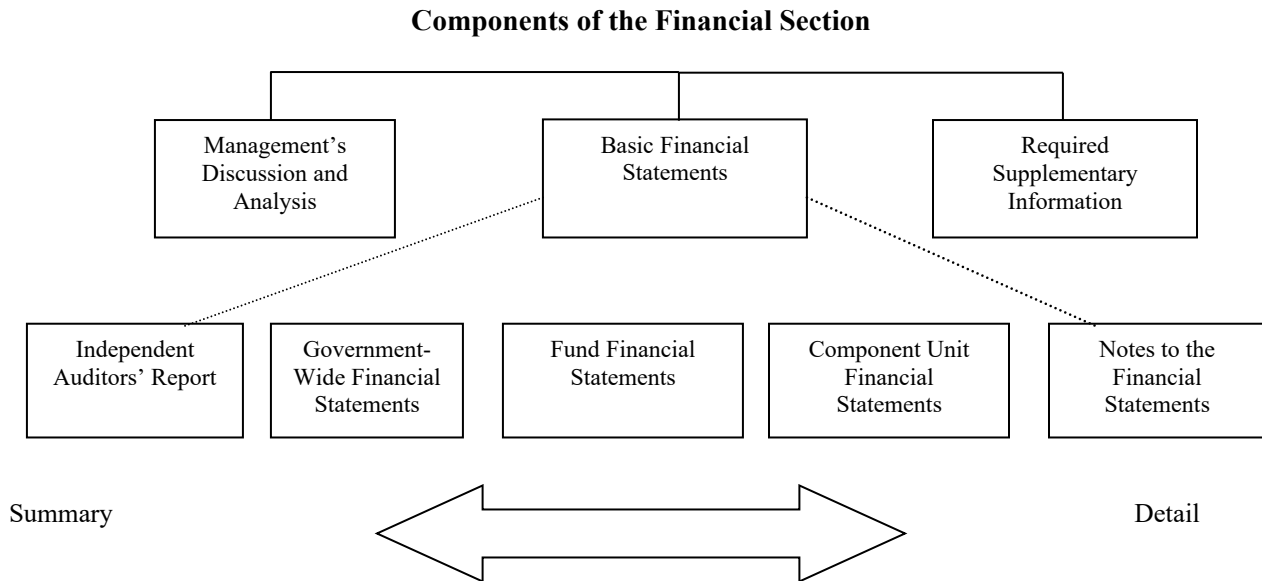
***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of League City, Texas (the "City") for the year ending September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

**THE STRUCTURE OF OUR ANNUAL REPORT**



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-Wide Statements**

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

occurs, regardless of the timing of related cash flows, and using the full accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – include the City's tax-supported services: police and fire protection (public safety), streets and drainage (public works), community services, general administrative services (general government), and interest payments on the City's tax-supported debt. Property tax, sales tax, franchise fees, municipal court fines, and permit fees fund most of these activities.
2. *Business-Type Activities* – include the City's water and wastewater services, as well as interest payments on debt issued for water and wastewater improvements. Charges for services cover all or most of the cost of these activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate industrial development corporation for which the City is financially accountable. Financial information for this component units is reported separately from the financial information presented for the primary government itself. The tax increment reinvestment zones and public improvement districts, although also legally separate, function for all practical purposes as departments of the City and, therefore, have been included as integral parts of the primary government.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The City uses two fund types – governmental and proprietary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 56 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds for reporting purposes.

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

The City adopts an annual appropriated budget for its general fund, debt service fund, and certain select special revenue funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

**Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution and wastewater collection/treatment operations. The proprietary fund financial statements provide separate information for the water distribution and wastewater collection/treatment operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses internal service funds to account for its motor pool services, employee benefit insurance, and capital replacement program. These internal service funds have been included within governmental activities in the government-wide financial statements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits (OPEB) liability and related ratios for the Texas Municipal Retirement System (TMRS), schedule of contributions for TMRS, and schedule of changes in total OPEB liability and related ratios for the City's retiree medical program. RSI can be found after the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$813,022,685 as of September 30, 2023 for the primary government. This compares with \$733,569,976 from the prior fiscal year. The largest portion of the City's net position, 84 percent, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2023

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 187,398,841	\$ 179,758,912	\$ 61,981,708	\$ 67,083,033	\$ 249,380,549	\$ 246,841,945
Capital assets, net	506,375,719	455,209,618	409,914,100	375,969,066	916,289,819	831,178,684
<b>Total Assets</b>	<b>693,774,560</b>	<b>634,968,530</b>	<b>471,895,808</b>	<b>443,052,099</b>	<b>1,165,670,368</b>	<b>1,078,020,629</b>
Deferred charge on refunding	823,913	939,563	1,024,699	1,170,091	1,848,612	2,109,654
Deferred outflows - pensions	16,440,524	5,166,941	2,864,558	851,638	19,305,082	6,018,579
Deferred outflows - OPEB	1,272,740	1,585,248	222,633	215,413	1,495,373	1,800,661
<b>Total Deferred Outflows of Resources</b>	<b>18,537,177</b>	<b>7,691,752</b>	<b>4,111,890</b>	<b>2,237,142</b>	<b>22,649,067</b>	<b>9,928,894</b>
Long-term liabilities	206,831,950	176,322,992	125,684,395	126,585,840	332,516,345	302,908,832
Other liabilities	19,350,013	23,615,335	11,844,731	6,782,374	31,194,744	30,397,709
<b>Total Liabilities</b>	<b>226,181,963</b>	<b>199,938,327</b>	<b>137,529,126</b>	<b>133,368,214</b>	<b>363,711,089</b>	<b>333,306,541</b>
Deferred gain on refunding	2,470,032	2,764,312	1,537,792	1,827,034	4,007,824	4,591,346
Deferred inflows - pensions	281,815	9,856,929	49,764	1,537,198	331,579	11,394,127
Deferred inflows - OPEB	3,107,068	797,594	548,668	105,888	3,655,736	903,482
Deferred inflows - leases	2,416,219	2,907,854	1,174,303	1,276,197	3,590,522	4,184,051
<b>Total Deferred Inflows of Resources</b>	<b>8,275,134</b>	<b>16,326,689</b>	<b>3,310,527</b>	<b>4,746,317</b>	<b>11,585,661</b>	<b>21,073,006</b>
<b>Net Position:</b>						
Net investment in capital assets	391,465,738	353,596,804	290,660,824	256,141,610	682,126,562	609,738,414
Restricted	29,794,283	31,555,854	-	-	29,794,283	31,555,854
Unrestricted	56,594,619	41,242,608	44,507,221	51,033,100	101,101,840	92,275,708
<b>Total Net Position</b>	<b>\$ 477,854,640</b>	<b>\$ 426,395,266</b>	<b>\$ 335,168,045</b>	<b>\$ 307,174,710</b>	<b>\$ 813,022,685</b>	<b>\$ 733,569,976</b>

A portion of the primary government's net position, \$29,794,283 or four percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$101,101,840 or 12 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$79,452,709 during the current fiscal year. This included an increase to net position of \$51,459,374 in governmental activities and an increase in business-type activities net position of \$27,993,335. The City had an increase in current and other assets of \$2,538,604 compared to the prior year mainly due to proceeds received from the issuance of General Obligation Improvement Bonds, Series 2023. Capital assets increased by \$85,111,135 due to current year capital projects. Deferred outflows of resources increased by \$12,720,173 primarily due to a decrease in projected and actual earnings and the difference in expected and actual experience for the pension plan. Deferred inflows of resources decreased by \$9,487,345 primarily due to the net difference between projected and actual investment earnings on pension plan assets. Total liabilities increased by \$30,404,548 largely due the issuance of new debt and an increase in the net pension liability.

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**Statement of Activities**

The following table provides a summary of the City's changes in net position:

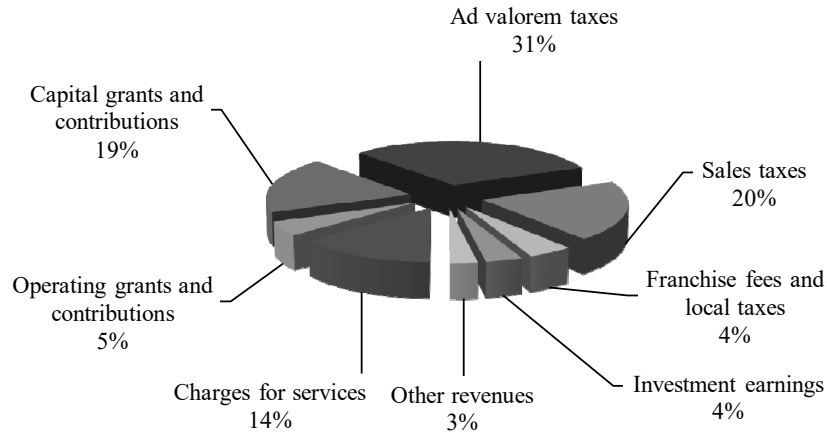
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 22,161,595	\$ 18,827,222	\$ 51,747,625	\$ 44,908,507	\$ 73,909,220	\$ 63,735,729
Operating grants and contributions	7,429,747	4,575,898	643,374	-	8,073,121	4,575,898
Capital grants and contributions	29,491,297	31,802,045	13,678,601	10,813,900	43,169,898	42,615,945
General revenues:						
Ad valorem taxes	48,617,759	48,623,693	-	-	48,617,759	48,623,693
Sales taxes	31,301,619	30,334,581	-	-	31,301,619	30,334,581
Franchise fees and local taxes	7,208,890	7,137,928	-	-	7,208,890	7,137,928
Investment earnings, net	5,893,746	(1,319,776)	1,799,850	(182,241)	7,693,596	(1,502,017)
Other revenues	4,411,405	2,999,816	-	-	4,411,405	2,999,816
<b>Total Revenues</b>	<u>156,516,058</u>	<u>142,981,407</u>	<u>67,869,450</u>	<u>55,540,166</u>	<u>224,385,508</u>	<u>198,521,573</u>
<b>Expenses</b>						
General government	20,974,036	18,651,470	-	-	20,974,036	18,651,470
Public safety	39,360,758	33,663,627	-	-	39,360,758	33,663,627
Public works	31,920,049	30,012,343	-	-	31,920,049	30,012,343
Community services	13,631,802	11,707,900	-	-	13,631,802	11,707,900
Interest and fiscal agent fees	3,730,137	3,704,991	-	-	3,730,137	3,704,991
Water and sewer	-	-	35,499,769	29,996,923	35,499,769	29,996,923
<b>Total Expenses</b>	<u>109,616,782</u>	<u>97,740,331</u>	<u>35,499,769</u>	<u>29,996,923</u>	<u>145,116,551</u>	<u>127,737,254</u>
<b>Increase in Net Position Before Transfers and Gain</b>	46,899,276	45,241,076	32,369,681	25,543,243	79,268,957	70,784,319
Transfers in/(out)	4,385,959	4,273,239	(4,385,959)	(4,273,239)	-	-
Gain on sale of capital assets	174,139	4,187	9,613	7,202	183,752	11,389
<b>Change in Net Position</b>	51,459,374	49,518,502	27,993,335	21,277,206	79,452,709	70,795,708
Beginning net position	426,395,266	376,876,764	307,174,710	285,897,504	733,569,976	662,774,268
<b>Ending Net Position</b>	<u>\$ 477,854,640</u>	<u>\$ 426,395,266</u>	<u>\$ 335,168,045</u>	<u>\$ 307,174,710</u>	<u>\$ 813,022,685</u>	<u>\$ 733,569,976</u>



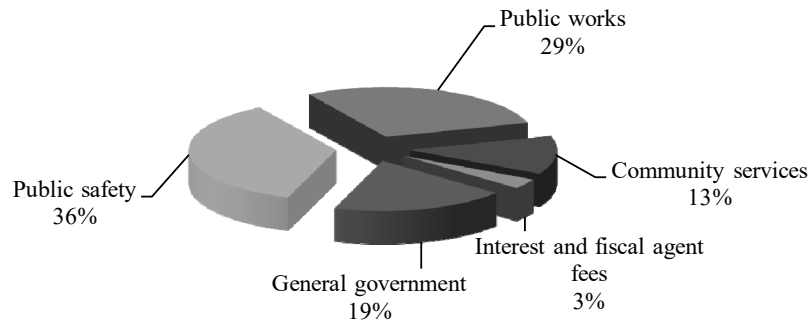
**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

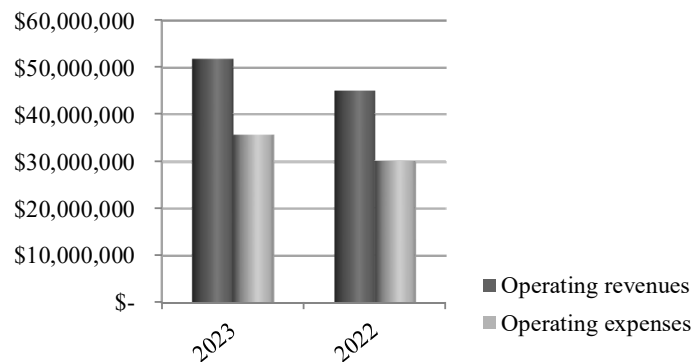
**Governmental Activities - Revenues**



**Governmental Activities - Expenses**



**Business-Type Activities - Revenues and Expenses**



**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**Governmental Activities:**

For the year ended September 30, 2023, revenues from governmental activities totaled \$156,516,058, compared with \$142,981,407 in the prior year. This net increase of \$13,534,651 can be largely seen in the change in operating grants and contributions, charges for services, and investment earnings. Operating grants and contributions increased primarily due to more revenue for the Coronavirus State and Local Fiscal Recovery grant. Charges for services largely increased due to an increase in revenues collected for building permits, engineering inspection fees, and developer park fees. Investment earnings increased due to higher interest rates during the current year. Governmental expenses increased by \$11,876,451, or 12 percent, primarily due to increases in payroll-related expenses.

**Business-Type Activities:**

Overall, business-type activity revenues increased by \$12,329,284 from the prior period. This increase can be attributed to an increase of \$2,864,701 in capital grants and contributions, an increase of \$6,839,118 in charges for services, and an increase of \$1,982,091 in investment earnings. Capital grants and contributions increased due to an increase in developer contributions. Charges for services increased due to a rise in water and sewer rates as well as consumption and increase in revenues collected for capital recovery fees. Investment earnings increased due to higher interest rates during the current year. Business-type activities expenses increased by \$5,502,846 or 18 percent. This increase is largely due to an increase in payroll-related expenses, depreciation expense, water purchased due to an increase in consumption, and other miscellaneous services.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$148,420,155. This balance includes \$605,264 in nonspendable funds, \$61,536,845 in restricted funds, \$58,540,691 in assigned funds, and \$27,737,355 in unassigned funds.

There was an increase in the combined fund balance of \$8,939,072 from the prior year. The general fund balance increased by \$1,841,021 largely due to an increase in revenues and a decrease in transfers out for capital projects. Total revenues were higher than the prior year by a net \$4,755,113 largely due to increases in charges for services, licenses and permits, investment earnings, sales taxes, and intergovernmental revenue. Charges for services increased mainly due to an increase in revenue collected for solid waste and engineering inspection fees. Licenses and permits primarily increased due to an increase in building permits. Investment earnings increased due to higher interest rates. Sales tax revenue increased due to an increase in economic activity within the City. Intergovernmental revenue largely increased due to an increase in federal and state grants received during the current year. General fund expenditures increased compared to prior year by \$6,871,453 primarily due to an increase in payroll-related expenditures, insurance premiums, and an increase in solid waste fees due to a rise in service rates and customers.

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance reached \$28,247,575. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

fund expenditures. Total fund balance represented 34 percent of total general fund expenditures and exceeded the City's minimum fund balance policy of 110 days or 30 percent.

The debt service fund's fund balance experienced an increase of \$2,103,415 due to an increase in transfers in from the sales tax project fund.

**Proprietary Funds** – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund amended budget included a planned decrease in fund balance in the amount of \$694,157. Actual fund balance for the year increased by \$1,841,021. Total actual revenues were more than the amended budget by a net \$639,409. Charges for services, licenses and permits, fines and forfeitures, franchise fees, other taxes, investment earnings, and miscellaneous income were more than anticipated in the amended budget.

General fund expenditures were less than the amended budget by \$1,865,071. Departments over budget at year-end were addressed in the fourth quarter budget amendment from savings in other departments in the General Fund. The positive variance was mainly a result of savings within the personnel category due to savings in employee insurance and departments displaying restraint and good stewardship in purchasing supplies and equipment. There is also savings of \$270,000 obligated by City Council action to upgrade Texas-New Mexico Power wooden poles to concrete that were budgeted in fiscal year 2023 but not completed by the end of the fiscal year.

**CAPITAL ASSETS**

At the end of year 2023, the City's governmental and business-type activities had invested \$916,289,819 in a variety of capital assets and infrastructure (net of accumulated depreciation/amortization). This represents a net increase of \$85,111,135.

Major capital asset events and capital projects during the year included the following:

- Developer contributions of infrastructure in the amount of \$40,044,681
- Dove Meadows and Borden's Gully detention pond for \$2,671,122
- Bayridge flood reduction for \$6,516,667
- Asphalt street rehabilitation for \$3,602,930
- Bay Colony Park for \$1,198,130
- Bay Colony Area Detention Modification for \$2,383,478
- Regional water and wastewater facilities for \$3,469,900
- North Landing extension for \$1,016,172
- Grissom Rd. reconstruction for \$3,453,099
- Waterline from Highway 3 to South Shore booster station for \$10,209,698
- Waterline replacement on Highway 3 for \$1,700,000
- Waterline upgrade on FM518 from I-45 to Landing Ditch for \$1,675,980
- Meadowbend FM replacement for \$1,659,211
- League City Parkway Corridor Signalization for \$1,449,272
- Glen Cove Lift Station conversion for \$1,790,850

More detailed information about the City's capital assets is presented in Note III.D. to the financial statements.

**CITY OF LEAGUE CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2023**

**LONG-TERM DEBT**

At the end of the current year, the City had total bonds, leases, and certificates of obligation outstanding of \$249,879,424. Of this amount, \$51,495,000 represented certificates of obligation, \$187,600,000 represented general obligation debt, \$10,675,000 represented contract revenue bonds, and \$109,424 was for leases payable.

More detailed information about the City's long-term liabilities is presented in Note III.E. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Like the region, the City has been characterized by steady long-term growth and is considered a highly attractive location to families and businesses alike. In 2023, the City is continuing to see new construction of all types of property and is anticipated at 1,200 new homes in 2024.

Energy remains the region's predominant economic specialty due to its proximity to the petrochemical plants in surrounding communities. The local economy is strong but could easily be affected by national and international factors that potentially could drive the demand for oil to higher levels, sending the energy-driven boom into an expansion of the local economy.

The City is strategically located at the nexus of I-45 and the future Grand Parkway between Houston and Galveston that provides access to four major ports – Houston, Freeport, Texas City, and Galveston – Hobby International Airport, and the Houston Spaceport, the only spaceport located within a major metropolitan area of the United States of America. The City benefits from its strong relationships with medical, professional services, global logistics, and tourism industries, making the City an attractive community for medical, engineering, and aerospace professionals and their families.

Sales taxes continue to be systematically compared with water customers, energy employment, local business conditions, and growth in the local retail base to better understand current trends in this volatile revenue source. For the thirteenth year in a row, a five-year operating forecast (Long Range Financial Forecast or LRFF) was prepared, clarifying the impact of economic change and program demands on the operating budget. The LRFF also included a study of debt capacity using conservative growth and interest rate assumptions, used to provide a complete financing plan for the five-year capital improvement plan.

To date, revenue and expenditure trends are tracking closely with budget assumptions. The fiscal year 2024 adopted budget projected sales tax revenue at eight percent over fiscal year 2023 actuals. As of February receipts, which represent December 2023 sales, collections are trending at 1.6% over the fiscal year 2024 budgeted amount. Other major revenue sources are generally on budget and expenditures appear to be within budget.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the finances of the City. Questions concerning this report or requests for additional financial information should be directed to the Office of the Finance Director, 300 West Walker, League City, TX, 77573, telephone 281-554-1359; or for general City information, visit the City's website at [www.leaguecity.com](http://www.leaguecity.com).

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***BASIC FINANCIAL STATEMENTS***

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# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF NET POSITION

September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and equity in pooled cash	\$ 32,489,910	\$ 2,465,555	\$ 34,955,465	\$ 2,536,100
Investments	135,826,158	20,703,208	156,529,366	8,825,168
Receivables, net	14,290,590	9,395,782	23,686,372	769,540
Restricted cash and cash equivalents	-	6,580,120	6,580,120	260,630
Restricted investments	-	22,642,403	22,642,403	-
Inventories	83,865	191,495	275,360	-
Prepaid items	605,264	270,928	876,192	-
Internal balances	1,493,696	(1,493,696)	-	-
Leases receivables	2,609,358	1,225,913	3,835,271	-
Capital assets:				
Nondepreciable/Nonamortizable	76,163,027	61,372,155	137,535,182	-
Net depreciable/amortizeable capital assets	430,212,692	348,541,945	778,754,637	-
	506,375,719	409,914,100	916,289,819	-
<b>Total Assets</b>	693,774,560	471,895,808	1,165,670,368	12,391,438
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	823,913	1,024,699	1,848,612	-
Deferred outflows - pensions	16,440,524	2,864,558	19,305,082	-
Deferred outflows - OPEB	1,272,740	222,633	1,495,373	-
<b>Total Deferred Outflows of Resources</b>	18,537,177	4,111,890	22,649,067	-
<b>Liabilities</b>				
Accounts payable and accrued liabilities	12,742,117	9,021,787	21,763,904	200,232
Customer deposits	15,781	2,190,072	2,205,853	-
Accrued interest payable	688,463	493,369	1,181,832	-
Unearned revenue	5,903,652	139,503	6,043,155	-
Noncurrent liabilities:				
Long-term liabilities due within one year	14,616,866	9,223,026	23,839,892	-
Long-term liabilities due in more than one year	192,215,084	116,461,369	308,676,453	-
	206,831,950	125,684,395	332,516,345	-
<b>Total Liabilities</b>	226,181,963	137,529,126	363,711,089	200,232
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	2,470,032	1,537,792	4,007,824	-
Deferred inflows - pensions	281,815	49,764	331,579	-
Deferred inflows - OPEB	3,107,068	548,668	3,655,736	-
Deferred inflows - leases	2,416,219	1,174,303	3,590,522	-
<b>Total Deferred Inflows of Resources</b>	8,275,134	3,310,527	11,585,661	-
<b>Net Position</b>				
Net investment in capital assets	391,465,738	290,660,824	682,126,562	-
Restricted for:				
Debt service	4,837,130	-	4,837,130	-
Municipal court	52,985	-	52,985	-
Hotel occupancy tax	1,265,135	-	1,265,135	-
Public access channel	947,071	-	947,071	-
Grants	2,890,056	-	2,890,056	-
Tax increment reinvestment	16,788,027	-	16,788,027	-
Public improvement district	2,918,459	-	2,918,459	-
Opioid settlement	95,420	-	95,420	-
Unrestricted	56,594,619	44,507,221	101,101,840	12,191,206
<b>Total Net Position</b>	\$ 477,854,640	\$ 335,168,045	\$ 813,022,685	\$ 12,191,206

See Notes to Financial Statements.



# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 20,974,036	\$ -	\$ -	\$ -
Public safety	39,360,758	4,321,654	5,787,016	-
Public works	31,920,049	13,927,871	-	28,006,432
Community services	13,631,802	3,912,070	1,642,731	1,484,865
Interest and fiscal agent fees	3,730,137	-	-	-
<b>Total Governmental Activities</b>	<b>109,616,782</b>	<b>22,161,595</b>	<b>7,429,747</b>	<b>29,491,297</b>
<b>Business-Type Activities</b>				
Water and sewer	35,499,769	51,747,625	643,374	13,678,601
<b>Total Business-Type Activities</b>	<b>35,499,769</b>	<b>51,747,625</b>	<b>643,374</b>	<b>13,678,601</b>
<b>Total Primary Government</b>	<b>\$ 145,116,551</b>	<b>\$ 73,909,220</b>	<b>\$ 8,073,121</b>	<b>\$ 43,169,898</b>
<b>Component Unit</b>				
4B Industrial Development Corporation	\$ 2,996,030	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	<b>\$ 2,996,030</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues and Transfers:**

- Ad valorem taxes
- Sales taxes
- Franchise fees and local taxes
- Investment earnings, net
- Other revenues
- Gain on disposal of capital assets
- Transfers

**Total General Revenues and Transfers**  
**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (20,974,036)	\$ -	\$ (20,974,036)	\$ -
(29,252,088)	-	(29,252,088)	-
10,014,254	-	10,014,254	-
(6,592,136)	-	(6,592,136)	-
(3,730,137)	-	(3,730,137)	-
<u>(50,534,143)</u>	<u>-</u>	<u>(50,534,143)</u>	<u>-</u>
-	30,569,831	30,569,831	-
-	30,569,831	30,569,831	-
<u>(50,534,143)</u>	<u>30,569,831</u>	<u>(19,964,312)</u>	<u>-</u>
-	-	-	(2,996,030)
-	-	-	(2,996,030)
48,617,759	-	48,617,759	-
31,301,619	-	31,301,619	4,471,660
7,208,890	-	7,208,890	-
5,893,746	1,799,850	7,693,596	403,711
4,411,405	-	4,411,405	-
174,139	9,613	183,752	-
4,385,959	(4,385,959)	-	-
<u>101,993,517</u>	<u>(2,576,496)</u>	<u>99,417,021</u>	<u>4,875,371</u>
51,459,374	27,993,335	79,452,709	1,879,341
426,395,266	307,174,710	733,569,976	10,311,865
<u>\$ 477,854,640</u>	<u>\$ 335,168,045</u>	<u>\$ 813,022,685</u>	<u>\$ 12,191,206</u>

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# CITY OF LEAGUE CITY, TEXAS

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	Nonmajor Governmental	Total Governmental Funds
<b>Assets</b>				
Cash and equity in pooled cash	\$ 5,241,859	\$ 1,283,553	\$ 20,498,803	\$ 27,024,215
Investments	19,786,079	4,250,553	101,257,848	125,294,480
Receivables, net	10,600,321	313,325	3,352,361	14,266,007
Due from other funds	-	-	1,898,700	1,898,700
Prepaid items	510,220	-	95,044	605,264
Leases receivable	2,609,358	-	-	2,609,358
<b>Total Assets</b>	<b>\$ 38,747,837</b>	<b>\$ 5,847,431</b>	<b>\$ 127,102,756</b>	<b>\$ 171,698,024</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 5,972,068	\$ 321,838	\$ 4,837,459	\$ 11,131,365
Customer deposits	13,681	-	2,100	15,781
Due to other funds	-	-	405,004	405,004
Unearned revenue	50,000	-	5,853,652	5,903,652
<b>Total Liabilities</b>	<b>6,035,749</b>	<b>321,838</b>	<b>11,098,215</b>	<b>17,455,802</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - court fines and warrants	1,258,326	-	-	1,258,326
Unavailable revenue - grants	20,000	-	808,329	828,329
Unavailable revenue - interlocal reimbursement	-	-	223,791	223,791
Unavailable revenue - property taxes	769,968	305,287	20,147	1,095,402
Unavailable revenue - leases	2,416,219	-	-	2,416,219
<b>Total Deferred Inflows of Resources</b>	<b>4,464,513</b>	<b>305,287</b>	<b>1,052,267</b>	<b>5,822,067</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	510,220	-	95,044	605,264
Restricted for:				
Debt service	-	5,220,306	-	5,220,306
Municipal court	-	-	52,985	52,985
Hotel occupancy tax	-	-	1,265,135	1,265,135
Public access channel	-	-	947,071	947,071
Grants	-	-	2,890,056	2,890,056
Tax increment reinvestment zone	-	-	16,788,027	16,788,027
Public improvement district	-	-	2,918,459	2,918,459
Opioid settlement	-	-	95,420	95,420
Capital projects	-	-	31,359,386	31,359,386
Assigned to:				
Special projects	-	-	2,665,086	2,665,086
Capital projects	-	-	55,875,605	55,875,605
Unassigned	27,737,355	-	-	27,737,355
<b>Total Fund Balances</b>	<b>28,247,575</b>	<b>5,220,306</b>	<b>114,952,274</b>	<b>148,420,155</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 38,747,837</b>	<b>\$ 5,847,431</b>	<b>\$ 127,102,756</b>	<b>\$ 171,698,024</b>

See Notes to Financial Statements.

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**CITY OF LEAGUE CITY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2023**

Total fund balances for governmental funds \$ 148,420,155

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - nondepreciable/nonamortizable	76,163,027	
Capital assets - depreciable/amortizable	430,212,692	
		506,375,719

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 3,405,848

Internal service funds are used by management to charge the costs of of certain capital assets to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 14,495,069

Some liabilities and deferred items, including bonds payable, the net pension and total other postemployment benefit (OPEB) liability, accrued interest, and compensated absences, are not reported as liabilities or deferred items in the governmental funds.

Accrued interest	(688,463)	
Noncurrent liabilities due in one year	(14,616,866)	
Noncurrent liabilities due in more than one year	(192,215,084)	
Deferred charge on refunding	823,913	
Deferred gain on refunding	(2,470,032)	
Deferred outflows - pensions	16,440,524	
Deferred outflows - OPEB	1,272,740	
Deferred inflows - pensions	(281,815)	
Deferred inflows - OPEB	(3,107,068)	
		(194,842,151)

**Net Position of Governmental Activities** **\$ 477,854,640**

See Notes to Financial Statements.

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# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General	Debt Service	Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>				
Ad valorem taxes	\$ 34,769,191	\$ 10,988,065	\$ 2,802,917	\$ 48,560,173
Sales taxes	26,829,959	-	4,471,660	31,301,619
Franchise fees	5,612,364	-	244,780	5,857,144
Other taxes	462,735	-	889,011	1,351,746
Assessments	-	-	1,111,814	1,111,814
Licenses and permits	3,218,058	-	-	3,218,058
Fines and forfeitures	1,613,060	-	89,068	1,702,128
Charges for services	12,791,167	-	3,151,772	15,942,939
Other revenue	1,248,462	-	2,939,152	4,187,614
Contributions	250	-	1,642,481	1,642,731
Investment earnings, net	842,514	166,371	4,369,673	5,378,558
Intergovernmental	1,339,989	-	3,618,698	4,958,687
<b>Total Revenues</b>	<b>88,727,749</b>	<b>11,154,436</b>	<b>25,331,026</b>	<b>125,213,211</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	17,664,980	674,775	2,044,201	20,383,956
Public safety	35,842,329	-	691,460	36,533,789
Public works	20,024,818	-	914,114	20,938,932
Community services	9,830,776	-	2,151,193	11,981,969
<b>Capital outlay</b>	<b>517,432</b>	<b>-</b>	<b>36,283,717</b>	<b>36,801,149</b>
<b>Debt service:</b>				
Principal	-	9,049,431	1,064,707	10,114,138
Interest and fiscal charges	-	4,526,815	314,755	4,841,570
Bond issuance costs	-	-	332,726	332,726
<b>Total Expenditures</b>	<b>83,880,335</b>	<b>14,251,021</b>	<b>43,796,873</b>	<b>141,928,229</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,847,414</b>	<b>(3,096,585)</b>	<b>(18,465,847)</b>	<b>(16,715,018)</b>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	19,550,000	19,550,000
Premium on debt issued	-	-	1,682,726	1,682,726
Transfers in	4,712,909	5,200,000	7,750,000	17,662,909
Transfers (out)	(7,750,000)	-	(5,526,950)	(13,276,950)
Sale of capital assets	30,698	-	4,707	35,405
<b>Total Other Financing Sources (Uses)</b>	<b>(3,006,393)</b>	<b>5,200,000</b>	<b>23,460,483</b>	<b>25,654,090</b>
<b>Net Change in Fund Balances</b>	<b>1,841,021</b>	<b>2,103,415</b>	<b>4,994,636</b>	<b>8,939,072</b>
Beginning fund balances	26,406,554	3,116,891	109,957,638	139,481,083
<b>Ending Fund Balances</b>	<b>\$ 28,247,575</b>	<b>\$ 5,220,306</b>	<b>\$ 114,952,274</b>	<b>\$ 148,420,155</b>

See Notes to Financial Statements.



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**CITY OF LEAGUE CITY, 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, 2023**

Net changes in fund balances - total governmental funds	\$ 8,939,072
Amounts reported for governmental activities in the Statement of Activities are different because:	
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/amortization expense.	
Depreciation/amortization	(13,417,960)
Capital contributions	29,491,297
Capital outlay	35,143,639
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,296,362
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) 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 premiums, discounts, and similar items when it is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Debt issued	(19,550,000)
Premium on debt issued	(1,682,726)
Principal repayments	10,114,138
Amortization of bond premiums	1,367,984
Amortization of deferred charges on refunding	(115,650)
Amortization of deferred gain on refunding	294,280
Accrued interest	(102,455)
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 the governmental funds.	
Compensated absences	(495,764)
Total other postemployment benefits (OPEB) liability	2,037,872
Net pension liability	(22,300,462)
Deferred outflows - pensions	11,273,583
Deferred outflows - OPEB	(312,508)
Deferred inflows - pensions	9,575,114
Deferred inflows - OPEB	(2,309,474)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and employee insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.	2,213,032
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 51,459,374</b>

See Notes to Financial Statements.

# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 1 of 2) September 30, 2023

	<b>Business-Type Activities Water and Wastewater</b>	<b>Governmental Activities Internal Service</b>
<b><u>Assets</u></b>		
Current assets:		
Cash and equity in pooled cash	\$ 2,465,555	\$ 5,465,695
Investments	20,703,208	10,531,678
Receivables, net	9,395,782	24,583
Inventories	191,495	83,865
Restricted cash and cash equivalents		
Customer deposits	2,190,072	-
Capital projects	1,175,844	-
Debt service	3,214,204	-
Restricted investments:		
Capital projects	19,296,958	-
Debt service	3,345,445	-
Prepaid items	270,928	-
Leases receivable	1,225,913	-
<b>Total Current Assets</b>	<b>63,475,404</b>	<b>16,105,821</b>
Noncurrent assets:		
Capital assets:		
Nondepreciable	61,372,155	-
Net depreciable capital assets	348,541,945	7,820,624
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>409,914,100</b>	<b>7,820,624</b>
<b>Total Noncurrent Assets</b>	<b>409,914,100</b>	<b>7,820,624</b>
<b>Total Assets</b>	<b>473,389,504</b>	<b>23,926,445</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred charge on refunding	1,024,699	-
Deferred outflows - pensions	2,864,558	-
Deferred outflows - OPEB	222,633	-
<b>Total Deferred Outflows of Resources</b>	<b>4,111,890</b>	<b>-</b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	9,021,787	913,877
Accrued interest	493,369	-
Due to other funds	1,493,696	-
Customer deposits	2,190,072	-
Compensated absences	488,026	-
Claims payable	-	696,875
Unearned revenue	139,503	-
Bonds, notes, and loans payable	8,735,000	-
<b>Total Current Liabilities</b>	<b>22,561,453</b>	<b>1,610,752</b>
Noncurrent liabilities:		
Compensated absences	267,534	-
Total OPEB liability	1,266,415	-
Net pension liability	4,922,237	-
Bonds, notes, and loans payable	110,005,183	-
<b>Total Noncurrent Liabilities</b>	<b>116,461,369</b>	<b>-</b>
<b>Total Liabilities</b>	<b>139,022,822</b>	<b>1,610,752</b>

# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Wastewater</b>	<b>Internal Service</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred gain on refunding	\$ 1,537,792	\$ -
Deferred inflows - pensions	49,764	-
Deferred inflows - OPEB	548,668	-
Deferred inflows - leases	1,174,303	-
<b>Total Deferred Inflows of Resources</b>	3,310,527	-
<b><u>Net Position</u></b>		
Net investment in capital assets	290,660,824	7,820,624
Unrestricted	44,507,221	14,495,069
<b>Total Net Position</b>	\$ 335,168,045	\$ 22,315,693

See Notes to Financial Statements.

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# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Wastewater</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>		
Charges for services	\$ 45,843,710	\$ 14,580,947
Other	5,903,915	118,961
<b>Total Operating Revenues</b>	51,747,625	14,699,908
<b><u>Operating Expenses</u></b>		
Personnel	8,055,996	867,199
Contractual services	9,927,547	50,053
Utilities	1,434,412	-
Insurance	-	9,601,027
Repairs and maintenance	2,311,514	1,023,428
Other supplies and expenses	948,820	83,182
Depreciation/amortization	9,661,131	1,515,909
<b>Total Operating Expenses</b>	32,339,420	13,140,798
<b>Operating Income</b>	19,408,205	1,559,110
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment earnings, net	1,799,850	515,188
Interest expense	(3,160,349)	-
Intergovernmental	643,374	-
Gain on disposal of capital assets	9,613	138,734
<b>Total Nonoperating Revenues (Expenses)</b>	(707,512)	653,922
<b>Income Before Contributions and Transfers</b>	18,700,693	2,213,032
<b><u>Contributions and Transfers</u></b>		
Capital contributions	13,678,601	-
Transfers in (out)	(4,385,959)	-
<b>Total Contributions and Transfers</b>	9,292,642	-
<b>Change in Net Position</b>	27,993,335	2,213,032
Beginning net position	307,174,710	20,102,661
<b>Ending Net Position</b>	\$ 335,168,045	\$ 22,315,693

See Notes to Financial Statements.

# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Wastewater</b>	<b>Internal Service</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers and users	\$ 50,366,405	\$ 15,776,184
Payments to suppliers	(7,752,754)	(10,485,687)
Payments to employees	(7,703,729)	(867,199)
<b>Net Cash Provided by Operating Activities</b>	<b>34,909,922</b>	<b>4,423,298</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Transfers in (out) from (to) other funds	(4,385,959)	-
Intergovernmental revenue	643,374	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(3,742,585)</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Principal payments on debt	(8,570,569)	-
Acquisition and construction of capital assets	(23,423,309)	(1,468,767)
Interest and fiscal charges	(5,658,285)	-
Proceeds from sale of capital assets	9,613	142,467
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(37,642,550)</b>	<b>(1,326,300)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of investments	(25,261,581)	(5,396,935)
Proceeds from investments	22,845,351	1,872,399
Investment earnings, net	1,799,850	515,188
<b>Net Cash (Used) by Investing Activities</b>	<b>(616,380)</b>	<b>(3,009,348)</b>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<b>(7,091,593)</b>	<b>87,650</b>
Beginning cash and cash equivalents	16,137,268	5,378,045
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 9,045,675</b>	<b>\$ 5,465,695</b>
Unrestricted Cash and Cash Equivalents	\$ 2,465,555	\$ 5,465,695
Restricted Cash and Cash Equivalents	6,580,120	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 9,045,675</b>	<b>\$ 5,465,695</b>

# CITY OF LEAGUE CITY, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water and Wastewater</b>	<b>Internal Service</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating income	\$ 19,408,205	\$ 1,559,110
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	9,661,131	1,515,909
<b>Changes in Operating Assets and Liabilities:</b>		
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(1,028,923)	4,873
Leases receivable	76,835	-
Due from primary government	-	1,071,403
Inventories	(62,622)	(25,312)
Prepaid items	(53,024)	-
Deferred outflows	(1,874,748)	-
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable and accrued liabilities	5,491,489	148,058
Claims payable	-	149,257
Compensated absences	85,029	-
Customer deposits	149,011	-
Total OPEB liability	(360,202)	-
Net pension liability	3,937,978	-
Due to other funds	1,493,696	-
Unearned revenue	(578,143)	-
Deferred inflows	(1,435,790)	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 34,909,922</b>	<b>\$ 4,423,298</b>
<b>Noncash Capital Activities:</b>		
Proceeds from debt issued by other governments	6,504,255	-
Capital assets contributed during the year	20,182,856	-
<b>Total Noncash Capital Activities</b>	<b>\$ 26,687,111</b>	<b>\$ -</b>

See Notes to Financial Statements.



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# **CITY OF LEAGUE CITY, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS***

**For the Year Ended September 30, 2023**

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The City of League City, Texas (the “City”) was incorporated in May 1962 and adopted a “Home Rule Charter” which provided for a “Mayor-Council” form of government. In May 2010, the voters of the City approved various amendments to the City charter, including adoption of the “Council Manager” form of government and the creation of the office of the City Manager. A Mayor and seven Council members are elected by voters of the City at large for four year terms.

The City Council is the principal legislative and administrative body of the City. Subject to confirmation of the City Council, the Mayor has the power to appoint all boards, commissions, agencies, and officers provided for in the charter or by ordinance. The Mayor is the presiding officer of the City Council.

The City Manager is the head of the administrative departments of the City and is the supervisor of all administrative officers, employees, directors, and department heads. Departments and agencies of the City submit budget requests to the City Manager.

The City provides the following services: public safety (police, fire, and emergency management services), public works, water and sewer services, solid waste collection and disposal (contract), community services, and general government.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected Council and a Mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

#### **Discretely Presented Component Unit**

The governmental discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**City of League City Section 4B Industrial Development Corporation**

All powers of the 4B Industrial Development Corporation (the “Corporation”) are vested in a Board consisting of seven persons who are appointed by the City Council. The Board acts on behalf of the City in administering the provisions of Section 4B, Article 5190.6, of the Development Act of 1979, State of Texas. The Corporation is funded by a one-quarter percent local sales and use tax approved by local voters. The Corporation is fiscally dependent on the City because the capital budgets are approved by City Council. In addition, the Corporation is prohibited from issuing bonded debt without approval of the City Council. The projects developed by the Corporation serve the citizens of the City.

**Blended Component Units**

The following blended component units are presented with the primary government:

**City of League City Tax Increment Reinvestment Zone (TIRZ) No. Two – Victory Lakes**

Five of the seven members of the governing Board are appointed by City Council as dictated by Chapter 311 of the Texas Tax Code. The Clear Creek Independent School District (the “School District”) is a participant in this TIRZ and appoints one member to the Board. The County of Galveston (the “County”) is also a participant and appoints the remaining member of the Board. This entity was created to provide the financing and management tool needed to facilitate the development of a master planned community and business park within the boundaries of the City. The TIRZ Board also oversees the operations of the Public Improvement District created in conjunction with the TIRZ. The TIRZ allows developers to create the infrastructure to the master planned community and business park. As the developer of the master planned community completes infrastructure improvements within the TIRZ, the City takes title to the infrastructure and the TIRZ is responsible for reimbursing the developer for the infrastructure costs. On January 24, 2017, the City Council approved a resolution to amend the interlocal agreements between the City, the TIRZ, the School District, and the County. These amendments will discontinue the participation of the School District and the County in the TIRZ. On August 22, 2023 City Council voted on an ordinance to terminate the TIRZ, the fund will remain open until all previous obligations have been met.

**City of League City Tax Increment Reinvestment Zone (TIRZ) No. Four – Westwood**

Six of the nine members of the governing Board are appointed by City Council as dictated by Chapter 311 of the Texas Tax Code. The other three board members are represented by a County of Galveston appointee, the State Senator for the area or designee, and the State Representative for the area or designee. This entity was created to provide the financing and management tool needed to facilitate the development of a master planned community and business park within the boundaries of the City. The TIRZ allows developers to create the infrastructure to the master planned community and business park. As the developer of the master planned community completes infrastructure improvements within the TIRZ, the City takes title to the infrastructure and the TIRZ is responsible for reimbursing the developer for the infrastructure costs.

**City of League City Public Improvement District (PID) No. One – Magnolia Creek**

City Council approved an ordinance terminating TIRZ No. One on August 14, 2010. However, the TIRZ Board continues to oversee the operations of the PID created in conjunction with the TIRZ. The PID was created to assist in the financing of the residential costs of a master planned community. The revenues are derived from an assessment levied against each residential lot and

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

are used to reimburse the developer for infrastructure costs. The assessment can be paid in full at the time of final occupancy or may be financed for a period of 15 to 20 years.

**City of League City Public Improvement District (PID) No. Two – Victory Lakes**

The TIRZ Board oversees the operations of the PID created in conjunction with the TIRZ. This entity was created to assist in the financing of the residential cost of a master planned community. The revenues are derived from an assessment levied against each residential lot. The assessment can be paid in full at the time of final occupancy or may be financed for a period of 15 to 20 years.

**City of League City Public Improvement District (PID) No. Three – CenterPointe**

The TIRZ Board oversees the operations of the PID created in conjunction with the TIRZ. This entity was created to assist in the financing of the residential cost of a master planned community. The revenues are derived from an assessment levied against each residential lot. The assessment can be paid in full at the time of final occupancy or may be financed for a period of 15 to 20 years.

**City of League City Public Improvement District (PID) No. Five – Park on Clear Creek**

This entity was created to assist in the financing of the residential cost of a master planned community. The revenues are derived from an assessment levied against each residential lot. The assessment can be paid in full at the time of final occupancy or may be financed for a period of 25 years. The City Council has dissolved the Board and now functions on its behalf.

Each of the blended component units above have been included in the City’s reporting entity because of the significance of their operational or financial relationships with the City. The City appoints a majority of these organizations’ boards and is either able to impose its will on them or a financial benefit/burden exists. More specifically, each of the TIRZs and PIDs have been blended as each of these component units exclusively, or almost exclusively, benefits the City.

TIRZ No. One, a previous component unit of the City, was dissolved during fiscal year 2010. TIRZ No. Three, also a previous component unit of the City, was dissolved during fiscal year 2020. The remaining funds from these component units are to be used by the City to complete certain infrastructure improvements within the TIRZ.

Complete financial statements of the individual component units can be obtained by contacting the Office of the Finance Director, 300 West Walker, League City, TX, 77573.

Not included as part of the City’s reporting entity are 12 municipal utility districts (MUDs). The City acts as an “operator” of the facilities. The City rebates two of the MUDs from 35 to 40 percent of taxes levied and collected within the MUDs but does not guarantee the debt of the MUDs. The MUDs’ Boards of Directors are elected officials, and the City exercises no control over the Boards of Directors. The MUDs construct the facilities and issue bonds to finance such facilities. The MUDs release their security interest in the facilities to the City, and the City operates and maintains the systems. Galveston County MUD #13 was dissolved during fiscal year 2017. Galveston County MUD #3, South Shore Harbour MUD #2, and South Shore Harbour MUD #3 were dissolved during fiscal years 2014, 2012, and 2011, respectively. The City has taken over the debt of these entities.

Also, not included as part of the reporting entity is the Westwood Management District. This development district is funded through a property tax with no City rebate. The initial Board was appointed by the City Council, but the City does not exercise control over the Board nor does the City guarantee the debt of the District.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and community services. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects funds* are used to account for the expenditures of resources accumulated from the sale of long-term debt and related interest earnings for capital improvement projects. The capital projects funds are considered nonmajor funds for reporting purposes.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

The City reports the following proprietary fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and wastewater fund is considered a major fund for reporting purposes.

Additionally, the City reports the following fund type:

*Internal service funds* account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The City's internal service funds are used to account for motor pool services and the capital replacement of vehicles and equipment for the City's fleet, which are financed from systematic transfers from general governmental and enterprise funds, and to account for premiums paid on a group health insurance plan, which provides coverage for City employees.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash." For cash management purposes, the City has a sweep arrangement with the bank to transfer cash balances to a money market mutual fund account each day. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

**2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Obligations of the State or its agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

**3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**4. Restricted Assets**

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt and to finance construction projects.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.



**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	30 years
Equipment	5 years
Heavy equipment	20 years
Water rights	50 years
Water and sewer system	50 years
Infrastructure	50 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City’s fiscal year, the amount is deferred and recognized as a reduction to the net pension/total OPEB liability during the measurement period in which the contributions were made.
- A deferred charge/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows related to leases are amortized over the terms of the leases.

At the fund level, the City has several items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, court fines and warrants, grants, and interlocal reimbursements. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**7. Compensated Employee Absences**

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accrual rates for all regular full-time employees, excluding Civil Service and Emergency Medical Service employees, shall accrue the following hours of vacation.

<u>Length of Service (Years)</u>	<u>Maximum Vacation Leave Accrual</u>
1-4 years	160 hours
5-9 years	240 hours
10-14 years	320 hours
15-19 years	400 hours
Over 20 years	480 hours

Regular full-time employees hired after August 1, 2015 will have an annual cap of 20 work days beginning on their fifteenth year of employment with the City. Regular full-time employees hired prior to August 1, 2015 will have an annual cap of 30 work days beginning on their twentieth year of employment with the City. Unused vacation accumulated, up to certain amounts, may be paid to employees upon termination of employment. Vacation leave accruals in excess of two years’ accrual will be forfeited at the end of the calendar year.

Regular full-time non-Civil Service employees will accrue sick leave at the rate of four hours per pay period for 24 pay periods per year which equates to 12 days per year. Non-Civil Service employees with ten years of completed service will, upon separation of employment, receive the cash value of accrued sick leave, up to a cap of 360 hours. Employees employed prior to August 1, 2015, who officially retire from City employment, will receive the cash value of accrued sick leave, up to a cap of 720 hours. Civil Service employees will be paid sick leave up to a maximum of 720 hours upon separation.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**9. Leases**

**Lessee**

The City is a lessee for noncancellable leases for land. The City recognizes a lease liability and an intangible, right-to-use lease asset (the “lease asset”) in the government-wide financial statements. The City recognizes lease liabilities and lease assets with an initial, individual value of at least \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**Lessor**

The City is a lessor for noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**10. Subscription-Based Information Technology Arrangements**

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) for governmental and business-type activities. The City’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

**11. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**12. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**13. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City has adopted a policy to maintain a minimum fund balance assigned for operating reserves in the general fund of 110 days of the current year operating expenditures. Fund balances are assigned or restricted in the special revenue funds based on the designated purpose of each fund.

**14. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**15. Pensions**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**16. Other Postemployment Benefits**

The City offers two OPEB plans, a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by TMRS and a single-employer defined benefit OPEB plan, known as the Retiree Medical Program (the "Program") administered by the City. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by the SDBF and the Program. For this purpose, the SDBF and the Program recognize benefit payments when due and payable in accordance with the benefit terms.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund 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 nonoperating revenues and expenses.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. In addition, the following special revenue funds do not have an adopted budget: Community Development Block Grant (CDBG); CDBG Disaster Recovery Voluntary Buyout; Coastal Management; Coronavirus Relief; Hazard Mitigation Grant Program, Texas Division of Emergency Management Disaster Recovery; Federal Emergency Management Agency (FEMA) Winter Storm Uri; CDBG Disaster Recovery Hurricane Harvey; COVID FEMA Public Assistance, FEMA Hurricane Harvey; Coronavirus State and Local Fiscal Recovery; FEMA Hurricane Nicholas; Opioid Abatement; TIRZ No. One, Two, Three, and Four; PID No. One, Two, Three, and Five; Galveston County MUD No. Two; Municipal Court Time Payment Reimbursement Fee; and Special Assessments. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget, as defined by the charter, is at the department level for all funds. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2023.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Encumbrance accounting is not utilized by the City.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits and Investments.**

As of September 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>	<u>Weighted Average Maturity (Years)</u>
Investments measured at amortized cost:				
External investment pools:				
TexPool	\$ 5,356,238	\$ 1,877,459	\$ 7,233,697	0.07
TexSTAR	4,978,512	-	4,978,512	0.08
Texas CLASS	3,600,985	-	3,600,985	0.13
Lone Star	3,356,334	-	3,356,334	0.06
U.S. Government Agency Bonds/Notes	178,562,650	8,825,168	187,387,818	1.52
Municipal bonds	609,116	-	609,116	0.38
	<u>196,463,835</u>	<u>10,702,627</u>	<u>207,166,462</u>	
Cash deposits	24,243,519	919,271	25,162,790	
<b>Total Portfolio</b>	<b>\$ 220,707,354</b>	<b>\$ 11,621,898</b>	<b>\$ 232,329,252</b>	
Portfolio weighted average maturity				1.39

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

	September 30, 2023		Fair Value Measurements	
	Primary Government	Component Unit	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	<b>Investments by Fair Value Level</b>			
U.S. Government Agency Bonds/Notes:				
Federal Home Loan Bank	\$ 69,049,737	\$ 987,273	\$ -	\$ 70,037,010
Federal Home Loan Mortgage Association	20,210,670	-	-	20,210,670
Federal Farm Credit Bank	38,535,313	1,932,082	-	40,467,395
Federal National Mortgage Association	4,685,431	-	-	4,685,431
Treasury Notes	44,606,602	4,924,791	-	49,531,393
Treasury Bills	1,474,897	981,022	-	2,455,919
<b>Total</b>	<b>\$ 178,562,650</b>	<b>\$ 8,825,168</b>	<b>\$ -</b>	<b>\$ 187,387,818</b>

U.S. Government agency bonds and notes and municipal bonds are classified in Level Two of the fair value hierarchy and are valued using the market approach.

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The City’s policy requires that investment pools must be rated no lower than “AAA” or “AAAm”. Bankers’ acceptances must be issued in the United States and carry a rating of “A1/P1” as provided by two of the top nationally recognized rating agencies. As of September 30, 2023, the City’s investments in investment pools were rated “AAAm” or “AAA” by Standard & Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency. More specifically, the U.S. agency securities held by the City as of September 30, 2023, consist of a variety of bonds and discount notes issued by the Federal Home Loan Bank, the Federal Farm Credit Bank, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. These investments were rated not less than ‘AAA’ by both Moody’s and Standard & Poor’s.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that the City’s deposits may not be returned in the event of a bank failure. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2023, fair market values of pledged securities and FDIC coverage exceeded bank balances.

*Custodial credit risk – investments.* For an investment, this is the risk that 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 in the event of the failure of the counterparty. The City’s investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.



**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**TexPool**

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

**TexSTAR**

The Texas Short-Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexSTAR's liquidity.

**Texas CLASS**

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at [www.texasclass.com](http://www.texasclass.com).

**Lone Star**

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and nonmembers. Lone Star is rated 'AAA' by Standard & Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The City is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

**B. Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the nonmajor governmental funds in the aggregate, the enterprise fund, and the internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Water and Wastewater</u>	<u>Internal Service</u>
Ad valorem taxes	\$ 1,181,942	\$ 490,217	\$ 1,384	\$ -	\$ -
Other taxes	6,159,181	-	1,072,540	-	-
Accounts	7,996,238	-	1,145,274	9,988,382	5,301
Intergovernmental	221,229	-	860,614	69,017	-
Other	42,113	8,038	292,696	125,957	23,631
Less allowance	<u>(5,000,382)</u>	<u>(184,930)</u>	<u>(20,147)</u>	<u>(787,574)</u>	<u>(4,349)</u>
<b>Total</b>	<u>\$ 10,600,321</u>	<u>\$ 313,325</u>	<u>\$ 3,352,361</u>	<u>\$ 9,395,782</u>	<u>\$ 24,583</u>
	<b><u>4B Industrial Development Corporation</u></b>				
Other taxes	\$ 742,458				
Other	27,082				
<b>Total</b>	<u>\$ 769,540</u>				

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**C. Leases Receivable**

The City has entered into several lease agreements (the “Agreements”) as a lessor for the use of their towers and land located throughout the City with the lessee monitoring communication signals on the towers. The City has also entered into lease agreements for the use of their recreational athletic facility. The Agreements range from 180 to 600 months after extension options in which it is reasonably certain that these options will be exercised. As of September 30, 2023 the value of the leases receivable is \$2,609,358 for governmental activities and \$1,225,913 for business-type activities. The interest rate on the leases receivable is based on the City’s incremental borrowing rate for the terms of the Agreements and ranges from 0.26% to 2.40%. The lease revenue that was recorded with charges for services for fiscal year 2023 was \$491,635 for governmental activities and \$101,894 for business-type activities, which equal to the amounts that were amortized for deferred inflows of resources for leases in the current year. The amount recorded for interest revenue for leases receivable was \$58,624 for governmental activities and \$19,577 for business-type activities. The remaining principal and interest payments along with the amortization of the deferred inflow of resources from the Agreements are as follows:

Fiscal Year Ending Sep. 30	Governmental Activities			Amortization of Deferred Inflows
	Principal	Interest	Total	
2024	\$ 461,490	\$ 50,150	\$ 511,640	\$ 496,764
2025	523,029	40,459	563,488	496,764
2026	585,866	29,527	615,393	496,764
2027	45,512	21,843	67,355	61,564
2028	48,470	20,906	69,376	61,564
2029-2033	291,133	88,242	379,375	307,821
2034-2038	334,152	55,407	389,559	286,404
2039-2043	55,957	35,901	91,858	56,884
2044-2048	78,337	28,152	106,489	56,884
2049-2053	105,979	17,471	123,450	56,884
2054-2056	79,433	3,885	83,318	37,922
<b>Total</b>	<b>\$ 2,609,358</b>	<b>\$ 391,943</b>	<b>\$ 3,001,301</b>	<b>\$ 2,416,219</b>

Fiscal Year Ending Sep. 30	Business-Type Activities			Amortization of Deferred Inflows
	Principal	Interest	Total	
2024	\$ 99,479	\$ 18,140	\$ 117,619	\$ 118,117
2025	104,617	16,530	121,147	118,117
2026	109,894	14,888	124,782	118,117
2027	115,362	13,163	128,525	118,117
2028	120,999	11,381	132,380	118,117
2029-2033	589,503	27,850	617,353	513,343
2034-2035	86,059	696	86,755	70,375
<b>Total</b>	<b>\$ 1,225,913</b>	<b>\$ 102,648</b>	<b>\$ 1,328,561</b>	<b>\$ 1,174,303</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**D. Capital Assets**

A summary of changes in capital assets for governmental activities for the year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 23,109,123	\$ 1,831,308	\$ -	\$ 24,940,431
Construction in progress	32,698,020	34,790,622	(16,266,046)	51,222,596
<b>Total capital assets not being depreciated/amortized</b>	<u>55,807,143</u>	<u>36,621,930</u>	<u>(16,266,046)</u>	<u>76,163,027</u>
Other capital assets:				
Infrastructure	535,377,167	41,982,284	-	577,359,451
Buildings and improvements	96,639,406	145,690	(1,000)	96,784,096
Machinery and equipment	49,848,391	3,619,845	(1,085,890)	52,382,346
Right-to-use asset	139,666	-	-	139,666
<b>Total other capital assets</b>	<u>682,004,630</u>	<u>45,747,819</u>	<u>(1,086,890)</u>	<u>726,665,559</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(207,489,671)	(9,887,690)	-	(217,377,361)
Buildings and improvements	(39,817,901)	(2,150,796)	1,000	(41,967,697)
Machinery and equipment	(35,279,881)	(2,880,681)	1,082,157	(37,078,405)
Right-to-use asset	(14,702)	(14,702)	-	(29,404)
<b>Total accumulated depreciation/amortization</b>	<u>(282,602,155)</u>	<u>(14,933,869)</u>	<u>1,083,157</u>	<u>(296,452,867)</u>
<b>Other capital assets, net Governmental Activities</b>	<u>399,402,475</u>	<u>30,813,950</u>	<u>(3,733)</u>	<u>430,212,692</u>
<b>Capital Assets, Net</b>	<u>\$ 455,209,618</u>	<u>\$ 67,435,880</u>	<u>\$ (16,269,779)</u>	<u>506,375,719</u>
				Less associated debt (159,000,633)
				Less deferred gain on refunding (2,470,032)
				Plus deferred charge on refunding 823,913
				Plus unspent bond proceeds 45,736,771
				<b>Net Investment in Capital Assets</b> <u>\$ 391,465,738</u>

All capital assets constructed or paid for with funds of the component unit are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

Depreciation was charged to governmental functions as follows:

General government	\$ 532,902
Public safety	2,905,001
Public works	9,863,572
Community services	1,632,394
<b>Total Governmental Activities Depreciation/Amortization Expense</b>	<u>\$ 14,933,869</u>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

The following is a summary of changes in capital assets for business-type activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,956,427	\$ 33,583	\$ -	\$ 3,990,010
Construction in progress	57,080,616	31,444,404	(31,142,875)	57,382,145
<b>Total capital assets not being depreciated</b>	<u>61,037,043</u>	<u>31,477,987</u>	<u>(31,142,875)</u>	<u>61,372,155</u>
Other capital assets:				
Infrastructure	400,242,556	32,166,453	-	432,409,009
Water rights	15,935,386	10,981,088	-	26,916,474
Buildings and improvements	594,675	-	(3,722)	590,953
Machinery and equipment	7,966,820	123,512	(130,017)	7,960,315
<b>Total other capital assets</b>	<u>424,739,437</u>	<u>43,271,053</u>	<u>(133,739)</u>	<u>467,876,751</u>
Less accumulated depreciation for:				
Infrastructure	(95,345,400)	(8,385,870)	-	(103,731,270)
Water rights	(6,298,723)	(1,152,736)	-	(7,451,459)
Buildings and improvements	(482,629)	(7,920)	3,722	(486,827)
Machinery and equipment	(7,680,662)	(114,605)	130,017	(7,665,250)
<b>Total accumulated depreciation</b>	<u>(109,807,414)</u>	<u>(9,661,131)</u>	<u>133,739</u>	<u>(119,334,806)</u>
<b>Other capital assets, net</b>	<u>314,932,023</u>	<u>33,609,922</u>	<u>-</u>	<u>348,541,945</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 375,969,066</u>	<u>\$ 65,087,909</u>	<u>\$ (31,142,875)</u>	<u>409,914,100</u>
				Less associated debt (118,740,183)
				Less deferred gain on refunding (1,537,792)
				Plus deferred charge on refunding 1,024,699
				<b>Net Investment in Capital Assets</b> <u>\$ 290,660,824</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 9,661,131
<b>Total Business-Type Activities Depreciation Expense</b>	<u>\$ 9,661,131</u>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**E. Long-Term Debt**

The following is a summary of changes in the City's total long-term liabilities as of year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes, and other payables:					
General obligation bonds	\$ 108,486,001	\$ 19,550,000	\$ (8,139,431)	\$ 119,896,570	\$ 8,500,000
Certificates of obligation	24,915,000	-	(1,690,000)	23,225,000	1,740,000
Direct placement	405,000	-	(270,000)	135,000	65,000
Leases	124,131	-	(14,707)	109,424	14,931
Unamortized premiums and discounts	15,319,897	1,682,726	(1,367,984)	15,634,639	-
	<u>149,250,029</u>	<u>21,232,726</u>	<u>(11,482,122)</u>	<u>159,000,633</u>	<u>10,319,931</u>
Other liabilities:					
Compensated absences	6,474,256	5,004,923	(4,509,159)	6,970,020	4,296,935
Net pension liability	8,269,451	22,300,462	-	30,569,913	-
Total OPEB liability	<u>12,329,256</u>	<u>-</u>	<u>(2,037,872)</u>	<u>10,291,384</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>\$ 176,322,992</u>	<u>\$ 48,538,111</u>	<u>\$ (15,991,281)</u>	<u>\$ 206,831,950</u>	<u>\$ 14,616,866</u>

**Long-term debt due in more than one year** \$ 192,215,084

**\* Debt associated with governmental activities capital assets** \$ 159,000,633

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities:</b>					
General obligation bonds					
General obligation bonds	\$ 74,103,999	\$ -	\$ (6,535,569)	\$ 67,568,430	\$ 6,900,000
Certificates of obligation	29,940,000	-	(1,670,000)	28,270,000	1,445,000
Contract revenue bonds	5,830,000	5,210,000	(365,000)	10,675,000	390,000
Unamortized premiums and discounts	13,430,434	269,511	(1,473,192)	12,226,753	-
	<u>123,304,433</u>	<u>5,479,511</u>	<u>(10,043,761)</u>	<u>118,740,183</u>	<u>8,735,000</u>
Other liabilities:					
Compensated absences	670,531	532,668	(447,639)	755,560	488,026
Net pension liability	984,259	3,937,978	-	4,922,237	-
Total OPEB liability	<u>1,626,617</u>	<u>-</u>	<u>(360,202)</u>	<u>1,266,415</u>	<u>-</u>
<b>Total Business-Type Activities</b>	<u>\$ 126,585,840</u>	<u>\$ 9,950,157</u>	<u>\$ (10,851,602)</u>	<u>\$ 125,684,395</u>	<u>\$ 9,223,026</u>

**Long-term debt due in more than one year** \$ 116,461,369

**\*\* Debt associated with business-type activities capital assets** \$ 118,740,183

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt at year end comprised the following debt issues:

**Governmental Activities:**

Series	Original Issue	Interest Rate	Balance
<b>General Obligation Bonds</b>			
2011A General Obligation Refunding Bonds	\$ 6,975,000	3.00% to 5.00%	\$ 1,130,000
2013 General Obligation Refunding Bonds	\$ 13,819,988	2.00% to 4.00%	3,180,000
2016 General Obligation Refunding Bonds	\$ 12,900,000	3.00% to 5.00%	7,935,000
2016A General Obligation Refunding Bonds	\$ 2,835,000	2.00% to 5.00%	1,455,000
2019 General Obligation Refunding* and Improvement Bonds	\$ 28,770,000	3.75% to 5.00%	23,400,000
2020 General Obligation Improvement Bonds	\$ 27,125,000	2.00% to 4.00%	24,145,000
2020 General Obligation Refunding and Improvement Bonds	\$ 22,610,312	3.00% to 5.00%	18,146,570
2021 General Obligation Improvement Bonds	\$ 22,455,000	3.00% to 5.00%	20,955,000
2023 General Obligation Improvement Bonds	\$ 19,550,000	4.00% to 5.00%	19,550,000
	<b>Total General Obligation Bonds</b>		<b>119,896,570</b>
<b>Certificates of Obligation</b>			
2010 Tax and Revenue Certificates of Obligation *	\$ 10,000,000	3.25% to 5.00%	145,000
2015 Tax and Revenue Certificates of Obligation	\$ 3,020,000	3.63% to 5.00%	2,100,000
2016 Tax and Revenue Certificates of Obligation	\$ 8,970,000	2.13% to 5.00%	6,635,000
2017 Tax and Revenue Certificates of Obligation	\$ 8,730,000	3.00% to 5.00%	5,990,000
2018 Tax and Revenue Certificates of Obligation	\$ 11,165,000	3.13% to 5.00%	8,355,000
	<b>Total Certificates of Obligation</b>		<b>23,225,000</b>
<b>Direct Placement</b>			
2013A General Obligation Refunding Bonds *	\$ 2,190,000	2.00% to 4.00%	135,000
	<b>Total Direct Placement</b>		<b>135,000</b>
<b>Leases</b>			
Land		1.53% to 1.53%	109,424
	<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 143,365,994</b>

\* This general obligation debt is supported by a general property tax pledge; however, the repayment of all or a portion of this general obligation debt is expected to be paid from revenues other than ad valorem tax revenues, including payments from TIRZs and payments from the Corporation. Payments from TIRZs and the Corporation may not be legally pledged to the obligations to which their payments are expected to be dedicated, but are contractually obligated to be paid to the City for that purpose.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**Business-Type Activities:**

Series	Original Issue	Interest Rate	Balance
<b>General Obligation Bonds</b>			
2011A General Obligation Refunding Bonds	\$ 4,705,000	3.00% to 5.00%	\$ 1,145,000
2015 General Obligation Refunding Bonds	\$ 17,605,000	3.00% to 5.00%	7,030,000
2016 General Obligation Refunding Bonds	\$ 16,355,000	3.00% to 5.00%	11,780,000
2016A General Obligation Refunding Bonds	\$ 12,155,000	2.00% to 5.00%	8,740,000
2019 General Obligation Refunding* and Improvement Bonds	\$ 6,845,000	3.75% to 5.00%	5,155,000
2020 General Obligation Refunding Bonds	\$ 13,719,688	3.00% to 5.00%	10,678,430
2021A General Obligation Refunding Bonds	\$ 24,185,000	3.38% to 5.00%	23,040,000
	<b>Total General Obligation Bonds</b>		<b>67,568,430</b>
<b>Certificates of Obligation</b>			
2015 Tax and Revenue Certificates of Obligation	\$ 14,425,000	3.63% to 5.00%	10,045,000
2016 Tax and Revenue Certificates of Obligation	\$ 3,645,000	2.13% to 5.00%	2,700,000
2017 Tax and Revenue Certificates of Obligation	\$ 7,905,000	3.00% to 5.00%	4,950,000
2021 Tax and Revenue Certificates of Obligation	\$ 11,330,000	3.00% to 5.00%	10,575,000
	<b>Total Certificates of Obligation</b>		<b>28,270,000</b>
<b>Contract Revenue Bonds</b>			
2021 GCWA Contract Revenue Bonds	\$ 5,985,000	3.00% to 4.00%	5,615,000
2022 GCWA Contract Revenue Bonds	\$ 5,210,000	3.25% to 6.00%	5,060,000
	<b>Total Contract Revenue Bonds</b>		<b>10,675,000</b>
<b>Total Business-Type Activities Long-Term Debt</b>			<b>\$ 106,513,430</b>

\* This general obligation debt is supported by a general property tax pledge; however, the repayment of all or a portion of this general obligation debt is expected to be paid from surplus revenues of the water and sewer system. Water and sewer revenues are pledged to pay certificates of obligation on a subordinate basis, but it is the historic policy of the City to pay a portion of the listed general obligation refunding bonds from surplus revenues of the water and sewer system.

**General Obligation Improvement Bonds**

During the fiscal year, the City issued \$19,550,000 of General Obligation Improvement Bonds (the "Improvement Bonds") Series 2023. Proceeds from the Improvement Bonds will be used for designing, developing, constructing, improving, extending, and expanding streets, roadways, throughfares, sidewalk, bridges, and mobility improvements including street lighting, right-of-way protection, and related storm drainage improvements and paying the costs of issuing the Improvement Bonds. The Improvement Bonds will mature during fiscal year 2043 and have an interest rate ranging from four to five percent.



**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

The annual requirements to amortize general obligation bonds outstanding at year end are as follows:

Fiscal Year Ending Sep. 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 8,500,000	\$ 4,440,916	\$ 12,940,916	\$ 6,900,000	\$ 2,687,468	\$ 9,587,468
2025	8,790,000	4,063,906	12,853,906	7,255,000	2,358,597	9,613,597
2026	8,475,000	3,658,128	12,133,128	6,700,000	2,013,597	8,713,597
2027	8,420,000	3,272,644	11,692,644	7,050,000	1,690,732	8,740,732
2028	8,735,000	2,895,466	11,630,466	7,545,000	1,365,691	8,910,691
2029-2033	35,405,000	9,515,236	44,920,236	30,025,000	2,240,763	32,265,763
2034-2038	25,706,570	4,601,100	30,307,670	2,093,430	28,806	2,122,236
2039-2043	15,865,000	983,875	16,848,875	-	-	-
<b>Total</b>	<b>\$ 119,896,570</b>	<b>\$ 33,431,271</b>	<b>\$ 153,327,841</b>	<b>\$ 67,568,430</b>	<b>\$ 12,385,654</b>	<b>\$ 79,954,084</b>

The annual requirements to amortize certificates of obligation outstanding at year end are as follows:

Fiscal Year Ending Sep. 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,740,000	\$ 836,779	\$ 2,576,779	\$ 1,445,000	\$ 989,924	\$ 2,434,924
2025	1,635,000	750,229	2,385,229	1,490,000	916,548	2,406,548
2026	1,675,000	669,029	2,344,029	1,855,000	840,374	2,695,374
2027	1,715,000	587,429	2,302,429	1,910,000	761,349	2,671,349
2028	1,755,000	516,368	2,271,368	1,625,000	691,655	2,316,655
2029-2033	8,835,000	1,702,079	10,537,079	9,725,000	2,480,299	12,205,299
2034-2038	5,870,000	418,560	6,288,560	7,975,000	818,029	8,793,029
2039-2043	-	-	-	2,245,000	102,375	2,347,375
<b>Total</b>	<b>\$ 23,225,000</b>	<b>\$ 5,480,473</b>	<b>\$ 28,705,473</b>	<b>\$ 28,270,000</b>	<b>\$ 7,600,553</b>	<b>\$ 35,870,553</b>

The annual requirements to amortize direct placement bonds outstanding at year end are as follows:

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 65,000	\$ 2,265	\$ 67,265
2025	50,000	994	50,994
2026	20,000	221	20,221
<b>Total</b>	<b>\$ 135,000</b>	<b>\$ 3,480</b>	<b>\$ 138,480</b>

**Contract Revenue Bonds**

Per contract agreements with the City and the Gulf Coast Water Authority (GCWA), the GCWA issued Revenue Bonds (City of League City Project – Southeast Transmission Line), Series 2022 (the “Bonds”) during the current year in the amount of \$5,210,000. Proceeds from the Bonds will be used to fund a portion of the cost of capacity in a larger diameter water transmission line in order to help ensure sufficient transmission capacity to supply the future water needs of the City from the City of Houston’s Southeast Water Purification Plant as it may be expanded from time to time, a debt service reserve fund, and the costs of issuance of the Bonds. Per contract agreements, the City is required to make monthly principal and interest payments to the GCWA until the debt obligation is satisfied.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

The annual requirements to amortize contract revenue bonds outstanding at year end are as follows:

Fiscal Year Ending Sep. 30	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 390,000	\$ 427,706	\$ 817,706
2025	410,000	410,456	820,456
2026	425,000	392,306	817,306
2027	440,000	371,706	811,706
2028	460,000	352,206	812,206
2029-2033	2,665,000	1,407,280	4,072,280
2034-2038	3,260,000	824,930	4,084,930
2039-2043	2,625,000	227,188	2,852,188
<b>Total</b>	<b>\$ 10,675,000</b>	<b>\$ 4,413,778</b>	<b>\$ 15,088,778</b>

Leases Payable

The City has entered into lease agreements as lessee for the use of land. As of September 30, 2023, the value of the lease liability was \$109,424. The City is required to make monthly payments of \$1,383. The leases interest rates are based on the incremental borrowing rate of 1.53%. In addition, the City's right-to-use lease assets will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use assets as of the end of the current fiscal year was \$139,666 and had accumulated amortization of \$29,404. The future principal and interest payments as of September 30, 2023 for governmental activities are as follows:

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 14,931	\$ 1,669	\$ 16,600
2025	15,159	1,441	16,600
2026	15,390	1,210	16,600
2027	15,625	975	16,600
2028	15,863	737	16,600
2029-2030	32,456	744	33,200
<b>Total</b>	<b>\$ 109,424</b>	<b>\$ 6,776</b>	<b>\$ 116,200</b>

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water, and wastewater) and equipment for general government and enterprise fund activities. These instruments include general obligation bonds, certificates of obligation, and revenue bonds. Future ad valorem tax revenues and water and sewer system revenues secure these debt obligations.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds is from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

As of September 30, 2023, the City has \$48,706,250 of authorized but unissued bonds.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the IRS rules and regulations.

**F. Interfund Transfers**

Transfers between the primary government funds during the year were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 7,750,000
Water and wastewater fund	General fund	4,535,959
Nonmajor governmental funds	Debt service fund	5,200,000
Nonmajor governmental funds	Water and wastewater fund	150,000
Nonmajor governmental funds	General fund	176,950
	<b>Total</b>	<b>\$ 17,812,909</b>

The general fund made transfers to nonmajor governmental funds to provide additional resources for various capital improvements. Transfers to the debt service fund from nonmajor governmental funds are from debt service contributions from the capital project sales tax fund. Transfers to the general fund from the nonmajor governmental and water and wastewater funds are for annual subsidy payments. Transfers to the general fund and water and wastewater fund from nonmajor governmental funds are for the return of transfers made in prior years to establish grant funds prior to grant award.

The composition of interfund balances as of year end were as follow:

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
Nonmajor governmental funds	Water and wastewater fund	\$ 1,493,696
Nonmajor governmental funds	Nonmajor governmental funds	405,004
	<b>Total</b>	<b>\$ 1,898,700</b>

Amounts recorded as due to/from are temporary loans and will be repaid during the following year.

**G. Restricted Assets**

As of September 30, 2023, the City held restricted cash and investments in the water and wastewater fund for the following purposes:

<b>Restricted for:</b>	
Customer deposits	\$ 2,190,072
Capital projects	20,472,802
Debt service	6,559,649
<b>Total</b>	<b>\$ 29,222,523</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,824 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years. In addition, the City purchased windstorm insurance from highly rated private carriers to cover City property for that specific loss.

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

**C. Construction and Other Significant Commitments**

The City has active construction projects as of September 30, 2023. A majority of these projects are for drainage improvements, street improvements, and improvements to the water and wastewater systems.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Construction in progress and remaining commitments under related construction contracts for general government construction projects at year end were as follows:

**Governmental Activities:**

<b>Project Description</b>	<b>Authorized Contract</b>	<b>Contract Expenditures</b>	<b>Remaining Contract</b>
Deer Ridge Buy-out and Improvements	\$ 216,631	\$ 118,532	\$ 98,099
The Meadows Subdivision Drainage Improvements	541,900	485,808	56,092
Bay Ridge Flood Reduction Phase 4	669,348	465,777	203,571
Magnolia Creek and Cedar Gully Channel Improvements	1,400,300	1,057,100	343,200
Bay Colony Detention Improvements	3,474,928	3,339,456	135,472
Clear Creek Tributaries	1,007,142	927,170	79,972
Countryside Subdivision Drainage Improvements	78,205	72,731	5,474
Rustic Oaks Subdivision Drainage Improvements	78,205	72,731	5,474
Bayridge Subdivision Phase 1	353,742	289,957	63,785
Bay Ridge Flood Reduction Phase 1	9,112,959	7,611,545	1,501,414
Benson Bayou and Mitigation Pond	444,735	187,811	256,924
Hurricane Harvey Drainage Project (Gauge)	1,048,387	780,710	267,677
Hurricane Harvey Drainage Project (Magnolia Creek)	197,903	171,647	26,256
Hurricane Harvey Drainage Project (Interurban Ditch)	4,192	3,500	692
Brittany Bay Subdivision Drainage Improvements	99,415	78,683	20,732
FM518 & Wesley Drive Drainage Improvements	461,783	451,575	10,208
Oaks of Clear Creek Northwest Detention Pond	1,620,438	1,420,443	199,995
Hughes Lane and W. Deats Road Culvert Modification	432,131	224,577	207,554
Newport & Ellis Landing	96,480	54,750	41,730
Landing Subdivision Drainage Improvements	77,305	50,150	27,155
Historic District Drainage Improvements	342,742	67,165	275,577
Main Street/Downtown	7,202,913	7,178,810	24,103
PWOC Restrooms and Locker Room	60,792	33,042	27,750
TxDOT FM518 Bypass Hike & Bike	1,718,768	1,275,192	443,576
Hike and Bike Trails Way-Signage, Phase 2	76,940	30,173	46,767
Low-Water Crossing at Lynn Gripon Park	840,802	82,382	758,420
Bay Colony Park - Phase 1	3,452,618	2,471,014	981,604
Kansas Ave Kayak Launch Sites	181,691	97,751	83,940
Nature Center Kayak Launch Site	177,042	129,883	47,159
Gilmore Elementary - Claremont TPWD	96,430	73,300	23,130
Public Art	239,341	236,013	3,328
Clear Creek Master Plan	115,000	110,308	4,692
Heritage Signature Trail	7,000	5,958	1,042
FM270 Boat Ramp	201,978	178,728	23,250
Calder Road to Cross Colony Reconstruction	8,026,630	7,612,101	414,529
Grissom Reconstruction	8,608,397	8,138,716	469,681
Traffic Signal Battery Backup	183,000	168,000	15,000
Material Asphalt - Street Crew	400,000	270,275	129,725
Asphalt Street Rehabilitation, Package 7	215,943	121,448	94,495
Sidewalk Replacements	3,502,967	3,319,749	183,218
Phase 2 - Reconstruction of Turner and Butler	1,016,894	833,316	183,578

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

<b>Project Description (Continued)</b>	<b>Authorized Contract</b>	<b>Contract Expenditures</b>	<b>Remaining Contract</b>
Butler/Turner Improvements	\$ 4,107,133	\$ 3,655,603	\$ 451,530
Landscape TxDOT Medians	450,000	433,494	16,506
Main Street Sidewalks	43,500	33,103	10,397
Walker Street Corridor Upgrades	4,872,583	1,469,423	3,403,160
League City Parkway at Walker Intersection Improvements	630,311	578,167	52,144
North Landing Extension	7,745,766	7,387,915	357,851
SH3 at League City Parkway Intersection	1,832,665	423,013	1,409,652
SH3 and FM518 Intersection Improvements	444,710	340,522	104,188
League City Parkway Right Turn Lane Calder to Butler	283,621	223,791	59,830
Right Turn Lane on Calder	262,783	48,376	214,407
Transportation Corridor Analysis	233,615	213,060	20,555
New Winfield Road (I-45 to Hobbs)	160,398	68,991	91,407
Lighted Street Signs	319,615	167,100	152,515
Master Mobility Plan Update & CRF Study	295,505	104,441	191,064
Traffic Signal at League City Parkway/Brittany Lakes/Fennigan	2,043,987	2,024,897	19,090
Traffic Signal Timing	1,649,678	1,079,138	570,540
League City Parkway Corridor Signalization	2,106,243	2,016,980	89,263
<b>Totals</b>	<b>\$ 85,566,130</b>	<b>\$ 70,565,991</b>	<b>\$ 15,000,139</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Construction in progress and remaining commitments under related construction contracts for enterprise fund projects at year end were as follows:

**Business-Type Activities:**

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Contract</u>
36 inch Waterline from SH3 to South Shore Harbor Booster Station	\$ 22,129,866	\$ 18,257,810	\$ 3,872,056
24 inch Waterline Stabilization Phase 2	219,639	193,903	25,736
West Side Well and Booster Pump Station	506,758	414,664	92,094
Alabama Sreet, SS Street, Meadowbend Ground Storage Tanks	1,768,258	1,611,221	157,037
Meadowbend, Alabama, SSH	108,270	42,948	65,322
Southeast Water Purification Plant Treatment Improvements	6,686,854	5,987,740	699,114
FM518 Waterline Upgrade - I45 to Landing Ditch	2,673,618	2,496,732	176,886
FM518 Waterline Replacement - Landing to Palomino	211,465	195,505	15,960
Waterline Replacement - Pecan Forest	382,819	314,380	68,439
FM518 Waterline Replacement - SH to FM270	136,605	116,834	19,771
Mary Lane & Tallow Forest Service Area Connection	119,776	56,418	63,358
New Well and Booster Pump Station at League City Parkway	484,761	361,469	123,292
Force Main Upgrade-Bay Colony to Ervin	3,337,862	3,334,822	3,040
SH 3 LS Upgrade & Force Main Replacement	895,603	533,381	362,222
Sewer System Evaluation	359,149	247,502	111,647
Glen Cove Lift Station Conversion	2,331,857	1,943,850	388,007
East Main Lift Station Conversion	202,050	46,425	155,625
Smith Lane and Butler Lift Stations	57,000	45,660	11,340
Willow Branch and FM518	1,626,260	481,547	1,144,713
Dallas Salmon Water and Wastewater Treatment Plant (DSWWTP)			
Supervisory Control and Data Acquisition Upgrade	1,776,503	1,362,550	413,953
DSWWTP Improvements	2,569,731	2,384,246	185,485
DSWWTP Relift Pump Addition	70,807	38,155	32,652
DSWWTP Admin, Lab and Ops Building	597,300	463,633	133,667
4.0 MGD Expansmion to Southwest Water Reclamation Facility	6,098,065	236,109	5,861,956
Water System Improvements	1,386,579	1,263,360	123,219
<b>Totals</b>	<u>\$ 65,143,282</u>	<u>\$ 50,836,691</u>	<u>\$ 14,306,591</u>

**D. Pension Plans**

**Texas Municipal Retirement System**

**Plan Description**

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at [www.tmr.com](http://www.tmr.com).

All eligible employees of the City are required to participate in TMRS.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<b>2022</b>	<b>2023</b>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yr/s of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	307
Inactive employees entitled to, but not yet receiving, benefits	376
Active employees	582
<b>Total</b>	<b>1,265</b>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.38% and 14.48% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$6,150,956, which were equal to the required contributions.



**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
<b>Total</b>	<u>100%</u>	

Discount Rate

The discount rate used to measure the TPL was 6.75%. 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 TMRS 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 TPL.

Changes in the NPL

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Changes for the year:			
Service cost	\$ 6,671,240	\$ -	\$ 6,671,240
Interest	12,573,042	-	12,573,042
Difference between expected and actual experience	2,578,892	-	2,578,892
Contributions - employer	-	5,738,008	(5,738,008)
Contributions - employee	-	2,793,165	(2,793,165)
Net investment income	-	(12,968,111)	12,968,111
Benefit payments, including refunds of employee contributions	(7,622,995)	(7,622,995)	-
Administrative expense	-	(112,114)	112,114
Other changes	-	133,786	(133,786)
<b>Net Changes</b>	<u>14,200,179</u>	<u>(12,038,261)</u>	<u>26,238,440</u>
Balance at December 31, 2021	186,743,165	177,489,455	9,253,710
<b>Balance at December 31, 2022</b>	<u>\$ 200,943,344</u>	<u>\$ 165,451,194</u>	<u>\$ 35,492,150</u>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Sensitivity of the NPL to Changes in the Discount Rate

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

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's Net Pension Liability	\$ 66,655,305	\$ 35,492,150	\$ 10,269,404

Pension Plan Fiduciary Net Position

Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$8,046,159.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 2,984,174	\$ 331,579
Changes in actuarial assumptions	36,180	-
Difference between projected and actual investment earnings	11,468,676	-
Contributions subsequent to the measurement date	4,816,052	-
<b>Total</b>	<b>\$ 19,305,082</b>	<b>\$ 331,579</b>

\$4,816,052 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2024.

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

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2024	\$ 1,507,275
2025	3,788,860
2026	3,790,415
2027	5,070,901
<b>Total</b>	<b>\$ 14,157,451</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**E. Other Postemployment Benefits**

**1. TMRS Supplemental Death Benefits Fund (SDBF)**

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers 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 member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits

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). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	230
Inactive employees entitled to, but not yet receiving, benefits	81
Active employees	582
<b>Total</b>	<b>893</b>

Total OPEB Liability

The City's total OPEB liability of \$1,308,897 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No.4 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 135,578
Interest	36,003
Differences between expected and actual experience	(39,943)
Changes of assumptions	(697,686)
Benefit payments*	(27,913)
	<b>Net Changes</b>
	(593,961)
Beginning balance	1,902,858
	<b>Ending Balance</b>
	<b>\$ 1,308,897</b>

\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contributions for retirees.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<b>1% Decrease in Discount Rate (3.05%)</b>	<b>Discount Rate (4.05%)</b>	<b>1% Increase in Discount Rate (5.05%)</b>
City's Total OPEB Liability	\$ 1,575,404	\$ 1,308,897	\$ 1,102,018

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$108,571. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 99,784
Changes in actuarial assumptions	235,644	589,551
Contributions subsequent to the measurement date	26,608	-
<b>Total</b>	<b>\$ 262,252</b>	<b>\$ 689,335</b>

\$26,608 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2024	\$ 78,849
2025	62,728
2026	95,723
2027	126,948
2028	89,443
<b>Total</b>	<b>\$ 453,691</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**2. Postemployment Healthcare Plan**

Plan Description

The City administers a single-employer defined benefit OPEB plan. The Program offers medical and dental insurance benefits to eligible retirees and their spouses. Retiree medical coverage levels for retirees are the same as coverage provided to active City employees. Upon the death of the retiree, the spouse is eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The Program has no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75.

Benefits Provided

Retiree medical coverage includes one medical plan option, the mid-plan, which is the same mid-plan coverage provided to active City employees in accordance with the terms and conditions of the Program. Retirees may purchase retiree health care coverage for eligible spouses and dependents at their own expense. Surviving spouses and dependents of deceased retired members may continue retiree healthcare coverage for up to 36 months through COBRA. Retirees are eligible for dental and vision coverage at 100% of cost. Retirees are required to enroll in Medicare once eligible (age 65). The City does not provide Medicare supplement health benefits coverage after the date that the person becomes eligible for Medicare benefits.

Employees are eligible for TMRS retirement with five years of service and age 60 or with 20 years of service and any age. If an employee retires at age 60 or older, with 20 years of TMRS experience and the most recent five years with the City, the City currently will pay the retiree (not dependent) cost of continued coverage at 100% until the age 65. Employees eligible to retire under TMRS as a disability retiree, if they have worked with the City for a minimum of five years and have at least ten years of combined service with all municipalities, are eligible for a portion of their health insurance based on their age.

The following table provides a summary of the number of participants in the plan as of December 30, 2022:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	554
<b>Total</b>	<b>573</b>

Total OPEB Liability

The City's total OPEB liability of \$10,248,902 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Actuarial cost method	Individual entry-age
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the TMRS.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Healthcare trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years.
Participation rates	0% for pre-50 retirees with any years of service; 15% for 50-64 years of age retirees with less than 20 years of service; 25% for 50-54 years of age retirees with more than 20 years of service; 65% for 55-59 years of age retirees with more than 20 years of service; 90% for eligible retirees that are at least 60 years old at retirement with more than 20 years of service.

\* The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost		\$ 937,021
Interest		227,609
Difference between expected and actual experience		2,408
Changes of assumptions		(2,668,206)
Benefit payments		<u>(302,945)</u>
	<b>Net Changes</b>	(1,804,113)
Beginning balance		<u>12,053,015</u>
	<b>Ending Balance</b>	<u>\$ 10,248,902</u>

Change in assumption reflected a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of Total OPEB Liability to the Discount Rate

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the Program's total OPEB liability, calculated using a discount rate of 4.05%, as well as what



**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

the Program's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	<b>1% Decrease in Discount Rate (3.05%)</b>	<b>Discount Rate (4.05%)</b>	<b>1% Increase in Discount Rate (5.05%)</b>
City's Total OPEB Liability	\$ 11,375,899	\$ 10,248,902	\$ 9,245,383

Sensitivity of Total OPEB Liability to the Healthcare Costs Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Program's total OPEB liability, calculated using the assumed trend rates, as well as what the Program's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
City's Total OPEB Liability	\$ 8,987,286	\$ 10,248,902	\$ 11,753,122

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$905,305. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in actuarial assumptions	\$ 63,201	\$ 450,245
Differences between expected and actual experience	926,140	2,516,156
Contributions subsequent to the measurement date	243,780	-
<b>Total</b>	\$ 1,233,121	\$ 2,966,401

\$243,780 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2024	\$ (259,325)
2025	(259,325)
2026	(294,662)
2027	(294,500)
2028	(202,828)
Thereafter	(666,420)
<b>Total</b>	<b>\$ (1,977,060)</b>

**3. Aggregate Total OPEB Expenses**

The City recognized aggregate total OPEB expenses of \$1,013,876 during the fiscal year ended September 30, 2023 related to the City’s TMRS SDBF and the Healthcare OPEB benefit plans.

**F. Healthcare Coverage**

During 2016, the City began to provide employees with traditional prescription and health care insurance that covers hospitalization and major medical expenses within specified limits under a plan that is self-funded by the City and administered by a third-party administrator (the “Administrator”). The City pays the Administrator a monthly fixed fee for various claim administration services on a per enrolled employee basis.

The City pays all claims. The Administrator submits monthly check registers for all processed claims. The City issues payment to the Administrator who in turn issues individual claim checks. The City carries stop-loss insurance against catastrophic losses. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. The premiums for these policies are billed monthly by the Administrator on a per enrolled employee basis. The claims liability reported in the fund at September 30, 2023 was estimated by the Administrators. It is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for unpaid claims cost, including estimates of costs relating to incurred but not reported claims, be reported. Costs relating to the plan are recorded in an internal service fund.

Changes in health claims for the years ended September 30, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
Health claim liability, beginning of year	\$ 547,618	\$ 1,065,444
Claims and changes in estimates	6,201,076	7,651,451
Claim payments	(7,445,569)	(9,264,513)
<b>Health Claim Liability, End of Year</b>	<b>\$ 696,875</b>	<b>\$ 547,618</b>

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

**G. Contracts**

Summaries of the City's significant contracts are as follows:

**1. Municipal Utility Districts**

The City has entered into utility agreements with several MUDs whose boundaries overlap the boundaries of the City. The MUDs construct water, sanitary sewer, and drainage facilities to serve the areas within the MUDs and issue bonds to finance such facilities. The MUDs release their security interests in the facilities to the City, and the City operates and maintains the systems.

**2. Galveston County Water Control and Improvement District No. One**

The City entered into an agreement dated March 10, 1983 with Galveston County Water Control and Improvement District No. One (the "District") providing for an inter-connect to be built between the City and the District by the Gulf Coast Water Authority (GCWA). The City agreed to buy one million gallons of water per day on a take-or-pay basis. Under a revised water supply agreement effective January 1, 1987, the annual volume of water to be paid for by the City on a take-or-pay basis was reduced to a minimum of 150,000 gallons per day, to be adjusted annually to an amount equal to the prior year's average usage, but not to exceed one million gallons per day. The cost to the City will vary depending on the cost to the District to fulfill its obligation. On December 8, 2009, the water supply agreement was revised to adjust the price and the obligation for delivery of water. GCWA shall sell and deliver 150,000 gallons per day of water with a maximum of 1,000,000 gallons per day provided GCWA has excess water available, or for emergency use only.

**3. Gulf Coast Water Authority**

The City and the GCWA approved the Fourth Amended and Restated Water Supply Contract (the "Water Supply Contract"), dated November 18, 2021. Pursuant to this Water Supply Contract, the GCWA issued its Contract Revenue Bonds (City of League City Project – Southeast Transmission Line), Series 2021 (the "Series 2021 Bonds") dated December 1, 2021, to fund (i) a portion of the cost of capacity in a larger diameter water transmission line (the "Southeast Transmission Line") in order to help ensure sufficient transmission capacity to supply the future water needs of the City from the City of Houston's (Houston) Southeast Water Purification Plant as it may be expanded from time to time, (ii) a debt service reserve fund (the "Reserve Fund"), and (iii) the costs of issuance of the Series 2021 Bonds. The Series 2021 Bonds are secured with pledged revenues, which consist primarily of certain fixed charge payments to be made by the City to the GCWA. The Water Supply contract unconditionally obligates the City to pay principal and interest of the Series 2021 Bonds and any other additional bonds which may be issued, fees and other charges associated with payment of principal and interest on the bonds as well as other costs as described in the Water Supply Contract. All payments required to be paid by the City to the GCWA under the Water Supply Contract are payable from revenue and income received by the City from the ownership and operation of its water and sewer system, but may also be made from other revenue sources, at the City's sole discretion. The GCWA pays the principal and interest on the bonds, and in turn, the GCWA bills the City monthly for amounts equal to the next debt service payment due.

In addition, the GCWA has entered into the Southeast Transmission Line Cost Sharing Agreement (the "SETL Cost Sharing Agreement") with the City of Houston and other participants (the "Participants") for the Southeast Transmission Line Project (the "SETL Project"). The City will pay the GCWA for costs incurred for the SETL Project in accordance with the SETL Cost Sharing Agreement. The GCWA will disburse funds to Houston for costs of design, construction, acquisition, equipment, and operation of the SETL project for the cost share allocated to the GCWA. The SETL

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

Cost Sharing Agreement requires payment of the cost share in accordance with a series of cash calls. In order to receive the reserved capacity being acquired by the GCWA for the benefit of the City, the GCWA must deposit its proportionate cost share by the cash call due date. The current cost estimate of the cost share for the reserved capacity being required for the benefit of the City is approximately sixty million, which is subject to adjustment from time to time, to reflect changes in the project schedule or budget, including changes to address unforeseen conditions requiring additional funds, in accordance with the SETL Cost Sharing Agreement.

The GCWA entered into a Plant Cost Sharing Agreement (the “Plant Cost Sharing Agreement”) with other participants (the “Participants”) for the purpose of providing for the arrangements with Houston to provide surface water to the City through the GCWA. The City will pay its proportionate share of costs attributable to production, plus costs attributable to pumping and distribution, as well as acquire production capacity and/or pumping capacity in any expansion of the plant. Pursuant to the SETL Cost Sharing Agreement, Houston delivers 31.5 million gallons per day (MGD) of untreated surface water to the GCWA. The GCWA desires to obtain an additional 20 MGD of untreated surface water (the “Contract Quantity”) from Houston for the benefit of the City. Houston and the GCWA entered into an Untreated Water Reservation Contract (the “Capacity Reservation Contract”) of which the GCWA must pay a capacity reservation fee each year to secure the reservation of the Contract Quantity. After the SETL Project and the plant expansion are complete, the GCWA will pay Houston for the Contract Quantity as part of the GCWA’s yearly operations and maintenance expense. The City further agrees to pay for the Contract Quantity under provisions of the Capacity Reservation Contract and the Plant Cost Sharing Agreement.

The City paid the Authority \$8,749,576 for various costs related to these projects.

#### **H. Tax Abatements and Economic Incentives**

The City will consider entering into economic development agreements to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales and hotel occupancy tax, and enhance the property tax base and economic vitality of the City. These programs may include tax abatement, property tax and/or sales tax rebates, incentive payments, and/or reductions in permits and fees. The City’s economic development agreements are authorized under Chapter 380 of the Texas Local Government Code Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code.

Recipients may be eligible to receive economic assistance based upon the number of jobs to be created and/or retained, economic impact, fiscal impact, and community impact of the proposed project. Recipients receiving assistance generally commit to creating and/or retaining jobs, building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, increasing the City’s tax base, and/or bringing targeted businesses to the City. Agreements generally contain performance criteria which are required to be attained before the payment of any public tax dollars may be made. Furthermore, the same economic development agreements may contain recapture provisions that require repayment of public funds, or termination of the agreement, if the recipients do not meet the required provisions of the agreement.

The City has three categories of economic development agreements:

- Tax Abatements – Tax abatements under Chapter 312 of the Texas Code allow the City to designate tax reinvestment zones and negotiate tax abatements with applicants for both new facilities and structures and the expansion or modernization of existing facilities or structures. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer’s property by a percentage specified in the agreement, and the taxpayer will pay

**CITY OF LEAGUE CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2023

taxes on the lower assessed value during the term of the agreement. The City does not currently have any tax abatements; so property taxes abated under this program were \$0 in fiscal year 2023.

- **General Economic Development** – The City may consider entering into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may include rebates for a portion of the increased property taxes and/or sales tax received by the City, fee reductions such as utility charges or building inspection fees, and/or payments to offset the cost of targeted infrastructure, full-time primary jobs, full-time primary job training, site improvements, other related improvements, commercial land, commercial buildings, commercial equipment, commercial facilities, and/or other expenditures. For fiscal year 2023, the City rebated \$83,840 in property taxes and \$150,032 in sales taxes under these agreements.
- **Tax Increment Financing** – The City has adopted two Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City will consider entering into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 1. Additionally, the City may consider entering into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City made \$2,806,423 in payments for TIF obligations in property tax rebates from general TIF resources in fiscal year 2023.

**I. Restatement of Net Position**

The City has restated beginning net position for governmental activities, business-type activities, and the water and wastewater fund for assets not depreciated correctly in prior years. The City also restated beginning net position for the component units to remove the League City Volunteer Fire Department.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Water and Wastewater</u>
<b>Beginning net position</b>	\$ 426,492,075	\$ 307,879,358	\$ 734,371,433	\$ 307,879,358
Restatement - accumulation depreciation	(96,809)	(704,648)	(801,457)	(704,648)
<b>Beginning net position - restated</b>	<u>\$ 426,395,266</u>	<u>\$ 307,174,710</u>	<u>\$ 733,569,976</u>	<u>\$ 307,174,710</u>

	<u>Component Units</u>
<b>Beginning net position</b>	\$ 10,417,335
Restatement - cash	(105,470)
<b>Beginning net position - restated</b>	<u>\$ 10,311,865</u>

**J. Subsequent Events**

On February 21, 2024, the City issued Combination Tax and Revenue Certificates of Obligation (the “Certificates”), Series 2024 for \$47,095,000. Proceeds from the Certificates will be used for the acquisition, construction, extension, and improvement of the City’s waterworks and sewer system. The Certificates will term during fiscal year 2054 and have an interest rate ranging from five to six percent.

**CITY OF LEAGUE CITY, TEXAS**  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
**For the Year Ended September 30, 2023**

On February 19, 2024, in accordance with the terms and conditions of the agreement, the City terminated the lease, for the maintenance and operation of the City's Sports Park, with Big League Dreams (BLD) due to default of payment. As of September 30, 2023, the City reported a lease receivable of \$1,305,598 for the lease agreement with BLD.

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***REQUIRED SUPPLEMENTARY INFORMATION***



**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 35,518,900	\$ 35,404,644	\$ 34,769,191	\$ (635,453)
Sales taxes	27,900,000	27,900,000	26,829,959	(1,070,041)
Franchise fees	5,452,934	5,452,934	5,612,364	159,430
Licenses and permits	2,831,503	2,831,503	3,218,058	386,555
Fines and forfeitures	1,117,884	1,117,884	1,613,060	495,176
Charges for services	12,163,423	12,305,629	12,791,167	485,538
Other taxes	376,673	376,673	462,735	86,062
Investment earnings, net	200,000	200,000	842,514	642,514
Intergovernmental	924,413	1,441,420	1,339,989	(101,431)
Miscellaneous income	936,300	1,042,653	1,248,462	205,809
Contributions	15,000	15,000	250	(14,750)
<b>Total Revenues</b>	<u>87,437,030</u>	<u>88,088,340</u>	<u>88,727,749</u>	<u>639,409</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government:				
Economic development	425,895	434,009	414,048	19,961
Budget office	784,615	811,351	788,883	22,468
City secretary	539,830	689,324	688,094	1,230
City manager	578,124	657,568	654,744	2,824
Information technology	3,609,686	3,749,832	3,611,737	138,095
City auditor	130,720	135,520	135,208	312
City attorney	709,270	782,494	781,972	522
Accounting	2,300,802	2,461,010	2,425,590	35,420
Mayor and City council	138,270	138,270	113,719	24,551
Municipal court	843,435	870,320	808,642	61,678
Human resources	1,071,855	1,101,511	1,038,361	63,150
Facilities maintenance	2,327,182	2,395,085	2,393,642	1,443
Purchasing	447,700	319,960	280,103	39,857
Communications	1,118,171	1,226,859	1,150,218	76,641
Nondepartmental	5,589,689	2,507,878	2,380,019	127,859
<b>Total General Government</b>	<u>20,615,244</u>	<u>18,280,991</u>	<u>17,664,980</u>	<u>616,011</u>
Public safety:				
Emergency management	276,117	282,916	281,150	1,766
Police	23,338,446	25,026,471	25,024,172	2,299
Animal control	1,213,643	1,324,130	1,324,045	85
Fire marshal	923,977	964,825	963,012	1,813
Fire	3,554,239	3,380,493	3,137,562	242,931
EMS	4,618,776	5,130,728	5,112,388	18,340
<b>Total Public Safety</b>	<u>33,925,198</u>	<u>36,109,563</u>	<u>35,842,329</u>	<u>267,234</u>

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended		
Public works:				
Administration	\$ 543,238	\$ 571,984	\$ 569,928	\$ 2,056
Project management	1,829,065	1,884,560	1,815,164	69,396
Engineering	1,856,682	1,940,146	1,875,970	64,176
Streets and stormwater	8,299,029	8,345,767	8,207,725	138,042
Solid waste	7,640,778	7,640,778	7,556,031	84,747
<b>Total Public Works</b>	<u>20,168,792</u>	<u>20,383,235</u>	<u>20,024,818</u>	<u>358,417</u>
Community services:				
Library	2,361,160	2,541,171	2,540,882	289
Parks recreation	1,229,635	1,290,225	1,288,905	1,320
Civic center operations	91,810	91,810	74,389	17,421
Neighborhood services	596,525	615,163	587,323	27,840
Planning	1,223,044	1,647,134	1,246,562	400,572
Building	1,400,081	1,438,538	1,296,314	142,224
Parks operation	2,761,704	2,829,865	2,796,401	33,464
<b>Total Community Services</b>	<u>9,663,959</u>	<u>10,453,906</u>	<u>9,830,776</u>	<u>623,130</u>
Capital outlay	4,800	517,711	517,432	279
<b>Total Expenditures</b>	<u>84,377,993</u>	<u>85,745,406</u>	<u>83,880,335</u>	<u>1,865,071</u>
<b>Excess of Revenues Over         Expenditures</b>	<u>3,059,037</u>	<u>2,342,934</u>	<u>4,847,414</u>	<u>2,504,480</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,712,909	4,712,909	4,712,909	-
Transfers (out)	(7,750,000)	(7,750,000)	(7,750,000)	-
Sale of capital assets	-	-	30,698	30,698
<b>Total Other Financing (Uses)</b>	<u>(3,037,091)</u>	<u>(3,037,091)</u>	<u>(3,006,393)</u>	<u>30,698</u>
<b>Net Change in Fund Balance</b>	<u>\$ 21,946</u>	<u>\$ (694,157)</u>	1,841,021	<u>\$ 2,535,178</u>
Beginning fund balance			26,406,554	
<b>Ending Fund Balance</b>			<u>\$ 28,247,575</u>	

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2023**

	Measurement Year*			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 4,085,930	\$ 4,766,977	\$ 4,864,613	\$ 5,157,392
Interest (on the total pension liability)	7,738,609	8,244,037	8,589,498	9,094,253
Difference between expected and actual experience	(1,232,945)	606,671	(1,524,205)	904,184
Change of assumptions	-	92,710	-	-
Benefit payments, including refunds of employee contributions	(3,158,114)	(4,265,297)	(4,293,442)	(4,903,446)
<b>Net Change in Total Pension Liability</b>	<u>7,433,480</u>	<u>9,445,098</u>	<u>7,636,464</u>	<u>10,252,383</u>
Beginning total pension liability	<u>110,087,652</u>	<u>117,521,132</u>	<u>126,966,230</u>	<u>134,602,694</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 117,521,132</u></u>	<u><u>\$ 126,966,230</u></u>	<u><u>\$ 134,602,694</u></u>	<u><u>\$ 144,855,077</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 3,962,525	\$ 4,397,765	\$ 4,375,883	\$ 4,818,263
Contributions - employee	1,938,343	2,085,870	2,061,277	2,191,544
Net investment income	5,037,807	141,338	6,628,183	14,801,671
Benefit payments, including refunds of employee contributions	(3,158,114)	(4,265,297)	(4,293,442)	(4,903,446)
Administrative expense	(52,589)	(86,078)	(74,832)	(76,665)
Other	(4,323)	(4,251)	(4,035)	(3,885)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>7,723,649</u>	<u>2,269,347</u>	<u>8,693,034</u>	<u>16,827,482</u>
Beginning plan fiduciary net position	<u>88,049,960</u>	<u>95,773,609</u>	<u>98,042,956</u>	<u>106,735,990</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 95,773,609</u></u>	<u><u>\$ 98,042,956</u></u>	<u><u>\$ 106,735,990</u></u>	<u><u>\$ 123,563,472</u></u>
<b>Net Pension Liability</b>	<u><u>\$ 21,747,523</u></u>	<u><u>\$ 28,923,274</u></u>	<u><u>\$ 27,866,704</u></u>	<u><u>\$ 21,291,605</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	81.49%	77.22%	79.30%	85.30%
<b>Covered Payroll</b>	\$ 27,690,617	\$ 29,774,998	\$ 29,446,809	\$ 31,275,877
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	78.54%	97.14%	94.63%	68.08%

\*Only nine years of information is currently available. The City will build this schedule over the next one-year period.

**Measurement Year\***

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	5,288,820	\$ 5,637,317	\$ 6,111,856	\$ 6,423,948	\$ 6,671,240
	9,776,168	10,330,687	10,997,931	11,699,933	12,573,042
	(1,633,715)	(1,342,090)	(713,722)	1,921,236	2,578,892
	-	474,720	-	-	-
	(5,334,730)	(5,446,122)	(5,459,505)	(6,844,644)	(7,622,995)
	8,096,543	9,654,512	10,936,560	13,200,473	14,200,179
	144,855,077	152,951,620	162,606,132	173,542,692	186,743,165
<b>\$</b>	<b>152,951,620</b>	<b>\$ 162,606,132</b>	<b>\$ 173,542,692</b>	<b>\$ 186,743,165</b>	<b>\$ 200,943,344</b>
\$	4,888,629	\$ 5,189,088	\$ 5,406,543	\$ 5,666,689	\$ 5,738,008
	2,264,908	2,414,400	2,571,093	2,702,102	2,793,165
	(3,704,148)	18,817,328	10,823,161	20,321,882	(12,968,111)
	(5,334,730)	(5,446,122)	(5,459,505)	(6,844,644)	(7,622,995)
	(71,534)	(106,226)	(69,976)	(93,939)	(112,114)
	(3,737)	(3,191)	(2,730)	642	133,786
	(1,960,612)	20,865,277	13,268,586	21,752,732	(12,038,261)
	123,563,472	121,602,860	142,468,137	155,736,723	177,489,455
<b>\$</b>	<b>121,602,860</b>	<b>\$ 142,468,137</b>	<b>\$ 155,736,723</b>	<b>\$ 177,489,455</b>	<b>\$ 165,451,194</b>
<b>\$</b>	<b>31,348,760</b>	<b>\$ 20,137,995</b>	<b>\$ 17,805,969</b>	<b>\$ 9,253,710</b>	<b>\$ 35,492,150</b>
	79.50%	87.62%	89.74%	95.04%	82.34%
\$	32,347,526	\$ 34,479,004	\$ 36,729,902	\$ 38,535,982	\$ 39,875,909
	96.91%	58.41%	48.48%	24.01%	89.01%

# CITY OF LEAGUE CITY, TEXAS

## SCHEDULE OF CONTRIBUTIONS

### TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2023

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 4,154,127	\$ 4,373,626	\$ 4,717,212	\$ 4,833,238
Contributions in relation to the actuarially determined contribution	4,154,127	4,373,626	4,717,212	4,833,238
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 28,317,437	\$ 29,183,791	\$ 30,922,708	\$ 31,833,706
Contributions as a percentage of covered payroll	14.67%	14.99%	15.25%	15.18%

\*Only nine years of information is currently available. The City will build this schedule over the next one-year period.

#### Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

**Fiscal Year\***

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 5,101,882	\$ 5,355,137	\$ 5,587,702	\$ 5,933,064	\$ 6,150,956
<u>5,101,882</u>	<u>5,355,137</u>	<u>5,587,702</u>	<u>5,933,064</u>	<u>6,150,956</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 33,864,518	\$ 36,169,235	\$ 38,036,211	\$ 41,055,354	\$ 42,543,091
15.07%	14.81%	14.69%	14.45%	14.46%

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
For the Year Ended September 30, 2023

	Measurement Year*			
	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service cost	\$ 56,297	\$ 64,695	\$ 62,062	\$ 95,498
Interest (on the total OPEB liability)	37,657	39,230	42,581	40,261
Differences between expected and actual experience	-	(44,028)	(29,820)	(43,477)
Change of assumptions	97,169	(87,620)	235,443	245,303
Benefit payments**	(6,255)	(6,470)	(10,344)	(11,019)
<b>Net Change in Total OPEB Liability</b>	<u>184,868</u>	<u>(34,193)</u>	<u>299,922</u>	<u>326,566</u>
Beginning total OPEB liability	<u>971,203</u>	<u>1,156,071</u>	<u>1,121,878</u>	<u>1,421,800</u>
<b>Ending Total OPEB Liability</b>	<u><u>\$ 1,156,071</u></u>	<u><u>\$ 1,121,878</u></u>	<u><u>\$ 1,421,800</u></u>	<u><u>\$ 1,748,366</u></u>
<b>Covered-Employee Payroll</b>	<u>\$ 31,275,877</u>	<u>\$ 32,347,526</u>	<u>\$ 34,479,004</u>	<u>\$ 36,729,902</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	3.70%	3.47%	4.12%	4.76%

\*Only six years of information is currently available. The City will build this schedule over the next four-year period.

\*\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**Notes to Required Supplementary Information:**

1. Valuation Date

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information

The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

**Measurement Year\***

<b>2021</b>		<b>2022</b>	
\$	127,169	\$	135,578
	35,969		36,003
	(43,749)		(39,943)
	62,078		(697,686)
	(26,975)		(27,913)
	<u>154,492</u>		<u>(593,961)</u>
	<u>1,748,366</u>		<u>1,902,858</u>
\$	<u>1,902,858</u>	\$	<u>1,308,897</u>
\$	38,535,982	\$	39,875,909
	4.94%		3.28%



**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**RETIREE MEDICAL PROGRAM**  
**For the Year Ended September 30, 2023**

	Measurement Year*			
	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service cost	\$ 436,976	\$ 503,159	\$ 574,208	\$ 697,812
Interest (on the total OPEB liability)	287,306	284,533	329,672	264,536
Change in benefit terms	-	-	670,608	-
Difference between expected and actual experience	-	91,976	(888,289)	2,317
Changes of assumptions	493,341	(420,966)	193,901	833,403
Benefit payments	(177,171)	(213,583)	(195,141)	(221,753)
<b>Net Change in Total OPEB Liability</b>	<u>1,040,452</u>	<u>245,119</u>	<u>684,959</u>	<u>1,576,315</u>
Beginning total OPEB liability	<u>7,410,927</u>	<u>8,451,379</u>	<u>8,696,498</u>	<u>9,381,457</u>
<b>Ending Total OPEB Liability</b>	<u><u>\$ 8,451,379</u></u>	<u><u>\$ 8,696,498</u></u>	<u><u>\$ 9,381,457</u></u>	<u><u>\$ 10,957,772</u></u>
<b>Covered-Employee Payroll</b>	\$ 31,275,877	\$ 32,347,526	\$ 34,478,994	\$ 36,729,444
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	27.02%	26.88%	27.21%	29.83%

\*Only six years of information are currently available. The City will build this schedule over the next four-year period.

**Notes to Required Supplementary Information:**

1. Changes of Assumptions

Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

2. Changes in Benefits

The benefit payments during the measurement period were determined as follows:

Explicit benefit payment	\$ 132,348	
Implicit benefit payment	170,597	(explicit benefit payment*1.289)
<b>Total benefit payments</b>	<u><u>\$ 302,945</u></u>	

The 1.289 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

3. Other Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

<b>Measurement Year*</b>			
<b>2021</b>	<b>2022</b>		
\$ 871,648	\$ 937,021		
225,519	227,609		
-	-		
29,522	2,408		
203,836	(2,668,206)		
(235,282)	(302,945)		
1,095,243	(1,804,113)		
10,957,772	12,053,015		
\$ 12,053,015	\$ 10,248,902		
\$ 38,535,982	\$ 39,875,909		
31.28%	25.70%		

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***COMBINING STATEMENTS  
AND SCHEDULES***

## ***NONMAJOR GOVERNMENTAL FUNDS***

### **Special Revenue Funds**

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specific purposes other than debt service or capital projects.

The **Police Activity Fund** is used to account for funds donated for the community outreach program and criminal investigation purposes. Various purchases including supplies, equipment, and other services are made from these funds. The League City Police Department administers the funds of the programs.

The **Municipal Court Building Security Fund** is used to account for fees collected for future improvements to the security of the court facilities.

The **Municipal Court Technology Fund** is used to account for fees collected for future improvements to the technology of the court facilities.

The **Library Gift Fund** is used to account for donated funds to be used specifically for the purchase of special items not covered by the library's general operating budget.

The **Hotel Occupancy Tax Fund** is used to account for the hotel occupancy tax revenues. Tax revenues are used to promote tourism and the convention and hotel industries as defined in subchapter B of chapter 351 of the Tax Code.

The **Tree Preservation Fund** is used to account for fees paid by developers in lieu of replacing trees removed or damaged during development. Funds are to be utilized solely for the purchase of and planting of trees on City properties, parks, and right-of-way areas, as designated by the City Arborist.

The **Animal Control Donation Fund** is used to account for funds donated specifically for the support of the animal control shelter. Donated funds would typically be used for veterinary services, food for animals, and educational materials.

The **CDBG Fund** is used to account for the distribution of funds received from the Community Development Block Grant. These funds are to be used to improve living conditions for low-to moderate-income residents.

The **Public Access Channel Fund** is used to account for one percent of gross revenues received from cable television franchise fees. These funds are legally required to be used explicitly for improvements and equipment related to the City's public access channel.

The **Tax Reinvestment Financing Zone No. One Fund** is used to account for funds remaining after dissolution of the District on August 14, 2010. Funds will be used to complete certain infrastructure improvements within the reinvestment zone, as provided in the original project plan.

The **Tax Reinvestment Financing Zone No. Two Fund** is used to account for funds received as a result of the creation of this Zone for the purpose of developing a master planned community and business park within the boundaries of the City.

The **Tax Reinvestment Financing Zone No. Three Fund** is used to account for funds received as a result of the creation of this Zone for the purpose of developing a master planned community and business park within the boundaries of the City.

The **Tax Reinvestment Financing Zone No. Four Fund** is used to account for funds received as a result of the creation of this Zone for the purpose of developing a master planned community and business park within the boundaries of the City.

The **Public Improvement District No. One Fund** is used to account for special assessments collected in connection with the District to finance the residential cost of a master planned community.

## ***NONMAJOR GOVERNMENTAL FUNDS, Continued***

The **Public Improvement District No. Two Fund** is used to account for special assessments collected in connection with the District to finance the residential cost of a master planned community.

The **Public Improvement District No. Three Fund** is used to account for special assessments collected in connection with the District to finance the residential cost of a master planned community.

The **Public Improvement District No. Five Fund** is used to account for special assessments collected in connection with the District to finance the residential cost of a master planned community.

The **4B Park Maintenance and Operations Fund** is used to account for the City's contract with the 4B Corporation regarding the use of 4B sales tax monies paid to the City and to account for revenues and expenses associated with the operations and debt service for improvements in the Hometown Heros Park.

The **Public Safety Technology Fund** is used to account for the collection of funds from other agencies who are members of the City's public safety consortium. The funds will be used solely to maintain and support the Gulf Region Information and Dispatch (GRID) system. The GRID system consists of a computer-aided dispatch, records management, and mobile computer system, and serves law enforcement, fire, EMS, and emergency communications for each of the agencies' parties. This consolidated system will enhance public safety operations by standardizing equipment and records management systems and will provide for shared costs of communications technology.

The **Technology Fund** is used to account for the one time purchase of technology related hardware, software, and other services.

The **EMS/Fire Donation Fund** is used to account for donations received through the water bills for the Fire Department and Emergency Medical Services. Donated funds are used by the Fire and EMS departments to purchase operating supplies and equipment not funded from the General Fund.

The **Special Assessments Fund** is used to account for the receipt of special assessments and the expenditures of such funds to improve Oak Street, Fenwood Street, Tallow Forest Street, Arkansas Street, Alaska Street, and Second Street.

The **FEMA Hurricane Harvey Fund** is used to account for expenses related to Hurricane Harvey which will assist in reporting requirements by the Federal Emergency Management Agency (FEMA).

The **Municipal Court Time Payment Reimbursement Fee (TPRF) Fund** is used to account for fees collected to be used for the purpose of improving the collection of outstanding court costs, fines, reimbursement fees, restitution, or improving the efficiency of administration of justice.

The **Coronavirus Relief Fund** tracks all eligible expenses related to the Coronavirus Relief Fund grant.

The **Hazard Mitigation Grant Program (HMGP) Disaster Recovery Fund** is used to track all eligible expenditures related to drainage improvements and flood hazard mitigation projects that are to be reimbursed by the Texas Department of Emergency Management and FEMA's HMGP award.

The **CDBG-DR Hurricane Harvey Fund** is used to track all eligible expenses related to the Hurricane Harvey drainage improvements projects that are reimbursed through the Community Development Block Grant - Disaster Recovery (CDBG-DR) grant award.

The **CDBG-DR Voluntary Home Buyout Fund** is used to track eligible expenses related to the Hurricane Harvey home buyout projects that are reimbursed through the CDBG-DR grant award.

The **Coastal Management Fund** is used to track eligible expenses related to the park planning and design project that are reimbursed through the Coastal Management grant award.

The **FEMA Winter Storm Uri Fund** is used to track all eligible expenses related to the February 2021 Texas Severe Winter Storm that are to be reimbursed by FEMA.

## ***NONMAJOR GOVERNMENTAL FUNDS, Continued***

The **COVID FEMA Public Assistance Fund** is used to track expenses related to emergency protective measures in response to COVID-19 that are to be reimbursed by FEMA.

The **Coronavirus State and Local Fiscal Recovery Fund** tracks all expenditures related to the Coronavirus State and Fiscal Recovery grant. Funds will be allocated to community programs such as Interfaith Caring Ministries, small business assistance, and utility bill rental assistance. City projects include water, sewer, and broadband infrastructure; making necessary investments to improve access to clean drinking water; support vital wastewater and stormwater infrastructure; and to expand access to broadband internet.

The **FEMA Hurricane Nicholas Fund** is used to track expenses related to Hurricane Nicholas that are to be reimbursed by FEMA.

The **Opioid Abatement Fund** is an account consisting of amounts from statewide opioid settlement agreements. The fund is used for opioid-related prevention, treatment programs, and other appropriations as permitted by statute.

### **Capital Projects Funds**

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and/or construction of capital facilities and other capital assets.

The **Sales Tax Capital Projects Fund** is used to track 0.25% of sales tax revenue assigned to street and drainage projects.

The **Big League Dreams Capital Reserve Fund** is used to track collections of 1% of gross earnings from Big League Dreams for arrears, to be used for capital expenditures.

The **Miscellaneous Capital Projects Fund** is used to account for miscellaneous capital projects designated by City Council.

The **Park Facilities and Maintenance Fund** is used to account for fees of \$1,000 per living unit paid by developers in lieu of dedication of park or recreation areas. Funds collected within this fund are to be used specifically for park facilities and maintenance at the discretion of the City Council.

The **Right-of-Way Fund** is used to account for funds received from or reserved for purchase of public right-of-way.

The **City Sidewalk Fund** is used to account for fees paid by developers in lieu of building or installing sidewalks. Funds collected within this fund are to be used specifically for sidewalk improvements at the discretion of the City Council.

The **Reinvestment Capital Fund** is used to account for general revenue funds to be used for infrastructure reinvestment program.

The **South Shore Harbour (SSH) MUD #2 Fund** is used to account for funds received as a result of the dissolution of SSH Municipal Utility District #2. Funds will be utilized in whole or in part for capital or permanent improvements inside the boundaries of the District.

The **South Shore Harbour (SSH) MUD #3 Fund** is used to account for funds received as a result of the dissolution of SSH Municipal Utility District #3. Funds will be utilized in whole or in part for capital or permanent improvements inside the boundaries of the District.

The **2016 Certificates of Obligation Fund** is used to account for improvement to public works, including public safety buildings; street and traffic improvements and drainage improvements; and for the purchase of materials, supplies, equipment, machinery, building, land, and rights-of-way related thereto.

The **2017 Certificates of Obligation Fund** is used to account for improvements to public works, including street and drainage improvements and public safety buildings.

## ***NONMAJOR GOVERNMENTAL FUNDS, Continued***

The **2018 Certificates of Obligation Fund** is used to account for improvements to streets, roadways, and traffic improvements, and related land and rights-of-ways; a new animal shelter and public facilities.

The **General Obligation Improvement Bonds 2019 Prop A Fund** is used to account for acquisition, design, construction, and equipping drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2019 Prop B Fund** is used to account for acquisition, design, construction, equipping, and improvement of streets, roadways, traffic, and drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2020 Prop A Fund** is used to account for acquisition, design, construction, and equipping drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2020 Prop B Fund** is used to account for acquisition, design, construction, equipping, and improvement of streets, roadways, traffic, and drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2021 Prop A Fund** is used to account for acquisition, design, construction, and equipping drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2021 Prop B Fund** is used to account for acquisition, design, construction, equipping, and improvement of streets, roadways, traffic, and drainage improvements; and for the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way related thereto.

The **General Obligation Improvement Bonds 2023 Fund** is used to account for public improvements including designing, constructing, improving, extending, and expanding streets, roadways, throughfares, sidewalks and bridges; and mobility improvements including street lightning, right-of-way protection, and related storm drainage

The **Capital Recovery Fund** is used to account for funds received from roadway capital recovery fees.



**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 6)**  
September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Police Activity</b>	<b>Municipal Court Building Security</b>	<b>Municipal Court Technology</b>	<b>Library Gift</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 398,934	\$ 707	\$ 972	\$ 1,309
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 398,934</b>	<b>\$ 707</b>	<b>\$ 972</b>	<b>\$ 1,309</b>
<b>Liabilities</b>				
Accounts payable	\$ 144,451	\$ 639	\$ -	\$ -
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>144,451</b>	<b>639</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	68	972	-
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	-	-	-	-
Tax increment reinvestment zone	-	-	-	-
Public improvement district	-	-	-	-
Opioid settlement	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	254,483	-	-	1,309
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>254,483</b>	<b>68</b>	<b>972</b>	<b>1,309</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 398,934</b>	<b>\$ 707</b>	<b>\$ 972</b>	<b>\$ 1,309</b>

**Special Revenue Funds**

<b>Hotel Occupancy Tax</b>	<b>Tree Preservation</b>	<b>Animal Control Donation</b>	<b>CDBG</b>	<b>Public Access Channel</b>	<b>Tax Reinvestment Financing Zone No. One</b>
\$ 523,798	\$ 43,782	\$ 127,623	\$ 2,571	\$ 231,428	\$ 901,581
497,574	-	-	-	712,700	-
253,828	-	-	13,188	58,892	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,275,200</u>	<u>\$ 43,782</u>	<u>\$ 127,623</u>	<u>\$ 15,759</u>	<u>\$ 1,003,020</u>	<u>\$ 901,581</u>
\$ 10,065	\$ -	\$ 32	\$ 13,188	\$ 55,949	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,065</u>	<u>-</u>	<u>32</u>	<u>13,188</u>	<u>55,949</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,265,135	-	-	-	-	-
-	-	-	-	947,071	-
-	-	-	2,571	-	-
-	-	-	-	-	901,581
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	43,782	127,591	-	-	-
-	-	-	-	-	-
<u>1,265,135</u>	<u>43,782</u>	<u>127,591</u>	<u>2,571</u>	<u>947,071</u>	<u>901,581</u>
<u>\$ 1,275,200</u>	<u>\$ 43,782</u>	<u>\$ 127,623</u>	<u>\$ 15,759</u>	<u>\$ 1,003,020</u>	<u>\$ 901,581</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 6)**  
**September 30, 2023**

	Special Revenue Funds			
	Tax	Tax	Tax	Public
	Reinvestment	Reinvestment	Reinvestment	Improvement
	Financing Zone	Financing Zone	Financing Zone	District
	No. Two	No. Three	No. Four	No. One
<b>Assets</b>				
Cash and cash equivalents	\$ 960,985	\$ 819,485	\$ 304,587	\$ 1,039,349
Investments	12,891,653	-	868,148	-
Receivables, net	36,332	-	6,295	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,888,970</b>	<b>\$ 819,485</b>	<b>\$ 1,179,030</b>	<b>\$ 1,039,349</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,039	\$ 107,607
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,039</b>	<b>107,607</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	-	-	-
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	-	-	-	-
Tax increment reinvestment zone	13,888,970	819,485	1,177,991	-
Public improvement district	-	-	-	931,742
Opioid settlement	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	-	-	-	-
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>13,888,970</b>	<b>819,485</b>	<b>1,177,991</b>	<b>931,742</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,888,970</b>	<b>\$ 819,485</b>	<b>\$ 1,179,030</b>	<b>\$ 1,039,349</b>

**Special Revenue Funds**

<b>Public Improvement District No. Two</b>	<b>Public Improvement District No. Three</b>	<b>Public Improvement District No. Five</b>	<b>4B Park Maintenance and Operations</b>	<b>Public Safety Technology</b>	<b>Technology</b>
\$ 259,021	\$ 394,113	\$ 677,199	\$ 775,440	\$ 114,894	\$ 433,774
911,797	-	-	98,447	-	712,700
73	-	-	-	5,192	798
-	-	-	-	-	-
-	-	-	95,044	-	-
<u>\$ 1,170,891</u>	<u>\$ 394,113</u>	<u>\$ 677,199</u>	<u>\$ 968,931</u>	<u>\$ 120,086</u>	<u>\$ 1,147,272</u>
\$ 225,384	\$ 8,421	\$ 21,681	\$ 55,619	\$ 1,512	\$ -
-	-	-	2,100	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>225,384</u>	<u>8,421</u>	<u>21,681</u>	<u>57,719</u>	<u>1,512</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	95,044	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
945,507	385,692	655,518	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	816,168	118,574	1,147,272
-	-	-	-	-	-
<u>945,507</u>	<u>385,692</u>	<u>655,518</u>	<u>911,212</u>	<u>118,574</u>	<u>1,147,272</u>
<u>\$ 1,170,891</u>	<u>\$ 394,113</u>	<u>\$ 677,199</u>	<u>\$ 968,931</u>	<u>\$ 120,086</u>	<u>\$ 1,147,272</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 6)**  
**September 30, 2023**

	<u>Special Revenue Funds</u>			
	<u>EMS/Fire Donation</u>	<u>Special Assessments</u>	<u>FEMA Hurricane Harvey</u>	<u>Municipal Court TPRF</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 154,243	\$ -	\$ 1,027,866	\$ 51,945
Investments	-	-	497,574	-
Receivables, net	1,664	19,545	48,150	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 155,907</b>	<b>\$ 19,545</b>	<b>\$ 1,573,590</b>	<b>\$ 51,945</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	43,692	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>43,692</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	-	-	46,765	-
Unavailable revenue - property taxes	-	19,545	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>19,545</b>	<b>46,765</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	-	-	51,945
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	-	-	1,483,133	-
Tax increment reinvestment zone	-	-	-	-
Public improvement district	-	-	-	-
Opioid settlement	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	155,907	-	-	-
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>155,907</b>	<b>-</b>	<b>1,483,133</b>	<b>51,945</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 155,907</b>	<b>\$ 19,545</b>	<b>\$ 1,573,590</b>	<b>\$ 51,945</b>

**Special Revenue Funds**

<b>Coronavirus Relief</b>	<b>HMGP Disaster Recovery</b>	<b>CDBG-DR Hurricane Harvey</b>	<b>CDBG-DR Voluntary Buyout</b>	<b>Coastal Management</b>	<b>FEMA Winter Storm Uri</b>
\$ 190,627	\$ 422,172	\$ 18,353	\$ 45,701	\$ 19,487	\$ 209,643
49,224	-	-	-	-	-
-	35,371	664,809	12,475	82,268	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 239,851</u>	<u>\$ 457,543</u>	<u>\$ 683,162</u>	<u>\$ 58,176</u>	<u>\$ 101,755</u>	<u>\$ 209,643</u>
\$ -	\$ 51,501	\$ 17,167	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>51,501</u>	<u>17,167</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	8,749	664,809	-	82,268	-
-	-	-	-	-	-
<u>-</u>	<u>8,749</u>	<u>664,809</u>	<u>-</u>	<u>82,268</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
239,851	397,293	1,186	58,176	19,487	209,643
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>239,851</u>	<u>397,293</u>	<u>1,186</u>	<u>58,176</u>	<u>19,487</u>	<u>209,643</u>
<u>\$ 239,851</u>	<u>\$ 457,543</u>	<u>\$ 683,162</u>	<u>\$ 58,176</u>	<u>\$ 101,755</u>	<u>\$ 209,643</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 4 of 6)**  
**September 30, 2023**

**Special Revenue Funds**

	<b>COVID FEMA Public Assistance</b>	<b>Coronavirus State and Local Fiscal Recovery</b>	<b>FEMA Hurricane Nicholas</b>	<b>Opioid Abatement</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 59,914	\$ 1,160,428	\$ 55,409	\$ 95,420
Investments	-	5,315,862	-	-
Receivables, net	5,738	24,127	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 65,652</b>	<b>\$ 6,500,417</b>	<b>\$ 55,409</b>	<b>\$ 95,420</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 327,064	\$ -	\$ -
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	31	5,809,929	-	-
<b>Total Liabilities</b>	<b>31</b>	<b>6,136,993</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	5,738	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>5,738</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	-	-	-
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	59,883	363,424	55,409	-
Tax increment reinvestment zone	-	-	-	-
Public improvement district	-	-	-	-
Opioid settlement	-	-	-	95,420
Capital projects	-	-	-	-
Assigned to:				
Special projects	-	-	-	-
Capital projects	-	-	-	-
<b>Total Fund Balances</b>	<b>59,883</b>	<b>363,424</b>	<b>55,409</b>	<b>95,420</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 65,652</b>	<b>\$ 6,500,417</b>	<b>\$ 55,409</b>	<b>\$ 95,420</b>

**Capital Projects Funds**

<b>Sales Tax Capital Projects</b>	<b>Big League Dreams Capital Reserve</b>	<b>Miscellaneous Capital Projects</b>	<b>Park Facilities and Maintenance</b>	<b>Right-of- Way</b>	<b>City Sidewalk</b>
\$ 847,612	\$ 49,871	\$ 588,562	\$ 582,217	\$ 570,840	\$ 549
5,052,899	-	7,329,336	5,420,876	995,941	-
761,453	7,603	1,138,164	6,285	336	-
-	-	201,155	131,281	-	-
-	-	-	-	-	-
<u>\$ 6,661,964</u>	<u>\$ 57,474</u>	<u>\$ 9,257,217</u>	<u>\$ 6,140,659</u>	<u>\$ 1,567,117</u>	<u>\$ 549</u>
\$ -	\$ -	\$ 408,636	\$ 67,952	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>408,636</u>	<u>67,952</u>	<u>-</u>	<u>-</u>
-	-	223,791	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>223,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,661,964	-	-	-	-	-
-	-	-	-	-	-
-	57,474	8,624,790	6,072,707	1,567,117	549
<u>6,661,964</u>	<u>57,474</u>	<u>8,624,790</u>	<u>6,072,707</u>	<u>1,567,117</u>	<u>549</u>
<u>\$ 6,661,964</u>	<u>\$ 57,474</u>	<u>\$ 9,257,217</u>	<u>\$ 6,140,659</u>	<u>\$ 1,567,117</u>	<u>\$ 549</u>



**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 5 of 6)**  
**September 30, 2023**

**Capital Project Funds**

	<u>Reinvestment Capital</u>	<u>South Shore Harbour (SSH) MUD #2</u>	<u>South Shore Harbour (SSH) MUD #3</u>	<u>Certificates of Obligation 2016</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,835,789	\$ 774	\$ 47,308	\$ -
Investments	14,747,740	-	-	-
Receivables, net	35,199	31	571	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 16,618,728</u></b>	<b><u>\$ 805</u></b>	<b><u>\$ 47,879</u></b>	<b><u>\$ -</u></b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 866,468	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b><u>866,468</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	31	571	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>31</u></b>	<b><u>571</u></b>	<b><u>-</u></b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	-	-	-
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	-	-	-	-
Tax increment reinvestment zone	-	-	-	-
Public improvement district	-	-	-	-
Opioid settlement	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Special projects	-	-	-	-
Capital projects	15,752,260	774	47,308	-
<b>Total Fund Balances</b>	<b><u>15,752,260</u></b>	<b><u>774</u></b>	<b><u>47,308</u></b>	<b><u>-</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 16,618,728</u></b>	<b><u>\$ 805</u></b>	<b><u>\$ 47,879</u></b>	<b><u>\$ -</u></b>

**Capital Projects Funds**

<b>Certificates of Obligation 2017</b>	<b>Certificates of Obligation 2018</b>	<b>Improvement Bonds 2019 Prop A</b>	<b>Improvement Bonds 2019 Prop B</b>	<b>Improvement Bonds 2020 Prop A</b>	<b>Improvement Bonds 2020 Prop B</b>
\$ 13,626	\$ 47,344	\$ 210,093	\$ 579,066	\$ 113,813	\$ -
-	-	497,629	2,137,282	5,685,590	2,854,239
-	-	596	2,458	24,413	21,635
-	148,761	208,157	209,906	-	-
-	-	-	-	-	-
<u>\$ 13,626</u>	<u>\$ 196,105</u>	<u>\$ 916,475</u>	<u>\$ 2,928,712</u>	<u>\$ 5,823,816</u>	<u>\$ 2,875,874</u>
\$ 13,626	\$ 74,998	\$ 27,832	\$ 1,146,826	\$ 164,222	\$ 347,355
-	-	-	-	-	-
-	-	-	-	-	405,004
-	-	-	-	-	-
<u>13,626</u>	<u>74,998</u>	<u>27,832</u>	<u>1,146,826</u>	<u>164,222</u>	<u>752,359</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	121,107	888,643	1,781,886	5,659,594	2,123,515
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>121,107</u>	<u>888,643</u>	<u>1,781,886</u>	<u>5,659,594</u>	<u>2,123,515</u>
<u>\$ 13,626</u>	<u>\$ 196,105</u>	<u>\$ 916,475</u>	<u>\$ 2,928,712</u>	<u>\$ 5,823,816</u>	<u>\$ 2,875,874</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 6 of 6)**  
**September 30, 2023**

**Capital Projects Funds**

	<b>Improvement Bonds 2021 Prop A</b>	<b>Improvement Bonds 2021 Prop B</b>	<b>Improvement Bonds 2023</b>	<b>Capital Recovery</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 436,912	\$ 278,742	\$ 2,019,155	\$ 753,770
Investments	13,752,352	56,993	18,179,410	1,991,882
Receivables, net	40,677	21	43,502	672
Due from other funds	-	202,158	797,282	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,229,941</b>	<b>\$ 537,914</b>	<b>\$ 21,039,349</b>	<b>\$ 2,746,324</b>
<b>Liabilities</b>				
Accounts payable	\$ 530,665	\$ 114,513	\$ -	\$ 33,047
Customer deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>530,665</b>	<b>114,513</b>	<b>-</b>	<b>33,047</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - interlocal reimbursement	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Municipal court	-	-	-	-
Hotel occupancy tax	-	-	-	-
Public access channel	-	-	-	-
Grants	-	-	-	-
Tax increment reinvestment zone	-	-	-	-
Public improvement district	-	-	-	-
Opioid settlement	-	-	-	-
Capital projects	13,699,276	423,401	-	-
Assigned to:				
Special projects	-	-	-	-
Capital projects	-	-	21,039,349	2,713,277
<b>Total Fund Balances</b>	<b>13,699,276</b>	<b>423,401</b>	<b>21,039,349</b>	<b>2,713,277</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,229,941</b>	<b>\$ 537,914</b>	<b>\$ 21,039,349</b>	<b>\$ 2,746,324</b>

**Total  
Nonmajor  
Governmental  
Funds**

\$ 20,498,803  
101,257,848  
3,352,361  
1,898,700  
95,044  
\$ 127,102,756

\$ 4,837,459  
2,100  
405,004  
5,853,652  
11,098,215

223,791  
808,329  
20,147  
1,052,267

95,044

52,985  
1,265,135  
947,071  
2,890,056  
16,788,027  
2,918,459  
95,420  
31,359,386

2,665,086  
55,875,605  
114,952,274

\$ 127,102,756

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 6)**  
**For the Year Ended September 30, 2023**

	Special Revenue Funds			
	Police Activity	Municipal Court Building Security	Municipal Court Technology	Library Gift
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	-	-
Fines and forfeitures	-	37,181	30,895	-
Charges for services	-	-	-	-
Investment earnings, net	3,206	1	1	14
Intergovernmental	87,284	-	-	-
Contributions	-	-	-	939
Other revenue	-	-	-	-
<b>Total Revenues</b>	90,490	37,182	30,896	953
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	37,429	30,000	-
Public safety	2,698	-	-	-
Public works	-	-	-	-
Community services	-	-	-	969
<b>Capital outlay</b>	83,169	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	85,867	37,429	30,000	969
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	4,623	(247)	896	(16)
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of capital assets	3,207	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	3,207	-	-	-
<b>Net Change in Fund Balances</b>	7,830	(247)	896	(16)
Beginning fund balances	246,653	315	76	1,325
<b>Ending Fund Balances</b>	\$ 254,483	\$ 68	\$ 972	\$ 1,309

**Special Revenue Funds**

<b>Hotel Occupancy Tax</b>	<b>Tree Preservation</b>	<b>Animal Control Donation</b>	<b>CDBG</b>	<b>Public Access Channel</b>	<b>Tax Reinvestment Financing Zone No. One</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	244,780	-
889,011	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,992	360	5,281	14	27,095	37,704
-	-	-	165,343	-	-
-	-	81,141	-	-	-
15	-	1,917	-	-	-
<u>922,018</u>	<u>360</u>	<u>88,339</u>	<u>165,357</u>	<u>271,875</u>	<u>37,704</u>
593,241	-	-	128,672	208,993	-
-	-	47,496	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79,919	-	-	33,103	155,900	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>673,160</u>	<u>-</u>	<u>47,496</u>	<u>161,775</u>	<u>364,893</u>	<u>-</u>
248,858	360	40,843	3,582	(93,018)	37,704
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,500	-
248,858	360	40,843	3,582	(91,518)	37,704
1,016,277	43,422	86,748	(1,011)	1,038,589	863,877
<u>\$ 1,265,135</u>	<u>\$ 43,782</u>	<u>\$ 127,591</u>	<u>\$ 2,571</u>	<u>\$ 947,071</u>	<u>\$ 901,581</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 6)**  
**For the Year Ended September 30, 2023**

	Special Revenue Funds			
	Tax	Tax	Tax	Public
	Reinvestment Financing Zone No. Two	Reinvestment Financing Zone No. Three	Reinvestment Financing Zone No. Four	Improvement District No. One
<b>Revenues</b>				
Ad valorem taxes	\$ 1,904,074	\$ -	\$ 898,843	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	237,631	619,251
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment earnings, net	389,682	56,025	45,630	41,966
Intergovernmental	-	-	-	-
Contributions	-	-	-	-
Other revenue	389	1,269	-	-
<b>Total Revenues</b>	<u>2,294,145</u>	<u>57,294</u>	<u>1,182,104</u>	<u>661,217</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	312,104	-	2,039	571,462
Community services	-	-	-	-
<b>Capital outlay</b>	268,483	1,183,687	-	-
<b>Debt service:</b>				
Principal	135,000	-	240,000	185,000
Interest and other charges	11,904	-	120,750	1,804
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	<u>727,491</u>	<u>1,183,687</u>	<u>362,789</u>	<u>758,266</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,566,654</u>	<u>(1,126,393)</u>	<u>819,315</u>	<u>(97,049)</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,566,654	(1,126,393)	819,315	(97,049)
Beginning fund balances	12,322,316	1,945,878	358,676	1,028,791
<b>Ending Fund Balances</b>	<u>\$ 13,888,970</u>	<u>\$ 819,485</u>	<u>\$ 1,177,991</u>	<u>\$ 931,742</u>

**Special Revenue Funds**

<b>Public Improvement District No. Two</b>	<b>Public Improvement District No. Three</b>	<b>Public Improvement District No. Five</b>	<b>4B Park Maintenance and Operations</b>	<b>Public Safety Technology</b>	<b>Technology</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
156,001	98,931	-	-	-	-
-	-	-	-	-	-
-	-	-	446,372	-	-
26,703	18,407	33,127	57,332	244	50,532
-	-	-	-	-	-
-	-	-	1,511,164	-	-
-	-	-	108,858	369,564	-
<u>182,704</u>	<u>117,338</u>	<u>33,127</u>	<u>2,123,726</u>	<u>369,808</u>	<u>50,532</u>
-	-	-	-	166,753	171,791
-	-	-	-	199,210	-
6,856	6,907	2,646	-	-	-
-	-	-	1,868,056	-	-
-	-	-	26,682	-	93,543
-	85,000	-	419,707	-	-
-	3,923	-	176,374	-	-
-	-	-	-	-	-
<u>6,856</u>	<u>95,830</u>	<u>2,646</u>	<u>2,490,819</u>	<u>365,963</u>	<u>265,334</u>
<u>175,848</u>	<u>21,508</u>	<u>30,481</u>	<u>(367,093)</u>	<u>3,845</u>	<u>(214,802)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(10,000)	-	-
-	-	-	(10,000)	-	-
175,848	21,508	30,481	(377,093)	3,845	(214,802)
769,659	364,184	625,037	1,288,305	114,729	1,362,074
<u>\$ 945,507</u>	<u>\$ 385,692</u>	<u>\$ 655,518</u>	<u>\$ 911,212</u>	<u>\$ 118,574</u>	<u>\$ 1,147,272</u>



**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 6)**  
**For the Year Ended September 30, 2023**

	Special Revenue Funds			
	EMS/Fire Donation	Special Assessments	FEMA Hurricane Harvey	Municipal Court TPRF
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	-	-
Fines and forfeitures	-	-	-	20,992
Charges for services	-	-	-	-
Investment earnings, net	7,978	-	57,611	358
Intergovernmental	-	-	159,717	-
Contributions	15,303	-	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>23,281</u>	<u>-</u>	<u>217,328</u>	<u>21,350</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
<b>Capital outlay</b>	-	-	158,578	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>158,578</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>23,281</u>	<u>-</u>	<u>58,750</u>	<u>21,350</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	23,281	-	58,750	21,350
Beginning fund balances	132,626	-	1,424,383	30,595
<b>Ending Fund Balances</b>	<u>\$ 155,907</u>	<u>\$ -</u>	<u>\$ 1,483,133</u>	<u>\$ 51,945</u>

**Special Revenue Funds**

<b>Coronavirus Relief</b>	<b>HMGP Disaster Recovery</b>	<b>CDBG-DR Hurricane Harvey</b>	<b>CDBG-DR Voluntary Buyout</b>	<b>Coastal Management</b>	<b>FEMA Winter Storm Uri</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,929	15,229	102	360	168	16,787
-	300,078	47,549	53,365	-	45,886
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,929</u>	<u>315,307</u>	<u>47,651</u>	<u>53,725</u>	<u>168</u>	<u>62,673</u>
-	-	-	53,365	-	-
2,465	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	131,537	43,846	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,465</u>	<u>131,537</u>	<u>43,846</u>	<u>53,365</u>	<u>-</u>	<u>-</u>
<u>7,464</u>	<u>183,770</u>	<u>3,805</u>	<u>360</u>	<u>168</u>	<u>62,673</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(300,000)
-	-	-	-	-	(300,000)
7,464	183,770	3,805	360	168	(237,327)
232,387	213,523	(2,619)	57,816	19,319	446,970
<u>\$ 239,851</u>	<u>\$ 397,293</u>	<u>\$ 1,186</u>	<u>\$ 58,176</u>	<u>\$ 19,487</u>	<u>\$ 209,643</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 4 of 6)**  
**For the Year Ended September 30, 2023**

	Special Revenue Funds			
	COVID FEMA Public Assistance	Coronavirus State and Local Fiscal Recovery	FEMA Hurricane Nicholas	Opioid Abatement
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment earnings, net	531	337,477	456	485
Intergovernmental	2,750	2,756,726	-	-
Contributions	-	-	-	-
Other revenue	-	-	-	94,935
<b>Total Revenues</b>	<b>3,281</b>	<b>3,094,203</b>	<b>456</b>	<b>95,420</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	5,442	-	-
Public safety	-	300,464	-	-
Public works	-	12,100	-	-
Community services	-	6,317	-	-
<b>Capital outlay</b>	-	2,432,403	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>2,756,726</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,281</b>	<b>337,477</b>	<b>456</b>	<b>95,420</b>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(16,950)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(16,950)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(13,669)</b>	<b>337,477</b>	<b>456</b>	<b>95,420</b>
Beginning fund balances	73,552	25,947	54,953	-
<b>Ending Fund Balances</b>	<b>\$ 59,883</b>	<b>\$ 363,424</b>	<b>\$ 55,409</b>	<b>\$ 95,420</b>

**Capital Projects Funds**

<b>Sales Tax Capital Projects</b>	<b>Big League Dreams Capital Reserve</b>	<b>Miscellaneous Capital Projects</b>	<b>Park Facilities and Maintenance</b>	<b>Right-of- Way</b>	<b>City Sidewalk</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,471,660	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,705,400	-	-
207,691	251	259,969	168,656	64,476	5
-	-	-	-	-	-
-	33,934	-	-	-	-
-	-	906,021	-	377,483	-
<u>4,679,351</u>	<u>34,185</u>	<u>1,165,990</u>	<u>2,874,056</u>	<u>441,959</u>	<u>5</u>
-	-	301,057	-	-	-
-	-	139,127	-	-	-
-	-	-	-	-	-
-	-	-	26,666	-	-
-	-	996,786	737,176	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,436,970</u>	<u>763,842</u>	<u>-</u>	<u>-</u>
<u>4,679,351</u>	<u>34,185</u>	<u>(270,980)</u>	<u>2,110,214</u>	<u>441,959</u>	<u>5</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,350,000	-	-	-
<u>(5,200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,200,000)</u>	<u>-</u>	<u>2,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(520,649)	34,185	2,079,020	2,110,214	441,959	5
7,182,613	23,289	6,545,770	3,962,493	1,125,158	544
<u>\$ 6,661,964</u>	<u>\$ 57,474</u>	<u>\$ 8,624,790</u>	<u>\$ 6,072,707</u>	<u>\$ 1,567,117</u>	<u>\$ 549</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 5 of 6)**  
**For the Year Ended September 30, 2023**

	<b>Capital Projects Funds</b>			
	<b>Reinvestment Capital</b>	<b>South Shore Harbour (SSH) MUD #2</b>	<b>South Shore Harbour (SSH) MUD #3</b>	<b>Certificates of Obligation 2016</b>
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment earnings, net	436,743	6	389	-
Intergovernmental	-	-	-	-
Contributions	-	-	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>436,743</b>	<b>6</b>	<b>389</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	347,458	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	249,185	-	-	-
<b>Capital outlay</b>	<b>3,236,434</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>3,833,077</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,396,334)</b>	<b>6</b>	<b>389</b>	<b>(4)</b>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	5,400,000	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>5,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,003,666</b>	<b>6</b>	<b>389</b>	<b>(4)</b>
Beginning fund balances	13,748,594	768	46,919	4
<b>Ending Fund Balances</b>	<b>\$ 15,752,260</b>	<b>\$ 774</b>	<b>\$ 47,308</b>	<b>\$ -</b>

**Capital Projects Funds**

<b>Certificates of Obligation 2017</b>	<b>Certificates of Obligation 2018</b>	<b>Improvement Bonds 2019 Prop A</b>	<b>Improvement Bonds 2019 Prop B</b>	<b>Improvement Bonds 2020 Prop A</b>	<b>Improvement Bonds 2020 Prop B</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,006	111,309	48,186	142,251	332,527	420,379
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,571	3
<u>40,006</u>	<u>111,309</u>	<u>48,186</u>	<u>142,251</u>	<u>360,098</u>	<u>420,382</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
782,618	2,669,999	729,679	1,874,349	2,935,008	7,155,078
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>782,618</u>	<u>2,669,999</u>	<u>729,679</u>	<u>1,874,349</u>	<u>2,935,008</u>	<u>7,155,078</u>
<u>(742,612)</u>	<u>(2,558,690)</u>	<u>(681,493)</u>	<u>(1,732,098)</u>	<u>(2,574,910)</u>	<u>(6,734,696)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(742,612)</u>	<u>(2,558,690)</u>	<u>(681,493)</u>	<u>(1,732,098)</u>	<u>(2,574,910)</u>	<u>(6,734,696)</u>
742,612	2,679,797	1,570,136	3,513,984	8,234,504	8,858,211
<u>\$ -</u>	<u>\$ 121,107</u>	<u>\$ 888,643</u>	<u>\$ 1,781,886</u>	<u>\$ 5,659,594</u>	<u>\$ 2,123,515</u>

**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 6 of 6)**  
**For the Year Ended September 30, 2023**

	<b>Capital Projects Funds</b>			
	<b>Improvement Bonds 2021 Prop A</b>	<b>Improvement Bonds 2021 Prop B</b>	<b>Improvement Bonds 2023</b>	<b>Capital Recovery</b>
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise fees	-	-	-	-
Other taxes	-	-	-	-
Assessments	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment earnings, net	571,280	59,976	139,349	92,437
Intergovernmental	-	-	-	-
Contributions	-	-	-	-
Other revenue	-	-	-	1,051,127
<b>Total Revenues</b>	<b>571,280</b>	<b>59,976</b>	<b>139,349</b>	<b>1,143,564</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
<b>Capital outlay</b>	<b>8,861,795</b>	<b>1,509,500</b>	<b>-</b>	<b>104,441</b>
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Bond issuance costs	-	-	332,726	-
<b>Total Expenditures</b>	<b>8,861,795</b>	<b>1,509,500</b>	<b>332,726</b>	<b>104,441</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,290,515)</b>	<b>(1,449,524)</b>	<b>(193,377)</b>	<b>1,039,123</b>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	-	19,550,000	-
Premium on debt issued	-	-	1,682,726	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>21,232,726</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(8,290,515)</b>	<b>(1,449,524)</b>	<b>21,039,349</b>	<b>1,039,123</b>
Beginning fund balances	21,989,791	1,872,925	-	1,674,154
<b>Ending Fund Balances</b>	<b>\$ 13,699,276</b>	<b>\$ 423,401</b>	<b>\$ 21,039,349</b>	<b>\$ 2,713,277</b>

**Total  
Nonmajor  
Governmental  
Funds**

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\$ 2,802,917  
 4,471,660  
 244,780  
 889,011  
 1,111,814  
 89,068  
 3,151,772  
 4,369,673  
 3,618,698  
 1,642,481  
 2,939,152  


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 25,331,026

2,044,201  
 691,460  
 914,114  
 2,151,193  
 36,283,717

1,064,707  
 314,755  
 332,726

---

 43,796,873

---

 (18,465,847)

19,550,000  
 1,682,726  
 4,707  
 7,750,000  


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 (5,526,950)

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 23,460,483

4,994,636  
 109,957,638  


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 \$ 114,952,274



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**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE**

For the Year Ended September 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Ad valorem taxes	\$ 11,246,534	\$ 11,246,534	\$ 10,988,065	\$ (258,469)
Investment earnings	50,000	50,000	166,371	116,371
<b>Total Revenues</b>	<u>11,296,534</u>	<u>11,296,534</u>	<u>11,154,436</u>	<u>(142,098)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	674,775	674,775	674,775	-
<b>Debt Service:</b>				
Principal	9,049,431	9,049,431	9,049,431	-
Interest and fiscal charges	4,533,406	4,533,406	4,526,815	6,591
<b>Total Expenditures</b>	<u>14,257,612</u>	<u>14,257,612</u>	<u>14,251,021</u>	<u>6,591</u>
<b>(Deficiency) of Revenue (Under) Expenditures</b>	<u>(2,961,078)</u>	<u>(2,961,078)</u>	<u>(3,096,585)</u>	<u>(135,507)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	5,200,000	5,200,000	5,200,000	-
<b>Total Other Financing Sources</b>	<u>5,200,000</u>	<u>5,200,000</u>	<u>5,200,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,238,922</u>	<u>\$ 2,238,922</u>	2,103,415	<u>\$ (135,507)</u>
Beginning fund balance			<u>3,116,891</u>	
<b>Ending Fund Balance</b>			<u>\$ 5,220,306</u>	

**Notes to Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - POLICE ACTIVITY**  
For the Year Ended September 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Investment earnings	\$ 700	\$ 700	\$ 3,206	\$ 2,506
Intergovernmental	75,000	75,000	87,284	12,284
<b>Total Revenues</b>	<u>75,700</u>	<u>75,700</u>	<u>90,490</u>	<u>14,790</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	203,397	119,778	2,698	117,080
Capital outlay	-	83,619	83,169	450
<b>Total Expenditures</b>	<u>203,397</u>	<u>203,397</u>	<u>85,867</u>	<u>117,530</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(127,697)</u>	<u>(127,697)</u>	<u>4,623</u>	<u>132,320</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	3,207	3,207
<b>Net Change in Fund Balance</b>	<u>\$ (127,697)</u>	<u>\$ (127,697)</u>	<u>7,830</u>	<u>\$ 135,527</u>
Beginning fund balance			<u>246,653</u>	
<b>Ending Fund Balance</b>			<u>\$ 254,483</u>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - MUNICIPAL COURT BUILDING SECURITY**  
**For the Year Ended September 30, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 37,181	\$ 7,181
Investment earnings	50	50	1	(49)
<b>Total Revenues</b>	<u>30,050</u>	<u>30,050</u>	<u>37,182</u>	<u>7,132</u>
<b><u>Expenditures</u></b>				
General government	45,138	45,138	37,429	7,709
<b>Net Change in Fund Balance</b>	<u>\$ (15,088)</u>	<u>\$ (15,088)</u>	(247)	<u>\$ 14,841</u>
Beginning fund balance			<u>315</u>	
<b>Ending Fund Balance</b>			<u>\$ 68</u>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - MUNICIPAL COURT TECHNOLOGY**  
For the Year Ended September 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 30,895	\$ 895
Investment earnings	50	50	1	(49)
<b>Total Revenues</b>	<u>30,050</u>	<u>30,050</u>	<u>30,896</u>	<u>846</u>
<b><u>Expenditures</u></b>				
General government	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 50</u>	<u>\$ 50</u>	896	<u>\$ 846</u>
Beginning fund balance			<u>76</u>	
<b>Ending Fund Balance</b>			<u>\$ 972</u>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - LIBRARY GIFT**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Contributions	\$ 800	\$ 800	\$ 939	\$ 139
Investment earnings	35	35	14	(21)
<b>Total Revenues</b>	835	835	953	118
<b><u>Expenditures</u></b>				
Community services	1,800	1,800	969	831
<b>Net Change in Fund Balance</b>	\$ (965)	\$ (965)	(16)	\$ 949
Beginning fund balance			1,325	
<b>Ending Fund Balance</b>			\$ 1,309	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - HOTEL OCCUPANCY TAX**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Other taxes	\$ 702,000	\$ 702,000	\$ 889,011	\$ 187,011
Other revenue	3,900	3,900	15	(3,885)
Investment earnings	300	300	32,992	32,692
<b>Total Revenues</b>	706,200	706,200	922,018	215,818
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	773,610	750,829	593,241	157,588
<b>Capital outlay</b>	52,000	94,781	79,919	14,862
<b>Total Expenditures</b>	825,610	845,610	673,160	172,450
<b>Net Change in Fund Balance</b>	\$ (119,410)	\$ (139,410)	248,858	\$ 388,268
Beginning fund balance			1,016,277	
<b>Ending Fund Balance</b>			<b>\$ 1,265,135</b>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - TREE PRESERVATION**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Other revenue	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Investment earnings	25	25	360	335
<b>Total Revenues</b>	3,025	3,025	360	(2,665)
<b><u>Expenditures</u></b>				
Community services	40,000	40,000	-	40,000
<b>Net Change in Fund Balance</b>	\$ (36,975)	\$ (36,975)	360	\$ 37,335
Beginning fund balance			43,422	
<b>Ending Fund Balance</b>			\$ 43,782	



**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - ANIMAL CONTROL DONATION**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive Positive (Negative)</b>
<b>Revenues</b>				
Contributions	\$ 25,000	\$ 25,000	\$ 81,141	\$ 56,141
Investment earnings	100	100	5,281	5,181
Other revenue	350	350	1,917	1,567
<b>Total Revenues</b>	<u>25,450</u>	<u>25,450</u>	<u>88,339</u>	<u>62,889</u>
<b>Expenditures</b>				
Public safety	78,000	78,000	47,496	30,504
<b>Total Expenditures</b>	<u>78,000</u>	<u>78,000</u>	<u>47,496</u>	<u>30,504</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (52,550)</u></u>	<u><u>\$ (52,550)</u></u>	40,843	<u><u>\$ 93,393</u></u>
Beginning fund balance			<u>86,748</u>	
<b>Ending Fund Balance</b>			<u><u>\$ 127,591</u></u>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - PUBLIC ACCESS CHANNEL**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Franchise fees	\$ 150,000	\$ 150,000	\$ 244,780	\$ 94,780
Investment earnings	5,000	5,000	27,095	22,095
<b>Total Revenues</b>	155,000	155,000	271,875	116,875
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	95,000	212,568	208,993	3,575
<b>Capital outlay</b>	900,000	782,432	155,900	626,532
<b>Total Expenditures</b>	995,000	995,000	364,893	630,107
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(840,000)	(840,000)	(93,018)	746,982
<b><u>Other Financing Sources (Uses)</u></b>				
Sale of capital assets	-	-	1,500	1,500
<b>Net Change in Fund Balance</b>	\$ (840,000)	\$ (840,000)	(91,518)	\$ 748,482
Beginning fund balance			1,038,589	
<b>Ending Fund Balance</b>			\$ 947,071	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - 4B PARK MAINTENANCE AND OPERATIONS**  
**For the Year Ended September 30, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive Negative (Negative)</b>
<b>Revenues</b>				
Charges for services	\$ 393,000	\$ 433,000	\$ 446,372	\$ 13,372
Investment earnings	5,000	5,000	57,332	52,332
Contributions	1,712,575	1,712,575	1,511,164	(201,411)
Other revenue	-	-	108,858	108,858
<b>Total Revenues</b>	2,110,575	2,150,575	2,123,726	(26,849)
<b>Expenditures</b>				
<b>Current:</b>				
Community services	1,768,431	1,908,922	1,868,056	40,866
<b>Capital outlay</b>	40,201	27,500	26,682	818
<b>Debt service:</b>				
Principal	419,707	419,707	419,707	-
Interest and fiscal charges	176,164	176,374	176,374	-
<b>Total Expenditures</b>	2,404,503	2,532,503	2,490,819	41,684
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(293,928)	(381,928)	(367,093)	14,835
<b>Other Financing Sources (Uses)</b>				
Transfer (out)	(10,000)	(10,000)	(10,000)	-
<b>Total Other Financing (Uses)</b>	(10,000)	(10,000)	(10,000)	-
<b>Net Change in Fund Balance</b>	\$ (303,928)	\$ (391,928)	(377,093)	\$ 14,835
Beginning fund balance			1,288,305	
<b>Ending Fund Balance</b>			\$ 911,212	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - PUBLIC SAFETY TECHNOLOGY**  
For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Investment earnings	\$ 50	\$ 50	\$ 244	\$ 194
Other revenue	339,931	339,931	369,564	29,633
<b>Total Revenues</b>	<u>339,981</u>	<u>339,981</u>	<u>369,808</u>	<u>29,827</u>
<b>Expenditures</b>				
General government	149,730	166,755	166,753	2
Public safety	212,564	199,239	199,210	29
<b>Total Expenditures</b>	<u>362,294</u>	<u>365,994</u>	<u>365,963</u>	<u>31</u>
<b>Net Change in Fund Balance</b>	<u>\$ (22,313)</u>	<u>\$ (26,013)</u>	3,845	<u>\$ 29,858</u>
Beginning fund balance			<u>114,729</u>	
<b>Ending Fund Balance</b>			<u>\$ 118,574</u>	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - TECHNOLOGY**

For the Year Ended September 30, 2023

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Investment earnings	\$ -	\$ -	\$ 50,532	\$ 50,532
<b>Total Revenues</b>	-	-	50,532	50,532
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	-	206,550	171,791	34,759
<b>Capital outlay</b>	300,000	875,518	93,543	781,975
<b>Total Expenditures</b>	300,000	1,082,068	265,334	816,734
<b>(Deficiency) of Revenues (Under) Over Expenditures</b>	(300,000)	(1,082,068)	(214,802)	867,266
<b>Net Change in Fund Balance</b>	\$ (300,000)	\$ (1,082,068)	(214,802)	\$ 867,266
Beginning fund balance			1,362,074	
<b>Ending Fund Balance</b>			\$ 1,147,272	

**CITY OF LEAGUE CITY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - EMS/FIRE DONATION**

For the Year Ended September 30, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>				
Contributions	\$ 25,000	\$ 25,000	\$ 15,303	\$ (9,697)
Investment earnings	1,200	1,200	7,978	6,778
<b>Total Revenues</b>	<u>26,200</u>	<u>26,200</u>	<u>23,281</u>	<u>(2,919)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	40,000	40,000	-	40,000
<b>Capital outlay</b>	40,000	40,000	-	40,000
<b>Total Expenditures</b>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (53,800)</u>	<u>\$ (53,800)</u>	23,281	<u>\$ 77,081</u>
Beginning fund balance			<u>132,626</u>	
<b>Ending Fund Balance</b>			<u>\$ 155,907</u>	

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## ***INTERNAL SERVICE FUNDS***

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City and to other governmental units on a cost reimbursement basis.

The **Motor Pool Fund** is used to account for maintenance of the City's fleet. Its customers are City departments and its primary revenue source is payments from those departments for vehicle and equipment maintenance.

The **Employee Benefit Fund** is used to account for the costs associated with the City's employee health insurance program. The primary revenue source is payments from City departments, employees, and retirees for health insurance premiums.

The **Capital Replacement Fund** is used to account for the funds used to purchase vehicles and equipment for the City's fleet. Its customers are City departments, and its primary revenue source is payments from those departments for capital replacement.



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# CITY OF LEAGUE CITY, TEXAS

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

September 30, 2023

	<u>Motor Pool</u>	<u>Employee Benefit</u>	<u>Capital Replacement</u>	<u>Total Internal Service Funds</u>
<b><u>Assets</u></b>				
Current assets:				
Cash and equity in pooled cash	\$ 896,728	\$ 1,869,014	\$ 2,699,953	\$ 5,465,695
Investments	236,781	2,654,813	7,640,084	10,531,678
Receivables, net	396	2,250	21,937	24,583
Inventories	83,865	-	-	83,865
<b>Total Current Assets</b>	<u>1,217,770</u>	<u>4,526,077</u>	<u>10,361,974</u>	<u>16,105,821</u>
Noncurrent assets:				
Capital assets:				
Net depreciable capital assets	209,115	-	7,611,509	7,820,624
<b>Total Capital Assets (Net)</b>	<u>209,115</u>	<u>-</u>	<u>7,611,509</u>	<u>7,820,624</u>
<b>Total NonCurrent Assets</b>	<u>209,115</u>	<u>-</u>	<u>7,611,509</u>	<u>7,820,624</u>
<b>Total Assets</b>	<u>1,426,885</u>	<u>4,526,077</u>	<u>17,973,483</u>	<u>23,926,445</u>
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	117,913	578,290	217,674	913,877
Claims payable	-	696,875	-	696,875
<b>Total Noncurrent Liabilities</b>	<u>117,913</u>	<u>1,275,165</u>	<u>217,674</u>	<u>1,610,752</u>
<b>Total Liabilities</b>	<u>117,913</u>	<u>1,275,165</u>	<u>217,674</u>	<u>1,610,752</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	209,115	-	7,611,509	7,820,624
Unrestricted	1,099,857	3,250,912	10,144,300	14,495,069
<b>Total Net Position</b>	<u>\$ 1,308,972</u>	<u>\$ 3,250,912</u>	<u>\$ 17,755,809</u>	<u>\$ 22,315,693</u>

See Notes to Financial Statements.

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**CITY OF LEAGUE CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2023

	<u>Motor Pool</u>	<u>Employee Benefit</u>	<u>Capital Replacement</u>	<u>Total Internal Service Funds</u>
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 1,891,652	\$ 10,213,494	\$ 2,475,801	\$ 14,580,947
Other	118,266	695	-	118,961
<b>Total Operating Revenues</b>	<b>2,009,918</b>	<b>10,214,189</b>	<b>2,475,801</b>	<b>14,699,908</b>
<b><u>Operating Expenses</u></b>				
Personnel	867,199	-	-	867,199
Contractual services	50,053	-	-	50,053
Insurance	-	9,601,027	-	9,601,027
Repairs and maintenance	1,023,428	-	-	1,023,428
Other supplies and expenses	83,182	-	-	83,182
Depreciation	22,871	-	1,493,038	1,515,909
<b>Total Operating Expenses</b>	<b>2,046,733</b>	<b>9,601,027</b>	<b>1,493,038</b>	<b>13,140,798</b>
<b>Operating Income (Loss)</b>	<b>(36,815)</b>	<b>613,162</b>	<b>982,763</b>	<b>1,559,110</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment earnings, net	46,943	145,436	322,809	515,188
Gain on disposal of capital assets	-	-	138,734	138,734
<b>Total Nonoperating Revenues</b>	<b>46,943</b>	<b>145,436</b>	<b>461,543</b>	<b>653,922</b>
<b>Change in Net Position</b>	<b>10,128</b>	<b>758,598</b>	<b>1,444,306</b>	<b>2,213,032</b>
Beginning net position	1,298,844	2,492,314	16,311,503	20,102,661
<b>Ending Net Position</b>	<b>\$ 1,308,972</b>	<b>\$ 3,250,912</b>	<b>\$ 17,755,809</b>	<b>\$ 22,315,693</b>

See Notes to Financial Statements.

# CITY OF LEAGUE CITY, TEXAS

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS (Page 1 of 2)

For the Year Ended September 30, 2023

	Motor Pool	Employee Benefit	Capital Replacement	Total Internal Service Funds
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 2,009,918	\$ 11,294,747	\$ 2,471,519	\$ 15,776,184
Payments to suppliers	(1,172,397)	(9,479,568)	166,278	(10,485,687)
Payments to employees	(867,199)	-	-	(867,199)
<b>Net Cash Provided (Used) by Operating Activities</b>	(29,678)	1,815,179	2,637,797	4,423,298
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	-	-	(1,468,767)	(1,468,767)
Proceeds from sale of capital assets	-	-	142,467	142,467
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	-	-	(1,326,300)	(1,326,300)
<b><u>Cash Flows from Investing Activities</u></b>				
Purchase of investments	-	(1,370,412)	(4,026,523)	(5,396,935)
Proceeds (loss) from investments	(7,005)	451,147	1,428,257	1,872,399
Interest on investments	46,943	145,436	322,809	515,188
<b>Net Cash Provided (Used) by Investing Activities</b>	39,938	(773,829)	(2,275,457)	(3,009,348)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	10,260	1,041,350	(963,960)	87,650
Beginning cash and cash equivalents	886,468	827,664	3,663,913	5,378,045
<b>Ending Cash and Cash Equivalents</b>	\$ 896,728	\$ 1,869,014	\$ 2,699,953	\$ 5,465,695

# CITY OF LEAGUE CITY, TEXAS

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS (Page 2 of 2)

For the Year Ended September 30, 2023

	Motor Pool	Employee Benefit	Capital Replacement	Total Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (36,815)	\$ 613,162	\$ 982,763	\$ 1,559,110
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	22,871	-	1,493,038	1,515,909
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in:</b>				
Accounts receivable	-	9,155	(4,282)	4,873
Due from primary government	-	1,071,403	-	1,071,403
Inventories	(25,312)	-	-	(25,312)
<b>Increase (Decrease) in:</b>				
Accounts payable and accrued liabilities	9,578	(27,798)	166,278	148,058
Claims payable	-	149,257	-	149,257
 <b>Net Cash Provided (Used) by Operating Activities</b>	 <b>\$ (29,678)</b>	 <b>\$ 1,815,179</b>	 <b>\$ 2,637,797</b>	 <b>\$ 4,423,298</b>

See Notes to Financial Statements.

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## ***STATISTICAL SECTION***

This part of the City's annual comprehensive 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's overall financial health.

<b>Contents</b>	<b>Page</b>
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Financial Trends	170
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*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

Revenue Capacity	180
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*These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.*

Debt Capacity	188
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*These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.*

Demographic and Economic Information	199
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*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

Operating Information	204
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*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*



# CITY OF LEAGUE CITY, TEXAS

## NET POSITION BY COMPONENT

Last Ten Years  
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 172,449,008	\$ 193,389,209	\$ 210,852,940	\$ 233,051,773
Restricted	13,276,159	13,607,697	18,293,840	22,236,288
Unrestricted	24,872,831	18,390,289	24,656,989	24,732,193
<b>Total Governmental Activities Net Position</b>	<b>\$ 210,597,998</b>	<b>\$ 225,387,195</b>	<b>\$ 253,803,769</b>	<b>\$ 280,020,254</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 171,411,024	\$ 189,014,844	\$ 203,361,130	\$ 220,085,019
Restricted	8,708,139	5,950,631	4,367,845	4,659,939
Unrestricted	7,914,337	4,034,665	5,490,940	8,147,976
<b>Total Business-Type Activities Net Position</b>	<b>\$ 188,033,500</b>	<b>\$ 199,000,140</b>	<b>\$ 213,219,915</b>	<b>\$ 232,892,934</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 343,860,032	\$ 382,404,053	\$ 414,214,070	\$ 453,136,792
Restricted	21,984,298	19,558,328	22,661,685	26,896,227
Unrestricted	32,787,168	22,424,954	30,147,929	32,880,169
<b>Total Primary Government Net Position</b>	<b>\$ 398,631,498</b>	<b>\$ 424,387,335</b>	<b>\$ 467,023,684</b>	<b>\$ 512,913,188</b>

\* Beginning net position for governmental and business-type activities for 2018 was restated as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Pensions*.

<b>Fiscal Year</b>					
<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 258,114,024	\$ 274,249,826	\$ 301,796,928	\$ 316,160,653	\$ 353,693,613	\$ 391,465,738
20,998,050	25,402,605	31,064,501	34,191,954	31,555,854	29,794,283
25,020,050	22,784,326	22,250,921	26,620,966	41,242,608	56,594,619
<u>\$ 304,132,124</u>	<u>\$ 322,436,757</u>	<u>\$ 355,112,350</u>	<u>\$ 376,973,573</u>	<u>\$ 426,492,075</u>	<u>\$ 477,854,640</u>
\$ 235,774,211	\$ 204,936,483	\$ 226,052,129	\$ 240,595,951	\$ 256,846,258	\$ 290,660,824
4,777,087	3,502,807	4,845,508	-	-	-
9,233,083	54,445,827	45,407,098	46,006,201	51,033,100	44,507,221
<u>\$ 249,784,381</u>	<u>\$ 262,885,117</u>	<u>\$ 276,304,735</u>	<u>\$ 286,602,152</u>	<u>\$ 307,879,358</u>	<u>\$ 335,168,045</u>
\$ 493,888,235	\$ 479,186,309	\$ 527,849,057	\$ 556,756,604	\$ 610,539,871	\$ 682,126,562
25,775,137	28,905,412	35,910,009	34,191,954	31,555,854	29,794,283
34,253,133	77,230,153	67,658,019	72,627,167	92,275,708	101,101,840
<u>\$ 553,916,505</u>	<u>\$ 585,321,874</u>	<u>\$ 631,417,085</u>	<u>\$ 663,575,725</u>	<u>\$ 734,371,433</u>	<u>\$ 813,022,685</u>

# CITY OF LEAGUE CITY, TEXAS

## CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 13,318,257	\$ 13,805,776	\$ 12,708,386	\$ 14,911,180
Public safety	24,139,580	24,832,669	25,671,021	29,303,994
Public works	26,756,595	21,849,163	23,489,631	28,656,932
Community services	8,072,245	7,849,582	8,358,265	7,825,726
Interest and fiscal agent fees	4,376,432	3,884,858	4,038,467	3,630,628
Total governmental activities expenses	<u>76,663,109</u>	<u>72,222,048</u>	<u>74,265,770</u>	<u>84,328,460</u>
Business-type activities:				
Utilities	24,440,868	27,257,022	28,164,959	26,386,028
Total business-type activities expenses	<u>24,440,868</u>	<u>27,257,022</u>	<u>28,164,959</u>	<u>26,386,028</u>
<b>Total Expenses</b>	<u><u>\$ 101,103,977</u></u>	<u><u>\$ 99,479,070</u></u>	<u><u>\$ 102,430,729</u></u>	<u><u>\$ 110,714,488</u></u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 5,562,884	\$ 6,359,071	\$ 6,568,148	\$ 5,895,457
Public safety	1,695,460	2,228,700	2,728,878	2,088,921
Public works	2,677,025	2,844,003	2,408,102	3,247,930
Community services	497,143	852,679	1,244,372	1,068,370
Operating grants and contributions	3,084,319	3,878,927	4,355,948	5,561,294
Capital grants and contributions	26,277,018	25,108,315	20,712,430	23,342,227
Total governmental activities program revenues	<u>39,793,849</u>	<u>41,271,695</u>	<u>38,017,878</u>	<u>41,204,199</u>
Business-type activities:				
Charges for services				
Utilities	35,907,627	36,980,985	39,122,016	41,567,521
Operating grants and contributions	-	-	-	-
Capital grants and contributions	6,917,299	5,827,082	5,848,786	6,607,132
Total business-type activities program revenues	<u>42,824,926</u>	<u>42,808,067</u>	<u>44,970,802</u>	<u>48,174,653</u>
<b>Total Program Revenues</b>	<u><u>\$ 82,618,775</u></u>	<u><u>\$ 84,079,762</u></u>	<u><u>\$ 82,988,680</u></u>	<u><u>\$ 89,378,852</u></u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (36,869,260)	\$ (30,950,353)	\$ (36,247,892)	\$ (43,124,261)
Business-type activities	18,384,058	15,551,045	16,805,843	21,788,625
<b>Total Net Expense</b>	<u><u>\$ (18,485,202)</u></u>	<u><u>\$ (15,399,308)</u></u>	<u><u>\$ (19,442,049)</u></u>	<u><u>\$ (21,335,636)</u></u>

Fiscal Year					
2018*	2019	2020	2021	2022	2023
\$ 15,496,208	\$ 15,975,808	\$ 15,884,893	\$ 17,804,102	\$ 18,651,470	\$ 20,974,036
30,778,053	31,783,422	32,599,855	34,123,481	33,663,627	39,360,758
26,773,910	29,096,542	26,005,043	26,914,023	30,012,343	31,920,049
7,802,691	10,600,334	10,802,477	11,741,041	11,707,900	13,631,802
3,548,694	3,746,383	4,426,280	4,408,917	3,704,991	3,730,137
<u>84,399,556</u>	<u>91,202,489</u>	<u>89,718,548</u>	<u>94,991,564</u>	<u>97,740,331</u>	<u>109,616,782</u>
27,490,185	27,059,247	29,253,319	28,971,952	29,996,923	35,499,769
<u>27,490,185</u>	<u>27,059,247</u>	<u>29,253,319</u>	<u>28,971,952</u>	<u>29,996,923</u>	<u>35,499,769</u>
<u>\$ 111,889,741</u>	<u>\$ 118,261,736</u>	<u>\$ 118,971,867</u>	<u>\$ 123,963,516</u>	<u>\$ 127,737,254</u>	<u>\$ 145,116,551</u>
\$ 6,309,066	\$ -	\$ -	\$ -	\$ -	\$ -
2,011,329	3,774,137	2,870,986	3,420,759	4,249,203	4,321,654
3,641,196	11,859,720	12,733,392	12,053,219	12,523,736	13,927,871
1,296,163	909,908	934,035	1,669,348	2,054,283	3,912,070
7,687,939	2,967,240	8,615,070	5,852,877	4,575,898	7,429,747
14,169,985	8,037,406	8,261,934	2,522,052	31,802,045	29,491,297
<u>35,115,678</u>	<u>27,548,411</u>	<u>33,415,417</u>	<u>25,518,255</u>	<u>55,205,165</u>	<u>59,082,639</u>
42,867,272	39,029,591	42,138,851	42,760,305	44,908,507	51,747,625
-	-	12,395	24,790	-	643,374
4,496,907	2,686,612	4,141,165	1,027,435	10,813,900	13,678,601
<u>47,364,179</u>	<u>41,716,203</u>	<u>46,292,411</u>	<u>43,812,530</u>	<u>55,722,407</u>	<u>66,069,600</u>
<u>\$ 82,479,857</u>	<u>\$ 69,264,614</u>	<u>\$ 79,707,828</u>	<u>\$ 69,330,785</u>	<u>\$ 110,927,572</u>	<u>\$ 125,152,239</u>
\$ (49,283,878)	\$ (63,654,078)	\$ (56,303,131)	\$ (69,473,309)	\$ (42,535,166)	\$ (50,534,143)
19,873,994	14,656,956	17,039,092	14,840,578	25,725,484	30,569,831
<u>\$ (29,409,884)</u>	<u>\$ (48,997,122)</u>	<u>\$ (39,264,039)</u>	<u>\$ (54,632,731)</u>	<u>\$ (16,809,682)</u>	<u>\$ (19,964,312)</u>

# CITY OF LEAGUE CITY, TEXAS

## CHANGES IN NET POSITION (Continued)

Last Ten Years  
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Ad valorem taxes	\$ 34,663,277	\$ 36,335,584	\$ 37,399,738	\$ 40,748,850
Sales taxes	13,823,196	14,923,809	16,540,938	17,655,640
Franchise fees and local taxes	5,725,179	6,055,164	6,310,103	6,814,218
Investment earnings, net	51,719	69,707	265,120	624,550
Other revenues	1,746,482	502,014	301,647	950,313
Gain (loss) on sale of capital assets	-	(228,103)	1,015,762	-
Transfers	2,616,555	2,188,265	2,831,158	2,553,175
<b>Total Governmental Activities</b>	<b>58,626,408</b>	<b>59,846,440</b>	<b>64,664,466</b>	<b>69,346,746</b>
Business-type activities:				
Investment earnings, net	54,828	81,035	239,106	437,569
Gain (loss) on sale of capital assets	11,392	(1,562)	5,984	-
Transfers	(2,616,555)	(2,188,265)	(2,831,158)	(2,553,175)
<b>Total Business-Type Activities</b>	<b>(2,550,335)</b>	<b>(2,108,792)</b>	<b>(2,586,068)</b>	<b>(2,115,606)</b>
<b>Total Primary Government</b>	<b>\$ 56,076,073</b>	<b>\$ 57,737,648</b>	<b>\$ 62,078,398</b>	<b>\$ 67,231,140</b>
<b>Change in Net Position</b>				
Governmental activities	\$ 21,757,148	\$ 28,896,087	\$ 28,416,574	\$ 26,222,485
Business-type activities	15,833,723	13,442,253	14,219,775	19,673,019
<b>Total Change in Net Position</b>	<b>\$ 37,590,871</b>	<b>\$ 42,338,340</b>	<b>\$ 42,636,349</b>	<b>\$ 45,895,504</b>

\* Beginning net position for governmental and business-type activities for 2018 was restated as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Pensions*.

**Fiscal Year**

<u>2018*</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 44,795,450	\$ 44,999,295	\$ 47,132,177	\$ 48,703,833	\$ 48,623,693	\$ 48,617,759
20,194,495	19,601,376	25,146,874	27,992,166	30,334,581	31,301,619
7,073,151	7,006,665	6,470,968	6,705,925	7,137,928	7,208,890
1,403,426	2,433,285	1,266,888	185,165	(1,319,776)	5,893,746
1,599,979	4,502,642	4,450,304	3,384,272	2,999,816	4,411,405
63,775	103,448	-	-	4,187	174,139
3,165,089	3,312,000	4,511,513	4,454,257	4,273,239	4,385,959
<u>78,295,365</u>	<u>81,958,711</u>	<u>88,978,724</u>	<u>91,425,618</u>	<u>92,053,668</u>	<u>101,993,517</u>
1,017,809	1,753,961	876,314	120,246	(182,241)	1,799,850
5,689	1,819	15,725	10,522	7,202	9,613
<u>(3,165,089)</u>	<u>(3,312,000)</u>	<u>(4,511,513)</u>	<u>(4,454,257)</u>	<u>(4,273,239)</u>	<u>(4,385,959)</u>
<u>(2,141,591)</u>	<u>(1,556,220)</u>	<u>(3,619,474)</u>	<u>(4,323,489)</u>	<u>(4,448,278)</u>	<u>(2,576,496)</u>
<u>\$ 76,153,774</u>	<u>\$ 80,402,491</u>	<u>\$ 85,359,250</u>	<u>\$ 87,102,129</u>	<u>\$ 87,605,390</u>	<u>\$ 99,417,021</u>
\$ 29,011,487	\$ 18,304,633	\$ 32,675,593	\$ 21,952,309	\$ 49,518,502	\$ 51,459,374
17,732,403	13,100,736	13,419,618	10,517,089	21,277,206	27,993,335
<u>\$ 46,743,890</u>	<u>\$ 31,405,369</u>	<u>\$ 46,095,211</u>	<u>\$ 32,469,398</u>	<u>\$ 70,795,708</u>	<u>\$ 79,452,709</u>

# CITY OF LEAGUE CITY, TEXAS

## FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
<b>General Fund</b>				
Nonspendable	\$ 20,074	\$ 193,753	\$ 188,447	\$ 164,506
Assigned	13,138,608	13,218,693	17,242,765	21,996,295
Unassigned	3,184,668	9,027,651	11,010,955	1,481,202
<b>Total General Fund</b>	<u>\$ 16,343,350</u>	<u>\$ 22,440,097</u>	<u>\$ 28,442,167</u>	<u>\$ 23,642,003</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ 34,573	\$ 32,132	\$ 27,257
Restricted	24,600,783	24,304,541	33,730,505	38,910,599
Assigned	11,936,687	11,391,918	10,344,309	16,486,726
Unassigned	(431,667)	(569,162)	(654,829)	(496,200)
<b>Total All Other Governmental Funds</b>	<u>\$ 36,105,803</u>	<u>\$ 35,161,870</u>	<u>\$ 43,452,117</u>	<u>\$ 54,928,382</u>

<b>Fiscal Year</b>					
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 182,862	\$ 192,907	\$ 224,173	\$ 602,112	\$ 364,091	\$ 510,220
21,703,895	-	-	-	-	-
4,198,865	25,972,116	25,518,987	25,870,470	26,042,463	27,737,355
<u>\$ 26,085,622</u>	<u>\$ 26,165,023</u>	<u>\$ 25,743,160</u>	<u>\$ 26,472,582</u>	<u>\$ 26,406,554</u>	<u>\$ 28,247,575</u>
\$ 32,076	\$ 34,011	\$ 38,861	\$ 21,090	\$ 67,859	\$ 95,044
33,139,913	39,695,518	81,426,367	99,188,577	81,017,818	61,536,845
16,806,793	19,799,756	18,842,416	19,472,661	31,992,482	58,540,691
(228,318)	-	-	-	(3,630)	-
<u>\$ 49,750,464</u>	<u>\$ 59,529,285</u>	<u>\$ 100,307,644</u>	<u>\$ 118,682,328</u>	<u>\$ 113,074,529</u>	<u>\$ 120,172,580</u>



**CITY OF LEAGUE CITY, TEXAS**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Ad valorem taxes	\$ 34,670,994	\$ 36,407,515	\$ 37,428,373	\$ 40,711,410
Sales taxes	13,823,196	14,923,809	16,540,938	17,655,640
Franchise fees and local taxes	5,122,215	5,458,108	5,621,836	5,837,327
Other taxes	602,964	597,056	688,267	976,891
Licenses and permits	3,165,889	3,314,882	2,574,942	3,112,914
Fines and forfeitures	2,012,135	1,983,120	1,871,177	1,781,915
Charges for services	5,506,105	7,177,566	8,714,328	8,290,614
Other revenues	2,353,408	1,405,605	5,195,175	1,777,252
Contributions	4,915,538	4,605,811	1,156,337	2,231,400
Assessments	2,216,155	2,111,351	4,689,863	1,461,226
Investment earnings, net	51,026	67,983	241,720	567,800
Intergovernmental	763,026	3,047,235	1,426,939	5,363,857
<b>Total Revenues</b>	<b>75,202,651</b>	<b>81,100,041</b>	<b>86,149,895</b>	<b>89,768,246</b>
<b>Expenditures</b>				
General government	13,030,831	13,428,669	12,143,565	14,387,420
Public safety	22,029,226	23,766,582	24,005,851	26,864,989
Public works	20,414,563	15,547,486	19,229,404	22,175,680
Community services	5,930,137	5,572,054	6,156,407	6,250,712
Capital outlay	32,006,849	6,778,416	11,840,166	12,118,102
Debt service				
Principal	8,455,954	11,161,939	7,409,065	8,880,044
Interest and fiscal charges	4,725,078	4,262,114	4,464,178	4,097,258
Bond issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>106,592,638</b>	<b>80,517,260</b>	<b>85,248,636</b>	<b>94,774,205</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(31,389,987)</b>	<b>582,781</b>	<b>901,259</b>	<b>(5,005,959)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	5,390,000	3,020,000	24,705,000	8,730,000
Premium on debt	-	134,199	2,716,692	735,493
Payment to escrow agent	-	-	(17,441,188)	-
Proceeds from sale of capital assets	-	-	993,546	81,646
Transfers in	6,365,689	4,441,821	5,434,250	18,082,000
Transfers out	(3,749,134)	(3,025,987)	(3,017,242)	(15,947,079)
<b>Total Other Financing Sources</b>	<b>8,006,555</b>	<b>4,570,033</b>	<b>13,391,058</b>	<b>11,682,060</b>
<b>Net Change in Fund Balances</b>	<b>\$ (23,383,432)</b>	<b>\$ 5,152,814</b>	<b>\$ 14,292,317</b>	<b>\$ 6,676,101</b>

Debt service as a percentage of noncapital expenditures	17.67%	20.92%	16.17%	15.89%
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Fiscal Year						
	2018	2019	2020	2021	2022	2023
\$	43,953,576	\$ 45,039,760	\$ 47,173,847	\$ 49,005,112	\$ 48,667,311	\$ 48,560,173
	20,194,495	19,601,376	25,146,874	27,992,166	30,334,581	31,301,619
	5,985,677	5,979,785	5,752,086	5,720,874	5,891,444	5,857,144
	1,087,474	1,026,880	718,882	985,051	1,246,484	1,351,746
	3,329,320	2,123,803	3,161,640	1,530,358	2,571,046	3,218,058
	1,763,376	2,845,117	1,109,818	2,838,015	1,433,198	1,702,128
	9,250,635	1,671,963	10,327,148	1,203,853	13,296,904	15,942,939
	2,934,914	9,822,958	5,157,806	11,641,236	3,085,162	4,187,614
	2,266,216	5,419,528	1,688,157	3,526,872	1,782,381	1,642,731
	1,389,207	1,570,230	1,975,741	1,638,923	1,430,772	1,111,814
	1,266,660	2,229,416	1,167,630	177,495	(1,067,781)	5,378,558
	945,224	4,041,223	6,926,913	3,400,236	3,600,932	4,958,687
	<u>94,366,774</u>	<u>101,372,039</u>	<u>110,306,542</u>	<u>109,660,191</u>	<u>112,272,434</u>	<u>125,213,211</u>
	14,919,019	15,412,789	15,862,178	18,047,146	19,029,624	20,383,956
	29,065,926	29,761,071	31,693,272	32,787,363	32,995,252	36,533,789
	20,334,500	20,318,540	18,494,316	19,033,159	21,913,559	20,938,932
	6,619,068	10,031,724	10,080,622	11,030,490	10,957,839	11,981,969
	16,316,105	18,647,412	34,747,636	25,375,559	22,707,734	36,801,149
	8,771,026	8,312,990	9,023,971	9,390,000	10,169,846	10,114,138
	4,144,225	4,226,398	5,252,178	4,652,848	5,244,593	4,841,570
	-	-	-	1,041,152	-	332,726
	<u>100,169,869</u>	<u>106,710,924</u>	<u>125,154,173</u>	<u>121,357,717</u>	<u>123,018,447</u>	<u>141,928,229</u>
	(5,803,095)	(5,338,885)	(14,847,631)	(11,697,526)	(10,746,013)	(16,715,018)
	-	11,165,000	55,895,000	45,065,312	-	19,550,000
	-	567,196	6,551,302	7,674,301	-	1,682,726
	-	-	(11,670,000)	(26,405,000)	-	-
	30,169	152,911	66,312	12,762	37,125	35,405
	13,525,822	12,232,000	20,163,338	17,940,386	21,195,207	17,662,909
	(10,487,195)	(8,920,000)	(15,801,825)	(13,486,129)	(16,921,968)	(13,276,950)
	<u>3,068,796</u>	<u>15,197,107</u>	<u>55,204,127</u>	<u>30,801,632</u>	<u>4,310,364</u>	<u>25,654,090</u>
\$	<u>(2,734,299)</u>	<u>\$ 9,858,222</u>	<u>\$ 40,356,496</u>	<u>\$ 19,104,106</u>	<u>\$ (6,435,649)</u>	<u>\$ 8,939,072</u>
	15.48%	14.34%	15.79%	14.62%	15.37%	14.01%

**CITY OF LEAGUE CITY, TEXAS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Years**

	Fiscal Year			
	2014	2015	2016	2017
<b>Direct Rates</b>				
City of League City:				
Operating tax rate	\$ 0.380000	\$ 0.400206	\$ 0.400992	\$ 0.410497
Debt service tax rate	0.217000	0.196794	0.172508	0.159503
Total Direct Rates	<u>\$ 0.597000</u>	<u>\$ 0.597000</u>	<u>\$ 0.573500</u>	<u>\$ 0.570000</u>
<b>Overlapping Rates</b>				
Clear Creek Independent School District	\$ 1.400000	\$ 1.400000	\$ 1.400000	\$ 1.400000
College of the Mainland, Jr. College District	0.221210	0.205085	0.202307	0.208376
Dickinson Independent School District	1.540000	1.540000	1.540000	1.540000
Santa Fe Independent School District	1.449000	1.435800	1.416700	1.402300
Galveston County (includes Road and Flood)	0.589800	0.584800	0.567000	0.552000
Galveston Co. Mun. Utility District No. 2	0.300000	-	-	-
Galveston Co. Mun. Utility District No. 3	0.120000	0.030000	-	-
Galveston Co. Mun. Utility District No. 6	0.439000	0.470000	0.460000	0.460000
Galveston Co. Mun. Utility District No. 13	0.500000	0.460000	0.360000	0.295000
Galveston Co. Mun. Utility District No. 14	0.740000	0.740000	0.710000	0.690000
Galveston Co. Mun. Utility District No. 15	0.760000	0.720000	0.660000	0.580000
Tara Glen Mun. Utility District	0.660000	0.630000	0.570000	0.560000
Bay Colony West Mun. Utility District	1.000000	1.000000	1.000000	1.000000
Galveston Co. Mun. Utility District No. 39	0.880000	0.880000	0.800000	0.680000
Galveston Co. Mun. Utility District No. 43	1.000000	1.000000	1.000000	0.960000
Galveston Co. Mun. Utility District No. 44	0.800000	0.800000	0.800000	0.800000
Galveston Co. Mun. Utility District No. 45	1.000000	1.000000	1.000000	1.000000
Galveston Co. Mun. Utility District No. 46	1.000000	1.000000	0.980000	0.970000
South Shore Harbour Mun. Utility District No. 6	0.215000	0.120000	-	-
South Shore Harbour Mun. Utility District No. 7	0.530000	0.530000	0.490000	0.450000
Westwood Management District	-	-	1.000000	1.000000
Total Overlapping Rates	<u>\$ 15.144010</u>	<u>\$ 14.545685</u>	<u>\$ 14.956007</u>	<u>\$ 14.547676</u>

Note: The basis for property tax rates is per \$100 of the assessed valuation.

Source: Galveston Central Appraisal District.

<b>Fiscal Year</b>					
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 0.413360	\$ 0.413798	\$ 0.404181	\$ 0.390126	\$ 0.352830	\$ 0.315726
0.151640	0.150002	0.144400	0.124874	0.112700	0.099800
<u>\$ 0.565000</u>	<u>\$ 0.563800</u>	<u>\$ 0.548581</u>	<u>\$ 0.515000</u>	<u>\$ 0.465530</u>	<u>\$ 0.415526</u>
\$ 1.400000	\$ 1.400000	\$ 1.310000	\$ 1.265900	\$ 1.179700	\$ 1.114600
0.216791	0.212755	0.204254	0.241963	0.267700	0.267620
1.520000	1.520000	1.450000	1.344000	1.312000	1.294000
1.402300	1.402300	1.332300	1.281600	1.234300	1.216900
0.551900	0.531898	0.504396	0.475900	0.424500	0.376030
-	-	-	-	-	-
-	-	-	-	-	-
0.420000	0.250000	0.230000	0.210000	0.197000	0.120000
-	-	-	-	-	-
0.690000	0.680000	0.590000	0.540000	0.420000	0.395000
0.570000	0.510000	0.460000	0.430000	0.315000	-
0.550000	0.550000	0.430000	0.240000	-	-
1.000000	0.490000	1.000000	1.000000	0.980000	0.930000
0.620000	0.610000	0.570000	0.530000	0.500000	0.450000
0.770000	0.730000	0.730000	0.650000	0.600000	0.570000
0.800000	0.800000	0.800000	0.780000	0.760000	0.750000
0.950000	0.930000	0.900000	0.850000	0.830000	0.800000
0.930000	0.870000	0.850000	0.790000	0.730000	0.670000
-	-	-	-	-	-
0.390000	0.390000	0.380000	0.770000	0.382400	0.378850
1.000000	1.000000	1.000000	1.000000	1.000000	0.990000
<u>\$ 13.780991</u>	<u>\$ 12.876953</u>	<u>\$ 12.740950</u>	<u>\$ 12.399363</u>	<u>\$ 11.132600</u>	<u>\$ 10.323000</u>

**CITY OF LEAGUE CITY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Residential property	\$ 5,182,560,052	\$ 5,579,793,632	\$ 6,404,577,171	\$ 7,127,518,150
Commercial property	1,159,216,115	1,119,310,390	1,243,223,837	1,365,971,187
Personal property	373,016,045	424,200,532	451,239,845	524,306,460
Less: Tax-exempt property	1,233,542,565	1,371,434,539	2,016,561,432	2,127,699,358
<b>Total Assessed Value (1)</b>	<b>\$ 5,481,249,647</b>	<b>\$ 5,751,870,015</b>	<b>\$ 6,082,479,421</b>	<b>\$ 6,890,096,439</b>
Total Direct Tax Rate	\$ 0.5970	\$ 0.5970	\$ 0.5735	\$ 0.5700

Source: Finance Department of the City

(1) All property is assessed at 100% of actual taxable value.

**Fiscal Year**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 7,859,837,721	\$ 8,216,196,368	\$ 9,020,645,524	\$ 9,968,868,020	\$ 11,116,192,843	\$ 12,736,394,737
1,480,412,063	1,538,506,481	1,602,661,786	1,874,656,234	2,616,691,267	2,868,812,713
487,415,136	467,399,020	536,350,374	546,931,611	528,171,661	538,889,564
<u>2,439,354,108</u>	<u>2,381,773,347</u>	<u>2,700,120,584</u>	<u>3,153,907,955</u>	<u>3,831,429,156</u>	<u>4,361,734,538</u>
<u>\$ 7,388,310,812</u>	<u>\$ 7,840,328,522</u>	<u>\$ 8,459,537,100</u>	<u>\$ 9,236,547,910</u>	<u>\$ 10,429,626,615</u>	<u>\$ 11,782,362,476</u>
\$ 0.5650	\$ 0.5638	\$ 0.5486	\$ 0.5150	\$ 0.4655	\$ 0.4155

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# CITY OF LEAGUE CITY, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

Property Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Texas-New Mexico Power Co.	\$ 70,089,090	1	0.59%	\$ 27,467,630	3	0.50%
VL Town Center Associates LLC	65,760,510	2	0.56%	-	-	-
Amalfi & Sorrento Prop LLC	62,441,700	3	0.53%	-	-	-
W Walker Street TX Partners LLC	56,107,100	4	0.48%	-	-	-
Centenial South Shore LP	52,500,000	5	0.45%	-	-	-
CAF Victory Owner LLC	49,758,445	6	0.42%	-	-	-
KV Beacon Lakes Apartments LLC	48,662,700	7	0.41%	-	-	-
TL II Apartments LLC	44,400,500	8	0.38%	-	-	-
HZ Signature Point Dist	41,861,100	9	0.36%	-	-	-
VR South Shore Holdings	38,586,960	10	0.33%	-	-	-
Highbridge at Egret Bay LTD	36,247,700	11	0.31%	-	-	-
TPI LCTC Retail LLC	35,331,260	12	0.30%	-	-	-
VR Fairways Holdings LP	35,048,330	13	0.30%	-	-	-
RLPIII League City LLC	30,833,990	14	0.26%	-	-	-
Ravello-CCTL3 Master LLC & Ravi T	30,500,000	15	0.26%	-	-	-
True Capital Waterford LLC	28,249,800	16	0.24%	-	-	-
LCP MFI Grand Villas LLC	27,431,760	17	0.23%	-	-	-
Marina Riverbend Point LP	27,130,200	18	0.23%	-	-	-
Allerston South Shore LP	27,000,000	19	0.23%	-	-	-
American National Insurance	-	-	-	69,918,164	1	1.28%
Amalfi Tuscan Lake Investors LLC	-	-	-	32,046,870	2	0.58%
Komatsu America Corp	25,865,400	20	0.22%	24,560,440	4	0.45%
Inland America LC Victory Lakes	-	-	-	22,274,830	5	0.41%
Sunstone Broadstone LP	-	-	-	21,000,000	6	0.38%
League City Towne Center LTD	-	-	-	18,891,540	7	0.34%
GS Beacon Lakes LP	-	-	-	17,223,410	8	0.31%
GTE Southwest Inc	-	-	-	16,454,600	9	0.30%
Fairways at South Shore LTD	-	-	-	15,929,310	10	0.29%
Subtotal	833,806,545		7.08%	265,766,794		4.85%
Other Taxpayers	10,948,555,931		92.92%	5,215,482,853		95.15%
<b>Total</b>	<b>\$ 11,782,362,476</b>		<b>100.00%</b>	<b>\$ 5,481,249,647</b>		<b>100.00%</b>

Source: Galveston Central Appraisal District.



# CITY OF LEAGUE CITY, TEXAS

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>	
				<u>Amount Collected</u>	<u>Percentage of Levy</u>
2014	2013	\$ 0.5970	\$ 34,334,632	\$ 34,061,842	99.21%
2015	2014	\$ 0.5970	\$ 35,990,638	\$ 35,742,044	99.31%
2016	2015	\$ 0.5735	\$ 37,134,046	\$ 36,919,979	99.42%
2017	2016	\$ 0.5700	\$ 40,541,899	\$ 40,293,280	99.39%
2018	2017	\$ 0.5650	\$ 43,832,366	\$ 43,549,227	99.35%
2019	2018	\$ 0.5638	\$ 45,024,091	\$ 44,717,496	99.32%
2020	2019	\$ 0.5486	\$ 47,123,923	\$ 46,840,920	99.40%
2021	2020	\$ 0.5150	\$ 48,734,859	\$ 48,333,048	99.18%
2022	2021	\$ 0.4655	\$ 48,747,954	\$ 48,466,300	99.42%
2023	2022	\$ 0.4155	\$ 48,981,547	\$ 48,629,832	99.28%

Source: Finance Department records of the City

<b>Collected in Subsequent Years</b>		<b>Total Collections to Date</b>	
<b>Amount Collected</b>		<b>Amount Collected</b>	<b>Percentage of Levy</b>
\$ 250,322		\$ 34,312,164	99.93%
\$ 218,176		\$ 35,960,220	99.92%
\$ 180,165		\$ 37,100,144	99.91%
\$ 203,541		\$ 40,496,821	99.89%
\$ 230,177		\$ 43,779,404	99.88%
\$ 250,810		\$ 44,968,306	99.88%
\$ 224,651		\$ 47,065,571	99.88%
\$ 329,365		\$ 48,662,413	99.85%
\$ 179,668		\$ 48,645,968	99.79%
\$ -		\$ 48,629,832	99.28%

**CITY OF LEAGUE CITY, TEXAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
<b>Estimated Actual Taxable Value of Property</b>	\$ 5,481,249,647	\$ 5,751,870,015	\$ 6,082,479,421	\$ 6,890,096,439
General obligation bonds	\$ 51,788,709	\$ 66,150,144	\$ 107,960,037	\$ 100,915,237
Certificates of obligation	135,001,453	144,225,152	136,842,427	149,318,083
Less: amounts available in debt service fund	2,861,859	4,114,446	4,695,215	5,000,017
<b>Total</b>	<u>\$ 183,928,303</u>	<u>\$ 206,260,850</u>	<u>\$ 240,107,249</u>	<u>\$ 245,233,303</u>
<b>Percentage of Estimated Actual Taxable Value of Property</b>	3.36%	3.59%	3.95%	3.56%
<b>Population</b>	92,714	96,209	100,053	102,635
<b>Per Capita</b>	\$ 1,984	\$ 2,144	\$ 2,400	\$ 2,389

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<b>Fiscal Year</b>					
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 7,388,310,812	\$ 7,840,328,522	\$ 8,459,537,100	\$ 9,236,547,910	\$ 10,429,626,615	\$ 11,782,362,476
\$ 92,725,999	\$ 85,317,999	\$ 145,453,789	\$ 193,585,879	\$ 204,373,432	\$ 208,388,671
141,962,623	145,940,878	126,546,910	94,413,127	61,489,181	57,611,673
5,237,130	5,061,338	4,179,128	3,744,281	3,116,891	5,220,306
<u>\$ 229,451,492</u>	<u>\$ 226,197,539</u>	<u>\$ 267,821,571</u>	<u>\$ 284,254,725</u>	<u>\$ 262,745,722</u>	<u>\$ 260,780,038</u>
3.11%	2.89%	3.17%	3.08%	2.52%	2.21%
104,857	106,803	109,087	110,467	116,834	118,740
\$ 2,188	\$ 2,118	\$ 2,455	\$ 2,573	\$ 2,249	\$ 2,196

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**CITY OF LEAGUE CITY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2023

Government Unit	Debt Outstanding	Estimated Percentage Overlapping*	Amount Applicable to Primary Government
Bay Colony West Mun. Utility District	\$ 24,185,000	100.00%	\$ 24,185,000
Clear Creek Independent School District	\$ 936,052,355	35.79%	335,013,138
College of the Mainland	\$ 150,260,000	11.26%	16,919,276
Dickinson Independent School District	\$ 466,390,000	29.40%	137,118,660
Galveston Co Management District No. 1	\$ 3,045,000	100.00%	3,045,000
Galveston Co. Mun. Utility District No. 6	\$ 4,086,351	100.00%	4,086,351
Galveston Co. Mun. Utility District No. 14	\$ 2,903,653	100.00%	2,903,653
Galveston Co. Mun. Utility District No. 15	\$ 15,141,728	100.00%	15,141,728
Galveston Co. Mun. Utility District No. 39	\$ 24,190,187	100.00%	24,190,187
Galveston Co. Mun. Utility District No. 43	\$ 25,970,387	100.00%	25,970,387
Galveston Co. Mun. Utility District No. 44	\$ 47,707,720	100.00%	47,707,720
Galveston Co. Mun. Utility District No. 45	\$ 33,135,000	100.00%	33,135,000
Galveston Co. Mun. Utility District No. 46	\$ 174,315,041	25.84%	45,043,007
Galveston County	\$ 7,165,000	2.20%	157,630
Galveston County WC&ID	\$ 17,545,402	0%**	-
Harris County	\$ 1,863,876,319	0.04%	745,551
Harris County Department of Education	\$ 13,865,000	0.04%	5,546
Harris County Flood Control District	\$ 991,095,000	0.04%	396,438
Harris County Hospital District	\$ 70,970,000	0.04%	28,388
Port of Houston Authority	\$ 402,048,397	0.04%	160,819
Santa Fe Independent School District	\$ 70,266,073	1.32%	927,512
South Shore Harbour Mun. Utility District No. 7	\$ 11,689,277	100.00%	11,689,277
Westwood Management District	\$ 20,875,000	100.00%	20,875,000
Subtotal, overlapping debt			749,445,267
<b>City Direct Debt</b>		100.00%	159,000,633
<b>Total Direct and Overlapping Debt</b>			<b>\$ 908,445,900</b>
<b>Population</b>			118,740
<b>Overlapping Debt Per Capita</b>			\$ 6,312
<b>Direct and Overlapping Debt Per Capita</b>			\$ 7,651

Source: Texas Municipal Advisory Council.

\* The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value within the taxing jurisdiction by the certified taxable value of the taxing jurisdiction.

\*\* Less than 0.01%

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that when considering the City's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every City taxpayer is responsible for repaying the debt of any particular overlapping government.

# CITY OF LEAGUE CITY, TEXAS

## LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Debt limit*	\$ 548,124,965	\$ 575,187,002	\$ 608,247,942	\$ 689,009,644
Total net debt applicable to limit	<u>108,907,175</u>	<u>100,137,649</u>	<u>99,787,816</u>	<u>100,407,970</u>
<b>Legal Debt Margin</b>	<u><u>\$ 439,217,790</u></u>	<u><u>\$ 475,049,353</u></u>	<u><u>\$ 508,460,126</u></u>	<u><u>\$ 588,601,674</u></u>
Total net debt applicable to the limit as a percentage of debt limit	19.87%	17.41%	16.41%	14.57%
<b>Legal Debt Margin Calculation</b>				
Assessed value	\$ 5,481,249,647	\$ 5,751,870,015	\$ 6,082,479,421	\$ 6,890,096,439
Debt limit (10% of assessed value)	\$ 548,124,965	\$ 575,187,002	\$ 608,247,942	\$ 689,009,644
Debt applicable to limit:				
General obligation bonds	34,624,033	31,902,095	42,633,031	38,457,987
Certificates of obligation	77,145,000	72,350,000	61,850,000	66,950,000
Less: amount set aside for repayment of general obligation debt	<u>(2,861,858)</u>	<u>(4,114,446)</u>	<u>(4,695,215)</u>	<u>(5,000,017)</u>
Total net debt applicable to limit	<u>108,907,175</u>	<u>100,137,649</u>	<u>99,787,816</u>	<u>100,407,970</u>
<b>Legal Debt Margin</b>	<u><u>\$ 439,217,790</u></u>	<u><u>\$ 475,049,353</u></u>	<u><u>\$ 508,460,126</u></u>	<u><u>\$ 588,601,674</u></u>

\* There is no debt limit established by law; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt. The Attorney General of the State of Texas will not approve more than \$1.00 of the tax rate for debt service. The City's maximum legal tax rate is \$2.50 per \$100 valuation assessed at 100% of the market value. Ten percent (10%) of the assessed value has been applied as a "rule of thumb" procedure.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 738,831,081	\$ 784,032,852	\$ 845,953,710	\$ 923,654,791	\$ 1,042,962,662	\$ 1,178,236,248
91,399,831	94,427,634	130,510,872	140,216,031	130,689,110	138,036,264
<u>\$ 647,431,250</u>	<u>\$ 689,605,218</u>	<u>\$ 715,442,838</u>	<u>\$ 783,438,760</u>	<u>\$ 912,273,551</u>	<u>\$ 1,040,199,984</u>
12.37%	12.04%	15.43%	15.18%	12.53%	11.72%
\$ 7,388,310,812	\$ 7,840,328,522	\$ 8,459,537,100	\$ 9,236,547,910	\$ 10,429,626,615	\$ 11,782,362,476
\$ 738,831,081	\$ 784,032,852	\$ 845,953,710	\$ 923,654,791	\$ 1,042,962,662	\$ 1,178,236,248
34,501,961	30,983,971	82,225,000	117,385,312	108,891,001	120,031,570
62,135,000	68,505,000	52,465,000	26,575,000	24,915,000	23,225,000
(5,237,130)	(5,061,338)	(4,179,128)	(3,744,281)	(3,116,891)	(5,220,306)
91,399,831	94,427,634	130,510,872	140,216,031	130,689,110	138,036,264
<u>\$ 647,431,250</u>	<u>\$ 689,605,218</u>	<u>\$ 715,442,838</u>	<u>\$ 783,438,760</u>	<u>\$ 912,273,551</u>	<u>\$ 1,040,199,984</u>



# CITY OF LEAGUE CITY, TEXAS

## PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
<b>Gross revenues (1)</b>	\$ 29,350,223	\$ 29,371,192	\$ 34,160,892	\$ 36,354,740
<b>Operating expenses (2)</b>	18,591,097	19,391,615	20,511,890	21,174,243
<b>Net Revenues Available for Debt Service</b>	\$ 10,759,126	\$ 9,979,577	\$ 13,649,002	\$ 15,180,497
<b>Debt Service Requirements (3)</b>				
Principal	\$ 4,980,000	\$ 4,065,000	\$ 3,715,000	\$ 2,125,000
Interest	3,069,764	2,079,658	598,413	492,100
<b>Total</b>	\$ 8,049,764	\$ 6,144,658	\$ 4,313,413	\$ 2,617,100
<b>Coverage</b>	1.34	1.62	3.16	5.80

(1) Gross revenues, as defined in the revenue bond ordinances, include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.

(2) Total operating expenses, as defined in the revenue bond ordinances, do not include amortization, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service payments for the following fiscal year.

\* Revenue bonds were defeased in fiscal year 2020 with General Obligation Refunding Bonds, Series 2019.

<b>Fiscal Year</b>					
<b>2018</b>	<b>2019</b>	<b>2020*</b>	<b>2021*</b>	<b>2022*</b>	<b>2023*</b>
\$ 38,388,126	\$ 36,612,022	\$ -	\$ -	\$ -	\$ -
<u>22,481,961</u>	<u>22,355,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ 15,906,165</u></u>	<u><u>\$ 14,256,527</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 2,155,000	\$ 620,000	\$ -	\$ -	\$ -	\$ -
412,925	361,244	-	-	-	-
<u>\$ 2,567,925</u>	<u>\$ 981,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
6.19	14.53	-	-	-	-

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# CITY OF LEAGUE CITY, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sept. 30	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	Public School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>	Education Level in Years of Formal Schooling <sup>(5)</sup>
2014	92,714	\$ 3,557,375	\$ 37,250	35.5	19,076	4.2%	43%
2015	96,209	\$ 3,545,975	\$ 36,857	35.7	19,739	3.6%	45%
2016	100,053	\$ 3,894,163	\$ 38,921	35.8	20,190	3.9%	43%
2017	102,635	\$ 4,200,132	\$ 40,923	35.9	20,567	4.1%	45%
2018	104,857	\$ 4,326,819	\$ 41,264	36.1	20,616	3.6%	44%
2019	106,803	\$ 4,595,199	\$ 43,025	36.2	20,126	3.1%	46%
2020	109,087	\$ 4,788,265	\$ 43,894	36.3	19,376	6.9%	46%
2021	110,467	\$ 4,966,486	\$ 44,959	36.5	19,530	4.7%	48%
2022	116,834	\$ 5,971,619	\$ 51,112	36.5	19,391	3.6%	50%
2023	118,740	\$ 6,048,972	\$ 50,943	36.8	19,507	3.6%	52%

Data sources:

- (1) City of League City Planning Department
- (2) ESRI
- (3) Clear Creek Independent School District (Estimate based on FY23-24 Budget)
- (4) Texas Workforce Commission
- (5) Percentage of population with Bachelor's degree or higher - ESRI

Note: Personal income is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the end of the school year.

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# CITY OF LEAGUE CITY, TEXAS

## *PRINCIPAL EMPLOYERS*

Current Year and Ten Years Ago

Employer	2023			2014	
	Employees <sup>(1)</sup>	Percentage of Total Employment <sup>(2)</sup>	Rank	Employees	Rank
Clear Creek Independent School District	5,183	8.80%	1	5,788	1
UTMB	874	1.48%	2	-	-
City of League City	675	1.15%	3	560	4
American National Insurance	627	1.06%	4	733	2
H.E.B.	496	0.84%	5	623	3
Walmart	395	0.67%	6	311	6
INEOS USA	373	0.63%	7	250	7
Kroger	363	0.62%	8	374	5
MD Anderson	300	0.51%	9	-	-
Devereaux Texas Treatment Network	135	0.23%	10	213	8
Harborview Care Center	-	-	-	145	9
Home Depot	-	-	-	140	10
	9,421	15.99%		9,137	

(1) Source: Human Resource Department of each company

(2) Percentage of total employment is based on total City employment of 58,904 for 2023.

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**CITY OF LEAGUE CITY, TEXAS**  
***FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION***  
**Last Ten Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
General government	76.00	79.00	80.50	83.67	78.62	82.62	122.00	96.25	97.75	97.75
Public safety	221.00	223.00	223.00	225.33	230.38	232.38	239.00	241.25	246.25	258.25
Public works	93.50	95.00	97.00	98.00	99.00	104.00	76.00	111.80	111.30	112.80
Community service	80.75	84.75	88.75	89.75	93.00	97.50	107.50	106.50	108.00	112.50
<b>Business-Type Activities:</b>										
Utilities	88.50	87.50	87.50	85.50	86.50	85.50	88.50	90.20	93.70	93.70
 <b>Total City Positions</b>	<u>559.75</u>	<u>569.25</u>	<u>576.75</u>	<u>582.25</u>	<u>587.50</u>	<u>602.00</u>	<u>633.00</u>	<u>646.00</u>	<u>657.00</u>	<u>675.00</u>

Source: City Finance Department



# CITY OF LEAGUE CITY, TEXAS

## OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
<b>City of League City</b>				
Population	92,714	96,209	100,053	102,635
Square miles	53	53	53	53
Budgeted full-time employees	560	569	577	582
<b>Function</b>				
<b>Police</b>				
Arrests	4,649	4,322	4,526	3,868
Calls for service	38,948	40,404	41,863	40,925
<b>Municipal court</b>				
Traffic violations	13,815	13,459	11,621	10,570
Nontraffic violations	2,137	2,315	2,383	1,990
<b>Fire/EMS Calls*</b>				
Calls answered	1,237	1,159	1,115	1,787
Inspections	2,438	1,939	1,759	1,944
<b>Parks and recreation</b>				
Recreation programs	\$ 471,399	\$ 509,213	\$ 647,066	\$ 629,303
Field and facility rentals	\$ 144,200	\$ 205,847	\$ 201,737	\$ 189,688
<b>Community development</b>				
Residential building permits issued	956	1,120	842	830
Residential building permits issued value	\$ 188,426,865	\$ 226,702,873	\$ 177,135,746	\$ 217,625,591
Commercial building permits issued	31	50	41	32
Commercial building permits issued value	\$ 93,709,677	\$ 115,534,099	\$ 31,860,865	\$ 45,303,061
<b>Water</b>				
Average daily gallons pumped-combined water (millions of gallons)	10.62	9.58	10.91	11.32
Average daily gallons pumped-surface water (millions of gallons)	10.59	9.62	10.44	11.25
Average daily gallons pumped-well water (millions of gallons)	0.03	0.02	0.00	0.08
Number of connections	30,327	31,428	32,459	33,310
<b>Wastewater</b>				
Average daily effluent treated (millions of gallons)	8.50	8.20	8.89	9.02
Number of connections	27,992	28,968	30,042	31,041

Source: Various City departments

\* Started including EMS Calls in FY2022

Fiscal Year					
2018	2019	2020	2021	2022	2023
104,857	106,803	109,087	110,467	116,834	118,740
53	53	53	53	53	53
602	633	633	646	657	675
3,900	3,630	2,390	2,493	2,645	2,918
37,358	38,025	29,615	43,815	48,198	29,322
10,893	8,884	5,270	5,270	6,499	9,301
1,809	2,243	1,477	1,477	1,598	1,550
1,672	1,724	1,777	2,021	9,231	9,328
2,969	3,006	2,149	2,509	2,142	2,868
\$ 699,536	\$ 718,000	\$ 315,999	\$ 525,403	\$ 730,310	\$ 820,389
\$ 160,164	\$ 146,483	\$ 39,051	\$ 88,441	\$ 150,245	\$ 160,308
699	750	592	386	333	578
\$ 186,977,407	\$ 188,351,992	\$ 150,960,673	\$ 115,297,345	\$ 92,361,529	\$ 134,906,545
18	14	12	3	17	19
\$ 69,142,896	\$ 16,940,660	\$ 43,625,306	\$ 36,453,000	\$ 25,282,375	\$ 19,569,699
12.03	11.12	11.66	11.16	12.32	12.38
12.03	11.12	11.66	11.12	12.22	12.28
0.01	0.01	0.00	0.04	0.10	0.10
34,102	34,617	35,611	36,074	36,514	36,878
9.25	8.84	9.98	9.48	8.66	8.40
31,878	32,639	33,843	35,413	34,713	35,437

# CITY OF LEAGUE CITY, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2014	2015	2016	2017
General government				
Municipal buildings	37	37	38	38
City vehicles	316	314	319	325
Public safety				
Police protection				
Stations	1	1	1	1
Fire protection				
Stations/drill field	6	6	6	7
Fire apparatus	26	27	27	27
Public works				
Streets (lane miles)	381	392	400	405
Community services				
Parks	15	15	15	15
Ball fields	37	37	37	37
Swimming pools	1	2	2	2
Pavilions	8	9	9	9
Park acreage developed	409	409	409	409
Water				
Water wells	7	8	8	8
Ground/elevated storage tanks	18	21	20	21
Water mains (miles)	451	474	479	484
Fire hydrants	3,818	3,985	4,243	4,109
Wastewater				
Wastewater treatment plants	3	3	3	2
Sanitary sewers (miles)	350	369	374	382
Sewer manholes	8,475	9,048	9,183	9,427

Source: Various City departments

Fiscal Year						
2018	2019	2020	2021	2022	2023	
39	39	37	37	37	37	37
344	354	360	359	375	368	
1	1	1	1	1	1	1
7	7	7	7	7	7	7
27	27	31	31	31	31	31
414	425	430	430	436	443	
15	15	15	15	16	16	
37	37	37	37	37	37	37
2	2	2	2	2	2	2
9	9	9	9	12	12	12
409	409	603	603	631	631	
9	9	9	9	8	8	
21	21	21	21	21	21	21
494	501	523	532	544	544	
4,348	4,441	4,855	4,992	4,880	5,167	
2	2	2	2	2	2	
391	396	400	404	415	427	
9,798	9,982	10,056	10,139	10,420	10,737	

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