

City of El Campo, Texas



Popular Annual Financial Report
For the Year Ended September 30, 2020



Randy Collins

Mayor

As mayor of the City of El Campo, in collaboration with the City Council and city staff, I am proud to present this year's City of El Campo Popular Annual Financial Report for the year ended September 30, 2020.

This report is a summary of the City's Comprehensive Annual Financial Report and includes information regarding the City's revenues, spending and financial condition. We provide this version for citizens to gain an understanding of how their tax dollars are spent, and to demonstrate that our City leaders are responsible stewards of funds and to remain transparent and accountable to the citizens of El Campo.

We appreciate your interest in the City of El Campo's government and how it functions, and we welcome your feedback, suggestions and comments regarding the information contained in this report.

Sincerely,

Randy Collins
Mayor





Philip Miller
Mayor Pro-Tem



Chris Barbee
At-Large



Anisa Longoria-Vasquez
District 1



Gloria Harris
District 2



David Hodges
District 3



John Hancock
District 4



Courtney Sladek
City Manager, CGFO, ICMA-CM



Ronny Collins
City Attorney

*Providing fiscally responsible
public services and public
safety in support of quality of
life, community character and
economic opportunity for all
residents.*

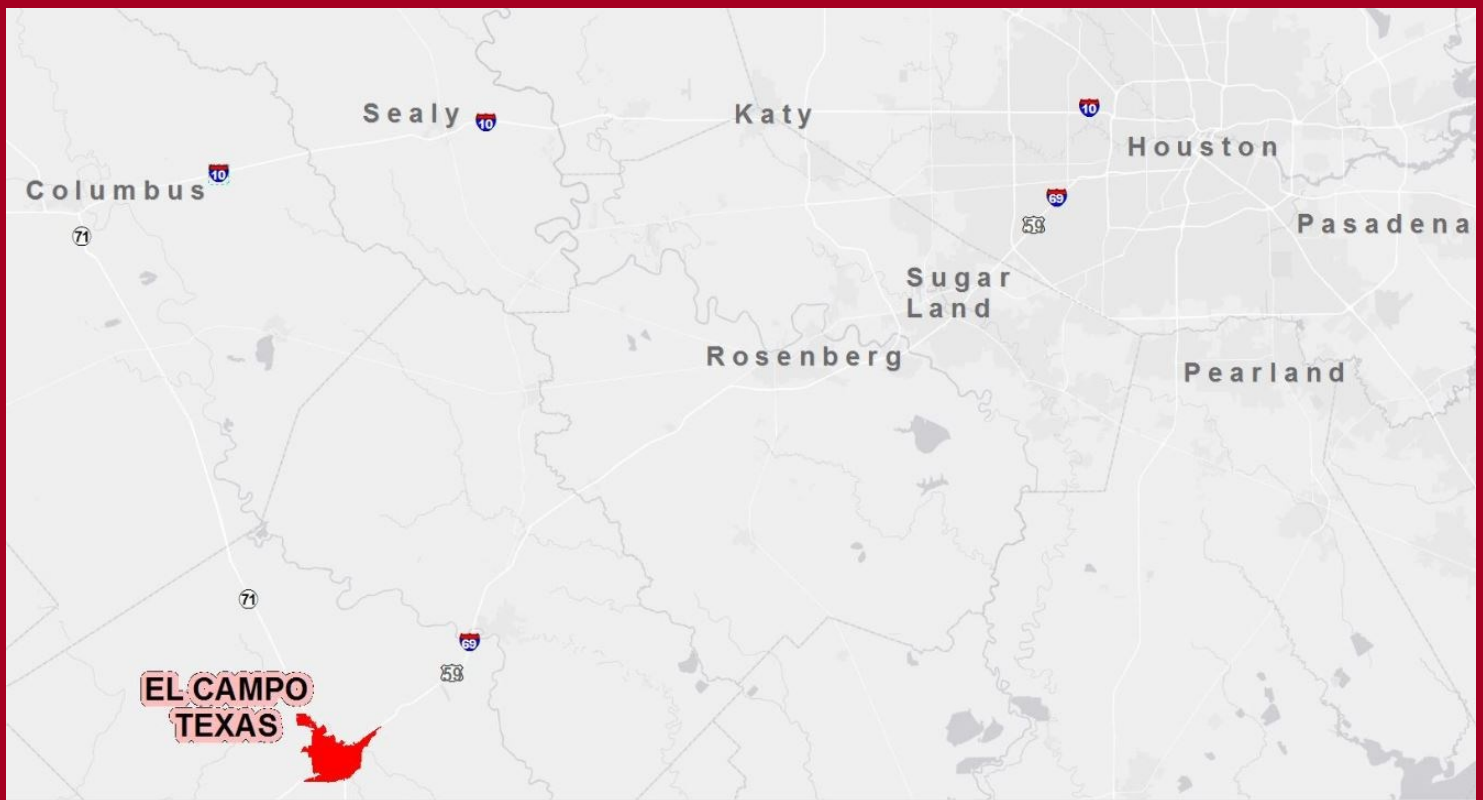
City Profile

In 1882 a railroad camp was located where El Campo now stands. The camp was first named "Prairie Switch" and then "Pearl of the Prairie" but was later changed by the Mexican Cowboys to "El Campo" which means "the camp." Ranching was the main industry, and thousands of cattle were shipped annually. At that time El Campo was surrounded by four large ranches; to the north was the Brown Ranch; to the south was the Texas Land and Cattle Company, to the west was the Herder Ranch, and to the east was the Pierce Ranch.

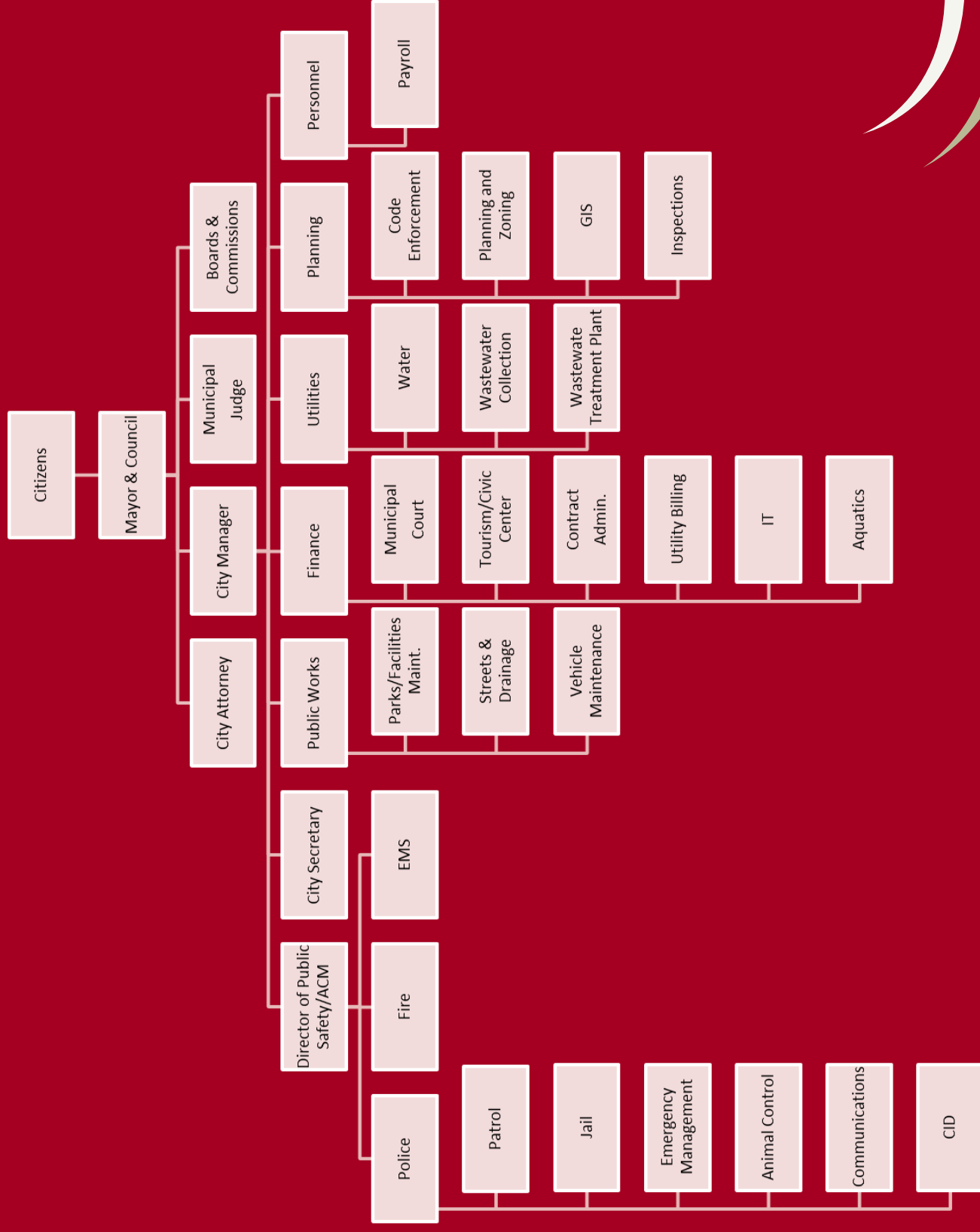
El Campo was incorporated in 1905. The municipal government was composed of a mayor and five aldermen. Mr. Mack Webb was elected mayor, with a salary of \$10.00 per month. W. G. McDonald was the first city attorney; W. E. Franz, the first city secretary. Members of the first council were H. G. Beard, E. L. Correll and W. W. Duson.

Soon after the establishment of a formal government, came adequate police protection and a volunteer fire department. Utility services were expanded. The City of El Campo has been the result of a steady and continual growth by citizens who came and saw the great possibilities that El Campo has to offer.

El Campo is strategically positioned mid-way along the Texas Gulf Coast. The City of El Campo covers an area of 6.7 square miles and is the largest city in Wharton County, which covers an expansive 1,115 square miles. El Campo is ideally situated for transportation at the intersection of US Highway 59 (future Interstate 69 and NAFTA corridor) and State Highway 71 and only 38 miles from cross-country Interstate highway, I-10. The land area is 8.5 square miles and is approximately 105 feet above sea level. Population density is low, about 1,365 people per square mile. The estimated median household income in 2017 was \$42,491. The 2017 cost of living index in El Campo is 85.5 (low compared to the US average of 100).



Organization Chart



About the Popular Annual Financial Report

As part of an ongoing commitment to transparency and helping ensure community access to information about its local government the City of El Campo provides this Popular Annual Financial Report (PAFR), which describes the City's financial activities and position in 2020. This is a summary of the information reported in the city's 2020 Comprehensive Annual Financial Report.

While the Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP), the PAFR is not. The Comprehensive Annual Financial Report is a more detailed, audited document of record, and it presents information in a format consistent with this standard to ensure it includes detailed information including the city's component units, presents individual funds in detail, and fully discloses all material events, both financial and non-financial. By contrast, the purpose of the PAFR is to increase public awareness about the City's financial condition by presenting information in a more user-friendly format and is unaudited and not presented in accordance with GAAP.

Both the Comprehensive Annual Financial Report and PAFR are available on the City of El Campo's webpage at www.cityofelcampo.org/departments/finance/index.php

The City's website also includes a wealth of information about the: activities of city departments; job opportunities; budgets; council members; agendas and meetings; community events; and much more.

Financial Statements

Within the Comprehensive Annual Financial Report, the city presents two different types of financial statements.

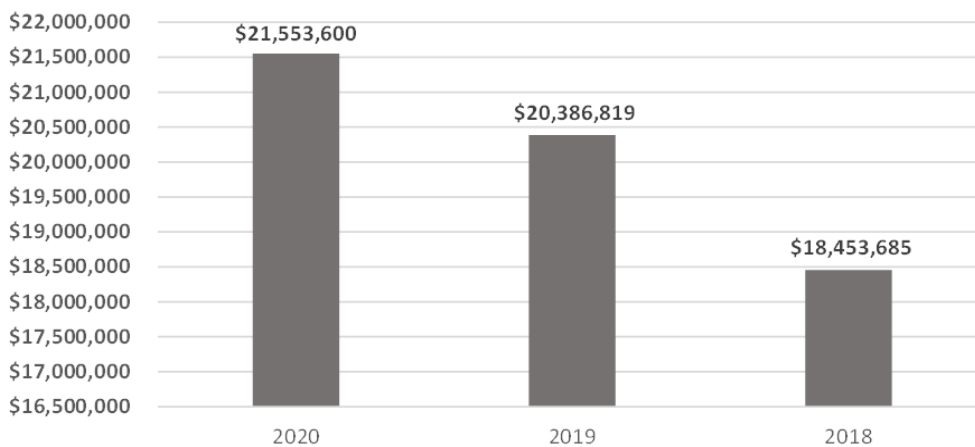
1. The government-wide financial statements are designed to provide readers with a long-term overview of the City's finances. The statements include a Statement of Net Position and the Statement of Activities. The government-wide financial statements distinguish functions of the city that are principally supported by taxes and inter-governmental 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 encompass general government, administrative, public safety, public works including streets and transportation, planning and development, culture and recreation, parks, and property and facility acquisition services. The business-type activities of the city include the water and wastewater utilities, stormwater and flood management, and Emergency Medical Services
2. The fund financial statements provide a short-term perspective of individual funds.



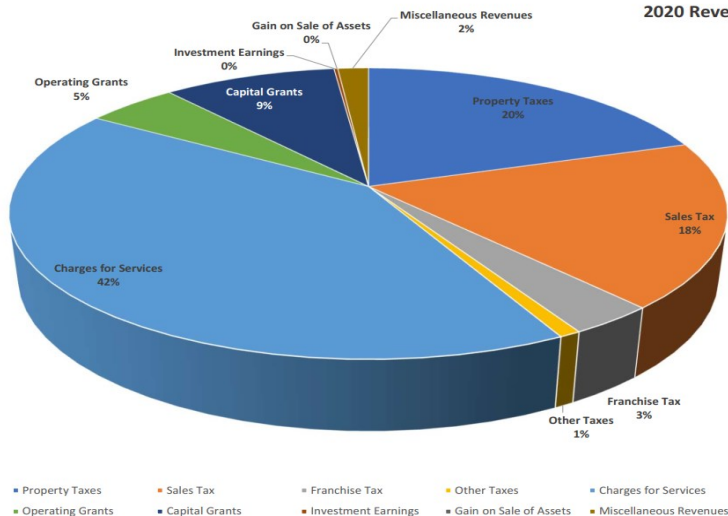
Where the Revenue Comes From

Governmental/ Business-Type Activities Revenues	2020	2019	2018
Property Taxes	\$ 4,292,324	\$ 4,287,660	\$ 4,270,461
Sales Tax	3,973,881	3,795,391	4,045,900
Franchise Tax	717,455	733,735	713,031
Other Taxes	177,243	186,304	224,343
Charges for Services	8,932,608	8,594,679	8,925,599
Operating Grants	1,058,389	170,057	75,065
Capital Grants	2,002,376	2,280,158	93,653
Investment Earnings	44,016	82,446	25,244
Gain on Sale of Assets	-	38,313	-
Miscellaneous Revenues	355,308	218,076	80,389
Total Revenues	\$ 21,553,600	\$ 20,386,819	\$ 18,453,685

Total Revenues Chart



2020 Revenues by Source



Statement of Activities- Government-wide Revenues

The City of El Campo receives revenue from a variety of sources, described below.

- ◆ **Property Tax**– Property tax is levied on the assessed value of all real property, certain personal property, and public utilities within the city.
- ◆ **Sales Tax**– Sales Tax is collected on all retail sales and other business activity.
- ◆ **Franchise Tax**– the rent a utility company uses to pay for right-of-ways to run their lines.
- ◆ **Other Taxes**– local portion of Mixed Use Tax and Hotel Motel Tax
- ◆ **Charges for Services**– Charges to the public for services the city provides. These include court fees, parks and recreation fees, and utility services.
- ◆ **Operating Grants**– Funding received from other governments and organizations for the purpose of financing one or more specific projects.
- ◆ **Capital Grants**– Funding received from other governments to purchase, construct or renovate specific capital assets.
- ◆ **Investment Earnings**– Earned on the city's fixed income investments.
- ◆ **Other Revenues**– Consists of revenues received that are not otherwise categorized in the charts.

Where the Revenues Go

Statement of Activities-Government wide Expenses

The city uses the revenue it receives to provide a variety of services to the community. A description of the city's expenses is provided below.

- ◆ **General Government**– Includes expenses incurred for personnel and operating expenses.
- ◆ **Public Safety**– Includes expenses incurred for public safety departments including Police, Fire, and 911 call center.
- ◆ **Public Works**– Expenses for Public Works include street and public building construction and maintenance and other public services.
- ◆ **Parks and Recreation**– Expenses for Parks and Recreation include operation, construction, and maintenance of parks, recreation centers and rental facilities.
- ◆ **Interest on Long-Term Debt**– Expenses incurred for outstanding debt obligations.
- ◆ **Utilities**– Expenses for the operating costs of these utilities, including upgrades and maintenance of water, wastewater, sewer lines and treatment plants.
- ◆ **Emergency Medical Services** – Expenses for the day to day operating of the emergency medical system such as personnel services, operational expenses, supplies, and repairs and maintenance.

Governmental/ Business-Type	2020	2019	2018
General Government	\$ 2,616,581	\$ 2,482,306	\$ 3,016,842
Public Safety	6,078,528	4,625,059	4,353,355
Public Works	2,846,191	2,340,432	10,139,202
Parks and Recreation	1,211,309	1,187,754	1,152,718
Interest on Long-Term Debt	615,911	707,641	816,122
Utilities	6,575,897	5,436,091	5,444,712
Emergency Medical Services	2,405,510	2,090,865	1,697,378
Total Expenses	\$ 22,349,927	\$ 18,870,148	\$ 26,620,329

Changes in Expenses from FY19 to FY 20:

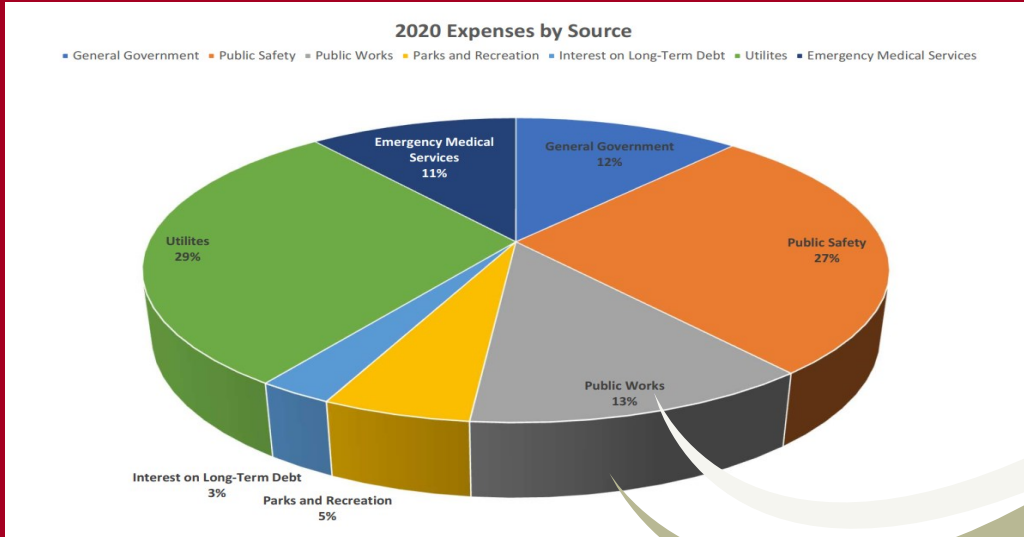
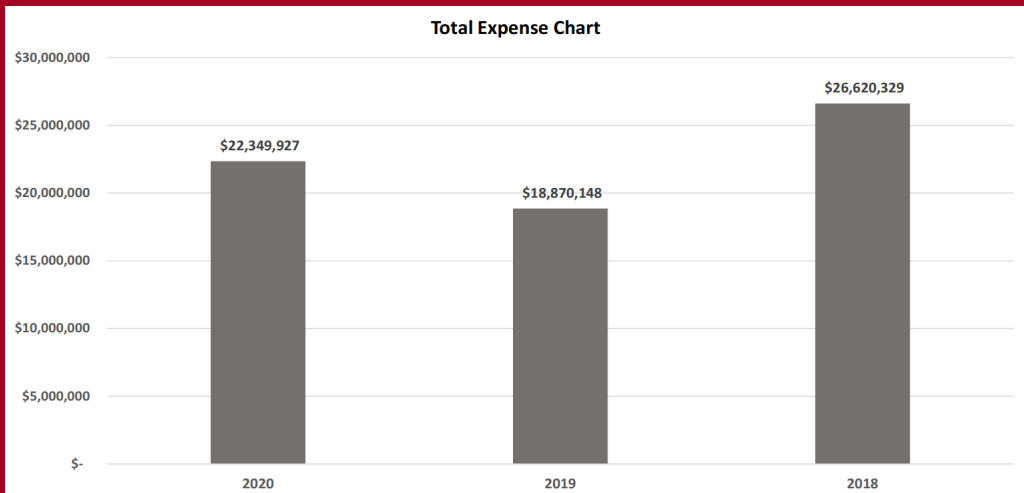
Increases in General Government are mainly from COVID-19 expenses and supplies.

The increases in Public Safety are due to an increase in wages, an increase to supplies to obtain more cleaning supplies and sanitizer, and the purchase of two new police vehicles.

Increases in Public Works was from an increase in Engineering Services working towards becoming American Public Works Association (APWA) Accredited and the purchase of new equipment.

The Utilities expenses increased due to the purchase of new equipment, and multiple major sewer and water main breaks.

The EMS fund expenses increased due to wages, an ambulance remount, the purchase of a new F-Type Ambulance, and unexpected COVID supply purchases.



Strong Financial Stability

Statement of Net Position

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Current and Other Asset	\$ 7,411,325	\$ 8,583,187	\$ 7,775,539
Capital Assets, Net	49,497,982	50,522,589	53,992,333
Total Assets	<u>56,909,307</u>	<u>59,105,776</u>	<u>61,767,872</u>
Total Deferred Outflows of Resources	<u>1,490,092</u>	<u>666,194</u>	<u>1,095,345</u>
Current Liabilities	1,373,029	2,672,523	1,484,754
Long-Term Liabilities	<u>39,377,068</u>	<u>40,748,694</u>	<u>43,768,808</u>
Total Liabilities	<u>40,750,097</u>	<u>43,421,217</u>	<u>45,253,562</u>
Total Deferred Inflows of Resources	1,051,162	331,373	1,115,069
Net Positions:			
Net Investments in Capital Assets	21,630,321	23,544,914	24,809,225
Restricted	167,198	327,188	478,411
Unrestricted	<u>6,023,277</u>	<u>6,581,189</u>	<u>8,793,050</u>
Total Net Positions	<u>15,774,242</u>	<u>17,290,913</u>	<u>16,494,586</u>

All data obtained from page 9 of the FY20 Comprehensive Annual Financial Report.

Bond Ratings

Standard & Poor's
AA-

- ◆ Strong management, with good financial policies and practices under the Financial Management Assessment (FMA) methodology
- ◆ Very strong liquidity, with total government available cash at 115.5% of total government fund expenditures and 17.5x governmental debt services, and access to external liquidity considered strong.
- ◆ Strong institutional framework score

Statement of Net Position — Government-wide

The Government-wide Balance Sheet, also known as the Statement of Net Position, reports the overall financial position of the city's assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources with the difference being the net position. Deferred outflows and inflows of resources represent expenses and revenues that will be recognized in a future period. Increases or decreases in net position, over time, serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The table on this page provides a summary of the city's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of 2018, 2019 and 2020. The city's assets exceeded its liabilities by \$16.49 million at September 30, 2020. The largest portion of the city's net position, \$24.81 million, reflects the investment in capital assets (i.e.: land, buildings, infrastructure, machinery and equipment, utility plants, drainage, etc.), net of related debt. The city uses these capital assets to provide services to the public. An additional portion of the city's net position, \$478,411, are subject to usage restrictions. The remaining unrestricted balance of net position, \$8.79 million, may be used to meet the city's ongoing obligations.

Strong Financial Stability

General Revenues	2018	2019	2020
Taxes	7,812,282	7,520,561	7,552,101
Permits and Licenses	135,588	142,190	196,908
Intergovernmental Revenues	197,457	133,112	669,329
Charges for Services	315,283	224,503	108,196
Fines and Penalties	361,414	389,204	227,857
Interest	15,365	37,780	28,147
Miscellaneous Receipts	<u>63,832</u>	<u>73,411</u>	<u>141,273</u>
Total Revenue	8,901,221	8,520,761	8,923,811
Sales of Capital Assets	-	49,766	4,296
Transfer In	765,422	689,091	681,325
Capital Lease	<u>357,060</u>	<u>177,873</u>	<u>563,208</u>
Total Other Services	1,122,482	916,730	1,248,829
Total Resources	10,023,703	9,437,491	10,172,640

Expenditures	2018	2019	2020
General Government	2,746,568	2,169,781	2,131,185
Public Safety	3,764,551	3,940,972	4,256,695
Public Works	1,386,229	1,590,480	1,513,716
Parks and Recreation	1,005,829	866,708	852,282
Debt Service	63,633	120,204	120,068
Capital Outlay	<u>368,254</u>	<u>205,488</u>	<u>718,585</u>
Total Expenditures	9,335,064	8,893,633	9,592,531
Transfers Out	429,230	324,680	308,684
Total Expenditures and Other Uses	9,764,294	9,218,313	9,901,215

Business- Type Activities	2018	2019	2020
Charges for Service	7,837,525	7,487,350	7,846,663
Miscellaneous	29,249	187,494	267,609
Intergovernmental	100,000	351,247	523,360
Interest	<u>5,941</u>	<u>39,483</u>	<u>9,800</u>
Total Revenue	7,974,733	8,065,574	8,647,432
Capital Contributions	-	-	-
Transfers In	<u>890,656</u>	<u>638,690</u>	-
Total Other Sources	890,656	638,690	-
Total Resources	8,865,389	8,704,264	8,647,432
Total Operating Expenses	6,984,314	7,285,442	8,715,722
Transfers Out	1,694,273	1,455,597	875,200
Interest and Fiscal Charges	157,776	180,865	265,685
Total Expenditures and Other Users	8,836,363	8,921,904	9,856,607

Large Income Changes

- ◆ Increased Sales Tax Revenue
- ◆ Tres Palacios Project Grant Reimbursement
- ◆ Lost Lagoon Reimbursement

Large Expense Changes

- ◆ ECG Monitors (5), Ventilators (2)
- ◆ Ambulance Re-mount
- ◆ Stretcher Loading System
- ◆ IV Pumps (2)
- ◆ New IT Server
- ◆ Water/Sewer Extension, Hwy. 71
- ◆ City Hall Security Enhancements
- ◆ Civic Center Sound System Improvements
- ◆ Asphalt Zipper
- ◆ Police Cruiser



Awards and Certifications



City Achievements

The City Finance Department has received recognition from the Government Finance Officers Association of the United States and Canada (GFOA) by receiving the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (Distinguished Budget) since 1998.

The City of El Campo is also a Silver Scenic City, Texas Police Chief's Association Recognized Police Department, Keep Texas Beautiful Affiliate, American Public Works Association accredited, Superior Water Quality and has an AA- Credit Rating from S&P.

City of El Campo Quick Facts

11,602

Population of
City of El Campo

\$41,460

Per Capita
Personal Income

9.05

City of El Campo
in Square Miles

24.16

Extraterritorial
Jurisdiction (ETJ)
Area in Square
Miles

116

Full-time City of
El Campo
Employees

45

Part-time City of
El Campo
Employees

9

Parks

121.47

Acres of parks

28

Sworn Police
Officers

25,759

Calls for Emergency
Service (Police,
EMS & Fire)

5:00

Average Fire
response time

36

Volunteer
Fire Fighters

8:03

Average EMS
response time

16

Full-time EMS
Employees

83.7

Miles of
paved streets

91.28

Miles of
sanitary sewers

15

Miles of
storm sewers

4,665

Water
customers

448

Building Permits
(Remodel, New con-
struction, Garage/
carport/deck)

\$14.4

Million dollars in
Building Permit
values

What Your Government Does

The City Government's main goal is to make sure the citizens are taken care of and being provided the services they need. A large portion of the City of El Campo's budget goes to Public Safety and Public Works. Public Safety includes Police and Fire protection and Emergency Medical Services. The employees stay up to date in training and certifications because the safety of the citizens is the main priority.



What Your Government Does

Our Public Works and Utility Departments ensures that residents have running water, working sewer and drivable streets. The guys are on call 24/7 to repair busted mains, sewer leaks and any other issues that may arise. Street Paving is also done on a revolving schedule every year.



City of El Campo



Not pictured District No. 1 Council Member Anisa Longoria-Vasquez

Function	2016	2017	2018	2019	2020
Administration	2	2	2	2	3
Finance	2	2	3	3	3
Personnel	1	1	1	1	1
Municipal Court	5	4	4	4	4
Inspections	5	5	5	5	5
Police	35	35	36	36	35
Communications	8	8	8	8	9
EMS	14	14	14	15	15
PW Admin	3	3	3	2	2
Streets	12	12	11	11	12
Vehicle Maintenance	2	2	2	2	2
Community Services/Parks	6	5	6	6	7
Aquatic Center	1	1	1	2	2
Water and Sewer Administration	4	4	3	3	3
Water Production and WasteWater Collections	10	10	10	11	11
Wastewater Treatment Plant	2	2	2	2	2
Total Full-Time Employees	112	110	111	113	116

A View of Things to Come

The fund balance is a 3 month balance reserve required by City Council and at the end of the 2020 fiscal year, fund balance was at 4.99 months, well exceeding the fund requirements.

The City authorized a number of capital projects in 2020, including:

- ♦ Water and Sewer Main Replacements \$400,000
- ♦ Streets Sealcoating \$400,000

Projects were limited due to the pandemic. Some projects were budgeted, but ultimately were deferred due to economic uncertainty.

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City of El Campo Stats

Top Ten Taxpayers

<u>Property Taxpayer</u>	<u>2020 Taxable Assessed Value</u>
AEP Texas Inc.	\$ 11,994,060
Wal-Mart Stores	10,855,167
Shoppas Farm Supply	8,249,886
Greenpoint AG LLC #2510	6,097,333
Kansas City Southern Railway	5,994,900
El Campo Lagoon ENT LLC	5,956,828
Dovecoast Housing LP	4,092,164
HEB Grocery Co LP	3,845,321
Davis Don Motor Co Inc.	3,661,899
Vallejo Properties Inc.	3,316,694

Source: Wharton County Central
Appraisal District

Top Ten Employers

<u>Employer</u>	<u>Employees</u>
El Campo I.S.D.	530
Greenleaf Nursery	306
El Campo Memorial Hospital	246
Prasek's Hillje Smokehouse	236
Leedo Cabinetry	167
City of El Campo	116
Wal-Mart	100
Mark's Machine	62
H.E.B.	61
Fesco	51

Source: City of El Campo

2020 Sales Tax Rate Breakdown

State of Texas	6.25%
General Fund	1.50%
Wharton County	<u>0.50%</u>
Total	8.25%

Taxing Entities/Tax Rates

City of El Campo	0.5689
School District	1.1264
Junior College	0.1393
Wharton County/FMLR	0.4623
Emergency Services District #1	0.0500
Emergency Services District #4	0.0633
West Wharton County Hospital Dist.	0.2216
Coastal Bend Groundwater Conservation District	<u>0.0080</u>
Total	2.6398

FY 2020—Tax rates per \$100 of assessed
valuation

Source: Wharton County Tax Assessor

City of El Campo Contact Information and Community Events

Kid Fish

Held in the Spring at Legacy Park, the pond is stocked with Rainbow Trout and the Texas Parks & Wildlife Game Wardens come out to help the kids fish and clean/fillet their catch. A chef is also on hand to do a demonstration on how to prepare the fish.

Downtown Dinner

Twice a year, the third Tuesday of March and September, a selection of Food Trucks and local vendors line our streets downtown for a night of family fun. Tickets are \$5.00 to reserve a seat, or you can reserve a table for 8 or 10 people. The event is held downtown at Evan's Park.

Annual Easter Egg Hunt

Held close to Easter on a Saturday evening at Legacy Park. There are thousands of eggs for four different age groups to hunt.

Farmer's Market

Held at Evan's Park on the first Saturday of April, May, June and August, many local vendors set up shop with homemade products, homegrown vegetables and handmade crafts.

Bicycle Rodeo

During June, the Police Department holds the annual Bicycle Rodeo where children can come out and learn bicycle safety.

Kid Fish—Catfish

Held in August at Legacy Park, the pond is stocked with catfish and the Texas Parks & Wildlife Game Wardens come out to help the kids fish and clean/fillet their catch.

National Night Out

Held on the first Tuesday in October, neighborhoods get together to meet everyone and local law enforcement agencies visit each group.

Trunk or Treat

Join us on Halloween at the Civic Center for a night of fun for the little ones. Volunteers decorate booths and hand out candy for a safe alternative to Trick or Treating.

Movie Night in the Park

Load up your chairs, blankets, soft drinks and snacks and join us in the park to watch a movie in the park held some time during October or November.

Courtney Sladek, CGFO, ICMA-CM
City Manager
csladek@cityofelcampo.org

Rene Garcia, SHRM-CP
Assistant City Manager/Human
Resources Director
rgarcia@cityofelcampo.org

Brittini Nanson, CGFO
Finance Director
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Gary Williamson
Chief of Police
gwilliamson@cityofelcampo.org

Weston Davis
Emergency Medical Services Director
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Kevin Thompson
Public Works Director
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Jerry Lewis
Utilities Director
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Jai McBride
Planning Director
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Michelle Roy
Municipal Judge
mroy@cityofelcampo.org

Lori Hollingsworth
City Secretary
lhollingsworth@cityofelcampo.org

Glossary

Assets

Property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies

Bond Ratings

A grade given to bonds that indicates their credit quality. Independent rating services such as Standard & Poor's and Moody's provide these evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion.

Business-Type Activities

Any activity a business engages in for the primary purpose of making a profit. Business activities, including operating, investing and financing activities, are ongoing and focused on creating value for shareholders.

Expenditures

The action of spending funds

Expenses

The cost required for something; the money spent on something.

Fiscal Charges

Revenue duties, internal taxes, and other internal charges on goods.

FMA

Financial Management Assessment Methodology

FY

Fiscal Year

GAAP

Generally Accepted Accounting Principles

GFOA

Government Finance Officers Association of U.S. and Canada

Governmental Activities

Include general administration, public safety, education, streets and roads, and health and sanitation.

Interest

Money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt.

Intergovernmental Revenue

Amounts received from other governments as fiscal aid in the form of shared revenues and grants-in-aid, as reimbursements for performance of general government functions and specific services for the paying government.

Investments

The action or process of investing money for profit or material result

Glossary

Liabilities

A debt or financial obligation

Net Investments in Capital Assets

Capital assets less accumulated depreciation and outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

PAFR

Popular Annual Financial Report

Revenues

Income, especially when of a company or organization and of a substantial nature.

Total Deferred Inflows of Resources

Represents resources that will be recognized in a future period.

Total Deferred Outflows of Resources

Represents expenses that will be recognized in a future period.



The Popular Annual Financial Report (PAFR) is intended to summarize and simplify the statistical, economic and financial information contained in the 2020 Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was independently audited by Patillo, Brown and Hill, LLP. The PAFR, while unaudited, provides a brief analysis of where the City's revenues come from and where the dollars are spent as well as trends and details on the local economy. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. For a more detailed, GAAP basis, full disclosure review of the individual funds and component units' financial statements, please refer to the City's Comprehensive Annual Financial Report that is accessible through the City's website: <http://www.cityofelcampo.org>



City of El Campo

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El Campo, TX 77437

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*For more information on the City of El Campo, visit www.cityofelcampo.org,
follow us on Facebook.*

