



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021



CITY OF EL CAMPO, TEXAS



***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of El Campo, Texas

**For the Year Ended
September 30, 2021**

Prepared by

Brittini Nanson
Director of
Finance

Courtney Sladek
City Manager



City of El Campo, Texas

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INTRODUCTORY SECTION





April 28, 2022

The Honorable Mayor, Members of
the City Council, and Citizens of
the City of El Campo, Texas

The Comprehensive Annual Financial Report of the City of El Campo, Texas, hereinafter referred to as the "City", for the fiscal year ended September 30, 2021, is hereby submitted. It is published to provide to the City Council, to representatives of financial institutions, and to our citizens and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

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

CITY PROFILE

The City has a home-rule Council-Manager form of government. The elected body is made up of a mayor and six City Council members. The Mayor and City Council members are all elected for staggered two-year terms. The City Manager is appointed by the City Council and is responsible for implementation of City Council policy and all day-to-day operations of the City.

The City Council appoints many residents, who have volunteered their expertise, experience, and time to serve on various boards and commissions. These standing boards and commissions make recommendations relative to special projects.

A full range of municipal services is provided by the City including public safety (police, fire protection, and emergency medical services); water and wastewater services; public improvements; repair and maintenance of infrastructure; recreational and community activities; planning and zoning; and general administrative services. This report includes all funds of the City government. The financial statements of the City Development Corporation of El Campo, Inc. are also reported herein as a discretely presented component unit of the City based upon standards established by the Governmental Accounting Standards Board (see Note 1 to the financial statements).

The Honorable Mayor, Members of
the City Council, and Citizens of
the City of El Campo, Texas

ECONOMIC CONDITION AND OUTLOOK

The City is located in the gulf coast region of southeast Texas and is the largest City in Wharton County with an estimated population of 12,350. It is located on U.S. Highway 59 and State Highway 71, approximately 72 miles southwest of Houston. U.S. Highway 59 is one of the major transportation arteries that ties the United States to Mexico and it is currently being studied for conversion to an interstate highway that would link Canada to Mexico.

One of the economy's mainstays is agriculture. Wharton County has consistently ranked as one of the largest rice producing counties in the state and nation. Several major regional agricultural facilities are located in the City, including operations for product storage, milling, transportation, and marketing as well as two farm cooperatives that provide direct sales, service and marketing assistance to area farmers. Oil and gas production is also an important contributor to the local economy and in recent years the aquaculture industry has become an important factor as well.

El Campo population and economy remains fairly stable. This has a direct impact on the resources available to the City to provide services to the community. Indicators of growth include population increases, building activity, unemployment rate, ad valorem tax revenues, and sales tax revenues.

Revenue growth appears equal to the costs of maintaining the current service levels throughout the City; however, the margin is much smaller than in prior years. Staff continues to monitor various indicators of economic and fiscal health of the community. Monitoring is also done in order to better respond to economic conditions that may indicate a weakening in the local economy. Any such weakening could adversely affect the fiscal health of the City. If the economy does have an adverse effect on the City's fiscal health, choices on revenues and expenditures will have to be made to address the impact. This approach is important to ensure that any slowdown in growth, or change in economic conditions does not adversely affect the financial position of the City.

The City must continue to work with its partners, notably the City Development Corporation, Wharton County, the School District and EC Chamber and Non-Profit Organizations to move the community forward and make the Mission Statement a reality for El Campo. We need to collaborate to ensure that we are providing the best services that we can for the entire community and not duplicating efforts but rather assisting each other where we can make a difference for the greater good of the community.

The City still maintains fund balance reserves at levels that allow for capital projects to be addressed. The City Council has continued the policy that excess Fund Balance above 3 months of operations should be designated for capital.

MAJOR INITIATIVES

In developing the FY20-21 budget, we focused on the goals and objectives for the City of El Campo. Department heads were asked to assess the needs, goals and achievements of each Department.

For the past several years, the City has initiated and completed many public improvements and maintained adequate resources to provide a wide variety of services for the citizens. The challenge of maintaining the quality of life in the City continues to be a top priority as well as focusing on our infrastructure needs now and for the future such as planning for the I-69 Corridor improvements.

The City has made a significant investment in the employees and continues to try to motivate them to provide excellent customer service. As our main expenditure, personnel is what drives our service level and the more that we can do to create a unified team, the more that we can do to provide service at the level that our citizens deserve.

The Honorable Mayor, Members of
the City Council, and Citizens of
the City of El Campo, Texas

As we have reached the later years in the Comprehensive Plan that was prepared as the 2021 Vision, we will begin to look at updating that for the future course that this community should take. The major concern over the next 3-5 years will be our ability or inability to properly fund upkeep and maintenance of our infrastructure and City facilities at a time when limited funds are available, while trying to fund our basic services.

The progress in the community can be seen with the projects that have been taken on such as the West Loop Park and the West Norris Street rebuild. Extreme conservatism has allowed the City to build reserves to be utilized for one-time purchases and that practice is continued. The economy has continued to be in a slow growth mode and that is reflected. Additionally, we are avoiding short-term thinking.

Achievements

This fiscal year saw a number of City Council priorities nearing completion. For instance,

- The City continued the sealcoating of existing roads and the rehabilitation of water and wastewater main lines.
- Land availability was marketed to developers.
- South Highway 71 under I69 extension of water and sewer is complete.
- Playground equipment purchased and installed for Willie Bell Park.
- Paved the parking lot at Willie Bell Park.
- Property maintenance code was adopted.
- Community Development Block Grant (CDBG) was completed.

Implementation of the Comprehensive Plan is slated for the next five years.

Goals for fiscal year 2022 and beyond:

Listed below are goals and short- and long-term objectives. Also included are budget action items that address these goals and objectives.

Infrastructure

The Council, with input from staff, discussed how the aging infrastructure of the City is a priority. They also discussed the need for additional revenue to keep up with infrastructure needs.

Citywide Revitalization

The Council, with staff input, discussed how to enforce liens and other fines for code enforcement violations. They also determined the need to understand options for mowing private property, including the potential necessity of working with the Legislature.

Public Safety

The Council, with staff input, discussed how all the public safety departments – Fire, EMS, and Police – were above standard and exceeding expectations. They also recognized the new public safety building as a great asset to the workforce and community. Additionally, they discussed how an increase in transfers to the local hospital has affected revenue. Their recommendations for this topic included creating a Council Committee to aide staff in speaking with the Hospital.

Inter-local Communication

The Council expressed those relationships with other taxing entities were good. However, they would like to improve their partnership with the El Campo School District. It was expressed that they desired to build upon current efforts to strengthen that relationship for more effective communication between their entities and to the public.

The Honorable Mayor, Members of
the City Council, and Citizens of
the City of El Campo, Texas

FINANCIAL INFORMATION

The financial statements have been prepared in accordance with GAAP as prescribed by the Governmental Accounting Standards Board.

Internal accounting controls are established by management to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. As well, they are designed to provide reasonable assurance as to the reliability of financial records for preparing financial statements and are employed to help maintain accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits expected to be derived and the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund, Debt Service Fund, Municipal Court Technology Fund, Hotel/Motel Tax Fund, Police Seizure Fund, Civic Center Fund, Transportation User Fee Fund, Utility Fund, and EMS Fund are included in this document in their annual appropriated amounts.

INDEPENDENT AUDIT

This report is prepared in compliance with the legal requirements set forth by Article 3.10 of the Charter of the City of El Campo, Texas, as amended. In addition to fulfilling this legal requirement, this report serves to fully disclose financial data on an annual basis to management, the elected City Council and Mayor, the public, investors, and other interested persons. The firm of BrooksWatson & Co., PLLC, Certified Public Accountants, was engaged by the City to satisfy this requirement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Campo, Texas, for its comprehensive annual financial report for the year ended September 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

The Honorable Mayor, Members of
the City Council, and Citizens of
the City of El Campo, Texas

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the staff of the Finance Department of the City. We would also like to thank the Mayor and Members of City Council for their interest and support in planning and conducting the financial operations of the City in a progressive and responsible manner.

Respectfully,

A handwritten signature in blue ink, appearing to read "Courtney Sladek", written over a horizontal line.

Courtney Sladek, City Manager

A handwritten signature in blue ink, appearing to read "Brittini Nanson", written over a horizontal line.

Brittini Nanson, Director of Finance



Government Finance Officers Association

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

Presented to

**City of El Campo
Texas**

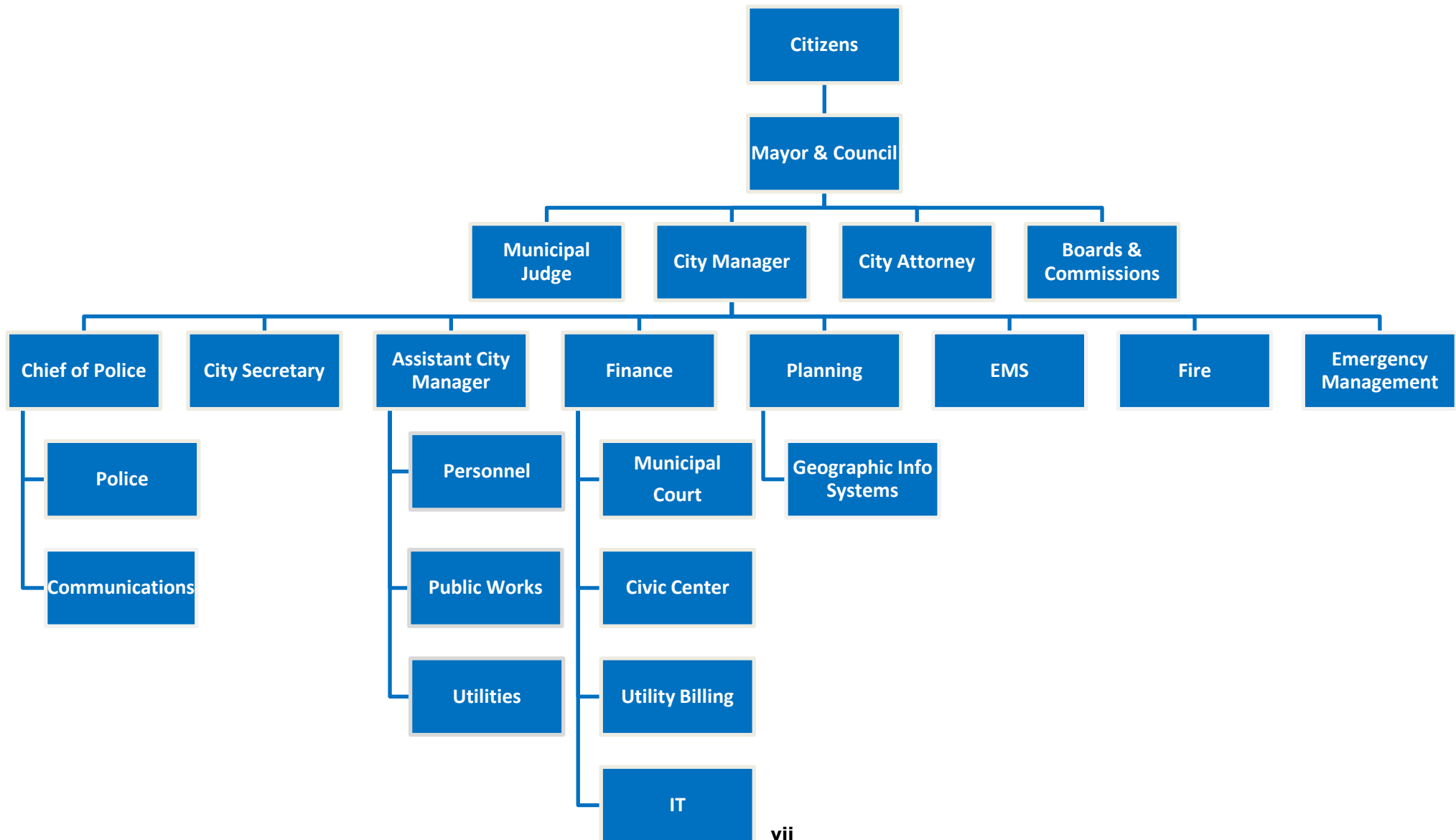
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF EL CAMPO ORGANIZATIONAL CHART



City of El Campo, Texas
Directory of Principal Officials
September 30, 2021

City Officials (Elected Positions):

Chris Barbee, Mayor

Eugene Bustamante, Mayor Pro-Tem

Philip Miller, Council Member

Gloria Harris, Council Member

Anisa Longoria Vasquez, Council Member

John Hancock, Council Member

David Hodges, Council Member

Key Staff (Appointed Positions):

Courtney Sladek, City Manager

Ronald Collins, City Attorney

Brittni Nanson, Director of Finance

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of El Campo, 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 El Campo, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.D. to the financial statements, the City restated its beginning net position/fund balance within governmental activities, business-type activities, the general fund, the utility fund, the EMS fund, and two nonmajor governmental funds due to various accounting corrections to the prior year. Our opinion is 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, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual

nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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 it.

A handwritten signature in cursive script that reads "Brooks Watson & Co.".

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
April 28, 2022



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of El Campo, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of the City of El Campo, Texas (the "City"), we offer 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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2021 by \$18,336,072. Of this amount, \$1,215,744 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,919,667. The majority of the City's net position are invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$5,199,517 at September 30, 2021, an increase of \$802,254 from the prior fiscal year; this includes an increase of \$578,901 in the general fund, an increase of \$51,951 in the debt service fund, an increase of \$2,469 in the 2004 Bonds fund, and an increase of \$168,933 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$4,530,374 or 50% of total general fund expenditures.
- The City's total debt showed a net increase of \$1,802,063. Total debt at the close of the fiscal year was \$39,108,514.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide 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.

City of El Campo, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent 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 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, and parks and recreation. The business-type activities of the City include utility services and emergency medical service operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate City Development Corporation of El Campo, Inc. ("CDC") for which the City is financially accountable. Financial information for this 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 assessing 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

City of El Campo, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

September 30, 2021

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 twelve 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 2004 Bonds fund, which are considered to be major funds. The City's other special revenue and capital project funds are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and most of the special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses two enterprise funds to account for its utility service and emergency medical service ("EMS") operations. All activities associated with providing such services are accounted for in these funds, including personnel, administration, operation, repairs/maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *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 IT support services.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund and EMS fund, as they are considered major funds of the City.

Component Unit

The City maintains the accounting and financial statements for one component unit. The City Development Corporation of El Campo, Inc. is reported as a discrete component unit on the government-wide financial statements.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of El Campo, assets and deferred outflows exceed liabilities and deferred inflows by \$18,336,072 as of September 30, 2021 in the primary government.

The largest portion of the City's net position, \$16,206,238, reflects its investments in capital assets (e.g., land, buildings, infrastructure, vehicles, machinery and equipment, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 5,396,887	\$ 7,763,860	\$ 13,160,747	\$ 5,082,453	\$ 2,711,734	\$ 7,794,187
Capital assets	33,674,651	18,180,830	51,855,481	35,327,867	18,529,659	53,857,526
Total Assets	39,071,538	25,944,690	65,016,228	40,410,320	21,241,393	61,651,713
Total Deferred Outflows	699,360	235,842	935,202	829,444	265,901	1,095,345
Current liabilities	2,103,820	1,699,272	3,803,092	1,947,870	1,385,160	3,333,030
Long-term liabilities	28,616,886	14,142,097	42,758,983	30,248,442	11,579,610	41,828,052
Total Liabilities	30,720,706	15,841,369	46,562,075	32,196,312	12,964,770	45,161,082
Total Deferred Inflows	767,701	285,582	1,053,283	873,287	296,284	1,169,571
Net Position:						
Net investment in capital assets	8,263,862	7,942,376	16,206,238	7,840,451	7,929,594	15,770,045
Restricted	709,875	204,215	914,090	572,317	-	572,317
Unrestricted	(691,246)	1,906,990	1,215,744	(242,603)	316,646	74,043
Total Net Position	\$ 8,282,491	\$ 10,053,581	\$ 18,336,072	\$ 8,170,165	\$ 8,246,240	\$ 16,416,405

Current and other assets for business-type activities increased primarily due to greater cash on hand resulting from unspent bond proceeds and operating surpluses in the current year. Long-term liabilities for governmental activities decrease due to principal payments and bond refundings occurring during the year. Long term liabilities for business-type activities increased primarily due to new debt issuances outweighing principal payments and bond refundings in the current year.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Statement of Activities:

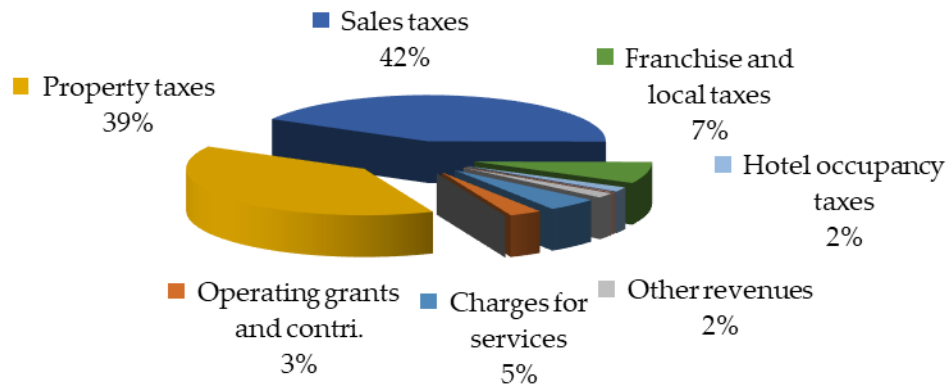
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 855,850	\$ 7,876,944	\$ 8,732,794	\$ 1,023,091	\$ 7,846,663	\$ 8,869,754
Operating grants	174,679	1,429,601	1,604,280	535,029	523,360	1,058,389
Capital grants	-	-	-	2,002,376	-	2,002,376
General revenues:						
Property taxes	4,240,781	-	4,240,781	4,292,324	-	4,292,324
Sales taxes	4,547,647	-	4,547,647	3,973,881	-	3,973,881
Hotel occupancy taxes	173,604	-	173,604	177,243	-	177,243
Franchise and local taxes	813,322	-	813,322	717,455	-	717,455
Investment income	12,761	2,979	15,740	34,216	9,800	44,016
Other revenues	177,541	348,982	526,523	150,553	267,609	418,162
Total Revenues	10,996,185	9,658,506	20,654,691	12,906,168	8,647,432	21,553,600
Expenses						
General government	2,269,688	-	2,269,688	2,672,521	-	2,672,521
Public safety	4,842,663	-	4,842,663	6,078,528	-	6,078,528
Public works	2,958,437	-	2,958,437	2,846,191	-	2,846,191
Parks and recreation	1,066,622	-	1,066,622	1,211,309	-	1,211,309
Interest and fiscal chgs.	730,723	515,764	1,246,487	615,911	265,685	881,596
Utility	-	4,678,834	4,678,834	-	6,228,658	6,228,658
EMS	-	1,672,293	1,672,293	-	2,413,902	2,413,902
Total Expenses	11,868,133	6,866,891	18,735,024	13,424,460	8,908,245	22,332,705
Change in Net Position						
Before Transfers	(871,948)	2,791,615	1,919,667	(518,292)	(260,813)	(779,105)
Transfers	984,274	(984,274)	-	875,200	(875,200)	-
Total	984,274	(984,274)	-	875,200	(875,200)	-
Change in Net Position	112,326	1,807,341	1,919,667	356,908	(1,136,013)	(779,105)
Beginning Net Position	8,170,165	8,246,240	16,416,405	7,813,257	9,382,253	17,195,510
Ending Net Position	\$ 8,282,491	\$ 10,053,581	\$ 18,336,072	\$ 8,170,165	\$ 8,246,240	\$ 16,416,405

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

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

Governmental Activities - Revenues

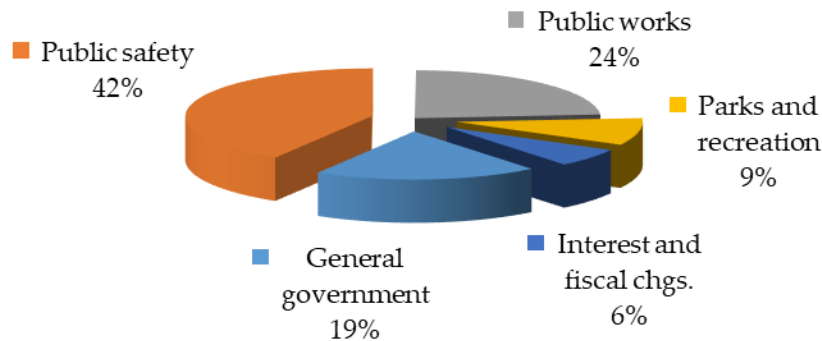


For the year ended September 30, 2021, revenues from governmental activities totaled \$10,996,185. Property taxes and sales taxes are the City's largest general revenue sources. Overall revenue decreased \$1,909,983 or 15% compared to the prior year. Grants and contributions decreased by \$2,362,726 primarily due to nonrecurring capital grants received in the prior year. Sales taxes and franchise taxes increased by \$573,766 or 14% and \$95,867 or 13%, respectively, due to economic growth fueled by local purchases. Charges for services decreased by \$167,241 or 16%, primarily due bad debt realized in the current year. Investment income decreased by \$21,455 or 63% due primarily to the realization of lower interest rates over the course of the year. Other revenues increased by \$26,988 or 18% primarily due to nonrecurring culvert revenue received in the current year. All other revenues remained relatively consistent with the previous year.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

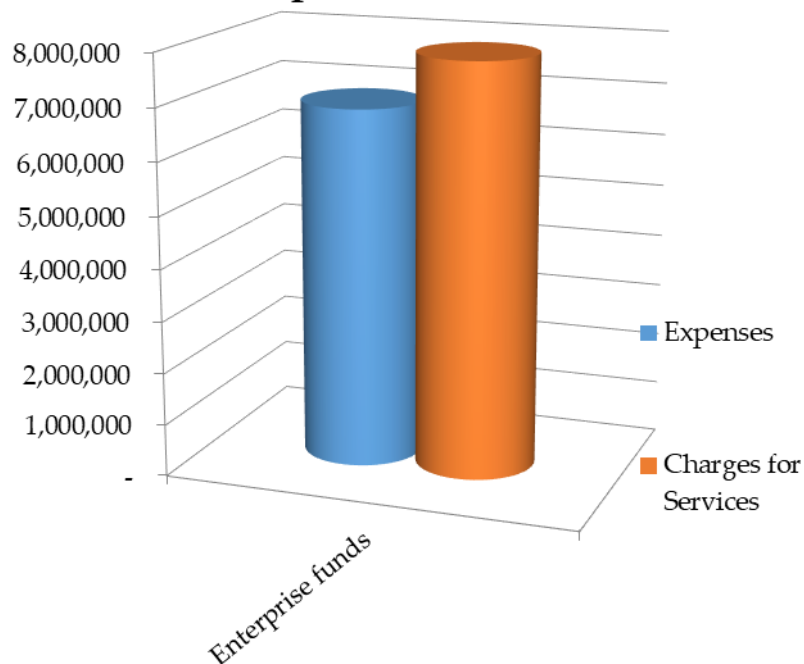


For the year ended September 30, 2021, expenses for governmental activities totaled \$11,868,133. This represents an decrease of \$1,556,327 or 12% from the prior year. The City's largest functional expense is public safety of \$4,842,663, a decrease of \$1,235,865 or 20% from prior year. The decrease was primarily due to a decrease in pension expense in the current year. General government expenses decreased by \$402,833 or 15% due primarily to a reduction in employee health insurance costs and pension expense in the current year. Parks and recreation decreased by \$144,687 or 12% due primarily to a reduction of personnel expenses in the current year and nonrecurring building and recreational equipment maintenance in the prior year. Interest and fiscal charges increased by \$114,812 or 19% primarily due to new debt issuances and nonrecurring bond issuance costs recognized in the current year. All other expenses remained relatively consistent with the previous year.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2021, charges for services by business-type activities totaled \$7,876,944. This represents a slight increase of \$30,281 from the previous year, which is considered minimal.

Total expenses decreased \$2,041,354 or 23%, to a total of \$6,866,891. This change was due primarily to a reduction in annual depreciation, personnel costs, and retirement expenses, resulting from the decline in the City's net pension liability. In addition, nonrecurring machinery/equipment expenses, sewer line maintenance, and COVID relief related expenses were incurred in the prior year.

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 spending at the end of the year.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

At September 30, 2021, the City's governmental funds reported combined fund balances of \$5,199,518, an increase of \$802,255 in comparison with the prior year. Approximately 86% of this amount, \$4,467,722, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *assigned*, or *restricted* to indicate that it is 1) not in spendable form, \$21,921.

As of the end of the year the general fund reflected a total fund balance of \$4,552,296. Of this, \$21,921 is considered nonspendable and \$4,530,375 is unassigned. The general fund balance increased by \$578,902 compared to the budgeted increase of \$0. The fund's increase was primarily due to actual revenues exceeding budgeted revenues and expenses being less than appropriations.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 50% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$4,530,375 is 50% of total general fund expenditures.

The debt service fund had an ending fund balance of \$51,951 at September 30, 2021, an increase of \$51,951. The increase was a result of greater than expected revenues and less than anticipated expenditures over the course of the year.

The 2004 bond fund had an ending fund deficit of \$56,845, an increase of \$2,469. The increase is a result of minimal investment income recognized during the year.

Nonmajor governmental funds had a total ending fund balance of \$652,116, an increase of \$168,933. The increase was due to surpluses by the majority of the nonmajor funds during the year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the utility and sanitation EMS funds totaled \$9,997,635 and \$55,946, respectively. Unrestricted net position of the enterprise funds at the close of the fiscal year amounted to \$5,327,573. Total net position increased \$1,807,341. The funds had a total net investment in capital assets of \$7,942,376.

The following are additional comments regarding operations of the enterprise funds:

- Total operational expenses excluding depreciation and amortization were \$5,471,611.
- Total cash and cash equivalents in the enterprise funds was \$2,140,190 at fiscal yearend.

An internal service fund was established for the purpose of tracking and allocating expenses for information technology support services. Revenue consists of budgeted transfers from the general fund and the two enterprise funds. Expenses consist of computer consulting and software support expenses. The fund had an ending fund deficit of \$439,014 as of yearend.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments approved during the fiscal year. Total original budgeted expenditures increased by \$423,990 compared to the final budget. The increase was due to additional administrative, parks and recreation, and public safety spending anticipated over the fiscal year. Total original budgeted revenues increased by \$423,990 when preparing the final budget. There was a positive variance of \$177,926 for budgeted general fund revenues. The positive variance was primarily due to sales taxes exceeding estimates. New capital lease proceeds totaling \$135,161 were not budgeted for during the year.

The following are additional comments regarding appropriations:

- There was a total positive variance of \$426,510 in budgeted expenditure appropriations. The variance was primarily due to a decrease in general government, public safety, and parks and recreation activities compared to estimates used for the budget.
- Actual public works exceeded final budget appropriations at the legal level of control.
- \$604,436 is the budget surplus of revenues over expenditures before other financing sources (uses).
- There was a total budget surplus after other financing sources (uses) of \$578,901.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$33,674,651 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$18,180,830 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Purchased 2021 Dodge Durango in public safety department for \$64,039.
- Purchased John Deere tractor for \$68,655.
- Purchased John Deere Alamo mower for \$61,113.
- Investment in play structures at Willie Bell Park for \$42,187.
- Purchase Ram 1 ton ambulance in EMS department for \$111,850.
- Investments in sanitary sewer rehabilitation project totaling \$354,250.
- Sanitation and sewer rehab improvements totaling \$39,939.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

City of El Campo, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations of \$25,478,493. Of this amount, \$9,561,079 is self-supporting through revenues collected from the rates of the City's utility fund. The City refunded \$3,325,000 worth of outstanding bonds during the year. During the year, the City issued general obligation bonds and certificates of obligation totaling \$6,565,000. The City made principal payments on outstanding debt totaling \$1,835,592 during the year. More detailed information about the City's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of El Campo and improving services provided to their citizens. The City budgeted for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of El Campo, Finance Department, P.O. Box 520, El Campo, TX 77631. A copy of the Comprehensive Annual Financial Report is available on the City's website at orangetexas.net.

FINANCIAL STATEMENTS

City of El Campo, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2021

	Primary Government			Component Unit
	Governmental	Business-Type		CDC of
	Activities	Activities	Total	El Campo, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 4,913,130	\$ 5,594,875	\$ 10,508,005	\$ 1,867,063
Investments	399,822	-	399,822	881,844
Receivables, net	1,122,007	1,105,729	2,227,736	156,098
Prepays	21,921	3,263	25,184	-
Internal balances	(1,059,993)	1,059,993	-	-
Total Current Assets	5,396,887	7,763,860	13,160,747	2,905,005
Capital assets:				
Non-depreciable	1,521,205	30,498	1,551,703	266,309
Net depreciable capital assets	32,153,446	18,150,332	50,303,778	605,552
Noncurrent Assets	33,674,651	18,180,830	51,855,481	871,861
Total Assets	39,071,538	25,944,690	65,016,228	3,776,866
<u>Deferred Outflows of Resources</u>				
Pension outflows - TMRS	528,240	191,909	720,149	14,536
OPEB outflows	63,197	22,959	86,156	1,739
Deferred charge on refunding	107,923	20,974	128,897	-
Total Deferred Outflows	\$ 699,360	\$ 235,842	\$ 935,202	\$ 16,275

City of El Campo, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2021

	Primary Government			Component Unit
	Governmental	Business-Type		CDC of
	Activities	Activities	Total	El Campo, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable				
and accrued liabilities	\$ 445,109	\$ 338,623	\$ 783,732	\$ 9,589
Unearned revenue	6,770	10,717	17,487	-
Accrued interest payable	267,982	49,250	317,232	-
Customer deposits	23,701	235,796	259,497	-
Compensated absences, current	343,092	116,891	459,983	-
Long term debt due within one year	1,017,166	947,995	1,965,161	-
Total Current Liabilities	2,103,820	1,699,272	3,803,092	9,589
Noncurrent liabilities:				
Compensated absences, noncurrent	38,121	12,988	51,109	-
Long-term debt, noncurrent	24,472,951	12,670,402	37,143,353	-
OPEB liability	320,485	116,431	436,916	8,819
Net pension liabilities	3,785,329	1,342,276	5,127,605	101,669
Noncurrent Liabilities	28,616,886	14,142,097	42,758,983	110,488
Total Liabilities	30,720,706	15,841,369	46,562,075	120,077
<u>Deferred Inflows of Resources</u>				
Deferred gain on refunding	28,595	61,612	90,207	
Pension inflows - TMRS	600,512	218,165	818,677	16,525
Pension inflows - TESRS	122,618	-	122,618	-
OPEB inflows	15,976	5,805	21,781	440
Total Deferred Inflows	767,701	285,582	1,053,283	16,965
<u>Net Position</u>				
Net investment in capital assets	8,263,862	7,942,376	16,206,238	871,861
Restricted for:				
Debt service	51,951	204,215	256,166	-
Capital projects	45,337	-	45,337	-
Parks and recreation	144,464	-	144,464	-
Public safety	38,183	-	38,183	-
Public works	386,322	-	386,322	-
Municipal court	43,618	-	43,618	-
City development	-	-	-	2,784,238
Unrestricted	(691,246)	1,906,990	1,215,744	-
Total Net Position	\$ 8,282,491	\$ 10,053,581	\$ 18,336,072	\$ 3,656,099

See Notes to Financial Statements.

City of El Campo, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 2,269,688	\$ -	\$ 18,695
Public safety	4,842,663	114,090	872
Public works	2,958,437	330,657	-
Parks and recreation	1,066,622	411,103	-
Interest and fiscal charges	730,723	-	155,112
Total Governmental Activities	11,868,133	855,850	174,679
Business-Type Activities			
Utility	5,189,862	5,993,785	1,429,601
EMS	1,677,029	1,883,159	-
Total Business-Type Activities	6,866,891	7,876,944	1,429,601
Total Primary Government	\$ 18,735,024	\$ 8,732,794	\$ 1,604,280
Component Unit			
CDC of			
El Campo, Inc.	\$ 567,358	\$ -	\$ -
Total Component Unit	\$ 567,358	\$ -	\$ -

General Revenues:

Taxes

Property taxes

Sales taxes

Hotel occupancy taxes

Franchise and local taxes

Investment income

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CDC of El Campo, Inc.
\$ (2,250,993)	\$ -	\$ (2,250,993)	\$ -
(4,727,701)	-	(4,727,701)	-
(2,627,780)	-	(2,627,780)	-
(655,519)	-	(655,519)	-
(575,611)	-	(575,611)	-
<u>(10,837,604)</u>	<u>-</u>	<u>(10,837,604)</u>	<u>-</u>
-	2,233,524	2,233,524	-
-	206,130	206,130	-
<u>-</u>	<u>2,439,654</u>	<u>2,439,654</u>	<u>-</u>
<u>(10,837,604)</u>	<u>2,439,654</u>	<u>(8,397,950)</u>	<u>-</u>
			(567,358)
			<u>(567,358)</u>
4,240,781	-	4,240,781	-
4,547,647	-	4,547,647	909,142
173,604	-	173,604	-
813,322	-	813,322	-
12,761	2,979	15,740	11,179
177,541	348,982	526,523	60,161
984,274	(984,274)	-	-
<u>10,949,930</u>	<u>(632,313)</u>	<u>10,317,617</u>	<u>980,482</u>
112,326	1,807,341	1,919,667	413,124
8,170,165	8,246,240	16,416,405	3,242,975
<u>\$ 8,282,491</u>	<u>\$ 10,053,581</u>	<u>\$ 18,336,072</u>	<u>\$ 3,656,099</u>

City of El Campo, Texas

BALANCE SHEET (Page 1 of 2)

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	2004 Bonds	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 1,832,969	\$ 406,624	\$ 1,925,561	\$ 747,976
Investments	309,930	62,332	-	27,560
Taxes receivable, net	903,858	33,187	-	42,967
Accounts receivable, net	109,900	-	-	32,095
Due from other funds	2,035,656	-	-	85,654
Prepays	21,921	-	-	-
Total Assets	\$ 5,214,234	\$ 502,143	\$ 1,925,561	\$ 936,252
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 429,024	\$ -	\$ -	\$ 15,184
Deposits payable	9,276	-	-	14,425
Unearned revenue	6,770	-	-	-
Due to other funds	105,869	420,767	1,982,406	234,148
Total Liabilities	550,939	420,767	1,982,406	263,757
<u>Deferred Inflows of Resources</u>				
Unavailable revenue -				
Property taxes	111,000	29,425	-	-
Assessments	-	-	-	20,379
Total Deferred Inflows	111,000	29,425	-	20,379

**Total
Governmental
Funds**

\$	4,913,130
	399,822
	980,012
	141,995
	2,121,310
	21,921
	<hr/>
\$	8,578,190
	<hr/> <hr/>

\$	444,208
	23,701
	6,770
	2,743,190
	<hr/>
	3,217,869
	<hr/>

	140,425
	20,379
	<hr/>
	160,804
	<hr/>

City of El Campo, Texas

BALANCE SHEET (Page 2 of 2)

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	2004 Bonds	Nonmajor Governmental Funds
<u>Fund Balances</u>				
Nonspendable for:				
Prepays	\$ 21,921	\$ -	\$ -	\$ -
Restricted for:				
Debt service	-	51,951	-	-
Capital projects	-	-	-	45,337
Parks and recreation	-	-	-	144,464
Public safety	-	-	-	38,183
Public works	-	-	-	386,322
Municipal court	-	-	-	43,618
Unassigned	4,530,374	-	(56,845)	(5,808)
Total Fund Balances	<u>4,552,295</u>	<u>51,951</u>	<u>(56,845)</u>	<u>652,116</u>
Total Liabilities, Deferred				
Inflows, and Fund Balances	<u>\$ 5,214,234</u>	<u>\$ 502,143</u>	<u>\$ 1,925,561</u>	<u>\$ 936,252</u>

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 21,921

51,951

45,337

144,464

38,183

386,322

43,618

4,467,721

5,199,517

\$ 8,578,190



City of El Campo, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

Fund Balances - Total Governmental Funds	\$ 5,199,517
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	1,521,205
Capital assets - net depreciable	32,153,446
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	140,425
Street assessments	20,379
Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflows) of resources (expense/expenditure)/(revenue) until then.	
Deferred charge on refunding	107,923
Deferred gain on refunding	(28,595)
Pension outflows - TMRS	528,240
Pension inflows - TMRS	(600,512)
Pension inflows - TESRS	(122,618)
OPEB outflows	63,197
OPEB inflows	(15,976)
Internal service funds are used by management to charge the cost of insurance to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(439,014)
Some liabilities, including bonds payable, premiums, other long-term liabilities and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(267,982)
Bond premium	(881,119)
Compensated absences	(381,213)
Non-current liabilities due in one year	(1,017,166)
Non-current liabilities due in more than one year	(23,591,832)
Net pension liability - TMRS	(3,694,687)
Net pension liability - TESRS	(90,642)
OPEB liability - TMRS	(320,485)
Net Position of Governmental Activities	\$ 8,282,491

See Notes to Financial Statements.

City of El Campo, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2021

	General	Debt Service	2004 Bonds	Nonmajor Governmental Funds
<u>Revenues</u>				
Property tax	\$ 2,793,094	\$ 1,545,563	\$ -	\$ 59,995
Sales tax	4,547,647	-	-	-
Franchise and local taxes	813,322	-	-	-
Transportation user fees	-	-	-	129,462
Hotel occupancy taxes	-	-	-	173,604
Charges for services	326,165	-	-	105,079
License, permits and fees	189,417	-	-	-
Intergovernmental	19,567	155,112	-	-
Fines and forfeitures	286,384	-	-	-
Investment income	9,100	289	2,469	903
Other revenue	158,893	8,745	-	9,903
Total Revenues	9,143,589	1,709,709	2,469	478,946
<u>Expenditures</u>				
Current:				
General government	1,942,564	6,500	-	66,779
Public safety	4,393,561	-	-	-
Parks and recreation	839,841	-	-	104,521
Public works	1,746,825	-	-	58,140
Debt Service:				
Principal	-	1,071,747	-	-
Interest and fiscal charges	-	742,834	-	-
Bond issuance costs	-	39,047	-	-
Capital outlay	135,143	-	-	1,479
Total Expenditures	9,057,934	1,860,128	-	230,919
Excess (Deficiency) of Revenues	\$ 85,655	\$ (150,419)	\$ 2,469	\$ 248,027

Total Governmental Funds	
<hr/>	
\$	4,398,652
	4,547,647
	813,322
	129,462
	173,604
	431,244
	189,417
	174,679
	286,384
	12,761
	177,541
	<hr/>
	11,334,713
	<hr/>

	2,015,843
	4,393,561
	944,362
	1,804,965
	1,071,747
	742,834
	39,047
	136,622
	<hr/>
	11,148,981
	<hr/>
\$	185,732

City of El Campo, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	General	Debt Service	2004 Bonds	Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Bond issuance	-	1,028,665	-	-
Capital lease issuance	135,161	-	-	-
Payment to escrow agent	-	(1,056,787)	-	-
Premium on bond premium	-	67,169	-	-
Transfers in	592,085	163,323	-	79,094
Transfers (out)	(234,000)	-	-	(158,188)
Total Other Financing Sources (Uses)	493,246	202,370	-	(79,094)
Net Change in Fund Balances	578,901	51,951	2,469	168,933
Beginning fund balances	3,973,394	-	(59,314)	483,183
Ending Fund Balances	\$ 4,552,295	\$ 51,951	\$ (56,845)	\$ 652,116

See Notes to Financial Statements.

Total Governmental Funds	
	1,028,665
	135,161
	(1,056,787)
	67,169
	834,502
	(392,188)
	616,522
	802,254
	4,397,263
\$	5,199,517



City of El Campo, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$	802,254
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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.

Capital outlay		302,040
Depreciation expense		(1,955,256)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(538,202)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		26,844
Accrued interest		14,973
Pension expense - TMRS		285,974
Pension expense - TESRS		45,417
OPEB expense		(23,823)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of capital lease		(135,161)
Bond issuance		(1,028,665)
Premium on current year bond issuance		(67,169)
Current year refunding		1,325,274
Amortization of debt premium		50,241
Current year deferred gain on refunding		(29,957)
Amortization of deferred charge/loss on refunding		(14,056)
Principal payments on long-term debt		1,071,747

Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(20,149)
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Change in Net Position of Governmental Activities	\$	112,326
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See Notes to Financial Statements.

City of El Campo, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities			Governmental
		Emergency		Activities
	Utility	Medical	Total	Internal
Assets		Services		Service
Current Assets				Fund
Cash and cash equivalents	\$ 5,594,424	\$ 451	\$ 5,594,875	\$ -
Receivables, net	827,482	278,247	1,105,729	-
Due from other funds	704,317	410,293	1,114,610	-
Prepays	3,263	-	3,263	-
Total Current Assets	7,129,486	688,991	7,818,477	-
Noncurrent Assets				
Capital assets:				
Non-depreciable	30,498	-	30,498	-
Net depreciable capital assets	17,690,479	459,853	18,150,332	-
Total Noncurrent Assets	17,720,977	459,853	18,180,830	-
Total Assets	24,850,463	1,148,844	25,999,307	-
Deferred Outflows of Resources				
Pension outflows - TMRS	85,295	106,614	191,909	-
OPEB outflows	10,204	12,755	22,959	-
Deferred charge on refunding	20,974	-	20,974	-
Total Deferred Outflows	\$ 116,473	\$ 119,369	\$ 235,842	\$ -

City of El Campo, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2021

	Business-Type Activities			Governmental Activities
	Emergency			Internal
	Medical			Service
	Utility	Services	Total	Fund
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 250,290	\$ 88,333	\$ 338,623	\$ 901
Accrued interest	49,250	-	49,250	-
Customer deposits	235,796	-	235,796	-
Unearned revenue	2,824	7,893	10,717	-
Due to other funds	-	54,617	54,617	438,113
Compensated absences, current	49,842	67,049	116,891	-
Debt obligations, current	933,952	14,043	947,995	-
Total Current Liabilities	1,521,954	231,935	1,753,889	439,014
Noncurrent Liabilities				
Compensated absences, noncurrent	5,538	7,450	12,988	-
Debt obligations, noncurrent	12,632,326	38,076	12,670,402	-
OPEB liability	51,748	64,683	116,431	-
Net pension liability	596,579	745,697	1,342,276	-
Total Noncurrent Liabilities	13,286,191	855,906	14,142,097	-
Total Liabilities	14,808,145	1,087,841	15,895,986	439,014
Deferred Inflows of Resources				
Deferred gain on refunding	61,612	-	61,612	-
Pension inflows - TMRS	96,964	121,201	218,165	-
OPEB inflows	2,580	3,225	5,805	-
Total Deferred Inflows	161,156	124,426	285,582	-
Net Position				
Net investment in capital assets	7,534,642	407,734	7,942,376	-
Restricted cash in escrow	204,215	-	204,215	-
Unrestricted	2,258,778	(351,788)	1,906,990	(439,014)
Total Net Position	\$ 9,997,635	\$ 55,946	\$ 10,053,581	\$ (439,014)

See Notes to Financial Statements.

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City of El Campo, Texas

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

For the Year Ended September 30, 2021

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<u>Operating Revenues</u>				
Charges for services	\$ 5,993,785	\$ 1,883,159	\$ 7,876,944	\$ -
Intergovernmental revenue	1,429,601	-	1,429,601	-
Other revenue	206,121	142,861	348,982	-
Total Operating Revenues	7,629,507	2,026,020	9,655,527	-
<u>Operating Expenses</u>				
Personnel services	877,014	1,273,467	2,150,481	-
Materials and supplies	79,377	62,747	142,124	12,670
Contractual services	2,572,401	232,767	2,805,168	138,316
Repairs and maintenance	347,120	26,718	373,838	172,593
Depreciation	802,922	76,594	879,516	-
Total Operating Expenses	4,678,834	1,672,293	6,351,127	323,579
Operating Income (Loss)	2,950,673	353,727	3,304,400	(323,579)
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	2,974	5	2,979	-
Interest expense	(282,891)	(4,736)	(287,627)	-
Bond issuance costs	(228,137)	-	(228,137)	-
Total Nonoperating Revenues (Expenses)	(508,054)	(4,731)	(512,785)	-
Income (Loss) Before Transfers	2,442,619	348,996	2,791,615	(323,579)
Transfers in	-	-	-	303,430
Transfers (out)	(760,484)	(223,790)	(984,274)	-
Change in Net Position	1,682,135	125,206	1,807,341	(20,149)
Beginning net position	8,315,500	(69,260)	8,246,240	(418,865)
Ending Net Position	\$ 9,997,635	\$ 55,946	\$ 10,053,581	\$ (439,014)

See Notes to Financial Statements.

City of El Campo, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2021

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 7,598,024	\$ 2,102,444	\$ 9,700,468	\$ -
Receipts from interfund services used	-	-	-	14,587
Payments to suppliers	(2,948,194)	(315,173)	(3,263,367)	(318,017)
Payments to employees	(976,209)	(1,432,831)	(2,409,040)	-
Net Cash Provided (Used) by Operating Activities	3,673,621	354,440	4,028,061	(303,430)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in	-	-	-	303,430
Transfers (out)	(760,484)	(223,790)	(984,274)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(760,484)	(223,790)	(984,274)	303,430
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital purchases	(418,837)	(111,850)	(530,687)	-
Proceeds from capital debt	5,925,644	-	5,925,644	-
Current year bond refunding	(2,102,941)	-	(2,102,941)	-
Deferred gain on refunding	64,545	-	64,545	-
Principal paid on debt	(749,802)	(14,043)	(763,845)	-
Bond issuance costs	(228,137)	-	(228,137)	-
Interest paid on debt	(298,373)	(4,736)	(303,109)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	2,192,099	(130,629)	2,061,470	-
<u>Cash Flows from Investing Activities</u>				
Purchase of investments	183,647	-	183,647	-
Interest on investments	2,974	5	2,979	-
Net Cash Provided (Used) by Investing Activities	186,621	5	186,626	-
Net Increase in Cash and Cash Equivalents	5,291,857	26	5,291,883	-
Beginning cash and cash equivalents	302,567	-	302,567	-
Ending Cash and Cash Equivalents	\$ 5,594,424	\$ 26	\$ 5,594,450	\$ -

See Notes to Financial Statements.

City of El Campo, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2021

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash Provided (Used) by Operating Activities</u>				
Operating income (loss)	\$ 2,950,673	\$ 353,727	\$ 3,304,400	\$ (323,579)
Adjustments to reconcile operating income to net cash provided:				
Depreciation	802,922	76,594	879,516	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(37,559)	73,053	35,494	-
Prepays	(3,263)	-	(3,263)	4,661
Increase (Decrease) in:				
Accounts payable and accrued liab.	(25,410)	(79,567)	(104,977)	901
Compensated absences	-	(4,808)	(4,808)	-
Customer deposits	4,699	-	4,699	-
Unearned revenue	1,377	3,371	4,748	-
Due to other funds	-	23,879	23,879	14,587
Deferred inflows - OPEB liability	(161)	(475)	(636)	-
Deferred outflows - pension liability	10,769	23,042	33,811	-
Deferred outflows - OPEB liability	(3,022)	(3,061)	(6,083)	-
Deferred inflows - pension liability	(26,390)	(45,288)	(71,678)	-
OPEB liability	8,335	6,089	14,424	-
Net pension liability	(9,349)	(72,116)	(81,465)	-
Net Cash Provided (Used) by				
Operating Activities				
	<u>\$ 3,673,621</u>	<u>\$ 354,440</u>	<u>\$ 4,028,061</u>	<u>\$ (303,430)</u>

See Notes to Financial Statements.



City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

The City of El Campo, Texas (the "City") was incorporated in 1905 and has adopted a Home Rule Charter. The City now operates under a council-manager form of government. The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for law enforcement, appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The Mayor presides at meetings of the City Council and can vote on all matters. The City provides the following services: public safety to include police, fire, and emergency medical services, highways and streets, water and wastewater, sanitation, recreation, public improvements, planning and zoning, 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 generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The City Development Corporation of El Campo, Inc. (the "CDC") is legally separate and presented as a discretely presented component unit. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

The City Development Corporation of El Campo, Inc.

The City Development Corporation of El Campo, Inc. (the "CDC") was created for the purpose of benefiting and accomplishing public purposes of the City by promoting, encouraging, and enhancing the creation of jobs in the City. This is to be achieved through assistance in the retention of existing businesses and industries and the attraction of new businesses and industries and aid in their development and growth. The CDC was incorporated under the Texas Development Corporation Act of 1979, as amended, and qualifies as a tax-exempt organization under Code Section 501(c)(4) of the Internal Revenue Code. All powers of the CDC are vested in the Board of Directors appointed by the City Council. The City is also able to impose its will on the CDC, including approving its operating budget. A separately issued financial report is available for the CDC. This report may be obtained by contacting the CDC.

C. Basis of Presentation - Government-Wide Financial Statements

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

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, hotel occupancy taxes, grants and donations, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and parks and recreation.

Debt Service Fund

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 governmental funds. The primary source of revenue for debt service is local property taxes.

2004 Bond Fund

The 2004 bond fund accounts for the use of proceeds from the City's 2004 Certificates of Obligation and certain grant proceeds used in the capital projects.

The government reports the following major enterprise funds:

Utility Fund

This utility fund accounts for activities of the City related to its sewage treatment plant, water distribution system, and garbage collection.

Emergency Medical Services Fund

This fund accounts for activities of the City related to providing emergency medical services to the residents and visitors of the City. This fund utilizes ambulance revenues,

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

interest, and contributions from the Wharton County Emergency Services District #4 to fund this service.

Additionally, the City reports for the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes other than debt service or capital projects.

Capital Projects Funds

Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets, excluding those types of capital-related outflows financed by proprietary funds.

Internal Service Fund

The internal service fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

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

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

E. Measurement focus and basis of accounting

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

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

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

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

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

F. Budgetary Information

1. Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, capital projects, special revenue, water & sewer, and sanitation funds. In the current year, annual budgets were adopted for all funds, with the exception of the El Campo Economic Development Fund.

Forty-five (45) days prior to the end of the fiscal year the City Manager submits the proposed annual budget and explanatory budget message to the City Council. The budget must be adopted by the twenty-seventh (27th) day of September or the budget, as submitted by the City Manager, will be deemed to have been adopted. The City Charter requires that the budget set out the proposed expenditures by function, department, and activity, by character and object. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level. The department level would include the departments within a fund, such as the finance department or water operations department.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

G. Assets, Liabilities, and Fund Equity or Net Position

Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

1. Fair Value Measurement

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

2. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts. Delinquent accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 52% of outstanding property taxes as of September 30, 2021.

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). Inventories of supplies to be used internally are valued at cost using the first-in/first-out method. Inventories to be resold are valued at the lower of cost or market, and removed using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Buildings	15 - 40 years
Water works	5 - 40 years
Sewer system	5 - 40 years
Infrastructure	20 - 50 years
Machinery and equipment	4 - 15 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

City of El Campo, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, grants, and hotel taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

6. Net Position Flow Assumptions

Sometimes the government 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

Sometimes the government 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 government'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.

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

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, *Continued*
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remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. The City Council has by resolution authorized the City Manager or his/her designee to assign fund balance. The assignments can be made by the City Council of any amount and by the City Manager or his/her designee in an amount not to exceed \$500,000. Unlike commitments, assignments generally only exist temporarily and a formal action by the City Council does not have to occur to remove the assignment.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

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

12. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the City of El Campo Retiree Health Care Plan. The retiree health care plan covers both active and retiree benefits with no segregation of assets, therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the plan is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the plan is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The retired employees can participate in the City's health care plan by paying the full amount of the premiums. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

H. 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 taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

All full-time employees accumulate personal benefits in varying annual amounts up to a maximum allowable accumulation based on years of service. In the event of termination, an employee is reimbursed for all accumulated personal days up to the maximum accrued time. Sick leave benefits are earned by all full-time employees at a rate of 12 days per year and may be accumulated to a maximum of 960 hours. City personnel policies state that unused sick leave benefits will be paid to employees upon termination at a rate of \$5 per hour up to a maximum of 960 hours.

All compensated absences pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Debt Service Fund, Municipal Court Technology Fund, Hotel/Motel Tax Fund, Police Seizure Fund, Civic Center Fund, and Transportation User Fee Fund. In fiscal year 2021, annual budgets were not adopted for the 2004 Bond fund.

The annual budget must specify appropriations for capital expenditures and for expenditures directed by the City Council for services and for the operation of the City. It must comply with funding requirements of bond covenants. City department directors and officers shall submit budget requests for the next fiscal year to, and as directed by, the City Manager for review and consolidation. The City Manager shall submit a proposed annual budget to the City Council at least 45 days prior to the end of each fiscal year. Before taxes are levied, but after a public hearing or hearings, the City Council shall adopt an annual budget. The budget shall be adopted by a majority of all members of the City Council not later than 15 days prior to the beginning of the fiscal year.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level. The department level would include the departments within a fund, such as the public safety department or public works department.

A. Excess of Expenditures Over Appropriations

For the current year ended, actual expenditures exceeded appropriations at the legal level of control as follows:

General Fund		
Public works	\$	33,882
Debt Service Fund		
General government	\$	6,500
Bond issuance costs		39,047
Payment to escrow agent		1,056,787
Court Technology Fund		
General government	\$	8,279
Hotel/Motel Tax Fund		
Transfers (out)	\$	49,188

B. Deficit Fund Balance

As of September 30, 2021, the City of El Campo had three funds with a deficit fund balance. The 2004 bond fund, municipal court technology fund, and the internal service fund had a deficit fund balance of \$56,845, \$5,808, and \$439,014, respectively. The deficits will be eliminated in the future with a reduction of expenditures, increased revenue, or through reimbursements from other funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.G.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. As of September 30, 2021, the City's only investments were certificates of deposits, with maturities greater than three months, and external investment pools.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The City had the following investments at year end:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
Certificates of deposits	\$ 399,822	1.84
External investment pools	3,891,862	0.15
Total	\$ 4,291,684	
Portfolio weighted average maturity		0.30

The CDC had the following investments at year end:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
Certificates of deposits	\$ 881,844	0.57
Total	\$ 881,844	
Portfolio weighted average maturity		0.57

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments in nonoperating funds to less than five years from the time of purchase. The weighted average maturity of investments of the City's operating funds cannot exceed one year from the time of purchase.

Credit risk It is the City's policy to limit its investments to those with ratings of not less than A or its equivalent. The City's investments in the public funds investment pools include those with the LOGIC and TexasCLASS investment pools. These pools operate in full compliance with the Public Funds Investment Act. The LOGIC and TexasCLASS investment pools are rated AAAM by Standard & Poor's.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the City by the depository in an amount equal to at least 102% of the carrying value of deposits held. As of September 30, 2021, the market values of pledged securities and FDIC insurance exceeded bank balances of the City.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, *Continued*
September 30, 2021

physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

LOGIC

LOGIC is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 1994 through a contract among its participating governmental units, and is governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control. LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. Standard & Poor's rates Local Government Investment Cooperative (LOGIC) 'AAAm'. This is Standard & Poor's highest principal stability fund rating and is based on an analysis of the pool's investment portfolio and guidelines, market price exposure, and management. The rating demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. LOGIC has a conservative investment policy and invests in only authorized investments under the Texas Public Funds Investment Act. To ensure an accurate and current rating, Standard & Poor's monitors pertinent pool information, including the fund's portfolio holdings, on a weekly basis. There are no limitations or restrictions on participant withdrawals.

TexasCLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. 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. Finally, Standard & Poor's rate Texas CLASS AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

B. Receivables

The following tables comprise the receivable balances of the primary government at year end:

	General	Debt Service	Nonmajor Governmental Funds	Utility	EMS	Total
Property taxes	\$ 230,602	\$ 82,886	\$ -	-	\$ -	\$ 313,488
Hotel taxes	-	-	42,967	-	-	42,967
Sales taxes	780,912	-	-	-	-	780,912
Accounts receivable	109,900	-	32,095	837,496	556,494	1,535,985
Other	172,352	40,677	-	-	-	213,029
Allowance	(280,008)	(90,376)	-	(10,014)	(278,247)	(658,645)
	<u>\$ 1,013,758</u>	<u>\$ 33,187</u>	<u>\$ 75,062</u>	<u>\$ 827,482</u>	<u>\$ 278,247</u>	<u>\$ 2,227,736</u>

The following comprise receivables balances of the City's discretely presented component unit at year end:

	CDC	Total
Sales tax	\$ 156,098	\$ 156,098
	<u>\$ 156,098</u>	<u>\$ 156,098</u>

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

C. Capital Assets

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,521,205	\$ -	\$ -	\$ 1,521,205
Total capital assets not being depreciated	<u>1,521,205</u>	<u>-</u>	<u>-</u>	<u>1,521,205</u>
Capital assets, being depreciated:				
Machinery and equipment	7,605,375	302,040	-	7,907,415
Buildings	26,076,741	-	-	26,076,741
Infrastructure	30,950,229	-	-	30,950,229
Total capital assets being depreciated	<u>64,632,345</u>	<u>302,040</u>	<u>-</u>	<u>64,934,385</u>
Less accumulated depreciation:				
Machinery and equipment	(5,132,581)	(597,831)	-	(5,730,412)
Buildings	(6,065,473)	(630,535)	-	(6,696,008)
Infrastructure	(19,627,629)	(726,890)	-	(20,354,519)
Total accumulated depreciation	<u>(30,825,683)</u>	<u>(1,955,256)</u>	<u>-</u>	<u>(32,780,939)</u>
Net capital assets being depreciated	<u>33,806,662</u>	<u>(1,653,216)</u>	<u>-</u>	<u>32,153,446</u>
Total Capital Assets	<u><u>\$ 35,327,867</u></u>	<u><u>\$ (1,653,216)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,674,651</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 113,965
Public safety	558,994
Public works	1,127,833
Parks and recreation	<u>154,464</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,955,256</u></u>

The net book value of leased capital assets was \$550,899 as of September 30, 2021.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 30,498	\$ -	\$ -	\$ 30,498
Total capital assets not being depreciated	<u>30,498</u>	<u>-</u>	<u>-</u>	<u>30,498</u>
Capital assets, being depreciated:				
Machinery and equipment	4,233,692	136,497	-	4,370,189
Buildings	2,137,274	-	-	2,137,274
Water works system	20,789,088	-	-	20,789,088
Sewer system	11,240,459	394,190	-	11,634,649
Total capital assets being depreciated	<u>38,400,513</u>	<u>530,687</u>	<u>-</u>	<u>38,931,200</u>
Less accumulated depreciation:				
Machinery and equipment	(3,586,076)	(147,412)	-	(3,733,488)
Buildings	(1,816,409)	(43,047)	-	(1,859,456)
Water works system	(8,265,229)	(423,282)	-	(8,688,511)
Sewer system	(6,233,638)	(265,775)	-	(6,499,413)
Total accumulated depreciation	<u>(19,901,352)</u>	<u>(879,516)</u>	<u>-</u>	<u>(20,780,868)</u>
Net capital assets being depreciated	<u>18,499,161</u>	<u>(348,829)</u>	<u>-</u>	<u>18,150,332</u>
Total Capital Assets	<u><u>\$ 18,529,659</u></u>	<u><u>\$ (348,829)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,180,830</u></u>

Depreciation was charged to business-type functions as follows:

Utility	\$ 802,922
EMS	<u>76,594</u>
Total Business-Type Activities Depreciation Expense	<u><u>\$ 879,516</u></u>

The net book value of leased capital assets was \$3,286,064 as of September 30, 2021.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

A summary of changes in component unit activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 266,309	\$ -	\$ -	\$ 266,309
Total capital assets not being depreciated	<u>266,309</u>	<u>-</u>	<u>-</u>	<u>266,309</u>
Capital assets, being depreciated:				
Buildings	941,081	-	-	941,081
Office equipment	16,840	-	-	16,840
Total capital assets being depreciated	<u>957,921</u>	<u>-</u>	<u>-</u>	<u>957,921</u>
Less accumulated depreciation:				
Buildings	(313,477)	(22,052)	-	(335,529)
Infrastructure	(16,840)	-	-	(16,840)
Total accumulated depreciation	<u>(330,317)</u>	<u>(22,052)</u>	<u>-</u>	<u>(352,369)</u>
Net capital assets being depreciated	<u>627,604</u>	<u>(22,052)</u>	<u>-</u>	<u>605,552</u>
Total Capital Assets	<u><u>\$ 893,913</u></u>	<u><u>\$ (22,052)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 871,861</u></u>

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

D. Compensated Absences

The following summarizes the changes in the compensated absences balances of the primary government and component unit during the year. In general, the City uses the general and utility funds to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 408,057	\$ -	\$ (26,844)	\$ 381,213	\$ 343,092
Total Governmental Activities	<u>\$ 408,057</u>	<u>\$ -</u>	<u>\$ (26,844)</u>	<u>\$ 381,213</u>	<u>\$ 343,092</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 38,121</u>	
Business-Type Activities:					
Compensated Absences	\$ 134,685	\$ -	\$ (4,806)	\$ 129,879	\$ 116,891
Total Business-Type Activities	<u>\$ 134,685</u>	<u>\$ -</u>	<u>\$ (4,806)</u>	<u>\$ 129,879</u>	<u>\$ 116,891</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 12,988</u>	

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

E. Long-term Debt

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

	Beginning Balance	Additions	Refunding	Payments	Ending Balance	Amounts Due within One Year
Governmental Activities:						
Bonds, notes and other payables:						
General Obligation Bonds	\$ 10,767,320	\$ 1,028,665	\$ (963,199)	\$ (424,121)	\$ 10,408,665	\$ 401,670
Certificates of Obligation	5,910,084	-	(320,575)	(293,960)	5,295,549	277,013
Tax Notes	254,800	-	-	(41,600)	213,200	41,600
State infrastructure bank loan	8,000,000	-	-	-	8,000,000	12,484
Premiums	905,691	67,169	(41,500)	(50,241)	881,119	-
Capital leases	868,489	135,161	-	(312,066)	691,584	284,399
Total Governmental Activities	\$ 26,706,384	\$ 1,230,995	\$ (1,325,274)	\$ (1,121,988)	\$ 25,490,117	\$ 1,017,166
Long-term liabilities due in more than one year					\$ 24,472,951	
Business-Type Activities:						
Bonds, notes and other payables:						
General Obligation Bonds	\$ 3,697,680	\$ 2,216,335	\$ (526,800)	\$ (370,880)	\$ 5,016,335	\$ 573,330
Certificates of Obligation	2,761,410	3,320,000	(1,514,426)	(219,040)	4,347,944	165,987
Tax Notes	310,200	-	-	(113,400)	196,800	38,400
Premiums	303,256	389,309	(61,715)	(40,528)	590,322	-
Capital leases	3,527,521	-	-	(60,525)	3,466,996	170,278
Total Business-Type Activities	\$ 10,600,067	\$ 5,925,644	\$ (2,102,941)	\$ (804,373)	\$ 13,618,397	\$ 947,995
Long-term liabilities due in more than one year					\$ 12,670,402	

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 City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the water and sewer fund. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
\$5,000,000 General Obligation Refunding Bond, Series 2015, due in installments through 2045, interest at 4%	\$ 4,495,000	\$ -	\$ 4,495,000
\$7,640,000 General Obligation Refunding Bonds, Series 2016, due in installments through 2046, interest at 2.59%	4,885,000	1,800,000	6,685,000
\$3,245,000 General Obligation Refunding Bonds, Series 2021, due in installments through 2032, interest at 1% to 3%	1,028,665	2,216,335	3,245,000
\$1,035,000 General Obligation Refunding Bonds, Series 2019, due in installments through 2030, interest at 4% to 5%	-	1,000,000	1,000,000
Total General Obligation Bonds	\$ 10,408,665	\$ 5,016,335	\$ 15,425,000
Certificates of Obligation:			
\$2,525,000 Certificates of Obligation, Series 2013A, due in annual installments through 2033, interest at 2.90% to 4%	\$ 1,396,329	\$ 398,669	\$ 1,794,998
\$2,890,000 Certificates of Obligation, Series 2014, due in annual installments through 2039 interest at 2% to 4%	2,029,300	245,700	2,275,000
\$375,000 Certificates of Obligation, Series 2014A, due in annual installments through 2024 interest at .25% to 1.07%	-	114,000	114,000
\$2,710,000 Certificates of Obligation, Series 2015A, due in annual installments through 2035, interest at 3.25%	1,869,920	209,575	2,079,495
\$150,000 Certificates of Obligation, Series 2015, due in annual installments through 2025, interest at .13% to 1.21%	-	60,000	60,000
\$3,320,000 Certificates of Obligation, Series 2021, due in annual installments through 2041, interest at 4% to 5%	-	3,320,000	3,320,000
Total Certificates of Obligation	\$ 5,295,549	\$ 4,347,944	\$ 9,643,493

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

	Governmental Activities	Business - Type Activities	Total
Tax Notes:			
\$570,000 Tax Note, 2019, due in annual installments through 2026, interest at 1.09%	\$ 213,200	\$ 196,800	\$ 410,000
Total Tax Notes	\$ 213,200	\$ 196,800	\$ 410,000
Loans:			
\$8,000,000 SIB Loan, 2015, due in annual installments through 2039, interest at 2.08%	\$ 8,000,000	\$ -	\$ 8,000,000
Total Loans	\$ 8,000,000	\$ -	\$ 8,000,000
Less deferred amounts:			
Discounts and premiums	\$ 881,119	\$ 590,322	\$ 1,471,441
Capital Leases Payable:			
\$167,470 Capital lease payable to Prosperity Bank, due in monthly installments of \$1,637 through 2022, interest at 3.25%	\$ 6,622	\$ -	\$ 6,622
\$75,950 Capital lease payable to Prosperity Bank, due in monthly installments of \$1,366 through 2023, interest at 2.99%	25,143	-	25,143
\$82,017 Capital lease payable to Prosperity Bank, due in monthly installments of \$1,475 through 2023, interest at 2.99%	28,771	-	28,771
\$250,415 Capital lease payable to Prosperity Bank, due in monthly installments of \$3,741 through 2025, interest at 2.40%	181,099	-	181,099
\$35,086 Capital lease payable to Prosperity Bank, due in monthly installments of \$1,023 through 2023, interest at 3.10%	17,957	-	17,957
\$89,680 Capital lease payable to Prosperity Bank, due in monthly installments of \$2,614 through 2023, interest at 3.10%	45,845	-	45,845
\$188,027 Capital lease payable to Prosperity Bank, due in monthly installments of \$3,390 through 2025, interest at 3.10%	158,640	-	158,640
\$135,161 Capital lease payable to John Deere, due in annual installments of \$33,790 through 2024, interest at 2.75%	101,371	-	101,371
\$533,248 Capital lease payable to Enterprise Fleet, due in monthly installments through 2024, interest at 3.00%	126,136	-	126,136
\$79,810 Capital lease payable to Zoll Medical, due in annual installments of \$15,962 through 2023, interest at 2.90%	-	52,120	52,120
\$3,374,136 Capital lease payable to Bank of America, due in semi-annual installments through 2035, interest at 2.10%	-	3,360,781	3,360,781
\$100,794 Capital lease payable to Prosperity Bank, due in monthly installments of \$2,904 through 2023, interest at 2.90%	-	54,095	54,095
Total Capital Leases Payable	\$ 691,584	\$ 3,466,996	\$ 4,158,581
Total Debt	\$ 25,490,117	\$ 13,618,397	\$ 39,108,515

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Governmental Activities						
Year ending September 30,	General Obligation Bonds		Certificates of Obligation		Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 401,670	\$ 325,771	\$ 277,013	\$ 194,053	\$ 41,600	\$ 3,656
2023	416,425	309,024	289,858	185,007	41,600	2,865
2024	440,935	292,303	298,242	174,790	41,600	2,075
2025	357,420	276,619	311,087	163,027	44,200	1,260
2026	369,005	265,430	323,930	150,327	44,200	420
2027 - 2031	1,881,150	1,223,546	1,784,420	550,743	-	-
2032 - 2036	1,937,060	962,148	1,560,539	200,756	-	-
2037 - 2041	2,235,000	610,425	450,460	24,979	-	-
2042 - 2046	2,370,000	187,675	-	-	-	-
Total	\$ 10,408,665	\$ 4,452,941	\$ 5,295,549	\$ 1,643,682	\$ 213,200	\$ 10,276

Governmental Activities		
Year ending September 30,	SIB Loan	
	Principal	Interest
2022	\$ 12,484	177,702
2023	52,676	177,442
2024	95,248	176,347
2025	139,183	174,347
2026	181,201	171,470
2027 - 2031	1,549,709	783,105
2032 - 2036	2,864,960	571,194
2037 - 2039	3,104,539	198,587
Total	\$ 8,000,000	\$ 2,430,194

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Capital Lease Obligations

The annual requirements to amortize the primary government's capital lease obligations outstanding at year end were as follows:

Year ending September 30,	Governmental Activities		Business-Type Activities	
	Capital Leases		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 284,399	\$ 15,082	\$ 170,278	\$ 71,409
2023	195,910	8,966	148,692	67,608
2024	122,282	4,959	149,155	64,845
2025	71,060	1,726	164,515	61,252
2026	17,933	70	180,233	57,767
2027 - 2031	-	-	1,165,000	224,449
2032 - 2036	-	-	1,489,123	80,605
Total	\$ 691,584	\$ 30,803	\$ 3,466,996	\$ 627,935

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Business-Type Activities

Year ending September 30,	General Obligation Bonds		Certificates of Obligation		Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 573,330	\$ 174,767	\$ 165,987	\$ 112,121	\$ 38,400	\$ 3,374
2023	593,575	153,413	163,143	117,122	38,400	2,645
2024	629,065	132,935	164,252	119,234	38,400	1,915
2025	532,580	113,118	208,914	112,307	40,800	1,163
2026	545,995	92,183	206,069	97,886	40,800	388
2027 - 2031	2,018,850	145,385	1,145,579	359,707	-	-
2032 - 2036	122,940	615	1,184,460	179,828	-	-
2037 - 2041	-	-	1,109,540	56,574	-	-
Total	\$ 5,016,335	\$ 812,416	\$ 4,347,944	\$ 1,154,779	\$ 196,800	\$ 9,485

F. Current Year Refunding

On February 2, 2021, the City issued \$3,245,000 worth of General Obligation Refunding bonds, Series 2021, with average interest rates of 2%. The bonds will be used to pay \$655,000 worth of 2013 General Obligation bonds, \$1,835,000 worth of 2013 Certificates of Obligation, and \$835,000 worth of 2012 General Obligation bonds, with average interest rates of 2.00 to 2.75%. The reacquisition price was less than the net carrying amount of the old debt by \$94,502. This amount is being amortized over the remaining life of the refunding debt. This current refunding reduced its total debt service payments by \$194,869 and resulted in an

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

economic gain (difference between the present values of the debt service payments on the old and new debt) of \$158,274.

G. Deferred Charge/Gain on Refunding

Deferred charges resulting from the issuance of the 2019 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for governmental activities and business-type activity totaled \$107,923 and \$20,974, respectively. Current year amortization expense for governmental activities and business-type activities totaled \$15,418 and \$2,331, respectively.

A deferred gain resulting from the issuance of the 2021 general obligation refunding bonds has been recorded as a deferred inflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for governmental activities and business-type activity totaled \$28,595 and \$61,612, respectively. Current year amortization expense for governmental activities and business-type activities totaled \$1,362 and \$2,933, respectively.

H. Interfund Transfers

Transfers between the primary government funds during the 2021 year were as follows:

Transfers In	Transfers Out				
	General	Nonmajor Govt.	Utility	EMS	Total
General	\$ -	\$ 79,094	\$ 409,341	\$ 103,650	\$ 592,085
Debt service	-	-	50,613	112,710	163,323
Nonmajor govt.	-	79,094	-	-	79,094
Utility	-	-	-	-	-
Internal service fund	234,000	-	62,000	7,430	303,430
Governmental Act.	-	-	238,530	-	238,530
Total	\$ 234,000	\$ 158,188	\$ 760,484	\$ 223,790	\$ 1,376,462

Transfers between funds were primarily to support debt service requirements and operation of funds.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The compositions of interfund balances as of year end were as follows:

Due to (Payable fund):	Due from (Receivable fund):				Total
	General	Nonmajor Govt	Utility	EMS	
General	\$ -	\$ 59,995	\$ 45,874	\$ -	\$ 105,869
Debt service	395,108	25,659	-	-	420,767
2004 Bond	1,323,963	-	658,443	-	1,982,406
Internal service	244,380	-	-	193,733	438,113
Nonmajor govt.	17,588	-	-	216,560	234,148
EMS	54,617	-	-	-	54,617
	<u>\$ 2,035,656</u>	<u>\$ 85,654</u>	<u>\$ 704,317</u>	<u>\$ 410,293</u>	<u>\$ 3,235,920</u>

I. Restricted Net Position / Fund Balance

The City records restricted net position / fund balance to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted, committed, and assigned fund balance of the City:

	Governmental Funds	Governmental Net Position	Business Type Net Position
Restricted for:			
Debt service	\$ 51,951	\$ 51,951	\$ 204,215
Capital projects	45,337	45,337	-
Parks and recreation	144,464	144,464	-
* Public safety	38,183	38,183	-
Public works	386,322	386,322	-
* Municipal court	43,618	43,618	-
Total Restricted	<u>\$ 709,875</u>	<u>\$ 709,875</u>	<u>\$ 204,215</u>

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

Grant Programs

The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2021, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

C. Defined Benefit Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of El Campo participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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 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.

Plan provisions for the City were as follows:

	<u>Plan Year 2020</u>	<u>Plan Year 2019</u>
Employee deposit rate	7.0%	6.0%
Matching ratio (city to employee)	1.5 to 1	1.5 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	70% of CPI

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	57
Active employees	116
Total	252

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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 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 of El Campo were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of El Campo were 13.97% and 13.73% in calendar years 2021 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$873,656, and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for 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.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 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	100.0%	

Discount Rate:

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

benefit payments to determine the Total Pension Liability. Of the total pension liability, \$5,036,963 is related to the primary government and \$101,669 is attributable to discretely presented component units.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) 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:

Primary Government

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 9,841,983	\$ 5,036,963	\$ 1,091,042

Component Unit

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 198,654	\$ 101,669	\$ 22,022

Total

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 10,040,637	\$ 5,138,632	\$ 1,113,064

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Total Net Pension Liability (Asset) (a) – (b)	Primary Government	Component Unit
Balance at 12/31/19	\$ 34,005,671	\$ 28,600,428	\$ 5,405,243	\$ 5,302,003	\$ 103,240
Changes for the year:					
Service cost	926,987	-	926,987	908,647	18,340
Interest	2,266,824	-	2,266,824	2,221,975	44,849
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	60,949	-	60,949	59,743	1,206
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	904,587	(904,587)	(886,690)	(17,897)
Contributions – employee	-	461,187	(461,187)	(452,062)	(9,125)
Net investment income	-	2,170,192	(2,170,192)	(2,127,255)	(42,937)
Benefit payments, including refunds of emp. contributions	(1,773,172)	(1,773,172)	-	-	-
Administrative expense	-	(14,048)	14,048	13,770	278
Other changes	-	(547)	547	(3,168)	11
Net changes	1,481,588	1,748,199	(266,611)	(265,040)	(1,571)
Balance at 12/31/20	\$ 35,487,259	\$ 30,348,627	\$ 5,138,632	\$ 5,036,963	\$ 101,669

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2021, the City recognized pension expense of \$464,361. Of this amount, \$455,174 is related to the primary government and \$9,187 is attributable to discretely presented component unit.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	\$ -	\$ (795,602)
Changes in assumptions	-	(23,075)
Differences between expected and actual economic experience	100,436	-
Contributions subsequent to the measurement date	619,713	-
Component Unit:		
Difference between projected and actual investment earnings	-	(16,059)
Changes in assumptions	-	(466)
Differences between expected and actual economic experience	2,027	-
Contributions subsequent to the measurement date	12,509	-
Total	\$ 734,685	\$ (835,202)

The primary government and component unit reported \$619,713 and 12,509, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

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

	Primary Government	Discretely Presented Component Units	Total
Year ended December 31:			
2021	\$ (302,286)	\$ (6,101)	\$ (308,387)
2022	83,685	1,689	85,374
2023	(454,398)	(9,172)	(463,570)
2024	(45,242)	(914)	(46,156)
2025	-	-	-
Thereafter	-	-	-
	\$ (718,241)	\$ (14,498)	\$ (732,739)

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

2. Texas Emergency Services Retirement System

Plan Description

The Fire Fighter's Pension Commissioner is the administrator of the Texas Emergency Services Retirement System (TESRS), a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. At August 31, 2021, there were 239 member fire or emergency services departments actively participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department.

At August 31, 2021, TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,843
Terminated Participants Entitled to Benefits but Not Yet Receiving Them	1,706
Active Participants (Vested and Nonvested)	<u>3,571</u>
Total	<u>9,120</u>

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

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually.

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

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities. According to the state law governing the System, the state is required to contribute an amount necessary to make the System “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule. For the fiscal year ending August 31, 2021, total contributions (dues and prior service) of \$3,813,748 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2021.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The purpose of the biennial actuarial valuation is to test the adequacy of the contribution arrangement to determine if it is adequate to pay the benefits that are promised. The most recently completed biennial actuarial valuation as of August 31, 2020 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

To the best of our knowledge, the actuarial information supplied in this section is complete, accurate and in compliance with GASB Statement No. 25. In our opinion, the assumptions used are reasonably related to the experience of the System and to reasonable expectations. The assumptions represent a reasonable estimate of anticipated experience of the System over the long-term future, and their selection complies with the appropriate actuarial standards of practice.

Valuation Date	<u>August 31, 2016</u>	<u>August 31, 2018</u>	<u>August 31, 2020</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization	30 years	30 years	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value	Market value smoothed by a 5-year deferred recognition method with a 80%/120% corridor on market value
Actuarial Assumptions:			
Investment Rate of Return *	7.75% per year, net of investment expenses	7.75% per year, net of investment expenses	7.50% per year, net of investment expenses
Projected Salary Increases *	N/A	N/A	N/A
* Includes Inflation at	3.50%	3.00%	3.00%
Cost-of-Living Adjustments	None	None	None

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities:		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed international	15%	6.15%
Emerging markets	5%	7.25%
Master limited partnership	5%	6.41%
Real Estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
Cash	0%	0%
Total	100.0%	4.60%

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability

The City's net pension liability was measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 and rolled forward to August 31, 2021.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 8/31/20	\$ 1,272,727	\$ 1,059,443	\$ 213,284
Changes for the year:			
Service Cost	13,166	-	13,166
Interest (on the Total Pension Liab.)	94,084	-	94,084
Change in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – members	-	32,264	(32,264)
Contributions – state	-	11,245	(11,245)
Net investment income	-	188,654	(188,654)
Benefit payments, including refunds of emp. contributions	(62,892)	(62,892)	-
Administrative expense	-	(2,271)	2,271
Proportion changes	-	-	-
Net changes	44,358	167,000	(122,642)
Balance at 8/31/21	\$ 1,317,085	\$ 1,226,443	\$ 90,642

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

1% Decrease 6.5%	Current Single Rate Assumption 7.5%	1% Increase 8.5%
\$ 296,251	\$ 90,642	\$ (46,615)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TESRS financial report. That report may be obtained on the internet at www.tesrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2021, the City recognized pension expense of \$106.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual economic experience	\$ -	\$ (3,586)
Difference between projected and investment earnings	-	(84,878)
Change in actuarial assumptions	-	(124)
Changes in pension proportion		(34,030)
Total	\$ -	\$ (122,618)

Other amounts reported as deferred outflows related to the TESRS pension will be recognized in pension expense as follows:

Year ended August 31:

2022	\$ (25,956)
2023	(16,759)
2024	(29,836)
2025	(24,092)
2026	(2,014)
Thereafter	(23,961)
	<u>\$ (122,618)</u>

Pension Plans Summary Table:

	TMRS Defined Benefit Pension Plan	Texas Emergency Services Retirement System	Total
Pension expense	\$ 464,361	\$ 45,417	\$ 509,778
Net pension liability	\$ 5,138,632	\$ 90,642	\$ 5,229,274
Deferred outflows	\$ 734,685	\$ -	\$ 734,685
Deferred inflows	\$ (835,202)	\$ (122,618)	\$ (957,820)

3. Other Post-Employment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	10
Active employees	116
Total	176

The City's contributions to the TMRS SDBF for the years ended 2021, 2020 and 2019 were \$7,843, \$3,639, and \$2,963 respectively, which equaled the required contributions each year.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.05%	0.05%	100.0%
2020	0.06%	0.06%	100.0%
2021	0.15%	0.15%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	2.00%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

Primary Government

1% Decrease 1.00%	Current Single Rate Assumption 2.00%	1% Increase 3.00%
\$ 523,967	\$ 436,916	\$ 368,208

Component Unit

1% Decrease 1.00%	Current Single Rate Assumption 2.00%	1% Increase 3.00%
\$ 10,576	\$ 8,819	\$ 7,432

Total

1% Decrease 1.00%	Current Single Rate Assumption 2.00%	1% Increase 3.00%
\$ 534,543	\$ 445,735	\$ 375,640

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Changes in the Total OPEB Liability:

	Total OPEB Liability	Component Unit	Primary Government
Balance at 12/31/19	\$ 387,270	\$ 7,328	\$ 379,942
Changes for the year:			
Service Cost	15,153	300	14,853
Interest	10,804	214	10,590
Difference between expected actual experience	(17,697)	(350)	(17,347)
Changes of assumptions	54,158	1,406	52,752
Benefit payments	(3,953)	(78)	(3,875)
Net changes	58,465	1,491	56,974
Balance at 12/31/20	\$ 445,735	\$ 8,819	\$ 436,916

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$40,249. Of this amount, \$39,453 is related to the primary government and \$796 is attributable to the discretely presented component unit.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Contributions subsequent to measurement date	\$ 6,654	\$ -
Difference in experience	-	(21,781)
Change in assumptions	79,502	-
Component Unit:		
Contributions subsequent to measurement date	134	-
Difference in experience	-	(440)
Change in assumptions	1,605	-
Total	\$ 87,895	\$ (22,221)

The primary government and component unit reported \$6,654, and \$134, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

Year ended December 31:	Primary Government	Discretely Presented Component Unit	Total
2021	\$ 14,009	\$ 283	\$ 14,292
2022	14,009	283	14,292
2023	11,418	230	11,648
2024	12,276	248	12,524
2025	5,946	120	6,066
Thereafter	63	1	64
	<u>\$ 57,721</u>	<u>\$ 1,165</u>	<u>\$ 58,886</u>

D. Restatement

The City restated beginning net position/fund balance within governmental activities, business-type activities, the general fund, the utility fund, the EMS fund, and two nonmajor governmental funds due to corrections concerning accounts payable, prepaids, cash balances, accumulated depreciation, pension balances, and long-term debt reallocation in the prior year. The restatement of beginning net position/fund balance is as follows:

	Governmental Activities	General Fund	Nonmajor Govt
Prior year ending net position/fund balance, as reported	\$ 6,413,838	\$ 4,029,334	\$ 389,277
Correction to accounts payable	92,480	(1,426)	93,906
Correction to prepaids	(55,743)	(55,743)	-
Correction to cash balances	1,229	1,229	-
Reallocate debt to business-type activities	1,975,000	-	-
Correction to accumulated depreciation	(202,137)	-	-
Correction to TERSRS pension balances	(54,502)	-	-
Restated beginning net position/fund balance	<u>\$ 8,170,165</u>	<u>\$ 3,973,394</u>	<u>\$ 483,183</u>

City of El Campo, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

	Business-type		
	Activities	Utility	EMS
Prior year ending net position/fund balance, as reported	\$ 10,080,748	\$ 10,139,302	\$ (58,554)
Correction to accumulated depreciation	67,330	67,330	-
Correction to cash balances	83,868	83,868	-
Reallocate debt to bus-type activities	(1,975,000)	(1,975,000)	-
Correction to prepaids	(10,706)	-	(10,706)
Restated beginning net position/fund balance	<u>\$ 8,246,240</u>	<u>\$ 8,315,500</u>	<u>\$ (69,260)</u>

E. Subsequent Events

There were no material subsequent events through April 28, 2022, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



City of El Campo, Texas

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

For the Year Ended September 30, 2021

	Original Budget	Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 2,997,800	\$ 2,997,800	\$ 2,793,094	\$ (204,706)
Sales tax	3,803,983	4,169,839	4,547,647	377,808
Franchise and local taxes	753,890	753,890	813,322	59,432
Charges for services	354,400	354,400	326,165	(28,235)
License, permits and fees	134,800	134,800	189,417	54,617
Intergovernmental	5,000	5,000	19,567	14,567
Fines and forfeitures	388,670	388,670	286,384	(102,286)
Investment income	37,500	37,500	9,100	(28,400)
Other revenue	65,630	123,764	158,893	35,129
Total Revenues	8,541,673	8,965,663	9,143,589	177,926
Expenditures				
Current:				
General government	1,871,528	2,084,422	1,942,564	141,858
Public safety	4,484,368	4,558,354	4,393,561	164,793
Parks and recreation	882,163	959,025	839,841	119,184
Public works	1,652,695	1,712,943	1,746,825	(33,882) *
Capital outlay	169,700	169,700	135,143	34,557
Total Expenditures	9,060,454	9,484,444	9,057,934	426,510
Revenues Over (Under) Expenditures	(518,781)	(518,781)	85,655	604,436
Other Financing Sources (Uses)				
Capital lease issuance	-	-	135,161	135,161
Transfers in	742,781	742,781	592,085	(150,696)
Transfers (out)	(234,000)	(234,000)	(234,000)	-
Sale of capital assets	10,000	10,000	-	(10,000)
Total Other Financing Sources (Uses)	518,781	518,781	493,246	(25,535)
Net Change in Fund Balance	\$ -	\$ -	578,901	\$ 578,901
Beginning fund balance			3,973,394	
Ending Fund Balance			\$ 4,552,295	

Notes to Required Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of El Campo, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	12/31/2020	12/31/2019	12/31/2018
Total pension liability			
Service cost	\$ 926,987	\$ 857,992	\$ 699,915
Interest	2,266,824	2,148,488	1,913,653
Changes in benefit terms	-	2,066,717	-
Differences between expected and actual experience	60,949	256,833	(63,589)
Changes of assumptions	-	(46,068)	-
Benefit payments, including refunds of participant contributions	(1,773,172)	(1,224,059)	(1,209,328)
Net change in total pension liability	1,481,588	4,059,903	1,340,651
Total pension liability - beginning	\$ 34,005,671	\$ 29,945,768	\$ 28,605,117
Total pension liability - ending (a)	\$ 35,487,259	\$ 34,005,671	\$ 29,945,768
Plan fiduciary net position			
Contributions - employer	\$ 904,587	\$ 636,438	\$ 638,377
Contributions - members	461,187	360,249	345,069
Net investment income	2,170,192	3,862,061	(778,898)
Benefit payments, including refunds of participant contributions	(1,773,172)	(1,224,059)	(1,209,328)
Administrative expenses	(14,048)	(21,828)	(15,057)
Other	(547)	(658)	(787)
Net change in plan fiduciary net position	1,748,199	3,612,203	(1,020,624)
Plan fiduciary net position - beginning	28,600,428	24,988,225	26,008,849
Plan fiduciary net position - ending (b)	\$ 30,348,627	\$ 28,600,428	\$ 24,988,225
Fund's net pension liability - ending (a) - (b)	\$ 5,138,632	\$ 5,405,243	\$ 4,957,543
Plan fiduciary net position as a percentage of the total pension liability	85.52%	84.10%	83.44%
Covered-employee payroll	\$ 6,588,392	\$ 6,004,145	\$ 5,751,149
Fund's net position as a percentage of covered-employee payroll	78.00%	90.03%	86.20%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	¹
\$ 662,928	\$ 659,018	\$ 639,319	\$ 574,183	
1,852,927	1,776,064	1,754,661	1,671,854	
-	(81,324)	-	-	
(418,703)	-	(74,642)	(117,116)	
-	-	50,996	-	
(1,222,674)	(1,211,352)	(1,058,047)	(899,035)	
874,478	1,142,406	1,312,287	1,229,886	
<u>\$ 27,730,639</u>	<u>\$ 26,588,233</u>	<u>\$ 25,275,946</u>	<u>\$ 24,046,060</u>	
<u>\$ 28,605,117</u>	<u>\$ 27,730,639</u>	<u>\$ 26,588,233</u>	<u>\$ 25,275,946</u>	
\$ 610,134	\$ 608,631	\$ 621,185	\$ 642,038	
326,566	323,454	316,668	308,429	
3,202,487	1,481,452	32,511	1,190,068	
(1,222,674)	(1,211,352)	(1,058,047)	(899,035)	
(16,599)	(16,734)	(19,803)	(12,426)	
(841)	(902)	(978)	(1,022)	
2,899,073	1,184,549	(108,464)	1,228,052	
23,109,776	21,925,227	22,033,691	20,805,639	
<u>\$ 26,008,849</u>	<u>\$ 23,109,776</u>	<u>\$ 21,925,227</u>	<u>\$ 22,033,691</u>	
<u>\$ 2,596,268</u>	<u>\$ 4,620,863</u>	<u>\$ 4,663,006</u>	<u>\$ 3,242,255</u>	
90.92%	83.34%	82.46%	87.17%	
\$ 5,442,758	\$ 5,384,134	\$ 5,279,268	\$ 5,140,488	
47.70%	85.82%	88.33%	63.07%	

City of El Campo, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially determined employer contributions	\$ 873,656	\$ 820,141	\$ 633,807	\$ 631,978
Contributions in relation to				
the actuarially determined contribution	<u>\$ 873,656</u>	<u>\$ 820,141</u>	<u>\$ 633,807</u>	<u>\$ 631,978</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered-employee payroll	\$ 6,284,008	\$ 6,311,503	\$ 5,926,162	\$ 5,680,267
Employer contributions as				
a percentage of covered-employee payroll	13.90%	12.99%	10.70%	11.13%

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$ 610,767	\$ 627,714	\$ 632,469
<u>\$ 610,767</u>	<u>\$ 627,714</u>	<u>\$ 632,469</u>
\$ -	\$ -	\$ -
\$ 5,441,279	\$ 5,495,377	\$ 5,294,364
11.22%	11.42%	11.95%

City of El Campo, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

Years Ended:

	8/31/2021	8/31/2020	8/31/2019
Total pension liability			
Service cost	\$ 13,166	\$ 17,601	\$ 18,621
Interest	94,084	103,758	105,312
Changes in benefit terms	-	28,196	-
Differences between expected and actual experience	-	(18,537)	-
Changes of assumptions	-	(640)	-
Benefit payments, including refunds of participant contributions	(62,892)	(64,916)	(64,188)
Net change in total pension liability	44,358	65,462	59,745
Total pension liability - beginning	\$ 1,272,727	\$ 1,353,669	\$ 1,372,341
Total pension liability - ending (a)	\$ 1,317,085	\$ 1,419,131	\$ 1,432,086
Plan fiduciary net position			
Contributions - members	\$ 32,264	\$ 35,424	\$ 34,734
Contributions - state	11,245	12,539	13,265
Net investment income	188,654	115,007	11,383
Benefit payments, including refunds of participant contributions	(62,892)	(64,916)	(64,188)
Administrative expenses	(2,271)	(3,023)	(2,263)
Other	-	80	-
Net change in plan fiduciary net position	167,000	95,111	(7,069)
Plan fiduciary net position - beginning	1,059,443	1,086,281	1,156,278
Plan fiduciary net position - ending (b)	\$ 1,226,443	\$ 1,181,392	\$ 1,149,209
City's net pension liability - ending (a) - (b)	\$ 90,642	\$ 237,739	\$ 282,877
Plan fiduciary net position as a percentage of the total pension liability	93.12%	83.25%	80.25%
Number of active members	30	33	35
Net pension liability per active member	\$ 3,021	\$ 7,204	\$ 8,082
City's proportion of the net position	0.8460%	0.9433%	0.9980%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

2) There is no compensation for active members, so number of active members is used instead.

3) The System's net pension liability was measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020.

8/31/2018	8/31/2017	8/31/2016	8/31/2015 ¹
\$ 13,660	\$ 14,661	\$ 15,820	\$ 15,144
84,899	87,112	83,125	75,717
24,219	-	6,742	-
(775)	-	604	-
-	-	8,311	-
(50,058)	(46,299)	(43,904)	(40,213)
71,945	55,474	70,698	50,648
\$ 1,106,846	\$ 1,132,512	\$ 1,078,714	\$ 981,958
\$ 1,178,791	\$ 1,187,986	\$ 1,149,412	\$ 1,032,606
\$ 35,136	\$ 46,114	\$ 32,342	\$ 31,424
11,394	14,572	14,789	14,635
96,983	89,948	46,285	(29,434)
(50,058)	(46,299)	(43,904)	(40,213)
(1,356)	(1,696)	(1,558)	(1,930)
-	-	-	-
92,099	102,639	47,954	(25,518)
901,101	864,518	829,464	819,527
\$ 993,200	\$ 967,157	\$ 877,418	\$ 794,009
\$ 185,591	\$ 220,829	\$ 271,994	\$ 238,597
84.26%	81.41%	76.34%	76.89%
39	38	38	39 ²
\$ 4,759	\$ 5,811	\$ 7,158	\$ 6,118
0.8572%	0.9201%	0.9338%	0.8939%

City of El Campo, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS EMERGENCY SERVICES RETIREMENT SYSYTEM

Years Ended:

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially determined employer contributions	\$ 40,605	\$ 43,985	\$ 44,720	\$ 41,055
Contributions in relation to				
the actuarially determined contribution	<u>\$ 40,605</u>	<u>\$ 43,985</u>	<u>\$ 44,720</u>	<u>\$ 41,055</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Active members	30	33	35	39
Contributions per active member	\$ 1,354	\$ 1,333	\$ 1,278	\$ 1,053

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

Contribution rates are determined by board rule and become effective August 31.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	19 years
Asset Valuation Method	5 Year smoothed market; 20% soft corridor
Inflation	3.00%
Salary Increases	n/a
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits.
Mortality	Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

Other Information:

Notes

There were no benefit changes during the year.

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$ 44,500	\$ 42,780	\$ 42,222
<u>\$ 44,500</u>	<u>\$ 42,780</u>	<u>\$ 42,222</u>
\$ -	\$ -	\$ -
38	38	39
\$ 1,171	\$ 1,126	\$ 1,083

City of El Campo, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended December 31,

	2020	2019	2018	2017	¹
Total OPEB liability					
Service cost	\$ 15,153	\$ 10,807	\$ 11,502	\$ 9,253	
Interest	10,804	12,057	10,821	10,774	
Changes in benefit terms	-	-	-	-	
Differences between expected and actual experience	(17,697)	(11,705)	591	-	
Changes of assumptions	54,158	58,030	(21,555)	23,816	
refunds of participant contributions	(3,953)	(3,002)	(2,876)	(3,266)	
Net change in total OPEB liability	58,465	66,187	(1,517)	40,577	
Total OPEB liability - beginning	\$ 387,270	\$ 321,083	\$ 322,600	\$ 282,023	
Total OPEB liability - ending	\$ 445,735	\$ 387,270	\$ 321,083	\$ 322,600	²
 Covered-employee payroll	 \$ 6,588,392	 \$ 6,004,145	 \$ 5,751,149	 \$ 5,442,758	
 Fund's net position as a percentage of covered-employee payroll	 6.77%	 6.45%	 5.58%	 5.93%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

OTHER SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

MUNICIPAL COURT TECHNOLOGY AND BUILDING SECURITY FUNDS

This fund is used to account for funds received in conjunction with municipal court fines to enhance these specific areas.

HOTEL/MOTEL TAX FUND

This fund is used to account for the collection of hotel and motel taxes collected by the City.

TRANSPORTATION USER FEE FUND

This fund accounts for revenue of fees collected from utility customers to be used for street repair, reconstruction and maintenance as well as sidewalk maintenance.

CIVIC CENTER FUND

This fund is used to account for revenues and expenditures related to the operation and management of the City-owned Civic Center.

TRANSPORTATION REINVESTMENT ZONE FUND

This fund is used to account for the City's portion of the cost of a project to upgrade US Highway 59.

POLICE SEIZURES FUND

This fund is used to account for items seized by the City through the police department as a result of criminal investigations. The funds are used for one-time equipment purchases and other purchases to assist in police activities.

CAPITAL PROJECTS FUND

This fund is used to account for the acquisition and construction of certain major capital facilities.

STREET PAVING FUND

This fund accounts for paving the City's remaining unpaved streets through assessments to adjacent landowners and transfers from the General Fund.

City of El Campo, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Municipal Court Technology	Municipal Court Building Security	Hotel/Motel Tax	Transportation User Fee
<u>Assets</u>				
Cash and cash equivalents	\$ 6,387	\$ 43,618	\$ 54,668	\$ 81,830
Investments	-	-	-	-
Receivables	-	-	42,967	11,716
Due from other funds	-	-	-	-
Total Assets	\$ 6,387	\$ 43,618	\$ 97,635	\$ 93,546
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 12,749	\$ -
Deposits payable	-	-	-	-
Due to other funds	12,195	-	-	-
Total Liabilities	12,195	-	12,749	-
<u>Deferred Inflows of Resources</u>				
Street assessments	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Restricted:				
Parks and recreation	-	-	84,886	-
Public safety	-	-	-	-
Public works	-	-	-	93,546
Municipal court	-	43,618	-	-
Capital projects	-	-	-	-
Unassigned	(5,808)	-	-	-
Total Fund Balances	(5,808)	43,618	84,886	93,546
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,387	\$ 43,618	\$ 97,635	\$ 93,546

Civic Center	TRZ	Police Seizures	Capital Projects	Street Paving	Total Nonmajor Governmental
\$ 76,438	\$ 339,565	\$ 16,016	\$ 45,337	\$ 84,117	\$ 747,976
-	-	27,560	-	-	27,560
-	-	-	-	20,379	75,062
-	85,654	-	-	-	85,654
<u>\$ 76,438</u>	<u>\$ 425,219</u>	<u>\$ 43,576</u>	<u>\$ 45,337</u>	<u>\$ 104,496</u>	<u>\$ 936,252</u>
\$ 2,435	\$ -	\$ -	\$ -	\$ -	\$ 15,184
14,425	-	-	-	-	14,425
-	216,560	5,393	-	-	234,148
<u>16,860</u>	<u>216,560</u>	<u>5,393</u>	<u>-</u>	<u>-</u>	<u>263,757</u>
-	-	-	-	20,379	20,379
-	-	-	-	20,379	20,379
59,578	-	-	-	-	144,464
-	-	38,183	-	-	38,183
-	208,659	-	-	84,117	386,322
-	-	-	-	-	43,618
-	-	-	45,337	-	45,337
-	-	-	-	-	(5,808)
<u>59,578</u>	<u>208,659</u>	<u>38,183</u>	<u>45,337</u>	<u>84,117</u>	<u>652,116</u>
<u>\$ 76,438</u>	<u>\$ 425,219</u>	<u>\$ 43,576</u>	<u>\$ 45,337</u>	<u>\$ 104,496</u>	<u>\$ 936,252</u>

City of El Campo, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	Municipal Court Technology	Municipal Court Building Security	Hotel/Motel Tax	Transportation User Fee
<u>Revenues</u>				
Hotel occupancy taxes	\$ -	\$ -	\$ 173,604	\$ -
Transportation user fees	-	-	-	129,462
Property taxes	-	-	-	-
Charges for services	8,363	-	-	-
Investment income	15	52	89	112
Other revenue	-	5,499	-	-
Total Revenues	8,378	5,551	173,693	129,574
<u>Expenditures</u>				
General government	15,779	-	51,000	-
Parks and recreation	-	-	-	-
Public works	-	-	-	58,140
Capital outlay	-	-	-	-
Total Expenditures	15,779	-	51,000	58,140
Revenues Over (Under) Expenditures	(7,401)	5,551	122,693	71,434
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	(158,188)	-
Total Other Financing Sources (Uses)	-	-	(158,188)	-
Net Change in Fund Balances	(7,401)	5,551	(35,495)	71,434
Beginning fund balances	1,593	38,067	120,381	22,112
Ending Fund Balances	\$ (5,808)	\$ 43,618	\$ 84,886	\$ 93,546

Civic Center	TRZ	Police Seizures	Capital Projects	Street Paving	Total Nonmajor Governmental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,604
-	-	-	-	-	129,462
-	59,995	-	-	-	59,995
84,938	-	-	-	11,778	105,079
67	363	47	59	99	903
-	-	2,654	-	1,750	9,903
85,005	60,358	2,701	59	13,627	478,946
-	-	-	-	-	66,779
104,521	-	-	-	-	104,521
-	-	-	-	-	58,140
-	-	-	-	1,479	1,479
104,521	-	-	-	1,479	230,919
(19,516)	60,358	2,701	59	12,148	248,027
79,094	-	-	-	-	79,094
-	-	-	-	-	(158,188)
79,094	-	-	-	-	(79,094)
59,578	60,358	2,701	59	12,148	168,933
-	148,301	35,482	45,278	71,969	483,183
\$ 59,578	\$ 208,659	\$ 38,183	\$ 45,337	\$ 84,117	\$ 652,116

City of El Campo, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2021

	Original & Final Budget	2021 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 1,323,531	\$ 1,545,563	\$ 222,032
Intergovernmental revenue	-	155,112	155,112
Other revenue	-	8,745	8,745
Investment income	1,000	289	(711)
Total Revenues	1,324,531	1,709,709	385,178
<u>Expenditures</u>			
General government	-	6,500	(6,500) *
Debt service:			
Principal	1,596,466	1,071,747	524,719
Interest	793,895	742,834	51,061
Bond issuance costs	-	39,047	(39,047) *
Total Expenditures	2,390,361	1,860,128	530,233
Revenues Over (Under) Expenditures	(1,065,830)	(150,419)	(145,055)
<u>Other Financing Sources (Uses)</u>			
Transfers in	1,065,830	163,323	(902,507)
Bond issuance	-	1,028,665	1,028,665
Premium on bond issuance	-	67,169	67,169
Payment to escrow agent	-	(1,056,787)	(1,056,787) *
Total Other Financing Sources (Uses)	1,065,830	202,370	(863,460)
Net Change in Fund Balance	\$ -	51,951	\$ 51,951
Beginning fund balance		-	
Ending Fund Balance		\$ 51,951	

Notes to Other Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of El Campo, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY FUND
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Charges for services	\$ 7,500	\$ 8,363	\$ 863
Investment income	-	15	15
Total Revenues	<u>7,500</u>	<u>8,378</u>	<u>878</u>
<u>Expenditures</u>			
General government	7,500	15,779	(8,279) *
Total Expenditures	<u>7,500</u>	<u>15,779</u>	<u>(8,279)</u>
 Net Change in Fund Balance	 <u><u>\$ -</u></u>	 <u><u>(7,401)</u></u>	 <u><u>\$ (7,401)</u></u>
Beginning fund balance		1,593	
Ending Fund Balance		<u><u>\$ (5,808)</u></u>	

Notes to Other Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of El Campo, Texas

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

HOTEL/MOTEL TAX FUND

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Hotel occupancy taxes	\$ 160,000	\$ 173,604	\$ 13,604
Investment income	-	89	89
Total Revenues	<u>160,000</u>	<u>173,693</u>	<u>13,693</u>
<u>Expenditures</u>			
General government	<u>51,000</u>	<u>51,000</u>	<u>-</u>
Total Expenditures	<u>51,000</u>	<u>51,000</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	<u>(109,000)</u>	<u>(158,188)</u>	<u>(49,188) *</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(35,495)</u>	<u>\$ (35,495)</u>
Beginning fund balance		120,381	
Ending Fund Balance		<u>\$ 84,886</u>	

Notes to Other Supplementary Information

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

* 2. Expenditures exceeded appropriations at the legal level of control.

City of El Campo, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CIVIC CENTER
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 115,000	\$ 84,938	\$ (30,062)
Investment income	-	67	67
Total Revenues	115,000	85,005	(29,995)
<u>Expenditures</u>			
Parks and recreation	165,000	104,521	60,479
Total Expenditures	165,000	104,521	60,479
<u>Other Financing Sources (Uses)</u>			
Transfer in	54,500	79,094	24,594
Net Change in Fund Balance	\$ 4,500	59,578	\$ 55,078
Beginning fund balance		-	
Ending Fund Balance		\$ 59,578	

Notes to Other Supplementary Information

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

City of El Campo, Texas

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

POLICE SEIZURES FUND

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 4,450	\$ 2,654	\$ (1,796)
Investment income	500	47	(453)
Total Revenues	4,950	2,701	(2,249)
<u>Expenditures</u>			
Public safety	4,950	-	4,950
Total Expenditures	4,950	-	4,950
Net Change in Fund Balance	\$ -	2,701	\$ 2,701
Beginning fund balance		35,482	
Ending Fund Balance		\$ 38,183	

Notes to Other Supplementary Information

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

City of El Campo, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION USER FEE
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Transportation user fee	\$ 128,000	\$ 129,462	\$ 1,462
Investment income	-	112	112
Total Revenues	128,000	129,574	1,574
<u>Expenditures</u>			
Public works	128,000	58,140	69,860
Total Expenditures	128,000	58,140	69,860
Net Change in Fund Balance	\$ -	71,434	\$ 71,434
Beginning fund balance		22,112	
Ending Fund Balance		\$ 93,546	

Notes to Other Supplementary Information

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

City of El Campo, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2021

	CDC of El Campo
<u>Assets</u>	
Cash and cash equivalents	\$ 1,867,063
Investments	881,844
Receivables, net	156,098
Total Current Assets	2,905,005
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	9,589
Total Liabilities	9,589
<u>Fund Balances</u>	
Restricted for:	
City development	2,895,416
Total Fund Balance	2,895,416
Total Liabilities and Fund Balance	\$ 2,905,005

See Notes to Financial Statements.

City of El Campo, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2021

Fund Balance	\$ 2,895,416
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	266,309
Capital assets - net depreciable	605,552
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.	
Pension outflows	14,536
OPEB outflows	1,739
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.	
Pension inflows	(16,525)
OPEB inflows	(440)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Pension liability - TMRS	(101,669)
OPEB liability - OPEB	(8,819)
Net Position of the Discretely Presented Component Unit	\$ 3,656,099

City of El Campo, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2021

	CDC of El Campo
<u>Revenues</u>	
Sales taxes	\$ 909,142
Investment income	11,179
Other revenues	60,161
Total Revenues	980,482
<u>Expenditures</u>	
City development	548,590
Total Expenditures	548,590
Excess of Revenues Over (Under) Expenditures	431,892
Net Change in Fund Balances	431,892
Beginning fund balances	2,463,524
Ending Fund Balances	\$ 2,895,416

See Notes to Financial Statements.

City of El Campo, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

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

Net changes in fund balances	\$	431,892
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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.

Depreciation expense		(22,052)
----------------------	--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

OPEB expense		(949)
Pension expense		4,233
	\$	413,124



STATISTICAL SECTION

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.

Contents	Page
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Financial Trends	122
------------------	-----

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	132
------------------	-----

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

Debt Capacity	144
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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	149
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	152
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of El Campo, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2021	2020	2019	2018
Governmental activities				
Net investment in capital assets	\$ 11,671,241	\$ 16,744,824	\$ 13,347,767	\$ 11,607,624
Restricted	709,875	572,317	212,729	167,198
Unrestricted	(4,098,624)	(9,146,976)	(7,673,965)	(7,568,792)
Total governmental activities net position	<u>\$ 8,282,492</u>	<u>\$ 8,170,165</u>	<u>\$ 5,886,531</u>	<u>\$ 4,206,030</u>
Business-type activities				
Net investment in capital assets	\$ 4,521,793	\$ 7,929,594	\$ 10,197,147	\$ 10,022,697
Restricted	204,215	-	-	-
Unrestricted	5,327,573	316,646	1,092,776	1,545,515
Total business-type activities net position	<u>\$ 10,053,581</u>	<u>\$ 8,246,240</u>	<u>\$ 11,289,923</u>	<u>\$ 11,568,212</u>
Primary government				
Net investment in capital assets	\$ 16,193,034	\$ 24,674,418	\$ 23,544,914	\$ 21,630,321
Restricted	914,090	572,317	212,729	167,198
Unrestricted	1,228,949	(8,830,330)	(6,581,189)	(6,023,277)
Total primary government net position	<u>\$ 18,336,073</u>	<u>\$ 16,416,405</u>	<u>\$ 17,176,454</u>	<u>\$ 15,774,242</u>

Source: City audited financial records

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 11,813,285	\$ 11,596,010	\$ 5,094,853	\$ 9,777,017	\$ 12,448,707	\$ 11,780,074
229,842	329,900	7,642,486	214,477	341,963	250,288
552,340	151,093	1,205,992	4,828,765	4,126,213	4,648,129
<u>\$ 12,595,467</u>	<u>\$ 12,077,003</u>	<u>\$ 13,943,331</u>	<u>\$ 14,820,259</u>	<u>\$ 16,916,883</u>	<u>\$ 16,678,491</u>
\$ 9,568,796	\$ 9,791,150	\$ 7,003,324	\$ 6,461,102	\$ 8,115,580	\$ 8,668,743
-	-	-	-	-	-
2,045,458	2,072,824	2,457,578	5,738,526	3,020,028	2,410,643
<u>\$ 11,614,254</u>	<u>\$ 11,863,974</u>	<u>\$ 9,460,902</u>	<u>\$ 12,199,628</u>	<u>\$ 11,135,608</u>	<u>\$ 11,079,386</u>
\$ 21,382,081	\$ 21,387,160	\$ 12,098,177	\$ 16,238,119	\$ 20,564,287	\$ 20,448,817
229,842	329,900	7,642,486	214,477	341,963	250,288
2,597,798	2,223,917	3,663,570	10,567,291	7,146,241	7,058,772
<u>\$ 24,209,721</u>	<u>\$ 23,940,977</u>	<u>\$ 23,404,233</u>	<u>\$ 27,019,887</u>	<u>\$ 28,052,491</u>	<u>\$ 27,757,877</u>

City of El Campo, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2021	2020	2019	2018
Expenses				
Governmental activities:				
General government	\$ 2,269,688	\$ 2,672,521	\$ 2,482,306	\$ 3,016,842
Public safety	4,842,663	6,078,528	4,625,059	4,353,355
Public works	2,758,763	2,846,191	2,340,432	10,139,202
Parks and recreation	1,066,622	1,211,309	1,187,754	1,152,718
Interest on long-term debt	730,723	615,911	707,641	816,122
Total governmental activities expenses	11,668,459	13,424,460	11,343,192	19,478,239
Business-type activities:				
Utility	5,189,862	6,494,343	5,436,091	5,444,712
Emergency medical services	1,677,029	2,413,902	2,090,865	1,697,378
Total business-type activities expenses	6,866,891	8,908,245	7,526,956	7,142,090
Total primary government expenses	\$ 18,535,350	\$ 22,332,705	\$ 18,870,148	\$ 26,620,329
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ 229,317	\$ 179,335	\$ 169,269
Public safety	114,090	340,421	540,933	482,922
Public works	130,983	356,993	69,670	37,579
Recreation and leisure	268,345	159,214	317,391	289,304
Operating grants and contributions	317,438	535,029	605	75,065
Capital grants and contributions	-	2,002,376	2,098,363	93,653
Total governmental activities program revenues	830,856	3,623,350	3,206,297	1,147,792
Business-type activities:				
Charges for services:				
Utility	\$ 5,993,785	\$ 5,903,342	\$ 5,680,784	\$ 5,823,113
Emergency medical services	1,883,159	1,943,321	1,806,566	2,114,412
Operating grants and contributions	1,429,601	523,360	169,452	-
Capital grants and contributions	-	-	181,765	-
Total business-type activities program revenues	9,306,545	8,370,023	7,838,567	7,937,525
Total primary government program revenues	\$ 10,137,401	\$ 11,993,373	\$ 11,044,864	\$ 9,085,317

2017	2016	2015	2014	2013	2012
\$ 1,687,369	\$ 2,326,025	\$ 3,126,552	\$ 2,832,544	\$ 1,409,439	\$ 1,598,194
4,244,016	3,933,302	3,781,285	3,781,836	3,555,073	3,486,798
1,732,892	2,135,403	2,228,376	2,352,547	2,340,330	2,220,393
1,084,289	1,031,769	1,152,451	1,218,866	880,902	860,990
749,594	706,151	236,628	123,993	109,774	133,211
9,498,160	10,132,650	10,525,292	10,309,786	8,295,518	8,299,586
5,631,087	4,570,795	5,045,412	5,000,348	4,586,250	4,529,419
1,819,574	1,586,963	1,618,966	1,352,446	1,195,259	1,083,813
7,450,661	6,157,758	6,664,378	6,352,794	5,781,509	5,613,232
\$ 16,948,821	\$ 16,290,408	\$ 17,189,670	\$ 16,662,580	\$ 14,077,027	\$ 13,912,818
\$ 167,571	\$ 133,356	\$ 209,755	\$ 149,723	\$ 162,534	\$ 134,253
572,814	540,493	419,142	475,974	505,909	599,335
23,394	20,573	223,309	113,905	31,466	33,332
327,727	321,993	287,174	429,494	269,205	251,355
111,088	63,437	137,267	-	145,583	181,085
499,613	911,211	-	-	24,969	-
1,702,207	1,991,063	1,276,647	1,169,096	1,139,666	1,199,360
\$ 5,665,994	\$ 5,588,319	\$ 5,336,727	\$ 4,992,362	\$ 4,939,016	\$ 4,850,584
1,742,990	1,629,243	1,613,095	1,367,954	565,054	327,559
-	75,000	-	-	851,622	817,196
24,250	429,677	-	-	104,132	245,868
7,433,234	7,722,239	6,949,822	6,360,316	6,459,824	6,241,207
\$ 9,135,441	\$ 9,713,302	\$ 8,226,469	\$ 7,529,412	\$ 7,599,490	\$ 7,440,567

City of El Campo, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2021	2020	2019	2018
Net (Expenses) Revenue				
Governmental activities	\$ (10,837,603)	\$ (9,801,110)	\$ (8,136,895)	\$ (18,330,447)
Business-type activities	2,439,654	(538,222)	311,611	795,435
Total primary government net expense	<u>\$ (8,397,949)</u>	<u>\$ (10,339,332)</u>	<u>\$ (7,825,284)</u>	<u>\$ (17,535,012)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	4,240,781	4,292,324	4,287,660	4,270,461
Sales taxes	4,547,647	3,973,881	3,795,391	4,045,900
Hotel occupancy taxes	173,604			
Franchise taxes	813,322	717,455	733,735	713,031
Other taxes	-	177,243	186,304	224,343
Investment earnings	12,761	34,216	42,963	19,303
Gain on sale of capital assets	-	-	38,313	-
Miscellaneous	177,541	87,699	30,582	51,140
Transfers	984,274	875,200	816,907	803,617
Total governmental activities	<u>10,949,930</u>	<u>10,158,018</u>	<u>9,931,855</u>	<u>10,127,795</u>
Business-type activities:				
Investment earnings	2,979	9,800	39,483	5,941
Miscellaneous	348,982	267,609	187,494	29,249
Transfers	(984,274)	(875,200)	(816,907)	(803,617)
Total business-type activities	<u>(632,313)</u>	<u>(597,791)</u>	<u>(589,930)</u>	<u>(768,427)</u>
Total primary government	<u>\$ 10,317,617</u>	<u>\$ 9,560,227</u>	<u>\$ 9,341,925</u>	<u>\$ 9,359,368</u>
Change in Net Position				
Governmental activities	\$ 112,327	\$ 356,908	\$ 1,794,960	\$ (8,202,652)
Business-type activities	1,807,341	(1,136,013)	(278,319)	27,008
Total primary government	<u>\$ 1,919,668</u>	<u>\$ (779,105)</u>	<u>\$ 1,516,641</u>	<u>\$ (8,175,644)</u>

Source: City audited financial records

2017	2016	2015	2014	2013	2012
\$ (7,795,953)	\$ (8,141,587)	\$ (9,248,645)	\$ (9,140,690)	\$ (7,155,852)	\$ (7,100,226)
(17,427)	1,564,481	285,444	7,522	678,315	627,975
<u>\$ (7,813,380)</u>	<u>\$ (6,577,106)</u>	<u>\$ (8,963,201)</u>	<u>\$ (9,133,168)</u>	<u>\$ (6,477,537)</u>	<u>\$ (6,472,251)</u>
3,981,191	3,640,047	3,118,814	2,833,021	2,832,186	2,834,559
3,051,283	2,769,036	3,568,802	3,533,651	2,908,788	2,840,198
701,185	673,722	827,649	929,726	602,873	622,421
172,068	162,880	17,369	19,840	159,487	145,210
37,911	50,050	26,974	9,620	10,307	33,478
-	-	-	-	-	-
95,196	86,483	290,316	374,195	250,569	243,932
275,583	(1,106,959)	83,288	(962,266)	630,034	375,176
<u>8,314,417</u>	<u>6,275,259</u>	<u>7,933,212</u>	<u>6,737,787</u>	<u>7,394,244</u>	<u>7,094,974</u>
16,870	24,336	9,776	14,327	7,941	7,489
26,420	25,720	194,381	79,905	-	-
(275,583)	1,106,959	(83,288)	962,266	(630,034)	(375,176)
(232,293)	1,157,015	120,869	1,056,498	(622,093)	(367,687)
<u>\$ 8,082,124</u>	<u>\$ 7,432,274</u>	<u>\$ 8,054,081</u>	<u>\$ 7,794,285</u>	<u>\$ 6,772,151</u>	<u>\$ 6,727,287</u>
\$ 518,464	\$ (1,866,328)	\$ (1,315,433)	\$ (2,402,903)	\$ 238,392	\$ (5,252)
(249,720)	2,721,496	406,313	1,064,020	56,222	260,288
<u>\$ 268,744</u>	<u>\$ 855,168</u>	<u>\$ (909,120)</u>	<u>\$ (1,338,883)</u>	<u>\$ 294,614</u>	<u>\$ 255,036</u>

City of El Campo, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2021	2020	2019	2018
General Fund				
Nonspendable:				
Prepaid items	\$ 21,921	\$ 75,206	\$ 67,482	\$ 61,173
Inventories	-	5,298	23,280	15,467
Unassigned	4,530,375	3,892,890	3,667,147	3,165,691
Total general fund	<u>\$ 4,552,296</u>	<u>\$ 3,973,394</u>	<u>\$ 3,757,909</u>	<u>\$ 3,242,331</u>
All Other Governmental Funds				
Nonspendable:				
Noncurrent notes receivable	-	-	-	-
Restricted for:				
Debt service	51,951	-	-	59,446
Municipal court	43,618	39,660	34,444	28,578
Public safety	38,183	35,482	58,309	60,020
Capital projects	45,337	265,548	63,732	55,622
Public works	386,322	22,112	20,091	-
Parks and recreation	144,464	-	-	-
Tourism	-	120,381	99,885	78,600
Committed:				
Street paving	-	-	-	-
Unassigned	(62,653)	-	(897,328)	(1,104,861)
Total all other governmental funds	<u>\$ 647,222</u>	<u>\$ 483,183</u>	<u>\$ (620,867)</u>	<u>\$ (822,595)</u>

Source: City audited financial records

Notes: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2010.

2017	2016	2015	2014	2013	2012
\$ 110,779	\$ 99,508	\$ 9,554	\$ 465	\$ 119,970	\$ 63,852
21,253	22,906	21,616	29,422	37,566	65,449
2,850,890	2,477,112	3,103,928	4,589,898	3,957,930	4,366,855
<u>\$ 2,982,922</u>	<u>\$ 2,599,526</u>	<u>\$ 3,135,098</u>	<u>\$ 4,619,785</u>	<u>\$ 4,115,466</u>	<u>\$ 4,496,156</u>
-	-	-	-	18,517	35,664
109,173	92,926	60,005	-	143,746	82,853
23,605	17,736	-	-	-	7,062
87,929	97,359	204,052	173,284	176,884	142,796
47,104	3,871,418	7,378,429	12,216	310,848	312,006
-	-	-	-	-	-
-	-	-	-	-	-
118,308	85,034	-	-	-	-
-	-	(246,429)	-	19,991	6,751
(122,497)	(432,389)	-	(163,053)	(227,496)	(89,318)
<u>\$ 263,622</u>	<u>\$ 3,732,084</u>	<u>\$ 7,396,057</u>	<u>\$ 22,447</u>	<u>\$ 442,490</u>	<u>\$ 497,814</u>

City of El Campo, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2021	2020	2019	2018
Revenues				
Taxes	\$ 9,933,225	\$ 9,133,546	\$ 9,000,005	\$ 9,255,648
Transportation user fees	129,462	-	-	-
Licenses and permits	189,417	196,908	142,190	135,588
Intergovernmental	317,438	3,357,225	2,636,314	197,457
Charges for services	276,708	318,542	369,669	334,639
Fines and forfeitures	286,384	227,857	389,204	361,414
Investment earnings	12,761	34,216	42,963	19,303
Miscellaneous	189,319	146,257	77,183	81,124
Total Revenues	11,334,714	13,414,551	12,657,528	10,385,173
Expenditures				
General government	2,015,843	2,185,823	2,219,105	2,805,216
Public safety	4,311,866	4,283,556	3,945,828	3,809,265
Public works	1,762,429	1,639,032	1,590,480	1,386,229
Parks and recreation	903,175	966,474	1,036,722	1,005,829
Capital outlay	302,040	2,731,955	2,755,180	1,021,384
Intergovernmental	-	-	-	-
Debt Service:				
Principal	1,071,747	1,126,514	991,553	759,262
Interest and fiscal charges	742,834	701,646	742,300	755,553
Bond issuance costs	39,047	-	-	-
Total Expenditures	11,148,981	13,635,000	13,281,168	11,542,738
Excess of Revenues Over (Under)				
Expenditures	185,733	(220,449)	(623,640)	(1,157,565)
Other Financing Sources (Uses)				
Payment to refunding bond escrow agent	(1,056,787)	-	-	-
Bonds issued	1,028,665	-	296,400	-
Premium on bonds issued	67,169	-	-	-
Proceeds from sale of assets	-	4,296	49,766	-
Capital leases	135,161	563,208	177,873	357,060
Transfers in	1,975,214	1,281,737	1,885,700	2,318,293
Transfers (out)	(1,532,900)	(406,537)	(1,068,793)	(1,514,676)
Total Other Financing Sources (Uses)	616,522	1,442,704	1,340,946	1,160,677
Net change in fund balances	\$ 802,255	\$ 1,222,255	\$ 717,306	\$ 3,112
Debt service as percentage of noncapital expenditures	17.1%	16.8%	16.5%	14.4%

Source: City audited financial records

2017	2016	2015	2014	2013	2012
\$ 7,905,639	\$ 7,234,400	\$ 7,565,305	\$ 7,303,676	\$ 6,546,395	\$ 6,517,911
-	-	-	-	-	-
111,119	104,804	185,889	113,905	125,333	100,726
221,902	584,907	137,267	149,723	121,368	108,291
363,442	364,958	333,350	273,494	291,202	264,130
391,328	452,739	419,142	475,974	505,909	599,285
37,911	50,050	26,974	9,620	10,010	33,247
93,970	109,106	290,316	374,195	269,148	244,901
9,125,311	8,900,964	8,958,243	8,700,587	7,869,365	7,868,491
1,855,747	1,958,258	2,638,897	2,645,161	1,357,424	1,504,136
3,612,349	3,791,479	3,604,982	3,666,552	3,338,576	3,241,872
1,259,924	2,040,282	1,513,478	1,753,565	1,726,136	1,860,922
932,092	881,027	1,027,723	937,459	805,236	980,005
4,679,020	10,248,253	4,409,510	12,506,721	1,647,627	159,875
-	8,000,000	-	-	-	-
383,585	488,685	371,126	197,263	175,597	185,659
646,638	475,018	250,752	123,993	45,350	109,404
-	260,643	214,299	3,182,728	72,713	33,980
13,369,355	28,143,645	14,030,767	25,013,442	9,168,659	8,075,853
(4,244,044)	(19,242,681)	(5,072,524)	(16,312,855)	(1,299,294)	(207,362)
-	(200,426)	-	-	-	(32,526)
-	15,640,000	7,436,290	5,078,533	42,189	-
-	699,821	245,084	-	-	-
53,475	10,700	245,302	-	32,932	80,551
-	-	-	-	210,662	167,470
1,901,931	2,138,684	5,729,718	-	741,219	616,050
(1,626,348)	(3,245,643)	(5,646,430)	(1,494,402)	(163,722)	(364,250)
329,058	15,043,136	8,009,964	3,584,131	863,280	467,295
\$ (3,914,986)	\$ (4,199,545)	\$ 2,937,440	\$ (12,728,724)	\$ (436,014)	\$ 259,933
11.9%	6.8%	8.7%	28.0%	3.9%	4.2%

City of El Campo, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2012	2011	\$ 332,985,664	\$ 131,323,057	\$ 17,581,159	\$ 86,173,058	\$ 4,950,072
2013	2012	339,317,982	133,722,061	16,361,555	83,283,843	6,733,351
2014	2013	339,656,351	142,088,841	16,542,764	87,609,386	4,778,486
2015	2014	348,994,091	151,116,990	18,417,381	99,641,390	4,586,692
2016	2015	360,142,155	158,635,328	20,120,885	104,453,000	4,086,324
2017	2016	366,600,277	156,410,775	26,528,737	104,176,198	3,424,410
2018	2017	413,172,742	193,858,822	32,949,321	105,019,435	3,054,637
2019	2018	428,569,976	171,687,751	33,106,866	105,952,323	3,289,325
2020	2019	489,527,652	199,826,528	36,189,612	109,507,011	4,243,638
2021	2020	498,383,899	209,385,686	38,638,842	96,209,121	3,484,055

(1) Includes tax-exempt property

NOTE: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Wharton County Appraisal District

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
\$ 112,395,082	\$ 460,617,928	\$ 0.52797	\$ 460,617,928	100.00%
107,524,105	471,894,687	0.52538	471,894,687	100.00%
114,047,196	476,628,632	0.50728	476,628,632	100.00%
100,904,970	521,851,574	0.48064	521,851,574	100.00%
104,321,253	543,116,439	0.51580	543,116,439	100.00%
99,455,425	557,684,972	0.59177	557,684,972	100.00%
98,091,076	649,963,881	0.63000	649,963,881	100.00%
102,800,005	639,806,236	0.61410	639,806,236	100.00%
109,917,347	729,377,094	0.56887	735,902,792	100.00%
110,198,811	735,902,792	0.56338	735,902,792	100.00%

City of El Campo, Texas
WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED
LAST TEN FISCAL YEARS

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2012	642,247,000	574,495,400	67,751,600	10.55%	378,650,000
2013	647,102,000	586,673,800	60,428,200	9.34%	352,993,000
2014	581,607,000	519,861,910	61,745,090	10.62%	365,139,000
2015	566,310,000	505,776,800	60,533,200	10.69%	399,294,000
2016	558,306,050	506,306,050	52,000,000	9.31%	397,794,000
2017	604,146,000	566,035,000	38,111,000	6.31%	438,423,000
2018	606,801,000	534,756,300	72,044,700	11.87%	393,470,000
2019	562,041,000	478,605,000	83,436,000	14.85%	412,748,600
2020	614,073,000	505,916,000	108,157,000	17.61%	393,427,700
2021	586,636,701	508,030,400	78,606,301	13.40%	479,267,000

SOURCE: City of El Campo

Total Direct Rate		
Base	Water	Sewer
Rate	Usage	Usage
Rate	Rate	Rate
22.30	2.01	4.13
22.30	2.01	4.13
22.30	2.01	4.13
24.07	2.16	4.13
26.65	2.55	4.13
26.65	2.92	4.45
26.65	2.92	4.45
26.65	2.92	4.45
27.29	2.98	4.50
27.25	2.95	4.50

City of El Campo, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates			
	Debt Service	General Fund	Total	School District	Junior College	Wharton County/ FMLR	Emergency Services District #1
2012	0.0548	0.4706	0.5254	1.1962	0.1382	0.5022	0.0300
2013	0.0449	0.4624	0.5073	1.1962	0.1382	0.5022	0.0300
2014	0.0331	0.4475	0.4806	1.1957	0.1342	0.4881	0.0300
2015	0.0960	0.4146	0.5106	1.1780	0.1266	0.4600	0.0300
2016	0.1773	0.4145	0.5918	1.1981	0.1303	0.4900	0.0300
2017	0.1991	0.4309	0.6300	1.1980	0.1371	0.4900	0.0300
2018	0.1722	0.4419	0.6141	1.1980	0.1355	0.4750	0.0500
2019	0.1850	0.4472	0.6322	1.2080	0.1435	0.4750	0.0500
2020	0.1757	0.3931	0.5689	1.1264	0.1393	0.4623	0.0500
2021	0.1996	0.3638	0.5634	1.1264	0.1368	0.4587	0.0500

SOURCE: Tax department records of the various taxing authorities.

Overlapping Rates

Coastal Bend Groundwater Conservation District	Emergency Services District #4	West Wharton County Hospital District	Total
0.0073	0.0643	0.1833	2.6467
0.0073	0.0643	0.1833	2.6286
0.0076	0.0618	0.1760	2.5740
0.0077	0.0598	0.1613	2.5339
0.0085	0.0634	0.1875	2.6995
0.0085	0.0676	0.1998	2.7610
0.0083	0.0676	0.2039	2.7524
0.0083	0.0682	0.2220	2.8061
0.0080	0.0633	0.2216	2.6398
0.0080	0.0625	0.2216	2.6274

City of El Campo, Texas
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2021

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
AEP Texas Inc.	\$ 13,444,205	2.07%
Wal-Mart Stores	11,087,800	1.71%
Shoppas Farm Supply	6,552,930	1.01%
Greenpoint AG LLC #2510	6,147,987	0.95%
Kansas City Southern Railway	6,611,810	1.02%
El Campo Lagoon Enterprises LLC	6,783,525	1.04%
Dovecoast Housing LP	3,969,943	0.61%
H E B Grocery Co LP	4,341,924	0.67%
Davis Don Motor Co Inc.	3,948,731	0.61%
Vallejo Properties Inc.	3,795,552	0.58%
	\$ 66,684,407	10.26%

2012

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores	\$ 11,601,344	2.94%
Key Energy Services, Inc.	7,832,340	1.98%
Davis Net Lease No 1 LP	5,043,276	1.28%
AEP Texas Central Co	4,990,140	1.26%
Kansas City Southern Railway	4,300,860	1.09%
Farmers Coop of El Campo	4,265,160	1.08%
HEB	4,061,997	1.03%
Winfield Solutions LLC	3,989,351	1.01%
Sutherland Lumber Southwest, Inc.	3,248,950	0.82%
Davis Don Motor Co Inc.	2,885,392	0.73%
	\$ 52,218,810	13.22%

SOURCE: Wharton County Tax Assessor/Collector

City of El Campo, Texas
TEN LARGEST WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

2021

Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Isaacson Municipal Utility District	Municipal District	174,672	3.65%
El Campo Housing Authority	Housing	113,791	2.38%
Oakcrest Apartments	Housing	94,547	1.98%
El Campo Mobile Home Park, LLC	Housing	79,554	1.66%
Roane & Roane Properties	Housing	70,681	1.48%
Seatex LTD	Manufacturing	68,376	1.43%
Jr's Smokehouse	Retail	56,775	1.19%
Roane & Roane Properties	Housing	70,681	1.48%
Socha Enterprise	Car Wash	49,117	1.03%
Garden Villa	Housing	46,477	0.97%

2012

Customer	Type of Business	12-Month	Percent
		Water Consumption (In Thousands)	of Total Billed
Isaacson Municipal Utility District	Municipal District	143,410	2.14%
El Campo Housing Authority	Housing	73,155	1.09%
El Campo Independent School District	School	69,174	1.03%
Jones-Co Properties	Housing	60,955	0.91%
Wal-Mart Stores, Inc.	Retail	46,320	0.69%
El Campo Memorial Hospital	Housing	39,810	0.59%
Roane & Roane Properties	Housing	33,828	0.50%
PHPM Mission Care Centers	Housing	31,830	0.47%
Oakcrest Apartments	Housing	31,032	0.46%
El Campo Inn	Hotel	27,100	0.40%

SOURCE: City of El Campo Utility Billing Office



City of El Campo, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$	2,826,754	\$ 2,777,421	98.25%	50,396	\$ 2,827,817	100.00%
2013		2,841,656	2,776,467	97.71%	42,474	2,818,941	99.20%
2014		2,849,544	2,752,813	96.61%	39,771	2,792,584	98.00%
2015		3,054,937	3,050,108	99.84%	5,713	3,055,821	100.00%
2016		3,607,600	3,517,476	97.50%	63,681	3,581,157	99.27%
2017		3,950,416	3,861,171	97.74%	106,119	3,967,290	100.00%
2018		4,195,391	4,090,357	97.50%	81,630	4,171,986	99.44%
2019		4,256,157	4,229,537	99.37%	68,801	4,298,338	100.00%
2020		4,264,543	4,217,113	98.89%	51,662	4,268,775	100.00%
2021		4,315,654	4,222,398	97.84%	-	4,222,398	97.84%

SOURCE: City of El Campo
Wharton County Tax Assessor/Collector

City of El Campo, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						State Infrastructure Bank Loan
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Premiums	Capital Leases		
2012	\$ 1,410,000	\$ 1,071,597	\$ -	\$ -	\$ 157,917	\$ -	
2013	70,000	2,311,000	-	-	340,282	-	
2014	5,030,364	1,926,633	-	-	298,554	-	
2015	7,320,841	7,012,534	-	-	242,086	-	
2016	7,014,586	14,532,428	-	-	190,860	8,000,000	
2017	6,742,996	14,259,380	-	-	251,376	8,000,000	
2018	6,472,011	14,928,730	-	-	500,052	8,000,000	
2019	6,492,060	14,324,803	-	-	519,465	8,000,000	
2020	5,910,084	10,767,320	254,800	905,691	868,489	8,000,000	
2021	5,295,549	10,408,665	213,200	881,119	691,584	8,000,000	

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

SOURCE: City of El Campo

Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
Certificates of Obligation	General Obligation Bonds	Tax Notes	Premiums	Capital Leases			
\$ 4,915,000	\$ 1,818,403	\$ -	\$ -	\$ 1,074,361	\$ 10,447,278	2.53%	\$ 836
7,635,000	1,714,000	-	-	1,354,447	13,424,729	3.07%	1,074
8,559,636	1,028,367	-	-	284,840	17,128,394	3.91%	1,370
8,511,158	1,467,465	-	-	945,805	25,499,889	5.38%	2,040
5,620,413	1,277,573	-	-	727,711	37,363,571	7.77%	2,989
5,140,002	1,135,620	-	-	581,232	36,110,606	7.51%	2,889
4,728,491	990,513	-	-	420,221	36,040,018	7.49%	2,883
4,657,829	842,251	-	-	280,028	35,116,436	7.30%	2,809
2,761,410	3,697,680	310,200	303,256	3,527,521	37,306,451	7.76%	2,985
4,347,944	5,016,335	196,800	590,322	3,466,996	39,108,514	8.13%	3,129

City of El Campo, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Debt Service Monies Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	
	Certificates of Obligation	General Obligation Bonds	Total				Per Capita
2012	\$ 1,410,000	\$ 1,071,597	\$ 2,481,597	\$ 118,517	\$ 2,363,080	100%	\$ 204
2013	70,000	2,311,000	2,381,000	162,243	2,218,757	100%	191
2014	5,030,364	1,926,633	6,956,997	53,639	6,903,358	100%	595
2015	15,831,999	8,479,999	24,311,998	60,005	24,251,993	100%	2,090
2016	12,743,187	16,900,352	29,643,539	-	29,643,539	100%	2,555
2017	11,882,998	15,395,000	27,277,998	-	27,277,998	100%	2,351
2018	11,200,502	15,919,243	27,119,745	-	27,119,745	100%	2,338
2019	11,149,889	15,167,054	26,316,943	-	26,316,943	100%	2,268
2020	8,671,494	14,465,000	23,136,494	-	23,136,494	100%	1,994
2021	9,643,493	15,425,000	25,068,493	51,951	25,016,542	100%	2,156

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

SOURCE: City of El Campo

City of El Campo, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2021

	<u>Gross Debt Outstanding</u>		<u>Percentage</u>	<u>Amount</u>
	<u>Date</u>	<u>Amount</u>	<u>Applicable</u>	<u>Applicable</u>
			<u>To City</u>	<u>To City</u>
Direct Debt:				
City of El Campo	9/30/2021	\$ 29,336,328	100.00%	\$ 29,336,328
Overlapping Debt:				
Wharton County	12/31/2021	-		-
El Campo Independent School District	8/31/2021	<u>27,947,980</u>	42.31%	<u>11,824,790</u>
Total Overlapping Debt		<u>27,947,980</u>		<u>11,824,790</u>
Total		<u><u>\$ 57,284,308</u></u>		<u><u>\$ 41,161,118</u></u>

NOTE: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under 5,000, or

SOURCE: City of El Campo, El Campo Independent School District, Wharton County

City of El Campo, Texas

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Water and Sewer Revenue Bonds					Times Debt Coverage
	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements		
2012	\$ 4,878,603	\$ 3,357,623	\$ 1,520,980	\$ 310,575	\$ 4.90	
2013	4,957,658	3,591,719	1,365,939	467,450	2.92	
2014	5,028,200	3,590,114	1,438,086	507,493	2.83	
2015	5,231,870	4,143,637	1,088,233	600,706	1.81	
2016	5,611,993	3,456,087	2,155,906	908,546	2.37	
2017	5,693,349	4,446,349	1,247,000	923,213	1.35	
2018	5,842,920	4,495,631	1,347,289	1,247,289	1.08	
2019	5,973,548	4,426,526	1,547,022	1,365,227	1.13	
2020	6,423,617	5,385,650	1,037,967	932,885	1.11	
2021	7,632,478	3,875,912	3,756,566	960,898	3.91	

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

"Gross Revenue" as used herein refers to all operating revenues and all interest income of Utility Fund. "Direct Operating Expenses" is defined as all operating expenses of the Utility Fund (which does not include capital outlay or interest expense) less depreciation and amortization.

SOURCE: City of El Campo

City of El Campo, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income (000's)	Per Capita Personal Income	(2) School Enrollment	(3) Unemployment Rate
2012	11,602	412,521	35,556	3,545	5.7%
2013	11,602	437,976	37,750	3,631	5.3%
2014	11,602	437,976	37,750	3,652	4.3%
2015	11,602	474,162	40,869	3,600	4.7%
2016	11,602	481,019	41,460	3,625	4.6%
2017	11,602	481,019	41,460	3,658	3.5%
2018	11,602	481,019	41,460	3,651	4.0%
2019	11,602	481,019	41,460	3,682	3.7%
2020	11,602	481,019	41,460	3,627	7.9%
2021	11,630	481,019	41,460	3,225	7.1%

SOURCE: (1) Population figures for the years are estimates provided by the City.

(2) El Campo Independent School District

(3) Texas Labor Market

City of El Campo, Texas

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2021		
Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	615	13%
Greenleaf Nursery	306	6%
Prasek's Hillje Smokehouse	258	5%
El Campo Memorial Hospital	246	5%
HEB	185	4%
Leedo Cabinetry	167	4%
Wal-Mart	131	3%
City of El Campo	116	2%
Junior's Texas Best	116	2%
Fesco	60	1%
	<u>2,200</u>	<u>47%</u>

2012

Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	475	10.05%
Greenleaf Nursery	385	8.15%
El Campo Memorial Hospital	212	4.49%
Wal-Mart	188	3.98%
H. E. B.	180	3.81%
Prasek's Hillje Smokehouse	161	3.41%
City of El Campo	106	2.24%
Mark's Machine	93	1.97%
New ICM	91	1.93%
Key Energy	70	1.48%
	<u>1,961</u>	<u>41.50%</u>

NOTE: Information is based on the City of El Campo, Texas area, which includes Hillje, Texas.

SOURCE: City of El Campo

City of El Campo, Texas
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY
FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2012	2013	2014	2015
Function/Program				
General government:				
Administration	2	2	2	2
Finance	4	4	4	2
Personnel	-	-	-	1
Municipal court	4	4	4	4
Inspections	4	4	4	4
GIS	-	-	-	-
Public Safety:				
Police	34	35	35	35
Communications	8	8	8	8
EMS	10	11	11	11
Public Works:				
Administration	3	4	4	4
Streets and drainage	13	13	13	13
Vehicle Maintenance	3	2	2	2
Community and recreational services	1	1	1	1
Parks maintenance	5	5	5	5
Aquatic center	2	2	1	1
Water and Sewer:				
Administration	3	3	3	3
Water production and distribution	5	5	5	5
Wastewater collection	5	5	5	5
Wastewater treatment	2	2	2	2
Total	108	110	109	108

NOTE: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

2016	2017	2018	2019	2020	2021
2	2	2	2	3	3
2	2	3	3	3	3
1	1	1	1	1	1
5	4	4	4	4	4
5	5	5	5	5	4
-	-	-	-	-	1
35	35	36	36	35	35
8	8	8	8	9	9
14	14	14	15	15	15
3	3	3	2	2	2
12	12	11	11	12	12
2	2	2	2	2	2
1	-	-	-	-	-
5	5	6	6	7	7
1	1	1	2	2	2
4	4	3	3	3	3
5	5	5	6	6	6
5	5	5	5	5	5
2	2	2	2	2	2
112	110	111	113	116	116

City of El Campo, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017
Function/Program						
General government:						
Building permits issued	498	545	539	553	588	526
Building inspections conducted	523	468	485	450	434	278
Fire inspections conducted	15	8	13	14	14	8
Public safety:						
Police:						
Physical arrests	1,613	1,332	1,322	1,231	1,260	1,260
Traffic violations (includes warnings)	8,065	6,483	9,555	9,396	9,539	9,539
Fire:						
Total Incidents	261	256	201	224	189	189
Streets and highways:						
Street resurfacing (miles)	12.28	7.34	7.34	12.70	13.70	13.70
Water and wastewater:						
Water:						
Active water connections	4,583	4,636	4,739	4,760	4,227	4,802
Average daily consumption (in 000's)	1,759	1,740	1,594	1,547	1,532	1,647
Peak daily consumption (in 000's)	3,376	3,599	3,266	3,680	2,835	2,876
Wastewater:						
Active sewer connections	4,369	4,320	4,288	4,612	4,077	4,344
Average daily flow	1,037	996	1,000	1,092	1,092	1,201

NOTE: N/A denotes information is not available.

SOURCE: Various City departments

2018	2019	2020	2021
496	604	635	557
225	556	505	195
25	25	20	13
966	1,050	887	847
7,770	6,113	3,471	4,112
227	336	288	356
11.60	10.90	12.10	7.95
4,808	4,804	4,858	4,884
1,662	1,560	1,691	4,234
3,053	3,146	3,480	5,503
4,350	4,367	4,414	4,438
1,079	1,140	1,075	3,994

City of El Campo, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program						
Public safety:						
Police:						
Stations	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5
Fire:						
Fire stations	1	1	1	1	1	1
Public Works:						
Streets:						
Streets paved (miles)	79.1 **	80.3	80.3	80.3	80.3	80.3
Streets unpaved (miles)	3.9	3.1	3.1	3.5	3.5	3.5
Parks:						
Acreage	56	63.5	63.5	63.5	63.5	63.5
Swimming Pools	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8
Community Centers	1	1	1	1	1	1
Skate Park	-	-	-	-	-	-
Water and wastewater:						
Water:						
Water mains (miles)	86.5	86.5	109.9	110.1	113.4	113.4
Wastewater:						
Sanitary sewers (miles)	88	88	86	88	88	90
Storm sewers (miles)	15	15	40	15	15	15

SOURCE: Various City departments

** Does not include roads maintained by TxDOT or privately owned roads.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1	1	1	1
5	5	7	8
1	1	1	1
80.3	80.8	80.8	80.8
3.5	3.5	3.5	3.5
116.8	116.8	116.8	116.8
1	1	1	1
4	4	4	4
1	1	1	1
1	1	1	1
118.9	118.9	118.9	120.8
91	91	91	94
15	15	15	15