



FISCAL YEAR 2024

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2024



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

CITY OF LEAGUE CITY, TEXAS

**For the Year Ended
September 30, 2024**

**Prepared by:
Finance Department**

**Kimberly Corell
Director of Finance**



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Introductory Section

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March 5, 2025

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, 2024, 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 government’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 Weaver and Tidwell, LLP, 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, 2024, 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, 2024, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

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designed to complement 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; 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. 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.

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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, and League City’s population is currently estimated at 123,910 as of January 1, 2025. 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 2024, 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 2016-2024, an annual average of 650 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, 578 in 2023, and 1,032 in 2024. An additional 9,000 homes are expected to be built in Western League City in the upcoming years.

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***

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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 Science

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 has interest in opening a two-story, 33,000-square-foot clinic on the west side of League City in the future.

Houston Methodist opened its new 10,000-square foot emergency care center in May 2023.

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Houston Spaceport and the Space Economy

League City enjoys close 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 both the Texas Space Commission (TSC) and the Texas Aerospace Research and Space Economy Consortium (TARSEC). The TSC will work to strengthen Texas' proven leadership in civil, commercial, and military aerospace activity by promoting innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the Texas economy. TARSEC 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, astronautics, 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 \$200 million to create and construct the Texas A&M University Space Institute next to Houston's NASA Johnson Space Center, plus an additional \$150 million to support the commission, fund research, and provide grants to grow and expand the Texas aerospace economy.

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The Texas A&M University (TAMU) Space Institute celebrated the groundbreaking of a \$200 million facility on November 15th, 2024. Next to the Johnson Space Center, this facility 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 TAMU 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) started construction in October 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 to be completed until October 2025, 156 students enrolled in the program in the fall 2023 semester.

Hobby Airport's \$470 million expansion of their West Concourse began in 2024. This project 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. Project completion is estimated for the summer of 2027. 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.

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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.

San Jacinto College (SJC) added two bachelor’s degrees to its curriculum in 2024: a Bachelor of Applied Science in Early Childhood Education, which has earned accreditation from the National Association for the Education of Young Children, and a Bachelor of Applied Technology in Cybersecurity, which has earned accreditation from the Southern Association of Colleges and Schools Commission on Colleges. These new degrees were developed in response to the statewide teacher shortage and the increasing growth of professional cybersecurity opportunities. Other new courses at San Jacinto College also 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). SJC was also awarded the Silver 2024 Veteran Excellence Recognition Award by the Texas Veterans Commission due to its efforts to provide accessible education opportunities for student veterans as well as the children of veterans. SJC continues to address workforce needs in the community with programs like their new partnership with Solugen, an industrial biomanufacturer, in which a cohort of students takes a week-long course on “Foundations of Biotechnology” to encourage more students to pursue the career. In 2023, the Aspen Institute recognized San Jacinto College, an honor that follows the College’s recognition as an Aspen Prize Finalist with Distinction in 2021.

College of the Mainland (COM) broke ground In November 2024 on two buildings from its May 2023 \$250 million bond package that was approved by voters. This bond package will 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 launched two new programs in Fall 2024: Culinary Arts, where students can earn a comprehensive Culinary Professional Cook Certificate and Associate of Applied Science, and an Associate Degree in Dental Hygiene. 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.

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K-12 Education

The City cultivates an integral partnership with nationally regarded Clear Creek ISD, which Niche.com recognized in 2025 as the 5th Best School District in the Houston Area and 29th Best School District in Texas. In 2024, the National Merit Scholarship Corporation announced 16 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 66th Most Diverse District in Texas in 2025, 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, The Ballpark at League City, 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 Galveston, Houston, and Henderson Railroad building, and the Soulfreak Railroad Café is the visitor center's main tenant.

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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 2023-2024, the City has been in discussions with a new, private development company to investigate the development opportunity for a large HB 2445 Project, and a new market, economic, and financial feasibility study was completed this past fall.

Recent Development

In 2024, the City issued permits for the construction of 1,032 new homes, welcomed 73 new businesses to the community, received \$55 million in new commercial investment, and collected 7.65% more in Sales Tax Revenue as compared to 2023.

In 2024, the City was named the #8 Best Place to Live in Texas by Consumer Affairs, the #4 Safest and Most Affordable US City to Live In by GOBankingRates and was recognized by the ETC Institute as being in the Top 10% Overall & Amongst All Large Cities in the USA. 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 Safety 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 four-story, \$58 million, Class A, 254-unit multi-family complex that opened in March 2022. 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, which opened in December 2023, 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.

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The Domain at Ballpark by CityStreet Residential Partners is a Class A multi-family project of approximately \$50 million that received final approval in March 2021 from the City Council to rezone property in Pinnacle Park. The project, which was delayed for a few years because of rising interest rate and construction prices, is again being considered for development. 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 was completed in July 2023 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 is anchored by Bass Pro Shops (formerly Cabela's) and hosts retailers such as Red Wing Shoes, Nothing Bundt Cakes, Fuji Ramen & Bar, Salata, Kabuki Japanese Grill & Sushi Bar, Black Bear Diner, Toasted Yolk, 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 approved to begin construction in 2025.

New retail and restaurant businesses that recently opened in the City include Black Rock Coffee Bar, Patterson Art Studio, Tokyco Bao, Kingz Throne Barbershop, Bubbles & Barks Pet Grooming Boutique, The Craft Factory, The Empanada Bar, No Gi Brazilian Jiu Jitsu, Pauline's Donuts, Golf Carts of Cypress League City, DAISO, Retreats new Orleans Style Daiquiris & Eats, Hibbett Sports, Good Vibes Coastal Cantina, Dutch Bros Coffee, Dayba Creations, PJ's Coffee, Attuned School of Music, and Boba Mama. New businesses that are planning to open soon include Tim Horton's, Chipotle, Bojangles, Salon Naturale, VW Car Dealership, Parlor Doughnut and Coffee Shop, Barcenas Mexican Grill, AMOCO Credit Union, HB Mexican Kitchen, JJ's Resale Shop, Jetset Modern Pilates, and others.

New Initiatives to Support Robust Economic Growth

About a year ago, the City of League City started working on the "Western League City Regional Master Plan", to prepare for future development along the future Grand Parkway, the 3rd loop around the Greater Houston Region, which will include 5,000 acres of undeveloped land in the southwestern quadrant of League City. After publishing a Request for Proposals, reviewing and interviewing numerous consultant teams, City Staff selected a team of consultants best qualified to assist the City/Community of League City in creating a plan that will be realistic, given the high proportion of land that must be reserved for drainage/detention, sensitive to the needs and desires of stakeholders – citizens, developers, investors, and landowners – regarding the future uses and development, or preservation, of land, and supportive of the City Council's objective to balance future development and the needs of stakeholders with the financial needs of League City in perpetuity. The plan is on schedule to be presented to the City Council in April 2025 for adoption and implementation.

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In July 2024, the City Council approved League City’s new Development Services Strategic Plan. At the beginning of the year, citizens, contractors, tradespeople, builders, developers, engineers, commercial and residential real estate professionals, and other stakeholders accepted an invitation to participate in the City’s first customer-based strategic planning initiative. The Plan contains strategic directives and initiatives that represents the city’s efforts to improve the development process and to elevate the quality of life of our citizens. As a result of the plan, five strategic directives were identified: (1) the need to create and support a stronger Culture of Caring, (2) the need for enhanced Communication and Inclusion, (3) the ongoing opportunity to continually scrutinize, streamline, and improve our Processes, Policies, and Practices, (4) the need to Empower City Employees to Excellence, and (5) the need to communicate our enthusiasm to Encourage Investment, Growth, and Development. Strategic Initiatives and Expected Outcomes were subsequently developed to address each Strategic Directive. As a result of this initiative, developers and stakeholders have expressed a greater sense of satisfaction with our Development Services Department’s quality of services.

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 in the last several years to 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, restrict the development of multi-family projects to only “wrap-around”, as opposed to “garden style”, products, 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 in 2025.

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 with a 45-minute drivetime of the City: Aerospace, Medical/Life Sciences, Energy/Petrochemical, Professional Services, and Global Logistics.

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In order to promote opportunities for economic development in League City, Texas and attract fast-growing, high technology companies from our 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 FY2025-2029 was presented to Council in June 2024. 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 FY2025-2029 released in July 2024. The CIP includes priority projects that support the City's goals as identified in the Strategic Plan including those approved in the May 2019 GO Bond election.

The City's FY2025 Budget was developed and built upon the Strategic Action Plan. The final adopted budget included a property tax rate of \$0.369 per \$100 of taxable value, with \$0.3095 for maintenance and operations and \$0.0595 for interest and sinking fund. This is a \$0.026 reduction from the FY2024 tax rate.

Kimberly Corell
Director of Finance

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The City took over operations of The Ballpark at League City, formally known as Big League Dreams, in February 2024. City staff worked diligently to get the facility in excellent condition and, in doing so, expanded the versatility of the venue beyond just sporting events. The 35-acre facility is fast becoming a premier athletic and event venue in League City. During the transition the City added thirty-eight and a half (38.5) full-time-equivalent (FTE) positions to directly manage operations and concessions. These positions were in addition to the (12) full-time-equivalent (FTE) positions adopted in the FY2024 Budget.

During FY2024, 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, performance, and a status of capital projects included in the FY2024 Capital Budget. The monitoring reports will continue in FY2025.

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, 2024, 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.

Kimberly Corell
Director of Finance

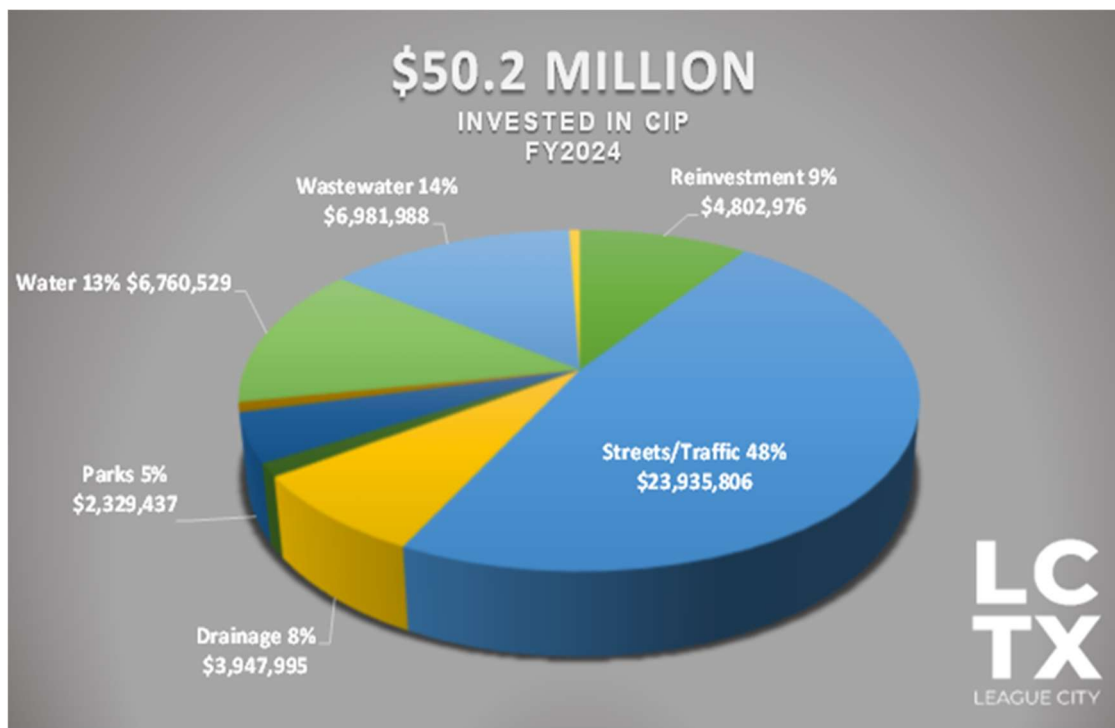
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Major Initiatives for the Year

In FY2024, \$50.2 million was invested in drainage, water, roadway, facility, park, and sewer improvement projects. The large dollar amount invested in fiscal year 2024 is from utility relocation and land acquisition for North Landing Extension, completed construction of the 36-inch Waterline from South Highway 3 to South Shore Harbor Booster Station, construction of Walker Street Corridor Upgrades, and the expansion of the Southwest Water Reclamation Facility (SWWRF). Total investment of these four projects in fiscal year 2024 was \$29 million: 57% of the year's total investment.



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Annual Overview:

- Invested \$50.2 million in capital improvements projects—including traffic, drainage, facilities, parks, water, and wastewater.
- Reinvested \$4.5 million in asphalt, concrete panel repairs, street rehab, and TxDOT medians.
- Completed over \$3.9 million in drainage related improvements—many involving the expansion or creation of detention ponds—in various neighborhoods across the city including Bay Ridge, Oaks of Clear Creek, and The Meadows.
- Invested \$23.9 million in design, land acquisition, and utility relocation on various street projects, including North Landing Extension, which is part of the 2019 General Obligation Bond Proposition B (Streets).
- \$6.8 million invested in our water systems with the substantial completion of the 36-inch waterline and waterline replacements.
- 48% of the \$6.9 million invested in wastewater is for the expansion of the SWWRF.

Reinvestment Program

Continued cash funding for the annual Reinvestment Program, used to update and improve aging assets, is also included in the budget. The adopted transfer amount in fiscal year 2024 was \$5 million but was reduced by \$1.2 million to be used for Hurricane Beryl expenses. The Reinvestment Fund anticipates a 75% reimbursement (\$900,000) for Beryl expenses to be used towards projects budgeted for, but delayed, in the FY2024 CIP.

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 and available funding. Moving forward, projects will be comprehensively evaluated and prioritized based on the 2021 Pavement Management Programs 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 annual asphalt overlay project is comprised of; (1) construction of a package designed the prior year, and (2) the design of a new package allowing 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 construction dollars allotted to the program.

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In summer 2024, the notice to proceed (NTP) was issued for construction of Package 7 (N. Illinois, Lakeside Drive, Valmar Block, Bluebonnet Street, Oak Road, Mockingbird Lane, and part of West Drive in the base bid.) Construction will continue through FY2025 with the design of Package 8 anticipated to be awarded in January 2025.

In fiscal year 2024 the City received funding from the Community Development Block Grant (CDBG Grant) to fill in incomplete sections of sidewalks along Main Street including the northside of FM518 from IH-45 to FM270, completing a safe route for pedestrians. Phase 1 of this project was completed in August of 2024 with construction for the second phase anticipated to be bid early 2025.

Street Production Numbers for 2024:

- 3,544 linear feet of street panel replacements installed (.67 lane miles)
- 1.8 lane miles of asphalt streets were repaved
- 168 linear feet of curbs replaced
- 22,450 linear feet of sidewalks repaired or 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 major TxDOT corridors within League City. The City is responsible for the cost of design, irrigation, and signage. The first phase of the project was bid by TxDOT with anticipated completion of the improvements on FM518, FM2094, FM96, and a section of FM646 in early 2025. Phase two, which consists of improvements to the IH-45 corridor and detention, will be bid by TxDOT in FY2025 and is estimated to cost \$2.9 million. TxDOT's construction improvement benefit is currently valued at \$5.15 million for both phases.

After the completion of the roundabout north to League City Parkway, a separate project was introduced in the CIP to widen and improve the remainder of Turner (west of the roundabout) and the remainder of Butler (south of the roundabout). Design is complete with construction anticipated early 2025. The current budget for this project is \$7.3 million.

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The Extension of Hobbs Road to FM517 is approximately 2,100 feet and will realign Cemetery Road with Hobbs Road. and fall within League City's jurisdiction. The existing span-wire signal will be modified to a 4-way intersection, but the ultimate mast-arm signal will be installed at a later date as part of the TxDOT's FM517 widening project. Though the design of Hobbs Road will include all 4 lanes, the City may only construct the 2-southbound lanes (western portion) at this time and leave the remaining 2-northbound lanes (eastern portion) to be constructed at a later date. However, the intersection improvements at FM517 will include all the 4 lanes and a left-turn lane. The final roadway design of the 2-northbound lanes (eastern portion) from Ervin Street south will allow for future extension of the roadway without having to close the intersection once the extension of the northbound lanes are in use.

The Extension of Hobbs Road to FM517 is currently earmarked to be used as the 10% match for the Regional Strategic Transportation Fund for the North Landing Extension Project providing 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 of North Landing into the Regional Strategic Transportation Fund and to commit to spend 10% of the project cost towards a local transportation project. The estimated construction cost for North Landing Extension in the FY2025 CIP is \$69 million; The Extension of Hobbs is currently estimated at \$6.9 million. Galveston County also agreed to contribute \$2 million towards the Extension of Hobbs Road as of late 2024.

The final design of a 1.7 mile four-lane divided Suburban Boulevard extension of Landing Boulevard is complete. By extending Landing Boulevard over Clear Creek and connecting into IH-45 at the NASA 1 interchange providing much needed relief to the congested area along FM518 just west of IH-45. Land acquisition and utility relocation are currently underway with construction anticipated in late 2026.

Other traffic improvements programmed include rebuilding signals, constructing Walker Street Corridor Upgrades, League City Parkway and Walker Street Intersection Improvements, SH3 and SH96 Intersection Improvements, League City Parkway Right Turn Lane – Calder to Butler, SH3 and FM518 Intersection Improvements. The City continues to fund the Advanced Transportation Management System (ATMS) software, which provides control and monitor 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.

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In August 2017, several neighborhoods experienced flooding as a result of Hurricane Harvey. Drainage studies in these areas have been completed offering solutions to mitigate flooding of these neighborhoods. 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. 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 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 2025, 6 projects have been completed including the City Wide 2D Modeling, Bay Ridge Ph 3, Oaks of Clear Creek Overland Flow, Bradshaw Ditch/Southeast Detention Pond, Dove Meadows Detention Pond and Bay Colony Area Detention Ponds. Currently 3 projects are in construction, 6 projects are in design, and 5 projects have been formally omitted from the bond program due to lack of neighborhood consensus or overall benefit.

Proposition B consists of 10 street, roadway, and mobility improvement projects: (14 individual 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, Grissom Road Reconstruction, Calder Road right turn lane at FM517, and traffic system improvements for League City Parkway at Landing Blvd, Magnolia Lane, and W. Bay Area Blvd are complete.

Both Walker Street Extension and Winfield Road – New I-45 Frontage Road to Hobbs Road were removed from the League City 2019 GO Bond Program by formal Council action. As of January 2025, of the remaining projects, 4 are in design and 3 are currently under construction.

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. The water and wastewater master plans were updated in 2024.

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17,730 linear feet of 36-inch water supply transmission line was installed to provide an alternative connection from the SH 3 Booster Pump Station to the South Shore Harbor Water Storage and Booster Pump Station. The 36-inch waterline will improve water supply to the east side of the City's water system by providing a third crossing of Clear Creek and provide water system supply redundancy. The project was substantially complete in May 2024, with a total construction cost of \$20 million.

The City is partnering with Gulf Coast Water Authority (GCWA) and the City of Houston to replace the 42-inch waterline along SH3 and size it to provide additional water capacity. This line is the City's main "point of take" of water from the Southeast Water Purification Plant (SEWPP). The City issued \$49 million in bonds to pay for the City of Houston's 2024 cash call. The remaining project balance due over the next two years is \$31.3 million. The total project cost as of January 2025 is \$103.93 million. Design of the Southwest Water Reclamation Facility (SWWRF) from 4.0 to 6.0 million gallons per day (MGD) was awarded in August of 2023, for \$6.1 million. This project includes the construction of an additional 2.0 MGD of wastewater treatment capacity at the SWWRF identified in the 2018 Wastewater Master Plan. The project will mirror the process of the existing SWWRF and include an additional aeration basin, blower, wet well expansion, secondary clarifier, UV channel, tertiary disk filter, digester, dewatering unit, peripheral electrical, instrumentation, pumps, odor control, and SCADA upgrades. Construction and construction design phases 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 2024 include: Dallas Salmon Wastewater Treatment Plant (RAS Pumps), SH3 lift station and force main, Glen Cove lift station dry pit/ wet well, Dallas Salmon Wastewater Treatment Plant SCADA Upgrade, and 15" Willow Branch & 18" FM518 gravity line replacement.

Other City Facilities

Construction of the low water crossing at Lynn Gripon Park at Countryside was complete August 2024. This low-water crossing connects Phase 1 and Phase 2 of the mountain bike trail. The crossing also allows the Public Works and Parks Department an access point for continued maintenance of the area east of Magnolia Creek. City personnel alongside the Mountain Bike Association will lay out a course and construct the mountain bike trail, which is the concluding piece of the project.

Since the opening of the Animal Care and Adoption Center, nearby residents requested a solution to the noise made by the animals when utilizing the outdoor kennels and exercise areas. The installation of 10' and 12' precast concrete walls along the sides and back of the facility, along with the installation of 6' high outdoor sound absorption blankets on the fences, have been effective means to temper the noise complaint. The Animal Adoption Center Sound Wall was substantially completed in the summer of 2024.

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In January of 2024, construction commenced to create a facility, in the current warehouse, to accommodate restrooms, showers, lockers, and a changing area for both male and female Public Works crews. The improvements now allow for adequate capacity during emergency events as well as the ability to maintain an appropriate standard of hygiene. Construction of the Public Works Operations Center is substantially complete as of January 2025.

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, 2023. This is the 46th consecutive year that the City has received this prestigious award. In order 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 generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

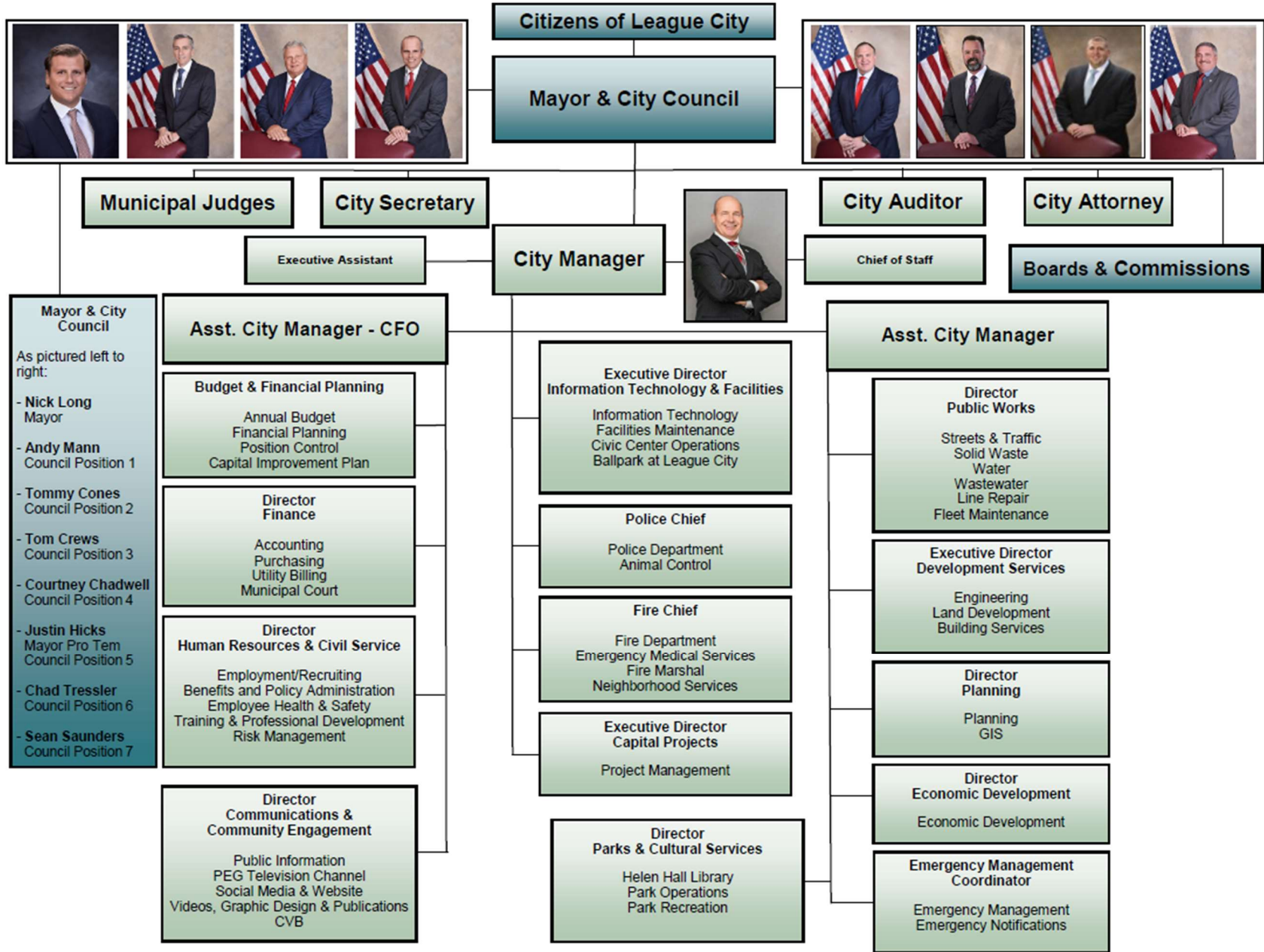
**City of League City
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



City of League City, Texas
List of Elected and Appointed Officials
September 30, 2024

<u>Elected Officials</u>	<u>Position</u>
Nick Long	Mayor
Justin Hicks	Mayor Pro Tem
Andy Mann	Council Member
Tommy Cones	Council Member
Tom Crews	Council Member
Courtney Chadwell	Council Member
Chad Tressler	Council Member
Sean Sanders	Council Member
<u>Appointed Officials</u>	<u>Position</u>
John Baumgartner	City Manager
Rick Davis	Assistant City Manager
Angie Steelman	Assistant City Manager/Chief Financial Officer
Michelle Villareal	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	Executive Director of Information Technology, Facilities, and The Ballpark
Sarah Osborne	Director of Communications and Community Engagement
Christopher Sims	Executive Director of Development Services
Cliff Weitena	Chief of Police
Jeff Allen	Fire Chief
Kris Carpenter	Director of Planning
Jody Hooks	Director of Public Works
Scott Livingston	Executive Director of Economic Development
Ron Bavarian	Executive Director of Capital Projects

Financial Section



Independent Auditor's Report

The Honorable Mayor
and Members of the City Council
City of League City, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, 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 accompanying 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, 2024, 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 (GAAS) 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 Auditor's 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.

Emphasis of Matter

As discussed in Note 1.G. to the basic financial statements, during the year ended September 30, 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. Beginning fund balance has been restated in the governmental fund financial statements as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the 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.

The Honorable Mayor
and Members of the City Council
City of League City, Texas

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.

Auditor's 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 auditor's 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 GAAS 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 GAAS 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.

The Honorable Mayor
and Members of the City Council
City of League City, Texas

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in 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 Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

The Honorable Mayor
and Members of the City Council
City of League City, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2025, 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 solely 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 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.

Weaver and Tidwell, L.L.P.

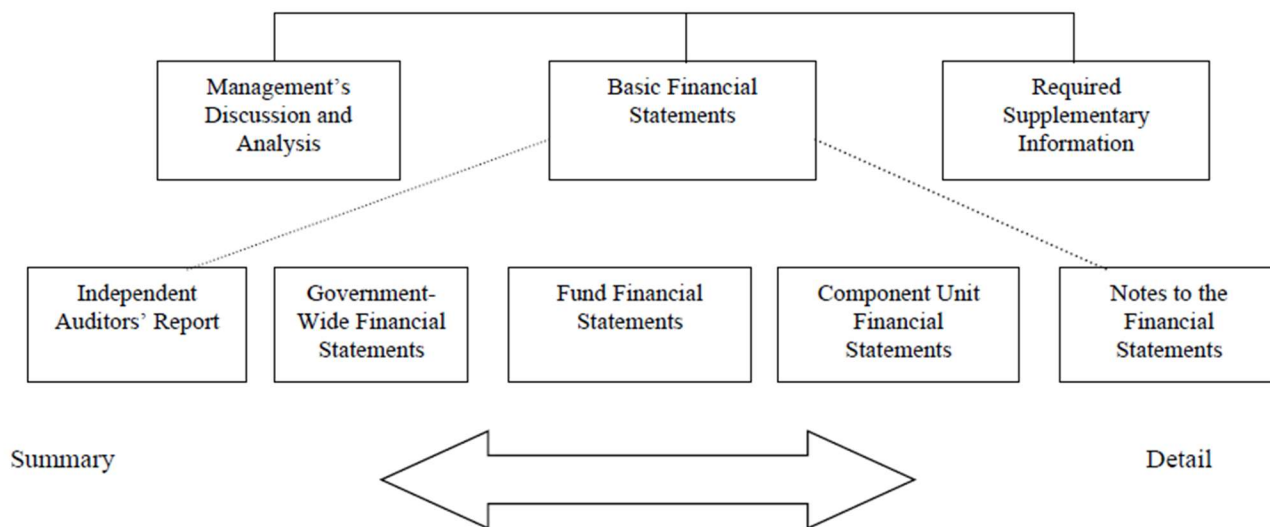
WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
March 5, 2025

Management's Discussion and Analysis (Unaudited)

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, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities and compares current year results with those of the prior year. 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.

Components of the Financial Section



Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred 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.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community services, and interest and fiscal agent fees. The business-type activities of the City include water, wastewater and ballpark operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity (*4B Industrial Development Corporation*) for which the City is financially accountable. Financial information for this *discretely presented component unit* 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. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 60 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, debt service fund and general obligation improvement bonds 2023 fund, which are considered to be major funds for reporting purposes. Data from the other 57 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as noted in the table of contents.

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 1) its water and wastewater system and 2) the League City ballpark operations. The City also uses internal service funds to account for its motor pool services, employee benefit insurance, and capital replacement program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Wastewater Fund, which is considered to be a major fund and the League City Ballpark Fund, which is considered to be a nonmajor fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements as noted in the table of contents.

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.

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.

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

Government-wide Financial Analysis

Statement of Net Position. 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 \$872,729,194 as of September 30, 2024, for the primary government.

The following table reflects the condensed Statement of Net Position:

City of League City, Texas Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 178,466,357	\$ 187,398,841	\$ 59,625,260	\$ 51,054,316	\$ 238,091,617	\$ 238,453,157
Capital assets	542,612,337	506,375,719	475,195,158	420,841,492	1,017,807,495	927,217,211
Total assets	721,078,694	693,774,560	534,820,418	471,895,808	1,255,899,112	1,165,670,368
Deferred outflows	12,934,850	18,537,177	3,100,691	4,111,890	16,035,541	22,649,067
Total deferred outflows of resources	12,934,850	18,537,177	3,100,691	4,111,890	16,035,541	22,649,067
Long-term liabilities outstanding	186,505,580	207,348,825	176,353,100	136,515,429	362,858,680	343,864,254
Other liabilities	15,145,007	18,833,138	9,127,933	1,013,697	24,272,940	19,846,835
Total liabilities	201,650,587	226,181,963	185,481,033	137,529,126	387,131,620	363,711,089
Deferred inflows	8,652,852	8,275,134	3,420,987	3,310,527	12,073,839	11,585,661
Total deferred inflows of resources	8,652,852	8,275,134	3,420,987	3,310,527	12,073,839	11,585,661
Net position:						
Net investment in capital assets	423,802,325	391,465,738	322,412,844	290,660,824	746,215,169	682,126,562
Restricted	23,535,787	29,794,283	4,259,903	-	27,795,690	29,794,283
Unrestricted	76,371,993	56,594,619	22,346,342	44,507,221	98,718,335	101,101,840
Total net position	\$ 523,710,105	\$ 477,854,640	\$ 349,019,089	\$ 335,168,045	\$ 872,729,194	\$ 813,022,685

The largest portion of the City's net position, 86 percent, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, right-to-use assets, 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.

A portion of the primary government's net position, \$27.8 million or 3 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$98.7 million or 11 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

Statement of Activities. The City's total net position increased by \$59.7 million during the current fiscal year. This included an increase of \$45.8 million in governmental activities and an increase of \$13.9 million in business-type activities.

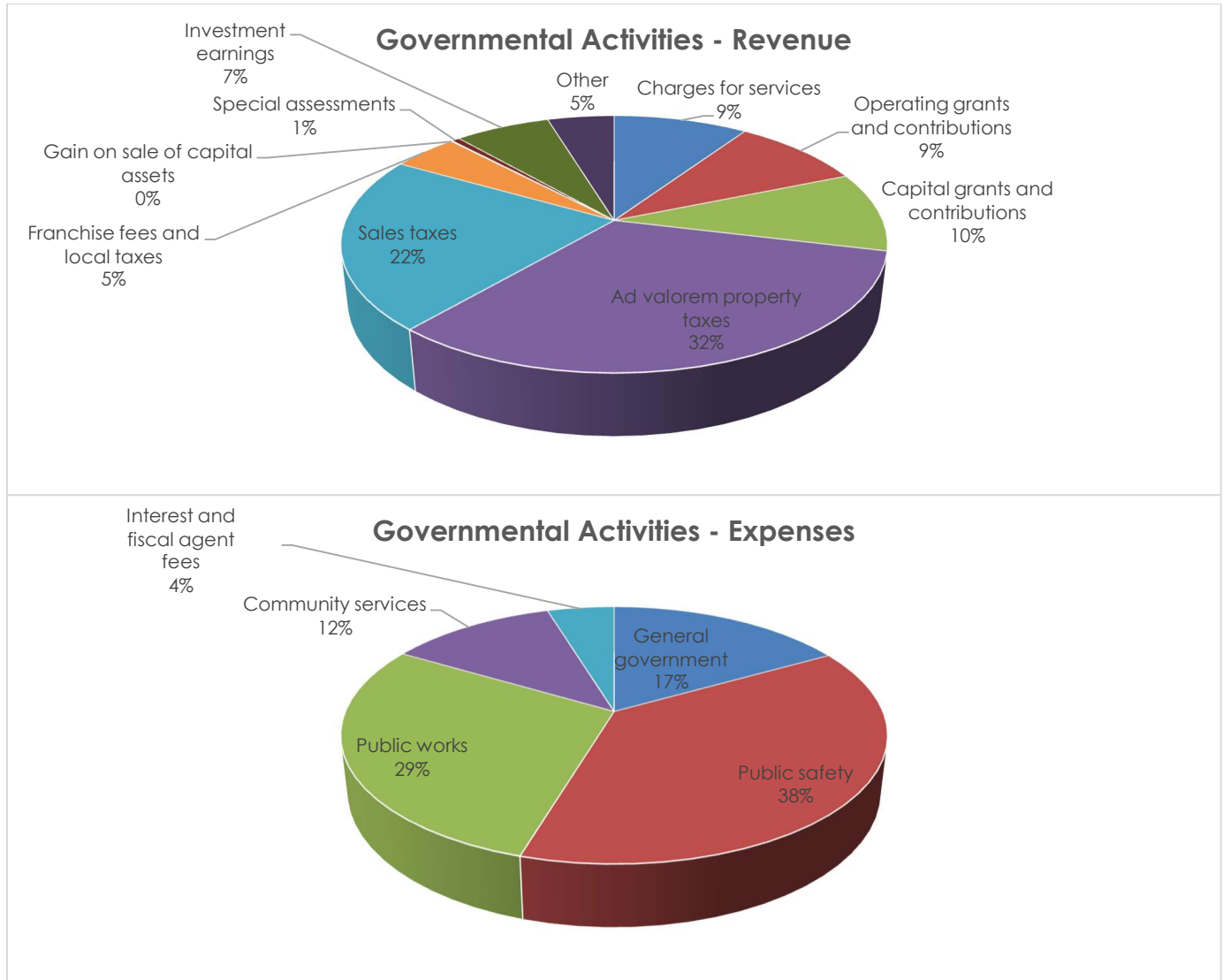
The following table reflects a summary of the City's Statement of Activities:

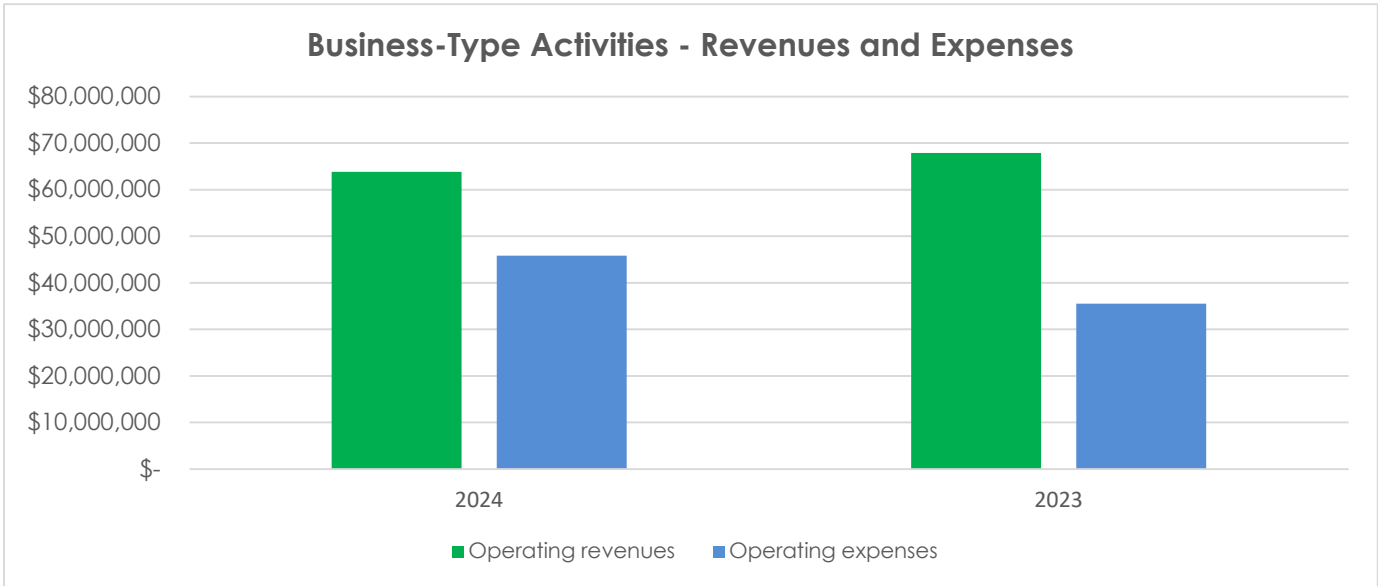
	City of League City, Texas Change in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 14,575,714	\$ 22,161,595	\$ 56,428,362	\$ 51,747,625	\$ 71,004,076	\$ 73,909,220
Operating grants and contributions	14,273,228	7,429,747	-	643,374	14,273,228	8,073,121
Capital grants and contributions	15,404,254	29,491,297	4,060,978	13,678,601	19,465,232	43,169,898
General revenues:						
Ad valorem property taxes	50,037,057	48,617,759	-	-	50,037,057	48,617,759
Sales taxes	33,678,478	31,301,619	-	-	33,678,478	31,301,619
Franchise fees and local taxes	7,138,671	7,208,890	-	-	7,138,671	7,208,890
Gain on sale of capital assets	192,078	174,139	21,447	9,613	213,525	183,752
Special assessments	865,783	1,111,814	-	-	865,783	1,111,814
Investment earnings	10,369,054	5,893,746	3,015,668	1,799,850	13,384,722	7,693,596
Other	7,230,950	3,299,591	286,502	-	7,517,452	3,299,591
Total revenues	153,765,267	156,690,197	63,812,957	67,879,063	217,578,224	224,569,260
Expenses:						
General government	18,853,302	20,974,036	-	-	18,853,302	20,974,036
Public safety	42,377,704	39,360,758	-	-	42,377,704	39,360,758
Public works	32,297,786	31,920,049	-	-	32,297,786	31,920,049
Community services	13,227,912	13,631,802	-	-	13,227,912	13,631,802
Interest and fiscal agent fees	5,289,057	3,730,137	-	-	5,289,057	3,730,137
Water and wastewater	-	-	41,033,122	35,499,769	41,033,122	35,499,769
League City ballpark	-	-	4,792,832	-	4,792,832	-
Total expenses	112,045,761	109,616,782	45,825,954	35,499,769	157,871,715	145,116,551
Change in net position before transfers	41,719,506	47,073,415	17,987,003	32,379,294	59,706,509	79,452,709
Transfers	4,135,959	4,385,959	(4,135,959)	(4,385,959)	-	-
Change in net position	45,855,465	51,459,374	13,851,044	27,993,335	59,706,509	79,452,709
Net position - beginning	477,854,640	426,395,266	335,168,045	307,174,710	813,022,685	733,569,976
Net position - ending	\$ 523,710,105	\$ 477,854,640	\$ 349,019,089	\$ 335,168,045	\$ 872,729,194	\$ 813,022,685

Governmental Activities. Overall, governmental activity revenues decreased by \$3.0 million from the prior year. This net increase can be largely seen in the change in operating and capital 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. Capital grants and contributions decreased due to less capital contribution activity from local developers. Charges for services largely decreased due reclassification of certain revenue streams between grants and contributions. Investment earnings increased due to higher interest rates sustained during the current year and fair value gains. Governmental activities expenses increased by \$2.4 million, or 2 percent, primarily due to increases in payroll-related expenses.

Business-Type Activities. Overall, business-type activity revenues decreased by \$4.1 million from the prior year. This can be attributed primarily to the net effect of a decrease of \$9.6 million in capital grants and contributions and an increase of \$4.7 million in charges for services. Capital grants and contributions decreased due to an less capital contribution activity from local developers. Charges for services increased due to a rise in revenues collected for capital recovery fees, as well as reporting \$2.7 million of first year operating revenue for the League City Ballpark Fund. Business-type activities expenses increased by \$10.3 million or 29 percent. This increase is largely due to 1) \$4.8 million of reporting first year operating expenses for the League City Ballpark Fund, 2) increase in depreciation expense (\$2.6 million) and 3) increase in interest expense (\$0.8 million).

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





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.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$143.3 million, a decrease of \$5.1 million over the prior year. Approximately 23.6% of this total amount, \$33.8 million, is unassigned fund balance, 37.5%, or \$53.8 million, is restricted fund balance, 38.5%, or \$55.1 million, is committed fund balance and less than 1%, or \$0.08 million is assigned fund balance. The remaining fund balance is in nonspendable form and comprises less than 1% of the total.

The General Fund is the chief operating fund of the City. Fund balance in the General Fund increased from the prior year by \$6.1 million, resulting in an ending fund balance of \$34.4 million at year end. The unassigned fund balance of \$33.8 million represents 98.3% of total fund balance and 39.6% of total General Fund expenditures. Total general fund revenues increased \$9.9 million from the prior year, of which property tax revenues increased \$5.4 million and sales tax revenues increased \$2.0 million as a result of strong growth in the local population and tax base. Investment earnings increased \$1.4 million due to investment gains and increased interest rates resulting in favorable interest income. Total general fund expenditures increased \$1.5 million, or 1.8%, due primarily to a \$2.0 million increase in capital outlay.

The Debt Service Fund has a total fund balance of \$5.2 million at year end, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$0.05 million, due primarily to an increase in debt service requirements in the current year.

The General Obligation Improvement Bonds 2023 Fund has a total fund balance of \$5.7 million at year end, all of which is restricted for capital projects. The net decrease of \$15.3 million in the current year is associated with planned capital expenditures on bond related projects.

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.

The Water and Wastewater Fund has a total net position of \$350.0 million at year end, of which \$23.4 million is unrestricted.

The League City Ballpark Fund has a total net position deficit of \$0.9 million at year end, of which \$1.1 million is unrestricted. The deficit is due to its first year of operation. The operations of the fund are intended to be self-sustaining in subsequent periods, and the City will provide operating transfers as deemed necessary.

Other factors concerning the finances of the City's Proprietary Funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The general fund amended budget included a planned decrease in fund balance in the amount of \$1.2 million. Actual fund balance for the year increased by \$6.1 million, a favorable variance of \$7.4 million.

General fund revenues were more than the amended budget by a net \$5.0 million. Ad valorem property taxes, licenses and permits and investment earnings were more than anticipated in the amended budget.

General fund expenditures were less than the amended budget by \$2.4 million. 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 transfers category due to the closing of TIRZ 2, personnel services category savings due to vacancies, services and charges category due property and windstorm insurance cost and workers compensation insurance cost performing under budget. There is also an unrealized expense of \$0.3 million obligated by City Council action for the purchase of Motorola radios that were budgeted in fiscal year 2024 but not received by the end of the fiscal year.

Capital Assets and Long-term Liabilities

Capital Assets. At the end of current fiscal year 2024, the City's governmental activities and business-type activities had invested \$1.0 billion in a variety of capital assets and infrastructure (net of accumulated depreciation and amortization). This represents a net increase of \$101.5 million from the prior year.

**City of League City, Texas Capital Assets
(net of depreciation and amortization)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 24,987,780	\$ 24,940,431	\$ 4,148,769	\$ 3,990,010	\$ 29,136,549	\$ 28,930,441
Construction in progress	68,638,361	51,222,596	31,488,566	57,382,145	100,126,927	108,604,741
Infrastructure	376,939,208	359,982,090	362,148,531	328,677,739	739,087,739	688,659,829
Water rights	-	-	76,680,525	30,392,407	76,680,525	30,392,407
Buildings and improvements	52,726,623	54,816,399	96,206	104,126	52,822,829	54,920,525
Machinery and equipment	19,224,805	15,303,941	632,561	295,065	19,857,366	15,599,006
Right-to-use lease assets	95,560	110,262	-	-	95,560	110,262
Totals	\$ 542,612,337	\$ 506,375,719	\$ 475,195,158	\$ 420,841,492	\$ 1,017,807,495	\$ 927,217,211

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

- Developer contributions of infrastructure in the amount of \$16,391,011
- Bayridge flood reduction for \$1,534,293
- Walker St corridor upgrades for \$1,836,102
- North Landing extension for \$2,016,760
- Waterline from Highway 3 to South Shore Booster Station for \$3,397,180
- Waterline replacement Pecan Forest, Highland Terrace, and Clear Creek Heights for \$1,376,770
- MGD Expansion of Southwest Water Reclamation Facility for \$3,385,745
- Motorola Radios for Public Safety for \$1,279,291

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities. At the end of the current fiscal year, the City reported total long-term liabilities of \$362.9 million. The City had bonds payable of \$294.7 million (\$267.5 million, net of premiums). Of this amount, \$172.1 million was general obligation debt and \$95.4 million represents certificates of obligation. The City's other long-term liabilities include its contractual obligations, leases payable, self-insurance claims payable, compensated absences, and net pension and total other postemployment benefits liabilities.

City of League City, Texas Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Certificates of obligation	\$ 21,485,000	\$ 23,225,000	\$ 73,920,000	\$ 28,270,000	\$ 95,405,000	\$ 51,495,000
General obligation bonds	111,466,603	120,031,570	60,668,397	67,568,430	172,135,000	187,600,000
Unamortized premiums	14,189,532	15,634,639	12,961,585	12,226,753	27,151,117	27,861,392
Contractual obligations	-	-	20,866,714	21,506,034	20,866,714	21,506,034
Leases payable	94,493	109,424	-	-	94,493	109,424
Self insurance claims payable	720,652	696,875	-	-	720,652	696,875
Compensated absences	7,515,796	6,790,020	863,935	755,560	8,379,731	7,545,580
Net pension liability	23,307,342	30,569,913	5,311,693	4,922,237	28,619,035	35,492,150
Total OPEB liability	7,726,162	10,291,384	1,760,776	1,266,415	9,486,938	11,557,799
Total	\$ 186,505,580	\$ 207,348,825	\$ 176,353,100	\$ 136,515,429	\$ 362,858,680	\$ 343,864,254

More detailed information about the City's long-term liabilities is presented in Note 6 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 2024, the City is continuing to see new construction of all types of property and is anticipated at 1,200 new homes in 2025.

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 fifteenth 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 2025 adopted budget projected sales tax revenue at six percent over fiscal year 2024 year-end estimates and 7.7 percent over fiscal year 2024 actuals. As of February receipts, which represent December 2024 sales, collections are trending at 1.4 percent under the fiscal year 2025 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.



City of League City, Texas

Statement of Net Position

September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	4B Industrial Development Corporation
ASSETS				
Cash and cash equivalents	\$ 58,857,592	\$ 4,867,894	\$ 63,725,486	\$ 8,693,823
Restricted cash and cash equivalents	-	10,604,688	10,604,688	-
Investments	103,499,012	18,348,499	121,847,511	4,577,480
Restricted investments	-	16,215,736	16,215,736	-
Receivables, net of allowance	14,259,766	7,984,572	22,244,338	878,251
Lease receivables	1,121,592	1,126,434	2,248,026	-
Internal balances	57,826	(57,826)	-	-
Inventories	71,818	255,753	327,571	-
Prepaid Items	598,751	279,510	878,261	-
Capital assets - nondepreciable	93,626,141	35,637,335	129,263,476	-
Capital assets - depreciable, net	448,986,196	439,557,823	888,544,019	-
Total assets	721,078,694	534,820,418	1,255,899,112	14,149,554
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding bonds	708,262	879,308	1,587,570	-
Pensions	11,177,486	2,017,481	13,194,967	-
Other post employment benefits	1,049,102	203,902	1,253,004	-
Total deferred outflows of resources	12,934,850	3,100,691	16,035,541	-
Total assets and deferred outflows of resources	734,013,544	537,921,109	1,271,934,653	14,149,554
LIABILITIES				
Accounts payable	10,832,391	3,738,915	14,571,306	383,058
Accrued liabilities	3,555,272	2,138,907	5,694,179	73,756
Accrued interest payable	646,621	737,395	1,384,016	-
Deposits payable	16,000	2,442,230	2,458,230	-
Unearned revenue	94,723	70,486	165,209	-
Noncurrent liabilities:				
Due within one year	16,108,695	10,576,961	26,685,656	-
Due in more than one year	170,396,885	165,776,139	336,173,024	-
Total liabilities	201,650,587	185,481,033	387,131,620	456,814
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding bonds	2,175,752	1,248,550	3,424,302	-
Pensions	738,038	169,008	907,046	-
Other post employment benefits	4,690,006	947,243	5,637,249	-
Leases	1,049,056	1,056,186	2,105,242	-
Total deferred inflows of resources	8,652,852	3,420,987	12,073,839	-
Total liabilities and deferred inflows of resources	210,303,439	188,902,020	399,205,459	456,814
NET POSITION				
Net investment in capital assets	423,802,325	322,412,844	746,215,169	-
Restricted for				
Debt service	4,823,936	4,259,903	9,083,839	-
Municipal court	98,185	-	98,185	-
Hotel occupancy tax	1,869,208	-	1,869,208	-
Public access channel	1,048,106	-	1,048,106	-
Grants	4,046,925	-	4,046,925	-
Tax increment reinvestment zone	7,718,775	-	7,718,775	-
Public improvement district	3,037,322	-	3,037,322	-
Opioid settlement	117,144	-	117,144	-
Special projects	776,186	-	776,186	-
Unrestricted	76,371,993	22,346,342	98,718,335	13,692,740
TOTAL NET POSITION	\$ 523,710,105	\$ 349,019,089	\$ 872,729,194	\$ 13,692,740

The Notes to the Basic Financial Statements are an integral part of this statement.

City of League City, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 18,853,302	\$ 401,687	\$ 3,313,209	\$ -
Public safety	42,377,704	3,477,670	6,890,654	-
Public works	32,297,786	9,524,746	4,068,742	12,330,034
Community services	13,227,912	1,171,611	623	3,074,220
Interest and fiscal agent fees	5,289,057	-	-	-
Total governmental activities	112,045,761	14,575,714	14,273,228	15,404,254
Business-type activities				
Water and wastewater	41,033,122	53,638,426	-	4,060,978
League City ballpark	4,792,832	2,789,936	-	-
Total business-type activities	45,825,954	56,428,362	-	4,060,978
Total primary government	\$ 157,871,715	\$ 71,004,076	\$ 14,273,228	\$ 19,465,232
COMPONENT UNIT				
4B Industrial development corporation	3,952,515	-	-	-
Total component unit	\$ 3,952,515	\$ -	\$ -	\$ -

GENERAL REVENUES

Taxes:	
Ad valorem property taxes	
Sales taxes	
Franchise fees and local taxes	
Gain on sale of capital assets	
Special assessments	
Investment earnings	
Other	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position, beginning of year	
NET POSITION, end of year	

The Notes to the Basic Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	4B Industrial Development Corporation
\$ (15,138,406)	\$ -	\$ (15,138,406)	\$ -
(32,009,380)	-	(32,009,380)	-
(6,374,264)	-	(6,374,264)	-
(8,981,458)	-	(8,981,458)	-
(5,289,057)	-	(5,289,057)	-
(67,792,565)	-	(67,792,565)	-
-	16,666,282	16,666,282	-
-	(2,002,896)	(2,002,896)	-
-	14,663,386	14,663,386	-
<u>\$ (67,792,565)</u>	<u>\$ 14,663,386</u>	<u>\$ (53,129,179)</u>	<u>\$ -</u>
-	-	-	(3,952,515)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,952,515)</u>
50,037,057	-	50,037,057	-
33,678,478	-	33,678,478	4,811,211
7,138,671	-	7,138,671	-
192,078	21,447	213,525	-
865,783	-	865,783	-
10,369,054	3,015,668	13,384,722	642,838
7,230,950	286,502	7,517,452	-
4,135,959	(4,135,959)	-	-
113,648,030	(812,342)	112,835,688	5,454,049
45,855,465	13,851,044	59,706,509	1,501,534
477,854,640	335,168,045	813,022,685	12,191,206
<u>\$ 523,710,105</u>	<u>\$ 349,019,089</u>	<u>\$ 872,729,194</u>	<u>\$ 13,692,740</u>

City of League City, Texas
 Balance Sheet - Governmental Funds
 September 30, 2024

	General Fund	Debt Service Fund	General Obligation Improvement Bonds 2023 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,089,232	\$ 2,563,996	\$ 955,694	\$ 41,106,786	\$ 51,715,708
Investments	21,969,741	3,734,399	4,972,953	62,547,056	93,224,149
Receivables, net of allowance	11,847,353	309,594	9,257	1,961,423	14,127,627
Lease receivables	1,121,592	-	-	-	1,121,592
Due from other funds	1,156,380	-	-	-	1,156,380
Prepaid Items	504,950	-	-	93,801	598,751
TOTAL ASSETS	\$ 43,689,248	\$ 6,607,989	\$ 5,937,904	\$ 105,709,066	\$ 161,944,207
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 3,812,596	\$ 1,137,432	\$ 140,095	\$ 5,148,588	\$ 10,238,711
Accrued liabilities	2,103,096	-	73,632	1,353,575	3,530,303
Deposits payable	12,900	-	-	3,100	16,000
Due to other funds	-	-	-	1,098,554	1,098,554
Unearned revenue	51,000	-	-	43,723	94,723
Total liabilities	5,979,592	1,137,432	213,727	7,647,540	14,978,291
DEFERRED INFLOWS OF RESOURCES					
Leases	1,049,056	-	-	-	1,049,056
Unavailable revenue - property taxes	883,371	302,952	-	505	1,186,828
Unavailable revenue - court fines and warrants	1,387,105	-	-	-	1,387,105
Unavailable revenue - other	-	-	-	19,545	19,545
Total deferred inflows of resources	3,319,532	302,952	-	20,050	3,642,534
FUND BALANCES					
Nonspendable:					
Prepaid items	504,950	-	-	93,801	598,751
Restricted:					
Debt service	-	5,167,605	-	-	5,167,605
Municipal court	-	-	-	98,185	98,185
Hotel occupancy tax	-	-	-	1,869,208	1,869,208
Public access channel	-	-	-	1,048,106	1,048,106
Grants	-	-	-	4,046,925	4,046,925
Tax increment reinvestment zone	-	-	-	7,718,775	7,718,775
Public improvement district	-	-	-	3,037,322	3,037,322
Opioid settlement	-	-	-	117,144	117,144
Special projects	-	-	-	776,186	776,186
Capital projects	-	-	5,724,177	24,168,929	29,893,106
Committed:					
Special projects	-	-	-	1,334,667	1,334,667
Capital projects	-	-	-	53,777,920	53,777,920
Assigned:					
City manager severance	79,853	-	-	-	79,853
Unassigned	33,805,321	-	-	(45,692)	33,759,629
Total fund balances	34,390,124	5,167,605	5,724,177	98,041,476	143,323,382
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 43,689,248	\$ 6,607,989	\$ 5,937,904	\$ 105,709,066	\$ 161,944,207

The Notes to the Basic Financial Statements are an integral part of this statement.



City of League City, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 143,323,382

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 are not reported in the governmental funds balance sheet.

Capital assets, cost	\$ 828,658,401	
Capital assets, accumulated depreciation and amortization	<u>(295,327,534)</u>	533,330,867

Unavailable revenues, which will be collected subsequent to year-end, are not available soon enough to pay expenditures of the current period and, therefore, are deferred in the funds.

Unavailable revenue - property taxes	\$ 1,186,828	
Unavailable revenue - court fines and warrants	1,387,105	
Unavailable revenue - other	<u>19,545</u>	2,593,478

Deferred charge and gain on issuance of refunding bonds is not recorded in the fund financial statements but is recorded as a deferred outflow or inflow of resources on the statement of net position.

Deferred charge on refunding bonds	\$ 708,262	
Deferred gain on refunding bonds	<u>(2,175,752)</u>	(1,467,490)

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. The components of long-term liabilities are:

Bonds payable, par	\$ (132,951,603)	
Bonds payable, premiums	(14,189,532)	
Leases payable	(94,493)	
Accrued interest payable	(646,621)	
Compensated absences payable	(7,515,796)	
Net pension liability	(23,307,342)	
Total OPEB liability	<u>(7,726,162)</u>	(186,431,549)

The deferred outflows and inflows of resources related to the net pension liability and the total OPEB liability are recognized on the statement of net position:

Deferred outflows - pensions	\$ 11,177,486	
Deferred outflows - OPEB	1,049,102	
Deferred inflows - pensions	(738,038)	
Deferred inflows - OPEB	<u>(4,690,006)</u>	6,798,544

Internal service funds are used by management to charge the cost of certain activities, such as motor pool, employee benefits and capital replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

25,562,873

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 523,710,105**

City of League City, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2024

	General Fund	Debt Service Fund	General Obligation Improvement Bonds 2023 Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem property tax	\$ 40,218,404	\$ 8,696,432	\$ -	\$ 1,011,250	\$ 49,926,086
Sales tax	28,867,267	-	-	4,811,211	33,678,478
Franchise fees	5,373,351	-	-	218,871	5,592,222
Other taxes	478,682	-	-	1,067,767	1,546,449
Special assessments	-	-	-	865,783	865,783
Licenses and permits	4,214,952	-	-	-	4,214,952
Fines and forfeitures	1,986,714	-	-	113,757	2,100,471
Charges for services	14,129,302	-	-	1,549,812	15,679,114
Intergovernmental	618,970	-	-	8,031,248	8,650,218
Contributions	2,500	-	-	2,096,980	2,099,480
Investment earnings	2,291,905	398,701	603,937	6,069,528	9,364,071
Other	401,332	507	-	6,829,111	7,230,950
Total revenues	98,583,379	9,095,640	603,937	32,665,318	140,948,274
EXPENDITURES					
Current:					
General government	18,792,045	1,222,420	-	2,780,857	22,795,322
Public safety	32,758,445	-	-	8,545,879	41,304,324
Public works	21,305,477	-	-	2,573,244	23,878,721
Community services	10,531,935	-	-	1,836,841	12,368,776
Debt service:					
Principal	-	9,409,967	-	909,931	10,319,898
Interest and fiscal charges	-	5,015,954	-	273,103	5,289,057
Capital outlay	2,018,633	-	15,919,109	16,335,391	34,273,133
Total expenditures	85,406,535	15,648,341	15,919,109	33,255,246	150,229,231
Excess (deficiency) of revenues over (under) expenditures	13,176,844	(6,552,701)	(15,315,172)	(589,928)	(9,280,957)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	39,430	-	-	8,795	48,225
Transfers in	6,701,275	6,500,000	-	23,567,267	36,768,542
Transfers out	(13,775,000)	-	-	(18,857,583)	(32,632,583)
Total other financing sources (uses)	(7,034,295)	6,500,000	-	4,718,479	4,184,184
Net change in fund balances	6,142,549	(52,701)	(15,315,172)	4,128,551	(5,096,773)
Fund balances, beginning of year	28,247,575	5,220,306	-	114,952,274	148,420,155
Restatement of beginning balance - change in reporting entity	-	-	21,039,349	(21,039,349)	-
Fund balances, beginning of year - restated	28,247,575	5,220,306	21,039,349	93,912,925	148,420,155
FUND BALANCES, END OF YEAR	\$ 34,390,124	\$ 5,167,605	\$ 5,724,177	\$ 98,041,476	\$ 143,323,382

The Notes to the Basic Financial Statements are an integral part of this statement.



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 Fiscal Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$ (5,096,773)
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. This is the amount of capital asset additions recorded in the current period.	34,273,133
Depreciation and amortization expense on capital assets is reported in the statement of activities, but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.	(14,315,750)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, transfers, non-cash capital contributions) is not reported in the governmental funds.	14,967,163
Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered available and are deferred in the governmental funds. Deferred inflows increased (decreased) by this amount this year.	(710,102)
The issuance of long term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items was:	
Amortization of premium on bonds payable	\$ 1,445,107
Amortization of deferred loss on refunding	(115,652)
Accrued interest payable decreased	41,842
Principal paid on bonds and other debt	<u>10,319,898</u>
	11,691,195
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. The following long-term liabilities (increased) / decreased:	
Compensated absences	\$ (545,776)
Net pension liability	7,262,570
Total OPEB liability	<u>2,608,756</u>
	9,325,550
Some deferred outflows and deferred inflows reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. The following deferred outflows and deferred inflows of resources changed:	
Deferred outflows of resources - pensions	\$ (5,263,035)
Deferred outflows of resources - OPEB	(223,929)
Deferred inflows of resources - pensions	(456,226)
Deferred inflows of resources - OPEB	<u>(1,582,941)</u>
	(7,526,131)
An internal service fund is used by management to charge the cost of certain activities, such as fleet management and health benefits, to individual funds. The change in the net position of the internal service funds is included in governmental activities in the statement of activities.	<u>3,247,180</u>
Change in net position - governmental activities	<u>\$ 45,855,465</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

City of League City, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities			Governmental
	Water and Wastewater Fund	League City Ballpark Fund	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,864,251	\$ 3,643	\$ 4,867,894	\$ 7,141,884
Restricted cash and cash equivalents - customer deposits	2,435,614	-	2,435,614	-
Restricted cash and cash equivalents - capital projects	4,702,255	-	4,702,255	-
Restricted cash and cash equivalents - debt service	3,466,819	-	3,466,819	-
Investments	16,909,528	1,438,971	18,348,499	10,274,863
Restricted investments - capital projects	14,685,257	-	14,685,257	-
Restricted investments - debt service	1,530,479	-	1,530,479	-
Receivables, net of allowance	7,919,359	65,213	7,984,572	132,139
Lease receivables	1,126,434	-	1,126,434	-
Inventories	255,753	-	255,753	71,818
Prepaid Items	238,095	41,415	279,510	-
Total current assets	58,133,844	1,549,242	59,683,086	17,620,704
Noncurrent assets:				
Capital assets:				
Capital assets - nondepreciable	35,637,335	-	35,637,335	-
Capital assets - depreciable, net	439,396,024	161,799	439,557,823	9,281,470
Net capital assets	475,033,359	161,799	475,195,158	9,281,470
Total noncurrent assets	475,033,359	161,799	475,195,158	9,281,470
Total assets	533,167,203	1,711,041	534,878,244	26,902,174
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding bonds	879,308	-	879,308	-
Pensions	1,991,438	26,043	2,017,481	-
Other post employment benefits	185,178	18,724	203,902	-
Total deferred outflows of resources	3,055,924	44,767	3,100,691	-
Total assets and deferred outflows of resources	536,223,127	1,755,808	537,978,935	26,902,174
LIABILITIES				
Current liabilities				
Accounts payable	\$ 3,513,190	\$ 225,725	\$ 3,738,915	\$ 593,680
Accrued liabilities	2,022,895	116,012	2,138,907	24,969
Accrued interest payable	737,395	-	737,395	-
Deposits payable	2,435,614	6,616	2,442,230	-
Due to other funds	-	57,826	57,826	-
Unearned revenue	70,486	-	70,486	-
Claims payable, current	-	-	-	720,652
Compensated absences, current	574,012	7,843	581,855	-
Bonds and contractual obligations, current	9,995,106	-	9,995,106	-
Total current liabilities	19,348,698	414,022	19,762,720	1,339,301
Noncurrent liabilities				
Compensated absences	280,906	1,174	282,080	-
Net pension liability	3,749,094	1,562,599	5,311,693	-
Total OPEB liability	1,242,789	517,987	1,760,776	-
Bonds and contractual obligations	158,421,590	-	158,421,590	-
Total noncurrent liabilities	163,694,379	2,081,760	165,776,139	-
Total liabilities	183,043,077	2,495,782	185,538,859	1,339,301
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding bonds	1,248,550	-	1,248,550	-
Pensions	123,186	45,822	169,008	-
Other post employment benefits	803,379	143,864	947,243	-
Leases	1,056,186	-	1,056,186	-
Total deferred inflows of resources	3,231,301	189,686	3,420,987	-
Total liabilities and deferred inflows of resources	186,274,378	2,685,468	188,959,846	1,339,301
NET POSITION (DEFICIT)				
Net investment in capital assets	322,251,045	161,799	322,412,844	9,281,470
Restricted for debt service	4,259,903	-	4,259,903	-
Unrestricted	23,437,801	(1,091,459)	22,346,342	16,281,403
TOTAL NET POSITION (DEFICIT)	\$ 349,948,749	\$ (929,660)	349,019,089	\$ 25,562,873

The Notes to the Basic Financial Statements are an integral part of this statement.

City of League City, Texas
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities			Governmental
	Water and Wastewater Fund	League City Ballpark Fund	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 44,867,323	\$ 2,789,936	\$ 47,657,259	\$ 15,287,513
Other	9,057,605	-	9,057,605	85,221
Total operating revenues	53,924,928	2,789,936	56,714,864	15,372,734
OPERATING EXPENSES				
Personnel services	8,031,004	3,161,399	11,192,403	965,774
Materials, supplies and contracted services	10,350,101	1,049,140	11,399,241	1,174,693
Utilities	1,476,999	119,147	1,596,146	4,675
Repairs and maintenance	2,907,061	347,215	3,254,276	1,063,416
Other operating expenses	1,657,936	109,171	1,767,107	5,262
Depreciation and amortization	12,288,528	6,760	12,295,288	1,377,811
Self insurance claims	-	-	-	8,698,692
Total operating expenses	36,711,629	4,792,832	41,504,461	13,290,323
Operating income (loss)	17,213,299	(2,002,896)	15,210,403	2,082,411
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	2,945,874	69,794	3,015,668	1,004,983
Gain (loss) on disposal of capital assets	18,005	3,442	21,447	159,786
Interest and fiscal charges	(3,772,234)	-	(3,772,234)	-
Bond issuance costs	(549,259)	-	(549,259)	-
Total nonoperating revenues (expenses)	(1,357,614)	73,236	(1,284,378)	1,164,769
Income (loss) before transfers and capital contributions	15,855,685	(1,929,660)	13,926,025	3,247,180
Capital contributions	4,060,978	-	4,060,978	-
Transfers in	-	1,000,000	1,000,000	-
Transfers out	(5,135,959)	-	(5,135,959)	-
Change in net position	14,780,704	(929,660)	13,851,044	3,247,180
Net position, beginning of year	335,168,045	-	335,168,045	22,315,693
NET POSITION, END OF YEAR	\$ 349,948,749	\$ (929,660)	\$ 349,019,089	\$ 25,562,873

The Notes to the Basic Financial Statements are an integral part of this statement.

City of League City, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities			Governmental
	Water and Wastewater Fund	League City Ballpark Fund	Total Enterprise Funds	Internal Service Fund
OPERATING ACTIVITIES				
Receipts from customers	\$ 55,546,904	\$ 2,759,046	\$ 58,305,950	\$ -
Receipts from interfund charges	-	-	-	15,249,635
Other receipts	-	-	-	85,221
Payments to suppliers and service providers	(20,812,098)	(1,382,537)	(22,194,635)	(2,532,411)
Payments to employees for salaries and benefits	(8,274,452)	(810,865)	(9,085,317)	(964,590)
Payments for claims	-	-	-	(8,674,915)
Net cash provided by operating activities	26,460,354	565,644	27,025,998	3,162,940
NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	1,000,000	1,000,000	-
Transfers to other funds	(5,135,959)	-	(5,135,959)	-
Net cash provided by (used for) noncapital financing activities	(5,135,959)	1,000,000	(4,135,959)	-
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(73,495,894)	(184,416)	(73,680,310)	(2,869,536)
Proceeds from sale of capital assets	18,005	19,299	37,304	190,667
Principal paid on long-term debt	(8,984,353)	-	(8,984,353)	-
Interest paid on long-term debt	(6,116,350)	-	(6,116,350)	-
Proceeds from issuance of bonds	61,105,157	-	61,105,157	-
Bond issuance costs	(549,259)	-	(549,259)	-
Net cash used for capital and related financing activities	(28,022,694)	(165,117)	(28,187,811)	(2,678,869)
INVESTING ACTIVITIES				
Interest received	1,764,019	4,805	1,768,824	594,169
Investment purchases	(10,512,456)	(1,401,689)	(11,914,145)	(2,302,051)
Investment sales / maturities	21,870,000	-	21,870,000	2,900,000
Net cash provided by (used for) investing activities	13,121,563	(1,396,884)	11,724,679	1,192,118
Net change in cash and cash equivalents	6,423,264	3,643	6,426,907	1,676,189
Cash and cash equivalents, beginning of year	9,045,675	-	9,045,675	5,465,695
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,468,939	\$ 3,643	\$ 15,472,582	\$ 7,141,884
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Cash and cash equivalents	\$ 4,864,251	\$ 3,643	\$ 4,867,894	\$ 7,141,884
Restricted cash and cash equivalents	10,604,688	-	10,604,688	-
CASH AND CASH EQUIVALENTS	\$ 15,468,939	\$ 3,643	\$ 15,472,582	\$ 7,141,884

The Notes to the Basic Financial Statements are an integral part of this statement.

City of League City, Texas
Statement of Cash Flows - Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities			Governmental
	Water and Wastewater Fund	League City Ballpark Fund	Total Enterprise Funds	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 17,213,299	\$ (2,002,896)	\$ 15,210,403	\$ 2,082,411
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	12,288,528	6,760	12,295,288	1,377,811
(Increase) decrease in assets and deferred outflows				
Accounts receivable	1,464,089	(37,506)	1,426,583	-
Leases receivable	99,479	-	99,479	-
Other receivables	-	-	-	(37,878)
Inventory	(64,258)	-	(64,258)	12,047
Prepaid items	32,833	(41,415)	(8,582)	-
Deferred outflows of resources - pension and OPEB	910,575	(44,767)	865,808	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable	(2,894,880)	225,725	(2,669,155)	(295,424)
Accrued liabilities	(384,745)	116,012	(268,733)	196
Deposits payable	245,542	6,616	252,158	-
Unearned revenue	(69,017)	-	(69,017)	-
Due to other funds	(1,493,696)	57,826	(1,435,870)	-
Compensated absences	99,358	9,017	108,375	-
Claims payable	-	-	-	23,777
Pension and OPEB liability	(1,196,769)	2,080,586	883,817	-
Deferred inflows of resources - pension and OPEB	210,016	189,686	399,702	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 26,460,354	\$ 565,644	\$ 27,025,998	\$ 3,162,940
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions from developers	\$ 4,060,978	\$ -	\$ 4,060,978	\$ -



City of League City, Texas

Notes to the Basic Financial Statements

Note 1. 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 financial statements as part of the 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 the Basic Financial Statements

1. 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:

1. 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, and the fund will remain open until all previous obligations have been met.

2. 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.

3. 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 reused 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.

4. 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, Texas

Notes to the Basic Financial Statements

5. 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.

6. 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.

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.

City of League City, Texas

Notes to the Basic 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.

C. 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 major 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 *general obligation improvement bonds 2023 fund* is used to account for the expenditures of resources accumulated from the sale of the 2023 general obligation improvement bonds and related interest earnings for capital improvement projects.

In addition, the City reports the following nonmajor governmental funds:

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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 City reports the following major proprietary fund:

An *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.

City of League City, Texas

Notes to the Basic Financial Statements

Additionally, the City reports the following nonmajor proprietary funds:

The *League City ballpark fund* is used to account for the operations of the Ballpark at League City, a multi-purpose sports and events facility. 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 league city ballpark fund is considered a nonmajor enterprise fund for reporting purposes.

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.

D. 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.

City of League City, Texas

Notes to the Basic Financial Statements

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 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.

E. 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 the Basic Financial Statements

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. Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the water and wastewater fund are recognized at the end of each fiscal year on a pro rata basis, based on billings during the month following the close of the fiscal year.

4. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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.

5. 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 water and wastewater fund are restricted for customer deposits, bond covenants for repayment of debt service and to finance capital projects.

6. 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. 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 the Basic Financial Statements

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

Asset Description	Estimated Useful Life
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

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.

Length of Service (Years)	Maximum Vacation Leave Accrual
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 workdays 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 workdays 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.

City of League City, Texas

Notes to the Basic Financial Statements

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.

9. Leases

Lessee

The City is a lessee for noncancellable leases for land. The City recognizes a lease liability, reported with long-term debt, and an intangible right-to-use lease asset (lease asset), reported with other capital assets. The City recognizes lease liabilities 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 shorter of the lease term or its useful life.

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, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases 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.

City of League City, Texas

Notes to the Basic 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.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to 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 (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a liability (the "subscription liability") and an intangible, right-to-use subscription asset (the "subscription asset") for governmental and business-type activities. The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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. 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.

12. 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.

City of League City, Texas

Notes to the Basic Financial Statements

13. 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.

14. 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.

15. Net Position Policies

Net position within the government-wide and proprietary fund financial statements is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City classifies net position as follows:

Net investment in capital assets – the component of net position that reports capital assets, net of accumulated depreciation and amortization, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted - the component of net position that is constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

City of League City, Texas

Notes to the Basic Financial Statements

Unrestricted - the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

16. 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.

17. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City classifies governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items and inventories, when applicable.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts restricted due to constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the City through 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 action or adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by City Council action or the ordinance remains in place until a similar action is taken (the action or adoption of another ordinance) to remove or revise the limitation.

Assigned – includes fund balance amounts that are self-imposed by the City to be used for specific purposes, but do not meet the criteria to be classified as nonspendable, restricted or committed. City Council has, by policy, authorized the City Manager or his/her designee to assign fund balance. 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 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.

Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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.

City of League City, Texas

Notes to the Basic Financial Statements

18. 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.

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

2. Property Taxes

Property values are determined by the County Appraisal District as of January 1 of each year. Prior to October 1 of each year, the City must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes are levied on October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of year 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 funds and internal service funds are charges to customers for sales and services. The water and wastewater 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 funds and internal service funds include the cost of personnel services, material, supplies and contracted services, utilities, repairs and maintenance, other operating expenses, self insurance claims and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

G. Implementation of New Accounting Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 was implemented in the City's fiscal year 2024 financial statements with a restatement of \$21,039,349 in beginning fund balance between major and nonmajor governmental funds as identified in the governmental fund financial statements. This was the result of a change in major fund reporting for the General Obligation Improvement Bonds 2023 Fund as required by GASB Statement No. 34, paragraph 76.

City of League City, Texas

Notes to the Basic Financial Statements

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to beginning fund balance as follows:

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Funds	
	General Obligation Improvement Bonds 2023 Fund	Nonmajor Governmental
9/30/2023, as previously reported	\$ -	\$ 114,952,274
Change from nonmajor to major fund	21,039,349	(21,039,349)
9/30/2023, as adjusted	\$ 21,039,349	\$ 93,912,925

H. Upcoming Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

City of League City, Texas

Notes to the Basic Financial Statements

Note 2. Stewardship, Compliance, and Accountability

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, 2024.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and the following special revenue funds:

- Police activity fund
- Municipal court building security fund
- Municipal court technology fund
- Library gift fund
- Hotel occupancy tax fund
- Tree preservation fund
- Animal control donation fund
- Public access channel fund
- 4B Park maintenance and operations fund
- Public safety technology fund
- Technology fund
- EMS/Fire donation fund

Annual budgets are not adopted for capital projects funds and the remaining special revenue funds, which adopt project length budgets.

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.

Note 3. Deposits and Investments

Cash Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Collateral Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Custodial Credit Risk - Cash Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of September 30, 2024, the City's bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

City of League City, Texas

Notes to the Basic Financial Statements

Cash, Cash Equivalents and Investments

As of September 30, 2024, the City had the following cash, cash equivalents and investments:

Investment Type	Primary Government	4B Industrial Development Corporation	Fair Value Significant Other Observable Inputs (Level 2)	Weighted Average Maturity (Years)	Credit Risk Rating S&P
Investments measured at fair value:					
U.S. Government Agency Bonds/Notes	\$ 128,741,483	\$ 3,548,105	\$ 132,289,588	1.36	AA+
U.S. Treasury Bonds/Notes	9,321,764	1,029,375	10,351,139	1.83	AA+
Total investments, including restricted	\$ 138,063,247	\$ 4,577,480	\$ 142,640,727		
Portfolio weighted average maturity				1.39	
Cash equivalents measured at amortized cost or net asset value:					
External investment pools:					
TexPool	\$ 40,771,754	\$ 5,522,195			AAAm
TexSTAR	5,315,666	-			AAAm
TexasCLASS	3,794,678	-			AAAm
Lone Star	3,541,798	-			AAAm
Cash deposits and on hand	20,906,278	3,171,628			
Total cash and cash equivalents, including restricted	\$ 74,330,174	\$ 8,693,823			

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.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

U.S. government agency and treasury bonds and notes are classified in Level Two of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

City of League City, Texas

Notes to the Basic Financial Statements

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City monitors interest rate risk utilizing weighted average maturity analysis and specific identification. 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. During the year ended September 30, 2024, the City did not invest in any securities which were highly sensitive to interest rate fluctuations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy requires that investment pools must be rated no lower than "AAA" or "AAAm". The minimum rating required by the Public Funds Investment Act for local government investment pools is AAA or AAAm. Obligations of federal, state or local government securities and must be rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. During the year ended September 30, 2024, the City was not significantly exposed to credit risk, and its investment pools, municipal bonds and U.S. agency bonds met the minimum required rating as noted in the preceding table.

Concentration of Credit Risk

The investment policy of the City requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Investments

For an investment, this is the risk that the City will not be 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.

Local Government Investment Pools

Local government investment pools are considered cash equivalents and are measured at either amortized cost or net asset value (NAV), depending on the valuation policies of the underlying portfolio.

TexPool

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

The investment pool transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

City of League City, Texas

Notes to the Basic Financial Statements

Texas Short Term Asset Reserve Program (TexSTAR)

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. TexSTAR may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; and SEC-registered no-load money-market fund which meet the requirements of the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Texas Cooperative Liquid Asset Securities System Trust (Texas CLASS)

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

Lone Star

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Mellon Investments Corporation and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

City of League City, Texas

Notes to the Basic Financial Statements

The objective of the Lone Star Government Overnight Fund is to provide safety of principal, daily liquidity, and the highest possible rate of return. The fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 60 days or fewer. The fund may invest in obligations of the U.S. or its agencies and instrumentalities; other obligations guaranteed or insured by the U.S. or its agencies and instrumentalities; fully collateralized repurchase agreements having a defined termination date and secured by obligations of the U.S. or its agencies and instrumentalities; reverse repurchase agreements authorized under the Public Funds Investment Act; and SEC-regulated no-load money market mutual funds.

Note 4. 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 General Obligation Improvement Bonds 2023 Fund, the nonmajor governmental funds in the aggregate, the enterprise funds, and the internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General Fund	Debt Service Fund	GO Improvement Bonds 2023 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 1,322,933	\$ 483,359	\$ -	\$ 1,239	\$ 1,807,531
Sales and other taxes	6,454,061	-	-	1,131,592	7,585,653
Accounts	10,424,403	-	-	281,717	10,706,120
Interest	133,167	6,641	9,257	207,426	356,491
Intergovernmental	203,844	-	-	286,865	490,709
Other	194,175	-	-	71,365	265,540
Less: allowance	(6,885,230)	(180,406)	-	(18,781)	(7,084,417)
Totals	\$ 11,847,353	\$ 309,594	\$ 9,257	\$ 1,961,423	\$ 14,127,627
	Water and Wastewater Fund	League City Ballpark Fund	Total Enterprise Funds	Internal Service Fund	4B Industrial Development Corporation
Sales and other taxes	\$ -	\$ 37,506	\$ 37,506	\$ 88,712	\$ 804,301
Accounts	8,662,607	-	8,662,607	6,632	-
Interest	113,622	27,707	141,329	40,684	73,950
Other	-	-	-	460	-
Less: allowance	(856,870)	-	(856,870)	(4,349)	-
Totals	\$ 7,919,359	\$ 65,213	\$ 7,984,572	\$ 132,139	\$ 878,251

City of League City, Texas

Notes to the Basic Financial Statements

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, 2024, the value of the leases receivable is \$1,121,592 for governmental activities and \$1,126,434 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 1.38% to 2.40%. The lease revenue that was recorded with charges for services for fiscal year 2024 was \$93,125 for governmental activities and \$136,256 for business-type activities, which includes lease interest and amounts that were amortized for deferred inflows of resources for leases in the current year. The remaining principal and interest payments from the Agreements are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 39,947	\$ 23,542	\$ 63,489	\$ 104,617	\$ 16,530	\$ 121,147
2026	42,673	22,720	65,393	109,894	14,888	124,782
2027	45,512	21,843	67,355	115,362	13,163	128,525
2028	48,470	20,906	69,376	120,999	11,381	132,380
2029	51,549	19,908	71,457	126,897	9,455	136,352
2030-2034	307,587	82,245	389,832	535,988	19,062	555,050
2035-2039	275,771	49,175	324,946	12,677	29	12,706
2040-2044	60,057	34,557	94,614	-	-	-
2045-2049	83,414	26,270	109,684	-	-	-
2050-2054	112,228	14,925	127,153	-	-	-
2055-2057	54,384	1,977	56,361	-	-	-
Total	\$ 1,121,592	\$ 318,068	\$ 1,439,660	\$ 1,126,434	\$ 84,508	\$ 1,210,942

City of League City, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

A summary of changes in capital assets for governmental activities for the year ended September 30, 2024, is as follows:

	Governmental Activities				Ending Balance
	Beginning Balance	Increases	Decreases	Reclass and Transfers	
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 24,940,431	\$ -	\$ -	\$ 47,349	\$ 24,987,780
Construction in progress	51,222,596	33,467,784	-	(16,052,019)	68,638,361
Total capital assets, not being depreciated or amortized	76,163,027	33,467,784	-	(16,004,670)	93,626,141
Capital assets, being depreciated or amortized:					
Infrastructure	577,359,451	12,330,035	-	15,179,634	604,869,120
Buildings and improvements	96,784,096	-	-	66,516	96,850,612
Machinery and equipment	52,382,346	6,179,174	(1,352,171)	758,520	57,967,869
Right-to-use lease assets	139,666	-	-	-	139,666
Total capital assets, being depreciated or amortized	726,665,559	18,509,209	(1,352,171)	16,004,670	759,827,267
Less accumulated depreciation and amortization for:					
Infrastructure	(217,377,361)	(10,552,551)	-	-	(227,929,912)
Buildings and improvements	(41,967,697)	(2,144,946)	-	-	(44,112,643)
Machinery and equipment	(37,078,405)	(2,981,362)	1,305,357	-	(38,754,410)
Right-to-use lease assets	(29,404)	(14,702)	-	-	(44,106)
Total accumulated depreciation and amortization	(296,452,867)	(15,693,561)	1,305,357	-	(310,841,071)
Total depreciable capital assets, net	430,212,692	2,815,648	(46,814)	16,004,670	448,986,196
Governmental activities capital assets, net	\$ 506,375,719	\$ 36,283,432	\$ (46,814)	\$ -	\$ 542,612,337

Depreciation and amortization was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 966,370
Public safety	2,803,141
Public works	10,134,564
Community services	1,789,486
Total governmental activities depreciation/amortization expense	\$ 15,693,561

City of League City, Texas
Notes to the Basic Financial Statements

A summary of changes in capital assets for business-type activities for the year ended September 30, 2024, is as follows:

	Business-Type Activities				Ending Balance
	Beginning Balance	Increases	Decreases	Reclass and Transfers	
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 3,990,010	\$ -	\$ -	\$ 158,759	\$ 4,148,769
Construction in progress	57,382,145	12,504,336	-	(38,397,915)	31,488,566
Total capital assets, not being depreciated or amortized	61,372,155	12,504,336	-	(38,239,156)	35,637,335
Capital assets, being depreciated or amortized:					
Infrastructure	432,409,009	4,060,977	-	38,142,010	474,611,996
Water rights	37,843,866	49,704,360	-	-	87,548,226
Building and improvements	590,953	-	-	-	590,953
Machinery and equipment	7,960,315	413,343	(753,043)	97,146	7,717,761
Total capital assets, being depreciated or amortized	478,804,143	54,178,680	(753,043)	38,239,156	570,468,936
Less accumulated depreciation and amortization for:					
Infrastructure	(103,731,270)	(8,732,195)	-	-	(112,463,465)
Water rights	(7,451,459)	(3,416,242)	-	-	(10,867,701)
Building and improvements	(486,827)	(7,921)	-	-	(494,748)
Machinery and equipment	(7,665,250)	(138,930)	718,981	-	(7,085,199)
Total accumulated depreciation / amortization	(119,334,806)	(12,295,288)	718,981	-	(130,911,113)
Total depreciable capital assets, net	359,469,337	41,883,392	(34,062)	38,239,156	439,557,823
Business-type activities capital assets, net	\$ 420,841,492	\$ 54,387,728	\$ (34,062)	\$ -	\$ 475,195,158

Depreciation and amortization was charged to business-type activities as follows:

Business-type activities:	
Water and wastewater fund	\$ 12,288,528
League City ballpark fund	6,760
	<u>6,760</u>
Total business-type activities depreciation/amortization expense	\$ 12,295,288

City of League City, Texas

Notes to the Basic Financial Statements

Note 6. Long-Term Debt

Changes in Long-Term Liabilities

The City's long-term liabilities consist of bond indebtedness, contractual obligations, leases payable, compensated absences, self insurance claims, net pension liability and total OPEB liability.

Certificates of obligation and general obligation bonds are issued to acquire and construct major capital facilities or to legally defease previously issued bonded debt. The debt service requirements for the certificates and general obligation bonds are paid through the Debt Service Fund from tax revenues and reserves from the Water and Wastewater Fund. Contractual obligations are accounted for and serviced through the Water and Wastewater Fund. Self insured claims are accounted for and serviced in the Internal Service Fund. Other long-term liabilities are typically liquidated by the General Fund (Governmental Activities) and the Enterprise Funds (Business-Type Activities).

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 liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	\$ 120,031,570	\$ -	\$ (8,564,967)	\$ 111,466,603	\$ 8,841,603
Certificates of obligation	23,225,000	-	(1,740,000)	21,485,000	1,635,000
Unamortized premiums	15,634,639	-	(1,445,107)	14,189,532	-
Bonds payable, net	158,891,209	-	(11,750,074)	147,141,135	10,476,603
Leases payable	109,424	-	(14,931)	94,493	15,159
Compensated absences	6,970,020	5,227,976	(4,682,200)	7,515,796	4,861,393
Self insured health claims	696,875	8,722,469	(8,698,692)	720,652	720,652
Net pension liability	30,569,913	18,565,144	(25,827,715)	23,307,342	-
Total OPEB liability	10,291,384	1,070,650	(3,635,872)	7,726,162	34,888
Total governmental activities	\$ 207,528,825	\$ 33,586,239	\$ (54,609,484)	\$ 186,505,580	\$ 16,108,695
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 67,568,430	\$ -	\$ (6,900,033)	\$ 60,668,397	\$ 7,253,397
Certificates of obligation	28,270,000	47,095,000	(1,445,000)	73,920,000	2,140,000
Unamortized premiums	12,226,753	3,179,123	(2,444,291)	12,961,585	-
Bonds payable, net	108,065,183	50,274,123	(10,789,324)	147,549,982	9,393,397
Contractual obligations	21,506,034	-	(639,320)	20,866,714	601,709
Compensated absences	755,560	598,285	(489,910)	863,935	581,855
Net pension liability	4,922,237	5,892,129	(5,502,673)	5,311,693	-
Total OPEB liability	1,266,415	1,122,296	(627,935)	1,760,776	-
Total business-type activities	\$ 136,515,429	\$ 57,886,833	\$ (18,049,162)	\$ 176,353,100	\$ 10,576,961

City of League City, Texas

Notes to the Basic Financial Statements

Bonds Payable and Contractual Obligations

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 contractual obligations. Future ad valorem tax revenues and water and sewer system revenues secure these debt obligations.

The Gulf Coast Water Authority (GCWA) issued Revenue Bonds to improvement and expand the capacity of transmission lines and water treatment plants (City of League City Project – Southeast Transmission Line, City of League City Project - South Transmission System, City of League City – Thomas S. Mackey Water Treatment Plant Expansion) which help ensure the transmission capacity to supply the future water needs of the City. The City executed contracts with GCWA under which the City is required to make monthly principal and interest payments to the GCWA until the debt obligation is satisfied.

A summary of the terms of general obligation bonds, certificates of obligation and contractual obligations as of fiscal year end follows:

Series	Original Issue	Final Maturity	Interest Rate	Balance
Governmental activities:				
General obligation bonds:				
2011A General obligation refunding bonds	\$ 6,975,000	2028	2.00% to 5.00%	\$ 825,000.00
2013 General obligation refunding bonds	13,819,988	2033	2.00% to 4.00%	2,675,000
2016 General obligation refunding bonds	12,900,000	2029	3.00% to 5.00%	6,550,000
2016A General obligation refunding bonds	2,835,000	2030	2.00% to 5.00%	1,455,000
2019 General obligation refunding* and improvement bonds	28,770,000	2039	3.75% to 5.00%	21,725,000
2020 General obligation improvement bonds	27,125,000	2040	2.00% to 4.00%	23,095,000
2020 General obligation refunding bonds	22,610,312	2033	3.00% to 5.00%	15,966,603
2021 General obligation improvement bonds	22,455,000	2041	3.00% to 5.00%	20,160,000
2023 General obligation improvement bonds	19,550,000	2043	4.00% to 5.00%	18,945,000
Direct placement:				
2013A general obligation refunding bonds*	2,190,000	2026	2.21%	70,000
Total general obligation bonds				111,466,603
Certificates of obligation:				
2015 Tax and revenue certificates of obligation	3,020,000	2035	3.00% to 5.00%	1,955,000
2016 Tax and revenue certificates of obligation	8,970,000	2036	2.13% to 5.00%	6,230,000
2017 Tax and revenue certificates of obligation	8,730,000	2037	3.00% to 5.00%	5,505,000
2018 Tax and revenue certificates of obligation	11,165,000	2038	3.13% to 5.00%	7,795,000
Total certificates of obligation				21,485,000
Total governmental activities bonds payable				\$ 132,951,603

* 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 4B Industrial Development Corporation. Those payments 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 the Basic Financial Statements

Series	Original Issue	Final Maturity	Interest Rate	Balance
Business-type activities:				
General obligation bonds:				
2011A General obligation refunding bonds	\$ 4,705,000	2028	2.00% to 5.00%	\$ 930,000
2015 General obligation refunding bonds	17,605,000	2028	2.00% to 5.00%	5,730,000
2016 General obligation refunding bonds	16,355,000	2030	3.00% to 5.00%	10,170,000
2016A General obligation refunding bonds	12,155,000	2034	2.00% to 5.00%	8,740,000
2019 General obligation refunding* and improvement bonds	6,845,000	2031	3.00% to 5.00%	4,560,000
2020 General obligation refunding bonds	13,719,688	2032	3.00% to 5.00%	9,073,397
2021 General obligation refunding bonds	24,185,000	2031	3.38% to 5.00%	21,465,000
Total general obligation bonds				60,668,397
Certificates of obligation:				
2015 Tax and revenue certificates of obligation	14,425,000	2035	3.00% to 5.00%	9,365,000
2016 Tax and revenue certificates of obligation	3,645,000	2036	2.13% to 5.00%	2,535,000
2017 Tax and revenue certificates of obligation	7,905,000	2037	3.00% to 5.00%	4,750,000
2021 Tax and revenue certificates of obligation	11,330,000	2041	3.00% to 5.00%	10,175,000
2024 Tax and revenue certificates of obligation	47,095,000	2054	4.25% to 6.00%	47,095,000
Total certificates of obligation				73,920,000
Contractual obligations:				
2021 GCWA Contractual obligations	5,985,000	2041	3.00% to 4.00%	5,350,834
2021 GCWA Contractual obligations	5,210,000	2042	3.50% to 6.00%	4,865,833
2023 GCWA Contractual obligations	1,761,254	2052	4.00% to 5.00%	1,714,238
2023A GCWA Contractual obligations	7,126,808	2052	4.00% to 5.00%	6,943,124
2023B GCWA Contractual obligations	2,039,330	2052	5.25% to 5.50%	1,992,685
Total contractual obligations				20,866,714
Total business-type activities bonds payable and contractual obligations				\$ 155,455,111

* 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.

City of League City, Texas

Notes to the Basic Financial Statements

Debt Service Requirements

The annual debt service requirements to maturity for general obligation bonds, certificates of obligation and contractual obligations outstanding at September 30, 2024, are as follows:

Fiscal Year Ending September 30,	General Obligation Bonds					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 8,841,603	\$ 4,064,941	\$ 12,906,544	\$ 7,253,397	\$ 2,358,597	\$ 9,611,994
2026	8,495,000	3,658,349	12,153,349	6,700,000	2,013,597	8,713,597
2027	8,420,000	3,272,644	11,692,644	7,050,000	1,690,731	8,740,731
2028	8,735,000	2,895,466	11,630,466	7,545,000	1,365,691	8,910,691
2029	8,865,000	2,503,444	11,368,444	7,860,000	1,012,138	8,872,138
2030-2034	31,360,000	8,251,744	39,611,744	24,260,000	1,257,431	25,517,431
2035-2039	26,520,000	3,787,525	30,307,525	-	-	-
2040-2043	10,230,000	557,500	10,787,500	-	-	-
Totals	\$ 111,466,603	\$ 28,991,613	\$ 140,458,216	\$ 60,668,397	\$ 9,698,185	\$ 70,366,582

Fiscal Year Ending September 30,	Certificates of Obligation					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,635,000	\$ 750,229	\$ 2,385,229	\$ 2,140,000	\$ 3,178,886	\$ 5,318,886
2026	1,675,000	669,029	2,344,029	2,545,000	3,062,511	5,607,511
2027	1,715,000	587,429	2,302,429	2,645,000	2,940,736	5,585,736
2028	1,755,000	516,369	2,271,369	2,405,000	2,825,593	5,230,593
2029	1,780,000	455,998	2,235,998	2,505,000	2,716,549	5,221,549
2030-2034	8,615,000	1,422,335	10,037,335	15,315,000	11,734,606	27,049,606
2035-2039	4,310,000	242,303	4,552,303	12,845,000	8,691,511	21,536,511
2040-2044	-	-	-	9,820,000	6,308,840	16,128,840
2045-2049	-	-	-	10,580,000	3,982,445	14,562,445
2050-2054	-	-	-	13,120,000	1,441,389	14,561,389
Totals	\$ 21,485,000	\$ 4,643,692	\$ 26,128,692	\$ 73,920,000	\$ 46,883,066	\$ 120,803,066

Fiscal Year Ending September 30,	Contractual Obligations		
	Business-type Activities		
	Principal	Interest	Total
2025	\$ 601,709	\$ 904,936	\$ 1,506,645
2026	628,296	876,710	1,505,006
2027	654,851	846,166	1,501,017
2028	684,771	815,513	1,500,284
2029	720,902	781,768	1,502,670
2030-2034	4,156,362	3,357,263	7,513,625
2035-2039	5,093,525	2,426,090	7,519,615
2040-2044	3,899,141	1,437,992	5,337,133
2045-2049	2,643,940	793,167	3,437,107
2050-2052	1,783,217	163,395	1,946,612
Totals	\$ 20,866,714	\$ 12,403,000	\$ 33,269,714

City of League City, Texas

Notes to the Basic Financial Statements

Debt Issuances and Prior Defeased Debt

During the fiscal year, the City issued \$47,095,000 of Combination Tax and Revenue Certificates of Obligation (the "Certificates") Series 2024. Proceeds from the sale of the Certificates will be used for the purpose of providing funds for permanent public improvements including (i) acquisition, construction, extension and improvement of the City's waterworks and sewer system and (ii) payment of costs of professional services related thereto. The Certificates will mature in annual installments until fiscal year 2054 and have an interest rates ranging from 4.25 to 6.00 percent.

Prior Defeased Debt

In prior years, the City legally defeased certain bonds and certificates of obligation by placing cash and/or proceeds of refunding bond issues in an irrevocable trust to provide for all future debt services payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2024, there were no outstanding balances of defeased bonds.

Authorized But Unissued Bonds

As of September 30, 2024, the City has \$48,700,000 of authorized but unissued bonds.

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. The City did not report arbitrage liability as of September 30, 2024.

Leases Payable

The City has entered into lease agreements as lessee for the use of land. As of September 30, 2024, the outstanding lease liability was \$94,493. The City is required to make monthly payments and the 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 \$44,106.

The future principal and interest payments as of September 30, 2024 are as follows:

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
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	16,105	495	16,600
2030	16,351	249	16,600
Totals	\$ 94,493	\$ 5,107	\$ 116,200

City of League City, Texas

Notes to the Basic Financial Statements

Note 7. Interfund Transactions

Interfund Receivables and Payables

The composition of interfund balances as of year-end were as follows:

Due to	Due from	Amounts
General fund	Nonmajor governmental funds	\$ 1,098,554
General fund	League City ballpark fund	57,826
Total		\$ 1,156,380

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to other funds, which the general fund expects to collect in the subsequent year.

Interfund Transfers

Transfers between the governmental and proprietary funds during the year were as follows:

Transfers In	Transfers Out			Total
	Governmental Funds		Proprietary Fund	
	General Fund	Nonmajor Governmental Funds	Water and Wastewater Fund	
General fund	\$ -	\$ 1,865,316	\$ 4,835,959	\$ 6,701,275
Debt service fund	-	6,500,000	-	6,500,000
Nonmajor governmental funds	12,775,000	10,492,267	300,000	23,567,267
League City ballpark fund	1,000,000	-	-	1,000,000
Total	\$ 13,775,000	\$ 18,857,583	\$ 5,135,959	\$ 37,768,542

The general fund made transfers to nonmajor governmental funds to provide additional resources for various capital improvements. Transfers from the general fund to the League City ballpark fund are for operating subsidies. Transfers from nonmajor governmental funds to the debt service fund are from debt service contributions from the sales tax capital projects fund. Transfers from the nonmajor governmental funds and water and wastewater fund to the general fund are for annual subsidy payments. Transfers between nonmajor governmental funds are to provide additional resources from special revenue funds to capital project funds and to grant funds.

City of League City, Texas

Notes to the Basic Financial Statements

Note 8. Commitments and Contingencies

A. Risk Management

Property Damage / General Liability

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 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.

Workers' Compensation

The City participates in the Texas Municipal League's Intergovernmental Risk Pool (the Pool) for workers' compensation. In accordance with an interlocal agreement, the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums and claims above the City's deductibles. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

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 Commitments

The city has active construction projects as of September 30, 2024. 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 the Basic Financial Statements

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

Project Description	Authorized Contract	Contract Expenditures	Remaining Contract
Governmental activities:			
Bay Ridge Flood Reduction Phase 4	\$ 679,348	\$ 469,377	\$ 209,971
The Meadows Subdivision Drainage Improvements	2,436,365	1,224,551	1,211,814
Magnolia Creek & Cedar Gully Channel Improvements	1,400,300	1,186,525	213,775
Clear Creek Tributaries	1,007,142	934,052	73,090
Countryside Subdivision Drainage Improvements	78,205	72,731	5,474
Bayridge Subdivision Phase I	1,348,610	321,431	1,027,179
Bay Ridge Flood Reduction Ph 1	9,424,045	9,374,634	49,411
Benson Bayou & Mitigation Pond	444,735	187,811	256,924
Hurricane Harvey Drainage Project - FEMA (Gauge)	1,048,387	789,010	259,377
Hurricane Harvey Drainage Project - FEMA (Magnolia Creek)	197,903	171,647	26,256
FM 518 & Wesley Drive Drainage Improvements	461,783	461,633	150
Oaks of Clear Creek Northwest Detention Pond	1,631,712	1,548,067	83,645
Hughes Ln- W. Deats Rd Culvert Modification	432,131	326,007	106,124
Historic District Drainage Improvements	342,742	299,790	42,952
Targeted Homeowner Buyout	201,350	57,190	144,160
CDBG-MIT Admin Costs	754,730	72,473	682,257
Clear Creek and Dickinson Bayou (FIRM)	523,980	-	523,980
League City Master Drainage Plan Update (CRS)	64,866	31,300	33,566
FM 518 & Wesley Drive Drainage Improvements, Phase 2	463,306	64,000	399,306
Master Drainage Plan Update	723,405	41,500	681,905
Master Drainage Plan Update for the Historic District	355,735	58,300	297,435
Drainage Improvements within the Interurban Watershed	746,407	-	746,407
Robinson Bayou Watershed Drainage Study	148,410	43,962	104,448
Clear Creek - FM270 Bypass Channel	625,788	206,000	419,788
Main Street/Downtown	7,202,913	7,178,810	24,103
League City Development District	761,959	634,663	127,296
PWOC Restrooms and Locker Room	632,191	618,763	13,428
Generators for City Facilities	610,672	-	610,672
Animal Adoption Center - Ph 2 Soundwall	334,584	331,476	3,108
Hike & Bike Trails Way- Signage, Ph 2	255,801	76,979	178,822
FM270 Boat Ramp	201,978	178,728	23,250
Low-Water Crossing at Lynn Gripon Park	849,229	779,351	69,878
Kansas Ave Kayak Launch Sites	181,691	139,515	42,176
Nature Center Kayak Launch Site	177,042	137,041	40,001
Bay Colony Park - Phase 1	3,582,349	2,798,227	784,122
Gilmore Elementary - Claremont TPWD	1,018,001	157,798	860,203
Lobit Park	372,254	163,304	208,950
Chester L Davis Sportsplex Covered Structure	65,700	-	65,700
Newport Park Redevelopment	113,300	62,339	50,961
5K Loop Parking Access	159,000	33,600	125,400
Mar Bella Walk Path on Isla Vista Drive	161,498	135,379	26,119
Hometown Heroes Park Pool Renovation	21,107	4,010	17,097
Grissom Reconstruction	8,601,036	8,287,165	313,871
FM 518 Park Ave Rebuild Signal	91,777	43,175	48,602
RE1704F - Material Asphalt - Street Crew	457,908	335,888	122,020
Asphalt Street Rehab Pkg 7	2,133,286	289,689	1,843,597
Repairs Activity 540 Inspections	93,369	-	93,369
Sidewalk Replacements	4,251,776	3,905,104	346,672
Phase 2 - Reconstruction of Turner and Butler	1,088,519	896,064	192,455
Landscape TxDOT Medians	593,252	533,504	59,748
Main St. Sidewalks - Iowa to Texas Ave	451,485	444,676	6,809
Main St. Sidewalks - I 45 to UP RR	64,806	54,746	10,060
Walker St Corridor Upgrades (TIRZ 2)	5,120,576	3,553,943	1,566,633
League City Parkway @ Walker Intersection Improvements	659,476	607,332	52,144
North Landing Extension	27,753,039	27,497,817	255,222
SH3 at LCP Intersection	1,832,665	616,248	1,216,417
LCP Improvements at Hobbs	56,645	56,645	-
SH3 and FM518 Intersection Improvements	473,460	388,143	85,317
LCP Right Turn Lane Calder to Butler	324,981	265,151	59,830
Hobbs Road Extension to FM 517	741,390	116,081	625,309
Master Mobility Plan Update & CRF Study	295,505	275,888	19,617
FM 2094 @ Enterprise, Lakeside, & Twin Oaks Intersection Study	29,964	18,429	11,535
Maple Leaf and LCP	161,250	84,150	77,100
League City Parkway Corridor Signalization	2,031,409	2,031,259	150
Total governmental activities	\$ 99,550,228	\$ 81,673,071	\$ 17,877,157

City of League City, Texas

Notes to the Basic Financial Statements

Construction in progress and remaining commitments under related construction contracts for business-type activities projects at year end were as follows:

Project Description	Authorized Contract	Contract Expenditures	Remaining Contract
Business-type activities:			
36" WL from SH3 to SSH Booster Station	\$ 22,094,106	\$ 21,684,145	\$ 409,961
24 inch Waterline Stabilization Phase II	221,239	195,503	25,736
West Side Well & Booster Pump Station	506,758	449,598	57,160
Alabama ST, SS ST, Meadowbend GST	1,789,453	1,566,579	222,874
Meadowbend, Alabama, SSH	70,877	69,009	1,868
SH3 IMG GST	87,600	-	87,600
South Shore & Brittany Bay	133,100	-	133,100
FM518 Waterline Upgrade - I45 to Landing Ditch	2,518,732	2,496,732	22,000
FM 518 WL Replacement - Landing to Palomino	211,465	195,505	15,960
WL Replacement Pecan Forest	3,062,107	1,691,150	1,370,957
Mary Ln and Tallow Forest Service Area Connection	766,244	459,047	307,197
New Well & BPS LC Pkwy	484,761	361,469	123,292
Force Main Upgrade-Bay Colony to Ervin	3,403,969	3,403,146	823
Sewer System Evaluation	3,645,108	342,744	3,302,364
Jarbo Bayou FM Replacement	309,035	47,734	261,301
E Main Lift Station Conversion	2,240,402	179,350	2,061,052
Smith Lane and Butler Lift Stations	623,561	260,302	363,259
Willow Branch and FM 518	1,638,500	1,388,996	249,504
DSWWTP Relift Pump Addition	71,521	50,615	20,906
DSWWTP Influent Wet Well Rehab	591,949	190,738	401,211
4.0 MGD Expansion to SWWRF	6,781,505	3,613,514	3,167,991
Harobur Park 1 Lift Station Expansion to 3MGD	241,310	178,060	63,250
Re-Route 18-inch Bay Colony 14-15 FM to SWWRF	601,913	306,853	295,060
	\$ 52,095,215	\$ 39,130,789	\$ 12,964,426
Total business-type activities			

Note 9. Pension Plan

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas 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 of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmr.com.

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

City of League City, Texas

Notes to the Basic Financial Statements

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 benefit is calculated as if the sum of the member (employee's) contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's 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. A summary of plan provisions for the City is as follows:

	Plan Year 2024	Plan Year 2023
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 retirement eligibility (expressed as age/years 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 Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	326
Inactive employees entitled to, but not yet receiving, benefits	430
Active employees	590
Total	1,346

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 15.09% and 14.48% in calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$6,988,485, which were equal to the required contributions.

City of League City, Texas

Notes to the Basic Financial Statements

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements.

For disabled annuitants, the same mortality tables for healthy retirees are 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 MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018, to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

City of League City, Texas

Notes to the Basic Financial Statements

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	7.70%
Core fixed income	6.0%	4.90%
Non-core fixed income	20.0%	8.70%
Other public and private markets	12.0%	8.10%
Real estate	12.0%	5.80%
Hedge funds	5.0%	6.90%
Private equity	10.0%	11.80%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2022	\$ 200,943,344	\$ 165,451,194	\$ 35,492,150
Changes for the year:			
Service cost	7,282,774	-	7,282,774
Interest	13,522,062	-	13,522,062
Difference between expected and actual experience	1,865,434	-	1,865,434
Change in assumptions	(1,124,678)	-	(1,124,678)
Contributions - employer	-	6,314,642	(6,314,642)
Contributions - employee	-	3,052,660	(3,052,660)
Net investment income	-	19,174,077	(19,174,077)
Benefit payments, including refunds of employee contributions	(8,515,766)	(8,515,766)	-
Administrative expense	-	(121,822)	121,822
Other changes	-	(850)	850
Net changes	13,029,826	19,902,941	(6,873,115)
Balance at December 31, 2023	\$ 213,973,170	\$ 185,354,135	\$ 28,619,035

City of League City, Texas

Notes to the Basic Financial Statements

Sensitivity of the Net Pension Liability

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 60,844,943	\$ 28,619,035	\$ 2,407,951

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$6,800,952.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,305,955	\$ 67,820
Changes in actuarial assumptions	-	839,226
Differences between projected and actual investment earnings	4,399,118	-
Contributions subsequent to the measurement date	5,489,894	-
Totals	\$ 13,194,967	\$ 907,046

\$5,489,894 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 net pension liability for the fiscal year ending September 30, 2025.

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

Year Ending September 30,	Pension Expense
2025	\$ 2,375,644
2026	2,377,199
2027	3,646,405
2028	(1,601,221)
Totals	\$ 6,798,027

City of League City, Texas

Notes to the Basic Financial Statements

Note 10. Other Postemployment Benefits

TMRS Supplemental Death Benefits Fund (SDBF)

Plan Description

The City participates in the cost sharing multiple-employer defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (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.

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 the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

Benefits Provided

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.

Plan Membership

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	243
Inactive employees entitled to, but not yet receiving, benefits	93
Active employees	590
	<hr/>
Total	926

Contributions

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

The retiree portion of contribution rates to the SDBF for the City was 0.09% and 0.08% in calendar years 2024 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2024 were \$41,022, and were equal to the required contributions.

Total OPEB Liability

The City's total OPEB liability of \$1,470,900 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

City of League City, Texas
Notes to the Basic Financial Statements

Actuarial Assumptions and Assumptions

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the pension trust and accounted for under reporting requirements of GASB Statement No. 68
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 the most recent Scale MP-2021 (with immediate convergence) 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, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2022.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance	1,308,897
Changes for the year:	
Service cost	\$ 78,497
Interest	53,893
Difference between expected and actual experience	(7,594)
Changes of assumptions	72,095
Benefit payments*	<u>(34,888)</u>
Net changes	<u>162,003</u>
Ending balance	<u>\$ 1,470,900</u>

*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 the Basic Financial Statements

The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. 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:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 1,769,476	\$ 1,470,900	\$ 1,238,910

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$65,101. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 71,778
Changes in actuarial assumptions	202,328	452,452
Contributions subsequent to the measurement date	32,743	-
Total	\$ 235,071	\$ 524,230

\$32,743 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, 2025.

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

Year Ending September 30,	OPEB Expense
2025	\$ (51,168)
2026	(84,163)
2027	(115,388)
2028	(77,884)
2029	6,701
Totals	\$ (321,902)

City of League City, Texas

Notes to the Basic Financial Statements

Postemployment Healthcare Plan

Plan Description

The City administers a single employer defined benefit OPEB plan (the "Program"). 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 31, 2023:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	571
Total	591

Total OPEB Liability

The City's total OPEB liability of \$8,016,038 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

City of League City, Texas

Notes to the Basic Financial Statements

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Actuarial cost method	Individual entry-age
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2022 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-2021 table to account for future mortality improvements.
Healthcare trend rates	Initial rate of 7.10% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	0% for pre-50 retirees with any years of service; 25% for 50-64 years of age retirees with less than 20 years of service; 20% for 50-54 years of age retirees with more than 20 years of service; 45% 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 is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning balance	10,248,902
Changes for the year:	
Service cost	\$ 687,998
Interest	421,984
Difference between expected and actual experience	(1,771,040)
Changes of assumptions	(1,224,739)
Benefit payments	(347,067)
Net changes	(2,232,864)
Ending balance	\$ 8,016,038

Change in assumption reflected a change in the discount rate from 4.05% as of December 31, 2022, to 3.77% as of December 31, 2023. The demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study. Additionally, the participation, spousal coverage, and health care trend assumptions were updated to better reflect the plan's anticipated experience.

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

City of League City, Texas

Notes to the Basic Financial Statements

Sensitivity of Total OPEB Liability to the Discount Rate

Regarding the sensitivity of the Program's total OPEB liability, 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:

	1% Decrease in Discount Rate <u>(2.77%)</u>	Discount Rate <u>(3.77%)</u>	1% Increase in Discount Rate <u>(4.77%)</u>
City's total OPEB liability	\$ 8,861,126	\$ 8,016,038	\$ 7,260,212

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:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's total OPEB liability	\$ 7,125,498	\$ 8,016,038	\$ 9,068,222

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$483,523. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,112	\$ 1,894,732
Changes in actuarial assumptions	718,820	3,218,287
Contributions subsequent to the measurement date	251,001	-
Total	\$ 1,017,933	\$ 5,113,019

\$251,001 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, 2025.

City of League City, Texas

Notes to the Basic Financial Statements

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

Year Ending September 30,	OPEB Expense
2025	\$ (626,459)
2026	(661,796)
2027	(661,634)
2028	(569,962)
2029	(630,246)
Thereafter	<u>(1,195,990)</u>
Totals	\$ <u>(4,346,087)</u>

Aggregate Total OPEB Expenses

The City recognized aggregate total OPEB expenses of \$548,624 during the fiscal year ended September 30, 2024, related to the City's TMRS SDBF and the Retiree Healthcare Program OPEB plans.

Note 11. 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, 2024, 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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Health claim liability, beginning of year	\$ 696,875	\$ 547,618
Claims and changes in estimates	8,722,469	7,594,826
Claim payments	<u>(8,698,692)</u>	<u>(7,445,569)</u>
Health claim liability, end of year	\$ <u>720,652</u>	\$ <u>696,875</u>

City of League City, Texas

Notes to the Basic Financial Statements

Note 12. Contracts

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

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.

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.

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.

City of League City, Texas

Notes to the Basic Financial Statements

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 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 \$8,611,151 for various costs related to these projects.

Note 13. 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.

City of League City, Texas

Notes to the Basic Financial Statements

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 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 2024.
- 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 2024, the City rebated \$50,530 in property taxes and \$133,813 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.

Note 14. Fund Balance Deficit

The City reported a deficit fund balance of \$45,692 in the CDBG Fund, a nonmajor governmental fund, as of September 30, 2024, due to a difference in the timing of recognition of expenditure and when the expenditure meets the eligibility criteria for reimbursement. This will be reimbursed through a grant award in a subsequent period.

The City also reported a deficit fund balance of \$929,660 in the League City Ballpark Fund, a nonmajor enterprise fund, as of September 30, 2024, due to its first year of operation. The operations of the fund are intended to be self-sustaining in subsequent periods, and the City will provide operating transfers as deemed necessary.

Note 15. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2024 and through March 5, 2025, the date the financial statements were issued.



**Required Supplementary Information
(Unaudited)**

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem property tax	\$ 37,702,080	\$ 38,102,080	\$ 40,218,404	\$ 2,116,324
Sales tax	29,114,380	29,114,380	28,867,267	(247,113)
Franchise fees	5,757,754	5,757,754	5,373,351	(384,403)
Other taxes	392,365	392,365	478,682	86,317
Licenses and permits	2,875,908	2,875,908	4,214,952	1,339,044
Fines and forfeitures	1,368,798	1,368,798	1,986,714	617,916
Charges for services	13,988,649	14,165,974	14,129,302	(36,672)
Intergovernmental	596,419	686,908	618,970	(67,938)
Contributions	5,250	5,250	2,500	(2,750)
Investment earnings	684,485	684,485	2,291,905	1,607,420
Other	308,081	463,081	401,332	(61,749)
Total revenues	92,794,169	93,616,983	98,583,379	4,966,396
EXPENDITURES				
Current:				
General government				
Economic development	443,742	452,087	404,780	47,307
Budget office	823,999	863,677	804,050	59,627
City secretary	491,948	602,786	579,858	22,928
City manager	655,930	690,601	681,216	9,385
Information technology	3,927,446	4,026,089	3,991,123	34,966
City auditor	137,691	143,218	142,904	314
City attorney	741,494	1,141,494	1,016,571	124,923
Accounting	2,441,126	2,689,750	2,687,529	2,221
Mayor and city council	125,886	125,886	104,627	21,259
Municipal court	914,936	925,193	858,808	66,385
Human resources	1,109,541	1,136,791	1,125,931	10,860
Facilities maintenance	2,526,003	2,540,402	2,414,648	125,754
Purchasing	352,370	326,652	302,919	23,733
Communications	1,084,937	1,159,444	1,157,899	1,545
Nondepartmental	4,624,457	3,062,569	2,519,182	543,387
Total	20,401,506	19,886,639	18,792,045	1,094,594
Public safety				
Police	25,294,659	20,849,777	20,834,124	15,653
Fire	3,571,288	3,557,445	3,330,545	226,900
EMS	6,293,738	5,707,260	5,696,927	10,333
Emergency management	332,149	341,796	308,788	33,008
Animal control	1,389,349	1,407,100	1,398,095	9,005
Fire marshal	1,186,346	1,203,406	1,189,966	13,440
Total	38,067,529	33,066,784	32,758,445	308,339

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Continued General Fund For the Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
Public works				
Administration	600,892	641,977	624,911	17,066
Project management	1,822,176	1,889,933	1,889,894	39
Engineering	2,411,031	2,451,843	2,288,464	163,379
Streets and stormwater	8,546,927	8,529,588	8,526,692	2,896
Solid waste	8,077,109	8,048,909	7,975,516	73,393
Total	21,458,135	21,562,250	21,305,477	256,773
Community services				
Library	2,616,790	2,723,494	2,717,531	5,963
Parks recreation	1,553,414	1,568,180	1,320,909	247,271
Civic center operations	106,386	112,517	110,031	2,486
Neighborhood services	645,241	652,902	647,400	5,502
Planning	1,210,446	1,495,116	1,420,393	74,723
Building	1,371,890	1,408,166	1,387,832	20,334
Parks operation	2,955,475	2,952,269	2,927,839	24,430
Total	10,459,642	10,912,644	10,531,935	380,709
Capital outlay	594,712	2,362,049	2,018,633	343,416
Total expenditures	90,981,524	87,790,366	85,406,535	2,383,831
Excess (deficiency) of revenues over (under) expenditures	1,812,645	5,826,617	13,176,844	7,350,227
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	39,430	39,430
Transfers in	4,901,125	6,700,840	6,701,275	435
Transfers out	(6,825,000)	(13,775,000)	(13,775,000)	-
Total other financing sources (uses)	(1,923,875)	(7,074,160)	(7,034,295)	39,865
Net change in fund balances	(111,230)	(1,247,543)	6,142,549	7,390,092
Fund balances, beginning of year	28,247,575	28,247,575	28,247,575	-
FUND BALANCE, END OF YEAR	\$ 28,136,345	\$ 27,000,032	\$ 34,390,124	\$ 7,390,092

Notes to Required Supplementary Information:

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

City of League City, Texas
Schedule of Changes in the Net Pension Liability
and Related Ratios
Texas Municipal Retirement System
For the Measurement Years Ended December 31*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 7,282,774	\$ 6,671,240	\$ 6,423,948	\$ 6,111,856
Interest	13,522,062	12,573,042	11,699,933	10,997,931
Differences between expected and actual experience	1,865,434	2,578,892	1,921,236	(713,722)
Changes in assumptions	(1,124,678)	-	-	-
Benefit payments, including refunds of employee contributions	<u>(8,515,766)</u>	<u>(7,622,995)</u>	<u>(6,844,644)</u>	<u>(5,459,505)</u>
Net change in total pension liability	13,029,826	14,200,179	13,200,473	10,936,560
Total pension liability - beginning	<u>200,943,344</u>	<u>186,743,165</u>	<u>173,542,692</u>	<u>162,606,132</u>
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 213,973,170</u>	<u>\$ 200,943,344</u>	<u>\$ 186,743,165</u>	<u>\$ 173,542,692</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 6,314,642	\$ 5,738,008	\$ 5,666,689	\$ 5,406,543
Contributions - employee	3,052,660	2,793,165	2,702,102	2,571,093
Net investment income (loss)	19,174,077	(12,968,111)	20,321,882	10,823,161
Benefit payments, including refunds of employee contributions	(8,515,766)	(7,622,995)	(6,844,644)	(5,459,505)
Administrative expense	(121,822)	(112,114)	(93,939)	(69,976)
Other	<u>(850)</u>	<u>133,786</u>	<u>642</u>	<u>(2,730)</u>
Net change in plan fiduciary net position	19,902,941	(12,038,261)	21,752,732	13,268,586
Plan fiduciary net position - beginning	<u>165,451,194</u>	<u>177,489,455</u>	<u>155,736,723</u>	<u>142,468,137</u>
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 185,354,135</u>	<u>\$ 165,451,194</u>	<u>\$ 177,489,455</u>	<u>\$ 155,736,723</u>
NET PENSION LIABILITY - ENDING (a)-(b)	<u>\$ 28,619,035</u>	<u>\$ 35,492,150</u>	<u>\$ 9,253,710</u>	<u>\$ 17,805,969</u>
Plan fiduciary net position as a percentage of total pension liability	86.62%	82.34%	95.04%	89.74%
Covered payroll	\$ 43,609,427	\$ 39,875,909	\$ 38,535,982	\$ 36,729,902
Net pension liability as a percentage of covered payroll	65.63%	89.01%	24.01%	48.48%

*GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

The following factors significantly affect trends in the amounts reported for the City's net pension liability:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarial Assumptions:				
Inflation	2.50%	2.50%	2.50%	2.50%
Payroll growth	2.75%	2.75%	2.75%	2.75%
Investment rate of return	6.75%	6.75%	6.75%	6.75%
Discount rate	6.75%	6.75%	6.75%	6.75%

Measurement Date December 31, 2023 - Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2018 to December 31, 2022.

Measurement Date December 31, 2019 - 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.

Measurement Date December 31, 2015 - Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014.

2019	2018	2017	2016	2015	2014
\$ 5,637,317	\$ 5,288,820	\$ 5,157,392	\$ 4,864,613	\$ 4,766,977	\$ 4,085,930
10,330,687	9,776,168	9,094,253	8,589,498	8,244,037	7,738,609
(1,342,090)	(1,633,715)	904,184	(1,524,205)	606,671	(1,232,945)
474,720	-	-	-	92,710	-
(5,446,122)	(5,334,730)	(4,903,446)	(4,293,442)	(4,265,297)	(3,158,114)
9,654,512	8,096,543	10,252,383	7,636,464	9,445,098	7,433,480
152,951,620	144,855,077	134,602,694	126,966,230	117,521,132	110,087,652
<u>\$ 162,606,132</u>	<u>\$ 152,951,620</u>	<u>\$ 144,855,077</u>	<u>\$ 134,602,694</u>	<u>\$ 126,966,230</u>	<u>\$ 117,521,132</u>
\$ 5,189,088	\$ 4,888,629	\$ 4,818,263	\$ 4,375,883	\$ 4,397,765	\$ 3,962,525
2,414,400	2,264,908	2,191,544	2,061,277	2,085,870	1,938,343
18,817,328	(3,704,148)	14,801,671	6,628,183	141,338	5,037,807
(5,446,122)	(5,334,730)	(4,903,446)	(4,293,442)	(4,265,297)	(3,158,114)
(106,226)	(71,534)	(76,665)	(74,832)	(86,078)	(52,589)
(3,191)	(3,737)	(3,885)	(4,035)	(4,251)	(4,323)
20,865,277	(1,960,612)	16,827,482	8,693,034	2,269,347	7,723,649
121,602,860	123,563,472	106,735,990	98,042,956	95,773,609	88,049,960
<u>\$ 142,468,137</u>	<u>\$ 121,602,860</u>	<u>\$ 123,563,472</u>	<u>\$ 106,735,990</u>	<u>\$ 98,042,956</u>	<u>\$ 95,773,609</u>
<u>\$ 20,137,995</u>	<u>\$ 31,348,760</u>	<u>\$ 21,291,605</u>	<u>\$ 27,866,704</u>	<u>\$ 28,923,274</u>	<u>\$ 21,747,523</u>
87.62%	79.50%	85.30%	79.30%	77.22%	81.49%
\$ 34,479,004	\$ 32,347,526	\$ 31,275,877	\$ 29,446,809	\$ 29,774,998	\$ 27,690,617
58.41%	96.91%	68.08%	94.63%	97.14%	78.54%

2019	2018	2017	2016	2015	2014
2.50%	2.50%	2.50%	2.50%	2.50%	3.00%
2.75%	3.00%	3.00%	3.00%	3.00%	3.00%
6.75%	6.75%	6.75%	6.75%	6.75%	7.00%
6.75%	6.75%	6.75%	6.75%	6.75%	7.00%

City of League City, Texas
 Schedule of the City's Contributions
 Texas Municipal Retirement System
 For the Fiscal Years Ended September 30*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 6,988,485	\$ 6,150,956	\$ 5,933,064	\$ 5,587,702
Contributions in relation to the actuarially determined contribution	(6,988,485)	(6,150,956)	(5,933,064)	(5,587,702)
CONTRIBUTIONS DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,730,391	\$ 42,543,091	\$ 41,055,354	\$ 38,036,211
Contributions as a percentage of covered payroll	14.95%	14.46%	14.45%	14.69%

*GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the City's fiscal year (September 30).

Notes to Required Supplementary Information

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

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
Asset valuation method	10 year smoothed fair value; 12% 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 2023 valuation pursuant to an experience study of the four year period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generation 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.

Other Information There were no benefit changes during the year.

2020	2019	2018	2017	2016	2015
\$ 5,355,137	\$ 5,101,882	\$ 4,833,238	\$ 4,717,212	\$ 4,373,626	\$ 4,154,127
(5,355,137)	(5,101,882)	(4,833,238)	(4,717,212)	(4,373,626)	(4,154,127)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 36,169,235	\$ 33,864,518	\$ 31,833,706	\$ 30,922,708	\$ 29,183,791	\$ 28,317,437
14.81%	15.07%	15.18%	15.25%	14.99%	14.67%

City of League City, Texas

Schedule of Changes in Total OPEB Liability

and Related Ratios

Texas Municipal Retirement System

For the Measurement Years Ended December 31*

	2023	2022	2021	2020
TOTAL OPEB LIABILITY				
Service cost	\$ 78,497	\$ 135,578	\$ 127,169	\$ 95,498
Interest	53,893	36,003	35,969	40,261
Difference between expected and actual experience	(7,594)	(39,943)	(43,749)	(43,477)
Changes in assumptions	72,095	(697,686)	62,078	245,303
Benefit payments	(34,888)	(27,913)	(26,975)	(11,019)
Net change in total OPEB liability	162,003	(593,961)	154,492	326,566
Total OPEB liability - beginning	1,308,897	1,902,858	1,748,366	1,421,800
TOTAL OPEB LIABILITY - ENDING	\$ 1,470,900	\$ 1,308,897	\$ 1,902,858	\$ 1,748,366
Covered-employee payroll	\$ 43,609,427	\$ 39,875,909	\$ 38,535,982	\$ 36,729,902
Total OPEB liability as a percentage of covered-employee payroll	3.37%	3.28%	4.94%	4.76%

*GASB Statement No. 75 requires 10 years of data; however, seven years of data are presented as the data for the years prior to 2017 are not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria of GASB 75, Paragraph 4, and therefore, the Supplemental Death Benefits Plan does not report fiduciary net position.

The following factors significantly affect trends in the amounts reported for the City's total OPEB liability:

	2023	2022	2021	2020
Actuarial Assumptions:				
Inflation	2.50%	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%	3.50%
Discount rate	3.77%	4.05%	1.84%	2.00%

Changes of assumptions reflect the effects of changes in the discount rate each period.

2019	2018	2017
\$ 62,062	\$ 64,695	\$ 56,297
42,581	39,230	37,657
(29,820)	(44,028)	-
235,443	(87,620)	97,169
(10,344)	(6,470)	(6,255)
299,922	(34,193)	184,868
1,121,878	1,156,071	971,203
\$ 1,421,800	\$ 1,121,878	\$ 1,156,071
\$ 34,479,004	\$ 32,347,526	\$ 31,275,877
4.12%	3.47%	3.70%

2019	2018	2017
2.50%	2.50%	2.50%
3.50%	3.50%	3.50%
2.75%	3.71%	3.31%

City of League City, Texas

Schedule of Changes in Total OPEB Liability

and Related Ratios

Retiree Medical Program

For the Measurement Years Ended December 31*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 687,998	\$ 937,021	\$ 871,648	\$ 697,812
Interest	421,984	227,609	225,519	264,536
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,771,040)	2,408	29,522	2,317
Changes in assumptions	(1,224,739)	(2,668,206)	203,836	833,403
Benefit payments	<u>(347,067)</u>	<u>(302,945)</u>	<u>(235,282)</u>	<u>(221,753)</u>
Net change in total OPEB liability	(2,232,864)	(1,804,113)	1,095,243	1,576,315
Total OPEB liability - beginning	<u>10,248,902</u>	<u>12,053,015</u>	<u>10,957,772</u>	<u>9,381,457</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 8,016,038</u>	<u>\$ 10,248,902</u>	<u>\$ 12,053,015</u>	<u>\$ 10,957,772</u>
Covered-employee payroll	\$ 43,609,427	\$ 39,875,909	\$ 38,535,982	\$ 36,729,444
Total OPEB liability as a percentage of covered-employee payroll	18.38%	25.70%	31.28%	29.83%

*GASB Statement No. 75 requires 10 years of data; however, seven years of data are presented as the data for the years prior to 2017 are not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria of GASB 75, Paragraph 4, and therefore, the Retiree Health Care Plan does not report fiduciary net position.

The following factors significantly affect trends in the amounts reported for the City's total OPEB liability:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarial Assumptions:				
Inflation	2.50%	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%	3.50%
Discount rate	3.77%	4.05%	1.84%	2.00%

Changes of assumptions reflect the effects of changes in the discount rate each period.

	2019	2018	2017
\$	574,208	\$ 503,159	\$ 436,976
	329,672	284,533	287,306
	670,608	-	-
	(888,289)	91,976	-
	193,901	(420,966)	493,341
	(195,141)	(213,583)	(177,171)
	684,959	245,119	1,040,452
	8,696,498	8,451,379	7,410,927
\$	<u>9,381,457</u>	<u>\$ 8,696,498</u>	<u>\$ 8,451,379</u>
\$	34,478,994	\$ 32,347,526	\$ 31,275,877
	27.21%	26.88%	27.02%

	2019	2018	2017
	2.50%	2.50%	2.50%
	3.50%	3.50%	3.50%
	2.75%	3.71%	3.31%



Other Supplementary Information



SPECIAL REVENUE FUNDS

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed 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.

City of League City, Texas

Nonmajor Governmental Funds

September 30, 2024

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.

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 Heroes 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.

City of League City, Texas

Nonmajor Governmental Funds

September 30, 2024

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.

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.

The **Fire Mitigation Fund** is used to track the collection of fire mitigation fees and related expenditures.

The **CDBG Mitigation Fund** is used to track eligible expenses related to Community Development Block Grant projects that are reimbursed through the CDBG-MIT grant award.

The **Energy Efficiency and Conservation Block Grant Fund** is used to track eligible expenses related to Energy Efficiency and Conservation Block Grant (EECBG) Program, which is designed to assist local governments in implementing strategies to reduce energy use, reduce fossil fuel emissions and improve energy efficiency.

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

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

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

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.

City of League City, Texas

Nonmajor Governmental Funds

September 30, 2024

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 **Fire Station 7 Fund** is used to account for capital projects designated committed to Fire Station 7.

City of League City, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2024

	Police Activity Fund	Municipal Court Building Security Fund	Municipal Court Technology Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 466,004	\$ 8,496	\$ 8,811
Investments	-	-	-
Receivables, net of allowance	-	-	-
Prepaid Items	-	-	-
TOTAL ASSETS	\$ 466,004	\$ 8,496	\$ 8,811
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 25,089	\$ -	\$ -
Accrued liabilities	141,792	698	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	166,881	698	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	7,798	8,811
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	-	-
Tax increment reinvestment zone	-	-	-
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
Committed:			
Special projects	299,123	-	-
Capital projects	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	299,123	7,798	8,811
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 466,004	\$ 8,496	\$ 8,811

Library Gift Fund	Hotel Occupancy Tax Fund	Tree Preservation Fund	Animal Control Donation Fund	CDBG Fund	Public Access Channel Fund	Tax Reinvestment Financing Zone No. One Fund
\$ 2,981	\$ 436,596	\$ 34,740	\$ 232,554	\$ 86,021	\$ 100,481	\$ 182,554
-	1,119,740	-	-	-	943,098	772,031
-	321,656	-	-	17,482	54,329	10,141
-	-	-	-	-	-	-
<u>\$ 2,981</u>	<u>\$ 1,877,992</u>	<u>\$ 34,740</u>	<u>\$ 232,554</u>	<u>\$ 103,503</u>	<u>\$ 1,097,908</u>	<u>\$ 964,726</u>
\$ -	\$ 4,536	\$ -	\$ 5,893	\$ 18,276	\$ 39,302	\$ -
-	4,248	-	-	45,304	10,500	-
-	-	-	-	-	-	-
-	-	-	-	85,615	-	-
-	-	-	-	-	-	-
-	8,784	-	5,893	149,195	49,802	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,869,208	-	-	-	-	-
-	-	-	-	-	1,048,106	-
-	-	-	-	-	-	964,726
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,981	-	34,740	226,661	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(45,692)	-	-
<u>2,981</u>	<u>1,869,208</u>	<u>34,740</u>	<u>226,661</u>	<u>(45,692)</u>	<u>1,048,106</u>	<u>964,726</u>
<u>\$ 2,981</u>	<u>\$ 1,877,992</u>	<u>\$ 34,740</u>	<u>\$ 232,554</u>	<u>\$ 103,503</u>	<u>\$ 1,097,908</u>	<u>\$ 964,726</u>

City of League City, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2024

	Tax Reinvestment Financing Zone No. Two Fund	Tax Reinvestment Financing Zone No. Three Fund	Tax Reinvestment Financing Zone No. Four Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 101,719	\$ 443,395
Investments	6,041,806	772,031	889,884
Receivables, net of allowance	14,479	10,141	2,136
Prepaid Items	-	-	-
	<u>6,056,285</u>	<u>883,891</u>	<u>1,335,415</u>
TOTAL ASSETS	\$ 6,056,285	\$ 883,891	\$ 1,335,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 240,882	\$ -	\$ 825,000
Accrued liabilities	171,916	-	-
Deposits payable	-	-	-
Due to other funds	283,744	-	-
Unearned revenue	-	-	-
	<u>696,542</u>	<u>-</u>	<u>825,000</u>
Total liabilities	696,542	-	825,000
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	-	-
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	-	-
Tax increment reinvestment zone	5,359,743	883,891	510,415
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
Committed:			
Special projects	-	-	-
Capital projects	-	-	-
Unassigned	-	-	-
	<u>5,359,743</u>	<u>883,891</u>	<u>510,415</u>
Total fund balances (deficits)	5,359,743	883,891	510,415
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,056,285	\$ 883,891	\$ 1,335,415

Public Improvement District No. One Fund	Public Improvement District No. Two Fund	Public Improvement District No. Three Fund	Public Improvement District No. Five Fund	4B Park Maintenance and Operations Fund	Public Safety Technology Fund	Technology Fund
\$ 569,361	\$ 381,207	\$ 415,589	\$ 598,126	\$ 201,817	\$ 84,005	\$ 52,956
359,527	965,412	-	-	712,478	-	994,028
7,805	73	-	-	7,465	16,964	6,373
-	-	-	-	93,801	-	-
<u>\$ 936,693</u>	<u>\$ 1,346,692</u>	<u>\$ 415,589</u>	<u>\$ 598,126</u>	<u>\$ 1,015,561</u>	<u>\$ 100,969</u>	<u>\$ 1,053,357</u>
\$ 2,163	\$ 1,338	\$ 1,563	\$ 250	\$ 82,697	\$ -	\$ -
1,058	224,329	7,535	21,542	16,202	3,778	-
-	-	-	-	3,100	-	-
-	-	-	-	142,124	-	384,319
-	-	-	-	-	-	-
3,221	225,667	9,098	21,792	244,123	3,778	384,319
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	93,801	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
933,472	1,121,025	406,491	576,334	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	97,191	669,038
-	-	-	-	-	-	-
-	-	-	-	677,637	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>933,472</u>	<u>1,121,025</u>	<u>406,491</u>	<u>576,334</u>	<u>771,438</u>	<u>97,191</u>	<u>669,038</u>
<u>\$ 936,693</u>	<u>\$ 1,346,692</u>	<u>\$ 415,589</u>	<u>\$ 598,126</u>	<u>\$ 1,015,561</u>	<u>\$ 100,969</u>	<u>\$ 1,053,357</u>

City of League City, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	EMS/Fire Donation Fund	Special Assessments Fund	FEMA Hurricane Harvey Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 92,027	\$ -	\$ 187,564
Investments	-	-	1,458,258
Receivables, net of allowance	1,498	19,545	7,214
Prepaid Items	-	-	-
	<u>93,525</u>	<u>19,545</u>	<u>1,653,036</u>
TOTAL ASSETS	\$ 93,525	\$ 19,545	\$ 1,653,036
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	43,692
	<u>-</u>	<u>-</u>	<u>43,692</u>
Total liabilities	-	-	43,692
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	19,545	-
	<u>-</u>	<u>19,545</u>	<u>-</u>
Total deferred inflows of resources	-	19,545	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	-	-
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	-	1,609,344
Tax increment reinvestment zone	-	-	-
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
Committed:			
Special projects	93,525	-	-
Capital projects	-	-	-
Unassigned	-	-	-
	<u>93,525</u>	<u>-</u>	<u>1,609,344</u>
Total fund balances (deficits)	93,525	-	1,609,344
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 93,525	\$ 19,545	\$ 1,653,036

Municipal Court TPRF Fund	Coronavirus Relief Fund	HMGP Disaster Recovery Fund	CDBG-DR Hurricane Harvey Fund	CDBG-DR Voluntary Home Buyout Fund	Coastal Management Fund	FEMA Winter Storm Uri Fund
\$ 81,576	\$ -	\$ 232,374	\$ 257,365	\$ 57,327	\$ 104,801	\$ -
-	-	256,805	444,945	-	-	205,875
-	-	5,575	3,194	-	-	2,704
-	-	-	-	-	-	-
<u>\$ 81,576</u>	<u>\$ -</u>	<u>\$ 494,754</u>	<u>\$ 705,504</u>	<u>\$ 57,327</u>	<u>\$ 104,801</u>	<u>\$ 208,579</u>
\$ -	\$ -	\$ 7,543	\$ 2,514	\$ 2,475	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	202,752
-	-	-	-	-	-	-
-	-	7,543	2,514	2,475	-	202,752
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
81,576	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	487,211	702,990	54,852	104,801	5,827
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>81,576</u>	<u>-</u>	<u>487,211</u>	<u>702,990</u>	<u>54,852</u>	<u>104,801</u>	<u>5,827</u>
<u>\$ 81,576</u>	<u>\$ -</u>	<u>\$ 494,754</u>	<u>\$ 705,504</u>	<u>\$ 57,327</u>	<u>\$ 104,801</u>	<u>\$ 208,579</u>

City of League City, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2024

	COVID FEMA Public Assistance Fund	Coronavirus State and Local Fiscal Recovery Fund	FEMA Hurricane Nicholas Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 31	\$ 556,289	\$ -
Investments	-	-	-
Receivables, net of allowance	-	-	-
Prepaid Items	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 31	\$ 556,289	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 11,650	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	31	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	31	11,650	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	-	-
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	544,639	-
Tax increment reinvestment zone	-	-	-
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
Committed:			
Special projects	-	-	-
Capital projects	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	-	544,639	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31	\$ 556,289	\$ -

Opioid Abatement Fund	Fire Mitigation Fund	CDBG Mitigation Fund	Energy Efficiency and Conservation Block Grant Fund	FEMA Hurricane Laura Fund	FEMA Hurricane Beryl Fund	Total Nonmajor Special Revenue Funds
\$ 117,144	\$ 1,393	\$ -	\$ 300,101	\$ 88,947	\$ 2,361,696	\$ 8,846,048
-	-	-	-	-	-	15,935,918
-	8,564	267,257	-	-	-	784,595
-	-	-	-	-	-	93,801
<u>\$ 117,144</u>	<u>\$ 9,957</u>	<u>\$ 267,257</u>	<u>\$ 300,101</u>	<u>\$ 88,947</u>	<u>\$ 2,361,696</u>	<u>\$ 25,660,362</u>
\$ -	\$ -	\$ 267,257	\$ 271,900	\$ -	\$ 1,941,583	\$ 3,751,911
-	-	-	-	-	-	648,902
-	-	-	-	-	-	3,100
-	-	-	-	-	-	1,098,554
-	-	-	-	-	-	43,723
-	-	267,257	271,900	-	1,941,583	5,546,190
-	-	-	-	-	-	-
-	-	-	-	-	-	19,545
-	-	-	-	-	-	19,545
-	-	-	-	-	-	93,801
-	-	-	-	-	-	98,185
-	-	-	-	-	-	1,869,208
-	-	-	-	-	-	1,048,106
-	-	-	28,201	88,947	420,113	4,046,925
-	-	-	-	-	-	7,718,775
-	-	-	-	-	-	3,037,322
117,144	-	-	-	-	-	117,144
-	9,957	-	-	-	-	776,186
-	-	-	-	-	-	-
-	-	-	-	-	-	1,334,667
-	-	-	-	-	-	-
-	-	-	-	-	-	(45,692)
<u>117,144</u>	<u>9,957</u>	<u>-</u>	<u>28,201</u>	<u>88,947</u>	<u>420,113</u>	<u>20,094,627</u>
<u>\$ 117,144</u>	<u>\$ 9,957</u>	<u>\$ 267,257</u>	<u>\$ 300,101</u>	<u>\$ 88,947</u>	<u>\$ 2,361,696</u>	<u>\$ 25,660,362</u>

City of League City, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Sales Tax Capital Projects Fund	Big League Dreams Capital Reserve Fund	Miscellaneous Capital Projects Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,921,297	\$ 58,074	\$ 5,973,398
Investments	2,545,004	-	5,230,411
Receivables, net of allowance	810,467	-	262,503
Prepaid Items	-	-	-
TOTAL ASSETS	\$ 5,276,768	\$ 58,074	\$ 11,466,312
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ (3,988)	\$ -	\$ 168,679
Accrued liabilities	-	-	102,791
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	(3,988)	-	271,470
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	-	-
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	-	-
Tax increment reinvestment zone	-	-	-
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	5,280,756	-	-
Committed:			
Special projects	-	-	-
Capital projects	-	58,074	11,194,842
Unassigned	-	-	-
Total fund balances (deficits)	5,280,756	58,074	11,194,842
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,276,768	\$ 58,074	\$ 11,466,312

Park Facilities and Maintenance Fund	Right-of-Way Fund	City Sidewalk Fund	Reinvestment Capital Fund	South Shore Harbour MUD #2 Fund	South Shore Harbour MUD #3 Fund	Capital Recovery Fund
\$ 2,334,370	\$ 1,953,800	\$ -	\$ 4,941,228	\$ 781	\$ 47,732	\$ 2,055,278
5,012,577	507,256	-	13,165,558	-	-	2,007,273
12,200	1,277	-	35,747	28	476	3,055
-	-	-	-	-	-	-
<u>\$ 7,359,147</u>	<u>\$ 2,462,333</u>	<u>\$ -</u>	<u>\$ 18,142,533</u>	<u>\$ 809</u>	<u>\$ 48,208</u>	<u>\$ 4,065,606</u>
\$ 25,846	\$ -	\$ -	\$ 829,483	\$ -	\$ -	\$ 27,495
-	-	-	80,700	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25,846	-	-	910,183	-	-	27,495
-	-	-	-	28	477	-
-	-	-	-	-	-	-
-	-	-	-	28	477	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,333,301	2,462,333	-	17,232,350	781	47,731	4,038,111
-	-	-	-	-	-	-
<u>7,333,301</u>	<u>2,462,333</u>	<u>-</u>	<u>17,232,350</u>	<u>781</u>	<u>47,731</u>	<u>4,038,111</u>
<u>\$ 7,359,147</u>	<u>\$ 2,462,333</u>	<u>\$ -</u>	<u>\$ 18,142,533</u>	<u>\$ 809</u>	<u>\$ 48,208</u>	<u>\$ 4,065,606</u>

City of League City, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2024

	2018 Certificates of Obligation Fund	General Obligation Improvement Bonds 2019 Prop A Fund	General Obligation Improvement Bonds 2019 Prop B Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables, net of allowance	-	-	-
Prepaid Items	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ -	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Municipal court	-	-	-
Hotel occupancy tax	-	-	-
Public access channel	-	-	-
Grants	-	-	-
Tax increment reinvestment zone	-	-	-
Public improvement district	-	-	-
Opioid settlement	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
Committed:			
Special projects	-	-	-
Capital projects	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ -

General Obligation Improvement Bonds 2020 Prop A Fund	General Obligation Improvement Bonds 2020 Prop B Fund	General Obligation Improvement Bonds 2021 Prop A Fund	General Obligation Improvement Bonds 2021 Prop B Fund	Fire Station 7 Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 2,535,966	\$ 41,359	\$ 5,140,096	\$ -	\$ 5,257,359	\$ 32,260,738	\$ 41,106,786
3,392,720	-	8,621,957	-	6,128,382	46,611,138	62,547,056
7,247	-	19,172	-	24,656	1,176,828	1,961,423
-	-	-	-	-	-	93,801
<u>\$ 5,935,933</u>	<u>\$ 41,359</u>	<u>\$ 13,781,225</u>	<u>\$ -</u>	<u>\$ 11,410,397</u>	<u>\$ 80,048,704</u>	<u>\$ 105,709,066</u>
\$ 178,802	\$ 41,359	\$ 129,001	\$ -	\$ -	\$ 1,396,677	\$ 5,148,588
-	-	521,182	-	-	704,673	1,353,575
-	-	-	-	-	-	3,100
-	-	-	-	-	-	1,098,554
-	-	-	-	-	-	43,723
178,802	41,359	650,183	-	-	2,101,350	7,647,540
-	-	-	-	-	505	505
-	-	-	-	-	-	19,545
-	-	-	-	-	505	20,050
-	-	-	-	-	-	93,801
-	-	-	-	-	-	98,185
-	-	-	-	-	-	1,869,208
-	-	-	-	-	-	1,048,106
-	-	-	-	-	-	4,046,925
-	-	-	-	-	-	7,718,775
-	-	-	-	-	-	3,037,322
-	-	-	-	-	-	117,144
-	-	-	-	-	-	776,186
5,757,131	-	13,131,042	-	-	24,168,929	24,168,929
-	-	-	-	-	-	1,334,667
-	-	-	-	11,410,397	53,777,920	53,777,920
-	-	-	-	-	-	(45,692)
<u>5,757,131</u>	<u>-</u>	<u>13,131,042</u>	<u>-</u>	<u>11,410,397</u>	<u>77,946,849</u>	<u>98,041,476</u>
<u>\$ 5,935,933</u>	<u>\$ 41,359</u>	<u>\$ 13,781,225</u>	<u>\$ -</u>	<u>\$ 11,410,397</u>	<u>\$ 80,048,704</u>	<u>\$ 105,709,066</u>

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2024

	Police Activity Fund	Municipal Court Building Security Fund	Municipal Court Technology Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	-
Fines and forfeitures	-	45,864	37,822
Charges for services	-	-	-
Intergovernmental	196,580	-	-
Contributions	-	-	-
Investment earnings	9,669	43	17
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	206,249	45,907	37,839
EXPENDITURES			
Current:			
General government	-	38,177	30,000
Public safety	1,975	-	-
Public works	-	-	-
Community services	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	168,429	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	170,404	38,177	30,000
Excess (deficiency) of revenues over (under) expenditures	35,845	7,730	7,839
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	8,795	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	8,795	-	-
Net change in fund balances	44,640	7,730	7,839
Fund balances, beginning of year	254,483	68	972
Restatement of beginning balance - change in reporting entity	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	254,483	68	972
FUND BALANCE, END OF YEAR	<hr/> \$ 299,123	<hr/> \$ 7,798	<hr/> \$ 8,811

Library Gift Fund	Hotel Occupancy Tax Fund	Tree Preservation Fund	Animal Control Donation Fund	CDBG Fund	Public Access Channel Fund	Tax Reinvestment Financing Zone No. One Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	218,871	-
-	1,067,767	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,149	4,821	-	-	-	-	-
-	-	-	-	589,628	-	-
250	-	-	115,287	-	-	-
18	81,779	378	8,277	403	56,159	63,303
-	-	-	3,465	-	-	-
2,417	1,154,367	378	127,029	590,031	275,030	63,303
-	545,735	-	-	119,511	43,578	-
-	-	-	27,959	-	-	-
-	-	-	-	-	-	158
745	-	9,420	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,559	-	-	518,783	130,417	-
745	550,294	9,420	27,959	638,294	173,995	158
1,672	604,073	(9,042)	99,070	(48,263)	101,035	63,145
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,672	604,073	(9,042)	99,070	(48,263)	101,035	63,145
1,309	1,265,135	43,782	127,591	2,571	947,071	901,581
-	-	-	-	-	-	-
1,309	1,265,135	43,782	127,591	2,571	947,071	901,581
\$ 2,981	\$ 1,869,208	\$ 34,740	\$ 226,661	\$ (45,692)	\$ 1,048,106	\$ 964,726

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2024

	Tax Reinvestment Financing Zone No. Two Fund	Tax Reinvestment Financing Zone No. Three Fund	Tax Reinvestment Financing Zone No. Four Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ 1,011,250
Sales tax	-	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	250,348
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental	-	-	-
Contributions	-	-	-
Investment earnings	650,897	64,540	68,699
Other	-	-	-
Total revenues	650,897	64,540	1,330,297
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	186	134	1,634,498
Community services	-	-	-
Debt service			
Principal	145,000	-	255,000
Interest and fiscal charges	6,518	-	108,375
Capital outlay	2,028,420	-	-
Total expenditures	2,180,124	134	1,997,873
Excess (deficiency) of revenues over (under) expenditures	(1,529,227)	64,406	(667,576)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(7,000,000)	-	-
Total other financing sources (uses)	(7,000,000)	-	-
Net change in fund balances	(8,529,227)	64,406	(667,576)
Fund balances, beginning of year	13,888,970	819,485	1,177,991
Restatement of beginning balance - change in reporting entity	-	-	-
Fund balances, beginning of year - restated	13,888,970	819,485	1,177,991
FUND BALANCE, END OF YEAR	\$ 5,359,743	\$ 883,891	\$ 510,415

Public Improvement District No. One Fund	Public Improvement District No. Two Fund	Public Improvement District No. Three Fund	Public Improvement District No. Five Fund	4B Park Maintenance and Operations Fund	Public Safety Technology Fund	Technology Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
436,322	105,019	72,648	1,446	-	-	-
-	-	-	-	-	-	-
-	-	-	-	429,486	-	-
-	-	-	-	-	-	-
-	-	-	-	1,970,820	-	-
55,616	74,298	20,319	32,088	46,962	413	65,475
-	-	-	-	-	388,755	-
491,938	179,317	92,967	33,534	2,447,268	389,168	65,475
-	-	-	-	-	176,791	101,875
-	-	-	-	-	185,189	-
490,208	3,799	4,184	112,718	-	-	-
-	-	-	-	1,795,824	-	-
-	-	65,000	-	444,931	-	-
-	-	2,984	-	155,226	-	-
-	-	-	-	181,061	48,571	685,011
490,208	3,799	72,168	112,718	2,577,042	410,551	786,886
1,730	175,518	20,799	(79,184)	(129,774)	(21,383)	(721,411)
-	-	-	-	-	-	-
-	-	-	-	-	-	243,177
-	-	-	-	(10,000)	-	-
-	-	-	-	(10,000)	-	243,177
1,730	175,518	20,799	(79,184)	(139,774)	(21,383)	(478,234)
931,742	945,507	385,692	655,518	911,212	118,574	1,147,272
-	-	-	-	-	-	-
931,742	945,507	385,692	655,518	911,212	118,574	1,147,272
\$ 933,472	\$ 1,121,025	\$ 406,491	\$ 576,334	\$ 771,438	\$ 97,191	\$ 669,038

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2024

	EMS/Fire Donation Fund	Special Assessments Fund	FEMA Hurricane Harvey Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental	-	-	176,074
Contributions	10,623	-	-
Investment earnings	4,543	-	93,275
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	15,166	-	269,349
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community services	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	77,548	-	143,138
	<hr/>	<hr/>	<hr/>
Total expenditures	77,548	-	143,138
Excess (deficiency) of revenues over (under) expenditures	(62,382)	-	126,211
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net change in fund balances	(62,382)	-	126,211
Fund balances, beginning of year	155,907	-	1,483,133
Restatement of beginning balance - change in reporting entity	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	155,907	-	1,483,133
FUND BALANCE, END OF YEAR	<hr/> \$ 93,525	<hr/> \$ -	<hr/> \$ 1,609,344

Municipal Court TPRF Fund	Coronavirus Relief Fund	HMGP Disaster Recovery Fund	CDBG-DR Hurricane Harvey Fund	CDBG-DR Voluntary Home Buyout Fund	Coastal Management Fund	FEMA Winter Storm Uri Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,071	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	112,594	703,139	-	82,268	-
-	-	-	-	-	-	-
603	3,326	24,417	29,413	500	3,046	16,838
-	-	36,650	-	-	-	-
30,674	3,326	173,661	732,552	500	85,314	16,838
1,043	-	-	-	-	-	220,654
-	-	-	-	-	-	-
-	-	-	-	3,824	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	83,743	30,748	-	-	-
1,043	-	83,743	30,748	3,824	-	220,654
29,631	3,326	89,918	701,804	(3,324)	85,314	(203,816)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(243,177)	-	-	-	-	-
-	(243,177)	-	-	-	-	-
29,631	(239,851)	89,918	701,804	(3,324)	85,314	(203,816)
51,945	239,851	397,293	1,186	58,176	19,487	209,643
-	-	-	-	-	-	-
51,945	239,851	397,293	1,186	58,176	19,487	209,643
\$ 81,576	\$ -	\$ 487,211	\$ 702,990	\$ 54,852	\$ 104,801	\$ 5,827

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	COVID FEMA Public Assistance Fund	Coronavirus State and Local Fiscal Recovery Fund	FEMA Hurricane Nicholas Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental	5,279	5,809,929	-
Contributions	-	-	-
Investment earnings	472	177,664	192
Other	-	13,224	-
	<hr/>	<hr/>	<hr/>
Total revenues	5,751	6,000,817	192
EXPENDITURES			
Current:			
General government	65,634	-	-
Public safety	-	5,795,435	-
Public works	-	-	-
Community services	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	24,167	-
	<hr/>	<hr/>	<hr/>
Total expenditures	65,634	5,819,602	-
Excess (deficiency) of revenues over (under) expenditures	(59,883)	181,215	192
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(55,601)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(55,601)
Net change in fund balances	(59,883)	181,215	(55,409)
Fund balances, beginning of year	59,883	363,424	55,409
Restatement of beginning balance - change in reporting entity	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	59,883	363,424	55,409
FUND BALANCE, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ -	\$ 544,639	\$ -

Opioid Abatement Fund	Fire Mitigation Fund	CDBG Mitigation Fund	Energy Efficiency and Conservation Block Grant Fund	FEMA Hurricane Laura Fund	FEMA Hurricane Beryl Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,011,250
-	-	-	-	-	-	-
-	-	-	-	-	-	218,871
-	-	-	-	-	-	1,067,767
-	-	-	-	-	-	865,783
-	-	-	-	-	-	113,757
-	9,956	-	-	-	-	446,412
-	-	267,257	-	88,500	-	8,031,248
-	-	-	-	-	-	2,096,980
3,256	1	-	1,011	447	3,436	1,661,793
18,468	-	-	-	-	-	460,562
<u>21,724</u>	<u>9,957</u>	<u>267,257</u>	<u>1,011</u>	<u>88,947</u>	<u>3,436</u>	<u>15,974,423</u>
-	-	-	-	-	92,251	1,435,249
-	-	-	-	-	2,535,321	8,545,879
-	-	-	-	-	193,613	2,443,322
-	-	-	-	-	12,138	1,818,127
-	-	-	-	-	-	909,931
-	-	-	-	-	-	273,103
-	-	267,257	271,900	-	-	4,663,752
<u>-</u>	<u>-</u>	<u>267,257</u>	<u>271,900</u>	<u>-</u>	<u>2,833,323</u>	<u>20,089,363</u>
21,724	9,957	-	(270,889)	88,947	(2,829,887)	(4,114,940)
-	-	-	-	-	-	8,795
-	-	-	299,090	-	3,250,000	3,792,267
-	-	-	-	-	-	(7,308,778)
<u>-</u>	<u>-</u>	<u>-</u>	<u>299,090</u>	<u>-</u>	<u>3,250,000</u>	<u>(3,507,716)</u>
21,724	9,957	-	28,201	88,947	420,113	(7,622,656)
95,420	-	-	-	-	-	27,717,283
-	-	-	-	-	-	-
<u>95,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,717,283</u>
<u>\$ 117,144</u>	<u>\$ 9,957</u>	<u>\$ -</u>	<u>\$ 28,201</u>	<u>\$ 88,947</u>	<u>\$ 420,113</u>	<u>\$ 20,094,627</u>

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2024

	Sales Tax Capital Projects Fund	Big League Dreams Capital Reserve Fund	Miscellaneous Capital Projects Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ -
Sales tax	4,811,211	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental	-	-	-
Contributions	-	-	-
Investment earnings	307,581	600	590,959
Other	-	-	4,248,464
	<hr/>	<hr/>	<hr/>
Total revenues	5,118,792	600	4,839,423
EXPENDITURES			
Current:			
General government	-	-	584,256
Public safety	-	-	-
Public works	-	-	129,922
Community services	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	1,405,193
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	2,119,371
Excess (deficiency) of revenues over (under) expenditures	5,118,792	600	2,720,052
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	1,600,000
Transfers out	(6,500,000)	-	(1,750,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(6,500,000)	-	(150,000)
Net change in fund balances	(1,381,208)	600	2,570,052
Fund balances, beginning of year	6,661,964	57,474	8,624,790
Restatement of beginning balance - change in reporting entity	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	6,661,964	57,474	8,624,790
FUND BALANCE, END OF YEAR	<hr/> \$ 5,280,756	<hr/> \$ 58,074	<hr/> \$ 11,194,842

Park Facilities and Maintenance Fund	Right-of-Way Fund	City Sidewalk Fund	Reinvestment Capital Fund	South Shore Harbour MUD #2 Fund	South Shore Harbour MUD #3 Fund	Capital Recovery Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,103,400	-	-	-	-	-	-
-	-	-	-	-	-	-
426,075	100,378	4	1,075,608	7	423	200,635
-	794,838	-	4,999	-	-	1,295,647
1,529,475	895,216	4	1,080,607	7	423	1,496,282
-	-	-	761,352	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,729	-	-	6,985	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
257,152	-	553	2,558,090	-	-	171,448
268,881	-	553	3,326,427	-	-	171,448
1,260,594	895,216	(549)	(2,245,820)	7	423	1,324,834
-	-	-	-	-	-	-
-	-	-	5,225,000	-	-	-
-	-	-	(1,499,090)	-	-	-
-	-	-	3,725,910	-	-	-
1,260,594	895,216	(549)	1,480,090	7	423	1,324,834
6,072,707	1,567,117	549	15,752,260	774	47,308	2,713,277
-	-	-	-	-	-	-
6,072,707	1,567,117	549	15,752,260	774	47,308	2,713,277
\$ 7,333,301	\$ 2,462,333	\$ -	\$ 17,232,350	\$ 781	\$ 47,731	\$ 4,038,111

City of League City, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2024

	2018 Certificates of Obligation Fund	General Obligation Improvement Bonds 2019 Prop A Fund	General Obligation Improvement Bonds 2019 Prop B Fund
REVENUES			
Ad valorem property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Franchise fees	-	-	-
Other taxes	-	-	-
Special assessments	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental	-	-	-
Contributions	-	-	-
Investment earnings	-	28,651	62,253
Other	-	-	24,601
	<hr/>	<hr/>	<hr/>
Total revenues	-	28,651	86,854
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community services	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	121,107	917,294	1,868,740
	<hr/>	<hr/>	<hr/>
Total expenditures	121,107	917,294	1,868,740
Excess (deficiency) of revenues over (under) expenditures	(121,107)	(888,643)	(1,781,886)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net change in fund balances	(121,107)	(888,643)	(1,781,886)
Fund balances, beginning of year	121,107	888,643	1,781,886
Restatement of beginning balance - change in reporting entity	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	121,107	888,643	1,781,886
FUND BALANCE, END OF YEAR	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -

General Obligation Improvement Bonds 2020 Prop A Fund	General Obligation Improvement Bonds 2020 Prop B Fund	General Obligation Improvement Bonds 2021 Prop A Fund	General Obligation Improvement Bonds 2021 Prop B Fund	General Obligation Improvement Bonds 2023 Fund	Fire Station 7 Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,011,250
-	-	-	-	-	-	4,811,211	4,811,211
-	-	-	-	-	-	-	218,871
-	-	-	-	-	-	-	1,067,767
-	-	-	-	-	-	-	865,783
-	-	-	-	-	-	-	113,757
-	-	-	-	-	-	1,103,400	1,549,812
-	-	-	-	-	-	-	8,031,248
-	-	-	-	-	-	-	2,096,980
357,170	158,454	819,987	18,838	-	260,112	4,407,735	6,069,528
-	-	-	-	-	-	6,368,549	6,829,111
357,170	158,454	819,987	18,838	-	260,112	16,690,895	32,665,318
-	-	-	-	-	-	1,345,608	2,780,857
-	-	-	-	-	-	-	8,545,879
-	-	-	-	-	-	129,922	2,573,244
-	-	-	-	-	-	18,714	1,836,841
-	-	-	-	-	-	-	909,931
-	-	-	-	-	-	-	273,103
259,633	2,281,969	1,388,221	442,239	-	-	11,671,639	16,335,391
259,633	2,281,969	1,388,221	442,239	-	-	13,165,883	33,255,246
97,537	(2,123,515)	(568,234)	(423,401)	-	260,112	3,525,012	(589,928)
-	-	-	-	-	-	-	8,795
-	-	-	-	-	12,950,000	19,775,000	23,567,267
-	-	-	-	-	(1,799,715)	(11,548,805)	(18,857,583)
-	-	-	-	-	11,150,285	8,226,195	4,718,479
97,537	(2,123,515)	(568,234)	(423,401)	-	11,410,397	11,751,207	4,128,551
5,659,594	2,123,515	13,699,276	423,401	21,039,349	-	87,234,991	114,952,274
-	-	-	-	(21,039,349)	-	(21,039,349)	(21,039,349)
5,659,594	2,123,515	13,699,276	423,401	-	-	66,195,642	93,912,925
\$ 5,757,131	\$ -	\$ 13,131,042	\$ -	\$ -	\$ 11,410,397	\$ 77,946,849	\$ 98,041,476

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Debt Service Fund

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem property tax	\$ 8,362,309	\$ 8,362,309	\$ 8,696,432	\$ 334,123
Investment earnings	145,000	145,000	398,701	253,701
Other	-	-	507	507
Total revenues	8,507,309	8,507,309	9,095,640	588,331
EXPENDITURES				
Debt service:				
General government	667,788	1,222,421	1,222,420	1
Debt service:				
Principal	10,037,927	9,409,967	9,409,967	-
Interest and fiscal charges	5,909,856	5,017,200	5,015,954	1,246
Total expenditures	16,615,571	15,649,588	15,648,341	1,247
Excess (deficiency) of revenues over (under) expenditures	(8,108,262)	(7,142,279)	(6,552,701)	589,578
OTHER FINANCING SOURCES				
Transfers in	6,500,000	6,500,000	6,500,000	-
Total other financing sources	6,500,000	6,500,000	6,500,000	-
Net change in fund balances	(1,608,262)	(642,279)	(52,701)	589,578
Fund balances, beginning of year	5,220,306	5,220,306	5,220,306	-
FUND BALANCE, END OF YEAR	\$ 3,612,044	\$ 4,578,027	\$ 5,167,605	\$ 589,578

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Police Activity
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,510,000	\$ 2,510,000	\$ 196,580	\$ (2,313,420)
Investment earnings	1,350	1,350	9,669	8,319
Total revenues	2,511,350	2,511,350	206,249	(2,305,101)
EXPENDITURES				
Current				
Public safety	138,790	140,510	1,975	138,535
Capital outlay	399,150	544,459	168,429	376,030
Total expenditures	537,940	684,969	170,404	514,565
Excess (deficiency) of revenues over (under) expenditures	1,973,410	1,826,381	35,845	(1,790,536)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	8,795	8,795
Total other financing sources (uses)	-	-	8,795	8,795
Net change in fund balances	1,973,410	1,826,381	44,640	(1,781,741)
Fund balances, beginning of year	254,483	254,483	254,483	-
FUND BALANCE, END OF YEAR	\$ 2,227,893	\$ 2,080,864	\$ 299,123	\$ (1,781,741)

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Municipal Court Building Security

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 42,000	\$ 42,000	\$ 45,864	\$ 3,864
Investment earnings	50	50	43	(7)
Total revenues	42,050	42,050	45,907	3,857
EXPENDITURES				
Current:				
General government	37,561	38,316	38,177	139
Total expenditures	37,561	38,316	38,177	139
Net change in fund balances	4,489	3,734	7,730	3,996
Fund balances, beginning of year	68	68	68	-
FUND BALANCE, END OF YEAR	\$ 4,557	\$ 3,802	\$ 7,798	\$ 3,996

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Municipal Court Technology

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 37,822	\$ 7,822
Investment earnings	50	50	17	(33)
Total revenues	30,050	30,050	37,839	7,789
EXPENDITURES				
Current:				
General government	30,000	30,000	30,000	-
Total expenditures	30,000	30,000	30,000	-
Net change in fund balances	50	50	7,839	7,789
Fund balances, beginning of year	972	972	972	-
FUND BALANCE, END OF YEAR	\$ 1,022	\$ 1,022	\$ 8,811	\$ 7,789

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Library Gift
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ 3,000	\$ 2,149	\$ (851)
Contributions	1,500	1,500	250	(1,250)
Investment earnings	50	50	18	(32)
Total revenues	1,550	4,550	2,417	(2,133)
EXPENDITURES				
Current:				
Community services	3,500	3,500	745	2,755
Total expenditures	3,500	3,500	745	2,755
Net change in fund balances	(1,950)	1,050	1,672	622
Fund balances, beginning of year	1,309	1,309	1,309	-
FUND BALANCE, END OF YEAR	\$ (641)	\$ 2,359	\$ 2,981	\$ 622

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Hotel Occupancy Tax
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Other taxes	\$ 750,540	\$ 750,540	\$ 1,067,767	\$ 317,227
Charges for services	-	-	4,821	4,821
Investment earnings	25,000	25,000	81,779	56,779
Other	100	100	-	(100)
Total revenues	775,640	775,640	1,154,367	378,727
EXPENDITURES				
Current:				
General government	726,391	771,391	545,735	225,656
Capital outlay	97,000	52,000	4,559	47,441
Total expenditures	823,391	823,391	550,294	273,097
Net change in fund balances	(47,751)	(47,751)	604,073	651,824
Fund balances, beginning of year	1,265,135	1,265,135	1,265,135	-
FUND BALANCE, END OF YEAR	\$ 1,217,384	\$ 1,217,384	\$ 1,869,208	\$ 651,824

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Tree Preservation
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 378	\$ 378
Total revenues	-	-	378	378
EXPENDITURES				
Current:				
Community services	10,000	10,000	9,420	580
Total expenditures	10,000	10,000	9,420	580
Net change in fund balances	(10,000)	(10,000)	(9,042)	958
Fund balances, beginning of year	43,782	43,782	43,782	-
FUND BALANCE, END OF YEAR	\$ 33,782	\$ 33,782	\$ 34,740	\$ 958

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Animal Control Donation

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Contributions	\$ 70,000	\$ 80,000	\$ 115,287	\$ 35,287
Investment earnings	4,000	4,000	8,277	4,277
Other	100	100	3,465	3,365
Total revenues	74,100	84,100	127,029	42,929
EXPENDITURES				
Current:				
Public safety	83,000	93,000	27,959	65,041
Capital outlay	50,000	50,000	-	50,000
Total expenditures	133,000	143,000	27,959	115,041
Net change in fund balances	(58,900)	(58,900)	99,070	157,970
Fund balances, beginning of year	127,591	127,591	127,591	-
FUND BALANCE, END OF YEAR	\$ 68,691	\$ 68,691	\$ 226,661	\$ 157,970

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Public Access Channel

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Franchise fees	\$ 150,000	\$ 150,000	\$ 218,871	\$ 68,871
Investment earnings	10,000	10,000	56,159	46,159
Total revenues	160,000	160,000	275,030	115,030
EXPENDITURES				
Current:				
General government	20,000	50,446	43,578	6,868
Capital outlay	400,000	369,554	130,417	239,137
Total expenditures	420,000	420,000	173,995	246,005
Net change in fund balances	(260,000)	(260,000)	101,035	361,035
Fund balances, beginning of year	947,071	947,071	947,071	-
FUND BALANCE, END OF YEAR	\$ 687,071	\$ 687,071	\$ 1,048,106	\$ 361,035

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – 4B Park Maintenance and Operations

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 427,000	\$ 427,000	\$ 429,486	\$ 2,486
Contributions	2,068,400	2,068,400	1,970,820	(97,580)
Investment earnings	55,000	55,000	46,962	(8,038)
Total revenues	2,550,400	2,550,400	2,447,268	(103,132)
EXPENDITURES				
Current:				
Community services	1,870,526	1,871,166	1,795,824	75,342
Debt service				
Principal	430,000	430,000	444,931	(14,931)
Interest and fiscal charges	153,400	153,557	155,226	(1,669)
Capital outlay	17,727	181,930	181,061	869
Total expenditures	2,471,653	2,636,653	2,577,042	59,611
Excess (deficiency) of revenues over (under) expenditures	78,747	(86,253)	(129,774)	(43,521)
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	(10,000)	(10,000)	(10,000)	-
Net change in fund balances	68,747	(96,253)	(139,774)	(43,521)
Fund balances, beginning of year	911,212	911,212	911,212	-
FUND BALANCE, END OF YEAR	\$ 979,959	\$ 814,959	\$ 771,438	\$ (43,521)

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Public Safety Technology

For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 50	\$ 50	\$ 413	\$ 363
Other	403,855	403,855	388,755	(15,100)
Total revenues	403,905	403,905	389,168	(14,737)
EXPENDITURES				
Current:				
General government	178,426	178,426	176,791	1,635
Public safety	225,479	225,479	185,189	40,290
Capital outlay	-	50,000	48,571	1,429
Total expenditures	403,905	453,905	410,551	43,354
Net change in fund balances	-	(50,000)	(21,383)	28,617
Fund balances, beginning of year	118,574	118,574	118,574	-
FUND BALANCE, END OF YEAR	\$ 118,574	\$ 68,574	\$ 97,191	\$ 28,617

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – Technology
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 65,475	\$ 65,475
Total revenues	-	-	65,475	65,475
EXPENDITURES				
Current:				
General government	-	101,880	101,875	5
Capital outlay	300,000	936,189	685,011	251,178
Total expenditures	300,000	1,038,069	786,886	251,183
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(1,038,069)	(721,411)	316,658
OTHER FINANCING SOURCES (USES)				
Transfers in	190,221	243,601	243,177	(424)
Total other financing sources (uses)	190,221	243,601	243,177	(424)
Net change in fund balances	(109,779)	(794,468)	(478,234)	316,234
Fund balances, beginning of year	1,147,272	1,147,272	1,147,272	-
FUND BALANCE, END OF YEAR	\$ 1,037,493	\$ 352,804	\$ 669,038	\$ 316,234

City of League City, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Fund – EMS/Fire Donation
For the Fiscal Year Ended September 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Contributions	\$ 25,000	\$ 25,000	\$ 10,623	\$ (14,377)
Investment earnings	5,000	5,000	4,543	(457)
Total revenues	30,000	30,000	15,166	(14,834)
EXPENDITURES				
Current:				
Public safety	46,193	35,538	-	35,538
Capital outlay	80,200	90,855	77,548	13,307
Total expenditures	126,393	126,393	77,548	48,845
Net change in fund balances	(96,393)	(96,393)	(62,382)	34,011
Fund balances, beginning of year	155,907	155,907	155,907	-
FUND BALANCE, END OF YEAR	\$ 59,514	\$ 59,514	\$ 93,525	\$ 34,011

City of League City, Texas

Internal Service Funds

September 30, 2024

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 government units on a cost reimbursement basis.

Motor Pool Fund - This internal service 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.

Employee Benefit Fund - This internal service 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.

Capital Replacement Fund - This internal service 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.

City of League City, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Motor Pool Fund	Employee Benefit Fund	Capital Replacement Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 711,084	\$ 3,351,665	\$ 3,079,135	\$ 7,141,884
Investments	249,177	2,461,323	7,564,363	10,274,863
Receivables, net of allowance	396	12,373	119,370	132,139
Inventories	71,818	-	-	71,818
	<u>1,032,475</u>	<u>5,825,361</u>	<u>10,762,868</u>	<u>17,620,704</u>
Total current assets				
Noncurrent assets:				
Capital assets - depreciable, net	213,230	-	9,068,240	9,281,470
	<u>213,230</u>	<u>-</u>	<u>9,068,240</u>	<u>9,281,470</u>
Total noncurrent assets				
	<u>213,230</u>	<u>-</u>	<u>9,068,240</u>	<u>9,281,470</u>
Total assets	1,245,705	5,825,361	19,831,108	26,902,174
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 63,347	\$ 530,333	\$ -	\$ 593,680
Accrued liabilities	15,115	9,854	-	24,969
Claims payable, current	-	720,652	-	720,652
	<u>78,462</u>	<u>1,260,839</u>	<u>-</u>	<u>1,339,301</u>
Total current liabilities				
	<u>78,462</u>	<u>1,260,839</u>	<u>-</u>	<u>1,339,301</u>
Total liabilities				
	<u>78,462</u>	<u>1,260,839</u>	<u>-</u>	<u>1,339,301</u>
NET POSITION				
Investment in capital assets	213,230	-	9,068,240	9,281,470
Unrestricted	954,013	4,564,522	10,762,868	16,281,403
	<u>954,013</u>	<u>4,564,522</u>	<u>10,762,868</u>	<u>16,281,403</u>
TOTAL NET POSITION	<u>\$ 1,167,243</u>	<u>\$ 4,564,522</u>	<u>\$ 19,831,108</u>	<u>\$ 25,562,873</u>

City of League City, Texas

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Motor Pool Fund	Employee Benefit Fund	Capital Replacement Fund	Total
OPERATING REVENUES				
Charges for services	\$ 1,880,001	\$ 10,794,391	\$ 2,613,121	\$ 15,287,513
Other	85,221	-	-	85,221
Total operating revenues	1,965,222	10,794,391	2,613,121	15,372,734
OPERATING EXPENSES				
Personnel services	965,774	-	-	965,774
Materials, supplies and contracted services	100,893	1,073,800	-	1,174,693
Utilities	4,675	-	-	4,675
Repairs and maintenance	1,063,416	-	-	1,063,416
Other operating expenses	5,262	-	-	5,262
Depreciation and amortization	22,747	-	1,355,064	1,377,811
Self insurance claims	-	8,698,692	-	8,698,692
Total operating expenses	2,162,767	9,772,492	1,355,064	13,290,323
Operating income (loss)	(197,545)	1,021,899	1,258,057	2,082,411
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	55,816	291,711	657,456	1,004,983
Gain (loss) on disposal of capital assets	-	-	159,786	159,786
Total non-operating revenues (expenses)	55,816	291,711	817,242	1,164,769
Change in net position	(141,729)	1,313,610	2,075,299	3,247,180
Net position, beginning of year	1,308,972	3,250,912	17,755,809	22,315,693
NET POSITION, END OF YEAR	\$ 1,167,243	\$ 4,564,522	\$ 19,831,108	\$ 25,562,873

City of League City, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Motor Pool Fund	Employee Benefit Fund	Capital Replacement Fund	Total
OPERATING ACTIVITIES				
Receipts from interfund charges	\$ 1,880,001	\$ 10,792,600	\$ 2,577,034	\$ 15,249,635
Other receipts	85,221	-	-	85,221
Payments to suppliers and service providers	(1,202,834)	(1,111,903)	(217,674)	(2,532,411)
Payments to employees for salaries and benefits	(964,590)	-	-	(964,590)
Payments for claims	-	(8,674,915)	-	(8,674,915)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used for) operating activities	(202,202)	1,005,782	2,359,360	3,162,940
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(26,862)	-	(2,842,674)	(2,869,536)
Proceeds from sale of capital assets	-	-	190,667	190,667
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used for capital and related financing activities	(26,862)	-	(2,652,007)	(2,678,869)
INVESTING ACTIVITIES				
Interest received	43,420	177,899	372,850	594,169
Investment purchases	-	(1,001,030)	(1,301,021)	(2,302,051)
Investments sales / maturities	-	1,300,000	1,600,000	2,900,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by investing activities	43,420	476,869	671,829	1,192,118
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in cash and cash equivalents	(185,644)	1,482,651	379,182	1,676,189
	<hr/>	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	896,728	1,869,014	2,699,953	5,465,695
	<hr/>	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 711,084	\$ 3,351,665	\$ 3,079,135	\$ 7,141,884
	<hr/>	<hr/>	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (197,545)	\$ 1,021,899	\$ 1,258,057	\$ 2,082,411
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	22,747	-	1,355,064	1,377,811
(Increase) decrease in assets:				
Receivables, net	-	(1,791)	(36,087)	(37,878)
Inventories	12,047	-	-	12,047
Increase (decrease) in liabilities:				
Accounts payable	(40,635)	(37,115)	(217,674)	(295,424)
Accrued liabilities	1,184	(988)	-	196
Claims payable	-	23,777	-	23,777
	<hr/>	<hr/>	<hr/>	<hr/>
NET CASH PROVIDED (USED FOR) BY OPERATING ACTIVITIES	\$ (202,202)	\$ 1,005,782	\$ 2,359,360	\$ 3,162,940

Statistical Section



Statistical Section
(Unaudited)

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.

	<u>Page</u>
Financial Trends – Schedules 1-4	140
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 – Schedules 5-8	150
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity – Schedules 9-13	156
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information – Schedules 14-16	166
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 – Schedules 17-18	170
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 Fiscal Years
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018*</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 193,389,209	\$ 210,852,940	\$ 233,051,773	\$ 258,114,024
Restricted	13,607,697	18,293,840	22,236,288	20,998,050
Unrestricted	18,390,289	24,656,989	24,732,193	25,020,050
Total governmental activities net position	225,387,195	253,803,769	280,020,254	304,132,124
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	189,014,844	203,361,130	220,085,019	235,774,211
Restricted	5,950,631	4,367,845	4,659,939	4,777,087
Unrestricted	4,034,665	5,490,940	8,147,976	9,233,083
Total business-type activities net position	199,000,140	213,219,915	232,892,934	249,784,381
PRIMARY GOVERNMENT				
Net investment in capital assets	382,404,053	414,214,070	453,136,792	493,888,235
Restricted	19,558,328	22,661,685	26,896,227	25,775,137
Unrestricted	22,424,954	30,147,929	32,880,169	34,253,133
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 424,387,335</u>	<u>\$ 467,023,684</u>	<u>\$ 512,913,188</u>	<u>\$ 553,916,505</u>

* 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 Than Pensions*.

Schedule 1

	2019	2020	2021	2022	2023	2024
\$	274,249,826	\$ 301,796,928	\$ 316,160,653	\$ 353,693,613	\$ 391,465,738	\$ 423,802,325
	25,402,605	31,064,501	34,191,954	31,555,854	29,794,283	23,535,787
	22,784,326	22,250,921	26,620,966	41,242,608	56,594,619	76,319,368
	<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>	<u>523,657,480</u>
	204,936,483	226,052,129	240,595,951	256,846,258	290,660,824	322,412,844
	3,502,807	4,845,508	-	-	-	4,259,903
	54,445,827	45,407,098	46,006,201	51,033,100	44,507,221	22,346,342
	<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>	<u>349,019,089</u>
	479,186,309	527,849,057	556,756,604	610,539,871	682,126,562	746,215,169
	28,905,412	35,910,009	34,191,954	31,555,854	29,794,283	27,795,690
	77,230,153	67,658,019	72,627,167	92,275,708	101,101,840	98,665,710
\$	<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>	<u>872,676,569</u>

City of League City, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018*
EXPENSES				
Governmental activities:				
General government	\$ 13,805,776	\$ 12,708,386	\$ 14,911,180	\$ 15,496,208
Public safety	24,832,669	25,671,021	29,303,994	30,778,053
Public works	21,849,163	23,489,631	28,656,932	26,773,910
Community services	7,849,582	8,358,265	7,825,726	7,802,691
Interest and fiscal agent fees	3,884,858	4,038,467	3,630,628	3,548,694
Total governmental activities expenses	<u>72,222,048</u>	<u>74,265,770</u>	<u>84,328,460</u>	<u>84,399,556</u>
Business-type activities:				
Water and wastewater	27,257,022	28,164,959	26,386,028	27,490,185
League city ballpark	-	-	-	-
Total business-type activities expenses	<u>27,257,022</u>	<u>28,164,959</u>	<u>26,386,028</u>	<u>27,490,185</u>
Total primary government expenses	<u>99,479,070</u>	<u>102,430,729</u>	<u>110,714,488</u>	<u>111,889,741</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
General government	6,359,071	6,568,148	5,895,457	6,309,066
Public safety	2,228,700	2,728,878	2,088,921	2,011,329
Public works	2,844,003	2,408,102	3,247,930	3,641,196
Community services	852,679	1,244,372	1,068,370	1,296,163
Operating grants and contributions	3,878,927	4,355,948	5,561,294	7,687,939
Capital grants and contributions	25,108,315	20,712,430	23,342,227	14,169,985
Total governmental activities program revenues	<u>41,271,695</u>	<u>38,017,878</u>	<u>41,204,199</u>	<u>35,115,678</u>
Business-type activities:				
Charges for services				
Water and wastewater	36,980,985	39,122,016	41,567,521	42,867,272
League city ballpark	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	5,827,082	5,848,786	6,607,132	4,496,907
Total business-type activities program revenues	<u>42,808,067</u>	<u>44,970,802</u>	<u>48,174,653</u>	<u>47,364,179</u>
Total primary government program revenues	<u>84,079,762</u>	<u>82,988,680</u>	<u>89,378,852</u>	<u>82,479,857</u>
NET (EXPENSE/REVENUE)				
Governmental activities	(30,950,353)	(36,247,892)	(43,124,261)	(49,283,878)
Business-type activities	15,551,045	16,805,843	21,788,625	19,873,994
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (15,399,308)</u>	<u>\$ (19,442,049)</u>	<u>\$ (21,335,636)</u>	<u>\$ (29,409,884)</u>

	2019	2020	2021	2022	2023	2024
\$	15,975,808	\$ 15,884,893	\$ 17,804,102	\$ 18,651,470	\$ 20,974,036	\$ 18,853,302
	31,783,422	32,599,855	34,123,481	33,663,627	39,360,758	42,377,704
	29,096,542	26,005,043	26,914,023	30,012,343	31,920,049	32,297,786
	10,600,334	10,802,477	11,741,041	11,707,900	13,631,802	13,227,912
	3,746,383	4,426,280	4,408,917	3,704,991	3,730,137	5,289,057
	91,202,489	89,718,548	94,991,564	97,740,331	109,616,782	112,045,761
	27,059,247	29,253,319	28,971,952	29,996,923	35,499,769	41,033,122
	-	-	-	-	-	4,792,832
	27,059,247	29,253,319	28,971,952	29,996,923	35,499,769	45,825,954
	118,261,736	118,971,867	123,963,516	127,737,254	145,116,551	157,871,715
	-	-	-	-	-	401,687
	3,774,137	2,870,986	3,420,759	4,249,203	4,321,654	3,477,670
	11,859,720	12,733,392	12,053,219	12,523,736	13,927,871	9,524,746
	909,908	934,035	1,669,348	2,054,283	3,912,070	1,171,611
	2,967,240	8,615,070	5,852,877	4,575,898	7,429,747	14,273,228
	8,037,406	8,261,934	2,522,052	31,802,045	29,491,297	15,404,254
	27,548,411	33,415,417	25,518,255	55,205,165	59,082,639	44,253,196
	39,029,591	42,138,851	42,760,305	44,908,507	51,747,625	53,638,426
	-	-	-	-	-	2,789,936
	-	12,395	24,790	-	643,374	-
	2,686,612	4,141,165	1,027,435	10,813,900	13,678,601	4,060,978
	41,716,203	46,292,411	43,812,530	55,722,407	66,069,600	60,489,340
	69,264,614	79,707,828	69,330,785	110,927,572	125,152,239	104,742,536
	(63,654,078)	(56,303,131)	(69,473,309)	(42,535,166)	(50,534,143)	(67,792,565)
	14,656,956	17,039,092	14,840,578	25,725,484	30,569,831	14,663,386
\$	(48,997,122)	\$ (39,264,039)	\$ (54,632,731)	\$ (16,809,682)	\$ (19,964,312)	\$ (53,129,179)

City of League City, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018*</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Ad valorem taxes	\$ 36,335,584	\$ 37,399,738	\$ 40,748,850	\$ 44,795,450
Sales taxes	14,923,809	16,540,938	17,655,640	20,194,495
Franchise and other taxes	6,055,164	6,310,103	6,814,218	7,073,151
Special assessments	-	-	-	-
Gain (loss) on sale of capital assets	(228,103)	1,015,762	-	63,775
Investment earnings (loss), net	69,707	265,120	624,550	1,403,426
Other	502,014	301,647	950,313	1,599,979
Transfers	2,188,265	2,831,158	2,553,175	3,165,089
	<u>59,846,440</u>	<u>64,664,466</u>	<u>69,346,746</u>	<u>78,295,365</u>
Total governmental activities				
Business-type activities:				
Gain (loss) on sale of capital assets	(1,562)	5,984	-	5,689
Investment earnings (loss), net	81,035	239,106	437,569	1,017,809
Other	-	-	-	-
Transfers	(2,188,265)	(2,831,158)	(2,553,175)	(3,165,089)
	<u>(2,108,792)</u>	<u>(2,586,068)</u>	<u>(2,115,606)</u>	<u>(2,141,591)</u>
Total business-type activities				
Total primary government	57,737,648	62,078,398	67,231,140	76,153,774
CHANGE IN NET POSITION				
Governmental activities	28,896,087	28,416,574	26,222,485	29,011,487
Business-type activities	13,442,253	14,219,775	19,673,019	17,732,403
	<u>42,338,340</u>	<u>42,636,349</u>	<u>45,895,504</u>	<u>46,743,890</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 42,338,340</u>	<u>\$ 42,636,349</u>	<u>\$ 45,895,504</u>	<u>\$ 46,743,890</u>

* 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 Than Pensions*.

	2019	2020	2021	2022	2023	2024
\$	44,999,295	\$ 47,132,177	\$ 48,703,833	\$ 48,623,693	\$ 48,617,759	\$ 50,037,057
	19,601,376	25,146,874	27,992,166	30,334,581	31,301,619	33,678,478
	7,006,665	6,470,968	6,705,925	7,137,928	7,208,890	7,138,671
	-	-	-	-	-	865,783
	103,448	-	-	4,187	174,139	139,453
	2,433,285	1,266,888	185,165	(1,319,776)	5,893,746	10,369,054
	4,502,642	4,450,304	3,384,272	2,999,816	4,411,405	7,230,950
	3,312,000	4,511,513	4,454,257	4,273,239	4,385,959	4,135,959
	81,958,711	88,978,724	91,425,618	92,053,668	101,993,517	113,595,405
	1,819	15,725	10,522	7,202	9,613	21,447
	1,753,961	876,314	120,246	(182,241)	1,799,850	3,015,668
	-	-	-	-	-	286,502
	(3,312,000)	(4,511,513)	(4,454,257)	(4,273,239)	(4,385,959)	(4,135,959)
	(1,556,220)	(3,619,474)	(4,323,489)	(4,448,278)	(2,576,496)	(812,342)
	80,402,491	85,359,250	87,102,129	87,605,390	99,417,021	112,783,063
	18,304,633	32,675,593	21,952,309	49,518,502	51,459,374	45,802,840
	13,100,736	13,419,618	10,517,089	21,277,206	27,993,335	13,851,044
\$	31,405,369	\$ 46,095,211	\$ 32,469,398	\$ 70,795,708	\$ 79,452,709	\$ 59,653,884

City of League City, Texas

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
GENERAL FUND				
Nonspendable	\$ 193,753	\$ 188,447	\$ 164,506	\$ 182,862
Assigned	13,218,693	17,242,765	21,996,295	21,703,895
Unassigned	9,027,651	11,010,955	1,481,202	4,198,865
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund	22,440,097	28,442,167	23,642,003	26,085,622
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 34,573	\$ 32,132	\$ 27,257	\$ 32,076
Restricted	24,304,541	33,730,505	38,910,599	33,139,913
Committed	-	-	-	-
Assigned	11,391,918	10,344,309	16,486,726	16,806,793
Unassigned	(569,162)	(654,829)	(496,200)	(228,318)
	<hr/>	<hr/>	<hr/>	<hr/>
Total all other governmental funds	35,161,870	43,452,117	54,928,382	49,750,464
TOTAL GOVERNMENTAL FUNDS	<u>\$ 57,601,967</u>	<u>\$ 71,894,284</u>	<u>\$ 78,570,385</u>	<u>\$ 75,836,086</u>

Schedule 3

2019	2020	2021	2022	2023	2024
\$ 192,907	\$ 224,173	\$ 602,112	\$ 364,091	\$ 510,220	\$ 504,950
-	-	-	-	-	79,853
25,972,116	25,518,987	25,870,470	26,042,463	27,737,355	33,805,321
26,165,023	25,743,160	26,472,582	26,406,554	28,247,575	34,390,124
\$ 34,011	\$ 38,861	\$ 21,090	\$ 67,859	\$ 95,044	\$ 93,801
39,695,518	81,426,367	99,188,577	81,017,818	61,536,845	53,772,562
-	-	-	-	-	55,112,587
19,799,756	18,842,416	19,472,661	31,992,482	58,540,691	-
-	-	-	(3,630)	-	(45,692)
59,529,285	100,307,644	118,682,328	113,074,529	120,172,580	108,933,258
\$ 85,694,308	\$ 126,050,804	\$ 145,154,910	\$ 139,481,083	\$ 148,420,155	\$ 143,323,382

City of League City, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES				
Ad valorem taxes	\$ 36,407,515	\$ 37,428,373	\$ 40,711,410	\$ 43,953,576
Sales taxes	14,923,809	16,540,938	17,655,640	20,194,495
Franchise fees	5,458,108	5,621,836	5,837,327	5,985,677
Other taxes	597,056	688,267	976,891	1,087,474
Special assessments	2,111,351	4,689,863	1,461,226	1,389,207
Licenses and permits	3,314,882	2,574,942	3,112,914	3,329,320
Fines and forfeitures	1,983,120	1,871,177	1,781,915	1,763,376
Charges for services	7,177,566	8,714,328	8,290,614	9,250,635
Intergovernmental	3,047,235	1,426,939	5,363,857	945,224
Contributions	4,605,811	1,156,337	2,231,400	2,266,216
Investment earnings (loss), net	67,983	241,720	567,800	1,266,660
Other	1,405,605	5,195,175	1,777,252	2,934,914
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	81,100,041	86,149,895	89,768,246	94,366,774
EXPENDITURES				
General government	13,428,669	12,143,565	14,387,420	14,919,019
Public safety	23,766,582	24,005,851	26,864,989	29,065,926
Public works	15,547,486	19,229,404	22,175,680	20,334,500
Community services	5,572,054	6,156,407	6,250,712	6,619,068
Capital outlay	6,778,416	11,840,166	12,118,102	16,316,105
Debt service:				
Principal	11,161,939	7,409,065	8,880,044	8,771,026
Interest and fiscal charges	4,262,114	4,464,178	4,097,258	4,144,225
Bond issuance costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	80,517,260	85,248,636	94,774,205	100,169,869
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	582,781	901,259	(5,005,959)	(5,803,095)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	3,020,000	24,705,000	8,730,000	-
Premium on bonds	134,199	2,716,692	735,493	-
Payment to refunding bond escrow agent	-	(17,441,188)	-	-
Proceeds from sale of capital assets	-	993,546	81,646	30,169
Transfers in	4,441,821	5,434,250	18,082,000	13,525,822
Transfers out	(3,025,987)	(3,017,242)	(15,947,079)	(10,487,195)
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Total other financing sources	4,570,033	13,391,058	11,682,060	3,068,796
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 5,152,814	\$ 14,292,317	\$ 6,676,101	\$ (2,734,299)
	<hr/>	<hr/>	<hr/>	<hr/>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	20.92%	16.17%	15.89%	15.48%

Schedule 4

	2019	2020	2021	2022	2023	2024
	\$ 45,039,760	\$ 47,173,847	\$ 49,005,112	\$ 48,667,311	\$ 48,560,173	\$ 49,926,086
	19,601,376	25,146,874	27,992,166	30,334,581	31,301,619	33,678,478
	5,979,785	5,752,086	5,720,874	5,891,444	5,857,144	5,592,222
	1,026,880	718,882	985,051	1,246,484	1,351,746	1,546,449
	1,570,230	1,975,741	1,638,923	1,430,772	1,111,814	865,783
	2,123,803	3,161,640	1,530,358	2,571,046	3,218,058	4,214,952
	2,845,117	1,109,818	2,838,015	1,433,198	1,702,128	2,100,471
	1,671,963	10,327,148	1,203,853	13,296,904	15,942,939	15,679,114
	4,041,223	6,926,913	3,400,236	3,600,932	4,958,687	8,650,218
	5,419,528	1,688,157	3,526,872	1,782,381	1,642,731	2,099,480
	2,229,416	1,167,630	177,495	(1,067,781)	5,378,558	9,364,071
	9,822,958	5,157,806	11,641,236	3,085,162	4,187,614	7,230,950
	<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>	<u>140,948,274</u>
	15,412,789	15,862,178	18,047,146	19,029,624	20,383,956	22,795,322
	29,761,071	31,693,272	32,787,363	32,995,252	36,533,789	41,304,324
	20,318,540	18,494,316	19,033,159	21,913,559	20,938,932	23,878,721
	10,031,724	10,080,622	11,030,490	10,957,839	11,981,969	12,368,776
	18,647,412	34,747,636	25,375,559	22,707,734	36,801,149	34,273,133
	8,312,990	9,023,971	9,390,000	10,169,846	10,114,138	10,319,898
	4,226,398	5,252,178	4,652,848	5,244,593	4,841,570	5,289,057
	-	-	1,041,152	-	332,726	-
	<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>	<u>150,229,231</u>
	(5,338,885)	(14,847,631)	(11,697,526)	(10,746,013)	(16,715,018)	(9,280,957)
	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)	-	-	-
	152,911	66,312	12,762	37,125	35,405	48,225
	12,232,000	20,163,338	17,940,386	21,195,207	17,662,909	36,768,542
	(8,920,000)	(15,801,825)	(13,486,129)	(16,921,968)	(13,276,950)	(32,632,583)
	<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>4,184,184</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>	<u>\$ (5,096,773)</u>
	14.34%	15.79%	14.63%	15.37%	14.01%	13.46%

City of League City, Texas

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
DIRECT RATES				
City of League City:				
Operating tax rate	\$ 0.400206	\$ 0.400992	\$ 0.410497	\$ 0.413360
Debt service tax rate	0.196794	0.172508	0.159503	0.151640
	<hr/>	<hr/>	<hr/>	<hr/>
Total direct rates	0.597000	0.573500	0.570000	0.565000
OVERLAPPING RATES				
Clear Creek Independent School District	1.400000	1.400000	1.400000	1.400000
College of the Mainland, Jr. College District	0.205085	0.202307	0.208376	0.216791
Dickinson Independent School District	1.540000	1.540000	1.540000	1.520000
Santa Fe Independent School District	1.435800	1.416700	1.402300	1.402300
Galveston County (includes Road and Flood)	0.584800	0.567000	0.552000	0.551900
Galveston Co. Mun. Utility District No. 3	0.030000	-	-	-
Galveston Co. Mun. Utility District No. 6	0.470000	0.460000	0.460000	0.420000
Galveston Co. Mun. Utility District No. 13	0.460000	0.360000	0.295000	-
Galveston Co. Mun. Utility District No. 14	0.740000	0.710000	0.690000	0.690000
Galveston Co. Mun. Utility District No. 15	0.720000	0.660000	0.580000	0.570000
Tara Glen Mun. Utility District	0.630000	0.570000	0.560000	0.550000
Bay Colony West Mun. Utility District	1.000000	1.000000	1.000000	1.000000
Galveston Co. Mun. Utility District No. 39	0.880000	0.800000	0.680000	0.620000
Galveston Co. Mun. Utility District No. 43	1.000000	1.000000	0.960000	0.770000
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	0.950000
Galveston Co. Mun. Utility District No. 46	1.000000	0.980000	0.970000	0.930000
South Shore Harbour Mun. Utility District No. 6	0.120000	-	-	-
South Shore Harbour Mun. Utility District No. 7	0.530000	0.490000	0.450000	0.390000
Westwood Management District	-	1.000000	1.000000	1.000000
	<hr/>	<hr/>	<hr/>	<hr/>
Total overlapping rates	14.545685	14.956007	14.547676	13.780991
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DIRECT AND OVERLAPPING RATES	\$ 15.142685	\$ 15.529507	\$ 15.117676	\$ 14.345991

Tax rates per \$100 of assessed valuation
 Source: Galveston County Appraisal District

Schedule 5

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 0.413798	\$ 0.404181	\$ 0.390126	\$ 0.352830	\$ 0.315726	\$ 0.324200
0.150002	0.144400	0.124874	0.112700	0.099800	0.070800
0.563800	0.548581	0.515000	0.465530	0.415526	0.395000
1.400000	1.310000	1.265900	1.179700	1.114600	0.974600
0.212755	0.204254	0.241963	0.267700	0.267620	0.268500
1.520000	1.450000	1.344000	1.312000	1.294000	1.178000
1.402300	1.332300	1.281600	1.234300	1.216900	1.100300
0.531898	0.504396	0.475900	0.424500	0.376030	0.341900
-	-	-	-	-	-
0.250000	0.230000	0.210000	0.197000	0.120000	0.110000
-	-	-	-	-	-
0.680000	0.590000	0.540000	0.420000	0.395000	0.360000
0.510000	0.460000	0.430000	0.315000	-	-
0.550000	0.430000	0.240000	-	-	-
0.490000	1.000000	1.000000	0.980000	0.930000	0.900000
0.610000	0.570000	0.530000	0.500000	0.450000	0.405000
0.730000	0.730000	0.650000	0.600000	0.570000	0.500000
0.800000	0.800000	0.780000	0.760000	0.750000	0.650000
0.930000	0.900000	0.850000	0.830000	0.800000	0.760000
0.870000	0.850000	0.790000	0.730000	0.670000	0.600000
-	-	-	-	-	-
0.390000	0.380000	0.770000	0.382400	0.378850	0.411200
1.000000	1.000000	1.000000	1.000000	0.990000	0.970000
12.876953	12.740950	12.399363	11.132600	10.323000	9.529500
<u>\$ 13.440753</u>	<u>\$ 13.289531</u>	<u>\$ 12.914363</u>	<u>\$ 11.598130</u>	<u>\$ 10.738526</u>	<u>\$ 9.924500</u>

City of League City, Texas

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Residential property	\$ 5,579,793,632	\$ 6,404,577,171	\$ 7,127,518,150	\$ 7,859,837,721
Commercial property	1,119,310,390	1,243,223,837	1,365,971,187	1,480,412,063
Personal property	424,200,532	451,239,845	524,306,460	487,415,136
Less: Tax exempt property	<u>(1,371,434,539)</u>	<u>(2,016,561,432)</u>	<u>(2,127,699,358)</u>	<u>(2,439,354,108)</u>
TOTAL TAXABLE ASSESSED VALUE ⁽¹⁾	<u><u>\$ 5,751,870,015</u></u>	<u><u>\$ 6,082,479,421</u></u>	<u><u>\$ 6,890,096,439</u></u>	<u><u>\$ 7,388,310,812</u></u>
TOTAL DIRECT TAX RATE	\$ 0.5970	\$ 0.5735	\$ 0.5700	\$ 0.5650

Source: Finance Department of the City

(1) Property is assessed at 100% of the actual taxable value.
Tax rates are per \$100 of assessed value.

Schedule 6

	2019	2020	2021	2022	2023	2024
\$	8,216,196,368	\$ 9,020,645,524	\$ 9,968,868,020	\$ 11,116,192,843	\$ 12,736,394,737	\$ 13,855,523,043
	1,538,506,481	1,602,661,786	1,874,656,234	2,616,691,267	2,868,812,713	3,068,044,135
	467,399,020	536,350,374	546,931,611	528,171,661	538,889,564	565,601,211
	<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>(4,951,014,631)</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>	<u>\$ 12,538,153,758</u>
\$	0.5638	\$ 0.5486	\$ 0.5150	\$ 0.4655	\$ 0.4155	\$ 0.3950

City of League City, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Schedule 7

Property Tax Payer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Value
Texas-New Mexico Power Co.	\$ 77,185,480	1	0.62%	\$ 33,940,714	2	0.59%
VL Town Center Associates LLC	67,732,800	2	0.54%	-	-	-
CAF Victory Owner LLC	52,250,000	3	0.42%	-	-	-
PRIII TRG Beacon Island Owner LP	50,000,000	4	0.40%	-	-	-
KV Beacon Lakes Apartments LLC	48,650,000	5	0.39%	-	-	-
W Walker Street TX Partners LLC	48,000,000	6	0.38%	-	-	-
Centennial South Shore LP	47,921,900	7	0.38%	-	-	-
HZ Signature Point Dist	45,714,100	8	0.36%	-	-	-
TL II Apartments LLC	43,000,100	9	0.34%	-	-	-
VR South Shore Holdings	38,611,550	10	0.31%	-	-	-
Highbridge at Egret Bay LTD	37,779,100	11	0.30%	-	-	-
TPI LCTC Retail LLC (84.4121%)	37,306,792	12	0.30%	-	-	-
Inland America League City Bay Colony LTD	36,540,240	13	0.29%	-	-	-
VR Fairways Holdings LP	35,050,860	14	0.28%	-	-	-
American National Insurance Co.	32,717,700	15	0.26%	24,535,750	4	0.43%
Senior Living At Tuscan Lakes LLC	31,868,700	16	0.25%	-	-	-
LCP MFI Grand Villas LLC	31,115,300	17	0.25%	-	-	-
Ravello-CCTL3 Master LLC & Ravi Truscan LP	30,402,270	18	0.24%	-	-	-
True Capital Waterford LLC	30,400,000	19	0.24%	-	-	-
RLP III League City LLC	29,956,300	20	0.24%	-	-	-
Komatsu America Corp	-	-	-	106,828,928	1	1.86%
Inland America LC Victory Lakes	-	-	-	30,919,030	3	0.54%
Excel League City LLC	-	-	-	21,997,860	5	0.38%
Sunstone Broadstone LP	-	-	-	20,834,090	6	0.36%
GS Beacon Lakes LP	-	-	-	19,080,000	7	0.33%
Amalfi Tuscan Lake Investors LLC	-	-	-	17,223,410	8	0.30%
Fairways at South Shore LTD	-	-	-	16,704,130	9	0.29%
GS Haven South Shore LP	-	-	-	16,572,970	10	0.29%
Subtotal	852,203,192		6.80%	308,636,882		5.37%
Other Taxpayers	11,685,950,566		93.20%	5,443,233,133		94.63%
TOTAL TAXABLE ASSESSED VALUE	\$ 12,538,153,758		100.00%	\$ 5,751,870,015		100.00%

Source: Galveston Central Appraisal District

City of League City, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Tax Year	Tax Rate	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Periods	Total Collections to date	
				Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2015	2014	0.5970	\$ 35,990,638	\$ 35,742,044	99.31%	\$ 219,342	\$ 35,961,386	99.92%
2016	2015	0.5735	37,134,046	36,919,979	99.42%	180,949	37,100,928	99.91%
2017	2016	0.5700	40,541,899	40,293,280	99.39%	204,719	40,497,999	99.89%
2018	2017	0.5650	43,832,366	43,549,227	99.35%	232,334	43,781,561	99.88%
2019	2018	0.5638	45,024,091	44,717,496	99.32%	255,811	44,973,307	99.89%
2020	2019	0.5486	47,123,323	46,840,920	99.40%	232,818	47,073,738	99.89%
2021	2020	0.5150	48,734,859	48,333,048	99.18%	344,548	48,677,596	99.88%
2022	2021	0.4655	48,747,954	48,466,300	99.42%	209,219	48,675,519	99.85%
2023	2022	0.4155	48,981,547	48,629,832	99.28%	198,602	48,828,434	99.69%
2024	2023	0.3950	50,388,138	49,964,574	99.16%	-	49,964,574	99.16%

Source: Finance Department records of the City

City of League City, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
PRIMARY GOVERNMENT				
Governmental activities:				
General obligation bonds, net	\$ 34,094,254	\$ 46,497,540	\$ 41,992,092	\$ 37,711,226
Certificates of obligation, net	76,190,038	66,244,845	71,799,667	66,672,702
Leases	-	-	-	-
Total governmental activities	110,284,292	112,742,385	113,791,759	104,383,928
Business-type activities:				
General obligation bonds, net	32,055,890	61,462,497	58,923,145	55,014,773
Certificates of obligation, net	68,035,114	70,597,582	77,518,416	75,289,921
Revenue bonds, net	49,807,467	16,604,072	12,870,678	10,727,283
Contractual obligations	1,430,000	1,251,626	1,018,231	774,836
Total business-type activities	151,328,471	149,915,777	150,330,470	141,806,813
Total:				
General obligation bonds, net	66,150,144	107,960,037	100,915,237	92,725,999
Certificates of obligation, net	144,225,152	136,842,427	149,318,083	141,962,623
Revenue bonds, net	49,807,467	16,604,072	12,870,678	10,727,283
Contractual obligations	1,430,000	1,251,626	1,018,231	774,836
Leases	-	-	-	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 261,612,763</u>	<u>\$ 262,658,162</u>	<u>\$ 264,122,229</u>	<u>\$ 246,190,741</u>
ESTIMATED FULL PROPERTY VALUE	\$ 5,751,870,015	\$ 6,082,479,421	\$ 6,890,096,439	\$ 7,388,310,812
PERCENTAGE OF FULL PROPERTY VALUE				
Governmental activities	1.92%	1.85%	1.65%	1.41%
Business-type activities	2.63%	2.46%	2.18%	1.92%
Government-wide	4.55%	4.32%	3.83%	3.33%
POPULATION	96,209	100,053	102,635	104,857
DEBT PER CAPITA				
Governmental activities	\$ 1,146	\$ 1,127	\$ 1,109	\$ 995
Business-type activities	1,573	1,498	1,465	1,352
Government-wide	2,719	2,625	2,573	2,348

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

Schedule 9

2019	2020	2021	2022	2023	2024
\$ 33,929,635	\$ 91,134,269	\$ 132,325,688	\$ 120,467,813	\$ 132,263,571	\$ 124,256,745
73,269,452	56,888,979	28,315,495	28,658,085	26,627,638	22,884,390
-	-	139,666	124,131	109,424	94,493
107,199,087	148,023,248	160,780,849	149,250,029	159,000,633	147,235,628
51,388,364	54,319,520	61,260,191	83,905,619	76,125,100	67,980,117
72,671,426	69,657,931	66,097,632	32,831,096	30,984,035	79,569,865
8,553,889	-	-	-	-	-
526,441	268,045	-	6,567,718	11,631,048	20,866,714
133,140,120	124,245,496	127,357,823	123,304,433	118,740,183	168,416,696
85,317,999	145,453,789	193,585,879	204,373,432	208,388,671	192,236,862
145,940,878	126,546,910	94,413,127	61,489,181	57,611,673	102,454,255
8,553,889	-	-	-	-	-
526,441	268,045	-	6,567,718	11,631,048	20,866,714
-	-	139,666	124,131	109,424	94,493
\$ 240,339,207	\$ 272,268,744	\$ 288,138,672	\$ 272,554,462	\$ 277,740,816	\$ 315,652,324
\$ 7,840,328,522	\$ 8,459,537,100	\$ 9,236,547,910	\$ 10,429,626,615	\$ 11,782,362,476	\$ 12,538,153,758
1.37%	1.75%	1.74%	1.43%	1.35%	1.17%
1.70%	1.47%	1.38%	1.18%	1.01%	1.34%
3.07%	3.22%	3.12%	2.61%	2.36%	2.52%
106,803	109,087	110,467	116,834	118,740	121,595
\$ 1,004	\$ 1,357	\$ 1,455	\$ 1,277	\$ 1,339	\$ 1,211
1,247	1,139	1,153	1,055	1,000	1,385
2,250	2,496	2,608	2,333	2,339	2,596

City of League City, Texas

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
NET TAXABLE ASSESSED VALUE				
All property	5,751,870,015	6,082,479,421	6,890,096,439	7,388,310,812
NET BONDED DEBT				
General obligation bonds	66,150,144	107,960,037	100,915,237	92,725,999
Certificates of obligation	144,225,152	136,842,427	149,318,083	141,962,623
Less: amounts restricted for debt service	(4,114,446)	(4,114,446)	(4,695,215)	(5,237,130)
NET BONDED DEBT	<u>\$ 206,260,850</u>	<u>\$ 240,688,018</u>	<u>\$ 245,538,105</u>	<u>\$ 229,451,492</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	3.59%	3.96%	3.56%	3.11%
POPULATION	96,209	100,053	102,635	104,857
NET BONDED DEBT PER CAPITA	2,144	2,406	2,392	2,188

Source: The City's financial records.

Schedule 10

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
7,840,328,522	8,459,537,100	9,236,547,910	10,429,626,615	11,782,362,476	12,538,153,758
85,317,999	145,453,789	193,585,879	204,373,432	208,388,671	192,236,862
145,940,878	126,546,910	94,413,127	61,489,181	57,611,673	102,454,255
(5,061,338)	(4,179,128)	(3,744,281)	(3,116,891)	(5,220,306)	(9,083,839)
<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>	<u>\$ 285,607,278</u>
2.89%	3.17%	3.08%	2.52%	2.21%	2.28%
106,803	109,087	110,467	116,834	118,740	121,595
2,118	2,455	2,573	2,249	2,196	2,349



City of League City, Texas

Direct and Overlapping Governmental Activities Debt

September 30, 2024

Schedule 11

Governmental Unit	Debt Outstanding	Estimated Percentage Overlapping*	Amount Applicable to Primary Government
Bay Colony West Mun. Utility District	\$ 23,945,000	100.00%	\$ 23,945,000
Clear Creek Independent School District	1,065,675,000	35.79%	381,405,083
College of the Mainland	146,565,000	11.26%	16,503,219
Dickinson Independent School District	448,075,000	29.40%	131,734,050
Galveston Co. Management District No. 1	2,955,000	100.00%	2,955,000
Galveston Co. Management District No. 6	4,345,000	100.00%	4,345,000
Galveston Co. Management District No. 14	3,770,000	100.00%	3,770,000
Galveston Co. Management District No. 39	13,735,000	100.00%	13,735,000
Galveston Co. Management District No. 43	23,990,000	100.00%	23,990,000
Galveston Co. Management District No. 44	27,415,000	100.00%	27,415,000
Galveston Co. Management District No. 45	48,880,000	100.00%	48,880,000
Galveston Co. Management District No. 46	31,075,000	100.00%	31,075,000
Galveston County	158,754,635	25.84%	41,022,198
Galveston County WC & ID No. 1	38,620,000	2.20%	849,640
Galveston County WC & ID No. 12	22,245,000	**	-
Harris County	2,424,019,039	0.04%	969,608
Harris County Department of Education	28,960,000	0.04%	11,584
Harris County Flood Control District	968,445,000	0.04%	387,378
Harris County Hospital District	65,285,000	0.04%	26,114
Port of Houston Authority	426,134,397	0.04%	170,454
Sante Fe Independent School District	75,450,000	1.32%	995,940
South Shore Harbour Mun. Utility District No. 7	17,555,000	100.00%	17,555,000
Westwood Management District	20,400,000	100.00%	20,400,000
Subtotal, overlapping debt			792,140,267
City direct debt		100.00%	147,235,628
TOTAL DIRECT and OVERLAPPING DEBT			\$ 939,375,895
Population			121,595
Overlapping Debt Per Capita			6,515
Direct and Overlapping Debt Per Capita			7,725

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 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit*	\$ 575,187,002	\$ 608,247,942	\$ 689,009,644	\$ 738,831,081
Total net debt applicable to limit	<u>100,137,649</u>	<u>99,787,816</u>	<u>100,407,970</u>	<u>91,399,831</u>
LEGAL DEBT MARGIN	<u>475,049,353</u>	<u>508,460,126</u>	<u>588,601,674</u>	<u>647,431,250</u>
Total net debt applicable to the limit as a percentage of debt limit	17.41%	16.41%	14.57%	12.37%
LEGAL DEBT MARGIN CALCULATION				
Assessed value	5,751,870,015	6,082,479,421	6,890,096,439	7,388,310,812
Debt limit (10% of assessed value)	575,187,002	608,247,942	689,009,644	738,831,081
Debt applicable to limit				
General obligation bonds	31,902,095	42,633,031	38,457,987	34,501,961
Certificates of obligation	72,350,000	61,850,000	66,950,000	62,135,000
Less amount set aside for repayment of general obligation debt	<u>(4,114,446)</u>	<u>(4,695,215)</u>	<u>(5,000,017)</u>	<u>(5,237,130)</u>
Total net debt applicable to limit	<u>100,137,649</u>	<u>99,787,816</u>	<u>100,407,970</u>	<u>91,399,831</u>
LEGAL DEBT MARGIN	<u>\$ 475,049,353</u>	<u>\$ 508,460,126</u>	<u>\$ 588,601,674</u>	<u>\$ 647,431,250</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 the debt service. The City's maximum legal tax 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.

Schedule 12

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 784,032,852	\$ 845,953,710	\$ 923,654,791	\$ 1,042,962,662	\$ 1,178,236,248	\$ 1,253,815,376
<u>94,427,633</u>	<u>130,510,872</u>	<u>140,216,031</u>	<u>130,689,110</u>	<u>138,036,264</u>	<u>141,973,530</u>
<u>689,605,219</u>	<u>715,442,838</u>	<u>783,438,760</u>	<u>912,273,552</u>	<u>1,040,199,984</u>	<u>1,111,841,846</u>
12.04%	15.43%	15.18%	12.53%	11.72%	11.32%
7,840,328,522	8,459,537,100	9,236,547,910	10,429,626,615	11,782,362,476	12,538,153,758
784,032,852	845,953,710	923,654,791	1,042,962,662	1,178,236,248	1,253,815,376
30,983,971	82,225,000	117,385,312	108,891,001	120,031,570	122,593,943
68,505,000	52,465,000	26,575,000	24,915,000	23,225,000	24,547,192
<u>(5,061,338)</u>	<u>(4,179,128)</u>	<u>(3,744,281)</u>	<u>(3,116,891)</u>	<u>(5,220,306)</u>	<u>(5,167,605)</u>
<u>94,427,633</u>	<u>130,510,872</u>	<u>140,216,031</u>	<u>130,689,110</u>	<u>138,036,264</u>	<u>141,973,530</u>
<u>\$ 689,605,219</u>	<u>\$ 715,442,838</u>	<u>\$ 783,438,760</u>	<u>\$ 912,273,552</u>	<u>\$ 1,040,199,984</u>	<u>\$ 1,111,841,846</u>

City of League City, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross revenues	\$ 29,371,192	\$ 34,160,892	\$ 36,354,740	\$ 38,388,126
Operating expenses ⁽¹⁾	<u>19,391,615</u>	<u>20,511,890</u>	<u>21,174,243</u>	<u>22,481,961</u>
NET REVENUES AVAILABLE FOR DEBT SERVICE	9,979,577	13,649,002	15,180,497	15,906,165
DEBT SERVICE REQUIREMENTS ⁽²⁾				
Principal	4,065,000	3,715,000	2,125,000	2,155,000
Interest	<u>2,079,658</u>	<u>598,413</u>	<u>492,100</u>	<u>412,925</u>
TOTAL	<u>\$ 6,144,658</u>	<u>\$ 4,313,413</u>	<u>\$ 2,617,100</u>	<u>\$ 2,567,925</u>
COVERAGE	1.62	3.16	5.80	6.19

(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 and ordinances, do not include amortization, bond interest, and fiscal changes

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

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

Schedule 13

2019	2020*	2021*	2022*	2023*	2024*
\$ 36,612,022	\$ -	\$ -	\$ -	\$ -	\$ -
22,355,495	-	-	-	-	-
14,256,527	-	-	-	-	-
620,000					
361,244	-	-	-	-	-
\$ 981,244	\$ -	\$ -	\$ -	\$ -	\$ -
14.53	-	-	-	-	-

City of League City, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Population⁽¹⁾	(In Thousands) Personal Income	Per Capita Personal Income⁽²⁾	Median Age⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾	Education Level in Years of Formal Schooling⁽⁵⁾
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%
2024	121,595	6,565,400	53,994	38.0	18,998	3.4%	51%

Sources:

- (1) City of League City Planning Departments
- (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 - ERSI

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

City of League City, Texas
Principal Employers
Current Year and Nine Years Ago

Schedule 15

Employer	2024			2015	
	Employees⁽¹⁾	Percentage Total City Employment⁽²⁾	Rank	Employees	Rank
Clear Creek Independent School District	2,315	3.80%	1	5,629	1
H.E.B	1,032	1.69%	2	565	3
UTMB	847	1.39%	3	528	5
City of League City	731	1.20%	4	560	4
American National Insurance	642	1.05%	5	861	2
INEOS USA	499	0.82%	6	288	8
Walmart	350	0.57%	7	351	7
Kroger	315	0.52%	8	387	6
MD Anderson	263	0.43%	9	-	-
Harborview Care Center	200	0.33%	10	162	10
Devereaux Texas Treatment Network	-	-	-	224	9
	<u>7,194</u>	<u>11.82%</u>		<u>9,555</u>	

(1) Source: Human Resources Department for each company.

(2) Percentage of total employment is based on the total City employment of 60,885 for 2024.

City of League City, Texas

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
GOVERNMENTAL ACTIVITIES				
General government	79.00	80.50	83.67	78.62
Public safety	223.00	223.00	225.33	230.38
Public works	95.00	97.00	98.00	99.00
Community service	84.75	88.75	89.75	93.00
BUSINESS-TYPE ACTIVITIES				
Water and wastewater	87.50	87.50	85.50	86.50
Ballpark	-	-	-	-
TOTAL CITY POSITIONS	<u>569.25</u>	<u>576.75</u>	<u>582.25</u>	<u>587.50</u>

Source: City Finance Department

Schedule 16

2019	2020	2021	2022	2023	2024
82.62	122.00	96.25	97.75	97.75	99.25
232.38	239.00	241.25	246.25	258.25	269.25
104.00	76.00	111.80	111.30	112.80	115.80
97.50	107.50	106.50	108.00	112.50	113.00
85.50	88.50	90.20	93.70	93.70	94.70
-	-	-	-	-	39.50
602.00	633.00	646.00	657.00	675.00	731.50

City of League City, Texas
 Operating Indicators by Function
 Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
CITY OF LEAGUE CITY				
Population	92,209	100,053	102,635	104,857
Square miles	53	53	53	53
Budgeted full-time employees	569	577	582	588
FUNCTION				
Police				
Arrests	4,322	4,526	3,868	3,900
Calls for service	40,404	41,863	40,925	37,358
Municipal court				
Traffic violations	13,459	11,621	10,570	10,893
Nontraffic violations	2,315	2,383	1,990	1,809
Fire/EMS Calls*				
Calls answered	1,159	1,115	1,787	1,672
Inspections	1,939	1,759	1,944	2,969
Parks and recreation				
Recreation program	\$ 509,213	\$ 647,066	\$ 629,303	\$ 699,536
Field and facility rentals	\$ 205,847	\$ 201,737	\$ 189,688	\$ 160,164
Community development				
Residential building permits issued	1,120	842	830	699
Residential building permits issued value	\$ 226,702,873	\$ 177,135,746	\$ 217,625,591	\$ 186,977,407
Commercial building permits issued	50	41	32	18
Commercial building permits issued value	\$ 115,534,099	\$ 31,860,865	\$ 45,303,061	\$ 69,142,896
Water				
Average daily gallons pumped-combined water (millions of gallons)	9.58	10.91	11.32	12.03
Average daily gallons pumped-surface water (millions of gallons)	9.62	10.44	11.25	12.03
Average daily gallons pumped-well water (millions of gallons)	0.02	0.00	0.08	0.01
Number of connections	31,428	32,459	33,310	34,102
Wastewater				
Average daily effluent treated (millions of gallons)	8.20	8.89	9.02	9.25
Number of connections	28,968	30,042	31,041	31,878

Source: Various City Departments

* Started including EMS calls in FY2022

Schedule 17

Fiscal Year						
2019	2020	2021	2022	2023	2024	
106,803	109,087	110,467	116,834	118,740	121,595	
53	53	53	53	53	53	
602	633	646	657	675	731	
3,630	2,390	2,493	2,645	2,918	2,824	
38,025	29,615	43,815	48,198	29,322	29,517	
8,884	5,270	5,270	6,499	9,301	10,933	
2,243	1,477	1,477	1,598	1,550	1,314	
1,724	1,777	2,021	9,231	9,328	9,964	
3,006	2,149	2,509	2,142	2,868	2,899	
\$ 718,000	\$ 315,999	\$ 525,403	\$ 730,310	\$ 820,389	\$ 836,686	
\$ 146,483	\$ 39,051	\$ 88,441	\$ 150,245	\$ 160,308	\$ 180,817	
750	592	386	333	578	1,032	
\$ 188,351,992	\$ 150,960,673	\$ 115,297,345	\$ 92,361,529	\$ 134,906,545	\$ 240,847,540	
14	12	3	17	19	10	
\$ 16,940,660	\$ 43,625,306	\$ 3,645,300	\$ 25,282,375	\$ 19,569,699	\$ 46,155,999	
11.12	11.66	11.16	12.32	12.38	11.84	
11.12	11.66	11.12	12.22	12.28	11.81	
0.01	0.00	0.04	0.10	0.10	0.03	
34,617	35,611	36,074	36,514	36,878	38,806	
8.84	9.98	9.48	8.66	8.40	8.00	
32,639	33,843	35,413	34,713	35,437	36,242	

City of League City, Texas

Capital Asset Statistics by Function Last Ten Fiscal Years

FUNCTION	Fiscal Year			
	2015	2016	2017	2018
General government				
Municipal buildings	37	38	38	39
City vehicles	314	319	325	344
Public safety				
Police protection				
Stations	1	1	1	1
Fire protection				
Stations/drill field	6	6	7	7
Fire apparatus	27	27	27	27
Public works				
Street (lane miles)	392	400	405	414
Community services				
Parks	15	15	15	15
Ball fields	37	37	37	37
Swimming pools	2	2	2	2
Pavilions	9	9	9	9
Park acreage developed	409	409	409	409
Water				
Water wells	8	8	8	9
Ground/elevated storage tanks	21	20	21	21
Water mains (miles)	474	479	484	494
Fire hydrants	3,985	4,243	4,109	4,348
Wastewater				
Wastewater treatment plants	3	3	2	2
Sanitary sewers (miles)	369	374	382	391
Sewer manholes	9,048	9,183	9,427	9,798

Source: Various City departments

Schedule 18

Fiscal Year						
2019	2020	2021	2022	2023	2024	
39	37	37	37	37	37	37
354	360	359	375	368	445	
1	1	1	1	1	1	1
7	7	7	7	7	7	7
27	31	31	31	31	31	31
425	430	430	436	443	460	
15	15	15	16	16	17	
37	37	37	37	37	35	
2	2	2	2	2	2	
9	9	9	12	12	12	
409	603	603	631	631	648	
9	9	9	8	8	8	
21	21	21	21	21	20	
501	523	532	544	544	568	
4,441	4,855	4,992	4,880	5,167	5,226	
2	2	2	2	2	2	
396	400	404	415	427	428	
9,982	10,056	10,139	10,420	10,737	10,773	



LEAGUE CITY

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