



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2022



CITY OF EL CAMPO, TEXAS



***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

**of the**

**City of El Campo, Texas**

**For the Year Ended  
September 30, 2022**

**Prepared by**

Brittini Nanson  
Director of  
Finance

Courtney Sladek  
City Manager





# City of El Campo, Texas

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## *INTRODUCTORY SECTION*





May 31, 2023

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, 2022, 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 FY21-22 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 2022 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 has maintained it's AA- credit rating, highest credit rating in Wharton County.
- Completed the redistricting process.
- The City continued the sealcoating of existing roads and the rehabilitation of water and wastewater main lines.
- Hosted two clean-ups, funded through H-GAC.
- Submitted the letter of map revision to FEMA to receive a new floodplain map, dramatically reducing the floodplain footprint, saving our citizens thousands of dollars in flood insurance and accurately reflecting the floodplain.
- Received a \$14.8 million grant for Tres Palacios Phase II.
- Improved sewer lines on the other side of the loop – Bryne, Michael & Lynn streets.
- Acquired property and completed engineering for the Avenue F well replacement project.
- Began elevated water tank maintenance and repainting program.
- Purchased property for the New Public Works facility and retained an architect.
- Paved the parking lot at Willie Bell Park.
- Resurfaced the tennis courts at Friendship Park to be multipurpose, including pickleball and replaced the fence on the courts.
- Added surveillance at Legacy Park.
- Additional street lights in the Fairways.

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

### **Goals for fiscal year 2023 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

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

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.

### **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, 2021. 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,

  
\_\_\_\_\_  
Courtney Sladek, City Manager

  
\_\_\_\_\_  
Brittini Nanson, Director of Finance





Government Finance Officers Association

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

Presented to

**City of El Campo  
Texas**

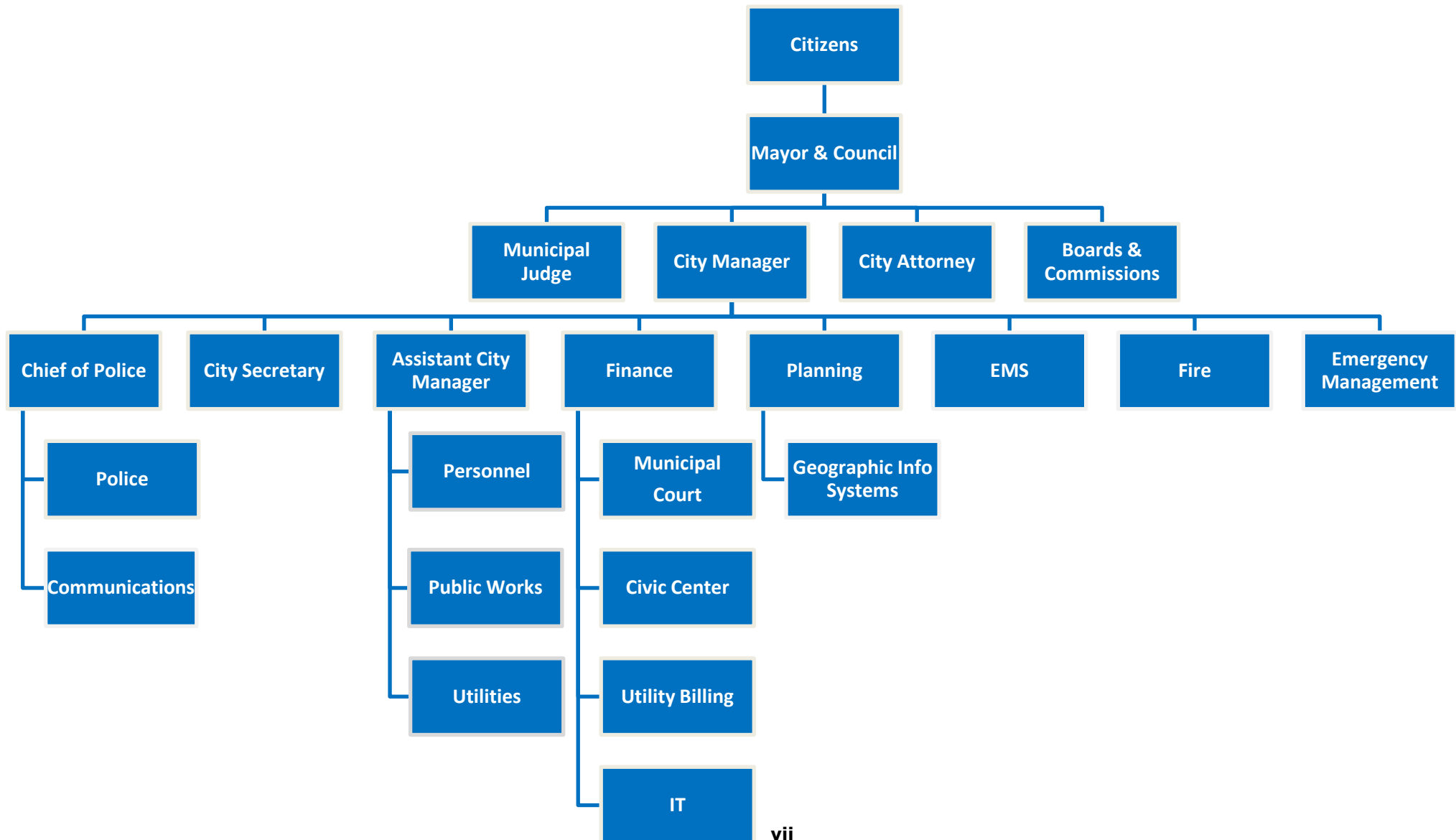
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# CITY OF EL CAMPO ORGANIZATIONAL CHART



**City of El Campo, Texas**  
**Directory of Principal Officials**  
**September 30, 2022**

**City Officials (Elected Positions):**

Chris Barbee, At-large Mayor

Eugene Bustamante, At-large Mayor Pro-Tem

Blake Barger, At-large Council Member

Anisa Longoria Vasquez, Council Member District No. 1

Gloria Harris, Council Member District No. 2

David Hodges, Council Member District No. 3

John Hancock, Council Member District No. 4

**Key Staff (Appointed Positions):**

Courtney Sladek, City Manager

Ronald Collins, City Attorney

Brittini 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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 of El Campo, Texas, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Emphasis of Matter***

As discussed in Note V.D. to the financial statements, the City restated beginning net position within governmental activities due to a correction to accrued interest. 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, schedules of changes in other postemployment benefits liability and related ratios, and budgetary comparison information for the general fund 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.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

Brooks Watson & Co.  
Certified Public Accountants  
Houston, Texas  
May 31, 2023

*MANAGEMENT'S DISCUSSION  
AND ANALYSIS*



# City of El Campo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2022

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, 2022. 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, 2022 by \$21,765,576. Of this amount, \$3,677,445 (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 \$3,788,422. 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 \$5,391,206 at September 30, 2022, an increase of \$191,689 from the prior fiscal year; this includes an increase of \$237,277 in the general fund, an increase of \$16,752 in the debt service fund, an increase of \$35,354 in the capital projects fund, an increase of \$2,740 in the 2004 Bonds fund, and a decrease of \$100,434 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$4,753,296 or 48% of total general fund expenditures.
- The City's total debt showed a net increase of \$287,416. Total debt at the close of the fiscal year was \$39,395,930.

#### **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, 2022

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, 2022

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 thirteen 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 budget was not adopted for the capital projects fund, municipal court building security fund, TRZ fund, street paving fund, CDBG GLO grant fund, and the 2004 Bond fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with each adopted 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, 2022**

**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 \$21,765,576 as of September 30, 2022 in the primary government.

The largest portion of the City's net position, \$17,088,750, 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, 2022**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 5,659,551	\$ 9,730,244	\$ 15,389,795	\$ 5,396,887	\$ 7,763,860	\$ 13,160,747
Capital assets	35,181,369	18,051,172	53,232,541	33,674,651	18,180,830	51,855,481
<b>Total Assets</b>	<b>40,840,920</b>	<b>27,781,416</b>	<b>68,622,336</b>	<b>39,071,538</b>	<b>25,944,690</b>	<b>65,016,228</b>
<b>Total Deferred Outflows</b>	<b>1,004,133</b>	<b>291,219</b>	<b>1,295,352</b>	<b>699,360</b>	<b>235,842</b>	<b>935,202</b>
Current liabilities	2,683,837	1,805,967	4,489,804	2,462,738	1,699,272	4,162,010
Long-term liabilities	28,812,431	12,686,336	41,498,767	28,616,886	14,142,097	42,758,983
<b>Total Liabilities</b>	<b>31,496,268</b>	<b>14,492,303</b>	<b>45,988,571</b>	<b>31,079,624</b>	<b>15,841,369</b>	<b>46,920,993</b>
<b>Total Deferred Inflows</b>	<b>1,578,386</b>	<b>585,155</b>	<b>2,163,541</b>	<b>767,701</b>	<b>285,582</b>	<b>1,053,283</b>
Net Position:						
Net investment in capital assets	8,321,829	8,766,921	17,088,750	8,263,862	7,942,376	16,206,238
Restricted	795,166	204,215	999,381	709,875	204,215	914,090
Unrestricted	(346,596)	4,024,041	3,677,445	(1,050,164)	1,906,990	856,826
<b>Total Net Position</b>	<b>\$ 8,770,399</b>	<b>\$ 12,995,177</b>	<b>\$ 21,765,576</b>	<b>\$ 7,923,573</b>	<b>\$ 10,053,581</b>	<b>\$ 17,977,154</b>

Current and other assets for business-type activities increased primarily due to greater cash on hand, resulting from positive operating cash flows in the current year. Long-term liabilities for business-type activities decreased primarily due to principal payments and bond refundings occurring in the current year.

**City of El Campo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2022**

**Statement of Activities:**

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

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,163,669	\$ 9,896,811	\$ 11,060,480	\$ 855,850	\$ 7,876,944	\$ 8,732,794
Operating grants	124,506	1,492,972	1,617,478	174,679	1,429,601	1,604,280
Capital grants	705,280	-	705,280	-	-	-
General revenues:						
Property taxes	4,457,531	-	4,457,531	4,240,781	-	4,240,781
Sales taxes	4,709,549	-	4,709,549	4,547,647	-	4,547,647
Hotel occupancy taxes	171,565	-	171,565	173,604	-	173,604
Franchise and local taxes	854,109	-	854,109	813,322	-	813,322
Investment income	15,009	24,079	39,088	12,761	2,979	15,740
Other revenues	106,020	206,422	312,442	177,541	348,982	526,523
<b>Total Revenues</b>	<b>12,307,238</b>	<b>11,620,284</b>	<b>23,927,522</b>	<b>10,996,185</b>	<b>9,658,506</b>	<b>20,654,691</b>
<b>Expenses</b>						
General government	2,426,761	-	2,426,761	2,269,688	-	2,269,688
Public safety	5,071,225	-	5,071,225	4,842,663	-	4,842,663
Public works	2,725,078	-	2,725,078	2,958,437	-	2,958,437
Parks and recreation	1,050,365	-	1,050,365	1,066,622	-	1,066,622
Interest and fiscal chgs.	860,147	322,459	1,182,606	730,723	515,764	1,246,487
Utility	-	5,533,241	5,533,241	-	4,678,834	4,678,834
EMS	-	2,149,824	2,149,824	-	1,672,293	1,672,293
<b>Total Expenses</b>	<b>12,133,576</b>	<b>8,005,524</b>	<b>20,139,100</b>	<b>11,868,133</b>	<b>6,866,891</b>	<b>18,735,024</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	173,662	3,614,760	3,788,422	(871,948)	2,791,615	1,919,667
Transfers	673,164	(673,164)	-	984,274	(984,274)	-
<b>Total</b>	<b>673,164</b>	<b>(673,164)</b>	<b>-</b>	<b>984,274</b>	<b>(984,274)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>846,826</b>	<b>2,941,596</b>	<b>3,788,422</b>	<b>112,326</b>	<b>1,807,341</b>	<b>1,919,667</b>
Beginning Net Position	7,923,573	10,053,581	17,977,154	7,811,247	8,246,240	16,057,487
<b>Ending Net Position</b>	<b>\$ 8,770,399</b>	<b>\$ 12,995,177</b>	<b>\$ 21,765,576</b>	<b>\$ 7,923,573</b>	<b>\$ 10,053,581</b>	<b>\$ 17,977,154</b>

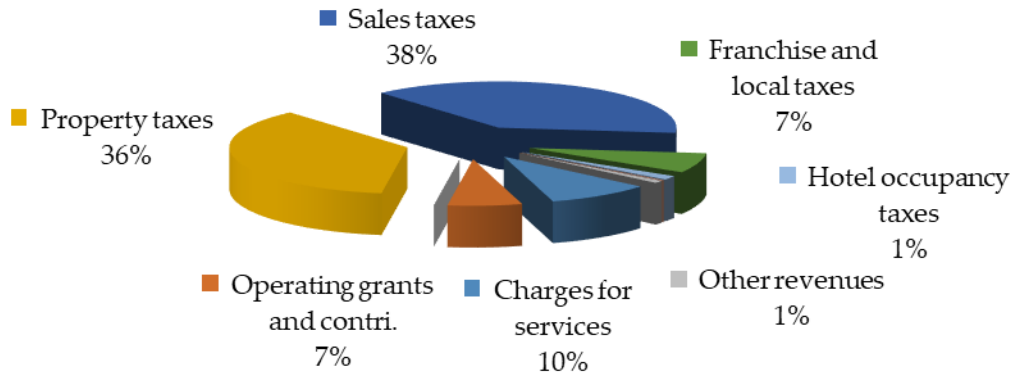
# City of El Campo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### September 30, 2022

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

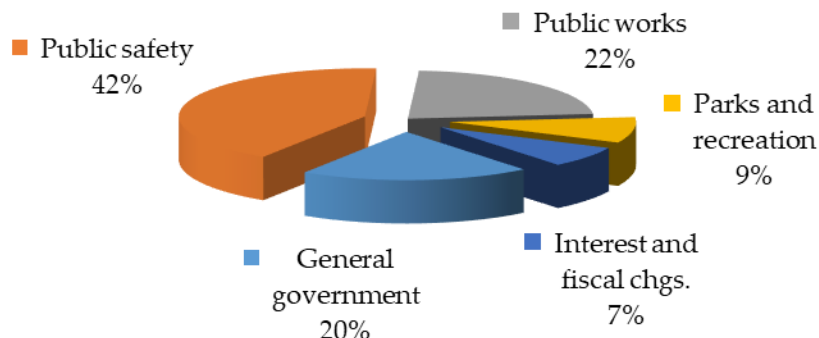
## Governmental Activities - Revenues



For the year ended September 30, 2022, revenues from governmental activities totaled \$12,307,238. Property taxes and sales taxes are the City's largest general revenue sources. Overall revenue increased \$1,311,053 or 12% compared to the prior year. Grants and contributions increased by \$655,107 primarily due to nonrecurring CDBG GLO land grants received in the current year. Sales taxes and franchise taxes increased by \$161,902 or 4% and \$40,787 or 5%, respectively, due to economic growth fueled by local purchases. Charges for services increased by \$307,819 or 36%, primarily due to greater building permits, aquatic center fees, and nonrecurring bad debt realized in the prior year. Other revenues decreased by \$71,521 or 40% primarily due to nonrecurring culvert revenue received in the prior year. All other revenues remained relatively consistent with the previous year.

This graph shows the governmental function expenses of the City:

## Governmental Activities - Expenses



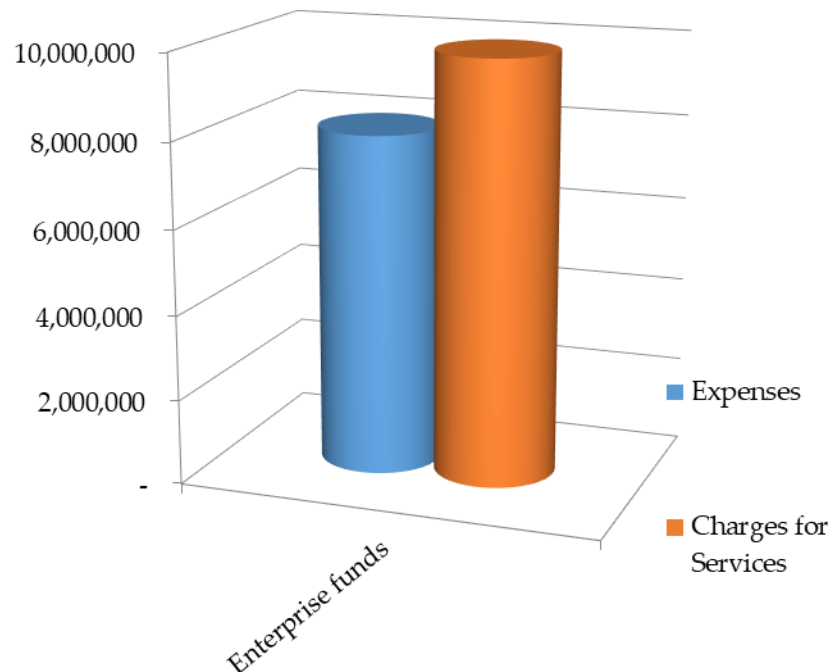
For the year ended September 30, 2022, expenses for governmental activities totaled \$12,133,576. This represents an increase of \$265,443 or 2% from the prior year. The City's largest functional expense is public safety of \$5,071,225 and remained relatively consistent with the prior year. General government expenses increased by \$157,073 or 7% due primarily to greater salaries and employee benefit expenses

**City of El Campo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2022**

in the current year. Interest and fiscal charges increased by \$129,424 or 18% 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.

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, 2022, charges for services by business-type activities totaled \$9,896,811. This represents an increase of \$2,019,867 or 26% from the previous year, which is the direct result of greater utility consumption and increased garbage service rates in the current year.

Total expenses increased \$1,138,633 or 17%, to a total of \$8,005,524. This change was due primarily to greater garbage service contract expenses, sludge removal costs, water main/meter maintenance, and nonrecurring bad debt expense for EMS services.

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

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

**City of El Campo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2022**

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.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$5,391,206, an increase of \$191,689 in comparison with the prior year. Approximately 86% of this amount, \$4,628,467, 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, \$36,276.

As of the end of the year the general fund reflected a total fund balance of \$4,789,572. Of this, \$36,276 is considered nonspendable and \$4,753,296 is unassigned. The general fund balance increased by \$237,277 compared to the budgeted increase of \$0. The fund's increase was primarily due to actual expenses being less than appropriations and greater than anticipated other financing sources.

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 49% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$4,753,296 is 48% of total general fund expenditures.

The debt service fund had an ending fund balance of \$68,703 at September 30, 2022, an increase of \$16,752. The increase was primarily a result of transfers in from the TIRZ fund.

The capital projects fund had an ending fund balance of \$80,691, an increase of \$35,354. This increase is primarily due to bond issuance proceeds exceeding debt service expenditures.

The 2004 bond fund had an ending fund deficit of \$54,105, an increase of \$2,740. The slight increase is a result of minimal investment income recognized during the year.

Nonmajor governmental funds had a total ending fund balance of \$506,345, a decrease of \$100,434. The decrease was primarily due to a transfer from the TIRZ fund to the debt service fund.

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 \$12,293,080 and \$702,097, respectively. Unrestricted net position of the enterprise funds at the close of the fiscal year amounted to \$4,024,041. Total net position increased \$2,941,596. The funds had a total net investment in capital assets of \$8,766,921.

**City of El Campo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2022**

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

- Total operational expenses excluding depreciation and amortization were \$6,829,235.
- Total cash and cash equivalents in the enterprise funds was \$7,116,463 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 \$491,855 as of yearend.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were several amendments approved during the fiscal year. Total original budgeted expenditures increased by \$678,413 compared to the final budget. The increase was due to additional administrative, public works, and public safety spending anticipated over the fiscal year. Total original budgeted revenues also increased by \$678,413 when preparing the final budget. There was a negative variance of \$119,909 for budgeted general fund revenues. The negative variance was primarily due to property tax revenues not meeting the estimates. New lease related proceeds totaling \$215,260 were not budgeted for during the year.

The following are additional comments regarding appropriations:

- There was a total positive variance of \$253,586 in budgeted expenditure appropriations. The variance was primarily due to a decrease in public safety and public works activities compared to estimates used for the budget.
- Actual parks and recreation and capital outlay exceeded final budget appropriations at the legal level of control.
- \$133,677 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 \$237,277.

**CAPITAL ASSETS**

As of the end of the year, the City's governmental activities funds had invested \$35,181,369 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$18,051,172 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:

- Investment in two E. Jackson buildings totaling \$282,822.



**City of El Campo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**September 30, 2022**

- Purchased new parks and rec and public works vehicles through Enterprise lease financing totaling \$179,400.
- Purchased Caterpillar wheel/compact tract loaders for \$265,628.
- Purchased seven public safety vehicles for \$298,172.
- CDBG GLO grant project investments totaling \$842,316.
- Sewer and manhole rehab improvements of \$390,284.
- Purchased Pierce custom ladder truck for \$1,694,775.
- Hwy 71 improvements for \$96,630.
- Wastewater treatment plant improvements totaling \$95,845.

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

**LONG-TERM DEBT**

At the end of the current fiscal year, the City had total bonded debt obligations of \$25,665,493. Of this amount, \$8,774,478 is self-supporting through revenues collected from the rates of the City's utility fund. The City refunded \$1,675,000 worth of outstanding bonds during the year. During the year, the City issued general obligation bonds totaling \$3,385,000. The City made principal payments on outstanding debt totaling \$2,010,935 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 is budgeting 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, 315 E. Jackson St., El Campo, TX, 77437. A copy of the Annual Comprehensive Financial Report is available on the City's website at [cityofelcampo.org](http://cityofelcampo.org).



## ***FINANCIAL STATEMENTS***

**City of El Campo, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2022**

	Primary Government			Component Unit
	Governmental	Business-Type		CDC of
	Activities	Activities	Total	El Campo, Inc.
<b><u>Assets</u></b>				
Current assets:				
Cash and cash equivalents	\$ 5,252,939	\$ 7,116,463	\$ 12,369,402	\$ 2,256,881
Investments	387,624	-	387,624	885,912
Receivables, net	1,097,322	1,470,142	2,567,464	152,976
Prepays	10,369	29,029	39,398	-
Internal balances	(1,114,610)	1,114,610	-	-
<b>Total Current Assets</b>	<b>5,659,551</b>	<b>9,730,244</b>	<b>15,389,795</b>	<b>3,295,769</b>
Capital assets:				
Non-depreciable	4,103,347	268,023	4,371,370	266,309
Net depreciable capital assets	31,078,022	17,783,149	48,861,171	583,500
<b>Noncurrent Assets</b>	<b>35,181,369</b>	<b>18,051,172</b>	<b>53,232,541</b>	<b>849,809</b>
<b>Total Assets</b>	<b>40,840,920</b>	<b>27,781,416</b>	<b>68,622,336</b>	<b>4,145,578</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension outflows - TMRS	717,853	251,726	969,579	29,904
Pension outflows - TESRS	136,382	-	136,382	-
OPEB outflows	57,393	20,850	78,243	1,579
Deferred charge on refunding	92,505	18,643	111,148	-
<b>Total Deferred Outflows</b>	<b>\$ 1,004,133</b>	<b>\$ 291,219</b>	<b>\$ 1,295,352</b>	<b>\$ 31,483</b>

**City of El Campo, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**September 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	CDC of El Campo, Inc.
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 535,407	\$ 456,398	\$ 991,805	\$ 13,099
Unearned revenue	18,219	12,813	31,032	-
Accrued interest payable	628,408	49,250	677,658	-
Customer deposits	47,226	244,639	291,865	-
Compensated absences, current	316,587	98,775	415,362	-
Long term debt due within one year	1,137,990	944,092	2,082,082	-
<b>Total Current Liabilities</b>	<b>2,683,837</b>	<b>1,805,967</b>	<b>4,489,804</b>	<b>13,099</b>
Noncurrent liabilities:				
Compensated absences, noncurrent	35,176	10,975	46,151	-
Long-term debt, noncurrent	25,629,058	11,684,790	37,313,848	-
OPEB liability	329,047	119,542	448,589	9,055
Net pension liabilities	2,819,150	871,029	3,690,179	103,475
<b>Noncurrent Liabilities</b>	<b>28,812,431</b>	<b>12,686,336</b>	<b>41,498,767</b>	<b>112,530</b>
<b>Total Liabilities</b>	<b>31,496,268</b>	<b>14,492,303</b>	<b>45,988,571</b>	<b>125,629</b>
<b><u>Deferred Inflows of Resources</u></b>				
Deferred gain on refunding	47,961	62,050	110,011	
Pension inflows - TMRS	1,467,461	514,587	1,982,048	61,131
Pension inflows - TESRS	39,517	-	39,517	-
OPEB inflows	23,447	8,518	31,965	645
<b>Total Deferred Inflows</b>	<b>1,578,386</b>	<b>585,155</b>	<b>2,163,541</b>	<b>61,776</b>
<b><u>Net Position</u></b>				
Net investment in capital assets	8,321,829	8,766,921	17,088,750	849,809
Restricted for:				
Debt service	68,703	204,215	272,918	-
Capital projects	80,691	-	80,691	-
Parks and recreation	253,211	-	253,211	-
Public safety	48,190	-	48,190	-
Public works	295,481	-	295,481	-
Municipal court	48,890	-	48,890	-
City development	-	-	-	3,139,847
Unrestricted	(346,596)	4,024,041	3,677,445	-
<b>Total Net Position</b>	<b>\$ 8,770,399</b>	<b>\$ 12,995,177</b>	<b>\$ 21,765,576</b>	<b>\$ 3,989,656</b>

See Notes to Financial Statements.

# City of El Campo, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 2,426,761	\$ -	\$ 124,284	\$ -
Public safety	5,071,225	249,062	222	-
Public works	2,725,078	414,288	-	705,280
Parks and recreation	1,050,365	500,319	-	-
Interest and fiscal charges	860,147	-	-	-
<b>Total Governmental Activities</b>	<u>12,133,576</u>	<u>1,163,669</u>	<u>124,506</u>	<u>705,280</u>
<b>Business-Type Activities</b>				
Utility	5,855,700	6,976,419	1,435,726	-
EMS	2,149,824	2,920,392	57,246	-
<b>Total Business-Type Activities</b>	<u>8,005,524</u>	<u>9,896,811</u>	<u>1,492,972</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 20,139,100</u>	<u>\$ 11,060,480</u>	<u>\$ 1,617,478</u>	<u>\$ 705,280</u>
<b>Component Unit</b>				
CDC of				
El Campo, Inc.	\$ 676,210	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	<u>\$ 676,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### 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**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>CDC of El Campo, Inc.</b>
\$ (2,302,477)	\$ -	\$ (2,302,477)	\$ -
(4,821,941)	-	(4,821,941)	-
(1,605,510)	-	(1,605,510)	-
(550,046)	-	(550,046)	-
(860,147)	-	(860,147)	-
<u>(10,140,121)</u>	<u>-</u>	<u>(10,140,121)</u>	<u>-</u>
-	2,556,445	2,556,445	-
-	827,814	827,814	-
<u>-</u>	<u>3,384,259</u>	<u>3,384,259</u>	<u>-</u>
<u>(10,140,121)</u>	<u>3,384,259</u>	<u>(6,755,862)</u>	<u>-</u>
			(676,210)
			<u>(676,210)</u>
4,457,531	-	4,457,531	-
4,709,549	-	4,709,549	941,841
171,565	-	171,565	-
854,109	-	854,109	-
15,009	24,079	39,088	7,528
106,020	206,422	312,442	60,398
673,164	(673,164)	-	-
<u>10,986,947</u>	<u>(442,663)</u>	<u>10,544,284</u>	<u>1,009,767</u>
846,826	2,941,596	3,788,422	333,557
7,923,573	10,053,581	17,977,154	3,656,099
<u>\$ 8,770,399</u>	<u>\$ 12,995,177</u>	<u>\$ 21,765,576</u>	<u>\$ 3,989,656</u>

# City of El Campo, Texas

BALANCE SHEET (Page 1 of 2)

## GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	Capital Projects	2004 Bonds
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 2,031,243	\$ 345,420	\$ 80,691	\$ 1,928,301
Investments	387,624	-	-	-
Taxes receivable, net	868,025	33,187	-	-
Accounts receivable, net	122,400	-	-	-
Due from other funds	2,095,883	186,350	-	-
Inventories	25,907	-	-	-
Prepaids	10,369	-	-	-
<b>Total Assets</b>	<b>\$ 5,541,451</b>	<b>\$ 564,957</b>	<b>\$ 80,691</b>	<b>\$ 1,928,301</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 381,514	\$ -	\$ -	\$ -
Deposits payable	10,876	-	-	-
Unearned revenue	18,219	-	-	-
Due to other funds	230,270	466,829	-	1,982,406
<b>Total Liabilities</b>	<b>640,879</b>	<b>466,829</b>	<b>-</b>	<b>1,982,406</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - Property taxes	111,000	29,425	-	-
Assessments	-	-	-	-
<b>Total Deferred Inflows</b>	<b>111,000</b>	<b>29,425</b>	<b>-</b>	<b>-</b>



<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 867,284	\$ 5,252,939
-	387,624
42,967	944,179
30,743	153,143
181,565	2,463,798
-	25,907
-	10,369
<u>\$ 1,122,559</u>	<u>\$ 9,237,959</u>

\$ 140,443	\$ 521,957
36,350	47,226
-	18,219
<u>420,498</u>	<u>3,100,003</u>
<u>597,291</u>	<u>3,687,405</u>

-	140,425
<u>18,923</u>	<u>18,923</u>
<u>18,923</u>	<u>159,348</u>

# City of El Campo, Texas

*BALANCE SHEET (Page 2 of 2)*

## GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	Capital Projects	2004 Bonds
<b><u>Fund Balances</u></b>				
Nonspendable for:				
Inventory	\$ 25,907	\$ -	\$ -	\$ -
Prepays	10,369	-	-	-
Restricted for:				
Debt service	-	68,703	-	-
Capital projects	-	-	80,691	-
Parks and recreation	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Municipal court	-	-	-	-
Unassigned	4,753,296	-	-	(54,105)
<b>Total Fund Balances</b>	<b>4,789,572</b>	<b>68,703</b>	<b>80,691</b>	<b>(54,105)</b>
<b>Total Liabilities, Deferred</b>				
<b>Inflows, and Fund Balances</b>	<b>\$ 5,541,451</b>	<b>\$ 564,957</b>	<b>\$ 80,691</b>	<b>\$ 1,928,301</b>

See Notes to Financial Statements.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 25,907
-	10,369
-	68,703
-	80,691
253,211	253,211
48,190	48,190
295,481	295,481
48,890	48,890
(139,427)	4,559,764
<u>506,345</u>	<u>5,391,206</u>
<u><u>\$ 1,122,559</u></u>	<u><u>\$ 9,237,959</u></u>



# City of El Campo, Texas

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

September 30, 2022

**Fund Balances - Total Governmental Funds** \$ 5,391,206

### 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 4,103,347

Capital assets - net depreciable 31,078,022

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 18,923

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 92,505

Deferred gain on refunding (47,961)

Pension outflows - TMRS 717,853

Pension inflows - TMRS (1,467,461)

Pension inflows - TESRS (39,517)

Pension outflows - TESRS 136,382

OPEB outflows 57,393

OPEB inflows (23,447)

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.

(491,855)

Some liabilities, including bonds payable, premiums, other long-term liabilities and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest (628,408)

Bond premium (1,020,810)

Compensated absences (351,763)

Non-current liabilities due in one year (1,137,990)

Non-current liabilities due in more than one year (24,608,248)

Net pension liability - TMRS (2,483,934)

Net pension liability - TESRS (335,216)

OPEB liability - TMRS (329,047)

**Net Position of Governmental Activities** \$ 8,770,399

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, 2022

	General	Debt Service	Capital Projects	2004 Bonds
<b><u>Revenues</u></b>				
Property tax	\$ 2,778,928	\$ 1,582,692	\$ -	\$ -
Sales tax	4,709,549	-	-	-
Franchise and local taxes	854,109	-	-	-
Transportation user fees	-	-	-	-
Hotel occupancy taxes	-	-	-	-
Charges for services	376,777	-	-	-
License, permits and fees	260,630	-	-	-
Intergovernmental	124,506	-	-	-
Fines and forfeitures	241,866	-	-	-
Investment income	10,676	146	64	2,740
Other revenue	87,069	3,926	-	-
<b>Total Revenues</b>	<b>9,444,110</b>	<b>1,586,764</b>	<b>64</b>	<b>2,740</b>
<b><u>Expenditures</u></b>				
Current:				
General government	2,070,183	-	-	-
Public safety	4,886,782	-	-	-
Parks and recreation	924,092	-	-	-
Public works	1,764,086	-	-	-
Debt Service:				
Principal	-	1,034,412	-	-
Interest and fiscal charges	-	695,217	-	-
Bond issuance costs	-	72,711	124,496	-
Capital outlay	215,260	-	1,694,755	-
<b>Total Expenditures</b>	<b>9,860,403</b>	<b>1,802,340</b>	<b>1,819,251</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues</b>	<b>\$ (416,293)</b>	<b>\$ (215,576)</b>	<b>\$ (1,819,187)</b>	<b>\$ 2,740</b>

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 95,911	\$ 4,457,531
-	4,709,549
-	854,109
132,054	132,054
171,565	171,565
152,342	529,119
-	260,630
705,280	829,786
-	241,866
1,383	15,009
15,025	106,020
<u>1,273,560</u>	<u>12,307,238</u>
43,540	2,113,723
-	4,886,782
103,719	1,027,811
128,000	1,892,086
22,568	1,056,980
4,333	699,550
-	197,207
1,107,944	3,017,959
<u>1,410,104</u>	<u>14,892,098</u>
\$ (136,544)	\$ (2,584,860)

# 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, 2022

	General	Debt Service	Capital Projects	2004 Bonds
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Other Financing Sources (Uses)</u></b>				
Bond issuance	\$ -	\$ -	\$ 1,725,000	\$ -
Issuance of refunding bonds	-	1,291,314	-	-
Issuance of note payable	35,859	-	-	-
Lease related issuances	179,401	-	-	-
Payment to refunded bonds escrow agent	-	(1,328,555)	-	-
Premium on bond issuance	-	108,625	129,541	-
Transfers in	762,637	389,387	-	-
Transfers (out)	(324,327)	(228,443)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Other Financing Sources (Uses)</b>	653,570	232,328	1,854,541	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	237,277	16,752	35,354	2,740
Beginning fund balances	4,552,295	51,951	45,337	(56,845)
<b>Ending Fund Balances</b>	\$ 4,789,572	\$ 68,703	\$ 80,691	\$ (54,105)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.



<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,725,000
-	1,291,314
-	35,859
265,628	445,029
-	(1,328,555)
-	238,166
43,166	1,195,190
(272,684)	(825,454)
<u>36,110</u>	<u>2,776,549</u>
(100,434)	191,689
606,779	5,199,517
<u>\$ 506,345</u>	<u>\$ 5,391,206</u>



# 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, 2022**

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

Net changes in fund balances - total governmental funds	\$ 191,689
---	------------

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	3,481,918
Depreciation expense	(1,975,200)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,456)
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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	29,450
Accrued interest	(1,508)
Pension expense - TMRS	533,417
Pension expense - TESRS	(25,091)
OPEB expense	(21,837)

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.

Lease related issuances	(445,029)
Note payable issuance	(35,859)
Bond issuance	(1,725,000)
Refunding bonds issuance	(1,291,314)
Premium on current year bond issuance	(238,166)
Current year refunding	1,352,652
Amortization of debt premium	48,805
Current year deferred gain on refunding	(24,097)
Amortization of deferred charge/loss on refunding	(10,687)
Principal payments on long-term debt	1,056,980

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.

(52,841)

**Change in Net Position of Governmental Activities**

**\$ 846,826**

See Notes to Financial Statements.

# City of El Campo, Texas

## STATEMENT OF NET POSITION (Page 1 of 2)

### PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities			Governmental
		Emergency Medical Services	Total	Internal Service Fund
<b><u>Assets</u></b>				
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 7,024,274	\$ 92,189	\$ 7,116,463	\$ -
Receivables, net	776,189	693,953	1,470,142	-
Due from other funds	704,317	410,293	1,114,610	-
Prepays	5,064	23,965	29,029	-
<b>Total Current Assets</b>	<b>8,509,844</b>	<b>1,220,400</b>	<b>9,730,244</b>	<b>-</b>
<b><u>Noncurrent Assets</u></b>				
Capital assets:				
Non-depreciable	268,023	-	268,023	-
Net depreciable capital assets	17,405,179	377,970	17,783,149	-
<b>Total Noncurrent Assets</b>	<b>17,673,202</b>	<b>377,970</b>	<b>18,051,172</b>	<b>-</b>
<b>Total Assets</b>	<b>26,183,046</b>	<b>1,598,370</b>	<b>27,781,416</b>	<b>-</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension outflows - TMRS	111,436	140,290	251,726	-
OPEB outflows	9,267	11,583	20,850	-
Deferred charge on refunding	18,643	-	18,643	-
<b>Total Deferred Outflows</b>	<b>\$ 139,346</b>	<b>\$ 151,873</b>	<b>\$ 291,219</b>	<b>\$ -</b>

**City of El Campo, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**PROPRIETARY FUNDS**  
**September 30, 2022**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Emergency</b>			<b>Internal</b>
	<b>Medical</b>			<b>Service</b>
	<b>Utility</b>	<b>Services</b>	<b>Total</b>	<b>Fund</b>
<b><u>Liabilities</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 373,163	\$ 83,235	\$ 456,398	\$ 13,450
Accrued interest	49,250	-	49,250	-
Customer deposits	244,639	-	244,639	-
Unearned revenue	3,434	9,379	12,813	-
Due to other funds	-	-	-	478,405
Compensated absences, current	31,726	67,049	98,775	-
Debt obligations, current	930,050	14,042	944,092	-
<b>Total Current Liabilities</b>	<b>1,632,262</b>	<b>173,705</b>	<b>1,805,967</b>	<b>491,855</b>
<b><u>Noncurrent Liabilities</u></b>				
Compensated absences, noncurrent	3,525	7,450	10,975	-
Debt obligations, noncurrent	11,661,164	23,626	11,684,790	-
OPEB liability	53,131	66,411	119,542	-
Net pension liability	385,593	485,436	871,029	-
<b>Total Noncurrent Liabilities</b>	<b>12,103,413</b>	<b>582,923</b>	<b>12,686,336</b>	<b>-</b>
<b>Total Liabilities</b>	<b>13,735,675</b>	<b>756,628</b>	<b>14,492,303</b>	<b>491,855</b>
<b><u>Deferred Inflows of Resources</u></b>				
Deferred gain on refunding	62,050	-	62,050	-
Pension inflows - TMRS	227,801	286,786	514,587	-
OPEB inflows	3,786	4,732	8,518	-
<b>Total Deferred Inflows</b>	<b>293,637</b>	<b>291,518</b>	<b>585,155</b>	<b>-</b>
<b><u>Net Position</u></b>				
Net investment in capital assets	8,426,619	340,302	8,766,921	-
Restricted for debt service reserve	204,215	-	204,215	-
Unrestricted	3,662,246	361,795	4,024,041	(491,855)
<b>Total Net Position</b>	<b>\$ 12,293,080</b>	<b>\$ 702,097</b>	<b>\$ 12,995,177</b>	<b>\$ (491,855)</b>

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, 2022

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 6,976,419	\$ 2,920,392	\$ 9,896,811	\$ -
Intergovernmental revenue	1,435,726	57,246	1,492,972	-
Other revenue	133,201	73,221	206,422	-
<b>Total Operating Revenues</b>	<b>8,545,346</b>	<b>3,050,859</b>	<b>11,596,205</b>	<b>-</b>
<b><u>Operating Expenses</u></b>				
Personnel services	767,280	1,285,980	2,053,260	-
Materials and supplies	129,367	103,791	233,158	28,252
Contractual services	3,283,791	630,705	3,914,496	102,537
Repairs and maintenance	580,857	47,465	628,322	225,480
Depreciation	771,946	81,883	853,829	-
<b>Total Operating Expenses</b>	<b>5,533,241</b>	<b>2,149,824</b>	<b>7,683,065</b>	<b>356,269</b>
<b>Operating Income (Loss)</b>	<b>3,012,105</b>	<b>901,035</b>	<b>3,913,140</b>	<b>(356,269)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment income	23,987	92	24,079	-
Interest expense	(302,079)	-	(302,079)	-
Bond issuance costs	(20,380)	-	(20,380)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(298,472)</b>	<b>92</b>	<b>(298,380)</b>	<b>-</b>
<b>Income (Loss) Before Transfers</b>	<b>2,713,633</b>	<b>901,127</b>	<b>3,614,760</b>	<b>(356,269)</b>
Transfers in	228,443	-	228,443	303,428
Transfers (out)	(646,631)	(254,976)	(901,607)	-
<b>Change in Net Position</b>	<b>2,295,445</b>	<b>646,151</b>	<b>2,941,596</b>	<b>(52,841)</b>
Beginning net position	9,997,635	55,946	10,053,581	(439,014)
<b>Ending Net Position</b>	<b>\$ 12,293,080</b>	<b>\$ 702,097</b>	<b>\$ 12,995,177</b>	<b>\$ (491,855)</b>

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, 2022

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers	\$ 8,606,092	\$ 2,636,639	\$ 11,242,731	\$ -
Receipts from interfund services used	-	-	-	40,292
Payments to suppliers	(3,743,576)	(761,850)	(4,505,426)	(343,720)
Payments to employees	(1,019,540)	(1,513,716)	(2,533,256)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,842,976</b>	<b>361,073</b>	<b>4,204,049</b>	<b>(303,428)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers in	228,443	-	228,443	303,428
Transfers (out)	(646,631)	(254,976)	(901,607)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(418,188)</b>	<b>(254,976)</b>	<b>(673,164)</b>	<b>303,428</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Capital purchases	(724,171)	-	(724,171)	-
Proceeds from capital debt	399,700	-	399,700	-
Current year bond refunding	(386,200)	-	(386,200)	-
Deferred gain on refunding	6,880	-	6,880	-
Principal paid on debt	(939,504)	(14,451)	(953,955)	-
Bond issuance costs	(20,380)	-	(20,380)	-
Interest paid on debt	(355,250)	-	(355,250)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,018,925)</b>	<b>(14,451)</b>	<b>(2,033,376)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on investments	23,987	92	24,079	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>23,987</b>	<b>92</b>	<b>24,079</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,429,850</b>	<b>91,738</b>	<b>1,521,588</b>	<b>-</b>
Beginning cash and cash equivalents	5,594,424	451	5,594,875	-
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 7,024,274</b>	<b>\$ 92,189</b>	<b>\$ 7,116,463</b>	<b>\$ -</b>

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, 2022

	Business-Type Activities			Governmental Activities
	Utility	Emergency Medical Services	Total	Internal Service Fund
<b><u>Reconciliation of Operating Income (Loss)</u></b>				
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>				
Operating income (loss)	\$ 3,012,105	\$ 901,035	\$ 3,913,140	\$ (356,269)
Adjustments to reconcile operating income to net cash provided:				
Depreciation	771,946	81,883	853,829	-
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in:</b>				
Accounts receivable	51,293	(415,706)	(364,413)	-
Prepays	(1,801)	(23,965)	(25,766)	-
<b>Increase (Decrease) in:</b>				
Accounts payable and accrued liab.	122,873	(5,098)	117,775	12,549
Compensated absences	(20,129)	-	(20,129)	-
Customer deposits	8,843	-	8,843	-
Unearned revenue	610	1,486	2,096	-
Due to other funds	-	(54,617)	(54,617)	40,292
Deferred inflows - OPEB liability	1,206	1,507	2,713	-
Deferred outflows - pension liability	(26,141)	(33,676)	(59,817)	-
Deferred outflows - OPEB liability	937	1,172	2,109	-
Deferred inflows - pension liability	130,837	165,585	296,422	-
OPEB liability	1,383	1,728	3,111	-
Net pension liability	(210,986)	(260,261)	(471,247)	-
<b>Net Cash Provided (Used) by</b>				
<b>Operating Activities</b>				
	<u>\$ 3,842,976</u>	<u>\$ 361,073</u>	<u>\$ 4,204,049</u>	<u>\$ (303,428)</u>

See Notes to Financial Statements.



**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**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, 2022

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, 2022**

**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.

**Capital Projects Fund**

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

**2004 Bonds 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.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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, 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.

**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, 2022**

**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 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, 2022**

**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, 2022**

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, 2022.

**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, 2022**

**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.

<b>Asset Description</b>	<b>Estimated Useful Life</b>
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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The

# City of El Campo, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2022

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***  
**September 30, 2022**

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 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, 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**  
**September 30, 2022**

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.

**13. Leases**

Lessee: The City is a lessee of noncancellable leases of vehicles and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
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government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

## **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

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
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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. 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.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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 2022, annual budgets were not adopted for the capital projects fund, municipal court building security fund, TRZ fund, street paving fund, CDBG GLO grant, and 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.

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.



**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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	
Parks and recreation	\$ 11,815
Capital outlay	45,560
Transfers (out)	82,827
Debt Service Fund	
Bond issuance costs	\$ 72,211
Payment to escrow agent	1,328,555
Transportation User Fee Fund	
Capital outlay	\$ 265,628
Principal	22,568
Interest and fiscal charges	4,333

**B. Deficit Fund Balances**

As of September 30, 2022, the City of El Campo had four funds with a deficit fund balance. The 2004 bond fund, municipal court technology fund, CDBG GLO grant fund, and the internal service fund had a deficit fund balance of \$54,105, \$2,391, and \$137,036, and \$491,855, 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, 2022, 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, 2022**

The City had the following investments at year end:

<b>Investment Type</b>	<b>Carrying Value</b>	<b>Weighted Average Maturity (Years)</b>
Certificates of deposits	\$ 387,624	0.84
External investment pools	3,923,527	0.09
<b>Total</b>	<b>\$ 4,311,151</b>	
Portfolio weighted average maturity		0.16

The CDC had the following investments at year end:

<b>Investment Type</b>	<b>Carrying Value</b>	<b>Weighted Average Maturity (Years)</b>
Certificates of deposits	\$ 885,912	0.71
<b>Total</b>	<b>\$ 885,912</b>	
Portfolio weighted average maturity		0.71

*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, 2022, 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 physical possession. Further, all trades, where applicable, are executed by delivery versus

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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, 2022**

**B. Receivables**

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

	<b>General</b>	<b>Debt Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Utility</b>	<b>EMS</b>	<b>Total</b>
Property taxes	\$ 379,409	\$ 82,886	\$ -	-	\$ -	\$ 462,295
Hotel taxes	-	-	42,967	-	-	42,967
Sales taxes	765,295	-	-	-	-	765,295
Accounts receivable	121,848	-	30,743	786,163	1,387,906	2,326,660
Other	3,881	40,677	-	40	-	44,598
Allowance	(280,008)	(90,376)	-	(10,014)	(693,953)	(1,074,351)
	<u>\$ 990,425</u>	<u>\$ 33,187</u>	<u>\$ 73,710</u>	<u>\$ 776,189</u>	<u>\$ 693,953</u>	<u>\$ 2,567,464</u>

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

	<b>CDC</b>
Sales tax	<u>\$ 152,976</u>
	<u>\$ 152,976</u>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**C. Capital Assets**

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

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 1,521,205	\$ 45,051	\$ -	\$ 1,566,256
Construction in progress	-	2,537,091	-	2,537,091
Total capital assets not being depreciated	<u>1,521,205</u>	<u>2,582,142</u>	<u>-</u>	<u>4,103,347</u>
Capital assets, being depreciated:				
Machinery and equipment	7,729,542	358,387	-	8,087,929
Buildings	26,076,741	96,360	-	26,173,101
Infrastructure	30,950,229	-	-	30,950,229
Right to use assets	177,873	445,029	-	622,902
Total capital assets being depreciated	<u>64,934,385</u>	<u>899,776</u>	<u>-</u>	<u>65,834,161</u>
Less accumulated depreciation:				
Machinery and equipment	(5,612,683)	(579,328)	-	(6,192,011)
Buildings	(6,696,008)	(625,400)	-	(7,321,408)
Infrastructure	(20,354,519)	(726,890)	-	(21,081,409)
Right to use assets	(117,729)	(43,582)	-	(161,311)
Total accumulated depreciation	<u>(32,780,939)</u>	<u>(1,975,200)</u>	<u>-</u>	<u>(34,756,139)</u>
Net capital assets being depreciated	32,153,446	(1,075,424)	-	31,078,022
<b>Total Capital Assets</b>	<u><u>\$ 33,674,651</u></u>	<u><u>\$ 1,506,718</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,181,369</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 109,605
Public safety	573,717
Public works	1,135,450
Parks and recreation	156,428
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 1,975,200</u></u>

The net book value of right to use assets was \$461,591 as of September 30, 2022.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 30,498	\$ 45,050	\$ -	\$ 75,548
Construction in progress	-	192,475	-	192,475
Total capital assets not being depreciated	<u>30,498</u>	<u>237,525</u>	<u>-</u>	<u>268,023</u>
Capital assets, being depreciated:				
Machinery and equipment	4,290,379	-	-	4,290,379
Buildings	2,137,274	96,360	-	2,233,634
Water works system	17,414,952	-	-	17,414,952
Sewer system	11,634,649	390,286	-	12,024,935
Right to use assets	3,453,946	-	-	3,453,946
Total capital assets being depreciated	<u>38,931,200</u>	<u>486,646</u>	<u>-</u>	<u>39,417,846</u>
Less accumulated depreciation:				
Machinery and equipment	(3,702,451)	(104,457)	-	(3,806,908)
Buildings	(1,859,456)	(43,850)	-	(1,903,306)
Water works system	(8,519,804)	(338,343)	-	(8,858,147)
Sewer system	(6,499,413)	(274,845)	-	(6,774,258)
Right to use assets	(199,744)	(92,334)	-	(292,078)
Total accumulated depreciation	<u>(20,780,868)</u>	<u>(853,829)</u>	<u>-</u>	<u>(21,634,697)</u>
Net capital assets being depreciated	<u>18,150,332</u>	<u>(367,183)</u>	<u>-</u>	<u>17,783,149</u>
<b>Total Capital Assets</b>	<u><u>\$ 18,180,830</u></u>	<u><u>\$ (129,658)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,051,172</u></u>

Depreciation was charged to business-type functions as follows:

Utility	\$ 771,946
EMS	81,883
<b>Total Business-Type Activities Depreciation Expense</b>	<u><u>\$ 853,829</u></u>

The net book value of right to use assets was \$3,161,868 as of September 30, 2022.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclassifications</b>	<b>Ending Balances</b>
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	(335,529)	(22,052)	-	(357,581)
Infrastructure	(16,840)	-	-	(16,840)
Total accumulated depreciation	<u>(352,369)</u>	<u>(22,052)</u>	<u>-</u>	<u>(374,421)</u>
Net capital assets being depreciated	<u>605,552</u>	<u>(22,052)</u>	<u>-</u>	<u>583,500</u>
<b>Total Capital Assets</b>	<u><u>\$ 871,861</u></u>	<u><u>\$ (22,052)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 849,809</u></u>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 381,213	\$ 313,642	\$ (343,092)	\$ 351,763	\$ 316,587
<b>Total Governmental Activities</b>	<u>\$ 381,213</u>	<u>\$ 313,642</u>	<u>\$ (343,092)</u>	<u>\$ 351,763</u>	<u>\$ 316,587</u>
<b>Other Long-term Liabilities Due in More than One Year</b>				<u>\$ 35,176</u>	
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 129,879	\$ 96,762	\$ (116,891)	\$ 109,750	\$ 98,775
<b>Total Business-Type Activities</b>	<u>\$ 129,879</u>	<u>\$ 96,762</u>	<u>\$ (116,891)</u>	<u>\$ 109,750</u>	<u>\$ 98,775</u>
<b>Other Long-term Liabilities Due in More than One Year</b>				<u>\$ 10,975</u>	



**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Refunding</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due within One Year</b>
<b>Governmental Activities:</b>						
Bonds, notes and other payables:						
General Obligation Bonds	\$ 10,408,665	\$ 3,016,314	\$ -	\$ (421,118)	\$ 13,003,861	\$ 572,552
Certificates of Obligation	5,295,549	-	(1,302,982)	(277,013)	3,715,554	192,620
Tax Notes	213,200	-	-	(41,600)	171,600	41,600
State infrastructure bank loan	8,000,000	-	-	(12,484)	7,987,516	52,676
Premiums	881,119	238,166	(49,670)	(48,805)	1,020,810	-
Lease payables	234,129	445,029	-	(148,026)	531,132	147,755
Notes payable	457,455	35,859	-	(156,739)	336,575	130,787
<b>Total Governmental Activities</b>	<b>\$ 25,490,117</b>	<b>\$ 3,735,368</b>	<b>\$ (1,352,652)</b>	<b>\$ (1,105,785)</b>	<b>\$ 26,767,048</b>	<b>\$ 1,137,990</b>
<b>Long-term liabilities due in more than one year</b>					<b>\$ 25,629,058</b>	
<b>Business-Type Activities:</b>						
Bonds, notes and other payables:						
General Obligation Bonds	\$ 5,016,335	\$ 368,686	\$ -	\$ (578,882)	\$ 4,806,139	\$ 622,448
Certificates of Obligation	4,347,944	-	(372,018)	(165,987)	3,809,939	135,380
Tax Notes	196,800	-	-	(38,400)	158,400	38,400
Premiums	590,322	31,014	(14,182)	(49,060)	558,094	-
Lease payables	3,412,902	-	-	(136,758)	3,276,144	127,698
Notes payable	54,094	-	-	(33,928)	20,166	20,166
<b>Total Business-Type Activities</b>	<b>\$ 13,618,397</b>	<b>\$ 399,700</b>	<b>\$ (386,200)</b>	<b>\$ (1,003,015)</b>	<b>\$ 12,628,882</b>	<b>\$ 944,092</b>
<b>Long-term liabilities due in more than one year</b>					<b>\$ 11,684,790</b>	

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.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>General Obligation Bonds:</b>			
\$5,000,000 General Obligation Refunding Bond, Series 2015, due in installments through 2045, interest at 4%	\$ 4,380,000	\$ -	\$ 4,380,000
\$7,640,000 General Obligation Refunding Bonds, Series 2016, due in installments through 2046, interest at 2.59%	4,760,000	1,615,000	6,375,000
\$3,245,000 General Obligation Refunding Bonds, Series 2021, due in installments through 2032, interest at 1% to 3%	866,995	1,868,005	2,735,000
\$1,035,000 General Obligation Refunding Bonds, Series 2019, due in installments through 2030, interest at 4% to 5%	-	960,000	960,000
\$1,660,000 General Obligation Refunding Bonds, Series 2021A, due in installments through 2033, interest at 3% to 4%	1,271,866	363,134	1,635,000
\$1,660,000 General Obligation Refunding Bonds, Series 2021A, due in installments through 2033, interest at 3% to 4%	1,725,000	-	1,725,000
<b>Total General Obligation Bonds</b>	<b>\$ 13,003,861</b>	<b>\$ 4,806,139</b>	<b>\$ 17,810,000</b>
<b>Certificates of Obligation:</b>			
\$2,890,000 Certificates of Obligation, Series 2014, due in annual installments through 2039 interest at 2% to 4%	\$ 1,949,020	\$ 235,980	\$ 2,185,000
\$375,000 Certificates of Obligation, Series 2014A, due in annual installments through 2024 interest at .25% to 1.07%	-	76,000	76,000
\$2,710,000 Certificates of Obligation, Series 2015A, due in annual installments through 2035, interest at 3.25%	1,766,534	197,959	1,964,493
\$150,000 Certificates of Obligation, Series 2015, due in annual installments through 2025, interest at .13% to 1.21%	-	45,000	45,000
\$3,320,000 Certificates of Obligation, Series 2021, due in annual installments through 2041, interest at 4% to 5%	-	3,255,000	3,255,000
<b>Total Certificates of Obligation</b>	<b>\$ 3,715,554</b>	<b>\$ 3,809,939</b>	<b>\$ 7,525,493</b>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>Tax Notes:</b>			
\$570,000 Tax Note, 2019, due in annual installments through 2026, interest at 1.09%	\$ 171,600	\$ 158,400	\$ 330,000
<b>Total Tax Notes</b>	<u>\$ 171,600</u>	<u>\$ 158,400</u>	<u>\$ 330,000</u>
<b>Loans:</b>			
\$8,000,000 SIB Loan, 2015, due in annual installments through 2039, interest at 2.08%	\$ 7,987,516	\$ -	\$ 7,987,516
<b>Total Loans</b>	<u>\$ 7,987,516</u>	<u>\$ -</u>	<u>\$ 7,987,516</u>
Less deferred amounts:			
Discounts and premiums	\$ 1,020,810	\$ 558,094	\$ 1,578,904
<b>Leases and Notes Payable:</b>			
\$75,950 note payable to Prosperity Bank, due in monthly installments of \$1,366 through 2023, interest at 2.99%	\$ 9,301	\$ -	\$ 9,301
\$82,017 note payable to Prosperity Bank, due in monthly installments of \$1,475 through 2023, interest at 2.99%	11,698	-	11,698
\$250,415 note payable to Prosperity Bank, due in monthly installments of \$3,741 through 2025, interest at 2.40%	140,150	-	140,150
\$35,086 note payable to Prosperity Bank, due in monthly installments of \$1,023 through 2023, interest at 3.10%	6,080	-	6,080
\$89,680 note payable to Prosperity Bank, due in monthly installments of \$2,614 through 2023, interest at 3.10%	15,471	-	15,471
\$188,027 note payable to Prosperity Bank, due in monthly installments of \$3,390 through 2025, interest at 3.10%	122,359	-	122,359
\$135,161 lease payable to John Deere, due in annual installments of \$33,790 through 2024, interest at 2.75%	67,581	-	67,581
\$533,248 lease payable to Enterprise Fleet, due in monthly installments through 2024, interest at 3.00%	213,762	-	213,762
\$79,810 lease payable to Zoll Medical, due in annual installments of \$15,962 through 2023, interest at 2.90%	-	37,668	37,668
\$3,374,136 lease payable to Bank of America, due in semi-annual installments through 2035, interest at 2.10%	-	3,238,474	3,238,474
\$100,794 note payable to Prosperity Bank, due in monthly installments of \$2,904 through 2023, interest at 2.90%	-	20,168	20,168
<b>Subtotal Leases and Notes Payable</b>	<u>\$ 586,402</u>	<u>\$ 3,296,310</u>	<u>\$ 3,882,712</u>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Leases and Notes Payable (Continued):</b>			
\$35,859 note payable to First State Bank, due in monthly installments of \$774 through 2026, interest at 1.75%	\$ 31,516	\$ -	\$ 31,516
\$265,628 lease payables to Caterpillar, due in monthly installments of \$2,708 through 2027, interest from 2.99% to 4.40	249,789	-	249,789
<b>Total Lease and Notes Payable</b>	<b>\$ 867,707</b>	<b>\$ 3,296,310</b>	<b>\$ 4,164,017</b>
<b>Total Debt</b>	<b>\$ 26,767,048</b>	<b>\$ 12,628,882</b>	<b>\$ 39,395,930</b>

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

<b>Governmental Activities</b>						
<b>Year ending September 30,</b>	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>		<b>Tax Notes</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 572,552	\$ 417,537	\$ 192,620	\$ 135,318	\$ 41,600	\$ 2,865
2024	600,952	397,445	197,114	128,583	41,600	2,075
2025	521,326	375,861	206,070	120,943	44,200	1,260
2026	537,910	359,043	215,025	112,521	44,200	420
2027	558,386	346,038	215,060	103,919	-	-
2028 - 2032	2,885,492	1,516,415	1,227,465	386,082	-	-
2033 - 2037	2,557,243	1,067,127	1,154,460	144,786	-	-
2038 - 2042	2,895,000	590,350	307,740	11,236	-	-
2043 - 2047	1,875,000	114,500	-	-	-	-
<b>Total</b>	<b>\$ 13,003,861</b>	<b>\$ 5,184,316</b>	<b>\$ 3,715,554</b>	<b>\$ 1,143,388</b>	<b>\$ 171,600</b>	<b>\$ 6,620</b>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Governmental Activities**

Year ending September 30,	SIB Loan	
	Principal	Interest
2023	\$ 52,676	\$ 173,606
2024	95,248	172,510
2025	141,587	170,514
2026	185,102	167,569
2027	227,586	163,719
2028 - 2032	1,799,922	729,684
2033 - 2037	3,219,491	488,117
2038 - 2040	2,265,904	107,414
<b>Total</b>	<b>\$ 7,987,516</b>	<b>\$ 2,173,133</b>

**Lease Payables**

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

Year ending September 30,	Governmental Activities		Business-Type Activities	
	Lease Payables		Lease Payables	
	Principal	Interest	Principal	Interest
2023	\$ 147,755	\$ 11,954	\$ 127,698	\$ 67,447
2024	118,605	8,884	149,155	64,845
2025	79,803	6,019	164,514	61,252
2026	81,760	4,061	180,233	57,767
2027	103,209	1,475	196,748	53,952
2028 - 2032	-	-	1,260,026	199,851
2033 - 2037	-	-	1,197,770	51,251
<b>Total</b>	<b>\$ 531,132</b>	<b>\$ 32,393</b>	<b>\$ 3,276,144</b>	<b>\$ 556,365</b>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Notes Payable**

The annual requirements to amortize the primary government's notes payable outstanding at year end were as follows:

Year ending September 30,	Governmental Activities		Business-Type Activities	
	Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 130,787	\$ 7,239	\$ 20,166	\$ 161
2024	90,544	4,324	-	-
2025	92,973	1,896	-	-
2026	22,271	94	-	-
<b>Total</b>	<b>\$ 336,575</b>	<b>\$ 13,553</b>	<b>\$ 20,166</b>	<b>\$ 161</b>

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
2023	\$ 622,448	\$ 162,567	\$ 135,380	\$ 102,935	\$ 38,400	\$ 2,645
2024	659,049	141,098	135,885	106,041	38,400	1,915
2025	563,674	120,539	178,930	100,292	40,800	1,163
2026	577,089	98,982	174,975	87,092	40,800	388
2027	606,615	75,365	179,940	79,993	-	-
2028 - 2032	1,739,508	95,863	1,007,535	290,955	-	-
2033 - 2037	37,756	566	1,110,540	152,055	-	-
2038 - 2042	-	-	886,754	35,860	-	-
<b>Total</b>	<b>\$ 4,806,139</b>	<b>\$ 694,980</b>	<b>\$ 3,809,939</b>	<b>\$ 955,223</b>	<b>\$ 158,400</b>	<b>\$ 6,111</b>

**F. Current Year Refunding**

On December 16, 2021, the City issued \$1,660,000 worth of GO Refunding Bonds, Series 2021A, with average interest rates of 3%. The bonds will be used to pay \$1,675,000 worth of 2013A Combined Tax & Revenue Certificates with average interest rates of 2.90% to 4.00%. The reacquisition price was less than the net carrying amount of the old debt by \$30,977. This amount is being amortized over the remaining life of the refunding debt. This current refunding reduced its total debt service payments by \$310,580 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$176,759.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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 \$92,505 and \$18,643, 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 and 2021A 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 \$47,961 and \$62,050, respectively. Current year amortization expense for governmental activities and business-type activities totaled \$4,731 and \$6,442, respectively.

**H. Interfund Transfers**

Transfers between the primary government funds during the 2022 year were as follows:

Transfers In	Transfers Out					
	General	Debt Service	Nonmajor Govt.	Utility	EMS	Total
General	\$ -	\$ -	\$ 43,168	\$ 584,631	\$ 134,838	\$ 762,637
Nonmajor govt.	-	-	43,166	-	-	43,166
Internal service fund	234,000	-	-	62,000	7,428	303,428
Debt service fund	90,327	-	186,350	-	112,710	389,387
Utility fund	-	228,443	-	-	-	228,443
<b>Total</b>	<b>\$ 324,327</b>	<b>\$ 228,443</b>	<b>\$ 272,684</b>	<b>\$ 646,631</b>	<b>\$ 254,976</b>	<b>\$ 1,727,061</b>

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various operating capital expenditures and principal and interest payments.

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

<b>Due to (Payable fund):</b>	<b>Due from (Receivable fund):</b>				<b>Total</b>
	<b>General</b>	<b>Nonmajor Govt</b>	<b>Utility</b>	<b>EMS</b>	
General	\$ -	\$ 181,565	\$ 45,874	\$ 2,831	\$ 230,270
Debt service	441,170	-	-	25,659	466,829
2004 Bond	1,323,963	-	658,443	-	1,982,406
Internal service	313,162	-	-	165,243	478,405
Nonmajor govt.	17,588	-	-	216,560	234,148
	<u>\$ 2,095,883</u>	<u>\$ 181,565</u>	<u>\$ 704,317</u>	<u>\$ 410,293</u>	<u>\$ 3,392,058</u>

<b>Due to (Payable fund):</b>	<b>Due from (Receivable fund):</b>
	<b>Debt service</b>
Nonmajor govt.	\$ 186,350
	<u>\$ 186,350</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:

	<b>Governmental Funds</b>	<b>Governmental Net Position</b>	<b>Business Type Net Position</b>
Restricted for:			
Debt service	\$ 68,703	\$ 68,703	\$ 204,215
Capital projects	80,691	80,691	-
Parks and recreation	253,211	253,211	-
* Public safety	48,190	48,190	-
Public works	295,481	295,481	-
* Municipal court	48,890	48,890	-
Total Restricted	<u>\$ 795,166</u>	<u>\$ 795,166</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



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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.

**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, 2022, 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 920 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

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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.tmr.com](http://www.tmr.com).

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

**Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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 2021</u>	<u>Plan Year 2020</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

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**NOTES TO FINANCIAL STATEMENTS, Continued**  
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**Employees covered by benefit terms**

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	62
Active employees	117
Total	261

**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 13.73% and 13.97% in calendar years 2022 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$901,692, and were equal to the required contributions.

**Net Pension Liability**

The city's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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

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**September 30, 2022**

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

The 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).

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The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

**Discount Rate:**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, \$5,036,963 is related to the primary government and \$101,669 is attributable to discretely presented component units.

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**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**

<b>1% Decrease</b>	<b>Current Single Rate</b>	<b>1% Increase</b>
<b>5.75%</b>	<b>Assumption 6.75%</b>	<b>7.75%</b>
<u>\$ 8,272,809</u>	<u>\$ 3,354,963</u>	<u>\$ (684,589)</u>

**Component Unit**

<b>1% Decrease</b>	<b>Current Single Rate</b>	<b>1% Increase</b>
<b>5.75%</b>	<b>Assumption 6.75%</b>	<b>7.75%</b>
<u>\$ 255,157</u>	<u>\$ 103,475</u>	<u>\$ (21,115)</u>

**Total**

<b>1% Decrease</b>	<b>Current Single Rate</b>	<b>1% Increase</b>
<b>5.75%</b>	<b>Assumption 6.75%</b>	<b>7.75%</b>
<u>\$ 8,527,966</u>	<u>\$ 3,458,438</u>	<u>\$ (705,704)</u>

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**NOTES TO FINANCIAL STATEMENTS, Continued**  
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**Changes in the Net Pension Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Total Net Pension Liability (Asset) (a) – (b)</b>	<b>Primary Government</b>	<b>Component Unit</b>
<b>Balance at 12/31/20</b>	<b>\$ 35,487,259</b>	<b>\$ 30,348,627</b>	<b>\$ 5,138,632</b>	<b>\$ 4,984,884</b>	<b>\$ 153,748</b>
Changes for the year:					
Service cost	887,468	-	887,468	860,915	26,553
Interest	2,362,621	-	2,362,621	2,291,931	70,690
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	329,464	-	329,464	319,606	9,858
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	882,416	(882,416)	(856,014)	(26,402)
Contributions – employee	-	442,155	(442,155)	(428,926)	(13,229)
Net investment income	-	3,953,359	(3,953,359)	(3,835,074)	(118,285)
Benefit payments, including refunds of emp. contributions	(1,858,411)	(1,858,411)	-	-	-
Administrative expense	-	(18,306)	18,306	17,758	548
Other changes	-	123	(123)	(119)	(4)
Net changes	1,721,142	3,401,336	(1,680,194)	(1,629,922)	(50,272)
<b>Balance at 12/31/21</b>	<b>\$ 37,208,401</b>	<b>\$ 33,749,963</b>	<b>\$ 3,458,438</b>	<b>\$ 3,354,963</b>	<b>\$ 103,475</b>

**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](http://www.tmr.com).

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

For the year ended September 30, 2022, the City recognized pension expense of \$164,672. Of this amount, \$159,748 is related to the primary government and \$4,924 is attributable to discretely presented component unit.

**City of El Campo, Texas**  
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At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
<b>Primary Government:</b>		
Difference between projected and actual investment earnings	\$ -	\$ (1,970,138)
Changes in assumptions	-	(11,910)
Differences between expected and actual economic experience	337,573	-
Contributions subsequent to the measurement date	632,006	-
<b>Component Unit:</b>		
Difference between projected and actual investment earnings	-	(60,764)
Changes in assumptions	-	(367)
Differences between expected and actual economic experience	10,411	-
Contributions subsequent to the measurement date	19,493	-
<b>Total</b>	<b>\$ 999,483</b>	<b>\$ (2,043,179)</b>

The primary government and component unit reported \$632,006 and \$19,493, 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, 2023.

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

	<b>Primary Government</b>	<b>Discretely Presented Component Units</b>	<b>Total</b>
<b>Year ended December 31:</b>			
2022	\$ (212,593)	\$ (6,557)	\$ (219,150)
2023	(745,113)	(22,981)	(768,094)
2024	(340,186)	(10,492)	(350,678)
2025	(346,583)	(10,690)	(357,273)
2026	-	-	-
Thereafter	-	-	-
	<b>\$ (1,644,475)</b>	<b>\$ (50,720)</b>	<b>\$ (1,695,195)</b>



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**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, 2022, 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, 2022, TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,991
Terminated Participants Entitled to Benefits but Not Yet Receiving Them	1,813
Active Participants (Vested and Nonvested)	<u>3,379</u>
Total	<u><u>9,183</u></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.

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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, 2022 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, 2022, total contributions (dues and prior service) of \$4,049,093 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,262,763 for the fiscal year ending August 31, 2022.

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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, 2022 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><b>August 31, 2018</b></u>	<u><b>August 31, 2020</b></u>	<u><b>August 31, 2022</b></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	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	None	None	None

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Net Real Rate of Return</b>
Equities:		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Master limited partnership	5%	6.61%
Real Estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%
Cash	0%	0%
Total	100.0%	4.61%

**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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022.

**City of El Campo, Texas**  
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**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balance at 8/31/21</b>	\$ 1,271,936	\$ 1,184,402	\$ 87,534
Changes for the year:			
Service Cost	12,715	-	12,715
Interest (on the Total Pension Liab.)	93,913	-	93,913
Change in benefit terms	19,847	-	19,847
Difference between expected and actual experience	20,356	-	20,356
Changes of assumptions	(2,689)	-	(2,689)
Contributions – members	-	33,081	(33,081)
Contributions – state	-	10,317	(10,317)
Net investment income	-	(144,963)	144,963
Benefit payments, including refunds of emp. contributions	(64,960)	(64,960)	-
Administrative expense	-	(1,975)	1,975
Proportion changes	-	-	-
Net changes	79,182	(168,500)	247,682
<b>Balance at 8/31/22</b>	<b>\$ 1,351,118</b>	<b>\$ 1,015,902</b>	<b>\$ 335,216</b>

**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:

<b>1% Decrease 6.5%</b>	<b>Current Single Rate Assumption 7.5%</b>	<b>1% Increase 8.5%</b>
\$ 525,862	\$ 335,216	\$ 180,833

**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](http://www.tesrs.com).

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

For the year ended September 30, 2022, the City recognized pension expense of \$70,831.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between expected and actual economic experience	\$ 12,760	\$ -
Difference between projected and investment earnings	123,622	-
Change in actuarial assumptions	-	(1,686)
Changes in pension proportion	-	(37,831)
<b>Total</b>	<b>\$ 136,382</b>	<b>\$ (39,517)</b>

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

**Year ended August 31:**

2023	\$ 36,514
2024	21,776
2025	22,840
2026	44,161
2027	(28,426)
Thereafter	-
	<u>\$ 96,865</u>

Pension Plans Summary Table:

	<b>TMRS Defined Benefit Pension Plan</b>	<b>Texas Emergency Services Retirement System</b>	<b>Total</b>
Pension expense	\$ 164,672	\$ 70,831	\$ 235,503
Net pension liability	\$ 3,458,438	\$ 335,216	\$ 3,793,654
Deferred outflows	\$ 999,483	\$ 136,382	\$ 1,135,865
Deferred inflows	\$ (2,043,179)	\$ (39,517)	\$ (2,082,696)

**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, 2022**

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	10
Active employees	117
Total	180

The City's contributions to the TMRS SDBF for the years ended 2022, 2021 and 2020 were \$10,279, \$7,843, and \$3,639 respectively, which equaled the required contributions each year.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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
2020	0.06%	0.06%	100.0%
2021	0.15%	0.16%	100.0%
2022	0.16%	0.16%	100.0%

**Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, 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, 2021 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	1.84%
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, 2022**

**Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

**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 1.84%, 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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

**Primary Government**

<b>1% Decrease 0.84%</b>	<b>Current Single Rate Assumption 1.84%</b>	<b>1% Increase 2.84%</b>
<b>\$ 534,804</b>	<b>\$ 448,589</b>	<b>\$ 379,668</b>

**Component Unit**

<b>1% Decrease 0.84%</b>	<b>Current Single Rate Assumption 1.84%</b>	<b>1% Increase 2.84%</b>
<b>\$ 10,795</b>	<b>\$ 9,055</b>	<b>\$ 7,663</b>

**Total**

<b>1% Decrease 0.84%</b>	<b>Current Single Rate Assumption 1.84%</b>	<b>1% Increase 2.84%</b>
<b>\$ 545,599</b>	<b>\$ 457,644</b>	<b>\$ 387,331</b>

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>	<b>Component Unit</b>	<b>Primary Government</b>
<b>Balance at 12/31/20</b>	\$ 445,735	\$ 8,819	\$ 436,916
Changes for the year:			
Service Cost	18,318	362	17,956
Interest	9,003	178	8,825
Difference between expected actual experience	(18,145)	(359)	(17,786)
Changes of assumptions	12,208	242	11,966
Benefit payments	(9,475)	(187)	(9,288)
Net changes	11,909	236	11,673
<b>Balance at 12/31/21</b>	<b>\$ 457,644</b>	<b>\$ 9,055</b>	<b>\$ 448,589</b>

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$40,651. Of this amount, \$39,847 is related to the primary government and \$804 is attributable to the discretely presented component unit.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
<b>Primary Government:</b>		
Contributions subsequent to measurement date	\$ 7,442	\$ -
Difference in experience	-	(31,965)
Change in assumptions	70,801	-
<b>Component Unit:</b>		
Contributions subsequent to measurement date	150	-
Difference in experience	-	(645)
Change in assumptions	1,429	-
<b>Total</b>	<b>\$ 79,822</b>	<b>\$ (32,610)</b>

The primary government and component unit reported \$7,442 and \$150, 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, 2023.

**City of El Campo, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

<b>Year ended December 31:</b>	<b>Primary Government</b>	<b>Discretely Presented Component Unit</b>	<b>Total</b>
2022	\$ 13,066	\$ 264	\$ 13,330
2023	10,475	211	10,686
2024	11,333	229	11,562
2025	5,003	101	5,104
2026	(879)	(18)	(897)
Thereafter	(162)	(3)	(165)
	<u>\$ 38,836</u>	<u>\$ 784</u>	<u>\$ 39,620</u>

**D. Restatement**

The City restated beginning net position within governmental activities due to a correction to accrued interest. The restatement of beginning net position is as follows:

	<b>Governmental Activities</b>
Prior year ending net position, as reported	\$ 8,282,491
Correction to accrued interest	(358,918)
Restated beginning net position	<u>\$ 7,923,573</u>

**E. New Accounting Pronouncements**

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 87, entitled *Leases*. Due to the implementation of GASB 87 in the current year, the City recorded right to use assets and lease liabilities.

**F. Subsequent Events**

There were no material subsequent events through May 31, 2023, 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, 2022

	Original Budget	Final Budget	2022 Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property tax	\$ 2,997,800	\$ 2,997,800	\$ 2,778,928	\$ (218,872)
Sales tax	4,210,192	4,725,167	4,709,549	(15,618)
Franchise and local taxes	794,225	794,225	854,109	59,884
Charges for services	363,195	385,733	376,777	(8,956)
License, permits and fees	133,450	133,450	260,630	127,180
Intergovernmental	5,000	121,985	124,506	2,521
Fines and forfeitures	303,670	303,670	241,866	(61,804)
Investment income	7,444	7,444	10,676	3,232
Other revenue	70,630	94,545	87,069	(7,476)
<b>Total Revenues</b>	<b>8,885,606</b>	<b>9,564,019</b>	<b>9,444,110</b>	<b>(119,909)</b>
<b>Expenditures</b>				
Current:				
General government	1,949,145	2,088,054	2,070,183	17,871
Public safety	4,724,369	5,038,823	4,886,782	152,041
Parks and recreation	860,610	912,277	924,092	(11,815) *
Public works	1,608,692	1,782,075	1,652,529	129,546
Capital outlay	169,700	169,700	215,260	(45,560) *
<b>Total Expenditures</b>	<b>9,435,576</b>	<b>10,113,989</b>	<b>9,860,403</b>	<b>253,586</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(549,970)</b>	<b>(549,970)</b>	<b>(416,293)</b>	<b>133,677</b>
<b>Other Financing Sources (Uses)</b>				
Lease related issuances	-	-	179,401	179,401
Note payable issued	-	-	35,859	35,859
Transfers in	781,470	781,470	762,637	(18,833)
Transfers (out)	(241,500)	(241,500)	(324,327)	(82,827) *
Sale of capital assets	10,000	10,000	-	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<b>549,970</b>	<b>549,970</b>	<b>653,570</b>	<b>103,600</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>237,277</b>	<b>\$ 237,277</b>
Beginning fund balance			4,552,295	
<b>Ending Fund Balance</b>			<b>\$ 4,789,572</b>	

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:

	12/31/2021	12/31/2020	12/31/2019
Total pension liability			
Service cost	\$ 887,468	\$ 926,987	\$ 857,992
Interest	2,362,621	2,266,824	2,148,488
Changes in benefit terms	-	-	2,066,717
Differences between expected and actual experience	329,464	60,949	256,833
Changes of assumptions	-	-	(46,068)
Benefit payments, including refunds of participant contributions	(1,858,411)	(1,773,172)	(1,224,059)
<b>Net change in total pension liability</b>	<b>1,721,142</b>	<b>1,481,588</b>	<b>4,059,903</b>
<b>Total pension liability - beginning</b>	<b>\$ 35,487,259</b>	<b>\$ 34,005,671</b>	<b>\$ 29,945,768</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 37,208,401</b>	<b>\$ 35,487,259</b>	<b>\$ 34,005,671</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 882,416	\$ 904,587	\$ 636,438
Contributions - members	442,155	461,187	360,249
Net investment income	3,953,359	2,170,192	3,862,061
Benefit payments, including refunds of participant contributions	(1,858,411)	(1,773,172)	(1,224,059)
Administrative expenses	(18,306)	(14,048)	(21,828)
Other	123	(547)	(658)
<b>Net change in plan fiduciary net position</b>	<b>3,401,336</b>	<b>1,748,199</b>	<b>3,612,203</b>
<b>Plan fiduciary net position - beginning</b>	<b>30,348,627</b>	<b>28,600,428</b>	<b>24,988,225</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 33,749,963</b>	<b>\$ 30,348,627</b>	<b>\$ 28,600,428</b>
<b>Fund's net pension liability - ending (a) - (b)</b>	<b>\$ 3,458,438</b>	<b>\$ 5,138,632</b>	<b>\$ 5,405,243</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>90.71%</b>	<b>85.52%</b>	<b>84.10%</b>
<b>Covered-employee payroll</b>	<b>\$ 6,316,500</b>	<b>\$ 6,588,392</b>	<b>\$ 6,004,145</b>
<b>Fund's net position as a percentage of covered-employee payroll</b>	<b>54.75%</b>	<b>78.00%</b>	<b>90.03%</b>

### Notes to schedule:

<sup>1</sup> 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>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<sup>1</sup>
\$ 699,915	\$ 662,928	\$ 659,018	\$ 639,319	\$ 574,183	
1,913,653	1,852,927	1,776,064	1,754,661	1,671,854	
-	-	(81,324)	-	-	
(63,589)	(418,703)	-	(74,642)	(117,116)	
-	-	-	50,996	-	
(1,209,328)	(1,222,674)	(1,211,352)	(1,058,047)	(899,035)	
1,340,651	874,478	1,142,406	1,312,287	1,229,886	
<u>\$ 28,605,117</u>	<u>\$ 27,730,639</u>	<u>\$ 26,588,233</u>	<u>\$ 25,275,946</u>	<u>\$ 24,046,060</u>	
<u>\$ 29,945,768</u>	<u>\$ 28,605,117</u>	<u>\$ 27,730,639</u>	<u>\$ 26,588,233</u>	<u>\$ 25,275,946</u>	
\$ 638,377	\$ 610,134	\$ 608,631	\$ 621,185	\$ 642,038	
345,069	326,566	323,454	316,668	308,429	
(778,898)	3,202,487	1,481,452	32,511	1,190,068	
(1,209,328)	(1,222,674)	(1,211,352)	(1,058,047)	(899,035)	
(15,057)	(16,599)	(16,734)	(19,803)	(12,426)	
(787)	(841)	(902)	(978)	(1,022)	
(1,020,624)	2,899,073	1,184,549	(108,464)	1,228,052	
26,008,849	23,109,776	21,925,227	22,033,691	20,805,639	
<u>\$ 24,988,225</u>	<u>\$ 26,008,849</u>	<u>\$ 23,109,776</u>	<u>\$ 21,925,227</u>	<u>\$ 22,033,691</u>	
<u>\$ 4,957,543</u>	<u>\$ 2,596,268</u>	<u>\$ 4,620,863</u>	<u>\$ 4,663,006</u>	<u>\$ 3,242,255</u>	
83.44%	90.92%	83.34%	82.46%	87.17%	
\$ 5,751,149	\$ 5,442,758	\$ 5,384,134	\$ 5,279,268	\$ 5,140,488	
86.20%	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>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Actuarially determined employer contributions	\$ 901,692	\$ 873,656	\$ 820,141	\$ 633,807
Contributions in relation to				
the actuarially determined contribution	<u>\$ 901,692</u>	<u>\$ 873,656</u>	<u>\$ 820,141</u>	<u>\$ 633,807</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered-employee payroll	\$ 6,536,009	\$ 6,284,008	\$ 6,311,503	\$ 5,926,162
Employer contributions as				
a percentage of covered-employee payroll	13.80%	13.90%	12.99%	10.70%

<sup>1</sup> 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	24 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>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<sup>1</sup>
\$ 631,978	\$ 610,767	\$ 627,714	\$ 632,469	
<u>\$ 631,978</u>	<u>\$ 610,767</u>	<u>\$ 627,714</u>	<u>\$ 632,469</u>	
\$ -	\$ -	\$ -	\$ -	
\$ 5,680,267	\$ 5,441,279	\$ 5,495,377	\$ 5,294,364	
11.13%	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:

	8/31/2022	8/31/2021	8/31/2020
Total pension liability			
Service cost	\$ 12,715	\$ 13,166	\$ 17,601
Interest	93,913	94,084	103,758
Changes in benefit terms	19,847	-	28,196
Differences between expected and actual experience	20,356	-	(18,537)
Changes of assumptions	(2,689)	-	(640)
Benefit payments, including refunds of participant contributions	(64,960)	(62,892)	(64,916)
<b>Net change in total pension liability</b>	<b>79,182</b>	<b>44,358</b>	<b>65,462</b>
<b>Total pension liability - beginning</b>	<b>\$ 1,271,936</b>	<b>\$ 1,272,727</b>	<b>\$ 1,353,669</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,351,118</b>	<b>\$ 1,317,085</b>	<b>\$ 1,419,131</b>
<b>Plan fiduciary net position</b>			
Contributions - members	\$ 33,081	\$ 32,264	\$ 35,424
Contributions - state	10,317	11,245	12,539
Net investment income	(144,963)	188,654	115,007
Benefit payments, including refunds of participant contributions	(64,960)	(62,892)	(64,916)
Administrative expenses	(1,975)	(2,271)	(3,023)
Other	-	-	80
<b>Net change in plan fiduciary net position</b>	<b>(168,500)</b>	<b>167,000</b>	<b>95,111</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,184,402</b>	<b>1,059,443</b>	<b>1,086,281</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,015,902</b>	<b>\$ 1,226,443</b>	<b>\$ 1,181,392</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 335,216</b>	<b>\$ 90,642</b>	<b>\$ 237,739</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>75.19%</b>	<b>93.12%</b>	<b>83.25%</b>
<b>Number of active members</b>	<b>30</b>	<b>30</b>	<b>33</b>
<b>Net pension liability per active member</b>	<b>11,174</b>	<b>\$ 3,021</b>	<b>\$ 7,204</b>
<b>City's proportion of the net position</b>	<b>0.8170%</b>	<b>0.8460%</b>	<b>0.9433%</b>

### Notes to schedule:

<sup>1</sup> 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022.

8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015 <sup>1</sup>
\$ 18,621	\$ 13,660	\$ 14,661	\$ 15,820	\$ 15,144
105,312	84,899	87,112	83,125	75,717
-	24,219	-	6,742	-
-	(775)	-	604	-
-	-	-	8,311	-
(64,188)	(50,058)	(46,299)	(43,904)	(40,213)
59,745	71,945	55,474	70,698	50,648
\$ 1,372,341	\$ 1,106,846	\$ 1,132,512	\$ 1,078,714	\$ 981,958
\$ 1,432,086	\$ 1,178,791	\$ 1,187,986	\$ 1,149,412	\$ 1,032,606
\$ 34,734	\$ 35,136	\$ 46,114	\$ 32,342	\$ 31,424
13,265	11,394	14,572	14,789	14,635
11,383	96,983	89,948	46,285	(29,434)
(64,188)	(50,058)	(46,299)	(43,904)	(40,213)
(2,263)	(1,356)	(1,696)	(1,558)	(1,930)
-	-	-	-	-
(7,069)	92,099	102,639	47,954	(25,518)
1,156,278	901,101	864,518	829,464	819,527
\$ 1,149,209	\$ 993,200	\$ 967,157	\$ 877,418	\$ 794,009
\$ 282,877	\$ 185,591	\$ 220,829	\$ 271,994	\$ 238,597
80.25%	84.26%	81.41%	76.34%	76.89%
35	39	38	38	39 <sup>2</sup>
\$ 8,082	\$ 4,759	\$ 5,811	\$ 7,158	\$ 6,118
0.9980%	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>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Actuarially determined employer contributions	\$ 39,730	\$ 40,605	\$ 43,985	\$ 44,720
Contributions in relation to				
the actuarially determined contribution	<u>\$ 39,730</u>	<u>\$ 40,605</u>	<u>\$ 43,985</u>	<u>\$ 44,720</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Active members	30	30	33	35
Contributions per active member	\$ 1,324	\$ 1,354	\$ 1,333	\$ 1,278

<sup>1</sup> 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	21 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>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> <sup>1</sup>
\$ 41,055	\$ 44,500	\$ 42,780	\$ 42,222
<u>\$ 41,055</u>	<u>\$ 44,500</u>	<u>\$ 42,780</u>	<u>\$ 42,222</u>
\$ -	\$ -	\$ -	\$ -
39	38	38	39
\$ 1,053	\$ 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,**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB liability				
Service cost	\$ 18,318	\$ 15,153	\$ 10,807	\$ 11,502
Interest	9,003	10,804	12,057	10,821
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(18,145)	(17,697)	(11,705)	591
Changes of assumptions	12,208	54,158	58,030	(21,555)
refunds of participant contributions	(9,475)	(3,953)	(3,002)	(2,876)
<b>Net change in total OPEB liability</b>	<b>11,909</b>	<b>58,465</b>	<b>66,187</b>	<b>(1,517)</b>
<b>Total OPEB liability - beginning</b>	<b>\$ 445,735</b>	<b>\$ 387,270</b>	<b>\$ 321,083</b>	<b>\$ 322,600</b>
<b>Total OPEB liability - ending</b>	<b>\$ 457,644</b>	<b>\$ 445,735</b>	<b>\$ 387,270</b>	<b>\$ 321,083</b>
 <b>Covered-employee payroll</b>	 \$ 6,316,500	 \$ 6,588,392	 \$ 6,004,145	 \$ 5,751,149
 <b>Fund's net position as a percentage of covered-employee payroll</b>	 7.25%	 6.77%	 6.45%	 5.58%

### **Notes to schedule:**

<sup>1</sup> 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.

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



<u>2017</u>	<sup>1</sup>
\$ 9,253	
10,774	
-	
-	
23,816	
(3,266)	
40,577	
\$ 282,023	
\$ 322,600	<sup>2</sup>
\$ 5,442,758	
5.93%	



## ***OTHER SUPPLEMENTARY INFORMATION***



# ***NONMAJOR GOVERNMENTAL FUNDS***

## ***SPECIAL REVENUE FUNDS***

### ***MUNICIPAL COURT TECHNOLOGY AND BUILDING SECURTIY 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.

### ***CDBG GLO GRANT***

This fund is used to account for revenues and expenditures related to CDBG GLO grants received by the City.

### ***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, 2022**

	<b>Municipal Court Technology</b>	<b>Municipal Court Building Security</b>	<b>Hotel/Motel Tax</b>	<b>Transportation User Fee</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 9,804	\$ 48,890	\$ 87,511	\$ 59,098
Receivables, net	-	-	42,967	11,820
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 9,804</b>	<b>\$ 48,890</b>	<b>\$ 130,478</b>	<b>\$ 70,918</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	12,195	-	-	-
<b>Total Liabilities</b>	<b>12,195</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Street assessments	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Restricted:				
Parks and recreation	-	-	130,478	-
Public safety	-	-	-	-
Public works	-	-	-	70,918
Municipal court	-	48,890	-	-
Unassigned	(2,391)	-	-	-
<b>Total Fund Balances</b>	<b>(2,391)</b>	<b>48,890</b>	<b>130,478</b>	<b>70,918</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 9,804</b>	<b>\$ 48,890</b>	<b>\$ 130,478</b>	<b>\$ 70,918</b>

<b>Civic Center</b>	<b>TRZ</b>	<b>Police Seizures</b>	<b>CDBG GLO Grant</b>	<b>Street Paving</b>	<b>Total Nonmajor Governmental</b>
\$ 162,490	\$ 340,048	\$ 53,583	\$ -	\$ 105,860	\$ 867,284
-	-	-	-	18,923	73,710
-	181,565	-	-	-	181,565
<u>\$ 162,490</u>	<u>\$ 521,613</u>	<u>\$ 53,583</u>	<u>\$ -</u>	<u>\$ 124,783</u>	<u>\$ 1,122,559</u>
\$ 3,407	\$ -	\$ -	\$ 137,036	\$ -	\$ 140,443
36,350	-	-	-	-	36,350
-	402,910	5,393	-	-	420,498
<u>39,757</u>	<u>402,910</u>	<u>5,393</u>	<u>137,036</u>	<u>-</u>	<u>597,291</u>
-	-	-	-	18,923	18,923
-	-	-	-	18,923	18,923
122,733	-	-	-	-	253,211
-	-	48,190	-	-	48,190
-	118,703	-	-	105,860	295,481
-	-	-	-	-	48,890
-	-	-	(137,036)	-	(139,427)
<u>122,733</u>	<u>118,703</u>	<u>48,190</u>	<u>(137,036)</u>	<u>105,860</u>	<u>506,345</u>
<u>\$ 162,490</u>	<u>\$ 521,613</u>	<u>\$ 53,583</u>	<u>\$ -</u>	<u>\$ 124,783</u>	<u>\$ 1,122,559</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, 2022**

	<b>Municipal Court Technology</b>	<b>Municipal Court Building Security</b>	<b>Hotel/Motel Tax</b>	<b>Transportation User Fee</b>
<b><u>Revenues</u></b>				
Hotel occupancy taxes	\$ -	\$ -	\$ 171,565	\$ -
Transportation user fees	-	-	-	132,054
Property taxes	-	-	-	-
Charges for services	7,196	-	-	-
Intergovernmental	-	-	-	-
Investment income	11	65	111	219
Other revenue	-	5,207	-	-
<b>Total Revenues</b>	<b>7,207</b>	<b>5,272</b>	<b>171,676</b>	<b>132,273</b>
<b><u>Expenditures</u></b>				
Current				
General government	3,790	-	39,750	-
Parks and recreation	-	-	-	-
Public works	-	-	-	128,000
Capital outlay	-	-	-	265,628
Debt service				
Principal	-	-	-	22,568
Interest	-	-	-	4,333
<b>Total Expenditures</b>	<b>3,790</b>	<b>-</b>	<b>39,750</b>	<b>420,529</b>
<b>Revenues Over (Under) Expenditures</b>	<b>3,417</b>	<b>5,272</b>	<b>131,926</b>	<b>(288,256)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	(86,334)	-
Lease related issuances	-	-	-	265,628
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(86,334)</b>	<b>265,628</b>
<b>Net Change in Fund Balances</b>	<b>3,417</b>	<b>5,272</b>	<b>45,592</b>	<b>(22,628)</b>
Beginning fund balances	(5,808)	43,618	84,886	93,546
<b>Ending Fund Balances</b>	<b>\$ (2,391)</b>	<b>\$ 48,890</b>	<b>\$ 130,478</b>	<b>\$ 70,918</b>



Civic Center	TRZ	Police Seizures	CDBG GLO Grant	Street Paving	Total Nonmajor Governmental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,565
-	-	-	-	-	132,054
-	95,911	-	-	-	95,911
123,542	-	-	-	21,604	152,342
-	-	-	705,280	-	705,280
166	483	189	-	139	1,383
-	-	9,818	-	-	15,025
123,708	96,394	10,007	705,280	21,743	1,273,560
-	-	-	-	-	43,540
103,719	-	-	-	-	103,719
-	-	-	-	-	128,000
-	-	-	842,316	-	1,107,944
-	-	-	-	-	22,568
-	-	-	-	-	4,333
103,719	-	-	842,316	-	1,410,104
19,989	96,394	10,007	(137,036)	21,743	(136,544)
43,166	-	-	-	-	43,166
-	(186,350)	-	-	-	(272,684)
-	-	-	-	-	265,628
43,166	(186,350)	-	-	-	36,110
63,155	(89,956)	10,007	(137,036)	21,743	(100,434)
59,578	208,659	38,183	-	84,117	606,779
\$ 122,733	\$ 118,703	\$ 48,190	\$ (137,036)	\$ 105,860	\$ 506,345

# 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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property tax	\$ 1,399,962	\$ 1,582,692	\$ 182,730
Other revenue	-	3,926	3,926
Investment income	1,000	146	(854)
<b>Total Revenues</b>	<b>1,400,962</b>	<b>1,586,764</b>	<b>185,802</b>
<b><u>Expenditures</u></b>			
Debt service:			
Principal	1,312,750	1,034,412	278,338
Interest	1,336,820	695,217	641,603
Bond issuance costs	500	72,711	(72,211) *
<b>Total Expenditures</b>	<b>2,650,070</b>	<b>1,802,340</b>	<b>847,730</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,249,108)</b>	<b>(215,576)</b>	<b>(661,928)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	(1,146,398)	(228,443)	917,955
Transfers in	102,710	389,387	286,677
Bond issuance	-	1,291,314	1,291,314
Premium on bond issuance	-	108,625	108,625
Payment to escrow agent	-	(1,328,555)	(1,328,555) *
<b>Total Other Financing Sources (Uses)</b>	<b>(1,043,688)</b>	<b>232,328</b>	<b>1,276,016</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,292,796)</b>	<b>16,752</b>	<b>\$ 2,309,548</b>
Beginning fund balance		51,951	
<b>Ending Fund Balance</b>		<b>\$ 68,703</b>	

### 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, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 7,500	\$ 7,196	\$ (304)
Investment income	-	11	11
<b>Total Revenues</b>	<b>7,500</b>	<b>7,207</b>	<b>(293)</b>
<b><u>Expenditures</u></b>			
General government	7,500	3,790	3,710
<b>Total Expenditures</b>	<b>7,500</b>	<b>3,790</b>	<b>3,710</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>3,417</b>	<b>\$ 3,417</b>
Beginning fund balance		(5,808)	
<b>Ending Fund Balance</b>		<b>\$ (2,391)</b>	

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

### HOTEL/MOTEL TAX FUND

For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Hotel occupancy taxes	\$ 160,000	\$ 171,565	\$ 11,565
Investment income	-	111	111
<b>Total Revenues</b>	<u>160,000</u>	<u>171,676</u>	<u>11,676</u>
<b><u>Expenditures</u></b>			
General government	<u>51,000</u>	<u>39,750</u>	<u>11,250</u>
<b>Total Expenditures</b>	<u>51,000</u>	<u>39,750</u>	<u>11,250</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	<u>(109,000)</u>	<u>(86,334)</u>	<u>22,666</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>45,592</u>	<u>\$ 45,592</u>
Beginning fund balance		<u>84,886</u>	
<b>Ending Fund Balance</b>		<u>\$ 130,478</u>	

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

### CIVIC CENTER

For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Charges for services	\$ 115,000	\$ 123,542	\$ 8,542
Investment income	-	166	166
<b>Total Revenues</b>	<b>115,000</b>	<b>123,708</b>	<b>8,708</b>
<b><u>Expenditures</u></b>			
Parks and recreation	169,500	103,719	65,781
<b>Total Expenditures</b>	<b>169,500</b>	<b>103,719</b>	<b>65,781</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfer in	54,500	43,166	(11,334)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>63,155</b>	<b>\$ 63,155</b>
Beginning fund balance		59,578	
<b>Ending Fund Balance</b>		<b>\$ 122,733</b>	

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, 2022**

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Other revenue	\$ 4,450	\$ 9,818	\$ 5,368
Investment income	500	189	(311)
<b>Total Revenues</b>	<u>4,950</u>	<u>10,007</u>	<u>5,057</u>
<b><u>Expenditures</u></b>			
Public safety	4,950	-	4,950
<b>Total Expenditures</b>	<u>4,950</u>	<u>-</u>	<u>4,950</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	10,007	<u>\$ 10,007</u>
Beginning fund balance		38,183	
<b>Ending Fund Balance</b>		<u>\$ 48,190</u>	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Transportation user fee	\$ 128,000	\$ 132,054	\$ 4,054
Investment income	-	219	219
<b>Total Revenues</b>	<b>128,000</b>	<b>132,273</b>	<b>4,273</b>
<b><u>Expenditures</u></b>			
Public works	128,000	128,000	-
Capital outlay	-	265,628	(265,628) *
Debt service:			
Principal	-	22,568	(22,568) *
Interest and fiscal charges	-	4,333	(4,333) *
<b>Total Expenditures</b>	<b>128,000</b>	<b>420,529</b>	<b>(292,529)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Lease related issuances	-	265,628	265,628
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>(22,628)</b>	<b>\$ (22,628)</b>
Beginning fund balance		93,546	
<b>Ending Fund Balance</b>		<b>\$ 70,918</b>	

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**  
**BALANCE SHEET**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**September 30, 2022**

	<b>CDC of El Campo</b>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 2,256,881
Investments	885,912
Receivables, net	152,976
<b>Total Current Assets</b>	<b>3,295,769</b>
<b><u>Liabilities</u></b>	
<b><u>Current Liabilities</u></b>	
Accounts payable and accrued liabilities	13,099
<b>Total Liabilities</b>	<b>13,099</b>
<b><u>Fund Balances</u></b>	
Restricted for:	
City development	3,282,670
<b>Total Fund Balance</b>	<b>3,282,670</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,295,769</b>

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, 2022

<b>Fund Balance</b>	\$ 3,282,670
<b>Adjustments for the Statement of Net Position:</b>	
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	583,500
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	29,904
OPEB outflows	1,579
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	(61,131)
OPEB inflows	(645)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Pension liability - TMRS	(103,475)
OPEB liability - OPEB	(9,055)
<b>Net Position of the Discretely Presented Component Unit</b>	<b>\$ 3,989,656</b>

# City of El Campo, Texas

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

For the Year Ended September 30, 2022

	CDC of El Campo
<b><u>Revenues</u></b>	
Sales taxes	\$ 941,841
Investment income	7,528
Other revenues	60,398
<b>Total Revenues</b>	<b>1,009,767</b>
<b><u>Expenditures</u></b>	
City development	622,894
<b>Total Expenditures</b>	<b>622,894</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>386,873</b>
<b>Net Change in Fund Balances</b>	<b>386,873</b>
Beginning fund balances	2,895,416
<b>Ending Fund Balances</b>	<b>\$ 3,282,289</b>

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, 2022**

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

Net changes in fund balances	\$ 386,873
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	(31,045)
Pension expense	(219)
	<u>\$ 333,557</u>



## 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.

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Financial Trends	126
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*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

Revenue Capacity	136
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*These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.*

Debt Capacity	148
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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	153
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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	156
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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)

	2022	2021	2020	2019
<b>Governmental activities</b>				
Net investment in capital assets	\$ 8,321,829	\$ 8,263,862	\$ 16,744,824	\$ 13,347,767
Restricted	795,166	709,875	572,317	212,729
Unrestricted	(346,596)	(1,050,164)	(9,146,976)	(7,673,965)
<b>Total governmental activities net position</b>	<u>\$ 8,770,399</u>	<u>\$ 7,923,573</u>	<u>\$ 8,170,165</u>	<u>\$ 5,886,531</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 8,766,921	\$ 7,942,376	\$ 7,929,594	\$ 10,197,147
Restricted	204,215	204,215	-	-
Unrestricted	4,024,041	1,906,990	316,646	1,092,776
<b>Total business-type activities net position</b>	<u>\$ 12,995,177</u>	<u>\$ 10,053,581</u>	<u>\$ 8,246,240</u>	<u>\$ 11,289,923</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 17,088,750	\$ 16,206,238	\$ 24,674,418	\$ 23,544,914
Restricted	999,381	914,090	572,317	212,729
Unrestricted	3,677,445	856,826	(8,830,330)	(6,581,189)
<b>Total primary government net position</b>	<u>\$ 21,765,576</u>	<u>\$ 17,977,154</u>	<u>\$ 16,416,405</u>	<u>\$ 17,176,454</u>

Source: City audited financial records

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 11,607,624	\$ 11,813,285	\$ 11,596,010	\$ 5,094,853	\$ 9,777,017	\$ 12,448,707
167,198	229,842	329,900	7,642,486	214,477	341,963
(7,568,792)	552,340	151,093	1,205,992	4,828,765	4,126,213
<u>\$ 4,206,030</u>	<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>
\$ 10,022,697	\$ 9,568,796	\$ 9,791,150	\$ 7,003,324	\$ 6,461,102	\$ 8,115,580
-	-	-	-	-	-
1,545,515	2,045,458	2,072,824	2,457,578	5,738,526	3,020,028
<u>\$ 11,568,212</u>	<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>
\$ 21,630,321	\$ 21,382,081	\$ 21,387,160	\$ 12,098,177	\$ 16,238,119	\$ 20,564,287
167,198	229,842	329,900	7,642,486	214,477	341,963
(6,023,277)	2,597,798	2,223,917	3,663,570	10,567,291	7,146,241
<u>\$ 15,774,242</u>	<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>

# City of El Campo, Texas

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2022	2021	2020	2019
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,426,761	\$ 2,269,688	\$ 2,672,521	\$ 2,482,306
Public safety	5,071,225	4,842,663	6,078,528	4,625,059
Public works	2,725,078	2,958,437	2,846,191	2,340,432
Parks and recreation	1,050,365	1,066,622	1,211,309	1,187,754
Interest on long-term debt	860,147	730,723	615,911	707,641
<b>Total governmental activities expenses</b>	<b>12,133,576</b>	<b>11,868,133</b>	<b>13,424,460</b>	<b>11,343,192</b>
Business-type activities:				
Utility	5,855,700	5,189,862	6,494,343	5,436,091
Emergency medical services	2,149,823	1,677,029	2,413,902	2,090,865
<b>Total business-type activities expenses</b>	<b>8,005,523</b>	<b>6,866,891</b>	<b>8,908,245</b>	<b>7,526,956</b>
<b>Total primary government expenses</b>	<b>\$ 20,139,099</b>	<b>\$ 18,735,024</b>	<b>\$ 22,332,705</b>	<b>\$ 18,870,148</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ -	\$ 229,317	\$ 179,335
Public safety	249,062	114,090	340,421	540,933
Public works	414,288	330,657	356,993	69,670
Recreation and leisure	500,319	411,103	159,214	317,391
Operating grants and contributions	829,786	174,679	535,029	605
Capital grants and contributions	-	-	2,002,376	2,098,363
<b>Total governmental activities program revenues</b>	<b>1,993,455</b>	<b>1,030,529</b>	<b>3,623,350</b>	<b>3,206,297</b>
Business-type activities:				
Charges for services:				
Utility	\$ 6,976,419	\$ 5,993,785	\$ 5,903,342	\$ 5,680,784
Emergency medical services	2,920,392	1,883,159	1,943,321	1,806,566
Operating grants and contributions	1,492,972	1,429,601	523,360	169,452
Capital grants and contributions	-	-	-	181,765
<b>Total business-type activities program revenues</b>	<b>11,389,783</b>	<b>9,306,545</b>	<b>8,370,023</b>	<b>7,838,567</b>
<b>Total primary government program revenues</b>	<b>\$ 13,383,238</b>	<b>\$ 10,337,074</b>	<b>\$ 11,993,373</b>	<b>\$ 11,044,864</b>



2018	2017	2016	2015	2014	2013
\$ 3,016,842	\$ 1,687,369	\$ 2,326,025	\$ 3,126,552	\$ 2,832,544	\$ 1,409,439
4,353,355	4,244,016	3,933,302	3,781,285	3,781,836	3,555,073
10,139,202	1,732,892	2,135,403	2,228,376	2,352,547	2,340,330
1,152,718	1,084,289	1,031,769	1,152,451	1,218,866	880,902
816,122	749,594	706,151	236,628	123,993	109,774
19,478,239	9,498,160	10,132,650	10,525,292	10,309,786	8,295,518
5,444,712	5,631,087	4,570,795	5,045,412	5,000,348	4,586,250
1,697,378	1,819,574	1,586,963	1,618,966	1,352,446	1,195,259
7,142,090	7,450,661	6,157,758	6,664,378	6,352,794	5,781,509
\$ 26,620,329	\$ 16,948,821	\$ 16,290,408	\$ 17,189,670	\$ 16,662,580	\$ 14,077,027
\$ 169,269	\$ 167,571	\$ 133,356	\$ 209,755	\$ 149,723	\$ 162,534
482,922	572,814	540,493	419,142	475,974	505,909
37,579	23,394	20,573	223,309	113,905	31,466
289,304	327,727	321,993	287,174	429,494	269,205
75,065	111,088	63,437	137,267	-	145,583
93,653	499,613	911,211	-	-	24,969
1,147,792	1,702,207	1,991,063	1,276,647	1,169,096	1,139,666
\$ 5,823,113	\$ 5,665,994	\$ 5,588,319	\$ 5,336,727	\$ 4,992,362	\$ 4,939,016
2,114,412	1,742,990	1,629,243	1,613,095	1,367,954	565,054
-	-	75,000	-	-	851,622
-	24,250	429,677	-	-	104,132
7,937,525	7,433,234	7,722,239	6,949,822	6,360,316	6,459,824
\$ 9,085,317	\$ 9,135,441	\$ 9,713,302	\$ 8,226,469	\$ 7,529,412	\$ 7,599,490

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

	2022	2021	2020	2019
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ (10,140,121)	\$ (10,837,604)	\$ (9,801,110)	\$ (8,136,895)
Business-type activities	3,384,260	2,439,654	(538,222)	311,611
<b>Total primary government net expense</b>	<b>\$ (6,755,861)</b>	<b>\$ (8,397,950)</b>	<b>\$ (10,339,332)</b>	<b>\$ (7,825,284)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	4,457,531	4,240,781	4,292,324	4,287,660
Sales taxes	4,709,549	4,547,647	3,973,881	3,795,391
Hotel occupancy taxes	171,565	173,604		
Franchise taxes	854,109	813,322	717,455	733,735
Other taxes	-	-	177,243	186,304
Investment earnings	15,009	12,761	34,216	42,963
Gain on sale of capital assets	-	-	-	38,313
Miscellaneous	106,019	177,541	87,699	30,582
Transfers	673,165	984,274	875,200	816,907
<b>Total governmental activities</b>	<b>10,986,947</b>	<b>10,949,930</b>	<b>10,158,018</b>	<b>9,931,855</b>
Business-type activities:				
Investment earnings	24,079	2,979	9,800	39,483
Miscellaneous	206,422	348,982	267,609	187,494
Transfers	(673,165)	(984,274)	(875,200)	(816,907)
<b>Total business-type activities</b>	<b>(442,664)</b>	<b>(632,313)</b>	<b>(597,791)</b>	<b>(589,930)</b>
<b>Total primary government</b>	<b>\$ 10,544,283</b>	<b>\$ 10,317,617</b>	<b>\$ 9,560,227</b>	<b>\$ 9,341,925</b>
<b>Change in Net Position</b>				
Governmental activities	\$ 846,826	\$ 112,326	\$ 356,908	\$ 1,794,960
Business-type activities	2,941,596	1,807,341	(1,136,013)	(278,319)
<b>Total primary government</b>	<b>\$ 3,788,422</b>	<b>\$ 1,919,667</b>	<b>\$ (779,105)</b>	<b>\$ 1,516,641</b>

Source: City audited financial records

2018	2017	2016	2015	2014	2013
\$ (18,330,447)	\$ (7,795,953)	\$ (8,141,587)	\$ (9,248,645)	\$ (9,140,690)	\$ (7,155,852)
795,435	(17,427)	1,564,481	285,444	7,522	678,315
<u>\$ (17,535,012)</u>	<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>
4,270,461	3,981,191	3,640,047	3,118,814	2,833,021	2,832,186
4,045,900	3,051,283	2,769,036	3,568,802	3,533,651	2,908,788
713,031	701,185	673,722	827,649	929,726	602,873
224,343	172,068	162,880	17,369	19,840	159,487
19,303	37,911	50,050	26,974	9,620	10,307
-	-	-	-	-	-
51,140	95,196	86,483	290,316	374,195	250,569
803,617	275,583	(1,106,959)	83,288	(962,266)	630,034
<u>10,127,795</u>	<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>
5,941	16,870	24,336	9,776	14,327	7,941
29,249	26,420	25,720	194,381	79,905	-
(803,617)	(275,583)	1,106,959	(83,288)	962,266	(630,034)
<u>(768,427)</u>	<u>(232,293)</u>	<u>1,157,015</u>	<u>120,869</u>	<u>1,056,498</u>	<u>(622,093)</u>
<u>\$ 9,359,368</u>	<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>
\$ (8,202,652)	\$ 518,464	\$ (1,866,328)	\$ (1,315,433)	\$ (2,402,903)	\$ 238,392
27,008	(249,720)	2,721,496	406,313	1,064,020	56,222
<u>\$ (8,175,644)</u>	<u>\$ 268,744</u>	<u>\$ 855,168</u>	<u>\$ (909,120)</u>	<u>\$ (1,338,883)</u>	<u>\$ 294,614</u>

# City of El Campo, Texas

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2022	2021	2020	2019
<b>General Fund</b>				
Nonspendable:				
Prepaid items	\$ 10,369	\$ 21,921	\$ 75,206	\$ 67,482
Inventories	25,907	-	5,298	23,280
Unassigned	4,753,296	4,530,374	3,892,890	3,667,147
<b>Total general fund</b>	<u>\$ 4,789,572</u>	<u>\$ 4,552,295</u>	<u>\$ 3,973,394</u>	<u>\$ 3,757,909</u>
<b>All Other Governmental Funds</b>				
Nonspendable:				
Noncurrent notes receivable	-	-	-	-
Restricted for:				
Debt service	68,703	51,951	-	-
Municipal court	48,890	43,618	39,660	34,444
Public safety	48,190	38,183	35,482	58,309
Capital projects	80,691	45,337	265,548	63,732
Public works	295,481	386,322	22,112	20,091
Parks and recreation	253,211	144,464	-	-
Tourism	-	-	120,381	99,885
Committed:				
Street paving	-	-	-	-
Unassigned	(193,532)	(62,653)	-	(897,328)
<b>Total all other governmental funds</b>	<u>\$ 601,634</u>	<u>\$ 647,222</u>	<u>\$ 483,183</u>	<u>\$ (620,867)</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.

2018	2017	2016	2015	2014	2013
\$ 61,173	\$ 110,779	\$ 99,508	\$ 9,554	\$ 465	\$ 119,970
15,467	21,253	22,906	21,616	29,422	37,566
3,165,691	2,850,890	2,477,112	3,103,928	4,589,898	3,957,930
<u>\$ 3,242,331</u>	<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>
-	-	-	-	-	18,517
59,446	109,173	92,926	60,005	-	143,746
28,578	23,605	17,736	-	-	-
60,020	87,929	97,359	204,052	173,284	176,884
55,622	47,104	3,871,418	7,378,429	12,216	310,848
-	-	-	-	-	-
-	-	-	-	-	-
78,600	118,308	85,034	-	-	-
-	-	-	(246,429)	-	19,991
(1,104,861)	(122,497)	(432,389)	-	(163,053)	(227,496)
<u>\$ (822,595)</u>	<u>\$ 263,622</u>	<u>\$ 3,732,084</u>	<u>\$ 7,396,057</u>	<u>\$ 22,447</u>	<u>\$ 442,490</u>

# City of El Campo, Texas

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2022	2021	2020	2019
<b>Revenues</b>				
Taxes	\$ 10,192,754	\$ 9,933,225	\$ 9,133,546	\$ 9,000,005
Transportation user fees	132,054	129,462	-	-
Licenses and permits	260,630	189,417	196,908	142,190
Intergovernmental	829,786	317,438	3,357,225	2,636,314
Charges for services	529,119	276,708	318,542	369,669
Fines and forfeitures	241,866	286,384	227,857	389,204
Investment earnings	15,009	12,761	34,216	42,963
Miscellaneous	106,019	189,319	146,257	77,183
<b>Total Revenues</b>	<b>12,307,237</b>	<b>11,334,714</b>	<b>13,414,551</b>	<b>12,657,528</b>
<b>Expenditures</b>				
General government	2,113,723	2,015,843	2,185,823	2,219,105
Public safety	4,610,290	4,311,866	4,283,556	3,945,828
Public works	1,620,052	1,762,429	1,639,032	1,590,480
Parks and recreation	1,112,378	903,175	966,474	1,036,722
Capital outlay	3,481,918	302,040	2,731,955	2,755,180
Intergovernmental	-	-	-	-
Debt Service:				
Principal	1,056,980	1,071,747	1,126,514	991,553
Interest and fiscal charges	699,550	742,834	701,646	742,300
Bond issuance costs	197,207	39,047	-	-
<b>Total Expenditures</b>	<b>14,892,098</b>	<b>11,148,981</b>	<b>13,635,000</b>	<b>13,281,168</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(2,584,861)</b>	<b>185,733</b>	<b>(220,449)</b>	<b>(623,640)</b>
<b>Other Financing Sources (Uses)</b>				
Payment to refunding bond escrow agent	(1,328,555)	(1,056,787)	-	-
Bonds issued	3,016,314	1,028,665	-	296,400
Premium on bonds issued	238,166	67,169	-	-
Proceeds from sale of assets	-	-	4,296	49,766
Lease related issuances	480,888	135,161	563,208	177,873
Transfers in	955,073	1,975,214	1,281,737	1,885,700
Transfers (out)	(585,336)	(1,532,900)	(406,537)	(1,068,793)
<b>Total Other Financing Sources (Uses)</b>	<b>2,776,550</b>	<b>616,522</b>	<b>1,442,704</b>	<b>1,340,946</b>
<b>Net change in fund balances</b>	<b>\$ 191,689</b>	<b>\$ 802,255</b>	<b>\$ 1,222,255</b>	<b>\$ 717,306</b>
<b>Debt service as percentage of noncapital expenditures</b>	<b>15.4%</b>	<b>16.7%</b>	<b>16.8%</b>	<b>16.5%</b>

Source: City audited financial records

2018	2017	2016	2015	2014	2013
\$ 9,255,648	\$ 7,905,639	\$ 7,234,400	\$ 7,565,305	\$ 7,303,676	\$ 6,546,395
-	-	-	-	-	-
135,588	111,119	104,804	185,889	113,905	125,333
197,457	221,902	584,907	137,267	149,723	121,368
334,639	363,442	364,958	333,350	273,494	291,202
361,414	391,328	452,739	419,142	475,974	505,909
19,303	37,911	50,050	26,974	9,620	10,010
81,124	93,970	109,106	290,316	374,195	269,148
10,385,173	9,125,311	8,900,964	8,958,243	8,700,587	7,869,365
2,805,216	1,855,747	1,958,258	2,638,897	2,645,161	1,357,424
3,809,265	3,612,349	3,791,479	3,604,982	3,666,552	3,338,576
1,386,229	1,259,924	2,040,282	1,513,478	1,753,565	1,726,136
1,005,829	932,092	881,027	1,027,723	937,459	805,236
1,021,384	4,679,020	10,248,253	4,409,510	12,506,721	1,647,627
-	-	8,000,000	-	-	-
759,262	383,585	488,685	371,126	197,263	175,597
755,553	646,638	475,018	250,752	123,993	45,350
-	-	260,643	214,299	3,182,728	72,713
11,542,738	13,369,355	28,143,645	14,030,767	25,013,442	9,168,659
(1,157,565)	(4,244,044)	(19,242,681)	(5,072,524)	(16,312,855)	(1,299,294)
-	-	(200,426)	-	-	-
-	-	15,640,000	7,436,290	5,078,533	42,189
-	-	699,821	245,084	-	-
-	53,475	10,700	245,302	-	32,932
357,060	-	-	-	-	210,662
2,318,293	1,901,931	2,138,684	5,729,718	-	741,219
(1,514,676)	(1,626,348)	(3,245,643)	(5,646,430)	(1,494,402)	(163,722)
1,160,677	329,058	15,043,136	8,009,964	3,584,131	863,280
\$ 3,112	\$ (3,914,986)	\$ (4,199,545)	\$ 2,937,440	\$ (12,728,724)	\$ (436,014)
14.4%	11.9%	5.4%	6.5%	2.6%	2.9%

**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
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
2022	2021	521,583,327	251,504,565	42,012,191	105,720,867	3,295,081

(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



<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value (1) as a Percentage of Actual Value</b>
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%
119,940,376	804,175,655	0.51410	804,175,655	100.00%

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

<b>Fiscal Year</b>	<b>Gallons of Water Produced</b>	<b>Gallons of Water Consumed</b>	<b>Gallons of Water Unbilled</b>	<b>Average Percent Unbilled</b>	<b>Gallons of Wastewater Treated</b>
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
2022	657,998,000	570,909,400	87,088,600	13.24%	376,563,000

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
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
29.25	3.15	4.75

**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
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
2022	0.1834	0.3307	0.5141	1.0765	0.1318	0.4248	0.0497

SOURCE: Tax department records of the various taxing authorities.

**Overlapping Rates**

<b>Coastal Bend Groundwater Conservation District</b>	<b>Emergency Services District #4</b>	<b>West Wharton County Hospital District</b>	<b>Total</b>
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
0.0071	0.0573	0.2203	2.4815

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

2022

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%
El Campo Lagoon Enterprises LLC	6,783,525	1.04%
Kansas City Southern Railway	6,611,810	1.02%
Shoppas Farm Supply	6,552,930	1.01%
Greenpoint Ag LLC #2510	6,147,987	0.95%
H E B Grocery Co LP	4,341,924	0.67%
Zoya Enterprises	4,085,918	0.63%
Mike Mobley	4,084,374	0.63%
United Agricultural Coop Inc	4,083,802	0.63%
	\$ 67,224,275	10.34%

2013

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores	\$ 11,601,344	2.46%
Key Energy Services, Inc.	7,832,340	1.66%
Davis Net Lease No 1 LP	5,043,276	1.07%
AEP Texas Central Co	4,990,140	1.06%
Kansas City Southern Railway	4,300,860	0.91%
Farmers Coop of El Campo	4,265,160	0.90%
HEB	4,061,997	0.86%
Winfield Solutions LLC	3,989,351	0.85%
Sutherland Lumber Southwest, Inc.	3,248,950	0.69%
Davis Don Motor Co Inc.	2,885,392	0.61%
	<u>\$ 52,218,810</u>	<u>11.07%</u>

SOURCE: Wharton County Tax Assessor/Collector

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

2022

Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Isaacson Municipal Utility District	Municipal District	160,821	2.82%
El Campo Housing Authority	Housing	131,306	2.30%
Speedy Stop Food Stores Ltd.	Commercial Store/Car Wash	97,304	1.70%
El Campo Mobile Home Park, LLC	Housing	93,657	1.64%
El Campo Memorial Hospital	Hospital	81,281	1.42%
Oakcrest Apts.	Housing	65,322	1.14%
Roane & Roane Properties	Housing	63,805	1.12%
Seatex Ltd	Manufacturing	55,779	0.98%
Jr's Smokehouse	Manufacturing	41,835	0.73%
El Campo Inn	Housing	31,798	0.56%



2013

Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent 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	Hopital	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**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year (Original Levy)</b>	<b>Collections within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%	41,334	2,794,147	98.06%
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%	65,740	3,583,216	99.32%
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%	85,808	4,176,164	99.54%
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%	43,888	4,266,286	98.86%
2022	4,351,700	4,279,517	98.34%	-	4,279,517	98.34%

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					
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Premiums	Leases & Notes	State Infrastructure Bank Loan
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
2022	3,715,554	13,003,861	171,600	1,020,810	867,707	7,987,516

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	Leases & Notes			
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
3,809,939	4,806,139	158,400	558,094	3,296,310	39,395,930	8.19%	3,152

**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	Per Capita
	Certificates of Obligation	General Obligation Bonds	Total				
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
2022	7,525,493	17,810,000	25,335,493	-	25,335,493	100%	2,184

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, 2022

	<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	9/30/2022	\$ 39,395,930	100.00%	\$ 39,395,930
Overlapping Debt:				
Wharton County	12/31/2022	-		-
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>\$ 67,343,910</u></u>		<u><u>\$ 51,220,720</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				
	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements	Times Debt Coverage
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
2022	8,569,333	4,761,295	3,808,038	783,270	4.86

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**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income (000's)</b>	<b>Per Capita Personal Income</b>	<b>(2) School Enrollment</b>	<b>(3) Unemployment Rate</b>
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%
2022	11,630	481,019	41,460	3,282	3.8%

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

2022		
Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	525	11%
Greenleaf Nursery	450	10%
El Campo Memorial Hospital	452	10%
Wal-Mart	220	5%
HEB	190	4%
Leedo Cabinetry	170	4%
Junior's Texas Best	125	3%
City of El Campo	117	2%
United Ag	115	2%
Pioneer	110	2%
	<u>2,474</u>	<u>52%</u>

2013

Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	482	10%
Greenleaf Nursery	404	9%
El Campo Memorial Hospital	211	4%
Wal-Mart	190	4%
H. E. B.	180	4%
Prasek's Hillje Smokehouse	161	3%
City of El Campo	108	2%
Mark's Machine	93	2%
New ICM	91	2%
Key Energy	70	1%
	<u>1,990</u>	<u>42.12%</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**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Function/Program</b>				
General government:				
Administration	2	2	2	2
Finance	4	4	2	2
Personnel	-	-	1	1
Municipal court	4	4	4	5
Inspections	4	4	4	5
GIS	-	-	-	-
Public Safety:				
Police	35	35	35	35
Communications	8	8	8	8
Emergency management				
EMS	11	11	11	14
Public Works:				
Administration	4	4	4	3
Streets and drainage	13	13	13	12
Vehicle Maintenance	2	2	2	2
Community and recreational services	1	1	1	1
Parks maintenance	5	5	5	5
Facilities management	-	-	-	-
Aquatic center	2	1	1	1
Water and Sewer:				
Administration	3	3	3	4
Water production and distribution	5	5	5	5
Wastewater collection	5	5	5	5
Wastewater treatment	2	2	2	2
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>110</u>	<u>109</u>	<u>108</u>	<u>112</u>

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.

2017	2018	2019	2020	2021	2022
2	2	2	3	3	3
2	3	3	3	3	2
1	1	1	1	1	1
4	4	4	4	4	4
5	5	5	5	4	6
-	-	-	-	1	1
35	36	36	35	35	36
8	8	8	9	9	8
				-	1
14	14	15	15	15	15
3	3	2	2	2	2
12	11	11	12	12	12
2	2	2	2	2	2
-	-	-	-	-	-
5	6	6	7	7	5
-	-	-	-	-	2
1	1	2	2	2	1
4	3	3	3	3	3
5	5	6	6	6	5
5	5	5	5	5	5
2	2	2	2	2	3
110	111	113	116	116	117

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

	2013	2014	2015	2016	2017	2018
<b>Function/Program</b>						
General government:						
Building permits issued	545	539	553	588	526	496
Building inspections conducted	468	485	450	434	278	225
Fire inspections conducted	8	13	14	14	8	25
Public safety:						
Police:						
Physical arrests	1,332	1,322	1,231	1,260	1,260	966
Traffic violations (includes warnings)	6,483	9,555	9,396	9,539	9,539	7,770
Fire:						
Total Incidents	256	201	224	189	189	227
Streets and highways:						
Street resurfacing (miles)	7.34	7.34	12.70	13.70	13.70	11.60
Full depth reclamation						
Water and wastewater:						
Water:						
Active water connections	4,636	4,739	4,760	4,227	4,802	4,808
Average daily consumption (in 000's)	1,740	1,594	1,547	1,532	1,647	1,662
Peak daily consumption (in 000's)	3,599	3,266	3,680	2,835	2,876	3,053
Wastewater:						
Active sewer connections	4,320	4,288	4,612	4,077	4,344	4,350
Average daily flow	996	1,000	1,092	1,092	1,201	1,079

NOTE: N/A denotes information is not available.

SOURCE: Various City departments

2019	2020	2021	2022
604	635	557	533
556	505	195	375
25	20	13	55
1,050	887	847	1,020
6,113	3,471	4,112	4,611
336	288	356	266
10.90	12.10	7.95	7.95 2.78
4,804	4,858	4,884	4,907
1,560	1,691	4,234	4,758
3,146	3,480	5,503	6,752
4,367	4,414	4,438	4,454
1,140	1,075	3,994	3,138

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Function/Program</b>						
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)	80.3	80.3	80.3	80.3	80.3	80.3
Streets unpaved (miles)	3.1	3.1	3.5	3.5	3.5	3.5
Parks:						
Acreage	63.5	63.5	63.5	63.5	63.5	116.8
Swimming Pools	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	4
Pickleball courts	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1
Skate Park	-	-	-	-	-	1
Water and wastewater:						
Water:						
Water mains (miles)	86.5	109.9	110.1	113.4	113.4	118.9
Wastewater:						
Sanitary sewers (miles)	88	86	88	88	90	91
Storm sewers (miles)	15	40	15	15	15	15

SOURCE: Various City departments

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



<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	1	1	1
5	7	8	8
1	1	1	1
80.8	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	2
-	-	-	2
1	1	1	1
1	1	1	1
118.9	118.9	120.8	120.8
91	91	94	94
15	15	15	15