

CHUCK ENGELKEN, CHAIR
Councilmember, District 2

JAY MARTIN
Councilmember, District 5



THOMAS GARZA
Councilmember, District 4
Alternate
VACANT

CITY OF LA PORTE FISCAL AFFAIRS COMMITTEE MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Fiscal Affairs Committee to be held on March 14, 2022, in the City Hall Council Chamber, 604 West Fairmont Parkway, La Porte, Texas, beginning at 4:30 pm regarding the items of business according to the agenda listed below:

Remote participation is available, also. Attend via a screen using this link:

<https://us02web.zoom.us/j/82838921659?pwd=M2E3SE1PZnFHYld3SjVITnpCRHdBUT09>

Join by phone at 888-475-4499 or 877-853-5257. The meeting ID is 828 3892 1659. The passcode is 388576.

1. **CALL TO ORDER**
2. **CITIZEN COMMENT** (Generally limited to five minutes per person; in accordance with state law, the time may be reduced if there is a high number of speakers or other considerations.)
3. **STATUTORY AGENDA**
 - (a) Presentation, discussion, and possible action to approve the minutes of the February 28, 2022, meeting. [Lee Woodward]
 - (b) Presentation, discussion, and possible action to accept the Fiscal Year Ending September 30, 2021, Annual Comprehensive Financial Report. [Michael Dolby, Finance Director]
4. **SET NEXT MEETING**
5. **COMMITTEE COMMENT** *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Committee members and City staff, for which no formal action will be discussed or taken.*
6. **ADJOURN**

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (281-470-5019), two working days prior to the meeting for appropriate arrangements.

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

CERTIFICATE

I, Lee Woodward, City Secretary, do hereby certify that a copy of the March 14, 2022, Fiscal Affairs Committee agenda was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.LaPorteTX.gov in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING

TIME OF POSTING

TAKEN DOWN

Lee Woodward

Lee Woodward, City Secretary

CHUCK ENGELKEN, CHAIR
Councilmember District 2

JAY MARTIN
Councilmember, District 5



OPEN POSITION

THOMAS GARZA
Councilmember District 4
Alternate

MINUTES OF MEETING OF FISCAL AFFAIRS COMMITTEE FEBRUARY 28, 2022

The Fiscal Affairs Committee of the City of La Porte met on February 28, 2022, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at 5:00 p.m., with the following in attendance:

Committee members present: Chuck Engelken, Jay Martin

Committee members absent: Thomas Garza (alternate)

Council-appointed officers present: Corby Alexander, City Manager; Lee Woodward, City Secretary

1. **CALL TO ORDER** – Chair Engelken called the meeting to order at 4:59 p.m.
2. **CITIZEN COMMENT** *(Generally limited to five minutes per person; in accordance with state law, the time may be reduced if there is a high number of speakers or other considerations.)*

There were no public comments.

3. STATUTORY AGENDA

- (a) **Presentation, discussion, and possible action to approve the minutes of the November 8, 2021, meeting.** [Lee Woodward, City Secretary]

Member Martin moved to approve the minutes of the meeting held on November 8, 2021; the motion was seconded by Chair Engelken; the motion was adopted, 2-0.

- (b) **Presentation, discussion, and possible action to receive and review the First Quarter (FY2022) Investment Report.** [Shelley Wolny, Treasurer]

The report was received and filed.

- (c) **Presentation, discussion, and possible action to receive and review Purchasing Card expenditures for September, October, and November 2021.** [Cherell Daeumer, Purchasing Manager]

The report was received and filed.

4. SET DATE FOR NEXT MEETING [Michael Dolby, Finance Director]

Committee members set March 14, 2022, as the next meeting, to present the audit report.

5. **COMMITTEE MEMBER COMMENTS** *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Committee members and City staff, for which no formal action will be discussed or taken.*

The Committee had no comments.

ADJOURNMENT - Without objection, Chair Engelken adjourned the meeting at 5:10 p.m.

Lee Woodward, City Secretary



REQUEST FOR FISCAL AFFAIRS AGENDA ITEM

Agenda Date Requested: March 14, 2022

Requested By: Michael Dolby, Director

Department: Finance

☒ Report ☐ Resolution ☐ Ordinance

Exhibits: Fiscal Year Ending September 30, 2021 Annual Comprehensive Financial Report

Appropriation

Source of Funds: General Fund/Finance

0016141-5155001 - \$43,650

0337070-5335001 - \$5,000

0345051-5225001 - \$5,000

0167075-5335001 - \$6,000

Account Number: 0386030-5655001 - \$5,000

Amount Budgeted: \$64,650

Amount Requested: \$64,650

Budgeted Item: ☒ Yes ☐ No

SUMMARY & RECOMMENDATION

In accordance with the City of La Porte City Charter, the fiscal year ending September 30, 2021 Annual Comprehensive Financial Report will be presented to City Council by the external auditors Whitley Penn. The audit report provides the City with reasonable assurance that the financial statements are free of material misstatements. The auditors designed tests that provide evidence that the financial statements conform to the highest level of accounting standards. The City received an unmodified (clean) opinion from the auditors and no management comments or deficiencies in internal control were identified.

Annually, the City submits the Annual Comprehensive Financial Report to the Government Finance Officers Association for entry in the award program for excellence in financial report. The City of La Porte has won the Award for Excellence in Financial Reporting from the Government Finance Officers Association for 40 consecutive years.

ACTION REQUIRED BY COMMITTEE

Accept the Fiscal Year Ending September 30, 2021 Annual Comprehensive Financial Report.

Approved for Fiscal Affairs Committee Agenda

Corby D. Alexander, City Manager

Date

CITY OF LA PORTE, TEXAS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2021

Corby Alexander, City Manager

Prepared by:

Department of Finance

DRAFT 03.04.2022

CITY OF LA PORTE, TEXAS

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City of La Porte

Established 1892

City Manager's Office

The City of La Porte embraces our heritage, community values and opportunities, while enhancing the quality of life for our citizens.

March 14, 2022

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of La Porte, Texas:

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of La Porte, Texas for the fiscal year ended September 30, 2021. This report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. This report consists of management's representations concerning the finances of the City of La Porte. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of La Porte's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits; therefore the City of La Porte's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of La Porte's financial statements have been audited by Whitley Penn 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 of La Porte for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount 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 audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of La Porte's financial statements for fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as a component of the financial section of this report.

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

Profile of the City

The City of La Porte, incorporated in 1892, is located in the southeast quadrant of Harris County and is bounded on the north by the Houston ship channel, on the east by Galveston Bay and the south by the Bayport channel. The City of La Porte currently encompasses 19 square miles and serves a population of 34,976.

The City is a home rule city operating under the Council-Manager form of government. Policymaking and legislative authority are vested in a governing council consisting of the mayor and eight other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Secretary, Municipal Judge and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of various departments. The Council is elected on a non-partisan basis. The Mayor and Council members serve three-year staggered terms. Six of the council members are elected by district. The Mayor and the two remaining council members are elected at large. The City of La Porte provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure and recreational activities and cultural events. Certain services are provided through a legally separate Water Authority, which functions, as a blended component unit and in essence, is a department of the City of La Porte, and, therefore, has been included as an integral part of the City of La Porte's financial statements. Additional information on the Water Authority and other blended component units can be found in Note 1A of the notes to the financial statements. The City has established a Taxing Increment Reinvestment Zone one (the Zone). The zone is presented as a blended component unit and is being reported as a governmental fund type (see Note 1B). The City has also established a section 4 B Sales Tax Corporation (see Note 1B). The City also has established a Fire Control, Prevention and EMS District (see note 1B). The City's accounting records for general governmental operations are maintained on modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

The annual budget serves as the foundation for the City of La Porte's financial planning and control. Budgetary control has been established at the fund level. All agencies of the City of La Porte are required to submit requests for appropriation to the City Manager on or before May 26 of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to council for review prior to August. The council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30th. The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The directors are given latitude to approve transfers of appropriations within a department. Transfers of appropriations between funds, however require the special approval of the city council. Budget-to-actual comparisons are provided in financial reports for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 83 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 96. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Funds. Formal budget integration is not employed for the Debt Service and Capital Projects Funds because effective budgetary control is alternatively achieved through bond indenture provisions and legally binding construction contracts, respectively.

Economic Condition

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

Local Economy

The City of La Porte is located in the southeast quadrant of Harris County, which is a 1,723 square mile county is a leading oil, gas and petrochemical areas. The County has more than 3,200 manufacturing plants, the nation's largest concentration of petrochemical plants, and the third largest United States seaport and is a corporation management center. A significant part of the County's major employers, manufacturers, education and financial institutions are located in Houston, the County seat. The Texas Medical Center, located in Harris County, is one of the nation's largest, providing medical care and educational opportunities. Higher education facilities include: University of Houston, Rice University, Texas Southern University, St. Thomas University and Houston Baptist University, all offering full four- year as well as postgraduate programs. The Lyndon B. Johnson Space Center is also located here. Located some 20 miles southeast of Houston on Galveston Bay in Harris County are the three communities that make up the La Porte Bayshore Area: La Porte, Morgan's Point and Shoreacres. The area has a combined population of approximately 40,000. Though much of the image of this area is industrial, the La Porte- Bayshore area is still characterized by an expanse of resort homes.

Strategic Plan

- **Overview**

On October 27, 2012, the Mayor, City Council, City Manager and key staff of the City of La Porte met together in a retreat planning session. The purpose of that meeting was to establish the Council's Strategic Plan for the next five years. A report was prepared outlining the City Council's Mission, Vision and Core Values, as well as six overall goals. Each goal had identified objectives and strategies, with time lines for beginning and completing the goals.

On March 9, 2013, the City Manager and his key staff met. Their purpose was two-fold. First, staff reviewed and discussed the Mission, Vision and Core Values developed by the City Council and created Leadership Statements for the staff to follow to ensure their work is consistent with the value of the City Council. Secondly, staff reviewed and clarified the goals, objectives and strategies identified by the City Council; if necessary identify additional goals consistent with the overall mission, vision and values; and establish the framework for an action plan. The result of their work is documented in this report.

The Strategic Plan will provide a blueprint for action over the next five years. When developing the annual budget, staff will be tasked with making sure that expenditures and programs further the goals and Core Values stated in this document. This provides clear direction to the staff as to what priorities are important to the Council and plans can be made accordingly to make sure that resources are allocated towards those ends. Additionally, this plan is an excellent communication tool that the Council and the staff can use when speaking with residents and businesses. Many times, ad hoc requests can derail longer-term plans. The Strategic Plan outlines a framework for receiving, prioritizing, and budgeting for resident requests.

All participants, staff and Council, agreed to commit to the success of this plan. A plan only becomes a useful and working document when all the participants (as a whole and as individuals) make a commitment to review it regularly, use it monthly, and modify it as needed. It is a tool that can and should be used regularly to track progress, make notes of variations between expectations and actuals, of timelines and expenses, to help accomplish each goal, and to hold one another accountable for updates and completion.

- **Mission Statement**

The Council reviewed and revised the Mission Statement & Vision Statement of the City and the results are as follows:

The City of La Porte embraces our heritage, community values, and opportunities, while enhancing the quality of life for our citizens

- **Vision Statement**

To provide improved infrastructure, to drive economic growth, and to enhance quality of life for our citizens.

- **Core Values**

The City Council wanted to specify the core values under which the City and its staff function. Core values are the general guidelines that establish the foundation for how an organization will operate. Staff then discussed these value statements to define and gain an understanding of what those Core Value meant to staff from a leadership perspective. Staff first discussed what the elements of each Core Value represented, then prepared a Leadership Statement for each one.

The following are the Core Values of the City of La Porte:

- **Health & Public Safety:** City employees will ensure the health and safety of our citizens by providing and maintaining superior public infrastructure and public safety services.
- **Integrity & Accountability:** City employees will be open, honest and transparent, and be accountable to the Council so that Council can be responsive to the citizens.
- **Superior Customer Service:** City employees will proactively provide superior customer service in a positive and timely manner.
- **Quality in everything we do:** City employees will strive for superiority in all services we provide.

- **Goal and Plan Development**

During the Council Retreat in October 2012, six goals were developed by the Council, with staff providing assistance in the development of objectives. In March 2013, the staff further added “meat to the bone” to outline more specifically the actions that would be necessary to achieve the stated goals. The development and implementation of the action plan will serve to provide Council a clear understanding of how and when each of their goals will be accomplished. The action plan proposes to do the following:

- Identify a team leader: Each Goal needs a champion who will lead the effort to accomplish the goal and be held accountable for the action plan that is developed. A team leader for each goal was assigned.
- Identify team members. Likewise each goal needs a larger team, consisting of fellow staff from across all departmental lines where appropriate, to assist in the implementation process.
- Identify partners. Each team should identify the partners, outside the city organization, who can provide expertise and resources to accomplish the goal.
- Define action steps. Each objective needs defined action steps showing Council how the goal will be accomplished. The action steps provide the basis for benchmarks.
- Prepare a timeline. Timelines were prepared for each of the objectives. Staff reviewed those timelines and recommended adjustments.

The Council-identified goals are:

- Improve Infrastructure
- Preserve Heritage – to preserve the structure and amenities that make La Porte unique
- Ensure that all departments and facilities are ready for any disaster
- To encourage economic development/retail development
- To provide Superior Customer Service
- To revitalize blight/146

In addition to the six Council-identified goals, it was agreed that key areas of city government were not included in the goals identified by Council. Staff was tasked with discussing other areas where they would establish goals and objectives and bring them to Council for consideration and approval to include in the Strategic Plan. Several new goals were identified and are proposed for Council consideration:

- To provide and maintain superior public safety
- Continue to improve the quality of life through recreational amenities
- Create a Neighborhood Preservation Program
- Provide diverse and timely communications that promote and influence a positive public perception of La Porte

One critical component to ensuring that the elements of the Strategic Plan are being implemented is to provide regular status reports to the City Council. Staff prepares and presents to council quarterly written reports supplemented with oral reports or action items for implementation that may be necessary in-between written reports.

In fiscal year 2014, City staff appointed key department directors to carry out the major components of the strategic plan. Staff developed a matrix that identifies target dates for completion of the components of the strategic plan.

Relevant Financial Policy

City staff is complying with the new GASB pronouncement regarding lease reporting.

Major Initiatives

Staff continues to oversee the design and construction of our fitness center addition. Also, public works is overseeing the construction of the multi-million dollar infrastructure water/ sewer project, as well as design for various drainage projects.

Long Term Planning

Given the current economy and the uncertainty of the next few years, the City's existing financial position remains strong. The City has incorporated several strategies to decrease the expenses to the City over the next several years. Rising costs of personnel and the related benefits have been a challenge to the City; however, over the last few years, a healthy fund balance in the General Fund has allowed the City to weather these rising costs.

During the upcoming year, the city will continue to monitor the effects of a new municipal utility district that will have 640 single family homes with an average value of \$280,000. To date, approximately 221 homes have been permitted and 135 occupied. Also included in this development is \$40,000,000 in multifamily housing and \$12,000,000 in senior living housing. Build out is projected over the next five years, and city property tax revenue from this project is estimated to \$1,580,000 annually.

During the upcoming fiscal year, the city will benefit from increased estimated taxes of \$3.3 million annually from new construction in the Industrial District being taxed at 64% due to the expiration of the new construction period and growth from revaluations. New construction from residential and commercial will add \$119 million in value to our property rolls.

Conservative revenue estimates and efforts to reduce expenditures have contributed to the City's strong financial position and have allowed the City to weather the economic slump. We are especially pleased that there have been no property taxes rate increases for (30) thirty years. Additional capital projects are being funded by utilizing excess fund balances and previously issued debt that had been stranded. With the associated fund draw downs, the remaining fund balances continue to meet operational objectives and current fiscal policies.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the fortieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the city also received the GFOA's Distinguished Budget Award for its annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device. Other financial awards to the City are the Popular Financial Report Award from GFOA, the Investment Policy Award from the Government Treasurer's Organization of Texas, the Transparency Stars Award from the State of Texas Comptroller and the Achievement of Excellence in Procurement Award from the National Procurement Institute.

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

Respectfully submitted,



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of La Porte
Texas**

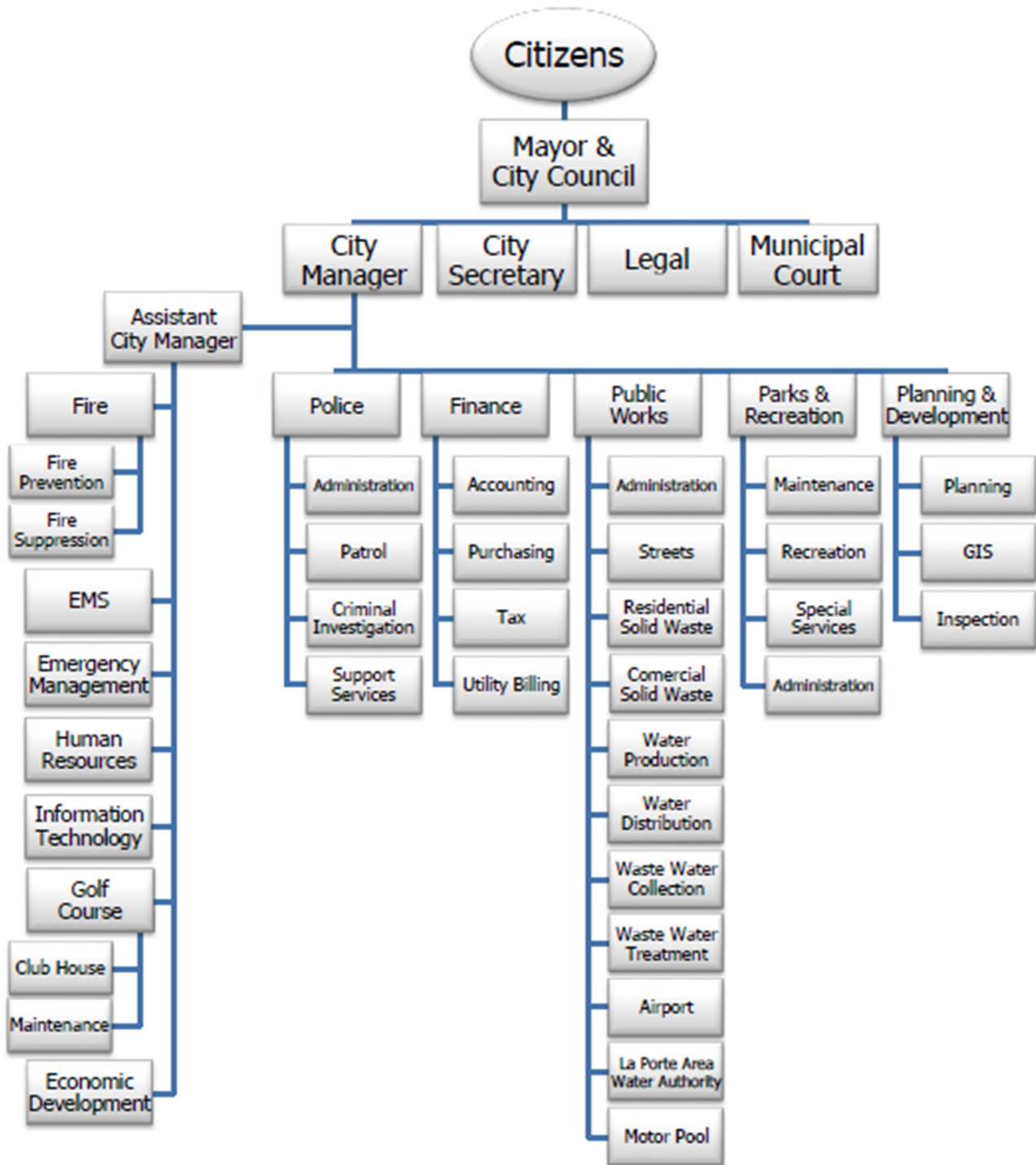
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF LA PORTE ORGANIZATIONAL CHART



CITY OF LA PORTE, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
For the Year Ended September 30, 2021

<u>Elected Officials</u>	<u>Position</u>
Louis Rigby	Mayor
Mandi Williams	Council Member – District One
Chuck Engelken	Council Member – District Two
William Bentley	Council Member – District Three
Thomas Garza	Council Member – District Four
Jay Martin	Council Member – District Five
Robbie McLarrin	Mayor Pro Tem – District Six
Brandon Lunsford	Council Member – At Large A
Brent McCaulley	Council Member – At Large B
<u>City Management</u>	<u>Position</u>
Corby Alexander	City Manager
Jason Weeks	Assistant City Manager
Steve Deardorff	Police Chief
Ray Mayo	Director of Public Works
Lee Woodward	City Secretary
Denise Mitrano	Municipal Judge
Michael G. Dolby	Director of Finance



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of La Porte, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of La Porte, Texas, (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the La Porte Redevelopment Authority, which represent 6 percent, 11 percent and 7 percent, respectively, of the assets, liabilities and revenues of the governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the La Porte Redevelopment Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Honorable Mayor and
Members of City Council

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Houston, Texas
March 14, 2022

CITY OF LA PORTE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of La Porte, we offer readers of the City of La Porte's financial statements this narrative overview and analysis of the financial activities of the City of La Porte for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on starting on page i of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of La Porte exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$165.8 million (net position). Of this amount, \$53.3 million is restricted for special purposes and \$87.9 reflects the net investment in capital assets. The remaining balance is unrestricted net position, \$24.6 million, which can be used to meet the City's ongoing obligations to residents and creditors.
- Net position increased by \$18.4 million as a result of operations.
- The City of La Porte's total expenses were \$71.3 million. Program revenues of \$20.6 million reduced the net cost of the City's functions to be financed from the City's general revenues to \$69.1 million.
- The City of La Porte's total long-term liabilities and debt increased by \$11.4 million, or 10%, during the current fiscal year. This due primarily to the issuance of \$11.5 million in certificates of obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of La Porte's basic financial statements. The City's basic financial statements are comprised of 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 themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the City as a whole and about its activities in a way that helps answer the question of whether the City is better off this year as compared to last year. These statements include all assets and liabilities and are presented on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Position presents information on all of the City of La Porte's assets, deferred outflows, liabilities and deferred inflows with the difference between the three reported as net position. Over time, deferred outflows, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of La Porte 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 vacation and sick leave).

CITY OF LA PORTE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Both 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 their user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health, welfare and sanitation and culture and recreation. The business-type activities of the City consist of water and sewer utilities, airport, and the La Porte Area Water Authority.

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, like other state and local governments, 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 and proprietary – and utilize different accounting approaches.

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 fiscal year. Such information may be useful in evaluating a government'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 fund balance sheet and the governmental fund 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 fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Restricted Grants Fund, Capital Improvements Fund, Debt Service Fund and La Porte Redevelopment Authority ("RDA") which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its General Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds. Proprietary funds are used to report the same functions presented as business type activities in the government-wide statements. The City uses proprietary funds to account for its utilities, airport and water authority. Internal services funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for motor pool services, technology services and insurance. Because these services predominately benefit the governmental rather than business type functions, they have been included in the governmental activities in the government-wide financial statements.

CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its utility operations, La Porte Area Water Authority and the Airport. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide other post-employment benefits, pension information and general fund budgetary comparisons.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal services funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows exceed liabilities and deferred inflows by \$165.8 million as of September 30, 2021, in the primary government as follows:

City of La Porte's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 173,208,686	\$ 137,689,960	\$ 16,529,657	\$ 17,122,824	\$ 189,738,343	\$ 154,812,784
Capital assets, net	76,064,271	76,085,594	32,079,057	32,582,335	108,143,328	108,667,929
Total Assets	249,272,957	213,775,554	48,608,714	49,705,159	297,881,671	263,480,713
 Deferred Outflows	 15,272,462	 12,277,391	 1,785,100	 1,489,500	 17,057,562	 13,766,891
Other liabilities	11,826,076	6,097,161	1,236,470	2,663,792	13,062,546	8,760,953
Long-term Liabilities	117,447,328	105,768,748	8,307,771	8,563,451	125,755,099	114,332,199
Total Liabilities	129,273,404	111,865,909	9,544,241	11,227,243	138,817,645	123,093,152
 Deferred Inflows	 9,264,953	 6,074,128	 1,076,000	 675,300	 10,340,953	 6,749,428
 Net Position						
Net investment in capital assets	55,776,266	52,403,864	32,079,057	32,582,335	87,855,323	84,986,199
Restricted	53,286,218	39,484,824	-	-	53,286,218	39,484,824
Unrestricted	16,944,578	16,224,220	7,694,516	6,709,781	24,639,094	22,934,001
Total Net Position	\$ 126,007,062	\$ 108,112,908	\$ 39,773,573	\$ 39,292,116	\$ 165,780,635	\$ 147,405,024

CITY OF LA PORTE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Investment in Capital Assets

The largest portion of the City's net position (53.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's 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.

Restricted Net Position

A portion of the City's net position, \$53.3 million or 32.1% represents resources that are subject to external restriction on how they may be used.

Unrestricted Net Position

The City reports an unrestricted net position of \$24.6 million or 14.9%. This is an increase of \$1.7 million. The change is attributed primarily to governmental activities increase in revenues related to taxes, operating grants and investment earnings and cash position.

The following table provides a summary of the City's operations for the year ended September 30, 2021, with comparative data total for the year ended September 30, 2020. Governmental activities increased the City's net position by \$17.9 million as a result of operations, and Business-type activities increased net position by \$481 thousand as a result of operations.

CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Activities

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

Change in City of La Porte's Net Position

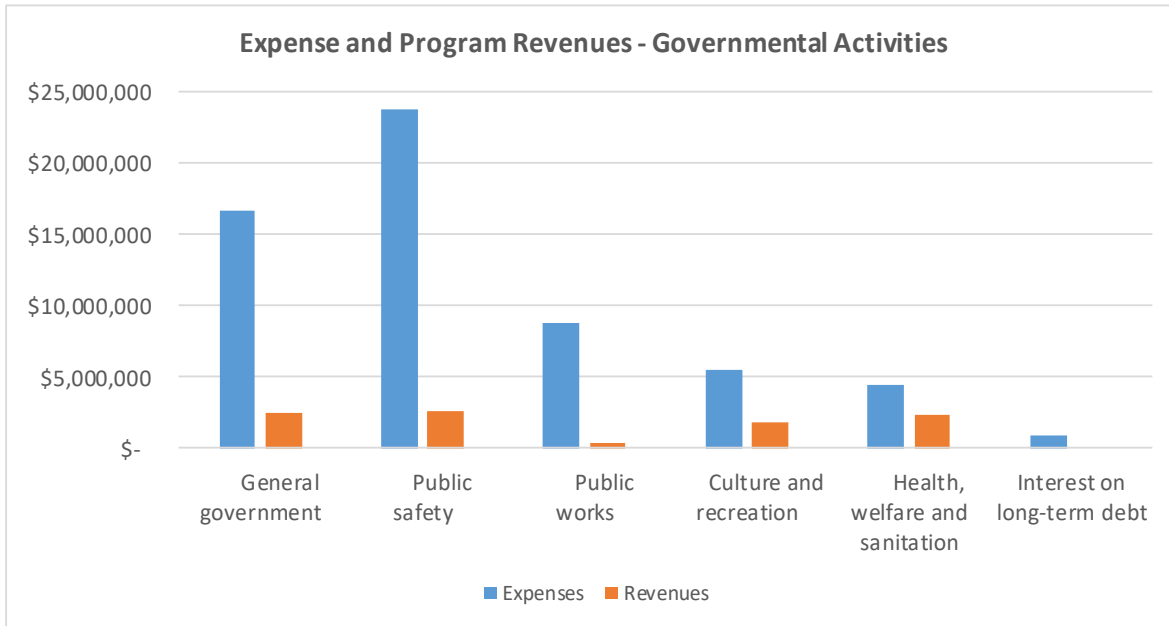
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for Services	\$ 9,083,072	\$ 9,137,342	\$ 10,835,992	\$ 10,027,657	\$ 19,919,064	\$ 19,164,999
Operating grants and contributions	553,841	2,149,364	-	-	553,841	2,149,364
Capital grants and contributions	7,700	109,372	125,590	-	133,290	109,372
General revenues:						
Property taxes	32,844,484	29,727,747	-	-	32,844,484	29,727,747
Other taxes	17,278,469	16,879,836	-	-	17,278,469	16,879,836
Industrial payments	18,188,121	16,439,510	-	-	18,188,121	16,439,510
Investment earnings	89,291	1,158,855	9,713	147,897	99,004	1,306,752
Miscellaneous	649,354	487,092	-	(20,884)	649,354	466,208
Total Revenues	78,694,332	76,089,118	10,971,295	10,154,670	89,665,627	86,243,788
Expenses						
General government	16,681,031	16,563,557	-	-	16,681,031	16,563,557
Public safety	23,696,244	22,524,843	-	-	23,696,244	22,524,843
Public works	8,785,080	7,341,608	-	-	8,785,080	7,341,608
Culture and recreation	5,543,121	5,884,793	-	-	5,543,121	5,884,793
Health, welfare and sanitation	4,477,844	4,861,680	-	-	4,477,844	4,861,680
Interest on long-term debt	843,919	3,219,632	-	-	843,919	3,219,632
Utility services	-	-	9,054,693	8,675,713	9,054,693	8,675,713
LPAWA	-	-	1,952,186	2,847,640	1,952,186	2,847,640
Airport	-	-	255,898	213,024	255,898	213,024
Total Expenses	60,027,239	60,396,113	11,262,777	11,736,377	71,290,016	72,132,490
Increase in Net Position Before Transfers	18,667,093	15,693,005	(291,482)	(1,581,707)	18,375,611	14,111,298
Transfers	(772,939)	(766,623)	772,939	766,623	-	-
Change in Net Position	17,894,154	14,926,382	481,457	(815,084)	18,375,611	14,111,298
Net position, Beginning	108,112,908	93,186,526	39,292,116	40,107,200	147,405,024	133,293,726
Net Position, Ending	\$ 126,007,062	\$ 108,112,908	\$ 39,773,573	\$ 39,292,116	\$ 165,780,635	\$ 147,405,024

The government's total net position as a result of operations increased by \$18.4 million during the current fiscal year. Charges for services represented 22% of total revenues, property taxes and industrial payments were 57% of total revenues, sales taxes and other taxes were 19%, the remaining revenues accounted for 3% of total revenues. On the expense side, public works expenses were 12% of the total, while public safety was 33% and general government was 23%. Utility, LPAWA, and airport expenses were 16% of total expenses. Interest on long term debt was 1% of total expenses.

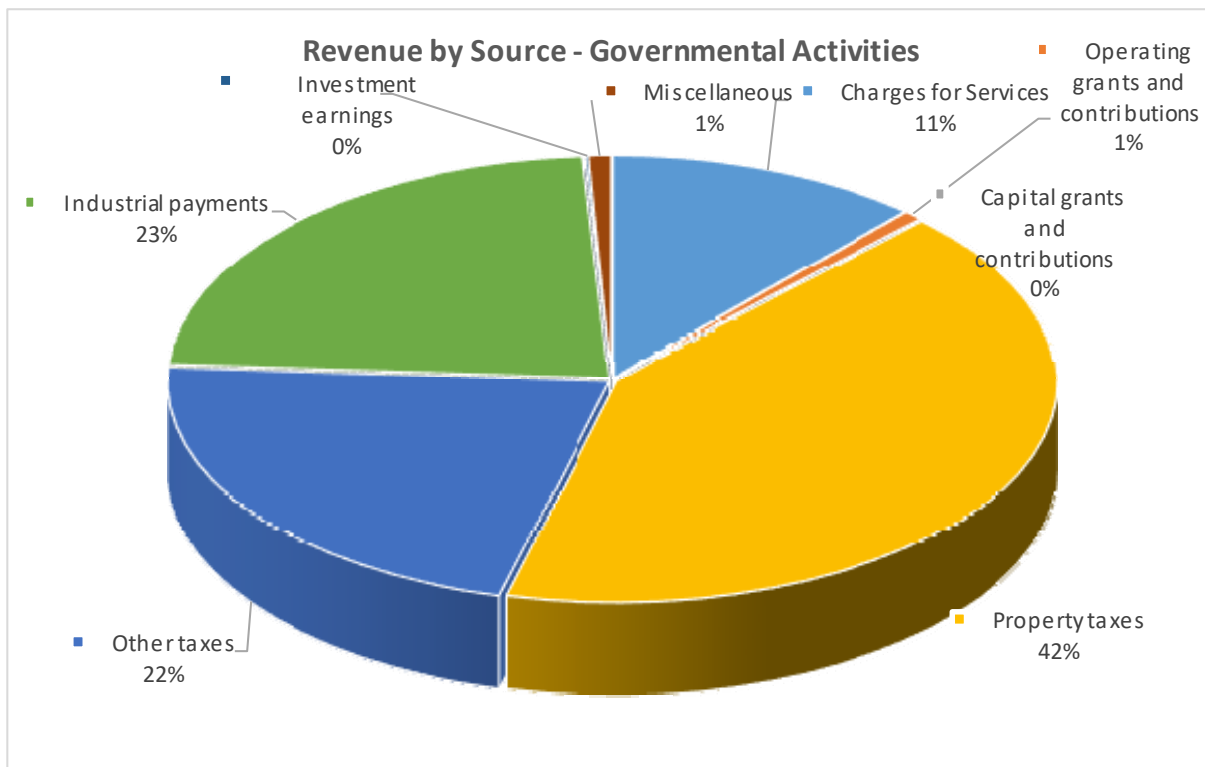
CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENTAL ACTIVITIES

A comparison of program expenses to program revenues and revenues by source for governmental activities follows:



Revenues sources for governmental activities were distributed as follows:

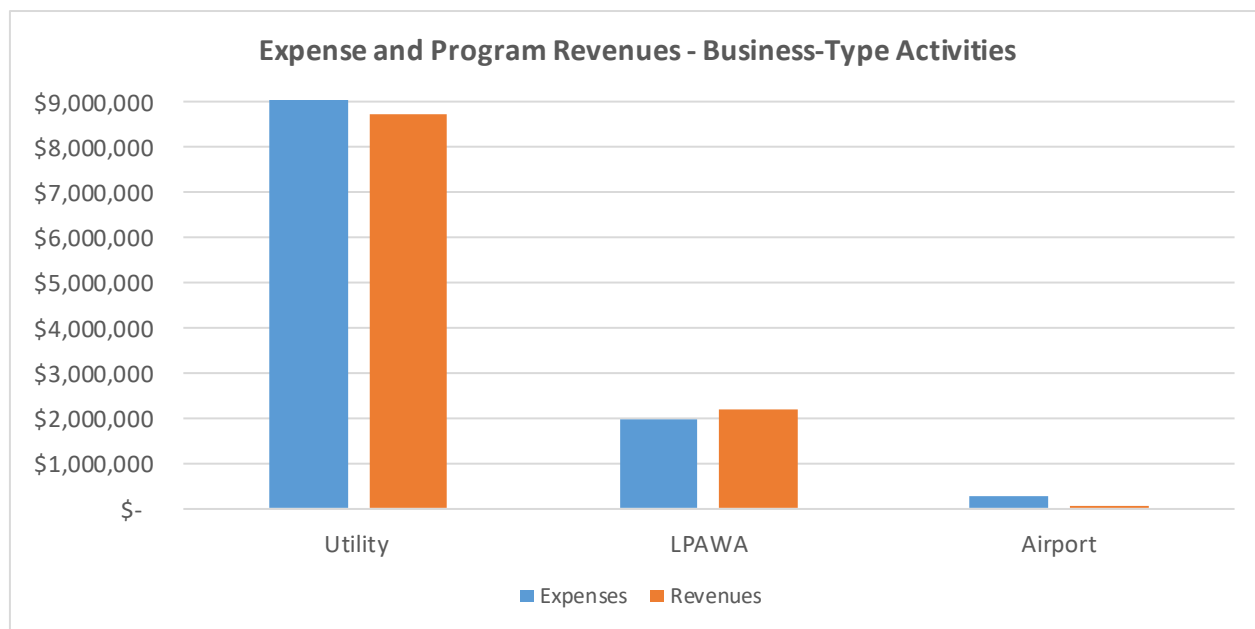


CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

For the year ended September 30, 2021, revenues without transfers in the governmental activities totaled \$78.7 million. This represents an increase of approximately \$2.6 million or 3.4% due primarily to an increase in operating grants, increased property tax revenue which is up \$3.5 million due to increased valuations. Industrial payments are also up \$1.7 million when compared to prior year.

BUSINESS-TYPE ACTIVITIES

Revenues without transfers or interest in the business-type activities totaled \$11.0 million, an increase of \$817 thousand from the prior year. This increase is due to an increase in charges for services related to development in the City and increased usage. A comparison between expenses and program revenues (charges for services) relating to Utility, LPAWA and airport operations follows.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of million, of 26,936,167 million from the prior year. This increase is due to an increase in property taxes, industrial payments and other taxes, as well as the issuance of certificates of obligation, Series 2021.

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 of 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 fiscal year.

The General fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$64.4 million, an increase of \$406.3 thousand due to an increase in property taxes. Industrial payments and sales taxes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 136% of total general fund expenditures and total fund balance represents 137% of the same, excluding one time transfers.

CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Debt Service fund has a total fund balance of approximately \$4.5 million, all of which is restricted for the payment of debt service. The net decrease in fund balance from the prior year of \$530 thousand was a planned drawdown of fund balance.

The Restricted Funds (Grants) has a total fund balance of \$2.8 million, all of which is restricted to specific activities or facilities. The fund balance increased by \$186 thousand.

The La Porte Redevelopment Authority had a total fund balance of approximately million, all of which is restricted for capital projects. The net in fund balance from the prior year of million was due an increase in property taxes received from the City of La Porte, La Porte ISD and Harris County.

The Capital Improvements Fund had a total fund balance of approximately million, all of which is restricted for capital projects. The net in fund balance from the prior year of thousand was due to transfers from other funds.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

Unrestricted net position of the respective proprietary funds are Utility - \$5.3 million, La Porte Area Water Authority - \$2.3 million and Airport - \$89 thousand. The changes in net position of the proprietary funds for 2021 were as follows: Utility – \$430 thousand, La Porte Area Water Authority – \$244 thousand and Airport – (\$193) thousand. The increase in the Utility Fund is due to an increase in charges for services and transfers from other funds. The increase in the La Porte Area Water Authority is due to an increase in operating revenues and a decrease in operating expenses related to a one time true-up of water purchase cost from the City of Houston in FY 2020.

General Fund Budgetary Highlights

Actual revenues exceeded the final General Fund budgeted revenues by \$6.4 million. Property taxes exceeded budget by \$4.5 million, sales and use taxes by \$704 thousand, industrial payments by \$878 thousand, charges for services and miscellaneous by \$248 thousand and \$404 thousand respectively.

The total appropriations exceeded expenditures by \$922 thousand, the majority of which can be attributed to three departments. Variances in all departments were less than \$500 thousand.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$108.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, park facilities, water and wastewater plants and service lines, machinery and equipment, and construction in progress. The total decrease in the City's investment in capital assets for the current fiscal year was approximately \$525 thousand. The following table shows capital assets activity for the 2021 and 2020 fiscal years:

SCHEDULE OF CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 10,222,869	\$ 10,326,295	\$ 603,940	\$ 447,791	\$ 10,826,809	\$ 10,774,086
Construction in progress	6,303,098	3,934,989	5,490,898	4,969,836	11,793,996	8,904,825
Infrastructure	22,863,908	24,501,173	-	-	22,863,908	24,501,173
Buildings and improvements	27,555,947	28,913,080	23,755,673	24,934,039	51,311,620	53,847,119
Machinery and equipment	9,118,449	8,410,057	2,228,546	2,230,669	11,346,995	10,640,726
Totals	<u>\$ 76,064,271</u>	<u>\$ 76,085,594</u>	<u>\$ 32,079,057</u>	<u>\$ 32,582,335</u>	<u>\$ 108,143,328</u>	<u>\$ 108,667,929</u>

CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Construction in progress at year-end represents ongoing projects; to include various water and sewer projects. Additional information on capital assets activity can be found in the notes to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total debt outstanding of \$42.9 million. This amount is backed by the full faith and credit of the City.

The City maintains an "AA+" with Standard and Poor's for general obligation debt.

Additional information on long-term debt activity can be found in the notes to the financial statements.

SCHEDULE OF LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 13,975,000	\$ 16,650,000	\$ -	\$ -	\$ 13,975,000	\$ 16,650,000
Certificates of Obligation	25,845,000	15,185,000	-	-	25,845,000	15,185,000
Premium on Issuance	3,069,538	1,190,472	-	-	3,069,538	1,190,472
Developer Agreements	4,596,044	4,994,407	-	-	4,596,044	4,994,407
Compensated Absences	3,506,983	3,489,461	164,171	163,152	3,671,154	3,652,613
Net Pension Liability - TMRS	10,406,999	11,140,510	1,107,800	1,208,499	11,514,799	12,349,009
Net Pension Liability - TESRS	336,565	261,913	-	-	336,565	261,913
Total OPEB Liability - SDBF	1,393,551	1,140,134	148,300	123,700	1,541,851	1,263,834
Total OPEB Liability - RHCP	54,317,648	51,716,851	6,887,500	7,068,100	61,205,148	58,784,951
Totals	<u>\$ 117,447,328</u>	<u>\$ 105,768,748</u>	<u>\$ 8,307,771</u>	<u>\$ 8,563,451</u>	<u>\$ 125,755,099</u>	<u>\$ 114,332,199</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

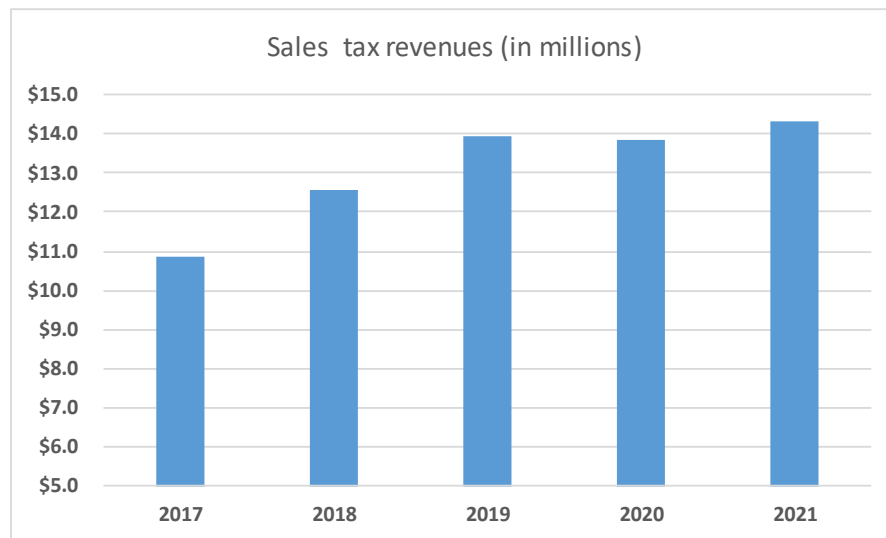
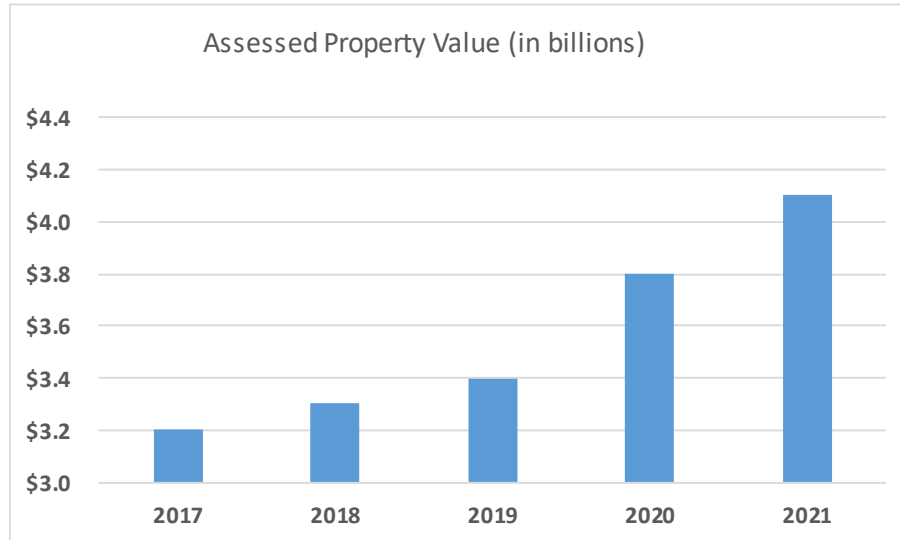
During the upcoming year, the City will have no increase in the property tax rate and no utility fund rate increase. The fiscal year 2021-2022 budget includes the following highlights:

- Merit increases for non-civil service employees - \$495,675
- Meeting and conference increases for civil service employees - \$155,332
- No change in employee contribution for health insurance
- Capital projects of approximately \$20.3 million (including \$1.5 million from Street Maintenance Sales Tax Funding) and \$10.8 million from grant funding
- Vehicle replacement of \$2,635,241
- Transfer of \$4.9 million from the General fund for CIP
- Transfer of \$4.0 million from General fund for the Insurance fund

CITY OF LA PORTE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Overall the upcoming General Fund budget projects a decrease of \$6.82 million for one-time capital projects. As shown below, property values and sales taxes continue to increase.

The trend for total assessed values has fluctuated slightly over the past five years resulting in a total increase of 28%.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of La Porte's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, 604 West Fairmont Parkway, La Porte, Texas 77571.

BASIC FINANCIAL STATEMENTS



CITY OF LA PORTE, TEXAS
STATEMENT OF NET POSITION
September 30, 2021

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 156,963,932	\$ 14,144,742	\$ 171,108,674
Investments	9,040,275	1,043,761	10,084,036
Receivables, net allowance for uncollectable	4,273,658	1,305,154	5,578,812
Due from other government	2,710,362	-	2,710,362
Inventories	220,459	36,000	256,459
Capital assets:			
Capital assets not subject to depreciation	16,525,967	6,094,838	22,620,805
Capital assets, net of accumulated depreciation	59,538,304	25,984,219	85,522,523
Total capital assets, net	76,064,271	32,079,057	108,143,328
Total Assets	249,272,957	48,608,714	297,881,671
Deferred Outflows of Resources			
Deferred charge on refunding	412,216	-	412,216
Deferred outflows related to TMRS pensions	4,277,158	455,200	4,732,358
Deferred outflows related to TESRS pensions	35,926	-	35,926
Deferred outflows related to OPEB - Retiree Health Care Plan	10,176,310	1,290,400	11,466,710
Deferred outflows related to OPEB - Supplemental Death Benefits	370,852	39,500	410,352
Total Deferred Outflows	15,272,462	1,785,100	17,057,562
Liabilities			
Accounts payable	5,672,473	470,147	6,142,620
Accrued liabilities	1,820,055	111,068	1,931,123
Unearned revenue	4,333,548	257	4,333,805
Customer deposits	-	654,998	654,998
Long-term non-current liabilities:			
Due within one year	3,995,349	8,209	4,003,558
Due in more than one year	46,997,216	155,962	47,153,178
Net pension liability - TMRS	10,406,999	1,107,800	11,514,799
Net pension liability - TESRS	336,565	-	336,565
Net OPEB liability - Retiree Health Care Plan	54,317,648	6,887,500	61,205,148
Total OPEB liability - Supplemental Death Benefits	1,393,551	148,300	1,541,851
Total Liabilities	129,273,404	9,544,241	138,817,645
Deferred Inflows of Resources			
Deferred inflows related to TMRS pensions	4,657,782	495,800	5,153,582
Deferred inflows related to TESRS pensions	16,579	-	16,579
Deferred inflows related to OPEB - Retiree Health Care Plan	4,497,054	570,200	5,067,254
Deferred inflows related to OPEB - Supplemental Death Benefits	93,538	10,000	103,538
Total Deferred Outflows	9,264,953	1,076,000	10,340,953
Net Position			
Net Investment in capital assets	55,776,266	32,079,057	87,855,323
Restricted for:			
Debt service	5,588,820	-	5,588,820
Economic development	18,324,618	-	18,324,618
Senior citizen programs	10,543	-	10,543
Replacement of trees	511,258	-	511,258
Municipal court building & technology	541,234	-	541,234
Park improvements	763,906	-	763,906
Public safety	2,882,939	-	2,882,939
Public works	5,463,124	-	5,463,124
Other	483,404	-	483,404
Capital projects	18,716,372	-	18,716,372
Unrestricted	16,944,578	7,694,516	24,639,094
Total Net Position	\$ 126,007,062	\$ 39,773,573	\$ 165,780,635

CITY OF LA PORTE, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Exhibit A-2
Page 1 of 2

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services	and Contributions	and Contributions
Functions/Programs				
Governmental activities:				
General government	\$ 16,681,031	\$ 2,513,535	\$ -	\$ -
Public safety	23,696,244	2,088,650	507,709	-
Public works	8,785,080	286,512	45,024	7,700
Culture and recreation	5,543,121	1,781,798	1,108	-
Health, welfare and sanitation	4,477,844	2,412,577	-	-
Interest on long-term debt	843,919	-	-	-
Total Governmental Activities	60,027,239	9,083,072	553,841	7,700
Business-type Activities:				
Utility	9,054,693	8,700,852	-	-
LPAWA	1,952,186	2,071,408	-	125,590
Airport	255,898	63,732	-	-
Total Business-type Activities:	11,262,777	10,835,992	-	125,590
Total Primary Government	\$ 71,290,016	\$ 19,919,064	\$ 553,841	\$ 133,290
General revenues:				
Taxes:				
Property taxes				
Sales and use taxes				
Industrial payments				
Franchise taxes				
Unrestricted Investment earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, beginning				
Net Position, Ending				

CITY OF LA PORTE, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Exhibit A-2
Page 2 of 2

	Net (Expense) Revenues and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Functions/Programs			
Governmental activities:			
General government	\$ (14,167,496)	\$ -	\$ (14,167,496)
Public safety	(21,099,885)	-	(21,099,885)
Public works	(8,445,844)	-	(8,445,844)
Culture and recreation	(3,760,215)	-	(3,760,215)
Health, welfare and sanitation	(2,065,267)	-	(2,065,267)
Interest on long-term debt	(843,919)	-	(843,919)
Total Governmental Activities	(50,382,626)	-	(50,382,626)
Business-type Activities:			
Utility	-	(353,841)	(353,841)
LPAWA	-	244,812	244,812
Airport	-	(192,166)	(192,166)
Total Business-type Activities:	-	(301,195)	(301,195)
Total Primary Government	(50,382,626)	(301,195)	(50,683,821)
General revenues:			
Taxes:			
Property taxes	32,844,484	-	32,844,484
Sales and use taxes	14,281,695	-	14,281,695
Industrial payments	18,188,121	-	18,188,121
Franchise taxes	2,996,774	-	2,996,774
Unrestricted Investment earnings	89,291	9,713	99,004
Miscellaneous	649,354	-	649,354
Transfers	(772,939)	772,939	-
Total General Revenues and Transfers	68,276,780	782,652	69,059,432
Change in Net Position	17,894,154	481,457	18,375,611
Net Position, beginning	108,112,908	39,292,116	147,405,024
Net Position, Ending	\$ 126,007,062	\$ 39,773,573	\$ 165,780,635

CITY OF LA PORTE, TEXAS
BALANCE SHEET
September 30, 2021

Exhibit A-3
Page 1 of 2

	General	Debt Service	Restricted Funds (Grants)	La Porte Redevelopment Authority
Assets				
Current Assets:				
Cash and cash equivalents	\$ 60,488,564	\$ 4,218,305	\$ 6,708,431	\$ 9,519,171
Investments	4,599,471	103,183	602,924	-
Receivables, net of allowance for uncollectible	5,274,041	178,315	57,259	-
Inventories	166,001	-	-	-
Total Assets	\$ 70,528,077	\$ 4,499,803	\$ 7,368,614	\$ 9,519,171
Liabilities:				
Accounts payable	\$ 2,261,116	\$ -	\$ 189,089	\$ 726,070
Accrued salaries	1,023,200	-	-	-
Unearned revenues	-	-	4,333,281	-
Other payables	80,949	-	-	-
Total Liabilities	3,365,265	-	4,522,370	726,070
Deferred Inflows of Resources				
Unavailable revenue - property taxes	105,339	15,878	-	-
Unavailable revenue - fines and fees	580,577	-	-	-
Unavailable revenue - EMS	797,320	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other	866,974	-	-	-
Total Deferred Inflows of Resources	2,350,210	15,878	-	-
Fund Balances:				
Nonspendable:				
Inventory	166,001	-	-	-
Restricted for:				
Debt service	-	4,483,925	-	-
Economic development	-	-	-	8,793,101
Senior citizen programs	-	-	10,543	-
Replacement of trees	-	-	511,258	-
Municipal court building and technology	-	-	541,235	-
Park improvements	-	-	763,906	-
Public safety	-	-	535,898	-
Capital projects	-	-	-	-
Public works	-	-	-	-
Other	-	-	483,404	-
Assigned:	240,255	-	-	-
Unassigned:	64,406,346	-	-	-
Total Fund Balances	64,812,602	4,483,925	2,846,244	8,793,101
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 70,528,077	\$ 4,499,803	\$ 7,368,614	\$ 9,519,171

CITY OF LA PORTE, TEXAS
BALANCE SHEET
September 30, 2021

Exhibit A-3
Page 2 of 2

	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Current Assets:			
Cash and cash equivalents	\$ 13,667,023	\$ 48,689,721	\$ 143,291,215
Investments	1,047,064	1,606,876	7,959,518
Receivables, net of allowance for uncollectible	687	1,349,322	6,859,624
Inventories	-	-	166,001
Total Assets	\$ 14,714,774	\$ 51,645,919	\$ 158,276,358
Liabilities:			
Accounts payable	\$ 1,004,465	\$ 1,418,674	\$ 5,599,414
Accrued salaries	-	5,022	1,028,222
Unearned revenues	-	100	4,333,381
Other payables	-	-	80,949
Total Liabilities	1,004,465	1,423,796	11,041,966
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	-	121,217
Unavailable revenue - fines and fees	-	-	580,577
Unavailable revenue - EMS	-	-	797,320
Unavailable revenue - grants	-	-	-
Unavailable revenue - other	-	-	866,974
Total Deferred Inflows of Resources	-	-	2,366,088
Fund Balances:			
Nonspendable:			
Inventory	-	-	166,001
Restricted for:			
Debt service	-	1,089,017	5,572,942
Economic development	-	9,531,517	18,324,618
Senior citizen programs	-	-	10,543
Replacement of trees	-	-	511,258
Municipal court building and technology	-	-	541,235
Park improvements	-	-	763,906
Public safety	-	2,347,041	2,882,939
Capital projects	13,710,309	31,791,424	45,501,733
Public works	-	5,463,124	5,463,124
Other	-	-	483,404
Assigned:	-	-	240,255
Unassigned:	-	-	64,406,346
Total Fund Balances	13,710,309	50,222,123	144,868,304
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 14,714,774	\$ 51,645,919	\$ 158,276,358



CITY OF LA PORTE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2021

Exhibit A-4

Total fund balance, governmental funds	\$ 144,868,304
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	67,922,582
Certain other long-term assets (property taxes, court fines, EMS and other receivables) are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position.	2,366,088
Some liabilities and deferred outflows and inflows are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.	
Bonds payable	(13,975,000)
Certificates of obligation	(25,845,000)
Premium on bonds	(3,069,538)
Deferred charge on refunding	412,216
Due to developer	(4,596,044)
Compensated absences	(3,457,239)
Deferred inflows/outflows related to pensions	(361,277)
Deferred inflows/outflows related to OPEB	5,956,570
Net pension liability	(10,743,564)
Total OPEB liability	(55,711,199)
The assets and liabilities of certain internal service funds are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.	<u>22,240,163</u>
Net Position of Governmental Activities	<u><u>\$ 126,007,062</u></u>

CITY OF LA PORTE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Exhibit A-5

Page 1 of 2

	General	Debt Service	Restricted Funds (Grants)	La Porte Redevelopment Authority
Revenues				
Taxes:				
Property taxes and penalties	\$ 23,370,584	\$ 3,830,236	\$ -	\$ 5,822,439
Other taxes	98,137	-	-	-
Licenses and permits	650,402	-	-	-
Fines and forfeitures	1,550,115	-	187,483	-
Sales and use taxes	6,702,765	-	-	-
Industrial payments	18,188,121	-	-	-
Franchise taxes	2,996,774	-	-	-
Intergovernmental revenues	77,868	-	465,327	-
Investment Earnings	49,605	1,446	1,637	483
Charges for services	6,078,174	-	-	-
Miscellaneous	576,366	-	303,000	-
Total Revenues	60,338,911	3,831,682	957,447	5,822,922
Expenditures				
Current:				
General government	12,588,034	-	51,554	907,926
Public safety	21,002,317	-	385,417	-
Public works	4,690,723	-	147,491	-
Facilities maintenance	-	-	-	-
Health and sanitation	3,247,033	-	17,000	-
Culture and recreation	5,860,184	-	28,000	-
Capital outlay	-	-	142,345	-
Debt service:				
Principal	-	3,560,000	-	387,636
Interest and fiscal charges	-	801,274	-	10,977
Other debt service expenditures	-	-	-	-
Total Expenditures	47,388,291	4,361,274	771,807	1,306,539
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	12,950,620	(529,592)	185,640	4,516,383
Other Financing Sources (Uses)				
	-	-	-	-
Transfers in	57,500	-	-	-
Transfers out	(12,719,445)	-	-	-
Sale of capital assets	-	-	-	-
Certificates of obligation issued	-	-	-	-
Premium on certificates of obligation	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Proceeds from sales of assets	-	-	-	-
Total Other Financing Sources (Uses)	(12,661,945)	-	-	-
Net Change in Fund Balance	288,675	(529,592)	185,640	4,516,383
Fund Balances, Beginning	64,523,927	5,013,517	2,660,604	4,276,718
Fund Balances, Ending	\$ 64,812,602	\$ 4,483,925	\$ 2,846,244	\$ 8,793,101

CITY OF LA PORTE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Exhibit A-5
Page 2 of 2

	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes:			
Property taxes and penalties	\$ -	\$ -	\$ 33,023,259
Other taxes	-	-	98,137
Licenses and permits	-	-	650,402
Fines and forfeitures	-	-	1,737,598
Sales and use taxes	-	7,480,793	14,183,558
Industrial payments	-	-	18,188,121
Franchise taxes	-	-	2,996,774
Intergovernmental revenues	-	-	543,195
Investment Earnings	9,566	18,026	80,763
Charges for services	-	286,512	6,364,686
Miscellaneous	-	1,274	880,640
Total Revenues	9,566	7,786,605	78,747,133
Expenditures			
Current:			
General government	5,312	596,682	14,149,508
Public safety	-	1,239,904	22,627,638
Public works	-	55,521	4,893,735
Facilities maintenance	-	-	-
Health and sanitation	-	-	3,264,033
Culture and recreation	12,796	-	5,900,980
Capital outlay	2,764,176	1,989,219	4,895,740
Debt service:			
Principal	-	-	3,947,636
Interest and fiscal charges	-	-	812,251
Other debt service expenditures	-	164,693	164,693
Total Expenditures	2,782,284	4,046,019	60,656,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,772,718)	3,740,586	18,090,919
Other Financing Sources (Uses)			
	-	-	-
Transfers in	2,967,000	5,900,000	8,924,500
Transfers out	-	(1,024,500)	(13,743,945)
Sale of capital assets	-	-	-
Certificates of obligation issued	-	11,545,000	11,545,000
Premium on certificates of obligation	-	2,119,693	2,119,693
Payment to bond escrow agent	-	-	-
Proceeds from sales of assets	-	-	-
Total Other Financing Sources (Uses)	2,967,000	18,540,193	8,845,248
Net Change in Fund Balance	194,282	22,280,779	26,936,167
Fund Balances, Beginning	13,516,027	27,941,344	117,932,137
Fund Balances, Ending	\$ 13,710,309	\$ 50,222,123	\$ 144,868,304



CITY OF LA PORTE, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES , EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021**

Exhibit A-6

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

Net change in fund balance-total governmental funds.	\$ 26,936,167
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$4,833,885) exceeded capital outlay (\$4,487,999)	(345,886)
Governmental funds only report the proceeds from the disposal of capital assets and not the difference between the carrying value and the accumulated depreciation of the asset. This is the amount by which the carrying value exceeded the accumulated depreciation	(131,394)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(83,367)
Bonds and other debt proceeds provide 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 fund, but repayment reduces the long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Proceeds from issuance of long-term debt	(11,545,000)
Premium from issuance of long-term debt	(2,119,693)
Principal paid on bonds	3,560,000
Contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension/OPEB liability in the statement of net position. Athis amount is the difference between contributions and net pension/OPEB expense (revenue) for the current fiscal year	
Pension	2,165,906
OPEB	(4,438,686)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
(Increase) decrease in compensated absences	(25,461)
(Increase) decrease in due to developer	398,363
Amortization of deferred amount on refunding	(118,329)
Amortization of bond premiums	240,627
The net income (loss) of certain activities of internal service funds is reported with governmental activities.	3,400,907
Change in Net Position of Governmental Activities	\$ 17,894,154

CITY OF LA PORTE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

Exhibit A-7
Page 1 of 2

	Business-Type Activities - Enterprise Funds				Governmental
	Utility	LPAWA	Airport	Total Enterprise Funds	Activities - Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 12,043,822	\$ 2,030,733	\$ 70,187	\$ 14,144,742	\$ 13,672,717
Investments	882,805	155,579	5,377	1,043,761	1,080,757
Other receivables, net of allowance	-	-	-	-	4,469
Due from other governments	-	-	-	-	119,927
Inventories	36,000	-	-	36,000	54,458
Accounts receivable, net of allowance for doubtful accounts	1,086,887	201,793	15,794	1,304,474	-
Accrued interest receivable	574	101	4	679	-
Total Current Assets	14,050,088	2,388,206	91,362	16,529,656	14,932,328
Noncurrent Assets:					
Capital assets:					
Land and Improvements	224,308	-	379,632	603,940	-
Construction in progress	5,490,898	-	-	5,490,898	-
Buildings and improvements	156,649	-	-	156,649	-
Improvements other than buildings	72,243,343	15,592,180	6,147,726	93,983,249	-
Vehicles and equipment	4,163,730	47,371	-	4,211,101	22,298,519
Less accumulated depreciation	(55,529,333)	(12,232,002)	(4,605,445)	(72,366,780)	(14,156,830)
Total Noncurrent Assets	26,749,595	3,407,549	1,921,913	32,079,057	8,141,689
Total Assets	40,799,683	5,795,755	2,013,275	48,608,713	23,074,017
Deferred Outflows					
Deferred outflows related to pensions	455,200	-	-	455,200	-
Deferred outflows related to OPEB	1,329,900	-	-	1,329,900	-
Total Deferred Outflows	1,785,100	-	-	1,785,100	-

CITY OF LA PORTE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

Exhibit A-7
Page 2 of 2

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utility	LPAWA	Airport	Total Enterprise Funds	
Liabilities					
Current liabilities:					
Accounts payable	245,527	114,780	-	360,307	72,505
Accrued wages payable	110,206	-	862	111,068	-
Accrued liabilities	109,840	-	-	109,840	26,322
Unearned revenue	-	-	256	256	-
Customer deposits	653,498	-	1,500	654,998	-
Claims and judgments	-	-	-	-	685,283
Long-Term Debt, Current Portion					
Compensated absences	8,158	-	-	8,158	-
Total Current Liabilities	1,127,229	114,780	2,618	1,244,627	784,110
Noncurrent Liabilities:					
Compensated absences	156,013	-	-	156,013	49,744
Net pension liability	1,107,800	-	-	1,107,800	-
Net OPEB liability	7,035,800	-	-	7,035,800	-
Total Noncurrent Liabilities	8,299,613	-	-	8,299,613	49,744
Total Liabilities	9,426,842	114,780	2,618	9,544,240	833,854
Deferred Inflows of Resources					
Deferred inflows related to pensions	495,800	-	-	495,800	-
Deferred inflows related to OPEB	580,200	-	-	580,200	-
Total Deferred Inflows of Resources	1,076,000	-	-	1,076,000	-
Net Position					
Investment in capital assets	26,749,595	3,407,549	1,921,913	32,079,057	8,141,689
Unrestricted	5,332,346	2,273,426	88,744	7,694,516	14,098,474
Total Net Position	\$ 32,081,941	\$ 5,680,975	\$ 2,010,657	\$ 39,773,573	\$ 22,240,163



CITY OF LA PORTE, TEXAS

Exhibit A-8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utility	LPWA	Airport	Total Enterprise Funds	
Operating Revenues					
Charges for services	\$ 8,700,852	\$ 2,071,408	\$ 63,732	\$ 10,835,992	\$ 10,544,612
Miscellaneous	-	-	-	-	73,503
Total Operating Revenues	<u>8,700,852</u>	<u>2,071,408</u>	<u>63,732</u>	<u>10,835,992</u>	<u>10,618,115</u>
Operating Expenses					
Personnel	3,604,674	-	33,504	3,638,178	1,091,355
Supplies and materials	258,820	6,480	1,578	266,878	8,564,947
Purchased water	-	1,142,610	-	1,142,610	-
Other services	3,477,214	440,330	54,402	3,971,946	-
Depreciation	1,713,985	362,766	166,414	2,243,165	1,777,311
Total Operating Expenses	<u>9,054,693</u>	<u>1,952,186</u>	<u>255,898</u>	<u>11,262,777</u>	<u>11,433,613</u>
Operating Income (Loss)	(353,841)	119,222	(192,166)	(426,785)	(815,498)
Non-Operating Revenues (Expenses)					
Investment earnings (loss)	8,342	1,312	59	9,713	8,528
Gain/loss on disposal of capital assets	-	-	-	-	161,371
Total Non-Operating Revenues	<u>8,342</u>	<u>1,312</u>	<u>59</u>	<u>9,713</u>	<u>169,899</u>
Income (Loss) Before Contributions and Transfers	(345,499)	120,534	(192,107)	(417,072)	(645,599)
Contributions and Transfers					
Capital contributions	-	125,590	-	125,590	-
Transfers from other funds	850,000	-	-	850,000	4,067,091
Transfer to other funds	(74,201)	(2,030)	(830)	(77,061)	(20,585)
Total Contributions and Transfers	<u>775,799</u>	<u>123,560</u>	<u>(830)</u>	<u>898,529</u>	<u>4,046,506</u>
Change in Net Position	430,300	244,094	(192,937)	481,457	3,400,907
Net Position, Beginning	<u>31,651,641</u>	<u>5,436,881</u>	<u>2,203,594</u>	<u>39,292,116</u>	<u>18,839,256</u>
Net Position, Ending	<u>\$ 32,081,941</u>	<u>\$ 5,680,975</u>	<u>\$ 2,010,657</u>	<u>\$ 39,773,573</u>	<u>\$ 22,240,163</u>

CITY OF LA PORTE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

Exhibit A-9
Page 1 of 2

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utility	LPAWA	Airport	Total Enterprise Funds	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 8,639,388	\$ 1,989,585	\$ 63,174	\$ 10,692,147	\$ 10,617,298
Disbursed for personnel services	(3,707,559)	-	(33,504)	(3,741,063)	(1,082,990)
Disbursed for good and services to suppliers	(4,393,929)	(2,449,163)	(55,980)	(6,899,072)	(8,530,260)
Net Cash Provided (Used) by Operating Activities	<u>537,900</u>	<u>(459,578)</u>	<u>(26,310)</u>	<u>52,012</u>	<u>1,004,048</u>
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	850,000	-	-	850,000	4,067,091
Capital contributions	-	125,590	-	125,590	-
Transfer to other funds	(74,201)	(2,030)	(830)	(77,061)	(20,585)
Net Cash Provided (Used) by Noncapital Financial Activities	<u>775,799</u>	<u>123,560</u>	<u>(830)</u>	<u>898,529</u>	<u>4,046,506</u>
Cash Flows from Capital & Related Financing Activities					
Proceeds from the sale of equipment	-	-	-	-	161,371
Acquisition and construction of capital assets	(1,739,886)	-	-	(1,739,886)	(2,299,719)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(1,739,886)</u>	<u>-</u>	<u>-</u>	<u>(1,739,886)</u>	<u>(2,138,348)</u>
Cash Flows from Investing Activities					
Purchase of investments	(1,059,887)	(186,787)	(6,456)	(1,253,130)	8,528
Interest Received	8,910	1,412	63	10,385	(1,297,550)
Sales of investments	419,234	73,003	2,865	495,102	471,712
Net Cash Provided (Used) by Investing Activities	<u>(631,743)</u>	<u>(112,372)</u>	<u>(3,528)</u>	<u>(747,643)</u>	<u>(817,310)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,057,930)</u>	<u>(448,390)</u>	<u>(30,668)</u>	<u>(1,536,988)</u>	<u>2,094,896</u>
Cash and cash equivalents, beginning	13,101,752	2,479,123	100,855	15,681,730	11,577,821
Cash and Cash Equivalents, Ending	<u>\$ 12,043,822</u>	<u>\$ 2,030,733</u>	<u>\$ 70,187</u>	<u>\$ 14,144,742</u>	<u>\$ 13,672,717</u>

CITY OF LA PORTE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

Exhibit A-9
Page 2 of 2

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utility	LPAWA	Airport	Total Enterprise Funds	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (353,841)	\$ 119,222	\$ (192,166)	\$ (426,785)	\$ (815,498)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,713,985	362,766	166,414	2,243,165	1,777,311
(Increase) decrease in accounts receivable	(70,565)	(81,823)	(814)	(153,202)	(817)
(Increase) in inventories	(3,000)	-	-	(3,000)	(971)
Increase (decrease) in accounts payable	(654,895)	(859,743)	-	(1,514,638)	(9,287)
Increase (decrease) in deferred outflow-pensions	(82,500)	-	-	(82,500)	-
Increase (decrease) in deferred outflow-OPEB	(213,100)	-	-	(213,100)	-
Increase (decrease) in accrued liabilities	47,695	-	-	47,695	4,233
Increase (decrease) in unearned revenue	-	-	256	256	-
Increase (decrease) in customer deposits	9,101	-	-	9,101	-
Increase (decrease) in claims	-	-	-	-	44,945
Increase (decrease) in compensated absences	1,019	-	-	1,019	4,132
Increase (decrease) in net pension liability	(100,699)	-	-	(100,699)	-
Increase (decrease) in net OPEB liability	(156,000)	-	-	(156,000)	-
(Increase) decrease in deferred inflow-pensions	(90,000)	-	-	(90,000)	-
(Increase) decrease in deferred inflow-OPEB	490,700	-	-	490,700	-
Net Cash Provided (Used) by Operating Activities	\$ 537,900	\$ (459,578)	\$ (26,310)	\$ 52,012	\$ 1,004,048



Note 1 - Summary of Significant Accounting Policies

The City of La Porte, Texas (the "City") was incorporated under the laws of the State of Texas on August 10, 1892. The City operates under a "Council-Manager" form of government and provides the following services as authorized by its charter: public safety, development services, public health and welfare, culture and recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to U.S. generally accepted accounting policies (GAAP) applicable to state and local governments which include the principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants and the Financial Accounting Standards Board. The more significant accounting policies of the City are prescribed below.

A. Reporting Entity

The City's basic financial statements include the accounts of all City operations. The City, with its elected governing body of mayor and eight council members, is considered a primary government. As required by GAAP, the basic financial statements include the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. All component units have been included as blended component units because of the significance of their operations and financial relationships with the City.

The La Porte Area Water Authority (the "Authority") is governed by a five-member board appointed by the City Council. Although it is a legally separate entity, the Authority provides services almost exclusively for the City's water operations and is in substance a part of the City's primary operations. The Authority was created by the City to finance the operations involved in obtaining surface water supplies and converting these supplies to potable water. This water is sold primarily to the City (86%) with the remainder being sold to other neighboring political subdivisions. The operations of the Authority are reported as a proprietary fund type.

The La Porte Redevelopment Authority is governed by a nine-member board appointed by the Mayor with the approval of City Council. The La Porte Redevelopment Authority provides benefits exclusively for the City through reinvestment financing of ad valorem taxes, which are utilized for capital improvements for the City. The La Porte Redevelopment Authority is presented as a governmental fund type.

The Section 4B Sales Tax Corporation provides services that exclusively benefits the City and is governed by a seven-member board appointed by City Council. The Section 4B Sales Tax Corporation is presented as a governmental fund type.

The Emergency Service District (the "District") provides public safety services exclusively to the City. The District is governed by a seven-member board appointed by City Council. The District is a governmental fund type.

The Street Maintenance Component Unit provides infrastructure improvements exclusively to the City. City Council directs staff operations through the annual budget process.

Complete financial statements for each of the individual component units may be obtained through the City.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the City as a whole. 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 for interfund services provided and other charges between the City's various other functions. 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 and 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 funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate funds in the fund financial statements.

The City reports the following major *Governmental Funds*:

General Fund

The General Fund is used to account for all financial transactions that are not accounted for in another fund. The principal sources of revenues of the General Fund are property taxes, sales and use taxes, franchise taxes, licenses and permits, and fines and forfeitures. Expenditures are for general government, public safety, public works and other community services.

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on all general long-term debt of the City except for capital leases for which are accounted for in the General Fund. The primary source of revenue for the Debt Service Fund is general property taxes.

Capital Improvements Fund

This fund is used to account for projects that are generally small in nature and affect the general operation of the City.

Restricted Fund

This fund is used to account for funds received from another government or organization to be used for the specific purpose activity or facility.

La Porte Redevelopment Authority Fund

The La Porte Redevelopment Authority is used to account for the disposition of property taxes collected on specific parcels within the boundaries of La Porte Tax Increment Reinvestment Zone No. 1 for the exclusive benefit to pay developers for capital improvements.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The City reports the following major *Enterprise Funds*:

- The **Utility Fund** is used to account for operations of the water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, but not limited to administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates received regularly and adjusted if necessary to ensure integrity of the fund.
- **La Porte Area Water Authority Fund** is used to account for revenues and expenses related to obtaining raw surface water and converting it to potable water.
- **Airport Fund** is used to account for financial activities of the airport which includes rentals, grants and other revenues.

Additionally, the City reports the Internal Service Funds which are used to account for the Motor Pool, Technology and Insurance service provide to other departments of the City on a cost reimbursement basis.

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. 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 the 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 funds) 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 transfer 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 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 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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 are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, court fines, and interest associated with the current 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 of 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.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

E. Cash and Cash Equivalents and Investments

Cash is defined as currency, demand deposits with banks and other financial institutions, and any other kind of account that has the general characteristics of demand deposits where funds may be added or withdrawn at any time without penalty or prior notice. Cash equivalents are defined as liquid investments that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk or changes in value because of changes in interest rates. Only investments with original maturities of three months or less qualify under this definition.

The City reports all investments at fair-value, except for investment positions in external investment pools, such as Texas CLASS, TexPool, TexSTAR and LOGIC, which are reported at amortized cost. The Texas CLASS Board of Trustees, which is comprised of active members of the pool and elected by the participants guided by the Advisory Board, oversees the management of Texas CLASS. The State Comptroller of Public Accounts oversees TexPool. LOGIC is directed by a governing board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services. Federated Investors is the full-service provider to the pools managing the assets providing participant services and arranging for all custody and other functions in support of the pool's operations under contract with the Comptroller. TexSTAR is a local government investment pool created under the Texas Interlocal Cooperation Act. TexSTAR is overseen by a Governing Board consisting of individuals from participating government entities in the pool and a representative from each administrator. The business and affairs of TexSTAR are managed by the Board. In addition, TexSTAR has an advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR that provide feedback to the Board. JPMorgan Investment Management, Inc. provides investment management, fund accounting, transfer agency and custodial services for the pool and First Southwest, a division of Hilltop Securities provides administrative, marketing and participant services. The portfolio is restricted to U.S. government securities, agencies and instrumentalities, and fully collateralized repurchase agreements having a defined termination date. Unlike money market mutual funds which are registered with the Security and Exchange Commission, TexSTAR does not operate in a manner consistent with the Rule 2a-7 of the Investment Company Act of 1940. TexSTAR is in full compliance with GASB 79 and reports its investments using fair value.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents and Investments (continued)

The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

The City reports all investments, except external investment pools, at fair value based on quoted market prices at year-end date. The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Inventory

Inventories are valued at costs using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. A portion of the fund balance is classified as non-spendable to reflect minimum inventory quantities considered necessary for the City's continuing operations.

H. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Land and construction in progress are not depreciated. The remainder capital assets are depreciated using the straight-line method over the following estimated useful lives.

Asset Description	Estimated Useful Life
Buildings	20 years
Building improvements	20 years
Infrastructure	20-30 years
Vehicles	4-10years
Machinery and equipment	4-10 years
Water and sewer systems	10-20 years

Note 1 - Summary of Significant Accounting Policies (continued)

I. Compensated Absences

The City's employees earn vacation and sick leave, which may either be taken or accumulated, up to a certain amount, until paid upon termination or retirement. For all funds, this liability reflects amounts attributable to cumulative employee services already rendered, where the payment is probable and can be reasonably estimated. The current and long-term portion of the governmental fund type liabilities are recorded in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The proprietary fund type liability is recorded as a liability in the individual proprietary funds since payment will be made from the resources of these funds.

Policies relating to the accrual payment of these benefits are as follows:

- Vacation – Employees earn from 10-25 days of vacation per year. Upon separation, employees are paid for all accumulated vacation leave (up to one- and one-half times their annual accrual rate).
- Sick leave – Full time 8-hour employees accrued 3.70 hours per pay period. Full-time 24-hour employees accrue 5.91 hours per pay period and civil service employees accrued 15 days per calendar year. The maximum sick leave time which may be accumulated by any employee shall be 90 days for regular full-time employees. For 24-hour shift personnel, the maximum accrual is 1,152 hours. Civil service employees may accrue unlimited sick leave.

J. 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.

K. Fund Balance Flow Assumption

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.

L. Net Position Classifications

Classification of net position includes three components as follows:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings, premiums, discounts, and deferred outflows of resources or deferred inflows of resources from a refunding.
- Restricted – This component of the net position consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Note 1 - Summary of Significant Accounting Policies (continued)

L. Net Position Classifications (continued)

- Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

M. Fund Balance

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 itself can establish limitations on the use of resources through either comment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City Council, highest level of decision-making-authority. The City Council is the highest level of decision-making- authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once, adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

The City strives to maintain a minimum reserve balance of 90 to 120 days for the General Fund and Utility Fund, and 60 to 90 days of operating expenditures in all other funds as outlined in the City’s Financial Management Policies as adopted by City Council by resolution.

N. 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 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 program revenues.

O. General and Debt Service Property Taxes

All taxes due to the City on real or personal property are payable at the Office of the City Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is October 1, or as soon thereafter as practicable. Taxes are due upon receipt and all taxes not paid prior to February 1 are deemed delinquent and are subject to such penalty and interest set forth by the Property Tax Code. All property located within the City limits on the first day of January of each year are charged with a special lien in favor of the City from such date for taxes due thereon.

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for debt service on the general obligation debt is provided by the debt service tax together with interest earned in the Debt Service Fund.

Note 1 - Summary of Significant Accounting Policies (continued)

P. Industrial Payments

A significant portion of the City's revenue is derived from separate contractual agreements with each industrial company that lies within the City's extraterritorial jurisdiction (known as the "industrial district"). These companies have agreed to pay an amount "in-lieu of taxes" in the un-annexed area within the City's extraterritorial jurisdiction. In the current contracts, the entities agree to pay the City a percentage of what the ad valorem taxes would have been had the entities land, improvements, and inventory been within the corporate limits of the City.

Q. Proprietary Funds Operating and Non-operating Revenues and Expenses

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

R. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general, special revenue funds and debt service funds. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for all capital projects funds and are revised annually.

S. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the financial position as described below:

A deferred outflow of resources is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred outflows or resources for refunding - Reported in the government-wide statement of net position, this deferred charge 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 outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the City's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

S. Deferred Outflows/Inflows of Resources (continued)

- Deferred outflows of resources for other post-employment benefits (OPEB) other than pension – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the City's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB investments will be amortized over a closed five-year period. The remaining postemployment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

A *deferred inflow of resources* is an acquisition of a government's net positions (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual bases of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the City's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, this deferred inflow results primarily from 1) changes in actuarial assumptions; and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

T. Pensions

For purposes of measuring the net pension liability for the Texas Municipal Retirement System (TMRS), pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the TMRS and additions to/deductions from the City's 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.

For purposes of measuring the net pension liability for the Texas Emergency Services Retirement System (TESRS), pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the TESRS and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TESRS. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

U. Post-employment Healthcare Benefits

The City participates in a defined benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The City administers other post-employment benefits ("OPEB") through a defined benefit medical plan to provide coverage for eligible retirees and their dependents. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

V. Use of 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

W. Implementation of New Standards

GASB No. 84 Fiduciary Activities was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The City has evaluated the effects of this standard and has determined that implementation is not required or not material.

GASB No. 90 Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61 was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The City has determined that this Statement does not have an effect on the financial statements as of September 30, 2021.

Statement No. 98, *"The Annual Comprehensive Financial Report"* – This Statement establishes the term *Annual Comprehensive Financial Report* and its acronym *ACFR*. The new term and acronym replace instances of *Comprehensive Annual Financial Report* and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The City implemented this statement in fiscal year 2021.

Note 1 - Summary of Significant Accounting Policies (continued)

W. Implementation of New Standards (continued)

GASB Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period" – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement is not applicable to the City as we do not currently capitalize interest costs incurred before the end of construction.

Note 2 - Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest-bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

The Council has adopted a written investment policy regarding the investment of City funds as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the City's investment policy. The City's investment policy is more restrictive than the PFIA requires. It is the City's policy to restrict its direct investments to obligations of the U.S. Government or U.S. Government Agencies, fully collateralized certificates of deposit, bankers' acceptances, mutual funds, repurchase agreements and local government investment pools. The maximum maturity allowed is five years from date of purchase. The City's investment policy does not allow investments in collateralized mortgage obligations, floating rate investments or swaps.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and any other kind of account that has the general characteristics of demand deposits where funds may be added or withdrawn at any time without penalty or prior notice. Cash equivalents are defined as liquid investments that are both readily convertible to known amounts of cash and so near their maturity, they present insignificant risk or changes in value because of changes in interest rates. This includes balances in privately managed public funds investment pools ("TexPool" "Texas CLASS", "TexSTAR" and "LOGIC"). Only investments with original maturities of three months or less qualify under this definition.

The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Note 2 - Deposits and Investments (continued)

Investments consist of United States (U.S.) Government and Agency Securities. The City reports all investments at fair value based on quoted market prices at year end date.

The City reports all investments, except external investment pools, at fair value, a level 2 valuation . The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's market value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash, Cash Equivalents and Investments (continued)

The following schedule shows the City's recorded cash and equivalents at year-end:

Fund	Governmental Funds	Internal Service Funds	Enterprise Funds	Total
Cash deposits	\$ 28,766,541	\$ 279,419	\$ 1,209,951	\$ 30,255,911
Investment pools	114,524,674	13,393,298	12,934,791	140,852,763
Total cash and equivalents	<u>\$ 143,291,215</u>	<u>\$ 13,672,717</u>	<u>\$ 14,144,742</u>	<u>\$ 171,108,674</u>

At September 30, 2021, the carrying amount of deposits was \$6,215,955 and the respective bank balances were \$6,613,488. The City's bank balances were fully insured or collateralized with securities held by the City's agent in the City's name.

Investments

The City reported the following investments at September 30, 2021:

Fund	Governmental Funds	Internal Service Funds	Enterprise Funds	Total
U.S. Government Securities	\$ 7,870,544	\$ 1,080,757	\$ 1,043,761	\$ 9,995,062
U.S. Equity Funds	88,974	-	-	88,974
Total Securities	<u>\$ 7,959,518</u>	<u>\$ 1,080,757</u>	<u>\$ 1,043,761</u>	<u>\$ 10,084,036</u>

Note 2 - Deposits and Investments (continued)

Investments (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2021:

	Fair Value - Level 1
U.S. Government Securities	
Federal Home Loan Bank Agency Notes	\$ 3,998,743
Federal Home Loan Mortgage Corporation	4,000,402
Federal Farm Credit Banks	1,995,917
U.S. Equity Funds	89,974
Local Government Investment Pools:	
TexPool	40,741,742
TexSTAR	17,561,379
Texas CLASS	30,007,582
Logic	52,542,060
	<u>\$ 150,937,799</u>

Concentration on Credit Risk

The policy does not require investments to be staggered in a way that protects interest income from the volatility of interest rates. The policy has not established limitations on percentages of the total portfolio that may be invested in securities other than the repurchase agreements, Treasury bills and notes or insured and collateralized Certificates of Deposits.

Investment Rate Risk

At year-end, the City had the following investments subject to interest rate risk disclosure, under U.S. GAAP, by investment type:

	Fair Value	Weighted Average Maturity (Days)	Percentage of Portfolio	Portfolio WAM
U.S. Government Securities				
Federal Home Loan Bank Agency Notes	\$ 3,998,743	955	3%	25
Federal Home Loan Mortgage Corporation	4,000,402	423	3%	11
Federal Farm Credit Banks	1,995,917	949	1%	13
Total U.S. Government Securities	<u>9,995,062</u>			
U.S. Equity Funds	89,974	N/A	0%	
Local Government Investment Pools:				
TexPool	40,741,742	53	27%	14
TexSTAR	17,561,379	48	12%	6
Texas CLASS	30,007,582	37	20%	7
Logic	52,542,060	55	35%	19
Total Local Government Investment Pools	<u>140,852,763</u>			95
Total	<u>\$ 150,937,799</u>			

Note 2 - Deposits and Investments (continued)

The City's investment policy specifies the maximum stated maturity from the date of purchase for any individual investments may not exceed 5 years and the maximum dollar weighted average maturity for the pooled fund group (investment portfolio) may not exceed 2 years.

Credit Risk

The primary objective of the City's adopted Investment Policy is the safety of principal. Credit risk within the City's portfolio among authorized investments approved by the City's adopted Investment Policy is represented in U.S. Treasury Bills, Notes or Bonds, and other securities which are guaranteed as to principal and interest by the full faith and credit of the United States of America, collateralized or fully insured certificates of deposits, FDIC insured banks in the State of Texas, repurchase agreements if secured by U.S. Treasury Bills, Notes or Bonds and Public Funds Investment Pools.

All of the City's purchased investments in U.S. Government Securities were rated AA+ and AAAM by Standard & Poor's and Moody's respectively.

Note 3 - Property Taxes

The appraisal of property within the City is the responsibility of the Harris County Appraisal District (the "Appraisal District"). The Appraisal District is required under the Property Tax Code to appraise all property within the county on the basis of 100% of its market value. The value of real property within the Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. The Texas Legislature enacted new legislation for property taxes which calculates the no new revenue tax rate (the rate will raise the same amount of property tax revenue from same properties as prior year). The voter approved rate is the highest tax rate the City may adopt without holding an election. The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value, assessed at 100% of appraised value and certified by the Harris County Appraisal District Board of Review. The City property taxes are billed and collected by the City's Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the current calendar year. The City is permitted, by Article XI, Section 5, of the State of Texas Constitution and the City Charter, to levy property taxes up to \$2.50 per \$100 of assessed valuation for general governmental services.

Within the \$2.50 maximum levy, there is no legal limit upon the amount of property taxes, which can be levied for debt service. The property tax rates to finance general governmental services and debt service for fiscal year 2021 were \$0.614 and \$0.096, respectively, per \$100 of assessed valuation. The 2020 assessed value and total tax levy as adjusted through September 30, 2021 were \$4,082,357,968 and \$28,375,540, respectively. The City has enacted an ordinance providing for exemption of twenty percent (20%) of the assessed value of residential homesteads plus an additional \$60,000 for persons 65 years of age or older for property taxes. An exemption of \$60,000 is allowed for disabled persons on homesteads and up to \$12,000 is allowed for disabled veterans on any one piece of property. Additionally, the market value of agricultural land is reduced to agricultural value for purposes of the City's tax levy calculation.

Note 3 - Property Taxes (continued)

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Harris County Central Appraisal District ("HCCAD") establishes appraised values. Taxes are levied by the City Council based on the appraised values and operating needs of the City.

Tax Increment Reinvestment Zone – Property Taxes

The City, La Porte Independent School District and Harris County are participating taxing entities within the tax increment reinvestment zone. The amount of a participant's tax increment for a year is the amount of property taxes levied and collected by a participant for that year on the captured appraised value of real property taxable by the participant and located in the zone. The captured appraised value of real property taxable by the participant and located in the zone for that year less the tax increment base, which is the total appraised value of all real property taxable by the participant and located in the zone on January 1 of the year in which the zone was designed as such under the tax increment financing act (the "TIF Act"). Each participant is required to collect taxes on property located within the zone in the same manner as other taxes are collected. The participant is required to pay into the tax increment fund the collected tax increments by the first day of each calendar quarter or pursuant to the terms of the participation set forth in their respective inter-local agreements.

Note 4 - Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Below is the detail of receivables for the General Fund, Debt Service Fund, Capital Improvements Fund, Restricted fund and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts.

	General Fund	Debt Service Fund	Restricted Fund	Capital Improvements Fund	Nonmajor Governmental
Receivables					
Taxes	\$ 3,390,254	\$ 250,122	\$ -	\$ -	\$ 1,318,695
Municipal court	580,577	-	-	-	-
Other	138,559	-	-	-	30,606
Mowing & demolition	517,171	-	-	-	-
EMS	1,371,694	-	-	-	-
Interest	3,037	68	-	687	21
Solid waste	273,469	-	-	-	-
Due from other governments	-	-	57,259	-	-
Gross receivable	6,274,761	250,190	57,259	687	1,349,322
Less: Allowance for uncollectible	(1,000,720)	(71,875)	-	-	-
Net Receivables.	<u>\$ 5,274,041</u>	<u>\$ 178,315</u>	<u>\$ 57,259</u>	<u>\$ 687</u>	<u>\$ 1,349,322</u>

Receivables of the Utility Fund, an enterprise fund, are reported net of uncollectible amounts. Total uncollectible amount related to utility sales as of year-end was \$150,049

Note 5 - Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

	Balance September 30, 2020	Additions (Increases)	Retirements and Transfers	Balance September 30, 2021
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 10,326,295	\$ -	\$ (103,426)	\$ 10,222,869
Construction in progress	3,934,989	3,073,204	(705,095)	6,303,098
Total capital assets, not being depreciated	14,261,284	3,073,204	(808,521)	16,525,967
Capital assets being depreciated:				
Buildings and Improvements	38,370,741	64,146	(61,060)	38,373,827
Improvements other than buildings	36,364,974	722,257	652,825	37,740,056
Infrastructure	59,738,638	110,000	-	59,848,638
Machinery and equipment	25,831,924	2,818,111	(1,666,500)	26,983,535
Total capital assets being depreciated	160,306,277	3,714,514	(1,074,735)	162,946,056
Less accumulated depreciation for:				
Buildings and Improvements	(27,485,873)	(1,378,097)	61,060	(28,802,910)
Improvements other than buildings	(18,336,762)	(1,468,628)	50,364	(19,755,026)
Infrastructure	(35,237,465)	(1,747,265)	-	(36,984,730)
Machinery and equipment	(17,421,867)	(2,017,206)	1,573,987	(17,865,086)
Total accumulated depreciation	(98,481,967)	(6,611,196)	1,685,411	(103,407,752)
Total capital assets being depreciated, net	61,824,310	(2,896,682)	610,676	59,538,304
Governmental activities capital assets, net	<u>\$ 76,085,594</u>	<u>\$ 176,522</u>	<u>\$ (197,845)</u>	<u>\$ 76,064,271</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 447,791	\$ -	\$ 156,149	\$ 603,940
Construction in progress	4,969,836	833,606	(312,544)	5,490,898
Total capital assets, not being depreciated:	5,417,627	833,606	(156,395)	6,094,838
Business-type assets, being depreciated				
Buildings and Improvements	156,649	-	-	156,649
Improvements other than buildings	93,001,454	825,400	156,395	93,983,249
Machinery and equipment	4,147,707	80,881	(17,487)	4,211,101
Total capital assets being depreciated	97,305,810	906,281	138,908	98,350,999
Less accumulated depreciation for:				
Buildings and Improvements	(68,740)	(5,656)	-	(74,396)
Improvements other than buildings	(68,155,324)	(2,154,505)	-	(70,309,829)
Machinery and equipment	(1,917,038)	(83,004)	17,487	(1,982,555)
Total accumulated depreciation	(70,141,102)	(2,243,165)	17,487	(72,366,780)
Total capital assets being depreciated, net	27,164,708	(1,336,884)	156,395	25,984,219
Business Type activities capital assets, net	<u>\$ 32,582,335</u>	<u>\$ (503,278)</u>	<u>\$ -</u>	<u>\$ 32,079,057</u>

Note 5 - Capital Assets (continued)

Depreciation was charged to functions/programs of the governmental activities of the primary government as follows:

Governmental Activities:	
General government	\$ 983,889
Public Safety	1,151,648
Public works	1,702,018
Parks and recreation	996,330
Capital assets held by the City's internal service funds are charged to various functions based on their usage of the assets	1,777,311
Total Governmental Activities	<u>\$ 6,611,196</u>

Depreciation expense of \$2,243,165 was charged to the Enterprise funds.

Construction contract commitments outstanding as of September 30, 2021, are as follows:

Fund	Projects	Total in Progress	Remaining Commitment
General Cip Fund	Street And Drainage	\$ 2,103,241	\$ 6,046,381
	Park Improvements	2,169,307	
	Building Improvements	601,109	701,379
	Land Improvements	486,845	52,353
Utility Fund	Meter Replacement Program	1,810,513	208,978
	Water System Improvements	4,550,779	191,883
	Aerial Crossings	72,202	5,375
		<u>\$ 11,793,996</u>	<u>\$ 7,206,349</u>

Note 6 - Long-Term Debt and Other Long-Term Obligations

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business-type activities. These instruments include general obligation bonds, certificates of obligation and revenue bonds. Future ad valorem tax revenues, water and sewer system revenues or liens on property and equipment secure these debt obligations.

The schedule below details the terms of public property finance contractual obligation, general obligation bonds, certificates of obligations and revenue bonds outstanding as of September 30, 2021:

	Governmental Activities
2012 General Obligation Refunding Bonds due in annual payments through March 15, 2025; interest at .65% to 3.00% \$9,435,000 issued to refund previous debt.	\$ 5,735,000
2014 General obligation Refunding Bonds due in annual payments through March 15, 2025; interest at 2.00% to 3.50% \$9,300,000 issued to refunding previous debt.	3,490,000
2015 Certificates of Obligation due in annual installments through March 15, 2030; interest at 2.25% to 3.00% \$7,770,000 issued for water and sewer system improvements, and street and drainage improvements.	5,585,000
2016 General Obligation Refunding Bonds due in annual payments through March 15, 2029; interest at 2.00% to 4.00% \$3,165,000 issued to refund previous debt.	2,465,000
2017 Certificates of Obligation due in annual payments through March 15, 2037; interest at 0.14% to 1.82% \$10,635,000 issued for construction of wastewater system.	8,715,000
2020 General Obligation Refunding Bonds due in annual payments through March 15, 2026; interest at 3.0% to 5.0% \$2,705,000 issued to refund previous debt.	2,285,000
2021 Certificates of Obligation due in annual payments through March 15, 2041; interest at 3.0% to 5.0%	11,545,000
Total Bonds and Certificates of Obligation Payable	\$ 39,820,000

Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)

Changes in the City's long-term liabilities for the year ended September 30, 2021 are as follows:

	Balance September 30 2020	Additions	Reductions	Balance September 30 2021	Amounts Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 16,650,000	\$ -	\$ (2,675,000)	\$ 13,975,000	\$ 2,755,000
Certificates of Obligation	15,185,000	11,545,000	(885,000)	25,845,000	1,065,000
Premium on bond issuance	1,190,472	2,119,693	(240,627)	3,069,538	-
Total bonds payable	33,025,472	13,664,693	(3,800,627)	42,889,538	3,820,000
Due to developers	4,994,407	250	(398,613)	4,596,044	-
Compensated absences	3,489,461	40,545	(23,023)	3,506,983	175,349
Total Governmental Activities	\$ 41,509,340	\$ 13,705,488	\$ (4,222,263)	\$ 50,992,565	\$ 3,995,349
Business-type Activities:					
Compensated absences	\$ 163,152	\$ 1,019	\$ -	\$ 164,171	\$ 8,209
Total Business-type Activities	\$ 163,152	\$ 1,019	\$ -	\$ 164,171	\$ 8,209

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Compensated absences generally are paid by the General Fund for the governmental activities.

General Obligation Bonds and Certificates of Obligation

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligations bonds and Certificates of Obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal maturity. The City is in compliance with this requirement.

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Certificate of Obligation	
	Principal	Interest	Principal	Interest
2022	\$ 2,755,000	\$440,875	\$ 1,065,000	\$766,320
2023	2,830,000	352,825	1,140,000	696,662
2024	2,915,000	257,400	1,165,000	669,002
2025	2,965,000	156,000	1,195,000	639,587
2026	970,000	83,500	1,430,000	604,980
2027 - 2031	1,540,000	94,000	8,875,000	2,231,939
2032 - 2036	-	-	6,310,000	1,143,612
2037 - 2041	-	-	4,665,000	316,876
	\$ 13,975,000	\$ 1,384,600	\$25,845,000	\$7,068,978

Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)

Current Year Issuance of Debt

On August 10, 2021, the City issued \$11,545,000 in Certificates of Obligation, Series 2021. The bonds have a rate of 3.00% to 5.00%. The proceeds were deposited to capital projects fund which will be used for a) the planning, acquisition, design and construction and equipment of a new City Hall, b) renovation and equipment of existing City buildings, c) construction and improvements to City streets, d) drainage improvements, e) construction and renovation to the City's water and sewer system, f) purchase of land for renovations and equipment of the City's golf course, g) professional services related to the projects and h) costs of issuance of the Certificates. The bonds will be payable March 15 and September 15 of each year and mature March 15, 2041.

Prior Year Refunding of Debt

The City defeased certain outstanding revenue bonds by placing proceeds of new bonds in irrevocable trust to provide for all future debt service payments. Accordingly, the respective trust accounts and liability for the defeased bond are not included in the City's financial statements. As of September 30, 2021, the City does not have bonds considered defeased and outstanding.

Note 7 - Interfund Receivables, Payables and Transfers

The composition of interfund transfers for the year are as follows:

Transfers From	Transfers To					Totals
	General	Capital Improvement Fund	Other Governmental	Utility Fund	Internal Service	
General Fund	\$ -	\$ 2,000,000	\$ 5,900,000	\$ 850,000	\$ 3,969,445	\$ 12,719,445
Other Governmental	57,500	967,000	-	-	-	1,024,500
Utility	-	-	-	-	74,201	74,201
LPAWA	-	-	-	-	2,030	2,030
Airport	-	-	-	-	830	830
Internal Service	-	-	-	-	20,585	20,585
Totals	<u>\$ 57,500</u>	<u>\$ 2,967,000</u>	<u>\$ 5,900,000</u>	<u>\$ 850,000</u>	<u>\$ 4,067,091</u>	<u>\$ 13,841,591</u>

The purpose of interfund transfers during the current year consisted of the following:

CITY OF LA PORTE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit A-10

Transfers From	Transfers To	Purpose
La Porte Area Water Authority	General Fund	Operator's Agreement
General Fund	Utility Fund	Transfer to fund Capital Projects
General Fund	Street Maintenance Sales Tax Fund	Transfer for Capital Projects (7th Street, Bayside Terrace and Brookglen)
General Fund	Drainage Improvements Fund	Transfer for Capital Projects (7th Street, Bayside Terrace and Brookglen)
General Fund	General CIP Fund	Transfer to fund Capital Projects
General Fund	Insurance Fund	Transfer for Liability Insurance and Worker's Compensation and Health Insurance
La Porte Development Corporation (4B)	General CIP Fund	Transfer to fund Capital Projects (Golf Course Infrastructure, handicap playground, 14th Street playground, Fairmont Park fitness equipment and eight bus covers
Hotel/Motel Fund	General Fund	Transfer for Golf Course Advertising Expenditures and City Bordering Bay for Golf Course Expenditures
Utility Fund	Insurance Fund	Transfer for Liability Insurance and Worker's Compensation
LPAWA	Insurance Fund	Transfer for Liability Insurance and Worker's Compensation
Airport Fund	Insurance Fund	Transfer for Liability Insurance and Worker's Compensation
Vehicle Maintenance Fund	Insurance Fund	Transfer for Liability Insurance and Worker's Compensation

Note 8 - Defined-Benefit Pension Plans

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency 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 municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (annual report) that can be obtained at www.tmr.com.

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

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 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 member's deposits and interest.

The City has approved an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	10
Service retirement eligibility:	20 years at any age, 10 years at age 60 and above
Updated Service Credit:	100% Repeating Transfers
Annuity Increase to retirees:	70% of CPI Repeating
Supplemental death benefit – active employees and retirees	Yes

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Benefits Provided

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	252
Inactive employees entitled to but not yet receiving benefits	199
Active employees	<u>378</u>
Total	<u>829</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, 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 consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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 15.34% and 15.38% in calendar years 2021 and 2020, respectively. The City opted to continue to contribute 16.28% (2018 rate) during the year ended September 30, 2021 in order to reduce the liability.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.50%
Overall payroll growth:	3.5% to 11.50% including inflation
Investment Rate of Return:	6.75%, net of pension plan investment expense, including inflation

Salary increases are assumed to occur once a year on January 1 so that the pay used for the period year following the valuation is equal to the reported pay for the prior year. Salaries are assumed to increase on a graduated service-based scale.

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

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Core fixed income	10.0%	1.25%
Non-Core fixed income	20.0%	4.14%
Global public equity	30.0%	5.30%
Real Estate	10.0%	4.00%
Real return	10.0%	3.85%
Absolute return	10.0%	3.48%
Private equity	10.0%	7.75%
Cash equivalents	0.0%	0.00%
Total	100.0%	

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.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Changes in the Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2019	\$ 172,503,675	\$ 160,154,665	\$ 12,349,010
Changes for the year:			
Service cost	4,250,921	-	4,250,921
Interest	11,525,605	-	11,525,605
Difference between expected and actual experience	1,562,770	-	1,562,770
Changes in assumptions	-	-	-
Contributions - employer	-	4,253,719	(4,253,719)
Contributions - employee	-	1,848,227	(1,848,227)
Net investment income	-	12,153,293	(12,153,293)
Benefit payments, including refunds, of employee contributions	(7,758,859)	(7,758,859)	-
Administrative expense	-	(78,663)	78,663
Other charges	-	(3,069)	3,069
Net changes	9,580,437	10,414,648	(834,211)
Balance at 12/31/2020	\$ 182,084,112	\$ 170,569,313	\$ 11,514,799

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 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease to 5.75%	Current Single Rate Assumption 6.75%	1% Increase to 7.75%
City's net pension liability	\$ 37,379,473	\$ 11,514,799	\$ (9,661,132)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at the following location: [2020 TMRS Comprehensive Annual Financial Report](#).

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,649,329 related to the TMRS plan and pension expense of \$89,056 related to the TESRS plan for total pension expense of \$1,738,385.

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actuarial assumptions and actual experience	\$ 1,396,604	\$ 576,775
Changes in actuarial assumptions used	324,236	-
Differences between projected and actual investment earnings	-	4,576,807
Contributions subsequent to the measurement date	3,011,518	-
Total	<u>\$ 4,732,358</u>	<u>\$ 5,153,582</u>

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$3,011,518 will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Net deferred outflows (inflows) of resources</u>
2022	\$ (1,502,443)
2023	589,719
2024	(2,274,543)
2025	(245,475)
Total	<u>\$ (3,432,742)</u>

Texas Emergency Services Retirement System

Plan Description

The City participates in the Texas Emergency Services Retirement System (TESRS), a cost-sharing multiple-employer defined benefit pension established and administered by the State of Texas. The TESRS is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine members Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System. TESRS issues a publicly available annual comprehensive financial report (annual report) that can be obtained at www.tesrs.org.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Emergency Services Retirement System (continued)

Plan Description (continued)

The TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the agency is new, the System has been in existence since 1977. TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the City's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Contributions

Contributions are made by the City for the participating employees. No contributions are required from the individuals who are members of the TESRS, nor are they allowed. The City is required to make contributions to the plan for each month an eligible emergency service personnel provides qualified services. The minimum contribution is \$36 per member. Contributions to the pension plan for the year ended September 30, 2021, were \$62,235.

Net Pension Liability

The City's net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020.

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	3.00%
Salary Increases:	Not applicable
Investment Rate of Return:	7.50%, net of pension plan investment expense, including inflation

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Emergency Services Retirement System (continued)

Actuarial Assumptions (continued)

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.6%) and by adding expected inflation (3.0%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic 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)
Equities		
Large cap domestic	20.0%	5.83%
Small cap domestic	10.0%	5.94%
Developed international	15.0%	6.15%
Emerging markets	5.0%	7.25%
Global infrastructure	5.0%	6.41%
Real Estate	10.0%	4.48%
Multi asset income	5.0%	3.84%
Fixed income	30.0%	1.99%
Cash	0.0%	0.00%
Total	100.0%	
Weighted average		4.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Emergency Services Retirement System (continued)

Sensitivity of the Net Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease to 6.50%	Current Single Rate Assumption 7.50%	1% Increase to 8.50%
City's net pension liability	\$ 648,451	\$ 336,565	\$ 119,869

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

At August 31, 2020, the City reported a liability of \$336,565 for its proportionate share of the TESRS's net pension liability. The net pension liability was measured as of August 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020. The City's proportion of the net pension liability was based on the City's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the City's proportion of the collective net pension liability was 1.335% which was an increase from its proportion measured as of August 31, 2019 of 0.924%.

For the year ended September 30, 2021, the City recognized pension expense of \$1,649,329 related to the TMRS plan and pension expense of \$89,056 related to the TESRS plan for total pension expense of \$1,738,385.

At September 30, 2021, the City reported its proportionate share of the TESRS' deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actuarial assumptions and actual experience	\$ -	\$ 16,029
Changes in actuarial assumptions used	-	550
Differences between projected and actual investment earnings	1,826	-
Contributions subsequent to the measurement date	34,100	-
Total	<u>\$ 35,926</u>	<u>\$ 16,579</u>

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Emergency Services Retirement System (continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$34,100 will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2022	\$ (14,320)
2023	(2,941)
2024	11,572
2025	(9,064)
Total	<u>\$ (14,753)</u>

Note 9 - Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund

Benefit Plan Description

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is another post-employment benefit (OPEB). As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Membership in the plan as of the measurement date of December 31, 2020 was as follows:

Inactive employees currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	27
Active employees	<u>378</u>
Total	<u>585</u>

Note 9 - Other Post-Employment Benefits (continued)

TMRS Supplemental Death Benefits Fund (continued)

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 (currently 0.17% of covered payroll). 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.

Discount Rate

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.00% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

Actuarial Assumptions

The City's total OPEB liability was measured at December 31, 2020 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

<i>Valuation Date:</i>	December 31, 2020
<i>Methods and Assumptions:</i>	
Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Discount rate:	2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.
Retirees' share of benefit related costs:	\$0
Administrative expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note 9 - Other Post-Employment Benefits (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

TMRS Supplemental Death Benefits Fund (continued)

Changes in the Total OPEB Liability

Total OPEB Liability	
Service cost	\$ 42,245
Interest	35,227
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(14,873)
Changes of assumptions	222,587
Benefit payments	(7,169)
Net change in total OPEB liability	278,017
Total OPEB liability - beginning	1,263,834
Total OPEB liability - ending	<u>\$ 1,541,851</u>
Covered payroll	\$ 26,403,236
Total OPEB liability as a percentage of covered payroll	5.84%

Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

Current Discount Rate Assumption		
1% Decrease to 1.00%	2.00%	1% Increase to 3.00%
\$ 1,923,469	\$ 1,541,851	\$ 1,253,992

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$143,426 related to the TMRS Supplemental Death Benefits plan and \$4,954,554 related to the Retiree Healthcare Plan for a total expense of \$5,097,980.

Note 9 - Other Post-Employment Benefits (continued)

TMRS Supplemental Death Benefits Fund (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity (continued)

As of September 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,249	\$ 63,597
Changes assumptions	360,646	39,941
Contributions subsequent to the measurement date	37,457	-
Total	<u>\$ 410,352</u>	<u>\$ 103,538</u>

The \$37,457 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2022.

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2022	\$ 65,953
2023	65,953
2024	52,633
2025	57,724
2026	27,094
Total	<u>\$ 269,357</u>

Retiree Health Care Plan (RHCP)

Plan Description

The City's defined benefit OPEB plan, City of La Porte Retiree Health Care Plan (RHCP), provides OPEB through an implicit healthcare premium for retirees for all permanent full-time employees of the City. RHCP is a single-employer defined benefit OPEB plan administered by the City. At this time, no assets are accumulated in a trust to fund the future requirements of the RHCP.

Note 9 - Other Post-Employment Benefits (continued)

Retiree Health Care Plan (RHCP) (continued)

Benefits provided

RHCP provides access to post retirement employees by offering a “blended premium” structure, that is, the overall health care premiums for active employees and non-Medicare retirees, are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit” subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries	93
Inactive, nonretired members	-
Active members	<u>378</u>
Total	<u>471</u>

Total OPEB Liability

The City’s total OPEB liability of \$61,205,148 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2020.

Actuarial assumptions and methods

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<i>Valuation Date:</i>	December 31, 2020
<i>Methods and Assumptions:</i>	
Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	2.00% as of December 31, 2020
Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Demographic Assumptions:	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City’s retiree medical plan design.
Mortality:	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Trend Rates:	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years; Post-65: Initial rate of 6.30% declining to an ultimate rate of 4.25% after 13 years

Note 9 - Other Post-Employment Benefits (continued)

Retiree Health Care Plan (RHCP) (continued)

Actuarial assumptions and methods (continued)

Participation Rates: It was assumed that the plan participation would vary based on the amount of the subsidy provided. For eligible retirees with over 30 years of service, 95% were assumed to participate in the plan at retirement. For employees with less than 30 years of service, the assumed participation rate is equal to the percentage of premium the City subsidizes. For example, retirees eligible for an 85% subsidy were assumed to elect coverage 85% of the time, while only 40% of retirees eligible for a 40% subsidy were assumed to elect coverage.

Other Information:

Note: The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. Additionally, the two-person coverage rates were updated.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.75% as of the prior measurement date.

Changes in the Total OPEB Liability

Total OPEB Liability	
Service cost	\$ 2,066,931
Interest	1,630,780
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(5,230,642)
Changes of assumptions	4,987,807
Benefit payments	<u>(1,034,681)</u>
Net change in total OPEB liability	2,420,195
Total OPEB liability - beginning	<u>58,784,953</u>
Total OPEB liability - ending	<u><u>\$ 61,205,148</u></u>
Covered payroll	\$ 23,404,058
Total OPEB liability as a percentage of covered payroll	261.52%

Note 9 - Other Post-Employment Benefits (continued)

Retiree Health Care Plan (RHCP) (continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Current Discount Rate Assumption		
1% Decrease	2.00%	1% Increase
\$ 74,072,513	\$ 61,205,148	\$ 51,249,782

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Current Healthcare Cost Trend Rate Assumption		
1% Decrease	Assumption	1% Increase
\$ 50,123,890	\$ 61,205,148	\$ 76,073,193

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$143,426 related to the TMRS Supplemental Death Benefits plan and \$4,954,554 related to the Retiree Healthcare Plan for a total expense of \$5,097,980.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,980,010
Changes assumptions	11,233,936	87,244
Contributions subsequent to the measurement date	232,774	-
Total	<u>\$ 11,466,710</u>	<u>\$ 5,067,254</u>

The \$232,774 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2022.

Note 9 - Other Post-Employment Benefits (continued)

Retiree Health Care Plan (RHCP) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2022	\$ 1,256,841
2023	1,256,841
2024	1,256,841
2025	1,256,841
2026	850,791
Thereafter	288,527
Total	<u>\$ 6,166,682</u>

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City's risk management program encompasses various means of protecting the City against loss by obtaining property, casualty and liability coverage from participation in a risk pool. The participation of the City in the risk pool is limited to the payment of premiums. The City is a member of the Texas Municipal League Intergovernmental Risk Pool, an unincorporated association of 1,860 political subdivisions of the State of Texas. The Pool contracts with a third-party administrator for administration, investigation and adjustment services in the handling of claims. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the Pool. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

The insurance internal service fund is funded by charges to the City's other funds and component units and is based primarily upon the contributing funds' full-time employee count. The City self- insures a portion of health insurance benefits provided to employees. For health insurance the City retains the risk for the first \$165,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$165,000 with a limit of \$1,000,000 per coverage period.

Note 10 - Risk Management (continued)

Activities during the year for the insurance internal service fund included:

Revenues		
Charges to divisions	\$	5,468,640
Interfund transfers		4,067,091
Charges to employees		610,721
Charges to retirees		135,512
Cobra charges		7,188
Other		64,991
Interest revenue		1,851
Total revenues	\$	<u>10,355,994</u>
Expenses		
Other expenses	\$	681,310
Claims administration		165,309
Claims incurred		6,082,807
Re-insurance premiums		633,021
Insurance premiums		495,397
Total expenses	\$	<u>8,057,844</u>

Liabilities of the insurance fund 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 (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal requirements and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-offs), and other economic and social factors. This estimate of the claims also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims.

Changes in the balance of health insurance claims liability for three fiscal years are as follows:

	<u>Beginning of Year Accrual</u>	<u>Claims</u>	<u>Payments for Claims</u>	<u>End of Year Accrual</u>
9/30/2019	\$ 546,849	\$ 6,893,077	\$ 6,841,448	\$ 598,478
9/30/2020	598,478	7,618,478	7,576,618	640,338
9/30/2021	640,338	7,827,269	7,782,324	685,283

Note 11 - Contingencies

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

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

Note 12 - Encumbrances

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. At year-end the amount of encumbrances expected to be honored in the next year were as follows:

Fund	Amount
General	\$ 240,255
Non-major Governmental	58,460
Utility fund	11,236
Internal service fund	580,234
Total	<u>\$ 890,185</u>

Note 13 - Southeast Water Purification Plant

The La Porte Area Water Authority ("Authority") and the City of Houston, Texas have entered into a Cost Sharing Water Project Contract (the "Contract") wherein the Authority, the Cities of La Porte, Morgan's Point, and Shoreacres agree to jointly finance the construction and operation of the Southeast Water Purification Plant (Southeast Plant). Under the terms of the Contract, the Authority purchased 4.2 million gallons per day production and 5.25 million gallons per day pumping capacity. The Cities of La Porte, Morgan's Point, and Shoreacres have agreed to demand and pumping allocations of the Authority's purchase of water from the Southeast Plant.

The required funds for the undivided interest in the Southeast Plant and the construction of a transmission and distribution system to transport water from the Southeast Plant were provided by issuance of \$9.8 million revenues bonds, which have been retired.

The water rate to be set by the Authority will not be less than an amount sufficient to provide for payment of all expenses in producing, treating, and pumping the water in connection with transmission and distribution systems and to provide payment for the interest and principal of all bonds when the bonds become due and payable.

Note 14 - Due to Developers

The TIRZ is a party to several agreements with Developers who own property in the La Porte Tax Increment Zone. The TIRZ is obligated to repay the Developers for public improvements made on the property up to the amount of incremental tax value gained.

Beazer Homes Texas LP's reimbursable expenditures for Bayside Crossing totaled \$1,449,517 including interest at August 24, 2016. In the current fiscal year, interest was calculated at \$250. The Developer was reimbursed \$1,196 for interest and \$111,051 applied to principal.

Beazer Homes Texas LP's reimbursable expenditures for Bayside Crossing - Supplemental totaled \$177,498, including interest at August 23, 2017. In the current fiscal year, an additional amount of \$37,348 was calculated for interest.

Senior Associate's reimbursable expenditures and land for Bayside Crossing totaled \$466,032 including interest at August 24, 2016. In the current fiscal year \$9,781 was paid toward interest.

65 La Porte, Ltd (Lakes of Fairmont Greens) had reimbursable expenditures approved in the current fiscal year of \$4,293,060 on April 15, 2020. No interest will accrue because present value was used. Payments during the current fiscal year total \$276,585.

In addition, certain developers have signed a Development Agreement but have not submitted costs for reimbursement of their projects. Estimated costs, based on the agreement, are as follows:

- Hawthorne at La Porte, LLC - \$2,019,908
- Jabez – LB1, L.L.C. - \$1,952,754

Note 15 - Industrial Payments

In 1958, the City created an Industrial Zone adjacent to the City, which presently encompasses approximately 5,500 acres of land north of Highway 225 and bordering the Houston Ship Channel. The City annexed sufficient land to completely encircle this Industrial Zone, protecting it from annexation by any other municipality. The City entered into contracts with all of the Industries located in the Zone whereby the City annexed a portion of the total value of each industry with the remainder constituting the protected Industrial District. In addition to the Industrial Zone north of Highway 225, which is referred to as the "Battleground Industrial District," the City contains an Industrial Zone on its south side referred to as the "Bayport Industrial District." The Bayport District, created in 1970, covers 2,500 acres.

The City and the Industries, many of which have come to the Industrial Zones since the original contracts, are presently under contracts, which extend to December 31, 2031. Under the terms of the current contracts, the industries make payments to the City each year in lieu of taxes. These annual in lieu payments are in an amount which, when added to the full City taxes on the annexed portion, equal 64% of what the City's taxes on the industry would be if 100% of the industry was in the City. The contracts contain a new construction clause that allows new plant facilities to make in lieu payments on 30% of the value of new additions. Currently, 162 companies participate in industrial district contracts. These contracts have served as a valuable economic tool for more than 50 years.

Note 16 - Fund Balance

Assigned fund balance of the General Fund at year-end consisted of the following:

Municipal engineering services	\$	82,393
Document imaging		71,394
Red signal enforcement lights		41,210
EOC AV improvements		14,930
Licensing for vehicle gateway		12,856
Strategic planning consultant		4,211
Ammunition		1,089
AED's		5,886
Professional services for Community Rating System		6,286
Total General Fund Assigned Fund Balance	\$	<u>240,255</u>

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF LA PORTE, TEXAS

Exhibit B-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property taxes and penalties	\$ 18,905,500	\$ 18,905,500	\$ 23,370,584	\$ 4,465,084
Other taxes	90,000	90,000	98,137	8,137
Licenses and permits	841,511	841,511	650,402	(191,109)
Fines and forfeitures	1,457,440	1,457,440	1,550,115	92,675
Sales and use taxes	5,999,287	5,999,287	6,702,765	703,478
Industrial payments	17,310,020	17,310,020	18,188,121	878,101
Franchise taxes	3,004,895	3,004,895	2,996,774	(8,121)
Intergovernmental revenues	-	-	77,868	77,868
Investment Earnings	350,000	350,000	49,605	(300,395)
Charges for services	5,830,440	5,830,440	6,078,174	247,734
Miscellaneous	172,467	172,467	576,366	403,899
Total Revenues	53,961,560	53,961,560	60,338,911	6,377,351
Expenditures				
Current:				
General government	12,415,454	12,256,559	12,588,034	(331,475)
Public safety	21,401,918	21,401,018	21,002,317	398,701
Public works	4,881,959	5,113,721	4,690,723	422,998
Health and sanitation	3,106,162	3,226,162	3,247,033	(20,871)
Culture and recreation	6,310,192	6,313,149	5,860,184	452,965
Total Expenditures	48,115,685	48,310,609	47,388,291	922,318
Excess (Deficiency) of Revenues	-	-	-	-
Over (Under) Expenditures	5,845,875	5,650,951	12,950,620	7,299,669
Other Financing Sources (Uses)				
Transfers in	57,500	57,500	57,500	-
Transfers out	(12,719,445)	(12,719,445)	(12,719,445)	-
Total Other Financing Sources (Uses)	(12,661,945)	(12,661,945)	(12,661,945)	-
Net Change in Fund Balance	(6,816,070)	(7,010,994)	288,675	7,299,669
Fund Balances, Beginning	64,523,927	64,523,927	64,523,927	-
Fund Balances, Ending	\$ 57,707,857	\$ 57,512,933	\$ 64,812,602	\$ 7,299,669

CITY OF LA PORTE, TEXAS

Exhibit B-2

SPECIAL REVENUE FUND – RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	GAAP Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	\$ 89,500	\$ 89,500	\$ 187,483	\$ 97,983
Intergovernmental revenues	10,150,674	10,150,674	465,327	(9,685,347)
Investment earnings	-	-	1,637	1,637
Charges for services	-	-	303,000	303,000
Total Revenues	<u>10,240,174</u>	<u>10,240,174</u>	<u>957,447</u>	<u>(9,282,727)</u>
Expenditures				
Current:				
General government	2,115,075	1,981,475	51,554	1,929,921
Public safety	385,596	385,596	385,417	179
Public works	148,300	148,300	147,491	809
Health and sanitation	17,000	17,000	17,000	-
Culture and recreation	28,000	28,000	28,000	-
Capital outlay	7,861,432	7,861,432	142,345	7,719,087
Total Expenditures	<u>10,555,403</u>	<u>10,421,803</u>	<u>771,807</u>	<u>9,649,996</u>
 Change in Fund Balance	 (315,229)	 (181,629)	 185,640	 367,269
Fund Balances, Beginning	<u>2,660,604</u>	<u>2,660,604</u>	<u>2,660,604</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,345,375</u>	<u>\$ 2,478,975</u>	<u>\$ 2,846,244</u>	<u>\$ 367,269</u>

CITY OF LA PORTE, TEXAS

Exhibit B-3

LA PORTE REDEVELOPMENT AUTHORITY (TAX INCREMENT REINVESTMENT ZONE)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 6,763,110	\$ 6,763,110	\$ 5,822,439	\$ (940,671)
Investment earnings	975	975	483	(492)
Total Revenues	<u>6,764,085</u>	<u>6,764,085</u>	<u>5,822,922</u>	<u>(941,163)</u>
Expenditures				
Current:				
General government	1,677,580	2,161,088	907,926	1,253,162
Debt Service:				
Principal	1,253,952	1,347,300	387,636	959,664
Interest and other charges	-	-	10,977	(10,977)
Total Expenditures	<u>2,931,532</u>	<u>3,508,388</u>	<u>1,306,539</u>	<u>2,201,849</u>
Net change in fund balance	3,832,553	3,255,697	4,516,383	1,260,686
Fund balances - beginning of year	<u>4,276,718</u>	<u>4,276,718</u>	<u>4,276,718</u>	<u>-</u>
Fund balances - end of year	<u>\$ 8,109,271</u>	<u>\$ 7,532,415</u>	<u>\$ 8,793,101</u>	<u>\$ 1,260,686</u>

1. Budgetary Controls and Procedures

The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is required by charter to submit a proposed budget and accompanying message to City Council by August 1. The Council shall review and revise the proposed budget as they deem appropriate prior to circulation for the public hearing. A summary of the proposed budget and notice of the public hearing must be posted in City Hall and be published in the official newspaper at least 2 weeks prior to the hearing. Annual budgets for General, Debt Service, Special Revenue and Enterprise Funds are legally adopted by ordinance and must be done so no later than the last day of the fiscal year. Budgetary control for capital projects funds is achieved through legally binding construction contracts and project length budgets.

The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the total approved budget for each department. The City Manager is authorized to transfer part of all of any unencumbered appropriation balance among programs within a department. All other amendments and/or transfers must be approved by Council.

Annual appropriated budgets are adopted for general, special revenue, and debt service funds, using the same basis of accounting as for financial reporting. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt as a whole. The original budget is adopted by the City Council prior to the beginning of the year.

Appropriations lapse at the end of the year, excluding capital project budgets.

For the year ended September 30, 2021, expenditures exceeded the appropriated amount in the following two departments:

General government -	\$331,475
Health and sanitation: -	\$20,871

CITY OF LA PORTE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Seven Measurement Years

Exhibit B-5

Page 1 of 2

	2020	2019	2018	2017
Total pension liability				
Service Cost	\$ 4,250,921	\$ 3,890,913	\$ 3,668,483	\$ 3,714,539
Interest (on the Total Pension Liability)	11,525,605	10,969,460	10,570,181	10,112,101
Difference between expected and actual experience	1,562,770	412,341	(1,410,118)	(658,901)
Changes of assumptions	-	611,170	-	-
Benefit payments, including refunds of employee contributions	(7,758,859)	(7,890,546)	(6,158,492)	(6,558,193)
Net change in total pension liability	9,580,437	7,993,338	6,670,054	6,609,546
Total pension liability – beginning	172,503,675	164,510,337	157,840,283	151,230,737
Total pension liability – ending	<u>\$ 182,084,112</u>	<u>\$ 172,503,675</u>	<u>\$ 164,510,337</u>	<u>\$ 157,840,283</u>
Plan fiduciary net position				
Contributions – employer	\$ 4,253,719	\$ 3,850,439	\$ 3,625,504	\$ 3,602,160
Contributions – employee	1,848,227	1,672,997	1,575,422	1,578,735
Net investment income	12,153,293	21,775,702	(4,381,890)	17,987,506
Benefit payments, including refunds of employee contributions	(7,758,859)	(7,890,546)	(6,158,492)	(6,558,193)
Administrative Expense	(78,663)	(123,059)	(84,698)	(93,223)
Other	(3,070)	(3,697)	(4,424)	(4,725)
Net change in plan fiduciary net position	10,414,647	19,281,836	(5,428,578)	16,512,260
Plan fiduciary net position – beginning	160,154,666	140,872,830	146,301,408	129,789,148
Plan fiduciary net position – ending	<u>\$ 170,569,313</u>	<u>\$ 160,154,666</u>	<u>\$ 140,872,830</u>	<u>\$ 146,301,408</u>
Net pension liability	<u>\$ 11,514,799</u>	<u>\$ 12,349,009</u>	<u>\$ 23,637,507</u>	<u>\$ 11,538,875</u>
Plan fiduciary net position as a percentage of the total pension liability	93.68%	92.84%	85.63%	92.69%
Covered payroll	\$ 26,403,236	\$ 23,899,954	\$ 22,506,030	\$ 22,553,362
Net pension liability as a percentage of covered employee payroll	43.61%	51.67%	105.03%	51.16%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will continue to build this schedule over the next 10-year period as the information becomes available.

CITY OF LA PORTE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Seven Measurement Years

Exhibit B-5
Page 2 of 2

	2016	2015	2014
Total pension liability			
Service Cost	\$ 3,600,954	\$ 3,401,691	\$ 3,045,776
Interest (on the Total Pension Liability)	9,653,940	9,564,637	9,108,178
Difference between expected and actual experience	(40,363)	(500,190)	(761,946)
Changes of assumptions	-	(325,022)	-
Benefit payments, including refunds of employee contributions	(6,409,301)	(5,304,879)	(4,793,355)
Net change in total pension liability	6,805,230	6,836,237	6,598,653
Total pension liability – beginning	144,425,507	137,589,270	130,990,617
Total pension liability – ending	<u>\$ 151,230,737</u>	<u>\$ 144,425,507</u>	<u>\$ 137,589,270</u>
Plan fiduciary net position			
Contributions – employer	\$ 3,415,127	\$ 3,461,463	\$ 3,534,991
Contributions – employee	1,528,511	1,506,158	1,460,768
Net investment income	8,314,792	181,954	6,665,254
Benefit payments, including refunds of employee contributions	(6,409,301)	(5,304,879)	(4,793,355)
Administrative Expense	(93,910)	(110,827)	(69,591)
Other	(5,060)	(5,474)	(5,722)
Net change in plan fiduciary net position	6,750,159	(271,605)	6,792,345
Plan fiduciary net position – beginning	123,038,989	123,310,594	116,518,249
Plan fiduciary net position – ending	<u>\$ 129,789,148</u>	<u>\$ 123,038,989</u>	<u>\$ 123,310,594</u>
Net pension liability	<u>\$ 21,441,589</u>	<u>\$ 21,386,518</u>	<u>\$ 14,278,676</u>
Plan fiduciary net position as a percentage of the total pension liability	85.82%	85.19%	89.62%
Covered payroll	\$ 21,823,962	\$ 21,421,227	\$ 20,708,639
Net pension liability as a percentage of covered employee payroll	98.25%	99.84%	69.0%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will continue to build this schedule over the next 10-year period as the information becomes available.

CITY OF LA PORTE, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Fiscal Years

Exhibit B-6
Page 1 of 2

	2021*	2020*	2019*	2018	2017
Actuarially Determined Contribution	\$ 4,046,260	\$ 3,815,501	\$ 3,655,811	\$ 3,616,211	\$ 3,566,725
Contributions in relation to the actuarially determined contribution	<u>(4,240,541)</u>	<u>(3,987,213)</u>	<u>(3,759,780)</u>	<u>(3,616,211)</u>	<u>(3,566,725)</u>
Contribution deficiency (excess)	\$ (194,281)	\$ (171,712)	\$ (103,969)	\$ -	\$ -
Covered payroll	\$ 26,357,289	\$ 24,749,926	\$ 23,338,178	\$ 22,496,785	\$ 22,446,058
Contributions as a percentage of covered payroll	15.35%	15.42%	15.66%	16.07%	15.89%

	2016	2015	2014
Actuarially Determined Contribution	\$ 3,551,472	\$ 3,489,185	\$ 3,496,424
Contributions in relation to the actuarially determined contribution	<u>(3,551,472)</u>	<u>(3,489,185)</u>	<u>(3,496,424)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 22,512,615	\$ 21,323,383	\$ 20,543,616
Contributions as a percentage of covered payroll	15.78%	16.36%	17.02%

* - the TMRS recommended contribution decreased in calendar year 2019 - 2021. The City maintained contributions at the 2019 calendar year rate in order to increase their funded status

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

CITY OF LA PORTE, TEXAS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

Exhibit B-6
Page 2 of 2

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
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate	6.75%
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68
Mortality rate - service retirees	2019 Municipal retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP
Mortality rate - 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% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF LA PORTE, TEXAS
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
Last Seven Measurement Years

Exhibit B-7

	2020	2019	2018	2017	2016
City's proportion of the net pension liability	1.335%	0.924%	0.630%	0.653%	0.780%
City's proportionate share of the net pensions liability	\$ 336,565	\$ 261,913	\$ 136,398	\$ 156,731	\$ 227,199
City's covered payroll	62,235	63,435	29,175	27,694	15,498
City's proportionate share of the net pension liability as percentage of its covered payroll	541%	413%	468%	566%	1466%
Plan fiduciary net position as a percentage of the total pension liability	83.2%	84.3%	81.4%	76.3%	76.9%
	2015	2014			
City's proportion of the net pension liability	0.982%	0.721%			
City's proportionate share of the net pensions liability	\$ 262,121	\$ 131,018			
City's covered payroll	18,617	18,420			
City's proportionate share of the net pension liability as percentage of its covered payroll	1408%	711%			
Plan fiduciary net position as a percentage of the total pension liability	76.9%	83.5%			

Ten years of data should be presented but data was unavailable prior to 2014.

CITY OF LA PORTE, TEXAS
SCHEDULE OF CITY'S CONTRIBUTIONS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
Last Eight Fiscal Years

Exhibit B-8

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 62,235	\$ 64,435	\$ 30,180	\$ 40,265	\$ 26,495
Contributions in relation to the contractually required contribution	(62,235)	(64,435)	(30,180)	(40,265)	(26,495)
Contribution deficiency (excess)	-	-	-	-	-
City's covered payroll	63,435	63,435	29,175	27,694	15,498
Contribution as a percentage of covered-employee payroll	98.1%	101.6%	103.4%	145.4%	171.0%

	2016	2015	2014
Contractually required contribution	\$ 38,095	\$ 48,820	\$ 26,055
Contributions in relation to the contractually required contribution	(38,095)	(48,820)	(26,055)
Contribution deficiency (excess)	-	-	-
City's covered payroll	18,617	18,420	18,617
Contribution as a percentage of covered-employee payroll	204.6%	265.0%	140.0%

Ten years of data should be presented but data was unavailable prior to 2014.

CITY OF LA PORTE, TEXAS
Exhibit B-9
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
CITY OF LA PORTE RETIREE HEALTH CARE PLAN
Last Four Measurement Years

Total OPEB Liability	2020	2019	2018	2017
Service cost	\$ 2,066,931	\$ 1,618,763	\$ 1,671,651	\$ 1,424,797
Interest on the total OPEB liability	1,630,780	1,855,034	1,583,194	1,611,153
Difference between expected and actual experience of the total OPEB liability	(5,230,642)	(601,446)	(31,749)	(43,219)
Changes in assumptions	4,987,807	7,102,096	(147,052)	3,495,450
Benefit payments	(1,034,681)	(762,083)	(996,520)	(1,140,414)
Net change in total OPEB liability	2,420,195	9,212,364	2,079,524	5,347,767
Total OPEB Liability - Beginning	58,784,953	49,572,589	47,493,065	42,145,298
Total OPEB Liability - Ending	<u>\$ 61,205,148</u>	<u>\$ 58,784,953</u>	<u>\$ 49,572,589</u>	<u>\$ 47,493,065</u>
Covered payroll	\$ 23,404,058	\$ 23,900,629	\$ 22,506,030	\$ 21,799,361
Total OPEB liability as a percentage of covered payroll	261.52%	245.96%	220.26%	217.86%

Notes to the Required Supplementary Information

Ten years of data should be presented but data was unavailable prior to 2017.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB

Statement No. 75.

The discount rate changed from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

CITY OF LA PORTE, TEXAS*Exhibit B-10***SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS****TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS FUND****Last Four Measurement Years**

Total OPEB Liability	2020	2019	2018	2017
Service cost	\$ 42,245	\$ 31,070	\$ 31,508	\$ 27,064
Interest on the total OPEB liability	35,227	39,725	35,270	34,660
Difference between expected and actual experience of the total OPEB liability	(14,873)	(77,291)	24,065	-
Changes in assumptions	222,587	218,703	(78,470)	91,449
Benefit payments	(7,169)	(7,170)	(6,752)	(6,766)
Net change in total OPEB liability	278,017	205,037	5,621	146,407
Total OPEB Liability - Beginning	1,263,834	1,058,797	1,053,176	906,769
Total OPEB Liability - Ending	<u>\$ 1,541,851</u>	<u>\$ 1,263,834</u>	<u>\$ 1,058,797</u>	<u>\$ 1,053,176</u>
Covered payroll	\$ 26,403,236	\$ 23,899,954	\$ 22,506,030	\$ 22,553,362
Total OPEB liability as a percentage of covered payroll	5.84%	5.29%	4.70%	4.67%

Notes to the Required Supplementary Information

Ten years of data should be presented but data was unavailable prior to 2017.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

No significant methods and assumptions to disclose.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Hotel/Motel Occupancy Tax Fund - This fund is used to account for the accumulation of resources from the Hotel/Motel Tax assessment levied by the City. These monies are to be spent to promote the development or progress of the City within the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Act (Article 1369; Vernon's Texas Civil Statutes).

Section 4B Sales Tax Fund – This fund is used to account for funds received from the ½ cent sales tax dedicated to certain economic and infrastructure projects.

Street Maintenance Sales Tax Fund – This fund is used to account for the additional sales tax collected for street maintenance.

Emergency Services Sales Tax Fund – This fund is used to account for the additional sales tax collected for emergency maintenance.

These funds are used to account for revenues to be received from the Community Development Block Grant Entitlement Fund.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

2006 Certificates of Obligation Fund – This fund is used to account for the proceeds and expenditures related to the Police Facility, a Sports Complex, South La Porte Trunk Sewer and various other Water/Sewer projects.

2010 Certificates of Obligation Fund – This fund is used to account for the proceeds and expenditures related to street, drainage and park improvements.

2015 Certificates of Obligation Fund – This fund is used to account for bond proceeds and the expenditure of those funds for the construction of and improvements to the wastewater system.

2017 Certificates of Obligation Fund – This fund is used to account for bond proceeds and the expenditure of those funds for water and sewer improvements, and street and drainage improvements.

2021 Certificates of Obligation Fund – This fund is used to account for bond proceeds and the expenditure of those funds for water and sewer improvements, and street and drainage improvements.

Drainage Improvements – This fund is used to account for the proceeds and expenditures related to the drainage fees collected.

CITY OF LA PORTE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

Exhibit C-1
Page 1 of 3

	Special Revenue Funds				
	Hotel - Motel Occupancy Tax Fund	Section 4B Sales Tax	Street Maintenance Sales Tax	Emergency Service Sales Tax	Total Special Revenue Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 2,005,086	\$ 7,339,442	\$ 5,271,427	\$ 1,993,171	\$ 16,609,126
Investments	153,614	479,259	403,856	152,702	1,189,431
Receivables	126,583	597,725	298,920	295,467	1,318,695
Total Assets	\$ 2,285,283	\$ 8,416,426	\$ 5,974,203	\$ 2,441,340	\$ 19,117,252
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 10,055	\$ 69,000	\$ 511,079	\$ 91,297	\$ 681,431
Accrued salaries	1,768	252	-	3,002	5,022
Unearned revenues	-	100	-	-	100
Total Liabilities	11,823	69,352	511,079	94,299	686,553
Fund Balances:					
Restricted for:					
Debt service	-	1,089,017	-	-	1,089,017
Economic development	2,273,460	7,258,057	-	-	9,531,517
Public safety	-	-	-	2,347,041	2,347,041
Capital projects	-	-	-	-	-
Public works	-	-	5,463,124	-	5,463,124
Total Fund Balances	2,273,460	8,347,074	5,463,124	2,347,041	18,430,699
Total Liabilities and Fund Balances	\$ 2,285,283	\$ 8,416,426	\$ 5,974,203	\$ 2,441,340	\$ 19,117,252

CITY OF LA PORTE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

Exhibit C-1
Page 2 of 3

	Capital Projects Funds			
	2006 Certificates of Obligation	2010 Certificates of Obligation	2015 Certificates of Obligation	2017 Certificates of Obligation
Assets				
Current Assets:				
Cash and cash equivalents	\$ 7,169	\$ 878,032	\$ 2,644,408	\$ 10,072,988
Investments	549	24,203	7,752	3,619
Receivables	-	16	5	-
Total Assets	\$ 7,718	\$ 902,251	\$ 2,652,165	\$ 10,076,607
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 214,769	\$ 10,493	\$ 128,837
Accrued salaries	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	-	214,769	10,493	128,837
Fund Balances:				
Restricted for:				
Debt service	-	-	-	-
Economic development	-	-	-	-
Public safety	-	-	-	-
Capital projects	7,718	687,482	2,641,672	9,947,770
Public works	-	-	-	-
Total Fund Balances	7,718	687,482	2,641,672	9,947,770
Total Liabilities and Fund Balances	\$ 7,718	\$ 902,251	\$ 2,652,165	\$ 10,076,607

CITY OF LA PORTE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

Exhibit C-1
Page 3 of 3

	Capital Projects Funds			
	2021 Certificates of Obligation	Drainage Improvements	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Current Assets:				
Cash and cash equivalents	\$ 13,500,719	\$ 4,977,279	\$ 32,080,595	\$ 48,689,721
Investments	-	381,322	417,445	1,606,876
Receivables	-	30,606	30,627	1,349,322
Total Assets	\$ 13,500,719	\$ 5,389,207	\$ 32,528,667	\$ 51,645,919
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 383,144	\$ 737,243	\$ 1,418,674
Accrued salaries	-	-	-	5,022
Unearned revenues	-	-	-	100
Total Liabilities	-	383,144	737,243	1,423,796
Fund Balances:				
Restricted for:				
Debt service	-	-	-	1,089,017
Economic development	-	-	-	9,531,517
Public safety	-	-	-	2,347,041
Capital projects	13,500,719	5,006,063	31,791,424	31,791,424
Public works	-	-	-	5,463,124
Total Fund Balances	13,500,719	5,006,063	31,791,424	50,222,123
Total Liabilities and Fund Balances	\$ 13,500,719	\$ 5,389,207	\$ 32,528,667	\$ 51,645,919

CITY OF LA PORTE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Exhibit C-2
Page 1 of 3

	Special Revenue Funds				
	Hotel/Motel Tax	Section 4b Sales Tax	Street Maintenance Sales Tax	Emergency Service Sales Tax	Total Special Revenue Funds
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	751,854	3,368,708	1,684,354	1,675,877	7,480,793
Investment earnings	1,345	3,651	2,433	1,278	8,707
Charges for services	-	-	-	-	-
Miscellaneous	1,274	-	-	-	1,274
Total Revenues	754,473	3,372,359	1,686,787	1,677,155	7,490,774
Expenditures					
Current:					
General government	401,692	194,990	-	-	596,682
Public safety	-	-	-	1,239,904	1,239,904
Public works	-	-	12,389	-	12,389
Capital outlay	-	-	996,298	86,868	1,083,166
Debt service:					
Other debt service expenditures	-	-	-	-	-
Total Expenditures	401,692	194,990	1,008,687	1,326,772	2,932,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	352,781	3,177,369	678,100	350,383	4,558,633
Other Financing Sources (Uses)					
Transfers in	-	-	2,100,000	-	2,100,000
Transfers to other funds	(57,500)	(967,000)	-	-	(1,024,500)
Certificates of obligation issued	-	-	-	-	-
Premium on certificates of obligation	-	-	-	-	-
Total Other Financing Sources (Uses)	(57,500)	(967,000)	2,100,000	-	1,075,500
Change in Fund Balance	295,281	2,210,369	2,778,100	350,383	5,634,133
Fund Balances, Beginning	1,978,179	6,136,705	2,685,024	1,996,658	12,796,566
Fund Balances, Ending	\$ 2,273,460	\$ 8,347,074	\$ 5,463,124	\$ 2,347,041	\$ 18,430,699

CITY OF LA PORTE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Exhibit C-2
Page 2 of 3

	Capital Projects Fund			
	2006 Certificates of Obligation	2010 Certificates of Obligation	2015 Certificates of Obligation	2017 Certificates of Obligation
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Investment earnings	5	547	1,351	4,847
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	5	547	1,351	4,847
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	43,132
Capital outlay	-	436,502	49,980	98
Debt service:				
Other debt service expenditures	-	-	-	-
Total Expenditures	-	436,502	49,980	43,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	5	(435,955)	(48,629)	(38,383)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers to other funds	-	-	-	-
Certificates of obligation issued	-	-	-	-
Premium on certificates of obligation	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balance	5	(435,955)	(48,629)	(38,383)
Fund Balances, Beginning	7,713	1,123,437	2,690,301	9,986,153
Fund Balances, Ending	\$ 7,718	\$ 687,482	\$ 2,641,672	\$ 9,947,770

CITY OF LA PORTE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Exhibit C-2
Page 3 of 3

	Capital Projects Fund			Total Nonmajor Governmental Funds
	2021 Certificates of Obligation	Drainage Improvements	Total Capital Projects Funds	
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	7,480,793
Investment earnings	719	1,850	9,319	18,026
Charges for services	-	286,512	286,512	286,512
Miscellaneous	-	-	-	1,274
Total Revenues	719	288,362	295,831	7,786,605
Expenditures				
Current:				
General government	-	-	-	596,682
Public safety	-	-	-	1,239,904
Public works	-	-	43,132	55,521
Capital outlay	-	419,473	906,053	1,989,219
Debt service:				
Other debt service expenditures	164,693	-	164,693	164,693
Total Expenditures	164,693	419,473	1,113,878	4,046,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	(163,974)	(131,111)	(818,047)	3,740,586
Other Financing Sources (Uses)				
Transfers in	-	3,800,000	3,800,000	5,900,000
Transfers to other funds	-	-	-	(1,024,500)
Certificates of obligation issued	11,545,000	-	11,545,000	11,545,000
Premium on certificates of obligation	2,119,693	-	2,119,693	2,119,693
Total Other Financing Sources (Uses)	13,664,693	3,800,000	17,464,693	18,540,193
Change in Fund Balance	13,500,719	3,668,889	16,646,646	22,280,779
Fund Balances, Beginning	-	1,337,174	15,144,778	27,941,344
Fund Balances, Ending	\$ 13,500,719	\$ 5,006,063	\$ 31,791,424	\$ 50,222,123

CITY OF LA PORTE, TEXAS

Exhibit C-3

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Taxes:				
Property taxes	\$ 3,419,000	\$ 3,830,236	\$ 411,236	\$ 3,833,522
Investment earnings	11,000	1,446	(9,554)	54,299
Total Revenues	<u>3,430,000</u>	<u>3,831,682</u>	<u>401,682</u>	<u>3,887,821</u>
Expenditures				
Debt service:				
Principal	3,775,000	3,560,000	215,000	3,775,000
Interest and fiscal charges	882,119	801,274	80,845	922,581
Total Expenditures	<u>4,657,119</u>	<u>4,361,274</u>	<u>295,845</u>	<u>4,697,581</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,227,119)	(529,592)	697,527	(809,760)
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,256,664
Issuance of refunding bonds	-	-	-	2,705,000
Premium on issuance of refunding bonds	-	-	-	352,246
Payment to bond escrow agent	-	-	-	(2,982,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,331,248</u>
Change in Fund Balance	(1,227,119)	(529,592)	697,527	521,488
Fund Balances, Beginning	5,013,517	5,013,517	-	4,492,029
Fund Balances, Ending	<u>\$ 3,786,398</u>	<u>\$ 4,483,925</u>	<u>\$ 697,527</u>	<u>\$ 5,013,517</u>

CITY OF LA PORTE, TEXAS
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021
With comparative actual amounts for the year ended September 30, 2020

Exhibit C-4

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ 25,000	\$ 9,566	\$ (15,434)	\$ 102,742
Total Revenues	<u>25,000</u>	<u>9,566</u>	<u>(15,434)</u>	<u>102,742</u>
Expenditures				
Current:				
General government	-	5,312	(5,312)	26,797
Culture and recreation	-	12,796	(12,796)	107,204
Capital outlay	<u>1,717,344</u>	<u>2,764,176</u>	<u>(1,046,832)</u>	<u>2,037,370</u>
Total Expenditures	<u>1,717,344</u>	<u>2,782,284</u>	<u>(1,064,940)</u>	<u>2,171,371</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,692,344)	(2,772,718)	(1,080,374)	(2,068,629)
Other Financing Sources (Uses)				
Transfers in	<u>2,967,000</u>	<u>2,967,000</u>	-	<u>6,792,950</u>
Total Other Financing Sources (Uses)	<u>2,967,000</u>	<u>2,967,000</u>	-	<u>6,792,950</u>
Change in Fund Balance	1,274,656	194,282	(1,080,374)	4,724,321
Fund Balances, Beginning	<u>13,516,027</u>	<u>13,516,027</u>	-	<u>8,791,706</u>
Fund Balances, Ending	<u>\$ 14,790,683</u>	<u>\$ 13,710,309</u>	<u>\$ (1,080,374)</u>	<u>\$ 13,516,027</u>

CITY OF LA PORTE, TEXAS

Exhibit C-5

SPECIAL REVENUE FUND – HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Sales and use taxes	\$ 750,000	\$ 751,854	\$ 1,854	\$ 601,408
Investment earnings	7,500	1,345	(6,155)	16,922
Miscellaneous	-	1,274	1,274	5,807
Total Revenues	757,500	754,473	(3,027)	624,137
Expenditures				
Current:				
General government	682,043	401,692	280,351	462,493
Total Expenditures	682,043	401,692	280,351	462,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,457	352,781	277,324	161,644
Other Financing Sources (Uses)				
Transfers to other funds	(57,500)	(57,500)	-	(57,476)
Total Other Financing Sources (Uses)	(57,500)	(57,500)	-	(57,476)
Change in Fund Balance	17,957	295,281	277,324	104,168
Fund Balances, Beginning	1,978,179	1,978,179	-	1,874,011
Fund Balances, Ending	\$ 1,996,136	\$ 2,273,460	\$ 277,324	\$ 1,978,179

CITY OF LA PORTE, TEXAS

Exhibit C-6

SPECIAL REVENUE FUND – SECTION 4B SALES TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Sales and use taxes	\$ 2,999,644	\$ 3,368,708	\$ 369,064	\$ 3,296,751
Investment earnings	25,000	3,651	(21,349)	37,574
Total Revenues	<u>3,024,644</u>	<u>3,372,359</u>	<u>347,715</u>	<u>3,334,325</u>
Expenditures				
General government	812,828	194,990	617,838	253,797
Total Expenditures	<u>812,828</u>	<u>194,990</u>	<u>617,838</u>	<u>253,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,211,816	3,177,369	965,553	3,080,528
Other Financing Sources (Uses)				
Transfers to other funds	(967,000)	(967,000)	-	(2,297,772)
Total Other Financing Sources (Uses)	<u>(967,000)</u>	<u>(967,000)</u>	<u>-</u>	<u>(2,297,772)</u>
Change in Fund Balance	1,244,816	2,210,369	965,553	782,756
Fund Balances, Beginning	6,136,705	6,136,705	-	5,353,949
Fund Balances, Ending	<u>\$ 7,381,521</u>	<u>\$ 8,347,074</u>	<u>\$ 965,553</u>	<u>\$ 6,136,705</u>

CITY OF LA PORTE, TEXAS

Exhibit C-7

SPECIAL REVENUE FUND – STREET MAINTENANCE SALES TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Sales and use taxes	\$ 1,499,822	\$ 1,684,354	\$ 184,532	\$ 1,648,376
Investment earnings	12,500	2,433	(10,067)	27,575
Total Revenues	<u>1,512,322</u>	<u>1,686,787</u>	<u>174,465</u>	<u>1,675,951</u>
Expenditures				
Current:				
Public works	5,000	12,389	(7,389)	5,000
Capital outlay	(1,186,340)	996,298	(2,182,638)	2,016,887
Total Expenditures	<u>(1,181,340)</u>	<u>1,008,687</u>	<u>(2,190,027)</u>	<u>2,021,887</u>
Other Financing Sources (Uses)				
Transfers in	2,100,000	2,100,000	-	-
Total Other Financing Sources (Uses)	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	4,793,662	2,778,100	(2,015,562)	(345,936)
Fund Balances, Beginning	<u>2,685,024</u>	<u>2,685,024</u>	<u>-</u>	<u>3,030,960</u>
Fund Balances, Ending	<u>\$ 7,478,686</u>	<u>\$ 5,463,124</u>	<u>\$ (2,015,562)</u>	<u>\$ 2,685,024</u>

CITY OF LA PORTE, TEXAS

Exhibit C-8

SPECIAL REVENUE FUND – EMERGENCY SERVICES SALES TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Sales and use taxes	\$ 1,499,822	\$ 1,675,877	\$ 176,055	\$ 1,616,922
Investment earnings	2,500	1,278	(1,222)	12,572
Total Revenues	<u>1,502,322</u>	<u>1,677,155</u>	<u>174,833</u>	<u>1,629,494</u>
Expenditures				
Current:				
Public safety	1,291,017	1,239,904	51,113	948,583
Capital outlay	114,959	86,868	28,091	116,764
Total Expenditures	<u>1,405,976</u>	<u>1,326,772</u>	<u>79,204</u>	<u>1,065,347</u>
 Change in Fund Balance	 96,346	 350,383	 254,037	 564,147
Fund Balances, Beginning	<u>1,996,658</u>	<u>1,996,658</u>	<u>-</u>	<u>1,432,511</u>
Fund Balances, Ending	<u><u>\$ 2,093,004</u></u>	<u><u>\$ 2,347,041</u></u>	<u><u>\$ 254,037</u></u>	<u><u>\$ 1,996,658</u></u>

CITY OF LA PORTE, TEXAS*Exhibit C-9***CAPITAL PROJECTS FUND – 2006 CERTIFICATES OF OBLIGATION****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED SEPTEMBER 30, 2021***With comparative actual amounts for the year ended September 30, 2020*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>	<u>2020</u>
Revenues				
Investment earnings	\$ -	\$ 5	\$ 5	\$ 74
Total Revenues	<u>-</u>	<u>5</u>	<u>5</u>	<u>74</u>
Change in Fund Balance	-	5	5	74
Fund Balances, Beginning	<u>7,713</u>	<u>7,713</u>	<u>-</u>	<u>7,639</u>
Fund Balances, Ending	<u>\$ 7,713</u>	<u>\$ 7,718</u>	<u>\$ 5</u>	<u>\$ 7,713</u>

CITY OF LA PORTE, TEXAS

Exhibit C-10

CAPITAL PROJECTS FUND – 2010 CERTIFICATES OF OBLIGATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ -	\$ 547	\$ 547	\$ 10,488
Total Revenues	-	547	547	10,488
Expenditures				
Current:				
Capital outlay	-	436,502	(436,502)	-
Total Expenditures	-	436,502	(436,502)	-
Change in Fund Balance	-	(435,955)	(435,955)	10,488
Fund Balances, Beginning	1,123,437	1,123,437	-	1,112,949
Fund Balances, Ending	\$ 1,123,437	\$ 687,482	\$ (435,955)	\$ 1,123,437

CITY OF LA PORTE, TEXAS

Exhibit C-11

CAPITAL PROJECTS FUND – 2015 CERTIFICATES OF OBLIGATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ -	\$ 1,351	\$ 1,351	\$ 33,765
Total Revenues	<u>-</u>	<u>1,351</u>	<u>1,351</u>	<u>33,765</u>
Expenditures				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	49,980	(49,980)	99,959
Total Expenditures	<u>-</u>	<u>49,980</u>	<u>(49,980)</u>	<u>99,959</u>
Change in Fund Balance	-	(48,629)	(48,629)	(66,194)
Fund Balances, Beginning	<u>2,690,301</u>	<u>2,690,301</u>	<u>-</u>	<u>2,756,495</u>
Fund Balances, Ending	<u>\$ 2,690,301</u>	<u>\$ 2,641,672</u>	<u>\$ (48,629)</u>	<u>\$ 2,690,301</u>

CITY OF LA PORTE, TEXAS

Exhibit C-12

CAPITAL PROJECTS FUND – 2017 CERTIFICATES OF OBLIGATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ -	\$ 4,847	\$ 4,847	\$ 117,101
Total Revenues	-	4,847	4,847	117,101
Expenditures				
Current:				
Public works	-	43,132	(43,132)	343,807
Capital outlay	-	98	(98)	5,172
Total Expenditures	-	43,230	(43,230)	348,979
Change in Fund Balance	-	(38,383)	(38,383)	(231,878)
Fund Balances, Beginning	9,986,153	9,986,153	-	10,218,031
Fund Balances, Ending	\$ 9,986,153	\$ 9,947,770	\$ (38,383)	\$ 9,986,153

CITY OF LA PORTE, TEXAS

Exhibit C-13

CAPITAL PROJECTS FUND – 2021 CERTIFICATES OF OBLIGATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ -	\$ 719	\$ 719	\$ -
Total Revenues	-	719	719	-
Expenditures				
Debt service:				
Other debt service expenditures	-	164,693	(164,693)	-
Total Expenditures	-	164,693	(164,693)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(163,974)	(163,974)	-
Other Financing Sources (Uses)				
Certificates of obligation issued	-	11,545,000	11,545,000	-
Premium on certificates of obligation	-	2,119,693	2,119,693	-
Total Other Financing Sources (Uses)	-	13,664,693	13,664,693	-
Change in Fund Balance	-	13,500,719	13,500,719	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ 13,500,719	\$ 13,500,719	\$ -

CITY OF LA PORTE, TEXAS

Exhibit C-14

CAPITAL PROJECTS FUND – DRAINAGE IMPROVEMENTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

With comparative actual amounts for the year ended September 30, 2020

	Final Budget	GAAP Actual	Variance Positive (Negative)	2020
Revenues				
Investment earnings	\$ 5,000	\$ 1,850	\$ (3,150)	\$ 10,794
Charges for services	290,000	286,512	(3,488)	292,491
Total Revenues	<u>295,000</u>	<u>288,362</u>	<u>(6,638)</u>	<u>303,285</u>
Expenditures				
Current:				
Capital outlay	2,400,000	419,473	1,980,527	40,286
Total Expenditures	<u>2,400,000</u>	<u>419,473</u>	<u>1,980,527</u>	<u>40,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,105,000)	(131,111)	1,973,889	262,999
Other Financing Sources (Uses)				
Transfers in	3,800,000	3,800,000	-	-
Total Other Financing Sources (Uses)	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	1,695,000	3,668,889	1,973,889	262,999
Fund Balances, Beginning	1,337,174	1,337,174	-	1,074,175
Fund Balances, Ending	<u>\$ 3,032,174</u>	<u>\$ 5,006,063</u>	<u>\$ 1,973,889</u>	<u>\$ 1,337,174</u>

CITY OF LA PORTE, TEXAS

Exhibit C-15

GENERAL FUND

SCHEDULE OF REVENUES – BUDGET AND ACTUAL

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Taxes:				
Ad valorem:				
Current	\$ 18,700,000	\$ 18,700,000	\$ 23,426,282	\$ 4,726,282
Delinquent	-	-	(308,933)	(308,933)
Penalty and interest	205,500	205,500	253,235	47,735
Total ad valorem	18,905,500	18,905,500	23,370,584	4,465,084
Industrial Payments	17,310,020	17,310,020	18,188,121	878,101
Sales Taxes	5,999,287	5,999,287	6,702,765	703,478
Other Taxes	90,000	90,000	98,137	8,137
Franchise Taxes:				
Electrical	2,275,895	2,275,895	2,362,068	86,173
Gas	135,000	135,000	151,769	16,769
Telephone	244,000	244,000	78,950	(165,050)
Cable	265,000	265,000	322,163	57,163
Commercial Solidwaste	85,000	85,000	81,824	(3,176)
Total Franchise Taxes	3,004,895	3,004,895	2,996,774	(8,121)
Charges for Services:				
Public safety service fees	603,414	603,414	630,627	27,213
Health and sanitation service fees	3,212,500	3,212,500	3,455,866	243,366
Culture and recreation fees	1,628,520	1,628,520	1,520,006	(108,514)
Other service fees	386,006	386,006	471,675	85,669
Total Charges for Services	5,830,440	5,830,440	6,078,174	247,734
Intergovernmental	-	-	77,868	77,868
Licenses and permits:				
Building permits	824,355	824,355	627,991	(196,364)
Licenses	17,156	17,156	22,411	5,255
Total Licenses and permits	841,511	841,511	650,402	(191,109)
Investment earnings	350,000	350,000	49,605	(300,395)
Fines and forfeitures	1,457,440	1,457,440	1,550,115	92,675
Miscellaneous	172,467	172,467	576,366	403,899
Total revenues	\$ 53,961,560	\$ 53,961,560	\$ 60,338,911	\$ 6,377,351

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 1 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
General Government				
Administration:				
Emergency Management:				
Personal services	\$ 259,122	\$ 259,122	\$ 274,488	\$ (15,366)
Supplies	25,452	19,301	16,324	2,977
Other services and charges	110,789	116,940	106,234	10,706
Total Emergency Management	395,363	395,363	397,046	(1,683)
General Administration:				
Personal services	\$ 481,167	\$ 481,167	\$ 500,994	(19,827)
Supplies	3,980	3,980	4,154	(174)
Other services and charges	90,081	136,293	53,049	83,244
Total General Administration	575,228	621,440	558,197	63,243
Community Investment:				
Personal services	\$ -	\$ -	\$ -	\$ -
Supplies	33,305	51,733	36,414	15,319
Other services and charges	90,900	90,900	58,823	32,077
Total Community Investment	124,205	142,633	95,237	47,396
Human Resources:				
Personal services	\$ 297,896	\$ 297,896	\$ 309,638	\$ (11,742.00)
Supplies	2,900	2,900	2,620	280
Other services and charges	223,049	223,049	160,930	62,119
Total Human Resources	523,845	523,845	473,188	50,657
Information Technology				
Personal services	\$ 679,719	\$ 679,719	\$ 684,184	\$ (4,465.00)
Supplies	2,868	2,868	2,006	862
Other services and charges	1,624,680	1,626,815	1,678,737	(51,922)
Capital Outlay	30,000	30,795	30,795	
Total Information Technology	2,337,267	2,340,197	2,395,722	(55,525)
Municipal Court:				
Personal services	\$ 874,599	\$ 874,599	\$ 871,343	\$ 3,256.00
Supplies and materials	26,700	26,700	19,465	7,235
Other services and charges	113,278	113,278	84,169	29,109
Total Municipal Court	1,014,577	1,014,577	974,977	39,600
Purchasing:				
Personal services	\$ 305,623	\$ 305,623	\$ 320,036	\$ (14,413.00)
Supplies	1,250	1,250	801	449
Other services and charges	10,848	10,848	6,909	3,939
Total Purchasing	317,721	317,721	327,746	(10,025)

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 2 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
General Government (continued)				
City Secretary:				
Personal services	\$ 392,920	\$ 389,972	\$ 411,057	\$ (21,085.00)
Supplies and materials	5,950	6,350	10,298	(3,948)
Other services and charges	212,511	215,059	145,576	69,483
Total City Secretary	611,381	611,381	566,931	44,450
Legal:				
Personal services	\$ 152,899	\$ 152,899	\$ 151,665	\$ 1,234.00
Supplies and materials	-	-	-	-
Other services and charges	24,500	24,500	33,830	(9,330)
Capital outlay	-	-	-	-
Total Legal	177,399	177,399	185,495	(8,096)
City Council:				
Personal services	\$ 38,754	\$ 38,754	\$ 39,185	\$ (431)
Supplies and materials	11,250	11,250	11,370	(120)
Other services and charges	29,978	29,978	16,409	13,569
Total City Council	79,982	79,982	66,964	13,018
Total Administration	6,156,968	6,224,538	6,041,503	183,035
Finance:				
Accounting:				
Personal services	\$ 817,836	\$ 817,067	\$ 769,877	\$ 47,190
Supplies	5,950	6,719	7,372	(653)
Other services and charges	99,259	99,259	113,104	(13,845)
Total Accounting	923,045	923,045	890,353	32,692
Nondepartmental:				
Personal services	\$ 660,379	\$ 660,379	\$ 1,329,516	\$ (669,137)
Supplies	6,000	6,000	7,239	(1,239)
Other services and charges	2,279,023	2,050,047	2,152,381	(102,334)
Total Nondepartmental	2,945,402	2,716,426	3,489,136	(772,710)
Tax Office:				
Personal services	\$ 165,771	\$ 165,771	\$ 156,285	\$ 9,486
Supplies and materials	3,575	3,575	1,512	2,063
Other services and charges	331,627	331,627	313,920	17,707
Total Tax Office	500,973	500,973	471,717	29,256
Total Finance	4,369,420	4,140,444	4,851,206	(710,762)

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 3 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
General Government (continued)				
Planning and Engineering:				
Planning and Engineering:				
Personal services	\$ 717,452	\$ 563,868	\$ 580,339	\$ (16,471)
Supplies	7,876	7,776	6,250	1,526
Other services and charges	89,501	245,696	138,473	107,223
Total Planning and Engineering	814,829	817,340	725,062	92,278
Inspection:				
Personal services	\$ 914,370	\$ 914,370	\$ 846,505	\$ 67,865
Supplies	28,909	28,159	29,935	(1,776)
Other services and charges	130,958	131,708	93,823	37,885
Total Inspection	1,074,237	1,074,237	970,263	103,974
Total Planning and Engineering	1,889,066	1,891,577	1,695,325	196,252
Total General Government	12,415,454	12,256,559	12,588,034	(331,475)
Public Safety				
Fire				
Fire Prevention:				
Personal services	\$ 487,836	\$ 487,836	\$ 499,288	\$ (11,452)
Supplies	12,804	12,804	26,414	(13,610)
Other services and charges	17,902	17,902	14,055	3,847
Capital Outlay	39,000	38,100	26,945	11,155
Total Fire Prevention	557,542	556,642	566,702	(10,060)
Fire suppression:				
Personal services	\$ 2,141,956	\$ 2,141,956	\$ 1,981,469	160,487
Supplies	94,481	94,481	135,465	\$ (40,984)
Other services and charges	333,743	333,743	275,291	58,452
Total Fire Suppression	2,570,180	2,570,180	2,392,225	177,955
Emergency medical services:				
Personal services	\$ 2,933,769	\$ 2,933,769	\$ 3,117,953	\$ (184,184)
Supplies	158,678	158,678	205,375	(46,697)
Other services and charges	161,448	161,448	138,364	23,084
Total Emergency Services	3,253,895	3,253,895	3,461,692	(207,797)
Total Fire	6,381,617	6,380,717	6,420,619	(39,902)

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 4 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Public Safety (continued)				
Police				
Police Administration:				
Personal services	\$ 805,585	\$ 805,585	\$ 832,664	\$ (27,079)
Supplies	18,589	18,589	13,689	4,900
Other services and charges	172,105	172,105	153,312	18,793
Total Police Administration	996,279	996,279	999,665	(3,386.00)
Police Patrol:				
Personal services	\$ 6,519,793	\$ 6,519,793	\$ 6,207,217	\$ 312,576
Supplies	245,900	305,240	311,147	(5,907)
Other services and charges	1,042,453	1,053,673	1,027,698	25,975
Capital Outlay	370,178	299,618	176,559	123,059
Total Police Patrol	8,178,324	8,178,324	7,722,621	455,703
Criminal Investigation:				
Personal services	\$ 2,242,039	\$ 2,242,039	\$ 2,273,569	\$ (31,530)
Supplies	49,334	53,459	47,003	6,456
Other services and charges	209,926	205,801	185,509	20,292
Capital Outlay	-	-	5,849	(5,849)
Total Criminal Investigation	2,501,299	2,501,299	2,511,930	(10,631)
Support Services:				
Personal services	\$ 2,942,475	\$ 2,942,475	\$ 2,989,210	\$ (46,735)
Supplies	89,643	89,643	77,755	11,888
Other services and charges	257,281	257,281	228,815	28,466
Capital Outlay	55,000	55,000	51,702	3,298
Total Support Services	3,344,399	3,344,399	3,347,482	(3,083)
Total Police	15,020,301	15,020,301	14,581,698	438,603
Total Public Safety	21,401,918	21,401,018	21,002,317	398,701
Public Works				
Public Works Administration:				
Personal services	\$ 577,485	\$ 577,485	\$ 554,154	\$ 23,331
Supplies and materials	12,481	12,481	10,204	2,277
Other services and charges	146,929	146,929	64,097	82,832
Total Public Works Administration	736,895	736,895	628,455	108,440

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 5 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Public Works (continued)				
Streets:				
Personal services	\$ 1,830,356	\$ 1,830,356	\$ 1,827,260	\$ 3,096
Supplies	134,684	146,184	120,986	25,198
Other services and charges	918,449	907,625	853,540	54,085
Capital Outlay	24,200	25,324	25,325	(1)
Total Streets	2,907,689	2,909,489	2,827,111	82,378
Facilities maintenance:				
Personal services	\$ 596,082	\$ 596,082	\$ 548,319	\$ 47,763
Supplies	45,384	45,884	41,223	4,661
Other services and charges	534,715	764,677	594,441	170,236
Capital Outlay	61,194	60,694	51,174	9,520
Total Streets	1,237,375	1,467,337	1,235,157	232,180
Total Public Works	4,881,959	5,113,721	4,690,723	422,998
Health and Sanitation				
Residential solidwaste:				
Personal services	\$ 1,535,429	\$ 1,535,429	\$ 1,592,912	\$ (57,483)
Supplies	300,314	300,314	294,466	5,848
Other services and charges	1,252,919	1,372,919	1,341,995	30,924
Total Residential Solidwaste	3,088,662	3,208,662	3,229,373	(20,711)
Commercial solidwaste:				
Other services and charges	17,500	17,500	17,660	(160)
Total Commercial Solidwaste	17,500	17,500	17,660	(160)
Total Health and Sanitation	3,106,162	3,226,162	3,247,033	(20,871)
Culture & Recreation				
Park Maintenance:				
Personal services	\$ 1,337,856	\$ 1,337,856	\$ 1,372,712	\$ (34,856)
Supplies and materials	204,963	204,963	209,157	(4,194)
Other services and charges	665,901	698,233	705,221	(6,988)
Capital outlay	255,555	223,223	160,092	63,131
Total Park Maintenance	2,464,275	2,464,275	2,447,182	17,093
Recreation:				
Personal services	\$ 834,015	\$ 834,015	\$ 674,974	\$ 159,041
Supplies	87,354	91,854	86,770	5,084
Other services and charges	95,560	91,060	59,528	31,532
Capital Outlay	-	-	-	-
Total Recreation	1,016,929	1,016,929	821,272	195,657

CITY OF LA PORTE, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

Exhibit C-16
Page 6 of 6

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Culture & Recreation (continued)				
Special Services:				
Personal services	\$ 425,307	\$ 425,307	\$ 400,135	\$ 25,172
Supplies	29,554	29,554	20,827	8,727
Other services and charges	63,752	63,752	60,680	3,072
Capital Outlay	-	-	-	-
Total Special Services	<u>518,613</u>	<u>518,613</u>	<u>481,642</u>	<u>36,971</u>
Parks Administration:				
Personal Services	\$ 538,972	\$ 538,972	\$ 495,292	\$ 43,680
Supplies	8,200	8,200	6,324	1,876
Other Services and Charges	23,908	26,865	18,682	8,183
Total Parks Administration	<u>571,080</u>	<u>574,037</u>	<u>520,298</u>	<u>53,739</u>
Golf Course - Club House				
Personal Services	\$ 478,391	\$ 478,391	\$ 446,161	\$ 32,230
Supplies	64,060	64,060	58,788	5,272
Other Services and Charges	59,774	59,774	56,395	3,379
Capital Outlay	-	-	-	-
Total Golf Course	<u>602,225</u>	<u>602,225</u>	<u>561,344</u>	<u>40,881</u>
Golf Course - Maintenance				
Personal Services	\$ 719,119	\$ 719,119	\$ 665,127	\$ 53,992
Supplies	153,600	153,600	124,578	29,022
Other Services and Charges	250,351	250,351	224,781	25,570
Capital Outlay	14,000	14,000	13,960	40
Total Golf Course	<u>1,137,070</u>	<u>1,137,070</u>	<u>1,028,446</u>	<u>108,624</u>
Total Culture & Recreation	<u>6,310,192</u>	<u>6,313,149</u>	<u>5,860,184</u>	<u>452,965</u>
Total General Fund	<u>\$ 48,115,685</u>	<u>\$ 48,310,609</u>	<u>\$ 47,388,291</u>	<u>\$ 922,318</u>

CITY OF LA PORTE, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2021

Exhibit C-17

	Vehicle Replacement Fund	Employee Health Insurance	Technology	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 7,119,549	\$ 4,304,321	\$ 2,248,847	\$ 13,672,717
Investments	578,703	329,764	172,290	1,080,757
Other receivables, net of allowance	360	3,996	113	4,469
Due from other governments	-	119,927	-	119,927
Inventories	54,458	-	-	54,458
Total Current Assets	7,753,070	4,758,008	2,421,250	14,932,328
Noncurrent Assets:				
Capital assets:				
Equipment	20,843,453	-	1,455,066	22,298,519
Less accumulated depreciation	(13,445,861)	-	(710,969)	(14,156,830)
Total Non-Current Assets	7,397,592	-	744,097	8,141,689
Total Assets	15,150,662	4,758,008	3,165,347	23,074,017
Liabilities				
Current liabilities:				
Accounts payable	41,900	30,605	-	72,505
Accrued liabilities	24,968	1,354	-	26,322
Claims and judgments	-	685,283	-	685,283
Total Current Liabilities	66,868	717,242	-	784,110
Noncurrent Liabilities:				
Accrued compensated absences	49,744	-	-	49,744
Total Noncurrent Liabilities	49,744	-	-	49,744
Total Liabilities	116,612	717,242	-	833,854
Net Position				
Invested in capital assets	7,397,592	-	744,097	8,141,689
Unrestricted	7,636,458	4,040,766	2,421,250	14,098,474
Total Net Position	\$ 15,034,050	\$ 4,040,766	\$ 3,165,347	\$ 22,240,163

CITY OF LA PORTE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2021

Exhibit C-18

	Vehicle Replacement Fund	Employee Health Insurance	Technology	Total
Operating Revenues				
Charges for Services	\$ 3,780,023	\$ 6,222,061	\$ 542,528	\$ 10,544,612
Other	8,512	64,991	-	73,503
Total Operating Revenues	3,788,535	6,287,052	542,528	10,618,115
Operating Expenses				
Personnel	860,780	230,575	-	1,091,355
Supplies and materials	654,831	7,827,269	82,847	8,564,947
Depreciation	1,624,491	-	152,820	1,777,311
Total Operating Expenses	3,140,102	8,057,844	235,667	11,433,613
Operating Income (Loss)	648,433	(1,770,792)	306,861	(815,498)
Non-Operating Revenues				
Investment Earnings	5,009	1,851	1,668	8,528
Gain/loss on disposal of capital assets	161,371	-	-	161,371
Total Non-Operating Revenues	166,380	1,851	1,668	169,899
Income (Loss) Before Contributions and Transfers	814,813	(1,768,941)	308,529	(645,599)
Contributions and Transfers				
Transfers from other funds	-	4,067,091	-	4,067,091
Transfers (to) other funds	(20,585)	-	-	(20,585)
Total Contributions and Transfers	(20,585)	4,067,091	-	4,046,506
Change in Net Position	794,228	2,298,150	308,529	3,400,907
Net Position, Beginning	14,239,822	1,742,616	2,856,818	18,839,256
Net Position, Ending	\$ 15,034,050	\$ 4,040,766	\$ 3,165,347	\$ 22,240,163

CITY OF LA PORTE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2021

Exhibit C-19

	Vehicle Replacement Fund	Employee Health Insurance	Technology	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 3,788,178	\$ 6,286,704	\$ 542,416	\$ 10,617,298
Disbursed for personnel services	(851,906)	(231,084)	-	(1,082,990)
Disbursed for goods and services to suppliers	(628,622)	(7,818,791)	(82,847)	(8,530,260)
Net Cash Provided (Used) by Operating Activities	2,307,650	(1,763,171)	459,569	1,004,048
Cash Flows From Noncapital Financing Activities				
Transfer from other funds	-	4,067,091	-	4,067,091
Transfers to other funds	(20,585)	-	-	(20,585)
Net Cash Provided (Used) by Noncapital Financial Activities	(20,585)	4,067,091	-	4,046,506
Cash Flows from Capital & Related Financing Activities				
Proceeds from the sale of equipment	161,371	-	-	161,371
Acquisition and construction of capital assets	(1,719,035)	-	(580,684)	(2,299,719)
Net Cash (Used) by Capital & Related Financing Activities	(1,557,664)	-	(580,684)	(2,138,348)
Cash Flows from Investing Activities				
Interest received	5,009	1,851	1,668	8,528
Purchase of Investments	(694,787)	(395,913)	(206,850)	(1,297,550)
Sale of investments	278,191	104,932	88,589	471,712
Net Cash Provided (Used) by Investing Activities	(411,587)	(289,130)	(116,593)	(817,310)
Net Increase (Decrease) in Cash and Cash Equivalents	317,814	2,014,790	(237,708)	2,094,896
Cash and Cash Equivalents, Beginning	6,801,735	2,289,531	2,486,555	11,577,821
Cash and Cash Equivalents, Ending	\$ 7,119,549	\$ 4,304,321	\$ 2,248,847	\$ 13,672,717
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 648,433	\$ (1,770,792)	\$ 306,861	\$ (815,498)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,624,491	-	152,820	1,777,311
(Increase) decrease in accounts receivable	(357)	(348)	(112)	(817)
(Increase) in inventories	(971)	-	-	(971)
Increase (decrease) in accounts payable	27,180	(36,467)	-	(9,287)
Increase (decrease) in accrued liabilities	4,742	(509)	-	4,233
Increase (decrease) in claims	-	44,945	-	44,945
Increase (decrease) in compensated absences	4,132	-	-	4,132
Net Cash Provided (Used) by Operating Activities	\$ 2,307,650	\$ (1,763,171)	\$ 459,569	\$ 1,004,048

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	133
Debt Capacity 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.	139
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	144
Operating Information 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.	146
Sources - Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.	

CITY OF LA PORTE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 1 of 2

	2012	2013	2014	2015	2016
Governmental Activities					
Investment in capital assets	\$ 46,813,655	\$ 49,304,074	\$ 54,506,024	\$ 43,582,704	\$ 48,367,017
Restricted	8,728,729	8,902,103	11,088,233	14,507,643	17,854,935
Unrestricted	21,621,240	22,529,801	18,634,881	21,693,064	23,690,222
Total Governmental Activities					
Net Position	<u>\$ 77,163,624</u>	<u>\$ 80,735,978</u>	<u>\$ 84,229,138</u>	<u>\$ 79,783,411</u>	<u>\$ 89,912,174</u>
Business-type Activities					
Investment in capital assets	\$ 37,566,663	\$ 36,347,233	\$ 35,872,947	\$ 34,807,773	\$ 34,291,664
Restricted	559,309	2,096,178	1,930,369	1,250,850	846,400
Unrestricted	3,790,669	2,300,991	2,669,258	4,110,877	5,344,130
Total Business-type Activities					
Net Position	<u>\$ 41,916,641</u>	<u>\$ 40,744,402</u>	<u>\$ 40,472,574</u>	<u>\$ 40,169,500</u>	<u>\$ 40,482,194</u>
Primary Government					
Net investment in capital assets	\$ 84,380,319	\$ 85,651,307	\$ 90,378,971	\$ 78,390,477	\$ 82,658,681
Restricted	9,288,038	10,998,281	13,018,602	15,758,493	18,701,335
Unrestricted	25,411,909	24,830,793	21,304,139	25,803,941	29,034,352
Total Primary Government					
Net Position	<u>\$ 119,080,266</u>	<u>\$ 121,480,381</u>	<u>\$ 124,701,712</u>	<u>\$ 119,952,911</u>	<u>\$ 130,394,368</u>

CITY OF LA PORTE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 2 of 2

	2017	2018	2019	2020	2021
Governmental Activities					
Investment in capital assets	\$ 44,468,918	\$ 43,421,145	\$ 53,011,914	\$ 52,403,864	\$ 55,776,266
Restricted	24,105,852	31,025,084	30,280,877	39,484,824	53,286,218
Unrestricted	26,907,445	1,505,194	9,893,735	16,224,220	16,944,578
Total Governmental Activities					
Net Position	<u>\$ 95,482,215</u>	<u>\$ 75,951,423</u>	<u>\$ 93,186,526</u>	<u>\$ 108,112,908</u>	<u>\$ 126,007,062</u>
Business-type Activities					
Investment in capital assets	\$ 33,782,624	\$ 32,199,968	\$ 31,735,493	\$ 32,582,335	\$ 32,079,057
Restricted	520,000	-	-	-	-
Unrestricted	7,661,080	8,011,016	8,371,707	6,709,781	7,694,516
Total Business-type Activities					
Net Position	<u>\$ 41,963,704</u>	<u>\$ 40,210,984</u>	<u>\$ 40,107,200</u>	<u>\$ 39,292,116</u>	<u>\$ 39,773,573</u>
Primary Government					
Net investment in capital assets	\$ 78,251,542	\$ 75,621,112	\$ 84,747,407	\$ 84,986,199	\$ 87,855,323
Restricted	24,625,852	31,025,083	30,280,877	39,484,824	53,286,218
Unrestricted	34,568,525	9,516,210	18,265,442	22,934,001	24,639,094
Total Primary Government					
Net Position	<u>\$ 137,445,919</u>	<u>\$ 116,162,405</u>	<u>\$ 133,293,726</u>	<u>\$ 147,405,024</u>	<u>\$ 165,780,635</u>

CITY OF LA PORTE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 4

	2012	2013	2014	2015	2016
Expenses					
Governmental Activities					
General government	\$ 14,091,176	\$ 13,854,988	\$ 14,115,210	\$ 12,962,387	\$ 14,255,413
Public safety	17,374,566	17,765,388	20,436,450	19,081,622	21,114,939
Public works	3,784,047	4,451,455	6,259,764	4,088,146	4,422,464
Health, welfare and sanitation	2,423,898	2,327,982	2,519,298	5,748,206	6,059,896
Culture and recreation	6,361,313	5,721,611	5,854,546	3,497,174	3,439,722
Interest on long-term debt	1,268,112	1,384,875	1,403,628	1,585,354	1,782,508
Total Governmental Activities Expenses	45,303,112	45,506,299	50,588,896	46,962,889	51,074,942
Business-type Activities					
Water services	7,691,088	8,207,204	7,731,776	5,064,287	4,985,902
Sewer services	2,932,057	2,598,649	2,802,013	4,347,309	4,374,763
Airport	182,700	210,323	229,603	230,006	210,590
Total Business-type Activities Expenses	10,805,845	11,016,176	10,763,392	9,641,602	9,571,255
Total Primary Government Expenses	\$ 56,108,957	\$ 56,522,475	\$ 61,352,288	\$ 56,604,491	\$ 60,646,197
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 843,898	\$ 645,517	\$ 825,532	\$ 3,981,230	\$ 3,035,577
Public safety	3,127,595	3,313,735	3,208,256	1,664,782	1,913,289
Public works	267,534	265,962	269,830	336,917	343,682
Health, welfare and sanitation	2,197,491	2,204,153	2,223,234	2,255,095	2,244,061
Culture and recreation	1,384,810	1,444,002	1,509,412	2,057,253	1,614,085
Operating grants and contributions:					
General government	239,654	2,841	2,982	-	-
Public safety	431,076	433,367	545,738	307,016	436,375
Public works	766,127	20,168	258,119	23,143	17,731
Health, welfare and sanitation					
Culture and recreation	78,348	393,035	1,207,958	1,205	756
Capital grants and contributions:					
General government	-	-	-	-	-
Public works	644	470	292	3,030,480	607,357
Total Governmental Activities Program Revenues	9,337,177	8,723,250	10,051,353	13,657,121	10,212,913
Business-type Activities					
Charges for services:					
Water services	6,054,683	5,693,598	5,406,545	4,308,578	4,795,719
Sewer services	3,600,979	3,420,370	3,422,627	3,587,825	3,652,071
Airport	28,340	56,246	56,157	59,181	62,849
Capital grants and contributions	858,431	1,398,291	1,125,777	787,285	534,168
Total Business-type Activities Program Revenues	10,542,433	10,568,505	10,011,106	8,742,869	9,044,807
Total Primary Government Program Revenues	\$ 19,879,610	\$ 19,291,755	\$ 20,062,459	\$ 22,399,990	\$ 19,257,720
Net (Expense)/Revenue					
Governmental activities	\$ (35,965,935)	\$ (36,783,049)	\$ (40,537,543)	\$ (33,305,768)	\$ (40,862,029)
Business-type activities	(263,412)	(447,671)	(752,286)	(898,733)	(526,448)
Total Primary Government Net Expense	\$ (36,229,347)	\$ (37,230,720)	\$ (41,289,829)	\$ (34,204,501)	\$ (41,388,477)

CITY OF LA PORTE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 2 of 4

	2017	2018	2019	2020	2021
Expenses					
Governmental Activities					
General government	\$ 15,735,976	\$ 15,832,003	\$ 15,519,147	\$ 16,563,557	\$ 16,681,031
Public safety	21,446,421	21,673,188	21,356,779	22,524,843	23,696,244
Public works	4,930,721	9,796,326	7,818,696	7,341,608	8,785,080
Health, welfare and sanitation	3,899,678	4,685,795	4,016,465	4,861,680	4,477,844
Culture and recreation	6,177,554	6,513,794	6,932,569	5,884,793	5,543,121
Interest on long-term debt	2,506,004	1,059,007	900,287	3,219,632	843,919
Total Governmental Activities Expenses	54,696,354	59,560,113	56,543,943	60,396,113	60,027,239
Business-type Activities					
Water services	6,269,356	8,788,113	7,985,233	8,675,713	9,054,693
Sewer services	4,267,901	1,926,133	1,769,830	2,847,640	1,952,186
Airport	210,324	133,093	157,008	213,024	255,898
Total Business-type Activities Expenses	10,747,581	10,847,339	9,912,071	11,736,377	11,262,777
Total Primary Government Expenses	\$ 65,443,935	\$ 70,407,452	\$ 66,456,014	\$ 72,132,490	\$ 71,290,016
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 2,538,477	\$ 3,397,779	\$ 4,067,810	\$ 3,061,645	\$ 2,513,535
Public safety	1,553,872	1,125,345	2,217,655	1,613,135	2,088,650
Public works	354,096	267,358	278,509	292,491	286,512
Health, welfare and sanitation	2,401,783	2,231,727	2,247,869	2,456,967	2,412,577
Culture and recreation	1,584,863	1,547,786	1,676,381	1,713,104	1,781,798
Operating grants and contributions:					
General government	-	-	-	-	-
Public safety	1,119,223	352,886	1,286,498	2,135,502	507,709
Public works	123,435	2,559	15,435	12,678	45,024
Health, welfare and sanitation					
Culture and recreation	751	650	1,443	1,184	1,108
Capital grants and contributions:					
General government	-	57,474	-	-	-
Public works	582,045	537,786	596,878	109,372	7,700
Total Governmental Activities Program Revenues	10,258,545	9,521,350	12,388,478	11,396,078	9,644,613
Business-type Activities					
Charges for services:					
Water services	5,982,350	8,726,710	8,389,773	8,724,320	8,700,852
Sewer services	3,551,728	1,320,816	1,109,495	1,256,463	2,071,408
Airport	60,651	61,879	58,971	46,874	63,732
Capital grants and contributions	126,359	126,359	262,977	-	125,590
Total Business-type Activities Program Revenues	9,721,088	10,235,764	9,821,216	10,027,657	10,961,582
Total Primary Government Program Revenues	\$ 19,979,633	\$ 19,757,114	\$ 22,209,694	\$ 21,423,735	\$ 20,606,195
Net (Expense)/Revenue					
Governmental activities	\$ (44,437,809)	\$ (50,038,763)	\$ (44,155,465)	\$ (49,000,035)	\$ (50,382,626)
Business-type activities	(1,026,493)	(611,575)	(90,855)	(1,708,720)	(301,195)
Total Primary Government Net Expense	\$ (45,464,302)	\$ (50,650,338)	\$ (44,246,320)	\$ (50,708,755)	\$ (50,683,821)

CITY OF LA PORTE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 3 of 4

	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	\$ 17,251,131	\$ 17,782,090	\$ 19,925,095	\$ 20,765,774	\$ 24,098,174
Industrial payments	10,471,444	11,107,848	11,554,949	12,269,152	14,377,602
Sales and use taxes	8,267,162	8,717,613	10,104,500	10,743,862	9,862,705
Franchise taxes	2,311,944	2,184,020	2,252,404	2,411,827	2,300,464
Investment earnings	142,951	84,170	106,024	204,346	380,268
Other revenues	167,922	432,405	458,770	164,004	766,683
Gain/(Loss) no sale of capital assets	1,939,699	-	-	-	-
Transfers	334,029	720,356	(371,039)	(1,504,570)	(795,104)
Total Governmental Activities	40,886,282	41,028,502	44,030,703	45,054,395	50,990,792
Business-type Activities					
Investment earnings	12,309	8,468	8,624	25,440	44,038
Other revenues	16,387	36,378	100,795	-	-
Miscellaneous	-	-	-	-	-
Transfers	(334,029)	(720,356)	371,039	1,504,570	795,104
Total Business-type Activities	(305,333)	(675,510)	480,458	1,530,010	839,142
Total Primary Government	\$ 40,580,949	\$ 40,352,992	\$ 44,511,161	\$ 46,584,405	\$ 51,829,934
Change in Net Position					
Governmental activities	\$ 4,920,347	\$ 4,245,453	\$ 3,493,160	\$ 11,748,627	\$ 10,128,763
Business-type activities	(568,745)	(1,123,180)	(271,828)	631,277	312,694
Total Primary Government	\$ 4,351,602	\$ 3,122,273	\$ 3,221,331	\$ 12,379,904	\$ 10,441,457

CITY OF LA PORTE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 4 of 4

	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	\$ 23,857,654	\$ 25,413,898	\$ 26,484,216	\$ 29,727,747	\$ 32,844,484
Industrial payments	14,270,899	14,147,728	14,899,624	16,439,510	18,188,121
Sales and use taxes	10,859,215	12,544,803	13,944,027	13,828,983	14,281,695
Franchise taxes	2,252,253	2,621,035	3,035,844	3,050,853	2,996,774
Investment earnings	563,868	1,228,759	2,414,593	1,158,855	89,291
Other revenues	601,136	251,508	251,400	487,092	649,354
Gain/(Loss) no sale of capital assets	-	-	-	-	-
Transfers	(2,397,175)	(1,922,963)	360,864	(766,623)	(772,939)
Total Governmental Activities	50,007,850	54,284,768	61,390,568	63,926,417	68,276,780
Business-type Activities					
Investment earnings	110,828	152,557	360,285	147,897	9,713
Other revenues	-	-	-	-	-
Miscellaneous	-	-	(12,350)	(20,884)	-
Transfers	2,397,175	1,922,963	(360,864)	766,623	772,939
Total Business-type Activities	2,508,003	2,075,520	(12,929)	893,636	782,652
Total Primary Government	\$ 52,515,853	\$ 56,360,288	\$ 61,377,639	\$ 64,820,053	\$ 69,059,432
Change in Net Position					
Governmental activities	\$ 5,570,041	\$ 4,246,005	\$ 17,235,103	\$ 14,926,382	\$ 17,894,154
Business-type activities	1,481,510	1,463,945	(103,784)	(815,084)	481,457
Total Primary Government	\$ 7,051,551	\$ 5,709,950	\$ 17,131,319	\$ 14,111,298	\$ 18,375,611

CITY OF LA PORTE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3
Page 1 of 2

	2012	2013	2014	2015	2016
General Fund					
Nondisposable	\$ 94,401	\$ 125,190	\$ 102,775	\$ 88,954	\$ 89,165
Committed	-	3,500,000	8,500,000	7,000,000	6,000,000
Assigned	30,003	103,690	78,182	257,147	4,439,879
Unassigned	23,840,153	23,856,087	21,294,383	25,216,547	29,385,827
Total General Fund	\$ 23,964,557	\$ 27,584,967	\$ 29,975,340	\$ 32,562,648	\$ 39,914,871
All Other Governmental Funds					
Restricted	\$ 12,572,942	\$ 12,193,956	\$ 14,177,078	\$ 24,421,383	\$ 24,860,811
Committed	6,553,417	5,585,628	2,961,849	1,916,608	2,977,676
Unassigned	(30,832)	-	(790)	-	-
Total All Other Governmental Funds	\$ 19,095,527	\$ 17,779,584	\$ 17,138,137	\$ 26,337,991	\$ 27,838,487

CITY OF LA PORTE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3
Page 2 of 2

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nondisposable	\$ 102,058	\$ 122,784	\$ 163,083	\$ 158,899	\$ 166,001
Committed	2,000,000	-	-	-	-
Assigned	297,359	420,854	134,391	365,294	240,255
Unassigned	40,500,147	46,763,435	57,312,783	63,999,734	64,406,346
Total General Fund	<u>\$ 42,899,564</u>	<u>\$ 47,307,073</u>	<u>\$ 57,610,257</u>	<u>\$ 64,523,927</u>	<u>\$ 64,812,602</u>
All Other Governmental Funds					
Restricted	\$ 34,573,658	\$ 41,275,328	\$ 44,362,333	\$ 53,408,210	\$ 80,055,702
Committed	4,555,870	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 39,129,528</u>	<u>\$ 41,275,328</u>	<u>\$ 44,362,333</u>	<u>\$ 53,408,210</u>	<u>\$ 80,055,702</u>

CITY OF LA PORTE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
Page 1 of 2

	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 38,352,720	\$ 39,834,904	\$ 43,837,240	\$ 46,155,069	\$ 50,376,219
Licenses and permits	465,052	368,130	497,756	1,346,552	596,451
Fines and forfeitures	1,758,101	1,886,763	1,790,849	1,953,698	1,996,073
Charges for services	5,957,389	6,008,845	6,305,127	6,994,772	6,555,228
Intergovernmental	1,239,434	568,052	1,572,360	3,195,238	1,024,097
Interest	128,939	76,027	96,409	184,029	349,551
Miscellaneous	36,354	425,845	261,204	398,872	728,390
Total Revenues	47,937,989	49,168,566	54,360,945	60,228,230	61,626,009
Expenditures					
General government	10,461,877	11,043,438	13,828,179	11,953,166	11,706,047
Public safety	15,751,731	16,321,608	17,428,040	17,698,818	18,323,687
Public works	3,438,629	3,247,404	3,432,583	2,916,113	3,028,953
Health and sanitation	2,225,768	2,244,341	2,334,184	2,457,565	2,644,295
Culture and recreation	5,260,591	5,226,886	5,440,724	5,727,700	5,848,613
Debt service:					
Principal	2,170,000	2,365,000	2,640,000	4,625,582	4,281,085
Interest	1,519,769	1,385,204	1,217,883	1,589,644	1,451,075
Bond issuance cost	150,897	-	153,884	-	-
Capital outlay	8,583,249	5,499,508	5,446,287	6,331,893	4,439,319
Total Expenditures	49,562,511	47,333,389	51,921,764	53,300,481	51,723,074
(Deficiency) of Revenues					
(Under) Expenditures	(1,624,522)	1,835,177	2,439,181	6,927,749	9,902,935
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	-	-	-
Refunding bonds issued	-	9,435,000	-	9,300,000	-
Certificate obligation bonds issued	-	-	-	-	7,770,000
Premium on refunding bonds issued	-	364,013	-	608,166	-
Premium on certificate obligations	-	-	-	-	365,502
Payment to refunding bond escrow agent	-	(9,638,626)	-	(9,749,587)	-
Transfers in	4,248,140	2,710,677	3,883,920	3,911,990	3,069,474
Transfers out	(5,011,924)	(2,643,894)	(3,629,974)	(4,761,324)	(6,556,417)
Sale of capital assets	6,822,126	1,941,346	215,342	500	-
Insurance recoveries	-	-	-	-	210,854
Total Other Financing Sources (Uses)	6,058,342	2,168,516	469,288	(690,255)	4,859,413
Net Change in Fund Balances	\$ 4,433,820	\$ 4,003,693	\$ 2,908,469	\$ 6,237,494	\$ 14,762,348
Debt service as a percentage of noncapital expenditures	9.0%	9.0%	8.3%	13.2%	12.1%

CITY OF LA PORTE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
Page 2 of 2

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 51,574,722	\$ 54,591,769	\$ 58,567,086	\$ 62,839,456	\$ 68,489,849
Licenses and permits	535,741	668,808	1,344,447	891,332	650,402
Fines and forfeitures	1,965,249	2,092,419	3,269,711	1,731,674	1,737,598
Charges for services	6,069,248	5,953,581	6,062,901	6,555,859	6,364,686
Intergovernmental	1,077,893	893,006	1,129,654	2,235,492	543,195
Interest	531,369	1,157,443	2,215,142	1,074,740	80,763
Miscellaneous	517,828	298,792	451,362	673,717	880,640
Total Revenues	62,272,050	65,655,818	73,040,303	76,002,270	78,747,133
Expenditures					
General government	13,301,718	14,486,950	11,641,780	12,614,437	14,149,508
Public safety	18,873,276	18,377,804	19,892,523	20,675,006	22,627,638
Public works	4,161,399	4,429,378	5,012,265	5,748,489	4,893,735
Health and sanitation	2,730,308	2,871,114	2,977,561	3,145,383	3,264,033
Culture and recreation	5,998,452	6,332,061	7,220,144	6,714,468	5,900,980
Debt service:					
Principal	4,178,629	3,370,000	6,744,168	5,698,487	3,947,636
Interest	1,385,122	1,156,923	1,180,817	970,079	812,251
Bond issuance cost	-	-	-	-	164,693
Capital outlay	3,840,207	3,428,834	2,895,238	2,248,502	4,895,740
Total Expenditures	54,469,111	54,453,064	57,564,496	57,814,851	60,656,214
(Deficiency) of Revenues					
(Under) Expenditures	7,802,939	11,202,754	15,475,807	18,187,419	18,090,919
Other Financing Sources (Uses)					
General obligation bonds issued	-	10,635,000	-	-	-
Refunding bonds issued	3,165,000	-	-	2,705,000	-
Certificate obligation bonds issued	-	-	-	-	11,545,000
Premium on refunding bonds issued	403,795	-	-	352,246	-
Premium on certificate obligations	-	-	-	-	2,119,693
Payment to refunding bond escrow agent	(3,490,716)	-	-	(2,982,662)	-
Transfers in	2,851,124	3,684,995	5,166,476	8,107,090	8,924,500
Transfers out	(3,979,419)	(7,849,825)	(7,252,094)	(10,474,693)	(13,743,945)
Sale of capital assets	-	2,625	-	65,147	-
Insurance recoveries	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,050,216)	6,472,795	(2,085,618)	(2,227,872)	8,845,248
Net Change in Fund Balances	\$ 6,752,723	\$ 17,675,549	\$ 13,390,189	\$ 15,959,547	\$ 26,936,167
Debt service as a percentage of noncapital expenditures	10.8%	8.6%	14.9%	12.4%	8.5%



CITY OF LA PORTE, TEXAS
ASSESSED VALUE AND ESTIMATED VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 5

Fiscal Year Ended June 30	Real Property	Personal Property	Less Other Exemptions & Abatements	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percent of Actual Taxable Value
2012	\$ 2,079,843,021	\$ 720,515,678	\$ 535,441,621	\$ 2,264,917,078	0.71000	\$ 2,264,917,078	100%
2013	2,080,199,179	797,558,553	536,721,284	2,341,036,448	0.71000	2,341,036,448	100%
2014	2,176,582,621	986,494,475	590,232,231	2,572,844,865	0.71000	2,572,844,865	100%
2015	2,626,580,963	745,093,978	617,133,762	2,754,541,179	0.71000	2,754,541,179	100%
2016	2,692,041,032	978,850,207	629,133,265	3,041,757,974	0.71000	3,041,757,974	100%
2017	3,025,879,671	880,297,401	751,959,455	3,154,217,617	0.71000	3,154,217,617	100%
2018	3,270,392,733	830,253,210	814,706,643	3,285,939,300	0.71000	3,285,939,300	100%
2019	3,376,299,841	824,946,153	800,377,875	3,400,868,119	0.71000	3,400,868,119	100%
2020	3,734,338,555	986,876,974	885,861,578	3,835,353,951	0.71000	3,835,353,951	100%
2021	3,969,107,638	1,017,329,766	904,079,436	4,082,357,968	0.71000	4,082,357,968	100%

Source - Harris County Certified Tax Rolls and Corrections.

CITY OF LA PORTE, TEXAS
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 6
Page 1 of 2

	2012	2013	2014	2015	2016
City of La Porte by fund:					
General	0.60500	0.60500	0.64000	0.61400	0.60500
Debt service	0.10500	0.10500	0.07000	0.09600	0.10500
Total Direct Rates	0.71000	0.71000	0.71000	0.71000	0.71000
Harris County Flood Control District	0.02809	0.02827	0.02736	0.02733	0.02829
Harris County	0.40021	0.41455	0.41731	0.41923	0.41656
Port of Houston Authority	0.01952	0.01716	0.01531	0.01342	0.01334
Harris County Board of Education	0.00662	0.00636	0.00600	0.00540	0.00520
Hospital District	0.18216	0.17000	0.17000	0.17000	0.17179
La Porte ISD	1.33000	1.33000	1.33000	1.45000	1.42000
San Jacinto Jr. College District	0.18560	0.18560	0.18560	0.17578	0.18238
Total Direct and Overlapping Rates	2.86220	2.86194	2.86158	2.97116	2.94756

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

CITY OF LA PORTE, TEXAS
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 6
Page 2 of 2

	2017	2018	2019	2020	2021
City of La Porte by fund:					
General	0.60500	0.60500	0.60500	0.60500	0.60500
Debt service	0.10500	0.10500	0.10500	0.10500	0.10500
Total Direct Rates	0.71000	0.71000	0.71000	0.71000	0.71000
Harris County Flood Control District	0.02831	0.02878	0.02792	0.03142	0.03349
Harris County	0.41801	0.41858	0.40713	0.39116	0.37693
Port of Houston Authority	0.01256	0.01155	0.01074	0.00991	0.00872
Harris County Board of Education	0.00520	0.00519	0.00500	0.00499	0.00499
Hospital District	0.17110	0.17108	0.16591	0.16671	0.16221
La Porte ISD	1.38000	1.38000	1.28000	1.26970	1.25650
San Jacinto Jr. College District	0.18334	0.17933	0.17817	0.16936	0.16797
Total Direct and Overlapping Rates	2.90852	2.90451	2.78487	2.75325	2.72081

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

CITY OF LA PORTE, TEXAS
PRINCIPAL TAXPAYERS
Current and Nine Years Ago

Table 7

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
2021						
Liberty Property	\$ 208,276,457	1	5.10%			
Sreit Underwood Industrial Park LLC	182,973,702	2	4.48%			
MRC Global (USA) Inc	90,960,188	3	2.23%			
Dow Chemical	59,817,527	4	1.47%			
Equistar Chemicals LP	48,153,383	5	1.18%			
Oxy Vinyls LP	40,697,859	6	1.00%			
INEOS USA LLC	39,250,780	7	0.96%			
Centerpoint Energy Inc	34,134,912	8	0.84%			
Domain at Morgans Landing LP	29,585,226	9	0.72%			
Noltex LLC	28,441,852	10	0.70%			
2012						
Concoco Phillips Co.				\$ 54,419,668	1	2.40%
Wilson Supply				51,015,545	2	2.25%
Oxy Vinyls LP				50,833,309	3	2.24%
Granite Underwood Dist Ctr LP				46,538,059	4	2.05%
Equistar Chemicals LP				45,773,036	5	2.02%
Ineos USA LLC				37,999,780	6	1.68%
Underwood Distribution Ctr.				31,439,659	7	1.39%
Port Crossing Land LP				22,252,057	8	0.98%
Dow Chemical				22,134,869	9	0.98%
Total Petrochemicals				21,932,946	10	0.97%
Subtotal	762,291,886		18.67%	384,338,928		16.97%
Other Taxpayers	3,320,066,082		81.33%	1,880,578,150		83.03%
Total	\$ 4,082,357,968		100.00%	\$ 2,264,917,078		100.00%

CITY OF LA PORTE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 8

Fiscal Year Ended September 30	Taxes levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2012	\$ 16,080,911	\$ 15,860,664	98.6%	\$ 226,294	\$ 16,086,958	100.0%
2013	16,621,361	16,518,207	99.4%	172,981	16,691,188	100.4%
2014	18,267,201	18,090,456	99.0%	238,519	18,328,975	100.3%
2015	19,514,402	19,304,486	98.9%	56,361	19,360,847	99.2%
2016	21,596,463	21,299,848	98.6%	207,355	21,507,203	99.6%
2017	22,269,063	22,109,029	99.3%	(66,065)	22,042,964	99.0%
2018	23,125,072	22,798,488	98.6%	(65,695)	22,732,793	98.3%
2019	23,814,367	23,722,012	99.6%	(95,358)	23,626,654	99.2%
2020	26,752,700	26,452,708	98.9%	(61,396)	26,391,312	98.6%
2021	28,375,540	28,254,323	99.6%	-	28,254,323	99.6%

* Shows a negative amount due to the refund of taxes.

CITY OF LA PORTE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Table 9

Fiscal Year Ended September 30	Governmental Activities			Business-type Activities		Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds*	Certificates of Obligation*	Limited Tax Bonds	Revenue Bonds	Other* Obligations			
2012	\$ 17,050	\$ 20,150	\$ 1,620	\$ -	\$ 3,945	\$ 42,765	0.005%	\$ 1,212
2013	16,875	18,905	1,350	-	3,117	40,247	0.004%	1,165
2014	23,726	10,845	540	-	2,208	37,319	0.004%	1,072
2015	21,220	17,230	-	-	930	39,380	0.004%	891
2016	22,815	12,335	-	-	320	35,470	0.003%	991
2017	21,090	11,210	-	-	-	32,300	0.003%	1,086
2018	18,895	20,670	-	-	-	39,565	0.004%	1,119
2019	17,179	19,719	-	-	-	36,898	0.003%	1,011
2020	17,602	15,423	-	-	-	33,025	0.003%	1,011
2021	14,754	28,135	-	-	-	42,889	0.004%	1,265

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

See Demographic and Economic Statistics for personal income and population data.

* Includes premium on bonds.

CITY OF LA PORTE, TEXAS

RATIOS OF NET GENERAL BONDED DEBT TO TAXABLE VALUE

GENERAL BONDED DEBT PER CAPITA, AND TAXABLE VALUE OF ALL PROPERTY

Last Ten Fiscal Years

Table 10

Fiscal Year Ended September 30	Tax Year	General Obligation Bonds	Certificates of Obligation	Less Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Percentage of Personal Income (2)	Per Capita (2)
2012	2011	\$ 17,050	\$ 20,150	\$ 3,091	\$ 34,109	1.5%	0.004%	\$ 967
2013	2012	16,875	18,905	2,490	33,290	1.4%	0.004%	963
2014	2013	23,726	10,845	2,769	31,802	1.2%	0.003%	914
2015	2014	21,220	17,230	3,161	35,289	1.3%	0.004%	1,006
2016	2015	22,815	12,335	3,541	31,609	1.0%	0.003%	899
2017	2016	21,090	11,210	3,883	28,417	0.9%	0.003%	810
2018	2017	18,895	20,670	4,398	35,167	1.1%	0.003%	994
2019	2018	17,179	19,719	4,492	32,406	1.0%	0.003%	915
2020	2019	17,602	15,423	5,014	28,011	0.7%	0.003%	801
2021	2020	14,754	28,135	5,027	37,862	0.9%	0.003%	1,078

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

(2) Population data can be found in the demographic and economic statistics table.

CITY OF LA PORTE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2021

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Harris County	\$ 1,723,192,125	0.71%	\$ 12,234,664
Harris County Department of Education	20,185,000	0.71%	143,314
Harris County Flood Control District	590,725,000	0.71%	4,194,148
Harris County Toll Road	-	0.71%	-
Harris County Hospital District	81,540,000	0.71%	578,934
La Porte I. S. D.	315,810,000	41.45%	130,903,245
Porte of Houston Authority	492,439,397	0.71%	3,496,320
San Jacinto Jr. College District	<u>529,434,594</u>	6.27%	33,195,549
Total Net Overlapping Debt	<u>\$ 3,753,326,116</u>		184,746,173
City of La Porte Direct Debt*	\$ 42,889,538		<u>42,889,538</u>
Total Direct and Overlapping Debt			<u>\$ 227,635,711</u>

*Approximately \$19,668,027 of the city's outstanding debt is self supporting.

Source: Texas Municipal Reports

Percentage are based on total property values.

Source: Texas Municipal Reports

CITY OF LA PORTE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 12

Fiscal Year Ended September 30	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2012	35,280	\$ 878,708,768	\$ 25,952	34	7,739	6.3%
2013	34,553	917,811,538	26,894	36	7,729	6.3%
2014	34,813	937,182,978	27,186	36	7,634	5.0%
2015	35,074	1,001,483,958	28,823	37	7,648	4.6%
2016	35,148	1,052,095,094	30,127	37	7,753	5.8%
2017	35,086	1,052,095,094	30,127	37	7,713	5.8%
2018	35,371	1,052,095,094	30,127	37	7,575	4.6%
2019	35,423	1,098,608,922	31,014	38	7,340	4.1%
2020	34,976	1,103,667,680	31,555	38	7,199	10.6%
2021	35,124	1,156,563,072	32,928	38	6,980	6.4%

N/A - information not available.

Data sources:

- (1) Estimated population provided by US Census Bureau.
- (2) Personal income and per capita personal income is currently unavailable.
- (3) Median age data prior to 2010 is not available, median age provided by 2010 Census.
- (4) School enrollment provided by La Porte Independent School District
- (5) Unemployment rates provided from the bureau of Labor Statistics



CITY OF LA PORTE, TEXAS**PRINCIPAL EMPLOYERS****Current and Nine Years Ago****Table 13**

2021			2012		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
La Porte ISD	1,069	5.87%	Total Petrochemicals USA, Inc.	1,500	4.74%
Dupont Chemical	545	2.99%	La Porte Independent School Dis	1075	3.39%
Force Corporation	453	2.49%	International Plant Services LLC	1000	3.16%
J V Piping	440	2.41%	Rockwood Service Corporation	700	2.21%
Total Petrochemicals & Rfining	409	2.24%	Longview Inspection, Inc.	664	2.10%
City of La Porte	398	2.18%	JP&D Digital Satellite Systems, In	600	1.89%
Ineos Olefins & Polymers USA	385	2.11%	E. I. Du Pont De Menours and Co	500	1.58%
Brand Safway	382	2.10%	Katoen Natie USA, Inc.	500	1.58%
Katoen Natie Houston USA	350	1.92%	Sulzer Turbo Systems Intl	400	1.26%
CCC Group Inc	300	1.65%	City of La Porte	388	1.23%
Total	4,731	25.96%	Total	7,327	23.14%

Source: CenterPoint Energy

Note: This list includes companies within the City limits of La Porte and within the industrial districts.

CITY OF LA PORTE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Table 14
Page 1 of 2

Function	Full-time Equivalent Employees as of September 30				
	2012	2013	2014	2015	2016
General government	90	88	88	89	89
Public safety	151	152	154	154	154
Public works	32	30	30	30	30
Health and sanitation	24	23	23	23	22
Culture and recreation	46	42	42	42	44
Water services	25	25	24	25	25
Sewer services	20	20	20	20	20
Total	388	380	381	383	384

Source: City of La Porte Human Resource Department

CITY OF LA PORTE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Table 14
Page 2 of 2

Function	Full-time Equivalent Employees as of September 30				
	2017	2018	2019	2020	2021
General government	89	90	89	90	92
Public safety	154	155	155	156	161
Public works	33	35	35	34	41
Health and sanitation	23	23	23	23	23
Culture and recreation	42	42	42	42	36
Water services	25	25	25	25	25
Sewer services	20	20	20	20	20
Total	386	390	389	390	398

Source: City of La Porte Human Resource Department

CITY OF LA PORTE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 15
Page 1 of 2

Function	2012	2013	2014	2015	2016
Police					
Physical arrests	2,311	2,205	2,032	2,152	2,399
Tickets processed	13,221	13,861	14,151	14,316	13,231
Fire					
Number of calls answered	1,195	1,219	1,262	1,378	1,356
Inspections	812	950	1,020	383	1,025
Highways and streets					
Street resurfacing (linear feet)	69,580	13,520	11,183	11,172	22,172
Potholes repaired	1,173	271	165	342	236
Sanitation					
Cubic yards of garbage collected	42,589	30,625	54,812	50,945	26,458
Cubic yards of trash collected	54,641	32,137	40,701	31,518	40,569
Culture and recreation					
Fitness center admissions	64,279	64,587	90,765	67,794	102,778
Water					
Number of water meters	12,129	12,234	12,321	12,431	12,523
Average daily consumption	4.3	4	3.8	3.9	3.8
(millions of gallons)	311	379	411	200	217
Water main breaks					
Wastewater					
Average daily sewage treatment	3.3	2.7	2.6	3.8	3.8
(thousands of gallons)					
Golf Course					
Number of paid rounds played	34,038	32,257	32,741	29,965	26,794

Source - Various City departments.

CITY OF LA PORTE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 15
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Function	2017	2018	2019	2020	2021
Police					
Physical arrests	1,826	1,968	2,097	1,397	1,364
Tickets processed	11,900	15,605	16,695	10,412	11,685
Fire					
Number of calls answered	1,532	1,536	1,636	1,546	2,024
Inspections	852	550	1,102	850	1,226
Highways and streets					
Street resurfacing (linear feet)	18,602	13,015	20,332	9,700	14,050
Potholes repaired	118	231	134	134	135
Sanitation					
Cubic yards of garbage collected	48,716	56,406	55,924	58,253	55,330
Cubic yards of trash collected	44,733	36,174	37,611	45,462	53,187
Culture and recreation					
Fitness center admissions	96,011	90,583	87,804	53,030	58,778
Water					
Number of water meters	12,591	12,682	12,870	12,729	14,000
Average daily consumption (millions of gallons)	3.7 199	3.8 220	3.564 173	4.1 77	3.7 74
Water main breaks					
Wastewater					
Average daily sewage treatment (thousands of gallons)	3.5	3.9	4.398	4.5	3.6
Golf Course					
Number of paid rounds played	26,840	26,006	25,075	33,918	37,065

Source - Various City departments.

CITY OF LA PORTE, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 16
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Function	2012	2013	2014	2015
Public safety				
Police station	1	1	1	1
Police officers	75	74	74	74
Reserve officers	2	2	6	2
Fire stations	4	4	4	4
Sanitation				
Collection trucks	14	12	12	12
Highways and streets				
Streets (miles)	126	125	297	297
Streetlights	2,415	2,415	2,415	2,415
Traffic signals	5	6	6	6
Culture and recreation				
Parks acreage	356	188	188	188
Parks acreage	21	22	22	22
Swimming pools	5	5	5	5
Recreation centers	4	3	3	2
Senior center	1	1	1	1
Water and sewer				
Water mains (miles)	181	182	183	184
Fire hydrants	1,186	1,199	1,226	1,256
Sanitary sewers (miles)	192	192	192	192
Storm sewers (miles)	97	60	112	112

Source - Various City departments.

CITY OF LA PORTE, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 16
Page 2 of 2

Function	2017	2018	2019	2020	2021
Public safety					
Police station	1	1	1	1	1
Police officers	75	78	79	79	82
Reserve officers	3	2	4	1	1
Fire stations	4	4	4	4	4
Sanitation					
Collection trucks	17	16	16	14	14
Highways and streets					
Streets (miles)	273	273	273	274	279
Streetlights	2,415	2,415	2,905	2,884	3,004
Traffic signals	7	7	7	7	7
Culture and recreation					
Parks acreage	188	188	188	188	207
Parks acreage	22	22	22	23	24
Swimming pools	5	5	5	5	5
Recreation centers	2	2	2	2	2
Senior center	1	1	1	1	1
Water and sewer					
Water mains (miles)	187	187	189	192	200
Fire hydrants	1,276	1,291	1,314	1,349	1,416
Sanitary sewers (miles)	194	194	194	195	199
Storm sewers (miles)	115	116	116	118	120

Source - Various City departments.

