

City of Tomball, Texas



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020



City of Tomball, Texas

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2020

Issued by:
Finance Department

David Esquivel
City Manager

Glenn Windsor, CPA, CGFO
Finance Director

Christine Brookshire, CGFO
Senior Accountant

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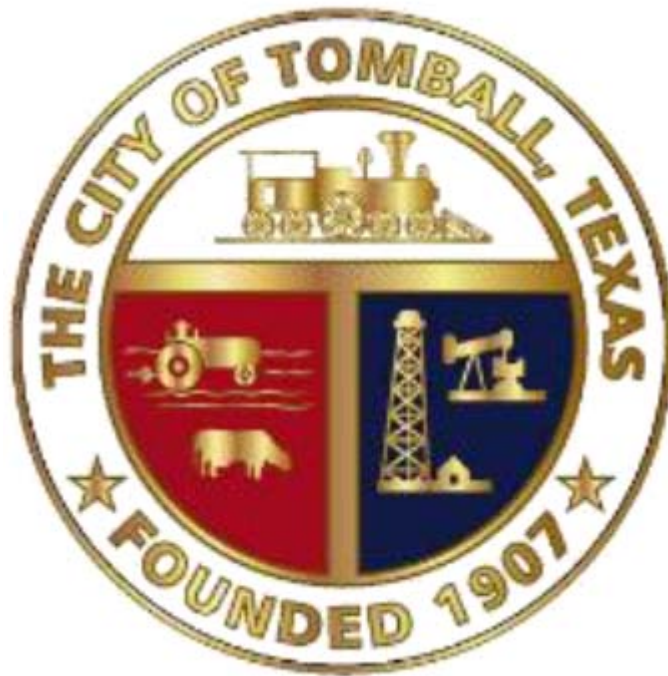
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Introductory Section





City of Tomball

*Gretchen Fagan
Mayor*

*David Esquivel
City Manager*

August xx, 2021

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

It is with great pleasure that we present to you a copy of the Annual Financial Report of the City of Tomball, Texas (the City) for the fiscal year ended September 30, 2020. The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the results of operations of the various funds of the City, as well as the fund balances. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials, elected and appointed. The Financial Section includes Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements and Schedules, as well as the independent auditors' report. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

Profile of the Government

The City, incorporated on July 18, 1933, is located northwest of Houston, Texas, in a rapidly growing area of Harris County. The City currently occupies a land area of 12.34 square miles and serves an estimated population of 11,643. The City of Tomball is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the governing council.

The City has operated under the Council-manager form of government since 1980. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and five Council members. The Council is elected on a non-partisan basis. Council members serve three-year terms, with two Council members elected every year. The mayor is elected to serve a three-year term. The Mayor and Council are elected at large. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events. Solid waste services are provided through a contract with Waste Corporation of America.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Finance Director. These requests serve as a starting point for developing a proposed budget. The Finance Director provides the information to the City Manager who then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Department heads may make requests to the City Manager for transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Page 93 as part of required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on Page 108.

Factors Affecting Financial Condition

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

Local Economy

The City is located approximately 32 miles northwest of Houston and is primarily surrounded by various taxing districts, making it one of the only incorporated areas in this portion of Harris County. As a result, the City has evolved into the area's principal commercial center. Assessed values for Fiscal 2020 reflect an increase of 4.48% percent to \$2.14 billion. This property value increase is the result of continued development within the City including both residential and commercial. The City is experiencing major residential growth with over 2,000 homes under development at year-end. Additionally, four Public Improvement Districts for residential development were added during the year.

During the pandemic, sales tax revenues were only down just under 1% from 2019. The City had anticipated this revenue source remaining level when the budget was adopted. At this writing, for fiscal year 2021, sales taxes revenues have recovered and are up 8.55% over last year.

The region (which covers an area within a five-mile radius from the center of the City) has an employed labor force of approximately 26,000. The largest groups of employers are in service and retail trade.

Long-term Financial Planning

The City issued \$20,240,000 Certificates of Obligation in 2016 for the construction of Medical Complex Drive, Section 4B and the extension of Persimmon Street. The design and construction of these projects was in progress and nearing completion at year-end.

Additionally, infrastructure projects for water, sewer, drainage, and natural gas distribution continue to be funded through the budget process. All capital projects and major infrastructure needs are reviewed periodically during the year to assess both the progress of construction and the actual versus projected costs.

Major Initiatives

The largest revenue source in the General Fund is sales tax. The City has experienced significant commercial and retail growth over the last several years. The City continued a conservative approach in budgeting sales tax revenues. For fiscal year 2020, sales tax revenues were projected at \$12,000,000. Because of the pandemic, the budget projection was lowered for FY21, but as previously stated, this major revenue source is up over 8%.

The City made application to the Harris Galveston Area Council in 2015 for a grant to fund major improvements along FM 2920 (Main Street) from the downtown area to State Highway 249. At that time, the City Council approved local funding in the amount of \$3,000,000 to assist in expediting the project. At this time, there is not a definite time set by the county for the beginning of construction on this project.

The Capital Project Fund includes major funding for park improvements, streets, sidewalks, and infrastructure for fiscal year 2021.

Financial Information

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the controls should not exceed the benefits likely to be derived and (2) the valuation of cost and benefits requires estimates and judgments to be made by management.

Budgeting Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Debt Service Fund, Special Revenue Funds, Utility Fund, and Internal Service Funds are included in the annual operating budget. The TEDC, a component unit of the City, is budgeted separately. A capital improvement plan is approved each year by the City Council and funded through a separate capital projects fund. The level of budgetary control (*i.e.*, the level at which expenditures cannot legally exceed the appropriated amount) is established at the Department level within an individual fund. The City maintains an encumbrance accounting system as a means of accomplishing budgetary controls and a technique of budgetary "lock out" which will prevent a transaction from exceeding legally appropriated budgetary amounts. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Debt Administration

The City may issue General Obligation bonds that are approved by voters in a capital improvements plan. Certificates of Obligation can be used for major construction projects and for the financing of vehicles and equipment.

When available, sales tax revenue in excess of budgeted projections can be dedicated to one-time capital purchases.

Independent Audit

The City Charter requires an independent audit of the accounts of the City by an independent auditor. The firm of Weaver and Tidwell, LLP, Certified Public Accountants, has issued unmodified (clean) opinions on the City of Tomball's financial statements for the year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

Awards

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 30th consecutive year that the City has received this award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized Annual Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only. Our current Annual Financial Report continues to meet the Certificate of Achievement requirements, and will be submitted to GFOA to determine its eligibility for another certificate.

The City also received the Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2020. This is the twelfth consecutive year that the City has received this award from the GFOA. The award is made to those cities whose budget presentations meet very stringent presentation guidelines. The budget document must be of the very highest quality that reflects both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting.

Acknowledgements

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

Respectfully submitted,

Glenn Windsor, CPA, CFE, CGFO
Finance Director

City of Tomball, Texas
Principal Officials

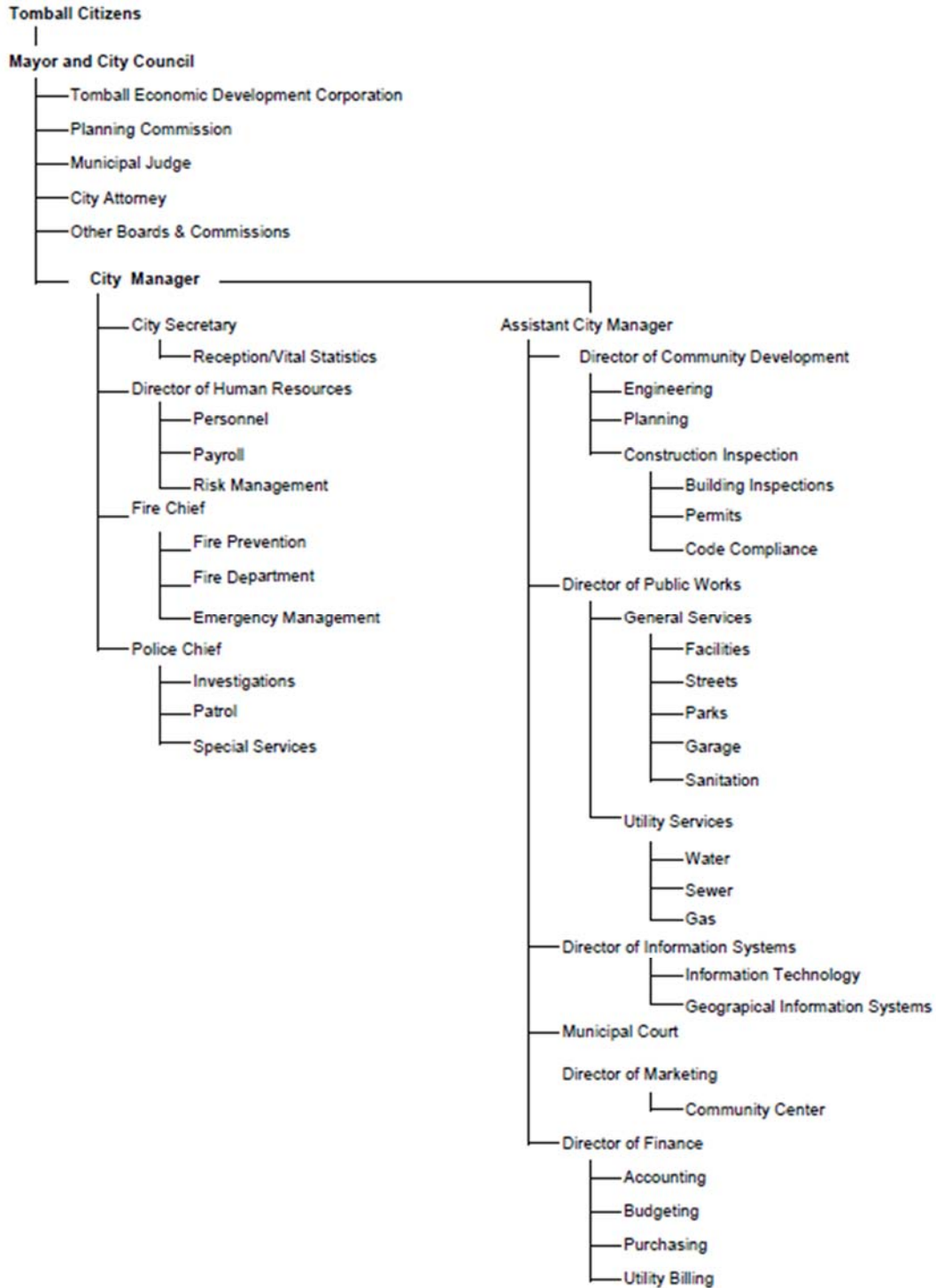
<u>City Officials</u>	<u>Elected Position</u>	<u>Term Expires</u>
Gretchen Fagan	Mayor	2022
John F. Ford	Council Member Position 1	2023
Mark Stoll	Council Member Position 2	2024
Chad Degges	Council Member Position 3	2022
Derek Townsend	Council Member Position 4	2024
Lori Klein Quinn	Council Member Position 5	2023

Administrative Officials

	<u>Position</u>
David Esquivel	City Manager
Doris Speer	City Secretary
Jeff Bert	Interim Assistant City Manager / Chief of Police
Glenn Windsor	Director of Finance
Beth Jones	Director of Public Works
Randall Parr	Fire Chief
Craig Meyers	Director of Community Development
Lisa Coe	Director of Human Resources
Doug Tippey	Director of Information Technology
Kelly Violette	Director of TEDC
Loren Smith	City Attorney

City of Tomball, Texas Organizational Chart

Staff Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

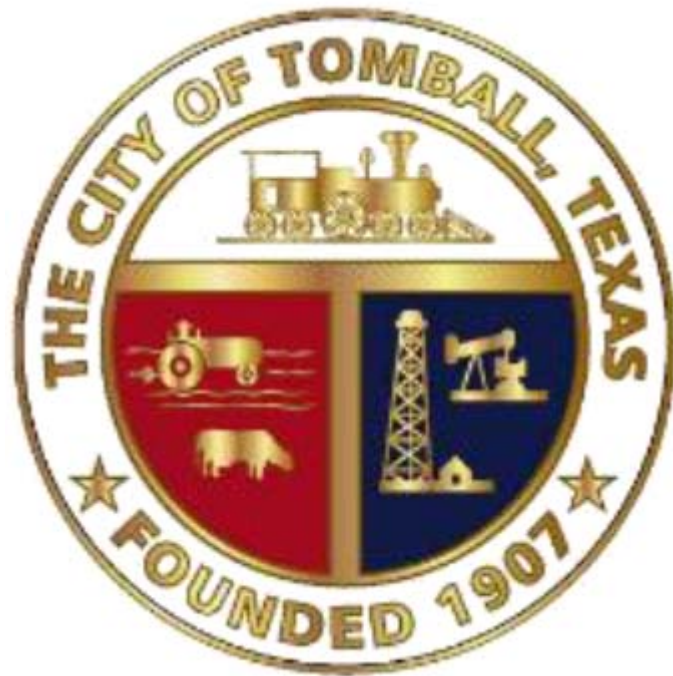
**City of Tomball
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tomball, Texas (the "City") as of and for the year ended September 30, 2020, 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

The City's 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, 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.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, the City restated the beginning net position of governmental activities and the internal service fund and beginning fund balance of the general fund and nonmajor governmental funds to correct misstatements in its previously issued 2019 financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and 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, Other Supplementary Information section, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules included in the Other Supplementary Information section 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 other supplementary information is 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.

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

Other Matter

The financial statements of the City for the year ended September 30, 2019, before the restatements described in Note 15, were audited by another auditor whose report dated July 29, 2020, expressed an unmodified opinion.

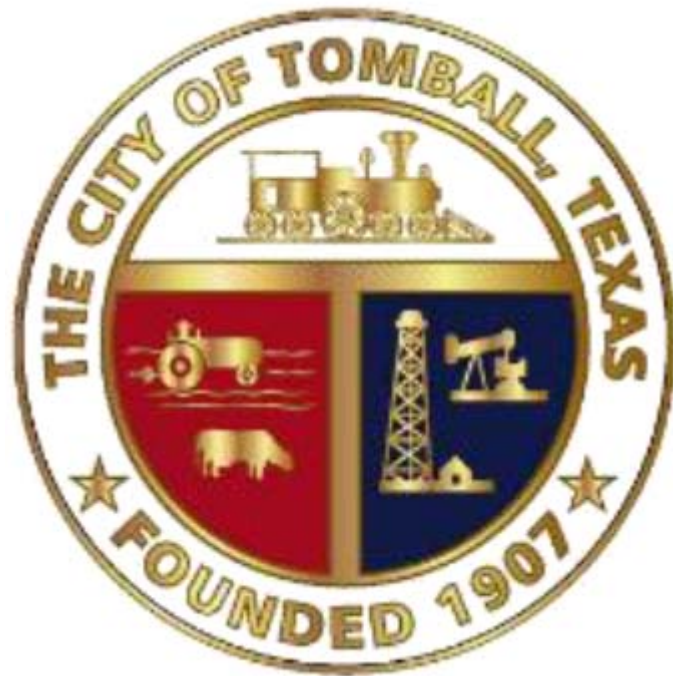
As part of our audit of the September 30, 2020 financial statements, we also audited the adjustments described in Note 15 that were applied to restate the beginning net position and fund balances. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 financial statements of the City other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August xx, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
August xx, 2021



Management's Discussion and Analysis (Unaudited)

The management of the City of Tomball (the "City") offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and statistical section as listed in the table of contents.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$116.5 million (*net position*). Of this amount, \$33.3 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48.6 million, a decrease of \$9.9 million over the prior year. Approximately 36% of this total amount, \$17.4 million, is *available for spending* at the government's discretion (*unassigned fund balance*).
- The City's total long-term debt decreased by \$7.9 million due primarily to repayment of bonded debt.

Overview of the Financial Statements

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

Refer to the table of contents for the location of each of these components.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include not only the City itself (known as *the primary government*), but also a legally separate entity (*Tomball Economic Development Corporation*) for which the City is financially accountable. Financial information for this *discretely presented component unit* is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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 12 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, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as noted in the table of contents.

Proprietary Funds - The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its gas system and water and sewer system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet replacement and health benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The City adopts an annual appropriated budget for the general fund and certain other governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets as noted in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$116.5 million at the close of the most recent fiscal year.

City of Tomball, Texas Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 58,515,845	\$ 63,760,884	\$ 9,242,019	\$ 9,034,150	\$ 67,757,864	\$ 72,795,034
Capital assets	66,268,808	52,387,435	38,760,225	38,457,745	105,029,033	90,845,180
Total assets	124,784,653	116,148,319	48,002,244	47,491,895	172,786,897	163,640,214
Deferred outflows	1,927,466	3,076,496	325,774	600,025	2,253,240	3,676,521
Total deferred outflows of resources	1,927,466	3,076,496	325,774	600,025	2,253,240	3,676,521
Long-term liabilities outstanding	46,273,310	52,085,294	1,785,650	3,879,339	48,058,960	55,964,633
Other liabilities	7,040,497	2,304,176	1,541,970	1,556,525	8,582,467	3,860,701
Total liabilities	53,313,807	54,389,470	3,327,620	5,435,864	56,641,427	59,825,334
Deferred inflows	1,618,561	301,036	293,539	62,877	1,912,100	363,913
Total deferred inflows of resources	1,618,561	301,036	293,539	62,877	1,912,100	363,913
Net position:						
Net investment in capital assets	38,457,189	39,717,999	38,760,225	36,762,190	77,217,414	76,480,189
Restricted	5,959,267	6,024,527	-	-	5,959,267	6,024,527
Unrestricted	27,363,295	18,791,783	5,946,634	5,830,989	33,309,929	24,622,772
Total net position	\$ 71,779,751	\$ 64,534,309	\$ 44,706,859	\$ 42,593,179	\$ 116,486,610	\$ 107,127,488

By far the largest portion of the City's net position, 66.3% or \$77.2 million, reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, vehicles, gas system, water and sewer system and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 5.1% or \$6.0 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of *unrestricted net position* of 28.6% or \$33.3 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities and business-type activities increased the City's net position by \$9.3 million in 2020. The following table provides a summary of the City's operations for the year ended September 30, 2020.

City of Tomball, Texas Change in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,443,535	\$ 4,412,612	\$ 13,474,570	\$ 12,011,055	\$ 17,918,105	\$ 16,423,667
Operating grants and contributions	473,851	839,316	-	-	473,851	839,316
General revenues:						
Property taxes	6,919,721	6,241,709	-	-	6,919,721	6,241,709
Sales taxes	12,291,928	12,523,084	-	-	12,291,928	12,523,084
Franchise and other taxes	1,565,842	2,098,687	-	-	1,565,842	2,098,687
Gain on sale of capital assets	162,560	-	-	38,462	162,560	38,462
Contributions not restricted	2,356,370	536,112	1,420,458	558,148	3,776,828	1,094,260
Unrestricted investment earnings	788,699	1,234,387	94,836	266,639	883,535	1,501,026
Other	633,271	184,901	140,513	-	773,784	184,901
Total revenues	29,635,777	28,070,808	15,130,377	12,874,304	44,766,154	40,945,112
Expenses:						
General government	8,008,324	5,944,428	-	-	8,008,324	5,944,428
Public safety	10,976,532	10,435,902	-	-	10,976,532	10,435,902
Public works	4,071,787	7,074,104	-	-	4,071,787	7,074,104
Community development	556,924	430,360	-	-	556,924	430,360
Interest on long-term debt	1,295,548	1,328,319	-	-	1,295,548	1,328,319
Utility administration	-	-	1,672,850	2,938,276	1,672,850	2,938,276
Water	-	-	5,115,488	3,793,224	5,115,488	3,793,224
Wastewater	-	-	2,114,431	1,448,029	2,114,431	1,448,029
Gas	-	-	1,646,494	1,774,315	1,646,494	1,774,315
Total expenses	24,909,115	25,213,113	10,549,263	9,953,844	35,458,378	35,166,957
Change in net position before transfers	4,726,662	2,857,695	4,581,114	2,920,460	9,307,776	5,778,155
Transfers	2,467,434	5,040,395	(2,467,434)	(5,040,395)	-	-
Change in net position	7,194,096	7,898,090	2,113,680	(2,119,935)	9,307,776	5,778,155
Net position - beginning	64,534,309	56,636,219	42,593,179	44,713,114	107,127,488	101,349,333
Prior period adjustments	51,346	-	-	-	51,346	-
Net position - beginning, restated	64,585,655	56,636,219	42,593,179	44,713,114	107,178,834	101,349,333
Net position - ending	\$ 71,779,751	\$ 64,534,309	\$ 44,706,859	\$ 42,593,179	\$ 116,486,610	\$ 107,127,488

Governmental Activities

Governmental activities increased the City's net position by \$7.2 million, which is primarily due to 1) contribution of \$1.6 million of capital assets from the Tomball Economic Development Corporation and 2) \$2.5 million in transfers from business type activities related to subsidies and capital projects.

Business-type Activities

Business-type activities increased the City's net position by \$2.1 million, due primarily to 1) \$1.1 million in contribution of capital assets from the Tomball Economic Development Corporation and 2) reduction in transfers to governmental activities for capital projects.

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City's governmental funds is to provide information 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 discretionary use as it represents a portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48.6 million, a decrease of \$9.8 million over the prior year. Approximately 35.7% of this total amount, \$17.4 million, is unassigned fund balance and 63.9%, or \$31.1 million, is restricted fund balance. The remaining fund balance is less than 1% of the total.

Fund balance in the General Fund increased from the prior year by \$1.5 million, resulting in an ending fund balance of \$17.4 million at year end. The unassigned fund balance of \$17.4 million represents 99.8% of total fund balance and 81.6% of total General Fund expenditures. The increase in fund balance results from fiscal year 2020 turned out to not be the year that we had anticipated. When the City prepared the FY 20 budget during the summer of 2019, the effects of COVID were not anticipated and the local economy at that time was on a downturn due primarily to the decrease in the price of oil. As projections were made, the City had planned on a conservative year in sales tax revenues but actually realized an increase of over \$700 thousand, even during the pandemic. This was due both to a better than expected local economy and indirectly, an increase in spending from those that were working from home during COVID. Commercial and residential development began increasing in 2020. Revenues from building permits and licenses increased close to \$300 thousand. Overall, revenues in the General Fund increased \$ 1.4 million more than had been anticipated at the time the budget was prepared. On the expenditure side, the City experienced savings in several areas due to the effects of the pandemic. With many service-type businesses closed such as restaurants, total expenses for garbage services decreased, expenses for operating municipal court were down, and other service type expenses were less than originally budgeted.

The Debt Service Fund has a total fund balance of \$5.0 million at year end, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$0.4 million, due to an increase in tax values of approximately \$200 million and subsequently increased tax revenues.

The Capital Projects Fund has a total fund balance of \$24.9 million at year end, all of which is restricted for capital projects. The net decrease in fund balance during the current year in the Capital Projects Fund was \$11.4 million, due primarily to planned expenditures of bond proceeds. The City also transferred \$2.0 million into the Capital Projects Fund from other funds to supplement the bond proceeds.

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

The Enterprise Fund has unrestricted net position at fiscal year-end of \$5.7 million and total net position of \$44.4 million. Other factors concerning the finances of the City's Proprietary Funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Budget estimates for revenues between the original and final amended budget decreased by \$1.3 million due to economic impacts of COVID-19 on revenues such as sales tax, hotel occupancy tax and charges for services.

During the year there was a net increase between the original and final amended budget expenditure appropriations of \$0.9 million due to health benefits.

The City budgeted a net decrease in fund balance of the General Fund of \$1.1 million for the year ended September 30, 2020. The actual change in fund balance was an increase of \$1.5 million, a favorable variance of \$2.6 million. The City had a favorable variance of \$1.4 million between actual revenues and budgeted revenues resulting primarily from receiving more sales taxes than anticipated. The City also had a favorable variance of \$1.2 million between budgeted expenditures and actual expenditures due primarily to unanticipated savings resulting from COVID 19 disruptions.

Capital Assets and Debt Administration

Capital Assets

At the end of the current fiscal year 2020, the City's governmental activities and business-type activities had invested \$66.3 million and \$38.8 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents a net increase of \$14.0 million or 26.7% over the end of last fiscal year for governmental activities and an increase of \$0.3 million or 0.8% for business-type activities.

City of Tomball, Texas Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
	Land	\$ 7,982,088	\$ 7,255,744	\$ 1,897,333	\$ 1,897,333	\$ 9,879,421
Construction in progress	19,191,012	8,637,362	802,128	5,617,045	19,993,140	14,254,407
Buildings and improvements	6,461,532	6,744,869	-	-	6,461,532	6,744,869
Gas system	-	-	2,928,289	2,894,903	2,928,289	2,894,903
Water and wastewater system	-	-	30,881,933	25,757,312	30,881,933	25,757,312
Machinery and equipment	1,524,782	1,204,464	2,250,542	2,291,152	3,775,324	3,495,616
Vehicles	2,441,541	2,349,340	-	-	2,441,541	2,349,340
Infrastructure	28,667,853	26,195,656	-	-	28,667,853	26,195,656
Totals	<u>\$ 66,268,808</u>	<u>\$ 52,387,435</u>	<u>\$ 38,760,225</u>	<u>\$ 38,457,745</u>	<u>\$ 105,029,033</u>	<u>\$ 90,845,180</u>

The overall increase in capital assets for governmental activities is due primarily to \$12.9 million of additions to construction in progress related to on-going and new infrastructure projects. The business-type activities reported \$2.3 million of additions and \$1.5 million of depreciation expense.

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City reported total long-term liabilities of \$48.1 million. The City had net outstanding bonds payable of \$33.3 million. Of this amount, \$10.8 million was general obligation refunding debt and \$22.5 million represents certificates of obligation. The City's other long-term liabilities include its compensated absences, landfill post closure costs, and net pension and total other post employments benefits liabilities.

City of Tomball, Texas Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Certificates of obligation	\$ 22,535,000	\$ 34,210,000	\$ -	\$ -	\$ 22,535,000	\$ 34,210,000
General obligation refunding bonds	10,790,000	3,603,000	-	1,672,000	10,790,000	5,275,000
Unamortized premiums	1,625,273	1,017,164	-	23,555	1,625,273	1,040,719
Public property finance contractual obligations	1,169,868	1,169,868	-	-	1,169,868	1,169,868
Compensated absences	1,829,038	1,767,481	319,111	289,378	2,148,149	2,056,859
Landfill postclosure care costs	345,375	345,375	-	-	345,375	345,375
Net pension liability	5,280,898	7,160,095	869,378	1,256,029	6,150,276	8,416,124
Total OPEB liability	2,697,858	2,812,311	597,161	638,377	3,295,019	3,450,688
Total	\$ 46,273,310	\$ 52,085,294	\$ 1,785,650	\$ 3,879,339	\$ 48,058,960	\$ 55,964,633

Bond debt decreased by \$6.2 million as a result of scheduled debt service requirements.

The most recent ratings on debt issues are as follows:

	Standard and Poor's	Moody's
General obligation bonds	AA+	
Certificates of obligation	AA+	Aa3

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

Tomball continues to experience development and growth, both residential and commercial. At this writing, the City has created its first "Debt PID" where 30 year non-recourse bonds were issued by the City and once homes are sold, the revenues generated from the assessments will be used to pay the debt on the bonds. Additionally over 2,000 new residential homes are in the development process. The City's current population is estimated to be 12,053. However, within a three-mile radius it is estimated to be approximately 16,000. Within a five-mile radius, the estimate rises to approximately 80,000.

The City is continuing to focus on economic development initiatives, including the revitalization of the historic downtown area and the continuing development of two major retail developments on the west side of the City. There was significant development within the City's industrial development park with the addition of two major employers, one with taxable value over \$13 million. Residential development continues throughout the City with the addition of three Public Improvement Districts (PIDs), included two Debt PIDs where the City issues bonds that are to be repaid with the assessments on the homes. Active single family residential development at year end exceeded 2,000 new homes.

The City's largest source of revenue continues to be sales taxes. During the fiscal year, as the City was experiencing the COVID pandemic, there were actually months in the summer where we experienced increases. We finished the fiscal year with just a small decrease and at this writing, the City is up over last year (through eight months) by over eight percent.

The City's largest taxpayer, HCA Houston Healthcare Tomball (North Houston Trmc, LLC), which encompasses the medical center in the center of the City, continues to expand their presence in Tomball. Pursuant to the City's financial management policy, fund balances in all funds exceeded the charter requirement of 25 percent of annual expenditures. For fiscal year 2021, the City expects continued growth in sales tax revenues and actually a small decrease in the tax rate due to new legislation and an increase in assessed values of over \$ 200 million. Capital projects are nearing completion with the largest, Medical Complex Drive, Section 4B and Persimmon being complete near the end of calendar year 2021.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to phone (281) 290-1417 or:

Finance Department
501 James Street
Tomball, Texas 77375

Or for general City information, please visit the City's website at <https://www.tomballtx.gov> .

Basic Financial Statements



City of Tomball, Texas
Statement of Net Position
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Tomball Economic Development Corporation
ASSETS				
Cash and cash equivalents	\$ 25,518,716	\$ 6,389,180	\$ 31,907,896	\$ 8,977,907
Investments	6,167,677	-	6,167,677	9,327,556
Receivables, net of allowance	2,550,506	1,600,917	4,151,423	700,475
Due from other governments	312,891	-	312,891	-
Due from component unit	256,040	-	256,040	-
Internal balances	(266,669)	266,669	-	-
Inventories	-	96,481	96,481	-
Prepaid items	242,130	-	242,130	-
Restricted cash and cash equivalents	23,734,554	888,772	24,623,326	-
Capital assets - nondepreciable	27,173,100	2,699,461	29,872,561	1,977,832
Capital assets - depreciable, net	39,095,708	36,060,764	75,156,472	4,058,211
	124,784,653	48,002,244	172,786,897	25,041,981
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	34,357	-	34,357	-
Pensions	1,603,934	264,051	1,867,985	-
Other post employment benefits	289,175	61,723	350,898	-
	1,927,466	325,774	2,253,240	-
	126,712,119	48,328,018	175,040,137	25,041,981
LIABILITIES				
Accounts payable	5,987,955	534,963	6,522,918	-
Accrued liabilities	782,535	118,235	900,770	-
Deposits payable	45,265	888,772	934,037	-
Due to primary government	-	-	-	256,040
Accrued interest payable	224,742	-	224,742	-
Noncurrent liabilities:				
Due within one year	3,186,335	79,778	3,266,113	-
Due in more than one year	43,086,975	1,705,872	44,792,847	-
	53,313,807	3,327,620	56,641,427	256,040
DEFERRED INFLOWS OF RESOURCES				
Pensions	1,202,301	197,931	1,400,232	-
Other post employment benefits	416,260	95,608	511,868	-
	1,618,561	293,539	1,912,100	-
	54,932,368	3,621,159	58,553,527	256,040
NET POSITION				
Net investment in capital assets	38,457,189	38,760,225	77,217,414	6,036,043
Restricted for				
Debt service	4,836,970	-	4,836,970	-
Court security	243,269	-	243,269	-
Court technology	184,018	-	184,018	-
Hotel occupancy tax	622,411	-	622,411	-
Red light camera	61,670	-	61,670	-
Child safety	10,929	-	10,929	-
Unrestricted	27,363,295	5,946,634	33,309,929	18,749,898
	\$ 71,779,751	\$ 44,706,859	\$ 116,486,610	\$ 24,785,941

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

City of Tomball, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental activities			
General government	\$ 8,008,324	\$ 71,864	\$ 69,004
Public safety	10,976,532	1,468,491	404,847
Public works	4,071,787	1,793,191	-
Community development	556,924	1,109,989	-
Interest and fiscal agent fees	1,295,548	-	-
Total governmental activities	24,909,115	4,443,535	473,851
Business-type activities			
Utility administration	1,672,850	1,384,685	-
Water	5,115,488	6,376,840	-
Wastewater	2,114,431	2,208,301	-
Gas	1,646,494	3,504,744	-
Total business-type activities	10,549,263	13,474,570	-
Total primary government	<u>\$ 35,458,378</u>	<u>\$ 17,918,105</u>	<u>\$ 473,851</u>
COMPONENT UNIT			
Tomball Economic Development Corporation	5,479,189	-	-
	<u>\$ 5,479,189</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES

Taxes:
 Property taxes
 Sales taxes
 Franchise and other taxes
Gain on sale of capital assets
Contributions not restricted to specific programs
Unrestricted investment earnings
Other
Transfers

Total general revenues and transfers

Change in net position

NET POSITION, beginning of year - as reported

Prior period adjustments (Note 15)

NET POSITION, beginning of year - restated

NET POSITION, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business - type Activities	Total	Tomball Economic Development Corporation
\$ (7,867,456)	\$ -	\$ (7,867,456)	\$ -
(9,103,194)	-	(9,103,194)	-
(2,278,596)	-	(2,278,596)	-
553,065	-	553,065	-
(1,295,548)	-	(1,295,548)	-
(19,991,729)	-	(19,991,729)	-
-	(288,165)	(288,165)	-
-	1,261,352	1,261,352	-
-	93,870	93,870	-
-	1,858,250	1,858,250	-
-	2,925,307	2,925,307	-
(19,991,729)	2,925,307	(17,066,422)	-
-	-	-	(5,479,189)
-	-	-	(5,479,189)
6,919,721	-	6,919,721	-
12,291,928	-	12,291,928	4,064,895
1,565,842	-	1,565,842	-
162,560	-	162,560	408,504
2,356,370	1,420,458	3,776,828	-
788,699	94,836	883,535	426,876
633,271	140,513	773,784	120,988
2,467,434	(2,467,434)	-	-
27,185,825	(811,627)	26,374,198	5,021,263
7,194,096	2,113,680	9,307,776	(457,926)
64,534,309	42,593,179	107,127,488	25,243,867
51,346	-	51,346	-
64,585,655	42,593,179	107,178,834	25,243,867
\$ 71,779,751	\$ 44,706,859	\$ 116,486,610	\$ 24,785,941

City of Tomball, Texas

Balance Sheet - Governmental Funds

September 30, 2020

	General Fund	Debt Service Fund
ASSETS		
Cash and cash equivalents	\$ 16,076,426	\$ 4,947,466
Investments	-	-
Receivables, net of allowance	2,493,432	-
Due from other governments	265,574	-
Due from component unit	183,734	72,306
Due from other funds	57,074	-
Prepaid items	32,959	-
Restricted cash and cash equivalents - construction	-	-
Restricted cash and cash equivalents - deposits	45,265	-
	\$ 19,154,464	\$ 5,019,772
TOTAL ASSETS		
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 947,695	\$ -
Accrued liabilities	772,039	-
Deposits payable	45,265	-
Due to other funds	-	-
	1,764,999	-
Total liabilities		
 FUND BALANCES		
Nonspendable:		
Prepaid items	32,959	-
Restricted:		
Debt service	-	5,019,772
Construction	-	-
Court security	-	-
Court technology	-	-
Hotel occupancy tax	-	-
Red light camera	-	-
Child safety	-	-
Committed:		
City functions	-	-
Assigned:		
Special projects	-	-
Unassigned	17,356,506	-
	17,389,465	5,019,772
Total fund balances		
	\$ 19,154,464	\$ 5,019,772
TOTAL LIABILITIES AND FUND BALANCES		

Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,319,821	\$ 22,343,713
6,167,677	-	6,167,677
-	57,074	2,550,506
-	-	265,574
-	-	256,040
-	-	57,074
-	-	32,959
23,689,289	-	23,689,289
-	-	45,265
<u>\$ 29,856,966</u>	<u>\$ 1,376,895</u>	<u>\$ 55,408,097</u>
\$ 4,938,164	\$ 46,160	\$ 5,932,019
-	10,496	782,535
-	-	45,265
-	57,074	57,074
4,938,164	113,730	6,816,893
-	-	32,959
-	-	5,019,772
24,918,802	-	24,918,802
-	243,269	243,269
-	184,018	184,018
-	622,411	622,411
-	61,670	61,670
-	10,929	10,929
-	39,052	39,052
-	101,816	101,816
-	-	17,356,506
24,918,802	1,263,165	48,591,204
<u>\$ 29,856,966</u>	<u>\$ 1,376,895</u>	<u>\$ 55,408,097</u>



City of Tomball, Texas

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 48,591,204

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

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

Capital assets, cost	\$ 87,175,033	
Capital assets, accumulated depreciation	<u>(23,541,293)</u>	63,633,740

Deferred charge on issuance of refunding bonds is not recorded in the fund financial statements but is recorded as a deferred outflow of resources on the statement of net position. 34,357

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

Bonds payable, par	\$ (33,325,000)	
Bonds payable, premiums	(1,625,273)	
Accrued interest payable	(182,802)	
Landfill post closure care costs	(345,375)	
Compensated absences payable	(1,829,038)	
Net pension liability	(5,280,898)	
Total OPEB liability	<u>(2,697,858)</u>	(45,286,244)

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

Deferred outflows - pensions	\$ 1,603,934	
Deferred outflows - OPEB	289,175	
Deferred inflows - pensions	(1,202,301)	
Deferred inflows - OPEB	<u>(416,260)</u>	274,548

Internal service funds are used by management to charge the cost of certain activities, such as fleet management and health benefits, to individual funds. A portion of the assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 4,532,146

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 71,779,751

City of Tomball, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property tax	\$ 2,265,470	\$ 4,654,251
Sales tax	12,291,928	-
Franchise and other taxes	1,084,860	-
Licenses and permits	1,113,989	-
Fines and forfeitures	349,302	-
Charges for services	2,967,034	-
Intergovernmental	416,777	-
Contributions from component unit for debt service	-	755,684
Investment earnings	168,109	34,175
Other	60,475	818
	<hr/>	<hr/>
Total revenues	20,717,944	5,444,928
 EXPENDITURES		
Current		
General government	6,112,797	-
Public safety	9,894,372	-
Public works	3,747,361	-
Parks and recreation	870,206	-
Tourism and arts	-	-
Community development	400,824	-
Debt service		
Principal	-	3,923,000
Interest	-	1,128,683
Issuance costs and fiscal agent fees	-	181,880
Capital outlay	235,180	-
	<hr/>	<hr/>
Total expenditures	21,260,740	5,233,563
 Excess (deficiency) of revenues over expenditures	 (542,796)	 211,365
 OTHER FINANCING SOURCES (USES)		
Proceeds from issuance of refunding bonds	-	9,100,000
Premiums on bonds issued	-	733,352
Proceeds from sale of capital assets	166,059	-
Payments to refunding bond escrow agent	-	(9,663,255)
Transfers in	2,603,335	-
Transfers out	(726,000)	-
	<hr/>	<hr/>
Total other financing sources (uses)	2,043,394	170,097
 Net change in fund balances	 1,500,598	 381,462
Fund balances, beginning of year - as reported	16,081,063	4,638,310
Prior period adjustments (Note 15)	(192,196)	-
	<hr/>	<hr/>
Fund balances, beginning of year - restated	15,888,867	4,638,310
 FUND BALANCES, END OF YEAR	 <u>\$ 17,389,465</u>	 <u>\$ 5,019,772</u>

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

Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 6,919,721
-	-	12,291,928
-	480,982	1,565,842
-	-	1,113,989
-	38,210	387,512
-	-	2,967,034
-	57,074	473,851
-	-	755,684
543,692	14,282	760,258
357,688	48,232	467,213
<u>901,380</u>	<u>638,780</u>	<u>27,703,032</u>
-	13,725	6,126,522
-	44,623	9,938,995
-	-	3,747,361
-	62,926	933,132
-	604,578	604,578
-	-	400,824
-	-	3,923,000
-	-	1,128,683
-	-	181,880
14,365,723	57,074	14,657,977
<u>14,365,723</u>	<u>782,926</u>	<u>41,642,952</u>
(13,464,343)	(144,146)	(13,939,920)
-	-	9,100,000
-	-	733,352
-	-	166,059
-	-	(9,663,255)
2,025,050	161,000	4,789,385
-	(362,050)	(1,088,050)
<u>2,025,050</u>	<u>(201,050)</u>	<u>4,037,491</u>
(11,439,293)	(345,196)	(9,902,429)
36,358,095	1,546,238	58,623,706
-	62,123	(130,073)
<u>36,358,095</u>	<u>1,608,361</u>	<u>58,493,633</u>
<u>\$ 24,918,802</u>	<u>\$ 1,263,165</u>	<u>\$ 48,591,204</u>



City of Tomball, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ (9,902,429)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital asset additions recorded in the current period. 15,167,645

Depreciation expense on capital assets is reported in the statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. (1,598,766)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, and transfers) is not reported in the governmental funds. 22,964

The issuance of long term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items was:

Proceeds from issuance of refunding bonds	\$ (9,100,000)	
Premiums on bonds issued	(733,352)	
Payments to refunding bond escrow agent	9,663,255	
Amortization of premium on bonds payable	126,988	
Amortization of deferred loss on refunding	(63,124)	
Accrued interest payable increased	(6,909)	
Principal paid on bonds	3,923,000	3,809,858

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following long-term liabilities (increased) / decreased:

Compensated absences	\$ (61,557)	
Net pension liability	1,879,197	
Total OPEB liability	114,453	1,932,093

Some deferred outflows and deferred inflows reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. The following deferred outflows and deferred inflows of resources changed:

Deferred outflows of resources - pensions	\$ (1,188,173)	
Deferred outflows of resources - OPEB	105,267	
Deferred inflows of resources - pensions	(1,013,416)	
Deferred inflows of resources - OPEB	(304,109)	(2,400,431)

An internal service fund is used by management to charge the cost of certain activities, such as fleet management and health benefits, to individual funds. A portion of the change in the net position of the internal service funds is included in governmental activities in the statement of activities. 163,162

Change in net position - governmental activities \$ 7,194,096

City of Tomball, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,389,180	\$ 3,175,003
Receivables, net of allowance	1,600,917	-
Due from other governments	-	47,317
Prepaid items	-	209,171
Inventories	96,481	-
Total current assets	<u>8,086,578</u>	<u>3,431,491</u>
Noncurrent assets		
Restricted cash and cash equivalents - deposits	888,772	-
Capital assets		
Capital assets - nondepreciable	2,699,461	-
Capital assets - depreciable, net	36,060,764	2,635,068
Net capital assets	<u>38,760,225</u>	<u>2,635,068</u>
Total noncurrent assets	<u>39,648,997</u>	<u>2,635,068</u>
Total assets	47,735,575	6,066,559
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	264,051	-
Other post employment benefits	61,723	-
Total deferred outflows of resources	<u>325,774</u>	<u>-</u>
Total assets and deferred outflows of resources	48,061,349	6,066,559
LIABILITIES		
Current liabilities		
Accounts payable	534,963	55,936
Accrued liabilities	118,235	-
Deposits payable	888,772	-
Accrued interest payable	-	41,940
Public property finance contract obligation, current	-	130,000
Compensated absences, current	79,778	-
Total current liabilities	<u>1,621,748</u>	<u>227,876</u>
Noncurrent liabilities		
Public property finance contract obligation	-	1,039,868
Compensated absences	239,333	-
Net pension liability	869,378	-
Total OPEB liability	597,161	-
Total noncurrent liabilities	<u>1,705,872</u>	<u>1,039,868</u>
Total liabilities	3,327,620	1,267,744
DEFERRED INFLOWS OF RESOURCES		
Pensions	197,931	-
Other post employment benefits	95,608	-
Total deferred inflows of resources	<u>293,539</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,621,159</u>	<u>1,267,744</u>
NET POSITION		
Net investment in capital assets	38,760,225	1,465,200
Unrestricted	5,679,965	3,333,615
TOTAL NET POSITION	<u>44,440,190</u>	<u>\$ 4,798,815</u>
Reconciliation to government-wide statement of net position		
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise fund over time	<u>266,669</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 44,706,859</u>	

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

City of Tomball, Texas

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended September 30, 2020

	Business Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 6,376,840	\$ -
Sewer sales	2,208,301	-
Gas sales	3,504,744	-
Internal service charges	-	3,177,795
Impact fees	1,384,685	-
Other	140,513	-
	<hr/>	<hr/>
Total operating revenues	13,615,083	3,177,795
OPERATING EXPENSES		
Materials, supplies and contracted services	6,365,796	2,592,773
Personnel services	2,229,111	-
Depreciation	1,474,549	367,120
	<hr/>	<hr/>
Total operating expenses	10,069,456	2,959,893
Operating income	3,545,627	217,902
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	94,836	28,441
Contributions from component unit for debt service	370,000	-
Capital asset contributions from governmental activities	1,233,901	-
Capital asset contributions from component unit	1,050,458	-
Interest	(86,080)	(41,940)
Gain (loss) on disposal of capital assets	(434,968)	-
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	2,228,147	(13,499)
Income before transfers	5,773,774	204,403
Transfers out	(3,701,335)	-
	<hr/>	<hr/>
Change in net position	2,072,439	204,403
Net position, beginning of year - as reported	42,367,751	4,412,993
Prior period adjustments (Note 15)	-	181,419
	<hr/>	<hr/>
Net position, beginning of year - restated	42,367,751	4,594,412
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 44,440,190	\$ 4,798,815
RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES		
Change in net position	\$ 2,072,439	
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	41,241	
	<hr/>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 2,113,680	

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

City of Tomball, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
OPERATING ACTIVITIES		
Receipts from customers	\$ 13,709,341	\$ -
Receipts from interfund charges	-	3,331,564
Payments to suppliers and service providers	(6,391,035)	(2,603,437)
Payments to employees for salaries and benefits	(2,087,068)	-
	<u>5,231,238</u>	<u>728,127</u>
Net cash provided by operating activities		
NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(3,701,335)	-
	<u>(3,701,335)</u>	<u>-</u>
Net cash used for noncapital financing activities		
CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(6,788)	(653,650)
Proceeds from sale of capital assets	79,151	-
Receipts from component unit for debt service	370,000	-
Principal paid on long-term debt	(1,695,555)	-
Interest paid on long-term debt	(86,080)	-
	<u>(1,339,272)</u>	<u>(653,650)</u>
Net cash used for capital and related financing activities		
INVESTING ACTIVITIES		
Investment earnings	94,836	28,441
	<u>94,836</u>	<u>28,441</u>
Net cash provided by investing activities		
Net change in cash and cash equivalents	285,467	102,918
Cash and cash equivalents, beginning of year	6,992,485	3,072,085
	<u>6,992,485</u>	<u>3,072,085</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,277,952</u>	<u>\$ 3,175,003</u>

City of Tomball, Texas
Statement of Cash Flows - Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 3,545,627	\$ 217,902
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,474,549	367,120
(Increase) decrease in assets and deferred outflows		
Accounts receivable	118,839	-
Due from other governments	-	153,769
Prepaid items	-	(3,794)
Deferred outflows of resources - pension and OPEB	274,251	-
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	(25,239)	(6,870)
Accrued liabilities	35,265	-
Deposits payable	(24,581)	-
Compensated absences	29,732	-
Pension and OPEB liability	(427,867)	-
Deferred inflows of resources - pension and OPEB	230,662	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,231,238</u>	<u>\$ 728,127</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital asset contributions from governmental activities	\$ 1,233,901	\$ -
Capital asset contributions from component unit	\$ 1,050,458	\$ -
RECONCILIATION OF CASH TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 6,389,180	\$ 3,175,003
Restricted cash and cash equivalents	888,772	-
CASH AND CASH EQUIVALENTS	<u>\$ 7,277,952</u>	<u>\$ 3,175,003</u>



City of Tomball, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Tomball, Texas, (the "City") was incorporated on July 18, 1933. The City has operated under a "Home Rule Charter", which provides for a Council-City Manager form of government, since 1987. The City Council is the principle legislative body of the City.

The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services; municipal court; streets; drainage; water, wastewater and gas services; solid waste collection and disposal; community development; and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by accounting principles generally accepted in the United States of America (GAAP), these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity utilizing criteria prescribed by GAAP. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Tomball Economic Development Corporation, Employee Benefits Trust, and Tomball Legacy Fund, Inc., although legally separate organizations, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Discretely Presented Component Unit

Tomball Economic Development Corporation

The Tomball Economic Development Corporation (the Corporation) was formed in 1994 pursuant to the *Development Corporation Act of 1979* (the Act), governed under Section 4B of the Act. It receives and utilizes the proceeds of a one-half cent sales tax to promote and assist in the economic development of the City. The seven directors of the Corporation are appointed by the governing body of the City. Directors are removable by the governing body of the City at any time without cause. Separately issued audited financial statements are not available for the Corporation. Financial information for the Corporation may be obtained from the following address:

Tomball Economic Development Corporation
401 West Market Street
Tomball, Texas 77375

City of Tomball, Texas

Notes to the Basic Financial Statements

Blended Component Units

Employee Benefits Trust

The Employee Benefits Trust (the Trust) has been included in the reporting entity as a blended component unit. The Trust is a revocable trust and a not-for-profit entity and is organized under Section 222.002(c)(5) of the Texas Insurance Code. The Trust's Board of Trustees are the members of City Council. The Trust is organized for the purpose of providing or offering City officers, employees, and qualified retirees and their dependents with life, disability, sickness, accident, and other health benefits either directly or through the purchase of insurance. The operations of the Trust are presented as a proprietary fund type in the Health Benefits internal service fund. The Trust does not issue separate financial statements.

Tomball Legacy Fund, Inc.

Tomball Legacy Fund, Inc. has been included in the reporting entity as a blended component unit. Tomball Legacy Fund, Inc. is a not-for-profit 501(c)3 foundation managed by a seven-member Board of Directors consisting of the Mayor and City Council of the City of Tomball, plus one appointed individual. Tomball Legacy Fund, Inc. was established to allow the City to receive private and corporate grant funds to be used on behalf of the City. The operations of Tomball Legacy Fund, Inc. are presented as a governmental fund type in a special revenue fund. Tomball Legacy Fund, Inc. does not issue separate financial statements.

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. These statements include all activities of the primary government and its discretely presented component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

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

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

C. Fund Financial Statements

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

City of Tomball, Texas

Notes to the Basic Financial Statements

Governmental funds are those funds through which most governmental functions are typically financed.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions not reported in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, parks and recreation, community development, and capital outlay.

The *Debt Service Fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The principal source of revenue for debt service is local property taxes.

The *Capital Projects Fund* is used to account for the expenditures of resources accumulated from the sale of bonds, appropriations of local resources from other funds and related interest earnings for capital improvement projects.

In addition, the City reports the following nonmajor fund types:

Special revenue funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects. The City's special revenue funds are aggregated and reported as nonmajor funds.

Proprietary funds are used to account for activities that are similar to those often found in the private sector, and include all assets, liabilities, deferred outflows and inflow of resources, net position, revenues, expenses and interfund transfers related to enterprise funds and internal service funds.

The City reports the following proprietary funds:

The *Enterprise Fund* is a major fund used to account for the City's water, wastewater and gas operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

The *Internal Service Fund* is a type of proprietary fund used to account for the financing of goods or services provided by one department or program to other departments or programs of the City on a cost-reimbursement basis. Goods and services provided by the internal service fund include fleet replacement and employee health benefits.

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.

City of Tomball, Texas

Notes to the Basic Financial Statements

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally 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 required under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current period is considered to be susceptible to accrual, and has been recognized as revenues of the current 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the City.

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

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, bank demand or time deposits, money market mutual funds and local government investment pools with original maturities of three months or less from the date of acquisition. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments for the City are reported at fair value.

3. Restricted Cash and Investments

The City has restricted certain cash and investments for refundable customer deposits. The remaining unspent proceeds from bonded debt are restricted in the capital projects fund.

4. Receivables

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

City of Tomball, Texas

Notes to the Basic Financial Statements

5. *Inventories and Prepaid Items*

Inventories consist of expendable supplies (stock / parts) held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are used (consumption method).

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

6. *Capital Assets*

Capital assets, including land, construction in progress, buildings and improvements, machinery and equipment, vehicles, infrastructure (e.g., roads, bridges and similar items) and water, wastewater and gas system, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and are reported in the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

In the case of the initial capitalization of infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of some of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional 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 the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The remaining capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Capial Asset Classification</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 50 years
Machinery and equipment	3 to 40 years
Vehicles	3 to 15 years
Infrastructure	40 to 50 years
Water, wastewater and gas system	20 to 40 years

7. *Deferred Outflows/Inflows of Resources*

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

City of Tomball, Texas

Notes to the Basic Financial Statements

The City has the following items that qualify for reporting in these categories:

- Deferred charge on refunding – results from the difference in the carrying value of refunded debt and its reacquisition price. This is amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources - contributions to the pension and OPEB plans after the measurement date of each plan are recognized as reductions of the applicable liability in the subsequent year.
- Deferred outflows/inflows of resources from other pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.

8. *Compensated Absences*

The City's policy permits employees to accumulate earned but unused vacation, sick and compensatory time benefits. Eligible time accumulated, up to certain limits, may be paid to employees upon separation from service.

The liability for such leave is reported as incurred in the government-wide and proprietary fund 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 liability for compensated absences includes salary-related benefits, where applicable.

9. *Landfill Post-Closure Care Costs*

The City reports municipal solid waste landfill costs in accordance with Governmental Accounting Standards Board (GASB) Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. The liability for landfill post-closure costs is reported as long-term debt.

10. *Pensions*

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (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.

11. *Other Post-Employment Benefits*

The City participates in two single-employer defined benefit other post-employment benefit (OPEB) plans (the Plans). For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms for the Plans.

City of Tomball, Texas

Notes to the Basic Financial Statements

12. Net Position Policies

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

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

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

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

13. 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.

14. Fund Balance Policies

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

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

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

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by City Council action or the resolution remains in place until a similar action is taken (the action or adoption of another resolution) to remove or revise the limitation.

City of Tomball, Texas

Notes to the Basic Financial Statements

Assigned – includes fund balance amounts that are self-imposed by the City to be used for specific purposes, but do not meet the criteria to be classified as nonspendable, restricted or committed. City Council has, by policy, authorized the City Manager or his/her designee to assign fund balance. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

The City strives to maintain an unassigned fund balance of not less than 25 percent of the budgeted operational expenditures in all City funds. Due to the volatile nature of a majority of its revenues, it is not deemed excessive for the City to maintain an unassigned fund balance in the general fund at levels greater than 33 percent of the budget operational expenditures. The purpose of this unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of service to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

15. 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.

F. Revenues and Expenditures / Expenses

1. Program Revenues

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

2. Property Taxes

Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to October 1 of each year, the City must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

City of Tomball, Texas

Notes to the Basic Financial Statements

3. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

G. Estimates

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Recent Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), 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 were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 will be implemented in the City's fiscal year 2021 financial statements and the impact has not yet been determined.

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB 95 extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 will be implemented in the City's fiscal year 2022 financial statements and the impact has not yet been determined.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89), establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by GASB 89. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB 95 extended the effective date of GASB 89 to reporting periods beginning after December 15, 2020, with earlier application encouraged. GASB 89 will be implemented in the City's fiscal year 2022 financial statements and the impact has not yet been determined.

City of Tomball, Texas

Notes to the Basic Financial Statements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance and Accountability

Budget

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, court security fund, court technology fund, hotel occupancy tax fund, child safety fund, red light camera fund, bunny run fund and the special general fund. The capital projects fund is appropriated on a project-length basis.

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of budgetary control as defined by the City Charter is the department level in the general fund, and fund level for all other funds. The City Manager may transfer appropriations within departments without seeking approval from City Council.

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.

Note 3. Deposits and Investments

A. Cash Deposits

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

Custodial Credit Risk - Cash Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of September 30, 2020, the City's bank balances were \$4.79 million, which exceeded FDIC coverage and collateral by approximately \$48 thousand.

City of Tomball, Texas

Notes to the Basic Financial Statements

B. Investments

The Public Funds Investment Act (PFIA) (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The City is authorized to invest in the following instruments provided that they meet the guidelines of the investment policy:

1. Obligations of, or guaranteed by governmental entities as permitted by Government Code 2256.009
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011
4. Commercial paper as permitted by Government Code 2256.013
5. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
6. Public funds investment pools as permitted by Government Code 2256.016.

The Council has adopted a written investment policy regarding the investment of City funds as required by the PFIA. The City's investment policy is more restrictive than the PFIA requires. The City's investment policy does not allow investments in bankers' acceptances.

Cash, cash equivalents and investments as of September 30, 2020 are classified in the financial statements as follows:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Investments
Governmental funds	\$ 22,343,713	\$ 23,734,554	\$ 6,167,677
Internal service fund	3,175,003	-	-
Total governmental activities	25,518,716	23,734,554	6,167,677
Enterprise fund	6,389,180	888,772	-
Total business-type activities	6,389,180	888,772	-
Total Primary Government	\$ 31,907,896	\$ 24,623,326	\$ 6,167,677
Total Discretely Presented Component Unit	\$ 8,977,907	\$ -	\$ 9,327,556

City of Tomball, Texas

Notes to the Basic Financial Statements

As of September 30, 2020, the City had the following cash, cash equivalents and investments:

	Amount	%	Fair Value Level 2	Weighted Average Maturity (Days)	Credit Risk Rating S&P	Credit Risk Rating Moody's
Primary Government						
Investments measured at fair value:						
Municipal bonds	\$ 6,167,677	100%	6,167,677	756	AA- to AAA	Aa1 to Aaa
Total investments	\$ 6,167,677					
Cash	\$ 2,817,059					
Cash equivalents:						
Local government investment pools:						
TexPool	16,909,743				AAAm	
TexPool Prime	26,967,636				AAAm	
Texas CLASS	7,793,055				AAAm	
Money market	2,043,729					
Total cash and cash equivalents	\$ 56,531,222					
Discretely Presented Component Unit						
Investments measured at fair value:						
Municipal bonds	\$ 9,327,556	100%	9,327,556	562	AA to AAA	Aa1 to Aaa
Total investments	\$ 9,327,556					
Cash	\$ 155,581					
Cash equivalents:						
Local government investment pools:						
TexPool	7,847,195				AAAm	
Texas CLASS	975,131				AAAm	
Total cash and cash equivalents	\$ 8,977,907					

Fair Value Measurement

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

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

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

Municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

City of Tomball, Texas

Notes to the Basic Financial Statements

Local Government Investment Pools

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

TexPool and TexPool Prime

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

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

Texas Cooperative Liquid Asset Securities System Trust (Texas CLASS)

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

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the City reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 90 days and any individual investment not to exceed four years from the date of purchase, unless approved by the governing body. During the year ended September 30, 2020, the City did not invest in any securities which were highly sensitive to interest rate fluctuations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The minimum rating required by the Public Funds Investment Act for local government investment pools is AAA or AAAm. Obligations of federal, state or local government securities and must be rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. During the year ended September 30, 2020, the City was not significantly exposed to credit risk, and its investment pools and municipal bonds met the minimum required rating as noted in the preceding table.

City of Tomball, Texas

Notes to the Basic Financial Statements

Concentration of Credit Risk

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

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian.

Note 4. Receivables

Receivables at September 30, 2020, consist of the following:

	Governmental Activities				Internal Service Fund	Business-Type	Tomball Economic Development Corporation
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds		Enterprise Fund	
Property taxes	\$ 62,391	\$ 124,055	\$ -	\$ 186,446	\$ -	\$ -	\$ -
Sales and other taxes	2,187,010	-	-	2,187,010	-	-	690,197
Utility receivable	352,135	-	-	352,135	-	1,901,875	-
Grants	-	-	57,074	57,074	-	-	-
Other	76,060	-	-	76,060	-	-	10,278
Due from other governments	265,574	-	-	265,574	47,317	-	-
Due from component unit	183,734	72,306	-	256,040	-	-	-
Less: allowance for uncollectibles	(184,164)	(124,055)	-	(308,219)	-	(300,958)	-
Totals	\$ 2,942,740	\$ 72,306	\$ 57,074	\$ 3,072,120	\$ 47,317	\$ 1,600,917	\$ 700,475

City of Tomball, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

Changes in the capital assets for governmental activities for the year ended September 30, 2020, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 7,255,744	\$ 454,017	\$ -	\$ 272,327	\$ 7,982,088
Construction in progress	8,637,362	12,837,634	(38,780)	(2,245,204)	19,191,012
Total capital assets, not being depreciated	15,893,106	13,291,651	(38,780)	(1,972,877)	27,173,100
Capital assets, being depreciated:					
Buildings and improvements	11,507,293	97,238	(2,959)	(116,137)	11,485,435
Machinery and equipment	6,624,100	409,561	(1,031,133)	103,112	6,105,640
Vehicles	6,938,639	447,158	(1,229,399)	-	6,156,398
Infrastructure	38,214,282	1,575,686	-	1,827,051	41,617,019
Total capital assets, being depreciated	63,284,314	2,529,643	(2,263,491)	1,814,026	65,364,492
Less accumulated depreciation for:					
Buildings and improvements	(4,762,424)	(314,661)	53,182	-	(5,023,903)
Machinery and equipment	(5,419,636)	(192,355)	1,031,133	-	(4,580,858)
Vehicles	(4,589,299)	(354,957)	1,229,399	-	(3,714,857)
Infrastructure	(12,018,626)	(1,103,913)	110,769	62,604	(12,949,166)
Total accumulated depreciation	(26,789,985)	(1,965,886)	2,424,483	62,604	(26,268,784)
Total depreciable capital assets, net	36,494,329	563,757	160,992	1,876,630	39,095,708
Governmental activities capital assets, net	\$ 52,387,435	\$ 13,855,408	\$ 122,212	\$ (96,247)	\$ 66,268,808

City of Tomball, Texas
Notes to the Basic Financial Statements

Changes in the capital assets for business-type activities for the year ended September 30, 2020, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,897,333	\$ -	\$ -	\$ -	\$ 1,897,333
Construction in progress	5,617,045	1,137,654	(445,200)	(5,507,371)	802,128
Total capital assets, not being depreciated	7,514,378	1,137,654	(445,200)	(5,507,371)	2,699,461
Capital assets, being depreciated:					
Gas system	6,335,356	210,092	(54,836)	-	6,490,612
Water and wastewater system	49,434,556	858,349	(297,274)	5,666,223	55,661,854
Machinery and equipment	4,600,395	85,053	(276,420)	-	4,409,028
Total capital assets, being depreciated	60,370,307	1,153,494	(628,530)	5,666,223	66,561,494
Less accumulated depreciation for:					
Gas system	(3,440,453)	(150,524)	28,654	-	(3,562,323)
Water and wastewater system	(23,677,244)	(1,198,363)	158,291	(62,605)	(24,779,921)
Machinery and equipment	(2,309,243)	(125,662)	276,419	-	(2,158,486)
Total accumulated depreciation	(29,426,940)	(1,474,549)	463,364	(62,605)	(30,500,730)
Total depreciable capital assets, net	30,943,367	(321,055)	(165,166)	5,603,618	36,060,764
Business-type activities capital assets, net	\$ 38,457,745	\$ 816,599	\$ (610,366)	\$ 96,247	\$ 38,760,225

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

Governmental activities:	
General government	\$ 450,310
Public safety	730,533
Public works	275,437
Community development	142,486
Internal service fund	367,120
Total depreciation expense, governmental activities	\$ 1,965,886
Business-type activities:	
Utility administration	\$ 125,662
Water	531,158
Wastewater	667,205
Gas	150,524
Total depreciation expense, business-type activities	\$ 1,474,549

City of Tomball, Texas

Notes to the Basic Financial Statements

The City has active construction projects and remaining commitments under related contracts. As of September 30, 2020, the City's contractual commitments on projects for governmental and business-type activities were as follows:

Project Description	Project Authorization	Total Expended	Remaining Commitment
Governmental activities:			
Rudolph Road and Utilities	\$ 82,570	\$ 61,697	\$ 20,873
M121 Final Phase (Drainage Channels)	11,339,208	9,034,920	2,304,288
Medical Complex Drive	16,588,603	8,155,556	8,433,047
Sidewalks	694,830	625,938	68,892
Persimmons Drainage Improvements	394,000	212,336	181,664
Alley Improvement Project	125,254	73,427	51,827
Total governmental activities	\$ 29,224,465	\$ 18,163,874	\$ 11,060,591
Business-type activities:			
Critical Needs Assessment - Improvements	\$ 5,228,555	\$ 4,549,401	\$ 679,154
Design of SCADA	9,500	7,924	1,576
DRI Prime System - 2920 Lift Station	31,430	2,196	29,234
Sanitary Sewer Rehab	526,355	186,740	339,615
Sensus Meter Conversion	73,324	37,968	35,356
Total business-type activities	\$ 5,869,164	\$ 4,784,229	\$ 1,084,935

Changes in the capital assets for the discretely presented component unit for the year ended September 30, 2020, are summarized as follows:

	Beginning Balance	Increases	Decreases	Reclass and Transfers	Ending Balance
Discretely presented component unit:					
Capital assets, not being depreciated:					
Land	\$ 1,124,682	\$ 900,363	\$ (47,213)	\$ -	\$ 1,977,832
Construction in progress	2,470,129	156,015	(2,626,144)	-	-
Total capital assets, not being depreciated	3,594,811	1,056,378	(2,673,357)	-	1,977,832
Capital assets, being depreciated:					
Buildings and improvements	-	4,162,268	-	-	4,162,268
Total capital assets, being depreciated	-	4,162,268	-	-	4,162,268
Less accumulated depreciation for:					
Buildings and improvements	-	(104,057)	-	-	(104,057)
Total accumulated depreciation	-	(104,057)	-	-	(104,057)
Total depreciable capital assets, net	-	4,058,211	-	-	4,058,211
Discretely presented component unit capital assets, not being depreciated	\$ 3,594,811	\$ 5,114,589	\$ (2,673,357)	\$ -	\$ 6,036,043

The discretely presented component unit contributed \$1,575,687 and \$1,050,458 of completed construction in progress to the governmental activities and business-type activities of the primary government, respectively, during 2020.

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 6. Long-Term Debt

Changes in Long-Term Liabilities

The City's long-term liabilities consist of bond indebtedness, public property finance contractual obligations, compensated absences, landfill postclosure care costs, and net pension liability and total OPEB liability.

Certificates of obligation are issued to acquire and construct major capital facilities. General obligation refunding bonds are issued to legally defease previously issued bonded debt. The debt service requirements for the certificates and general obligation bonds are paid through the Debt Service Fund from tax revenues, transfers from the Enterprise Fund and contributions from the Discretely Presented Component Unit. Public property finance contractual obligations are accounted for and serviced through the Internal Service Fund. Other long-term liabilities are typically liquidated by the General Fund (Governmental Activities) and the Enterprise Fund (Business-Type Activities).

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

The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2020.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 34,210,000	\$ -	\$ (11,675,000)	\$ 22,535,000	\$ 1,370,000
General obligation refunding bonds	3,603,000	9,100,000	(1,913,000)	10,790,000	1,170,000
Unamortized premiums	1,017,164	733,352	(125,243)	1,625,273	-
Bonds payable, net	38,830,164	9,833,352	(13,713,243)	34,950,273	2,540,000
Public property finance					
contractual obligation	1,169,868	-	-	1,169,868	130,000
Compensated absences	1,767,481	876,266	(814,709)	1,829,038	457,260
Landfill postclosure care costs	345,375	54,875	(54,875)	345,375	59,075
Net pension liability	7,160,095	4,837,513	(6,716,710)	5,280,898	-
Total OPEB liability	2,812,311	377,768	(492,221)	2,697,858	-
Total governmental activities	\$ 52,085,294	\$ 15,979,774	\$ (21,791,758)	\$ 46,273,310	\$ 3,186,335
Business-type activities:					
General obligation refunding bonds	\$ 1,672,000	\$ -	\$ (1,672,000)	\$ -	\$ -
Unamortized premiums	23,555	-	(23,555)	-	-
Bonds payable, net	1,695,555	-	(1,695,555)	-	-
Compensated absences	289,378	148,662	(118,929)	319,111	79,778
Net pension liability	1,256,029	817,351	(1,204,002)	869,378	-
Total OPEB liability	638,377	89,261	(130,477)	597,161	-
Total business-type activities	\$ 3,879,339	\$ 1,055,274	\$ (3,148,963)	\$ 1,785,650	\$ 79,778

City of Tomball, Texas

Notes to the Basic Financial Statements

General Obligation Bonds and Certificates of Obligation

A summary of the terms of general obligation bonds and certificates of obligation, as of September 30, 2020, follows:

Description	Original Issue	Final Maturity	Interest Rates (%)	Balance
Certificates of obligation				
Series 2013	\$ 8,500,000	2033	2.00-3.00	\$ 6,020,000
Series 2016	20,240,000	2037	3.00-5.00	16,515,000
Total certificates of obligation				22,535,000
General obligation refunding bonds				
Series 2013	8,650,000	2023	1.00-1.65	1,690,000
Series 2019	9,100,000	2032	2.00-4.00	9,100,000
Total general obligation refunding bonds				10,790,000
Total governmental activities bonds payable				\$ 33,325,000

Public Property Finance Contractual Obligations

The City issued \$1,300,000 in Public Property Finance Obligations to finance acquisition of equipment for the Fire Department. Principal and interest payments are due in annual installments through November 1, 2028, with interest at 3.65 percent through November 1, 2023 and at a fixed rate equal to the Wall Street Journal Prime Rate minus 1.35 percent per annum from November 1, 2023 through 2028.

Debt Service Requirements

The annual debt service requirements to maturity for general obligation refunding bonds, certificates of obligation and public property finance contractual obligations outstanding at September 30, 2020, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Refunding Bonds and Certificates of Obligation			Public Property Finance Contractual Obligations		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,540,000	\$ 1,068,625	\$ 3,608,625	\$ 130,000	\$ 42,705	\$ 172,705
2022	2,580,000	983,360	3,563,360	130,000	37,960	167,960
2023	2,635,000	891,185	3,526,185	130,000	33,215	163,215
2024	2,095,000	802,100	2,897,100	130,000	28,470	158,470
2025	2,135,000	716,450	2,851,450	130,000	23,725	153,725
2026	2,165,000	629,625	2,794,625	130,000	18,980	148,980
2027	2,210,000	550,650	2,760,650	130,000	14,235	144,235
2028	2,250,000	479,288	2,729,288	130,000	9,490	139,490
2029	2,290,000	410,113	2,700,113	129,868	4,745	134,613
2030	2,315,000	347,119	2,662,119	-	-	-
2031	2,345,000	285,806	2,630,806	-	-	-
2032	2,375,000	221,363	2,596,363	-	-	-
2033	1,510,000	163,300	1,673,300	-	-	-
2034	970,000	121,250	1,091,250	-	-	-
2035	970,000	87,300	1,057,300	-	-	-
2036	970,000	52,744	1,022,744	-	-	-
2037	970,000	17,581	987,581	-	-	-
Totals	\$ 33,325,000	\$ 7,827,859	\$ 41,152,859	\$ 1,169,868	\$ 213,525	\$ 1,383,393

City of Tomball, Texas

Notes to the Basic Financial Statements

Debt Issuances and Prior Defeased Debt

In current and prior years, the City legally defeased certain bonds and certificates of obligation by placing cash and/or proceeds of refunding bond issues in an irrevocable trust to provide for all future debt services payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2020, there were no outstanding balances of defeased bonds.

On December 20, 2019 the City issued General Obligation Refunding Bonds (the Bonds), Series 2019, in the par amount of \$9,100,000. The Bonds refunded \$3,040,000 of General Obligation Refunding Bonds, Series 2011 and \$9,665,000 of Combination Tax and Revenue Certificates of Obligation, Series 2012. The Bonds were issued to lower overall annual debt service requirements of the City and to pay the costs of issuance of the Bonds. Additionally, the City contributed cash of \$3.2 million. The refunding transaction yielded a reduction in debt service and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,342,513 and \$1,225,018, respectively. The Bonds are scheduled to mature on February 15, 2032.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The City did not identify arbitrage liability as of September 30, 2020.

Note 7. Commitments and Contingencies

A. Risk Management

Property Damage / General Liability

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; law enforcement operations; cyber security; pollution; injuries to employees, and natural disasters for which the City participates in the Texas Municipal League's Intergovernmental Risk Pool (the Pool). In accordance with an interlocal agreement, the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums and claims above the City's deductibles. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

Workers' Compensation

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

City of Tomball, Texas

Notes to the Basic Financial Statements

B. Contingent Liabilities

The City is a party to various legal action due to nature of its operations. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. It is the opinion of the City's management that the resolution of these matters, although the outcome is not presently determinable, will not have a material adverse effect on the financial condition of the City.

The City participates in a number of federal and state financial assistance programs. Although the City's financial statements have been audited through September 30, 2020, these programs are subject to financial and compliance audits by the grantor agencies. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

Note 8. Interfund Transactions

Interfund Receivables and Payables

The composition of interfund receivables and payables for the year ended September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 57,074	Short Term Loan - Grant
Total		\$ 57,074	

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

The composition of interfund transfers in and out for the year ended September 30, 2020 is as follows:

Transfers In	Governmental Funds		Proprietary Fund	Total
	Transfers Out			
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	
General fund	\$ -	\$ -	\$ 2,603,335	\$ 2,603,335
Capital projects fund	600,000	327,050	1,098,000	2,025,050
Nonmajor governmental funds	126,000	35,000	-	161,000
Total	\$ 726,000	\$ 362,050	\$ 3,701,335	\$ 4,789,385

Transfers are primarily used to:

- move enterprise fund resources to provide an annual subsidy to the general fund
- move available resources to fund special revenue programs, and
- move available resources to provide funding for capital projects

City of Tomball, Texas

Notes to the Basic Financial Statements

In addition, the City transferred \$1,233,901 of capital assets between governmental activities and business-type activities, which is reflected in the government-wide financial statements as transfers and proprietary fund financial statements as non-operating revenue.

Note 9. Pension Plan

Plan Description and Provisions

The City participates as one of 888 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 comprehensive annual financial report that can be obtained at www.tMrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the 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 plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. A summary of plan provisions for the City is as follows:

	Plan Year 2020	Plan Year 2019
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating
Supplemental death benefit:		
to active employees	Yes	Yes
to retirees	Yes	Yes

City of Tomball, Texas

Notes to the Basic Financial Statements

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	90
Inactive employees entitled to but not yet receiving benefits	91
Active employees	177
	<hr/>
Total	358
	<hr/> <hr/>

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 rate for the City was 13.49% in both calendar years 2019 and 2020. For the fiscal year ended September 30, 2020, the City made contributions of \$1,607,743, which were equal to the required contributions.

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2019, and the total pension liability (TPL) 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

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.

City of Tomball, Texas

Notes to the Basic Financial Statements

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, the actuarial approach 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real return	10.0%	3.85%
Real estate	10.0%	4.00%
Absolute return	10.0%	3.48%
Private equity	10.0%	7.75%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Tomball, Texas
Notes to the Basic Financial Statements

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2018	\$ 44,068,807	\$ 35,652,683	\$ 8,416,124
Changes for the year:			
Service cost	1,952,260	-	1,952,260
Interest	2,978,534	-	2,978,534
Difference between expected and actual experience	363,731	-	363,731
Changes in assumptions	295,730	-	295,730
Employer contributions	-	1,562,039	(1,562,039)
Employee contributions	-	810,547	(810,547)
Net investment income	-	5,515,598	(5,515,598)
Benefit payments, including refunds of employee	(1,837,004)	(1,837,004)	-
Administrative expense	-	(31,144)	31,144
Other changes	-	(937)	937
Net changes	<u>3,753,251</u>	<u>6,019,099</u>	<u>(2,265,848)</u>
Balance at December 31, 2019	<u>\$ 47,822,058</u>	<u>\$ 41,671,782</u>	<u>\$ 6,150,276</u>

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 Discount Rate Assumption 6.75%	1% Increase to 7.75%
City's net pension liability	\$ 13,641,803	\$ 6,150,276	\$ 125,203

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 at www.tmr.com.

City of Tomball, Texas

Notes to the Basic Financial Statements

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,981,742.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 462,224	\$ 153,847
Changes in actuarial assumptions used	238,108	-
Differences between projected and actual investment earnings	-	1,246,385
Contributions subsequent to the measurement date	1,167,653	-
Totals	\$ 1,867,985	\$ 1,400,232

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,167,653 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the City's fiscal year 2021 financial statements). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the City's fiscal years as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (179,036)
2022	(183,264)
2023	192,029
2024	(529,629)
2025	-
Totals	\$ (699,900)

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 10. Other Postemployment Benefits Plans

The City offers two other postemployment benefit (OPEB) plans: Texas Municipal Retirement System's (TMRS) Supplemental Death Benefits Fund, and the City's Retiree Health Care Plan.

Plan Descriptions and Provisions, Benefits, Contributions

TMRS Supplemental Death Benefits Fund (SDBF)

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an 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 plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75).

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

The retiree portion of contribution rates to the SDBF for the City was 0.04% and 0.03% in calendar years 2020 and 2019, respectively. The City's contributions to the SDBF for the year ended September 30, 2020 were \$4,441, and were equal to the required contributions.

Retiree Health Care Plan (RHCP)

The City's administers a single employer defined benefit OPEB plan, City of Tomball Retiree Health Care Plan (RHCP), where the City will pay a portion of the premium for continuation of the medical and dental insurance coverage of certain retirees. Enrollment for retiree coverage must be completed no later than 30 days after the date of retirement. Later enrollment is not permitted. Any retiree eligible for medical coverage with another group plan shall not qualify for medical coverage with the City.

The RHCP is closed to new entrants as the benefit is only provided to employees who were hired prior to October 1, 2014.

City of Tomball, Texas

Notes to the Basic Financial Statements

In order to be eligible for this benefit, the retiree must meet the following criteria:

- Retiree must be vested, age 55 or older and a current recipient of retirement benefits from the Texas Municipal System
- Retiree must have been a full-time equivalent of the City for 10 consecutive years immediately prior to retirement
- Retiree must satisfy the application plan requirements for the extension of retiree coverage under the medical and dental insurance benefit plan offered by the City at the time of retirement

Beginning with retirement and ending when the person is eligible for Medicare coverage, the City may pay a portion of the retiree medical and dental coverage premiums in accordance with the following schedule:

- 40% of the premium costs for retirees having at least 10 year, but less than 15 years, of full-time service with the City
- 55% of the premium costs for retirees having at least 15 years, but less than 20 years, of full-time service with the City
- 70% of the premium costs for retirees having at least 20 years, but less than 25 years, of full-time service with the City
- 85% of the premium costs for retirees having at least 25 years of full-time service with the City

Eligible retirees shall pay 100% of vision premiums and 100% of the premiums for basic life insurance. Presently, a retiree's spouse and dependent(s) are also eligible for continued coverage if they are already covered at the time of retirement. Retirees may not add dependents after retiring. Each retiree is responsible for all costs, including premiums, associated with spouse and dependent benefits. The benefit includes the same medical coverage approved by City Council and selected for current employees and excludes accidental death and life coverage.

The City will no longer pay any retiree premiums once the retiree is eligible for Medicare coverage. Retirees who are eligible for Medicare coverage may, at their sole expense, continue to purchase coverage for themselves and their eligible dependents as provided under the applicable terms of the City's policies. The City's policy will be a secondary policy to Medicare.

The benefit levels and contribution rates are approved annually by the City management and City Council as part of the budget process. Since the City does not contribute toward the RHCP in advance, the City employs a pay-as-you-go method ensuring the annually retiree contributions are equal to the benefits that are paid on behalf of the retirees.

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

Plan Membership

Membership in the plans as of the measurement date of December 31, 2019 was as follows:

	SDBF	RHCP
Inactive plan members or beneficiaries currently receiving benefits	77	29
Inactive plan members entitled to but not yet receiving benefits	32	-
Active employees	177	85
Total plan members	286	114

City of Tomball, Texas

Notes to the Basic Financial Statements

Total OPEB Liability

The City's total OPEB liability for each of its OPEB plans was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date. The total OPEB liabilities reported in the City's September 30, 2020 financial statements were as follows:

SDBF	\$	564,627
RHCP		<u>2,730,392</u>
	\$	<u>3,295,019</u>

Actuarial Methods and Assumptions

The total OPEB liabilities were determined using the following actuarial assumptions and other inputs.

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75% - based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The retiree's share of benefit-related costs for the SDBF OPEB is assumed to be \$0, and the healthcare trend cost rate for the RHCP actuarial valuation is assumed at an initial rate of 7.00%, declining to an ultimate rate of 4.15% after 15 years.

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

The actuarial assumptions were developed primarily from the actuarial investigation 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.

Change in Actuarial Methods and Assumptions

The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 Experience Study and the health care trend rates were updated to reflect both the RHCP's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

City of Tomball, Texas
Notes to the Basic Financial Statements

Changes in the Total OPEB Liability

	SDBF	RHCP
Service cost	\$ 23,158	\$ 113,492
Interest	16,760	111,415
Changes in benefit terms	-	-
Difference between expected and actual experience	(8,489)	(453,167)
Changes in assumptions or other inputs	94,765	74,725
Benefit payments	(3,474)	(124,854)
Net changes	122,720	(278,389)
Total OPEB liability - beginning	441,907	3,008,781
Total OPEB liability - ending	\$ 564,627	\$ 2,730,392

Sensitivity Analysis

The following presents the City's total OPEB liabilities calculated using the discount rate of 2.75%, as well as what the liabilities would be if they were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

	1% Decrease to 1.75%	Current Discount Rate Assumption 2.75%	1% Increase to 3.75%
SDBF	\$ 688,825	\$ 564,627	\$ 469,982
RHCP	3,015,887	2,730,392	2,474,146

The following presents the RHCP plan's total OPEB liability, calculated using the assumed healthcare cost 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. Note that the healthcare cost trend rate does not affect the total SDBF OPEB liability, therefore the sensitivity to the healthcare cost trend rate is not shown for SDBF.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
RHCP	\$ 2,398,756	\$ 2,730,392	\$ 3,131,744

City of Tomball, Texas

Notes to the Basic Financial Statements

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$55,267 relating to the SDBF plan and OPEB expense of \$176,760 relating to the RHCP plan. Total OPEB expense for the two plans was \$232,027.

As of September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	SDBF		RHCP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,315	\$ 10,898	\$ 389,261
Changes in assumptions and other inputs	95,605	21,280	157,130	94,012
Contributions subsequent to the measurement date	3,462	-	83,803	-
Total	<u>\$ 99,067</u>	<u>\$ 28,595</u>	<u>\$ 251,831</u>	<u>\$ 483,273</u>

The amounts reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the City's fiscal years as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources	
	SDBF	RHCP
2021	\$ 15,349	\$ (48,147)
2022	15,349	(48,147)
2023	14,994	(48,147)
2024	9,807	(48,147)
2025	11,511	(54,439)
Thereafter	-	(68,218)
Totals	<u>\$ 67,010</u>	<u>\$ (315,245)</u>

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 11. Deferred Compensation Plan

The City has a deferred compensation plan for its employees, created in accordance with Internal Revenue Code, Section 457. Participation in the plan is open to all regular employees and is voluntary. The City does not contribute to, own or administer the amount deferred by employees and, therefore, the liability and corresponding investments are not reflected in the basic statements.

Note 12. Landfill Post Closure Care Costs

The City's municipal solid waste landfill is in the post closure process as the landfill has been closed. State and federal laws and regulations required that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site until approved for final regulatory closure by the Texas Commission on Environmental Quality.

The estimated liability for landfill post closure care costs of \$345,375 as of September 30, 2020, represents the remaining estimated post closure costs required to achieve regulatory approval for closure including costs through 2025. However, the actual cost of remaining post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Note 13. Tax Abatements

State law authorizes subdivisions of the State of Texas to grant tax abatements to any person, organization or corporation in order to stimulate economic development within the State under Chapter 312 of the Texas Tax Code. Consequently, the City Council has adopted a resolution establishing criteria whereby the City will, on a case-by-case basis, give consideration to providing tax abatement to any qualifying applicant. Generally, the period of abatement is for a maximum period of up to ten years subsequent to meeting the minimum criteria outlined in the agreement. The percentage of tax abated shall be determined based upon the level capital investment and number of new jobs created. Notwithstanding the resolution adopted by the City Council, or the criteria attendant thereto, it is not implied or suggested that the City is under any obligation to provide tax abatement to any applicant. The abatements are provided as a reduction of taxable assessed value of the property, and the recipient receives a tax bill that is already net of the abated amount.

As of January 1, 2020, the estimated value of property in the City that was subject to tax abatement was \$0, as no participants met the minimum criteria identified in the agreements, therefore, no taxes were abated.

Note 14. Related Parties

During the fiscal year ended September 30, 2020, transactions with related parties of the City and the Corporation were as follows.

The Corporation approved an agreement with a company controlled by a director of the Corporation to make direct incentives to that company in the amount of \$84,894, for the creation or retention of jobs associated with the expansion and development of its current facility. The City's expenditure transactions with that same company during the fiscal year amounted to approximately \$217 thousand.

The City incurred expenditures of approximately \$321 thousand to install utilities in area developments of a development company controlled by a director of the Corporation.

City of Tomball, Texas

Notes to the Basic Financial Statements

Note 15. Prior Period Adjustments

During the year ended September 30, 2020, the City's management identified errors in amounts reported in the City's previously-issued 2019 financial statements. The following represents the effect on beginning net position or fund balance (as applicable), as presented in the accompanying 2020 financial statements, of correcting these errors.

	Governmental Activities	General Fund	Nonmajor Governmental Funds	Internal Service
Beginning net position / fund balance, as previously reported	\$ 64,534,309	\$ 16,081,063	\$ 1,546,238	\$ 4,412,993
Correction of error - health insurance premiums (1)	205,377	-	-	205,377
Correction of error - ESD# 15 (2)	(216,154)	(192,196)	-	(23,958)
Correction of error - state court fees (3)	62,123	-	62,123	-
Total prior period adjustments	51,346	(192,196)	62,123	181,419
Beginning net position / fund balance, restated	\$ 64,585,655	\$ 15,888,867	\$ 1,608,361	\$ 4,594,412

1. Beginning net position of governmental activities and internal service funds was increased to reflect prepaid health insurance premiums as of September 30, 2019. The effect of this correction on the 2019 financial statements is to increase net position and total assets, and decrease the reported expenses for the period by this amount.
2. Beginning net position of governmental activities and internal service funds, and beginning fund balance of the general fund, was decreased to correct an overstatement in the balance recognized in the 2019 financial statements as accounts receivable for emergency services provided to Harris County ESD #15. The effect of this correction on the 2019 financial statements is to decrease net position/fund balance and total assets, and decrease the reported revenues for the period by this amount.
3. Beginning net position of governmental activities and beginning fund balance of the nonmajor governmental funds was increased to correct an overstatement in the balance recognized in the 2019 financial statements as accounts payable for state court fees. The effect of this correction on the 2019 financial statements is to increase net position/fund balance, decrease total liabilities, and increase the reported revenues for the period by this amount.

Note 16. Subsequent Events

General Obligation Refunding Bonds, Series 2020

In December 16, 2020, the City issued \$5,255,000 of General Obligation Refunding Bonds, Series 2020. The issuance refunded \$5,625,000 of the City's Series 2013 Certificates of Obligation, lowered overall annual debt service requirements of the City and paid the costs of issuance of the bonds. Cash flows savings over the life of the new debt is \$495,581 while net present value savings is \$454,987. The bonds are scheduled to mature on February 15, 2033.

Special Assessment Revenue Bonds, Series 2020

On October 20, 2020, the City issued \$2,490,000 of Special Assessment Revenue Bonds, Series 2020. The bonds were issued to fund projects related to the Raburn Reserve Public Improvement District and pay for the costs of issuance. The bonds are scheduled to mature on September 15, 2050.

City of Tomball, Texas

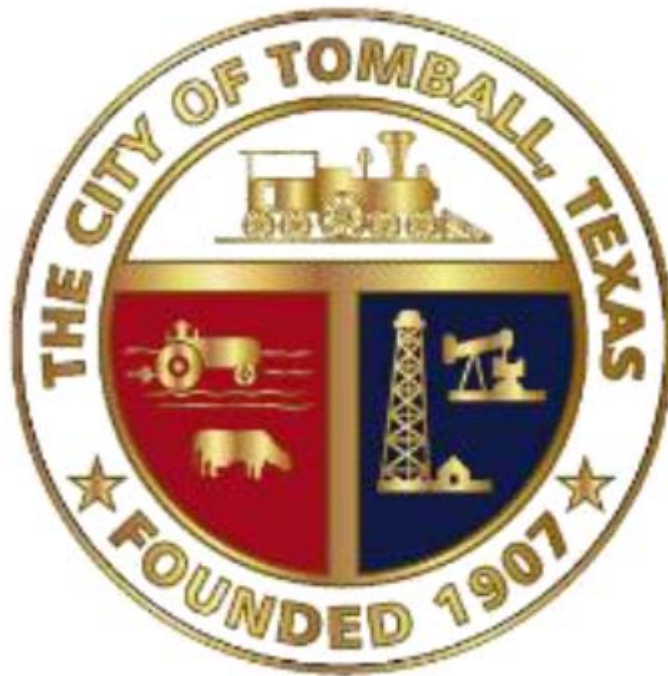
Notes to the Basic Financial Statements

Winter Storms

During February 14-19, 2021, exceptionally cold weather was experienced across the State of Texas. This event caused extreme spikes in demand for natural gas, which resulted in historical spikes in price of natural gas due to limitations in supply. The unprecedented pricing resulted in the City receiving a \$2.7 million bill from the City's natural gas supplier for February gas usage. The average monthly natural gas bill during winter months is typically less than 100 thousand.

The cost for the purchased gas is passed on to City's gas utility customers every month. To minimize the immediate impact on its customers, City management analyzed various options and decided the best alternative would be to absorb the additional cost within the City's enterprise fund and consider the effect on gas rates in future fiscal periods.

Required Supplementary Information (Unaudited)



City of Tomball, Texas
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 Major Fund - General Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 2,265,000	\$ 2,345,000	\$ 2,265,470	\$ (79,530)
Sales tax	12,000,000	11,590,000	12,291,928	701,928
Franchise and other taxes	1,295,000	910,020	1,084,860	174,840
Licenses and permits	575,200	830,700	1,113,989	283,289
Fines and forfeitures	460,200	459,500	349,302	(110,198)
Charges for services	3,360,983	2,505,567	2,967,034	461,467
Intergovernmental	367,876	378,883	416,777	37,894
Investment earnings	225,000	225,000	168,109	(56,891)
Other	100,000	55,175	60,475	5,300
Total revenues	20,649,259	19,299,845	20,717,944	1,418,099
EXPENDITURES				
Current				
General government				
City manager's office	400,832	389,660	383,301	6,359
Mayor and council	102,198	84,590	58,629	25,961
City secretary	443,945	380,867	327,103	53,764
Human resources	466,213	462,399	434,352	28,047
Finance	766,518	767,757	871,850	(104,093)
Information systems	971,750	902,265	829,171	73,094
Legal	142,000	130,000	144,705	(14,705)
Non-departmental	3,186,800	3,261,516	3,205,107	56,409
Total	6,480,256	6,379,054	6,254,218	124,836
Public safety				
Police	6,002,880	5,955,575	5,915,355	40,220
Fire	3,089,055	2,904,260	2,747,308	156,952
Municipal court	426,322	415,342	401,136	14,206
Emergency management	19,250	26,502	19,626	6,876
ESD#15 - Station 5	981,747	925,931	837,626	88,305
Total	10,519,254	10,227,610	9,921,051	306,559
Public works				
Public works administration	69,017	68,946	66,849	2,097
Garage	156,123	-	-	-
Streets	1,456,359	1,156,689	859,918	296,771
Engineering and planning	592,614	554,052	496,004	58,048
Sanitation	2,305,300	2,113,200	1,756,976	356,224
Facilities maintenance	597,274	622,002	605,994	16,008
Total	5,176,687	4,514,889	3,785,741	729,148
Parks and recreation				
Parks	1,147,662	737,229	742,570	(5,341)
Community center	171,296	162,416	156,336	6,080
Total	1,318,958	899,645	898,906	739
Community development				
Permits and inspections	485,169	412,582	400,824	11,758
Total expenditures	23,980,324	22,433,780	21,260,740	1,173,040
Excess (deficiency) of revenues over expenditures	(3,331,065)	(3,133,935)	(542,796)	2,591,139
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	40,000	166,059	126,059
Transfers in	2,603,335	2,603,335	2,603,335	-
Transfers out	-	(546,000)	(726,000)	(180,000)
Total other financing sources (uses)	2,603,335	2,097,335	2,043,394	(53,941)
Net change in fund balances	(727,730)	(1,036,600)	1,500,598	2,537,198
Fund balance, beginning of year - restated	15,888,867	15,888,867	15,888,867	-
FUND BALANCE, END OF YEAR	\$ 15,161,137	\$ 14,852,267	\$ 17,389,465	\$ 2,537,198

The Notes to the Required Supplementary Information are an integral part of this schedule.



City of Tomball, Texas

Notes to the Required Supplementary Information
For the Fiscal Year Ended September 30, 2020

A. Budget – General Fund

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, which is the modified accrual basis of accounting for the general fund.

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of budgetary control as defined by the City Charter is the department level in the general fund, and fund level for all other funds. The City Manager may transfer appropriations within departments without seeking approval from City Council.

Expenditures exceeded budget at the legal level of control for the following departments:

	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
General government - finance	\$ 767,757	\$ 871,850	\$ (104,093)
General government - legal	130,000	144,705	(14,705)
Parks and recreation - parks	737,229	742,570	(5,341)

City of Tomball, Texas

Schedule of Changes in the Net Pension Liability

and Related Ratios

Texas Municipal Retirement System

For the Last Six Measurement Years Ended December 31*

	2019	2018
TOTAL PENSION LIABILITY		
Service cost	\$ 1,952,260	\$ 1,799,563
Interest	2,978,534	2,801,748
Differences between expected and actual experience	363,731	(223,279)
Changes in assumptions	295,730	-
Benefit payments, including refunds of employee contributions	(1,837,004)	(1,833,649)
Net change in total pension liability	3,753,251	2,544,383
Total pension liability - beginning	44,068,807	41,524,424
TOTAL PENSION LIABILITY - ENDING (a)	\$ 47,822,058	\$ 44,068,807
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 1,562,039	\$ 1,431,544
Contributions - employee	810,547	746,707
Net investment income	5,515,598	(1,091,540)
Benefit payments, including refunds of employee contributions	(1,837,004)	(1,833,649)
Administrative expense	(31,144)	(21,086)
Other	(937)	(1,101)
Net change in plan fiduciary net position	6,019,099	(769,125)
Plan fiduciary net position - beginning	35,652,683	36,421,808
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 41,671,782	\$ 35,652,683
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 6,150,276	\$ 8,416,124
Plan fiduciary net position as a percentage of total pension liability	87.14%	80.90%
Covered payroll	\$ 11,579,239	\$ 10,667,238
Net pension liability as a percentage of covered payroll	53.11%	78.90%

*GASB Statement No. 68 requires 10 years of data; however, six years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Notes to Required Supplementary Information:

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

	2019	2018
Actuarial Assumptions:		
Inflation	2.50%	2.50%
Payroll growth	2.75%	3.00%
Investment rate of return	6.75%	6.75%
Discount rate	6.75%	6.75%

Measurement Date December 31, 2019 - Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018.

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

2017	2016	2015	2014
\$ 1,780,118	\$ 1,678,897	\$ 1,631,504	\$ 1,405,192
2,582,435	2,396,517	2,283,312	2,122,080
437,533	(109,994)	153,806	(75,098)
-	-	112,706	-
(1,287,794)	(1,235,596)	(1,404,009)	(1,120,036)
3,512,292	2,729,824	2,777,319	2,332,138
38,012,132	35,282,308	32,504,989	30,172,851
<u>\$ 41,524,424</u>	<u>\$ 38,012,132</u>	<u>\$ 35,282,308</u>	<u>\$ 32,504,989</u>
\$ 1,428,931	\$ 1,309,638	\$ 1,321,927	\$ 1,106,867
736,020	689,283	680,604	629,009
4,330,256	1,930,676	41,253	1,480,415
(1,287,794)	(1,235,596)	(1,404,009)	(1,120,036)
(22,437)	(21,804)	(25,124)	(15,453)
(1,137)	(1,175)	(1,240)	(1,271)
5,183,839	2,671,022	613,411	2,079,531
31,237,969	28,566,947	27,953,536	25,874,005
<u>\$ 36,421,808</u>	<u>\$ 31,237,969</u>	<u>\$ 28,566,947</u>	<u>\$ 27,953,536</u>
<u>\$ 5,102,616</u>	<u>\$ 6,774,163</u>	<u>\$ 6,715,361</u>	<u>\$ 4,551,453</u>
87.71%	82.18%	80.97%	86.00%
\$ 10,514,577	\$ 9,846,905	\$ 9,722,909	\$ 8,985,838
48.53%	68.79%	69.07%	50.65%

2017	2016	2015	2014
2.50%	2.50%	2.50%	3.00%
3.00%	3.00%	3.00%	3.00%
6.75%	6.75%	6.75%	7.00%
6.75%	6.75%	6.75%	7.00%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,439,971	\$ 1,435,572	\$ 1,285,841	\$ 1,246,735
<u>(1,439,971)</u>	<u>(1,435,572)</u>	<u>(1,285,841)</u>	<u>(1,246,735)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,693,441	\$ 10,481,687	\$ 9,620,867	\$ 9,404,137
13.47%	13.70%	13.37%	13.26%

City of Tomball, Texas

Schedule of Changes in Total OPEB Liability

and Related Ratios

Retiree Health Care Plan

For the Last Three Measurement Years Ended December 31*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 113,492	\$ 145,528	\$ 130,909
Interest	111,415	99,651	104,080
Difference between expected and actual experience	(453,167)	14,732	-
Changes in assumptions	74,725	(127,098)	152,484
Benefit payments	<u>(124,854)</u>	<u>(123,721)</u>	<u>(108,157)</u>
Net change in total OPEB liability	(278,389)	9,092	279,316
Total OPEB liability - beginning	<u>3,008,781</u>	<u>2,999,689</u>	<u>2,720,373</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 2,730,392</u>	<u>\$ 3,008,781</u>	<u>\$ 2,999,689</u>
Covered-employee payroll	\$ 6,474,035	\$ 7,633,706	\$ 10,520,156
Total OPEB liability as a percentage of covered-employee payroll	42.17%	39.41%	28.51%

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

Notes to Required Supplementary Information:

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

Actuarial Assumptions:	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inflation	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%
Discount rate	2.75%	3.71%	3.31%

Measurement Date December 31, 2019 - Demographic assumptions were updated to reflect the 2019 Experience Study and the health care trend rates were updated to reflect both the RHCP's anticipated experience and the repeal of the excise tax on high-cost employer health plans

City of Tomball, Texas

Schedule of Changes in Total OPEB Liability

and Related Ratios

Supplemental Death Benefits Fund

For the Last Three Measurement Years Ended December 31*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 23,158	\$ 24,535	\$ 21,029
Interest	16,760	14,859	14,366
Difference between expected and actual experience	(8,489)	-	-
Changes in assumptions	94,765	(32,082)	34,434
Benefit payments	<u>(3,474)</u>	<u>(3,200)</u>	<u>(3,154)</u>
Net change in total OPEB liability	122,720	4,112	66,675
Total OPEB liability - beginning	<u>441,907</u>	<u>437,795</u>	<u>371,120</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 564,627</u>	<u>\$ 441,907</u>	<u>\$ 437,795</u>
Covered-employee payroll	\$ 11,579,239	\$ 10,667,238	\$ 10,514,577
Total OPEB liability as a percentage of covered-employee payroll	4.88%	4.14%	4.16%

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

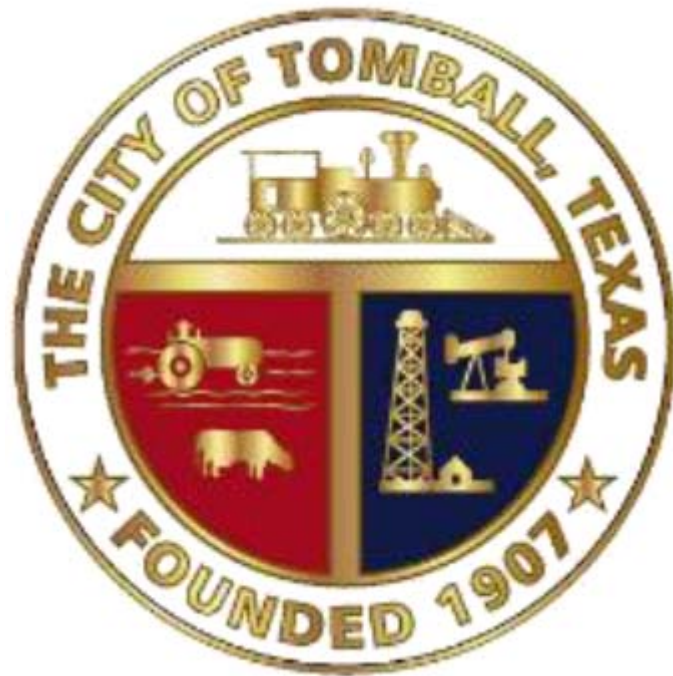
Notes to Required Supplementary Information:

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

Actuarial Assumptions:	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inflation	2.50%	2.50%	2.50%
Payroll growth	3.50%	3.50%	3.50%
Discount rate	2.75%	3.71%	3.31%



Other Supplementary Information



City of Tomball, Texas
Nonmajor Governmental Funds
September 30, 2020

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed for expenditures for specific purposes.

Special General Fund - This fund is used to account for police forfeiture funds and child safety fees.

State and Federal Grants Fund - This fund is used to account for the state and federal grant funds restricted for specific programs.

Court Security Fund - This fund is used to account for fees generated from court fines which, by law, can only be spent on the City's municipal court security.

Court Technology Fund - This fund is used to account for fees generated from court fines which, by law, can only be spent on the City's municipal court technology.

Hotel Occupancy Tax Fund - This fund is used to account for revenues received from hotel occupancy taxes which are spent on efforts to promote local tourism.

Red Light Camera Fund - This fund is used to account for the use of revenues that, by law, are limited to traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements and traffic enforcement.

Child Safety Fund - The State of Texas allocates a percentage of each court fee to the Child Safety Program, a portion of which is remitted back to the City to be used for educational material for children.

Bunny Run Fund - This fund is used to account for the revenues generated by City-sponsored races.

Tomball Legacy Fund - This fund represents the activities of the City's blended component unit, a 401c(3) nonprofit corporation, which accounts for private and corporate grant funds received by the City.

City of Tomball, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2020

	<u>Special General</u>	<u>State and Federal Grants Fund</u>	<u>Court Security</u>	<u>Court Technology</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 98,803	\$ -	\$ 243,269	\$ 184,104
Receivables, net of allowance	-	57,074	-	-
TOTAL ASSETS	<u>\$ 98,803</u>	<u>\$ 57,074</u>	<u>\$ 243,269</u>	<u>\$ 184,104</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 86
Accrued liabilities	-	-	-	-
Due to other funds	-	57,074	-	-
Total liabilities	-	57,074	-	86
FUND BALANCES				
Restricted by enabling legislation	-	-	243,269	184,018
Committed for city functions	-	-	-	-
Assigned	98,803	-	-	-
Total fund balances	98,803	-	243,269	184,018
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 98,803</u>	<u>\$ 57,074</u>	<u>\$ 243,269</u>	<u>\$ 184,104</u>

<u>Hotel Occupancy Tax</u>	<u>Red Light Camera</u>	<u>Child Safety Fund</u>	<u>Bunny Run</u>	<u>Tomball Legacy Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 678,981	\$ 61,670	\$ 10,929	\$ 3,013	\$ 39,052	\$ 1,319,821
-	-	-	-	-	57,074
<u>\$ 678,981</u>	<u>\$ 61,670</u>	<u>\$ 10,929</u>	<u>\$ 3,013</u>	<u>\$ 39,052</u>	<u>\$ 1,376,895</u>
\$ 46,074	\$ -	\$ -	\$ -	\$ -	\$ 46,160
10,496	-	-	-	-	10,496
-	-	-	-	-	57,074
56,570	-	-	-	-	113,730
622,411	61,670	10,929	-	-	1,122,297
-	-	-	-	39,052	39,052
-	-	-	3,013	-	101,816
<u>622,411</u>	<u>61,670</u>	<u>10,929</u>	<u>3,013</u>	<u>39,052</u>	<u>1,263,165</u>
<u>\$ 678,981</u>	<u>\$ 61,670</u>	<u>\$ 10,929</u>	<u>\$ 3,013</u>	<u>\$ 39,052</u>	<u>\$ 1,376,895</u>

City of Tomball, Texas

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2020

	Special General	State and Federal Grants Fund	Court Security	Court Technology
REVENUES				
Franchise and other taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	8,480	9,372
Intergovernmental	-	57,074	-	-
Investment earnings	1,032	-	2,074	1,846
Other	6,573	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	7,605	57,074	10,554	11,218
EXPENDITURES				
Current				
General government	-	-	2,623	8,292
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Tourism and arts	-	-	-	-
Capital outlay	-	57,074	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	57,074	2,623	8,292
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	7,605	-	7,931	2,926
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	7,605	-	7,931	2,926
Fund balances, beginning of year	91,198	-	235,338	181,092
Prior period adjustment	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year - restated	91,198	-	235,338	181,092
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 98,803	\$ -	\$ 243,269	\$ 184,018
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Hotel Occupancy Tax	Red Light Camera	Child Safety Fund	Bunny Run	Tomball Legacy Fund	Total Nonmajor Governmental Funds
\$ 480,982	\$ -	\$ -	\$ -	\$ -	\$ 480,982
-	8,164	12,194	-	-	38,210
-	-	-	-	-	57,074
4,592	4,369	-	61	308	14,282
3,050	-	-	8,409	30,200	48,232
488,624	12,533	12,194	8,470	30,508	638,780
-	-	-	-	2,810	13,725
-	43,358	1,265	-	-	44,623
-	-	-	62,926	-	62,926
604,578	-	-	-	-	604,578
-	-	-	-	-	57,074
604,578	43,358	1,265	62,926	2,810	782,926
(115,954)	(30,825)	10,929	(54,456)	27,698	(144,146)
126,000	-	-	35,000	-	161,000
-	(327,050)	-	-	(35,000)	(362,050)
126,000	(327,050)	-	35,000	(35,000)	(201,050)
10,046	(357,875)	10,929	(19,456)	(7,302)	(345,196)
612,365	357,422	-	22,469	46,354	1,546,238
-	62,123	-	-	-	62,123
612,365	419,545	-	22,469	46,354	1,608,361
\$ 622,411	\$ 61,670	\$ 10,929	\$ 3,013	\$ 39,052	\$ 1,263,165

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Special General Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 750	\$ 1,250	\$ 1,032	\$ (218)
Other	-	40,000	6,573	(33,427)
Total revenues	750	41,250	7,605	(33,645)
EXPENDITURES				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	750	41,250	7,605	(33,645)
Fund balance, beginning of year	91,198	91,198	91,198	-
FUND BALANCE, END OF YEAR	<u>\$ 91,948</u>	<u>\$ 132,448</u>	<u>\$ 98,803</u>	<u>\$ (33,645)</u>

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Court Security Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 11,000	\$ 11,000	\$ 8,480	\$ (2,520)
Investment earnings	3,000	2,500	2,074	(426)
Total revenues	14,000	13,500	10,554	(2,946)
EXPENDITURES				
Current				
General government	50,000	10,000	2,623	7,377
Total expenditures	50,000	10,000	2,623	7,377
Excess (deficiency) of revenues over expenditures	(36,000)	3,500	7,931	4,431
Net change in fund balances	(36,000)	3,500	7,931	4,431
Fund balance, beginning of year	235,338	235,338	235,338	-
FUND BALANCE, END OF YEAR	\$ 199,338	\$ 238,838	\$ 243,269	\$ 4,431

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Court Technology Fund

For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 18,000	\$ 15,000	\$ 9,372	\$ (5,628)
Investment earnings	3,000	2,000	1,846	(154)
Total revenues	21,000	17,000	11,218	(5,782)
EXPENDITURES				
Current				
General government	20,000	10,000	8,292	1,708
Total expenditures	20,000	10,000	8,292	1,708
Excess (deficiency) of revenues over expenditures	1,000	7,000	2,926	(4,074)
Net change in fund balances	1,000	7,000	2,926	(4,074)
Fund balance, beginning of year	181,092	181,092	181,092	-
FUND BALANCE, END OF YEAR	\$ 182,092	\$ 188,092	\$ 184,018	\$ (4,074)

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Hotel Occupancy Tax Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise and other taxes	\$ 650,000	\$ 550,000	\$ 480,982	\$ (69,018)
Investment earnings	8,000	6,000	4,592	(1,408)
Other	13,000	7,000	3,050	(3,950)
Total revenues	671,000	563,000	488,624	(74,376)
EXPENDITURES				
Current				
Tourism and arts	834,099	608,649	604,578	4,071
Total expenditures	834,099	608,649	604,578	4,071
Excess (deficiency) of revenues over expenditures	(163,099)	(45,649)	(115,954)	(70,305)
OTHER FINANCING SOURCES				
Transfers in	126,000	126,000	126,000	-
Total other financing sources	126,000	126,000	126,000	-
Net change in fund balances	(37,099)	80,351	10,046	(70,305)
Fund balance, beginning of year	612,365	612,365	612,365	-
FUND BALANCE, END OF YEAR	\$ 575,266	\$ 692,716	\$ 622,411	\$ (70,305)

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Fund – Red Light Camera Fund

For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 11,000	\$ 4,000	\$ 8,164	\$ 4,164
Investment earnings	600	600	4,369	3,769
Total revenues	11,600	4,600	12,533	7,933
EXPENDITURES				
Current				
Public safety	38,856	34,973	43,358	(8,385)
Total expenditures	38,856	34,973	43,358	(8,385)
Excess (deficiency) of revenues over expenditures	(27,256)	(30,373)	(30,825)	(452)
OTHER FINANCING USES				
Transfers out	(299,217)	(327,050)	(327,050)	-
Total other financing uses	(299,217)	(327,050)	(327,050)	-
Net change in fund balances	(326,473)	(357,423)	(357,875)	(452)
Fund balance, beginning of year	419,545	419,545	419,545	-
FUND BALANCE, END OF YEAR	\$ 93,072	\$ 62,122	\$ 61,670	\$ (452)

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Child Safety Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 13,000	\$ 13,000	\$ 12,194	\$ (806)
Investment earnings	750	750	-	(750)
Total revenues	13,750	13,750	12,194	(1,556)
EXPENDITURES				
Current				
Public safety	13,000	5,000	1,265	3,735
Total expenditures	13,000	5,000	1,265	3,735
Net change in fund balances	750	8,750	10,929	2,179
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ 750	\$ 8,750	\$ 10,929	\$ 2,179

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Bunny Run Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 61	\$ (139)
Other	23,000	48,000	8,409	(39,591)
Total revenues	23,200	48,200	8,470	(39,730)
EXPENDITURES				
Current				
Parks and recreation	21,700	62,926	62,926	-
Total expenditures	21,700	62,926	62,926	-
Excess (deficiency) of revenues over expenditures	1,500	(14,726)	(54,456)	(39,730)
OTHER FINANCING SOURCES				
Transfers in	-	-	35,000	35,000
Total other financing sources	-	-	35,000	35,000
Net change in fund balances	1,500	(14,726)	(19,456)	(4,730)
Fund balance, beginning of year	22,469	22,469	22,469	-
FUND BALANCE, END OF YEAR	<u>\$ 23,969</u>	<u>\$ 7,743</u>	<u>\$ 3,013</u>	<u>\$ (4,730)</u>

City of Tomball, Texas

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund – Legacy Fund
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 308	\$ 308
Other	-	-	30,200	30,200
Total revenues	-	-	30,508	30,508
EXPENDITURES				
Current				
General government	-	-	2,810	(2,810)
Total expenditures	-	-	2,810	(2,810)
Excess (deficiency) of revenues over expenditures	-	-	27,698	27,698
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(35,000)	(35,000)
Total other financing uses	-	-	(35,000)	(35,000)
Net change in fund balances	-	-	(7,302)	(7,302)
Fund balance, beginning of year	46,354	46,354	46,354	-
FUND BALANCE, END OF YEAR	<u>\$ 46,354</u>	<u>\$ 46,354</u>	<u>\$ 39,052</u>	<u>\$ (7,302)</u>

City of Tomball, Texas
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 4,640,000	\$ 4,793,210	\$ 4,654,251	\$ (138,959)
Contributions from component unit for debt service	533,463	755,685	755,684	(1)
Investment earnings	70,000	70,000	34,175	(35,825)
Other	-	-	818	818
Total revenues	5,243,463	5,618,895	5,444,928	(173,967)
EXPENDITURES				
Debt service				
Principal	3,146,250	5,924,337	3,923,000	2,001,337
Interest	1,287,013	1,090,385	1,128,683	(38,298)
Issuance costs and fiscal agent fees	14,000	14,000	181,880	(167,880)
Total expenditures	4,447,263	7,028,722	5,233,563	1,795,159
Excess (deficiency) of revenues over expenditures	796,200	(1,409,827)	211,365	1,621,192
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of refunding bonds	-	-	9,100,000	9,100,000
Premiums on bonds issued	-	-	733,352	733,352
Payments to refunding bond escrow agent	-	-	(9,663,255)	(9,663,255)
Total other financing sources (uses)	-	-	170,097	170,097
Net change in fund balances	796,200	(1,409,827)	381,462	1,791,289
Fund balance, beginning of year	4,638,310	4,638,310	4,638,310	-
FUND BALANCE, END OF YEAR	\$ 5,434,510	\$ 3,228,483	\$ 5,019,772	\$ 1,791,289

City of Tomball, Texas

Internal Service Funds

September 30, 2020

INTERNAL SERVICE FUNDS

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

Fleet Replacement Fund - This internal service fund is used to account for transportation fleet replacement to departments or agencies of the City on a cost-reimbursement basis.

Health Benefits Fund - This internal service fund is used to account for the costs associated with health benefits to departments or agencies of the City on a cost-reimbursement basis.

City of Tomball, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	<u>Fleet Replacement</u>	<u>Health Benefits</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 992,347	\$ 2,182,656	\$ 3,175,003
Due from other governments	-	47,317	47,317
Prepaid items	-	209,171	209,171
Total current assets	992,347	2,439,144	3,431,491
Noncurrent assets			
Capital assets - depreciable, net	2,635,068	-	2,635,068
Total noncurrent assets	2,635,068	-	2,635,068
Total assets	3,627,415	2,439,144	6,066,559
LIABILITIES			
Current liabilities			
Accounts payable	1,440	54,496	55,936
Accrued interest payable	41,940	-	41,940
Public property finance contract obligation, current	130,000	-	130,000
Total current liabilities	173,380	54,496	227,876
Noncurrent liabilities			
Public property finance contract obligation	1,039,868	-	1,039,868
Total noncurrent liabilities	1,039,868	-	1,039,868
Total liabilities	1,213,248	54,496	1,267,744
NET POSITION			
Net investment in capital assets	1,465,200	-	1,465,200
Unrestricted	948,967	2,384,648	3,333,615
TOTAL NET POSITION	<u>\$ 2,414,167</u>	<u>\$ 2,384,648</u>	<u>\$ 4,798,815</u>

City of Tomball, Texas

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2020

	Fleet Replacement Fund	Health Benefits Fund	Total
OPERATING REVENUES			
Internal service charges	\$ 141,745	\$ 3,036,050	\$ 3,177,795
Total operating revenues	141,745	3,036,050	3,177,795
OPERATING EXPENSES			
Materials, supplies and contracted services	1,061	2,591,712	2,592,773
Depreciation	367,120	-	367,120
Total operating expenses	368,181	2,591,712	2,959,893
Operating income (loss)	(226,436)	444,338	217,902
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	8,911	19,530	28,441
Interest	(41,940)	-	(41,940)
Total non-operating revenues (expenses)	(33,029)	19,530	(13,499)
Change in net position	(259,465)	463,868	204,403
Net position, beginning of year	2,673,632	1,739,361	4,412,993
Prior period adjustments	-	181,419	181,419
Net position, beginning of year - restated	2,673,632	1,920,780	4,594,412
NET POSITION, END OF YEAR	\$ 2,414,167	\$ 2,384,648	\$ 4,798,815

City of Tomball, Texas

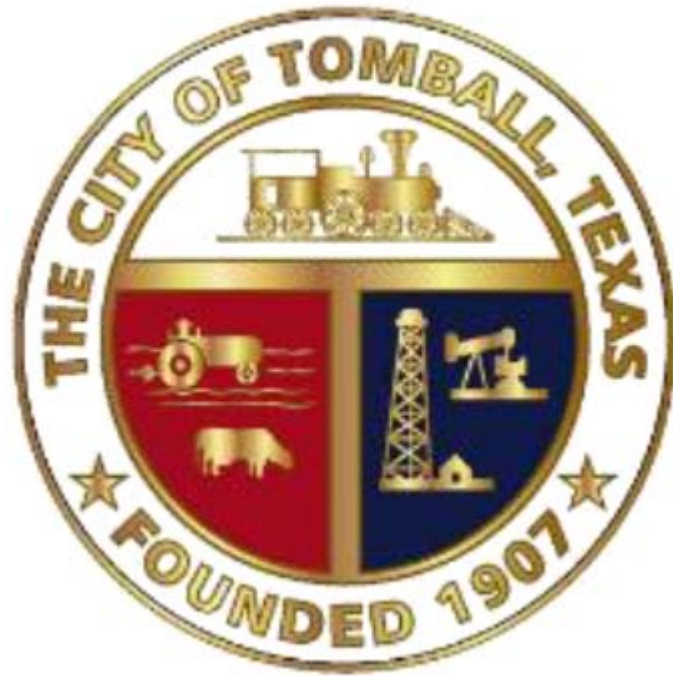
Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2020

	Fleet Replacement Fund	Health Benefits Fund	Total
OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 141,745	\$ 3,189,819	\$ 3,331,564
Payments to suppliers and service providers	(1,171)	(2,602,266)	(2,603,437)
Net cash provided by operating activities	140,574	587,553	728,127
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(653,650)	-	(653,650)
Net cash used for capital and related financing activities	(653,650)	-	(653,650)
INVESTING ACTIVITIES			
Investment earnings	8,911	19,530	28,441
Net cash provided by investing activities	8,911	19,530	28,441
Net change in cash and cash equivalents	(504,165)	607,083	102,918
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,496,512	1,575,573	3,072,085
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 992,347	\$ 2,182,656	\$ 3,175,003
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (226,436)	\$ 444,338	\$ 217,902
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	367,120	-	367,120
(Increase) decrease in assets			
Due from other governments	-	153,769	153,769
Prepaid items	-	(3,794)	(3,794)
Increase (decrease) in liabilities			
Accounts payable	(110)	(6,760)	(6,870)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 140,574	\$ 587,553	\$ 728,127

**Discretely Presented Component Unit
Fund Based Financial Statements
Tomball Economic Development Corporation**



City of Tomball, Texas

Discretely Presented Component Unit
Balance Sheet – Governmental Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 8,977,907
Investments	9,327,556
Receivables, net of allowance	<u>700,475</u>

TOTAL ASSETS

\$ 19,005,938

LIABILITIES

Accounts payable	\$ -
Due to primary government	<u>256,040</u>

Total liabilities 256,040

FUND BALANCE

Assigned	<u>18,749,898</u>
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Total fund balance 18,749,898

TOTAL LIABILITIES AND FUND BALANCE

\$ 19,005,938

Reconciliation to government-wide statement
of net position

Total fund balance	\$ 18,749,898
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Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the fund 6,036,043

NET POSITION OF COMPONENT UNIT

\$ 24,785,941

City of Tomball, Texas

Discretely Presented Component Unit
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance – Governmental Fund
 For the Fiscal Year Ended September 30, 2020

REVENUES

Sales tax	\$ 4,064,895
Investment earnings	426,876
Other	120,988
	4,612,759
Total operating revenues	4,612,759

EXPENDITURES

Current	
Economic development	7,970,924
	7,970,924
Total expenses	7,970,924
Deficiency of revenues under expenditures	(3,358,165)

OTHER FINANCING SOURCE

Proceeds from sale of capital assets	459,007
	459,007
Net change in fund balance	(2,899,158)

Fund balance, beginning of year	21,649,056
	21,649,056

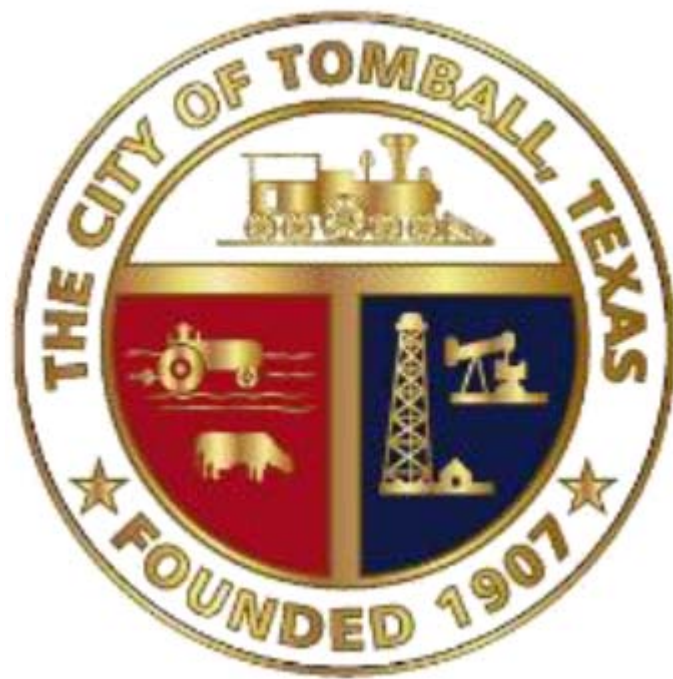
FUND BALANCE, END OF YEAR	\$ 18,749,898
	18,749,898

RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Net change in fund balance	\$ (2,899,158)
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Transactions in the current period involving capital assets include:	
Capital outlay recorded as capital assets	5,218,646
Depreciation expense	(104,057)
Asset retirements/disposals	(2,673,357)
	(2,558,568)

CHANGE IN NET POSITION OF COMPONENT UNIT	\$ (457,926)
	(457,926)

Statistical Section



Statistical Section
(Unaudited)

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

	<u>Page</u>
Financial Trends – Schedules 1-4	115
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity – Schedules 5-10	125
These schedules contain information to help the reader assess the City's most significant local revenue sources: sales and property taxes.	
Debt Capacity – Schedules 11-15	135
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information – Schedules 16-18	143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information – Schedules 19-20	147
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.	

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

City of Tomball, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 18,306,705	\$ 23,370,524	\$ 25,646,519	\$ 28,189,848
Restricted	1,895,850	2,675,627	2,804,100	3,557,490
Unrestricted	<u>12,518,847</u>	<u>10,571,977</u>	<u>12,612,754</u>	<u>13,566,745</u>
Total governmental activities net position	32,721,402	36,618,128	41,063,373	45,314,083
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	29,338,053	30,368,908	30,721,512	30,851,835
Restricted	-	-	-	1,095,173
Unrestricted	<u>10,299,638</u>	<u>9,636,451</u>	<u>10,646,792</u>	<u>11,354,769</u>
Total business-type activities net position	39,637,691	40,005,359	41,368,304	43,301,777
PRIMARY GOVERNMENT				
Net investment in capital assets	47,644,758	53,739,432	56,368,031	59,041,683
Restricted	1,895,850	2,675,627	2,804,100	4,652,663
Unrestricted	<u>22,818,485</u>	<u>20,208,428</u>	<u>23,259,546</u>	<u>24,921,514</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 72,359,093</u>	<u>\$ 76,623,487</u>	<u>\$ 82,431,677</u>	<u>\$ 88,615,860</u>

Schedule 1

2015	2016	2017	2018	2019	2020
\$ 31,267,016	\$ 34,220,115	\$ 40,779,628	\$ 38,896,658	\$ 39,717,999	\$ 38,457,189
4,308,595	5,821,510	3,912,411	4,303,114	6,024,527	5,959,267
10,694,702	10,340,744	11,385,550	13,436,447	18,791,783	27,363,295
46,270,313	50,382,369	56,077,589	56,636,219	64,534,309	71,779,751
33,433,571	33,059,434	33,038,353	34,874,499	36,762,190	38,760,225
-	-	-	-	-	-
10,960,950	11,445,362	8,966,625	9,838,615	5,830,989	5,946,634
44,394,521	44,504,796	42,004,978	44,713,114	42,593,179	44,706,859
64,700,587	67,279,549	73,817,981	73,771,157	76,480,189	77,217,414
4,308,595	5,821,510	3,912,411	4,303,114	6,024,527	5,959,267
21,655,652	21,786,106	20,352,175	23,275,062	24,622,772	33,309,929
\$ 90,664,834	\$ 94,887,165	\$ 98,082,567	\$ 101,349,333	\$ 107,127,488	\$ 116,486,610

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
EXPENSES				
Governmental activities:				
General government	\$ 4,472,541	\$ 4,077,633	\$ 5,131,879	\$ 4,789,051
Public safety	6,546,562	6,845,653	7,508,811	8,069,621
Public works	4,739,268	5,794,907	5,456,886	6,137,989
Community development	255,764	287,085	302,564	338,381
Interest and fiscal agent fees	353,188	821,705	830,054	926,584
	<u>16,367,323</u>	<u>17,826,983</u>	<u>19,230,194</u>	<u>20,261,626</u>
Business-type activities:				
Utility administration	2,207,488	979,390	955,026	909,211
Water	3,003,537	3,262,366	2,962,612	3,087,563
Sewer	1,757,176	1,736,531	1,978,197	2,418,443
Gas	1,600,490	1,743,258	2,229,583	1,963,162
Interest and fiscal agent fees	272,406	321,443	245,129	-
	<u>8,841,097</u>	<u>8,042,988</u>	<u>8,370,547</u>	<u>8,378,379</u>
Total primary government expenses	25,208,420	25,869,971	27,600,741	28,640,005
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
General government	-	-	-	-
Public safety	1,143,981	1,181,742	1,066,313	999,667
Public works	2,384,406	2,613,043	2,695,712	2,694,670
Community development	-	-	-	-
Operating grants and contributions	1,295,653	1,313,128	1,844,224	1,039,237
	<u>4,824,040</u>	<u>5,107,913</u>	<u>5,606,249</u>	<u>4,733,574</u>
Total governmental activities program revenues	4,824,040	5,107,913	5,606,249	4,733,574
Business-type activities:				
Charges for services				
Utility administration	622,320	1,001,306	807,673	842,468
Water	4,470,657	4,668,205	4,578,777	4,449,383
Sewer	2,262,268	2,365,611	2,372,163	2,320,748
Gas	2,894,447	3,061,634	3,578,145	3,295,521
Operating grants and contributions	720,000	670,000	670,000	670,000
Capital grants and contributions	-	-	-	-
	<u>10,969,692</u>	<u>11,766,756</u>	<u>12,006,758</u>	<u>11,578,120</u>
Total business-type activities program revenues	10,969,692	11,766,756	12,006,758	11,578,120
Total primary government program revenues	15,793,732	16,874,669	17,613,007	16,311,694
NET (EXPENSE/REVENUE)				
Governmental activities	(11,543,283)	(12,719,070)	(13,623,945)	(15,528,052)
Business-type activities	2,128,595	3,723,768	3,636,211	3,199,741
	<u>\$ (9,414,688)</u>	<u>\$ (8,995,302)</u>	<u>\$ (9,987,734)</u>	<u>\$ (12,328,311)</u>
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (9,414,688)</u>	<u>\$ (8,995,302)</u>	<u>\$ (9,987,734)</u>	<u>\$ (12,328,311)</u>

	2015	2016	2017	2018	2019	2020
\$	4,968,344	\$ 5,391,624	\$ 5,916,485	\$ 5,107,870	\$ 5,944,428	\$ 8,008,324
	8,493,353	9,028,841	9,650,665	10,000,655	10,435,902	10,976,532
	6,181,783	6,436,355	6,952,664	8,912,367	7,074,104	4,071,787
	313,713	421,381	386,153	431,157	430,360	556,924
	891,258	830,716	1,252,064	1,452,252	1,328,319	1,295,548
	20,848,451	22,108,917	24,158,031	25,904,301	25,213,113	24,909,115
	979,161	1,179,100	1,362,874	2,876,373	2,938,276	1,672,850
	3,410,534	3,410,534	3,937,152	3,356,893	3,793,224	5,115,488
	2,483,923	2,483,923	2,228,636	1,239,276	1,448,029	2,114,431
	1,429,950	1,429,950	1,507,955	1,529,924	1,774,315	1,646,494
	-	-	-	-	-	-
	8,303,568	8,503,507	9,036,617	9,002,466	9,953,844	10,549,263
	29,152,019	30,612,424	33,194,648	34,906,767	35,166,957	35,458,378
	-	-	-	-	-	71,864
	1,334,938	1,334,938	1,315,754	1,528,423	1,899,018	1,468,491
	2,673,999	2,673,999	2,359,008	1,961,957	1,954,602	1,793,191
	-	-	441,542	513,522	558,992	1,109,989
	544,607	544,607	1,420,653	1,012,028	839,316	473,851
	4,553,544	4,553,544	5,536,957	5,015,930	5,251,928	4,917,386
	907,654	907,654	739,061	1,335,974	934,852	1,384,685
	4,654,613	4,654,613	5,092,916	5,347,170	5,494,083	6,376,840
	2,316,495	2,316,495	2,434,143	2,405,689	2,310,252	2,208,301
	2,844,005	2,844,005	2,655,884	3,139,726	3,271,868	3,504,744
	558,148	558,148	558,148	558,148	-	-
	-	-	-	-	-	-
	11,280,915	11,280,915	11,480,152	12,786,707	12,011,055	13,474,570
	15,834,459	15,834,459	17,017,109	17,802,637	17,262,983	18,391,956
	(16,294,907)	(17,555,373)	(18,621,074)	(20,888,371)	(19,961,185)	(19,991,729)
	2,977,347	2,777,408	2,443,535	3,784,241	2,057,211	2,925,307
\$	(13,317,560)	\$ (14,777,965)	\$ (16,177,539)	\$ (17,104,130)	\$ (17,903,974)	\$ (17,066,422)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 1,270,645	\$ 1,228,461	\$ 1,543,913	\$ 1,638,673
Property taxes, levied for debt service	1,586,918	2,557,169	3,164,416	3,371,282
Sales taxes	7,023,409	8,189,360	9,442,376	10,532,691
Franchise and local taxes	1,186,272	1,227,784	1,267,302	1,253,077
Other taxes	325,360	444,032	428,208	590,910
Gain (loss) on sale of capital assets	-	-	-	-
Contributions not restricted to specific programs	-	-	-	-
Other	361,026	151,142	227,592	253,375
Unrestricted investment earnings	43,035	46,763	44,877	30,636
Transfers	2,393,458	3,054,958	2,448,842	1,691,621
Total governmental activities	<u>14,190,123</u>	<u>16,899,669</u>	<u>18,567,526</u>	<u>19,362,265</u>
Business-type activities:				
Gain on sale of capital assets	-	-	-	-
Other	121,344	44,212	50,567	45,800
Contributions	-	-	-	-
Unrestricted investment earnings	30,414	21,721	13,088	(1,417)
Transfers	(2,393,458)	(3,054,958)	(2,448,842)	(1,691,621)
Total business-type activities	<u>(2,241,700)</u>	<u>(2,989,025)</u>	<u>(2,385,187)</u>	<u>(1,647,238)</u>
Total primary government	11,948,423	13,910,644	16,182,339	17,715,027
CHANGE IN NET POSITION				
Governmental activities	2,646,840	4,180,599	4,943,581	3,834,213
Business-type activities	(113,105)	734,743	1,251,024	1,552,503
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,533,735</u>	<u>\$ 4,915,342</u>	<u>\$ 6,194,605</u>	<u>\$ 5,386,716</u>

	2015	2016	2017	2018	2019	2020
\$	1,715,949	\$ 1,855,706	\$ 1,964,345	\$ 2,144,861	\$ 2,046,480	\$ 2,265,470
	3,525,979	3,818,986	4,042,945	4,374,552	4,195,229	4,654,251
	10,839,818	10,578,683	10,791,147	12,427,660	12,523,084	12,291,928
	1,282,598	1,331,077	1,307,171	1,270,927	1,300,064	1,565,842
	538,843	628,932	554,839	711,245	798,623	-
	17,634	127,134	-	-	-	162,560
	-	-	-	-	536,112	2,356,370
	475,712	395,060	145,114	376,266	1,234,387	633,271
	40,115	133,673	473,077	920,613	184,901	788,699
	1,607,068	2,798,178	5,037,656	836,473	5,040,395	2,467,434
	<u>20,043,716</u>	<u>21,667,429</u>	<u>24,316,294</u>	<u>23,062,597</u>	<u>27,859,275</u>	<u>27,185,825</u>
	-	-	-	-	38,462	-
	47,847	87,304	11,511	4,417	266,639	140,513
	-	-	-	-	558,148	1,420,458
	33,771	43,741	82,792	154,619	-	94,836
	(1,607,068)	(2,798,178)	(5,037,656)	(836,473)	(5,040,395)	(2,467,434)
	<u>(1,525,450)</u>	<u>(2,667,133)</u>	<u>(4,943,353)</u>	<u>(677,437)</u>	<u>(4,177,146)</u>	<u>(811,627)</u>
	18,518,266	19,000,296	19,372,941	22,385,160	23,682,129	26,374,198
	3,748,809	4,112,056	5,695,220	2,174,226	7,898,090	7,194,096
	1,451,897	110,275	(2,499,818)	3,106,804	(2,119,935)	2,113,680
\$	<u>5,200,706</u>	<u>4,222,331</u>	<u>3,195,402</u>	<u>5,281,030</u>	<u>5,778,155</u>	<u>9,307,776</u>

City of Tomball, Texas

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL FUND				
Nonspendable	\$ -	\$ 39,913	\$ 30,441	\$ 15,894
Restricted	-	-	-	-
Assigned	-	325,879	161,921	322,702
Unassigned	<u>11,797,535</u>	<u>9,489,655</u>	<u>11,559,755</u>	<u>13,075,443</u>
Total General fund	11,797,535	9,855,447	11,752,117	13,414,039
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	1,896,380	19,319,655	27,524,034	26,470,729
Committed	-	-	-	-
Assigned, reported in:				
Capital project funds	135,609	-	-	-
Nonmajor governmental funds	<u>141,129</u>	<u>133,570</u>	<u>143,436</u>	<u>168,245</u>
Total all other governmental funds	<u>2,173,118</u>	<u>19,453,225</u>	<u>27,667,470</u>	<u>26,638,974</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 13,970,653</u>	<u>\$ 29,308,672</u>	<u>\$ 39,419,587</u>	<u>\$ 40,053,013</u>

Schedule 3

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 14,435	\$ 12,047	\$ 14,956	\$ 22,244	\$ 41,027	\$ 32,959
-	-	-	-	-	-
127,671	35,379	24,767	78,620	-	-
<u>13,340,472</u>	<u>13,245,355</u>	<u>13,021,273</u>	<u>14,649,687</u>	<u>16,040,036</u>	<u>17,356,506</u>
13,482,578	13,292,781	13,060,996	14,750,551	16,081,063	17,389,465
23,370,264	19,434,478	42,711,890	39,639,759	42,382,622	31,060,871
-	-	-	-	-	39,052
-	-	-	-	-	-
<u>167,060</u>	<u>128,489</u>	<u>140,059</u>	<u>150,799</u>	<u>160,021</u>	<u>101,816</u>
<u>23,537,324</u>	<u>19,562,967</u>	<u>42,851,949</u>	<u>39,790,558</u>	<u>42,542,643</u>	<u>31,201,739</u>
<u>\$ 37,019,902</u>	<u>\$ 32,855,748</u>	<u>\$ 55,912,945</u>	<u>\$ 54,541,109</u>	<u>\$ 58,623,706</u>	<u>\$ 48,591,204</u>

City of Tomball, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
REVENUES				
Taxes	\$ 11,400,964	\$ 13,886,856	\$ 15,846,215	\$ 17,386,633
Permits, licenses, and fees	262,713	308,621	445,104	446,292
Fines and forfeitures	1,083,408	1,143,981	1,181,742	1,066,313
Service Revenue	2,021,769	2,075,785	2,167,939	2,249,420
Intergovernmental	168,782	273,950	784,918	939,861
Contributions from Component Unit	99,893	1,021,703	528,210	904,363
Investment earnings	40,760	44,347	42,913	29,604
Other revenues	386,935	151,143	178,501	242,361
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	15,465,224	18,906,386	21,175,542	23,264,847
EXPENDITURES				
General government	4,507,290	4,520,919	5,099,473	4,929,295
Public safety	6,391,016	7,344,336	7,353,064	8,230,705
Public works	3,090,590	3,407,143	3,217,149	3,364,509
Public service	1,179,637	266,984	1,677,586	1,627,610
Parks and recreation	-	-	-	-
Tourism and arts	-	-	-	-
Community development	-	-	-	-
Capital outlay	1,445,273	4,311,250	1,939,517	2,996,663
Debt service				
Principal	1,195,500	1,192,057	1,800,649	2,210,330
Interest and paying agent	626,247	913,371	1,017,839	963,930
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	18,435,553	21,956,060	22,105,277	24,323,042
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	(2,970,329)	(3,049,674)	(929,735)	(1,058,195)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,393,458	5,206,958	2,748,842	2,491,049
Transfers out	-	(2,152,000)	(300,000)	(799,428)
Issuance of debt	3,892,500	14,500,000	14,270,500	-
Premium on debt issued	278,253	107,735	205,934	-
Payment to refunded bond escrow agent	(4,096,752)	-	(5,884,626)	-
Capital leases	-	725,000	-	-
Proceeds from sale of capital assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	2,467,459	18,387,693	11,040,650	1,691,621
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (502,870)	\$ 15,338,019	\$ 10,110,915	\$ 633,426
	<hr/>	<hr/>	<hr/>	<hr/>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10.29%	11.31%	13.34%	14.85%

Schedule 4

	2015	2016	2017	2018	2019	2020
\$	17,903,187	\$ 18,213,384	\$ 18,660,447	\$ 20,855,485	\$ 20,863,480	\$ 20,777,491
	492,646	439,677	477,934	532,615	580,397	1,113,989
	999,667	892,654	811,084	664,577	702,464	387,512
	2,202,024	2,234,322	2,236,863	1,844,191	2,944,374	2,967,034
	384,308	288,988	879,740	453,416	814,316	473,851
	606,753	538,012	540,913	558,612	561,112	755,684
	38,372	125,092	451,739	920,616	1,234,387	760,258
	538,244	637,104	746,050	1,412,658	370,277	467,213
	<u>23,165,201</u>	<u>23,369,233</u>	<u>24,804,770</u>	<u>27,242,170</u>	<u>28,070,807</u>	<u>27,703,032</u>
	5,128,871	5,226,561	6,100,527	5,393,013	5,864,176	6,126,522
	9,114,221	8,509,599	9,089,408	9,299,659	9,343,944	9,938,995
	3,464,256	3,386,348	6,526,127	4,125,511	3,981,985	3,747,361
	1,366,045	2,716,596	-	-	-	-
	-	-	741,577	637,942	780,799	933,132
	-	-	-	648,305	688,638	604,578
	-	-	702,393	431,157	430,037	400,824
	5,923,542	7,384,704	777,156	4,135,518	2,804,551	14,657,977
	2,742,812	2,285,608	3,119,373	3,322,713	3,576,806	3,923,000
	865,633	822,149	1,657,511	1,456,661	1,379,033	1,310,563
	<u>28,605,380</u>	<u>30,331,565</u>	<u>28,714,072</u>	<u>29,450,479</u>	<u>28,849,969</u>	<u>41,642,952</u>
	(5,440,179)	(6,962,332)	(3,909,302)	(2,208,309)	(779,162)	(13,939,920)
	3,261,023	3,979,455	8,138,353	4,204,166	6,314,895	4,789,385
	(1,653,955)	(1,181,277)	(2,323,541)	(3,367,693)	(1,453,136)	(1,088,050)
	-	-	20,240,000	-	-	9,100,000
	-	-	911,687	-	-	733,352
	-	-	-	-	-	(9,663,255)
	800,000	-	-	-	-	-
	-	-	-	-	-	166,059
	<u>2,407,068</u>	<u>2,798,178</u>	<u>26,966,499</u>	<u>836,473</u>	<u>4,861,759</u>	<u>4,037,491</u>
\$	<u>(3,033,111)</u>	<u>(4,164,154)</u>	<u>23,057,197</u>	<u>(1,371,836)</u>	<u>4,082,597</u>	<u>(9,902,429)</u>
	15.86%	13.50%	17.06%	18.84%	18.99%	19.36%

City of Tomball, Texas
Tax Revenues by Source
Last Ten Fiscal Years

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Property	\$ 2,865,923	\$ 4,025,680	\$ 4,708,329	\$ 5,009,955
Sales	6,976,875	8,189,360	9,442,376	10,532,691
Franchise fee	1,262,187	964,790	1,267,302	1,253,077
Other taxes	295,979	707,026	428,208	590,910
	<u>\$ 11,400,964</u>	<u>\$ 13,886,856</u>	<u>\$ 15,846,215</u>	<u>\$ 17,386,633</u>

Schedule 5

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 5,241,928	\$ 5,674,692	\$ 6,007,290	\$ 6,519,413	\$ 6,241,709	\$ 6,919,721
10,839,818	10,578,683	10,791,147	12,427,660	12,594,274	12,291,928
1,282,598	1,331,076	1,064,371	1,026,440	996,118	832,450
538,843	628,933	797,639	881,972	1,031,379	733,392
<u>\$ 17,903,187</u>	<u>\$ 18,213,384</u>	<u>\$ 18,660,447</u>	<u>\$ 20,855,485</u>	<u>\$ 20,863,480</u>	<u>\$ 20,777,491</u>

City of Tomball, Texas

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential property	\$ 435,637,242	\$ 436,949,202	\$ 433,331,223	\$ 439,396,850
Commercial property	988,693,074	1,071,555,690	1,192,905,533	1,303,924,316
Less: Tax exempt property	<u>(305,154,366)</u>	<u>(341,307,250)</u>	<u>(261,641,054)</u>	<u>(274,973,296)</u>
TOTAL TAXABLE ASSESSED VALUE ⁽¹⁾	<u>\$ 1,119,175,950</u>	<u>\$ 1,167,197,642</u>	<u>\$ 1,364,595,702</u>	<u>\$ 1,468,347,870</u>
TOTAL DIRECT TAX RATE	0.251455	0.341455	0.341455	0.341455

Source: Harris County Certified / Uncertified Tax Roll.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
 Tax rates are per \$100 of assessed value.

Schedule 6

2015	2016	2017	2018	2019	2020
\$ 497,193,417	\$ 561,634,471	\$ 588,671,706	\$ 623,634,272	\$ 710,129,040	\$ 925,530,809
1,314,023,000	1,395,710,026	1,451,279,183	1,469,452,394	1,709,373,371	1,575,407,601
(280,967,178)	(290,126,523)	(298,380,174)	(263,289,888)	(345,460,031)	(362,380,020)
<u>\$ 1,530,249,239</u>	<u>\$ 1,667,217,974</u>	<u>\$ 1,741,570,715</u>	<u>\$ 1,829,796,778</u>	<u>\$ 2,074,042,380</u>	<u>\$ 2,138,558,390</u>
0.341455	0.341455	0.341455	0.341455	0.341455	0.341455

City of Tomball, Texas

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

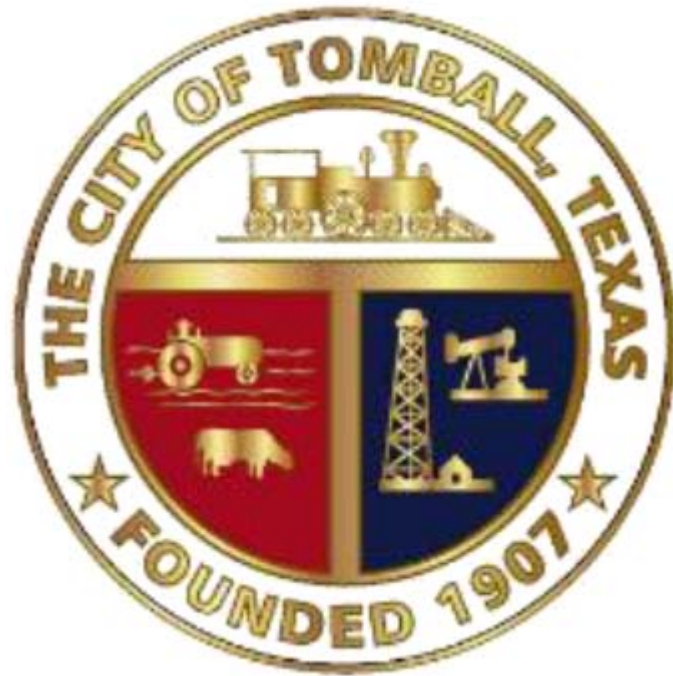
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City of Tomball by fund:				
General	\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.111455
Debt service	0.140000	0.230000	0.230000	0.230000
Total Direct Rates	0.251455	0.341455	0.341455	0.341455
Tomball Independent School District	1.360000	1.360000	1.360000	1.360000
Harris County	0.388050	0.391170	0.400210	0.414550
Harris County Flood Control District	0.029230	0.028090	0.028090	0.028270
Port of Houston Authority	0.020540	0.185600	0.019520	0.017160
Harris County Hospital District	0.192160	0.192160	0.182160	0.170000
Harris County Dept. of Education	0.006581	0.006581	0.006617	0.006358
Lone Star College System District	0.117600	0.121000	0.119800	0.116000
Emergency Service District #8	0.050000	0.050000	0.050000	0.050000
TOTAL DIRECT AND OVERLAPPING RATES ⁽¹⁾	<u>\$ 2.415616</u>	<u>\$ 2.676056</u>	<u>\$ 2.507852</u>	<u>\$ 2.503793</u>

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

(1) Overlapping rates are those of local and county governments that apply within the City of Tomball.

Schedule 7

2015	2016	2017	2018	2019	2020
\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.111455	\$ 0.111455
0.230000	0.230000	0.230000	0.230000	0.230000	0.230000
0.341455	0.341455	0.341455	0.341455	0.341455	0.341455
1.360000	1.340000	1.340000	1.340000	1.290000	1.290000
0.417310	0.419230	0.416560	0.418580	0.407130	0.407130
0.027360	0.027330	0.028290	0.028770	0.027920	0.027920
0.015310	0.013420	0.013340	0.011550	0.010740	0.010740
0.170000	0.170000	0.171790	0.171080	0.165910	0.165910
0.005999	0.005422	0.005200	0.005190	0.005000	0.005000
0.108100	0.107900	0.107800	0.107800	0.107800	0.107800
0.100000	0.100000	0.095470	0.098250	0.096700	0.096700
<u>\$ 2.545534</u>	<u>\$ 2.524757</u>	<u>\$ 2.519905</u>	<u>\$ 2.522675</u>	<u>\$ 2.452655</u>	<u>\$ 2.452655</u>



Schedule 8

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

Property Tax Payer	2020			2011		
		Rank	% of Taxable Assessed Value		Rank	% of Taxable Assessed Value
North Houston TRMC	\$ 135,138,028	1	6.32%	\$ -	n/a	0.00%
B J Services	70,130,906	2	3.28%	143,360,751	1	12.81%
Weingarten Investments Inc.	39,391,533	3	1.84%	15,258,558	4	1.36%
Baker Hughes	32,567,978	4	1.52%	-	n/a	
Mustang CAT Manufacturing	27,430,656	5	1.28%	-	n/a	
CH Realty VIII R Houston Tomball LP	20,960,648	6	0.98%	-	n/a	
29807 Tomball LLC	20,851,042	7	0.98%	-	n/a	
CenterPoint Energy	20,346,020	8	0.95%	14,893,289	5	1.33%
Wal Mart	19,605,245	9	0.92%	18,141,178	2	1.62%
Hospital Corporation of America (HCA)	18,394,430	10	0.86%	-	n/a	
Welltower TCG	-	n/a		16,593,203	3	1.48%
BK 2920 LTD	-			13,234,575	6	1.18%
Harrison Street Real Estate LLC	-			11,447,514	7	1.02%
Benadam Corporation	-			9,500,000	9	0.85%
MSR TX Tomball LP	-			10,591,803	8	0.95%
Lowe's	-			9,493,791	10	0.85%
Subtotal	404,816,486		18.93%	262,514,662		23.46%
Other Taxpayers	1,733,741,904		81.07%	856,661,288		76.54%
TOTAL TAXABLE ASSESSED VALUE	\$ 2,138,558,390		100.00%	\$ 1,119,175,950		100.00%

Source: Harris County Tax Assessor-Collector's records.

City of Tomball, Texas
 Ad Valorem Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Periods	Total Collections to date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2011	\$ 2,815,500	\$ 2,776,954	99%	\$ 31,595	\$ 2,808,549	100%
2012	3,983,961	3,943,188	99%	23,756	3,966,944	100%
2013	4,649,753	4,633,156	100%	7,900	4,641,056	100%
2014	4,985,054	4,967,598	100%	11,539	4,979,137	100%
2015	5,185,007	5,168,570	100%	21,097	5,189,667	100%
2016	5,688,531	5,591,963	98%	58,445	5,650,408	99%
2017	6,077,755	5,870,159	97%	185,790	6,055,949	100%
2018	6,285,748	6,210,139	99%	49,524	6,259,663	100%
2019	6,400,713	6,344,039	99%	26,112	6,370,151	100%
2020	6,844,962	6,751,924	99%	-	6,751,924	99%

City of Tomball, Texas
Sales Tax Revenues by Industry
Current Year and Nine Years Ago

Sales Tax Remitter	Calendar Year 2020				Calendar Year 2011			
	Number of Outlets	Percentage of Total	Tax Liability (thousands)	Percentage of Total	Number of Outlets	Percentage of Total	Tax Liability (thousands)	Percentage of Total
Retail trade	2,365	30.92%	\$ 8,010	49.14%	1,221	25.13%	\$ 3,919	41.17%
Services	1,241	16.22%	2,669	16.37%	926	19.06%	1,440	15.13%
Wholesale trade	1,243	16.25%	1,839	11.28%	729	15.01%	498	5.23%
Utilities, transportation, communications	557	7.28%	929	5.70%	335	6.90%	527	5.54%
Manufacturing	888	11.61%	734	4.50%	427	8.79%	321	3.37%
Construction	389	5.08%	309	1.90%	275	5.66%	198	2.08%
Finance, insurance, real estate	257	3.36%	765	4.69%	196	4.03%	361	3.79%
Mining, quarrying, and oil and gas extraction	80	1.05%	327	2.01%	-	0.00%	-	0.00%
All other outlets	630	8.24%	719	4.41%	749	15.42%	2,256	23.70%
TOTAL	7,650	100.00%	\$ 16,301	100.00%	4,858	100.00%	\$ 9,520	100.00%

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: Texas State Comptroller of Public Accounts

Tax liability information is not available on a fiscal-year basis.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
PRIMARY GOVERNMENT				
Governmental activities:				
General obligation bonds	\$ 5,767,500	\$ 5,501,750	\$ 10,985,250	\$ 9,710,500
Certificates of obligation	7,516,500	21,151,000	22,435,000	21,565,000
Premiums	255,065	332,990	492,862	449,806
Public property finance contractual obligation	-	-	-	-
Other debt items	(376,266)	(338,639)	(453,956)	-
Capital leases	-	664,193	601,044	535,464
Subtotal	<u>13,162,799</u>	<u>27,311,294</u>	<u>34,060,200</u>	<u>32,260,770</u>
Business-type activities:				
General obligation bonds	4,757,500	4,738,250	5,304,750	4,669,500
Certificates of obligation	1,798,500	1,199,000	-	-
Premiums	129,540	105,987	94,211	82,435
Revenue bonds	3,715,000	3,315,000	2,900,000	2,465,000
Subtotal	<u>10,400,540</u>	<u>9,358,237</u>	<u>8,298,961</u>	<u>7,216,935</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 23,563,339</u>	<u>\$ 36,669,531</u>	<u>\$ 42,359,161</u>	<u>\$ 39,477,705</u>
PERSONAL INCOME	273,663,850	315,207,090	315,207,090	463,247,856
DEBT AS A PERCENTAGE OF PERSONAL INCOME	8.610%	11.633%	13.439%	8.522%
POPULATION	10,753	10,979	10,979	11,124
DEBT PER CAPITA	2,191	3,340	3,858	3,549

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

Schedule 11

2015	2016	2017	2018	2019	2020
\$ 8,437,500	\$ 7,165,750	\$ 5,887,500	\$ 4,603,250	\$ 3,603,000	\$ 10,790,000
20,640,000	19,695,000	38,165,000	36,200,000	34,210,000	22,535,000
406,750	363,694	1,188,911	1,103,038	1,017,164	1,625,273
-	-	-	1,300,000	1,169,868	1,169,868
-	-	-	-	-	-
800,000	731,142	660,019	586,556	-	-
30,284,250	27,955,586	45,901,430	43,792,844	40,000,032	36,120,141
4,042,500	3,429,250	2,832,500	2,246,750	1,672,000	-
-	-	-	-	-	-
70,659	58,883	47,107	35,331	23,555	-
-	-	-	-	-	-
4,113,159	3,488,133	2,879,607	2,282,081	1,695,555	-
\$ 34,397,409	\$ 31,443,719	\$ 48,781,037	\$ 46,074,925	\$ 41,695,587	\$ 36,120,141
475,348,930	508,752,440	576,689,433	575,773,674	420,244,052	702,846,589
7.236%	6.181%	8.459%	8.002%	9.922%	5.139%
11,299	11,540	11,643	11,707	11,761	12,053
3,044	2,725	4,190	3,936	3,545	2,997

City of Tomball, Texas

Ratio of Net General Bonded Debt to Assessed Value,
Net General Bonded Debt per Capita and Assessed and
Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
NET TAXABLE ASSESSED VALUE				
All property	\$ 1,119,175,950	1,167,197,642	1,364,595,702	1,468,347,870
NET BONDED DEBT				
Net bonded debt	<u>19,718,799</u>	<u>32,690,338</u>	<u>38,858,117</u>	<u>36,477,241</u>
NET BONDED DEBT	<u>\$ 19,718,799</u>	<u>\$ 32,690,338</u>	<u>\$ 38,858,117</u>	<u>\$ 36,477,241</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	1.76%	2.80%	2.85%	2.48%
POPULATION	11,670	10,753	10,979	10,979
NET BONDED DEBT PER CAPITA	1,690	3,040	3,539	3,322

Schedule 12

2015	2016	2017	2018	2019	2020
1,530,249,239	1,667,217,974	1,741,570,715	1,829,767,778	2,074,042,380	2,138,558,390
33,597,409	30,712,577	48,121,018	42,285,167	38,048,276	36,120,141
\$ 33,597,409	\$ 30,712,577	\$ 48,121,018	\$ 42,285,167	\$ 38,048,276	\$ 36,120,141
2.20%	1.84%	2.76%	2.31%	1.83%	1.69%
11,124	11,299	11,643	11,707	11,761	12,053
3,020	2,718	4,133	3,612	3,235	2,997

City of Tomball, Texas
 Direct and Overlapping Governmental Activities Debt
 September 30, 2017

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
DEBT REPAYED WITH PROPERTY TAXES			
Tomball ISD	\$ 562,975,000	18.170%	\$ 102,292,558
Harris County	1,392,452,125	0.390%	5,430,563
Harris Co. Flood Control District	590,725,000	0.390%	2,303,828
Harris Co. Hospital District	86,050,000	0.390%	335,595
Port of Houston Authority	514,174,397	0.390%	2,005,280
Harris County Dept of Education	20,185,000	0.390%	78,722
Lone Star College System	638,600,000	1.020%	6,513,720
Subtotal, overlapping debt			118,960,265
City direct debt		100.000%	36,120,141
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 155,080,406

Notes:

(1) Estimated Percentage Applicable developed from information obtained from the Municipal Advisory Council of Texas.

Source: First Southwest Company / Texas Municipal Reports

City of Tomball, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

The City has no general obligation legal debt limit other than a ceiling on the ad valorem tax rate as specified by the State of Texas. The prescribed maximum is \$ 2.50 per \$ 100.00 at 100 percent valuation.

City of Tomball, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gross revenues	\$ 12,488,750	\$ 11,012,281	\$ 11,831,041	\$ 12,060,478
Operating expenses ⁽¹⁾	<u>6,165,226</u>	<u>5,968,026</u>	<u>6,366,426</u>	<u>6,766,405</u>
NET REVENUES AVAILABLE FOR DEBT SERVICE	6,323,524	5,044,255	5,464,615	5,294,073
DEBT SERVICE REQUIREMENTS ⁽²⁾				
Principal and interest	<u>560,591</u>	<u>563,815</u>	<u>568,174</u>	<u>273,536</u>
TOTAL	<u>\$ 560,591</u>	<u>\$ 563,815</u>	<u>\$ 568,174</u>	<u>\$ 273,536</u>
COVERAGE	11.28	8.95	9.62	19.35

(1) Total operating expenses less depreciation

(2) Includes revenue bonds only. Revenue bonds were paid off during fiscal year 2015.

Schedule 15

2015	2016	2017	2018	2019	2020
\$ 11,650,417	\$ 11,371,959	\$ 10,922,004	\$ 12,228,559	\$ 12,011,055	\$ 13,615,083
6,989,458	6,917,814	7,200,566	7,492,441	8,444,761	8,594,907
4,660,959	4,454,145	3,721,438	4,736,118	3,566,294	5,020,176
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a

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

Fiscal Year Ended Sept 30	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽⁵⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2011	10,753	\$ 273,663,850	\$ 25,450	36.0	10,633	8.50%
2012	10,979	315,207,090	28,710	36.9	11,132	7.50%
2013	10,979	315,207,090	28,710	39.8	12,362	6.20%
2014	11,124	463,247,856	41,644	35.6	12,461	4.90%
2015	11,299	475,348,930	42,070	37.2	13,270	4.40%
2016	11,540	508,752,440	44,086	37.3	14,077	5.70%
2017	11,643	576,689,433	49,531	34.5	14,700	4.80%
2018	11,707	575,773,674	49,182	34.5	15,934	4.72%
2019	11,761	420,244,052	35,732	39.3	16,962	4.40%
2020	12,053	702,846,589	58,313	39.0	18,294	8.30%

Sources:

- (1) Tomball Economic Development Corporation or American FactFinder
- (2) Tomball Economic Development Corporation or American FactFinder
- (3) Tomball Independent School District
- (4) Texas Employment Commission, SMSA Houston-Sugar Land-Baytown Metropolitan Statistical Area or Houston-The Woodlands-Sugar Land MSA.
- (5) Tomball Economic Development Corporation or American FactFinder

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

Employer	2020			2011		
	Employees	Rank	Total City Employment	Employees	Rank	Total City Employment
Tomball ISD	2,238	1	38.84%	1,436	2	30.28%
HCA (Previously Tomball Regional)	902	2	15.66%	1,600	1	33.74%
Lone Star College - Tomball	714	3	12.39%	800	3	16.87%
Baker Hughes (B J Services)	544	4	9.44%	600	4	12.65%
HEB	280	5	4.86%	262	6	5.53%
Walmart	279	6	4.84%	457	5	9.64%
City of Tomball	201	7	3.49%	161	7	3.40%
Lowes	200	8	3.47%	124	9	2.61%
Kroger	163	9	2.83%	138	8	2.91%
Target	93	10	1.61%	118	10	2.49%

Notes: The residents of the City of Tomball are primarily employed outside of the City limits.

Sources:
 Tomball Area Chamber of Commerce
 Tomball Economic Development Corporation
 Tomball Independent School District
 Human Resource Department of Listed Companies

City of Tomball, Texas

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL FUND				
Administration	14.50	16.00	17.50	17.50
Permits & Inspection	5.00	5.00	5.00	5.00
Police Department	57.00	59.00	58.00	58.50
Municipal Court	5.50	4.50	4.50	4.50
Community Center	3.00	3.00	3.00	3.00
Fire Department	16.00	18.00	18.00	18.50
Public Works Admin.	9.00	9.00	9.00	9.00
Garage	2.00	2.00	2.00	2.00
Parks	5.20	5.20	5.20	5.20
Streets	8.20	8.20	7.20	7.20
	<u>125.40</u>	<u>129.90</u>	<u>129.40</u>	<u>130.40</u>
ENTERPRISE FUND				
Utility Administration	9.00	9.00	8.00	7.00
Water	7.20	7.20	7.20	8.20
Wastewater	10.20	10.20	10.20	10.20
Gas	6.20	6.20	6.20	6.20
	<u>32.60</u>	<u>32.60</u>	<u>31.60</u>	<u>31.60</u>
SPECIAL REVENUE FUND				
	<u>3.00</u>	<u>2.50</u>	<u>3.00</u>	<u>12.00</u>
Total Special Revenue Fund	<u>3.00</u>	<u>2.50</u>	<u>3.00</u>	<u>12.00</u>
TOTAL CITY POSITIONS	<u>161.00</u>	<u>165.00</u>	<u>164.00</u>	<u>174.00</u>

Notes:

Temporary and seasonal employees are hired during the summer months.

This count is not reflected above.

Police reserves are not included.

Fire Department volunteers are not included.

Schedule 18

2015	2016	2017	2018	2019	2020
17.50	17.50	18.00	18.00	18.00	18.00
4.00	6.00	6.00	6.00	6.00	6.00
59.50	59.50	61.50	61.50	62.00	62.00
4.50	4.50	4.50	4.50	5.50	5.50
3.00	3.00	3.00	3.00	3.00	3.00
27.50	27.50	27.50	27.50	35.30	32.30
10.00	8.00	8.00	8.00	8.00	8.00
2.00	2.00	2.00	2.00	2.00	2.00
5.20	5.20	5.20	6.20	6.70	6.70
7.20	8.20	8.20	9.20	9.20	9.20
140.40	141.40	143.90	145.90	155.70	152.70
7.00	8.00	8.00	9.00	9.00	9.00
8.20	8.20	8.20	8.20	8.20	8.20
10.20	10.20	10.20	10.20	10.20	10.20
6.20	6.20	6.20	6.20	6.20	6.20
31.60	32.60	32.60	33.60	33.60	33.60
3.00	3.00	3.50	3.50	4.00	4.00
3.00	3.00	3.50	3.50	4.00	4.00
175.00	177.00	180.00	183.00	193.30	190.30

City of Tomball, Texas

Operating Indicators by Function/Program Last Ten Fiscal Years

FUNCTION/PROGRAM	2011	2012	2013	2014
Police:				
Arrests	2,012	1,475	2,394	1,650
Accident reports	334	392	378	453
Citations	12,798	13,329	11,330	10,181
Offense reports	1,915	2,153	2,008	2,224
Calls for service	6,774	7,399	7,069	7,524
Fire:				
Emergency responses	1,364	1,523	1,768	2,749
Fire incidents	207	178	129	128
Average response time	5:54	6:40	4:50	5:13
Water:				
New accounts	79	56	122	126
Source				
Water	79	56	122	126
Sewer	79	56	122	126
Average daily consumption (millions of gallons)	2.525	2.249	2,043	1,967
Number of million gallons of surface water pumped	-	-	-	-
Number of million gallons of well water pumped	923,261	822,215	759,817	718,069
Total consumption (millions of gallons)	923,261	822,215	759,817	718,069
Peak daily consumption (millions of gallons)	4,392	4,312	4,689	3,385
Sewer:				
Average daily sewage treatment (millions of gallons)	1.174	1.555	1.347	1.478
Total consumption (millions of gallons)	429.608	567.754	491.660	539.470
Peak daily consumption (millions of gallons)	2.18	7.44	2.85	5.19

Source: Various City departments

Schedule 19

2015	2016	2017	2018	2019	2020
1,252	883	1,073	808	454	481
514	577	489	486	832	149
7,251	6,746	5,679	4,789	4,774	4,169
1,462	1,092	1,299	525	886	1,230
7,938	7,747	7,205	28,443	34,899	40,851
2,002	1,671	1,773	2,820	2,162	1,677
104	114	162	135	91	114
5:18	6:52	6:10	6:43	6:07	6:10
88	41	148	87	133	268
88	41	148	87	133	268
88	41	148	87	133	268
2,052	2,051	1,807	2,090	2,112	2,126
-	-	-	-	-	-
750,434	748,615	659,814	763,060	912,707	776,032
750,434	748,615	659,814	763,060	912,707	693,111
2,840	2,657	4,760	3,941	5,083	4,141
1.576	1.920	1.589	1.528	1.554	1.297
575.240	700.800	579.985	565.824	568.764	473.415
3.78	2.70	3.51	3.20	3.23	3.99

City of Tomball, Texas
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

FUNCTION/PROGRAM	2011	2012	2013	2014
Police:				
Stations	1	1	1	1
Patrol units	32	33	33	33
Fire stations	2	2	2	2
Other public works:				
Streets (miles - centerlines)	56.20	58.20	50.60	50.60
Streetlights	654	664	689	720
Parks and recreation:				
Parks	4	4	6	6
Parks acreage	24.00 acres	24.00 acres	39.00 acres	39.00 acres
Swimming pools	1	1	1	1
Baseball / softball diamonds	8	8	8	8
Tennis courts	4	4	4	4
Racquetball/handball courts	-	-	-	-
Gymnasiums	-	-	-	-
Basketball courts	1	1	2	2
Water:				
Water mains (miles)	0.50	0.20	1.00	92.69
Fire hydrants	9	14	950	955
Storage capacity (millions of gallons)	2.35	2.35	2.85	2.85
Sewer:				
Sanitary sewers (miles)	0.84	1.53	1.65	1.65
Storm sewers (miles)	17.40	17.40	22.90	22.90
Open ditch / creek / canal drainage (miles)	54.00	54.00	54.00	54.00
Treatment capacity (millions of gallons)	3	3	3	3

Source: Various City departments. In 2018, water and sewer mains (miles) were determined using a Geographic Imaging System

Schedule 20

2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
35	35	35	35	38	51
2	2	2	2	2	2
50.60	50.60	57.94	57.94	61.67	84.00
720	720	720	720	751	793
7	7	7	7	7	7
52.00 acres	52.00 acres	69.81 acres	69.81 acres	69.81 acres	69.81 acres
1	1	1	1	1	1
8	8	8	8	8	8
4	4	4	4	4	4
-	-	-	-	-	-
-	-	-	-	-	-
2	2	2	2	2	2
92.69	94.49	95.11	121.36	123.97	128.92
955	974	981	1,135	1,163	1,219
2.85	2.85	2.15	2.15	2.15	2.15
1.65	3.25	3.88	98.14	84.50	88.52
22.90	22.90	22.90	22.90	62.85	66.09
54.00	54.00	57.00	57.23	57.23	57.23
3	3	3	3	3	3

