

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2015



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CITY OF EL CAMPO, TEXAS

CITY OF EL CAMPO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2015

Courtney Sladek
Director of Finance

Mindi R. Snyder
City Manager

Issued By:
Finance Department

CITY OF EL CAMPO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2015

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City Of El Campo, Texas

Incorporated 1905

March 14, 2016

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, 2015, 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. and the El Campo Volunteer Fire Department are also reported herein as discretely presented component units 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 11,602. 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 with a slight growth trend. 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 slow down 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 FY15-16 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 2020 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 in FY14-15:

The following were goals of the FY14-15 Adopted Budget: comprehensive approach to City's infrastructure, focus on economic development, quality of life and internal capacity defined as increasing the capacity of staff and facilities to serve the public.

Comprehensive Approach to City's Infrastructure

- Utilities: Systematic replacement of sewer lines through CDBG funding, applied for TWDB planning funds to replace original 1905 Water Line on Mechanic Street, employed remote monitoring flow meters
- Roads: I69/US loop frontage road projects in planning stages, completed inventory and assessment of existing roads, continued rehabilitation of high traffic roadways with Norris St. and Divide St., continued strip paving of existing gravel roads within City limits and seal coat program
- Drainage: Continued Tres Palacios Drainage Project, completed plan for Blue Creek Water Shed, completed plan for Town and Country Area, implemented new development standards regarding retention/detention

Economic Development

- Downtown Revitalization: Focused on downtown as a destination that will attract residents and tourists. Involve all stakeholders in developing an Economic Development Strategy. Conducted a Planning Retreat with Council/CDC/Chamber to ensure all are on the same page
- Housing Stock: Marketed land availability to developers

Quality of Life

- Parks and Recreation: Enhanced entrance through state funded grant opportunity (Green Ribbon project), completed master plan and applied for grant funding for connectivity of parks-hike/bike trails
- Housing Stock: The Council acknowledges that housing is a quality of life concern as well as economic development
- Safe Community: Continued effective public safety initiatives such as National Night Out and Community Service Officer presentations

Internal Capacity defined as increasing the capacity of staff and facilities to serve the public

- Staffing: Develop/Implement total compensation system that attracts and retains talented/skilled personnel, invested in training and development of the workforce, invested specifically in Leadership Development for staff in supervisory/management roles
- City Facilities: Conducted in depth study on public safety facilities to determine best use and voters supported a \$10,500,000 new facility in May

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

El Campo, the next five years, goals for FY15-16 and beyond:

In 2015, the City hosted its annual Strategic Planning retreat with Council and the management staff. Several priorities were identified in the retreat. Listed below are goals and short and long term objectives. Also included are budget action items that address these goals and objectives.

- Infrastructure: address aging infrastructure through the funding of sealcoating of the City's streets. Complete West Norris Phase II. Complete Tres Palacios project.
- Public Safety: build new facility; the Public Safety Building broke ground in September. Public health improvement through the purchase of new equipment in EMS. Build rapport and enhance relationships; funding was included for a SWAT team in the FY16 budget
- Citywide Revitalization: downtown revitalization through strategic plan. Address dilapidated structures through code enforcement. Encourage and promote diversified housing stock.
- Inter-local Communication: partner with the City Development Corporation, Emergency Services District #4, El Campo Independent School District and other regional stakeholders.
- Economic Development: continue to focus on economic development efforts.

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, 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 Sandersen Knox & Co., L.L.P., Certified Public Accountants, was engaged by the City to satisfy this requirement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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

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, 2014. 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.

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, Director of Finance



Mindi Snyder, City Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

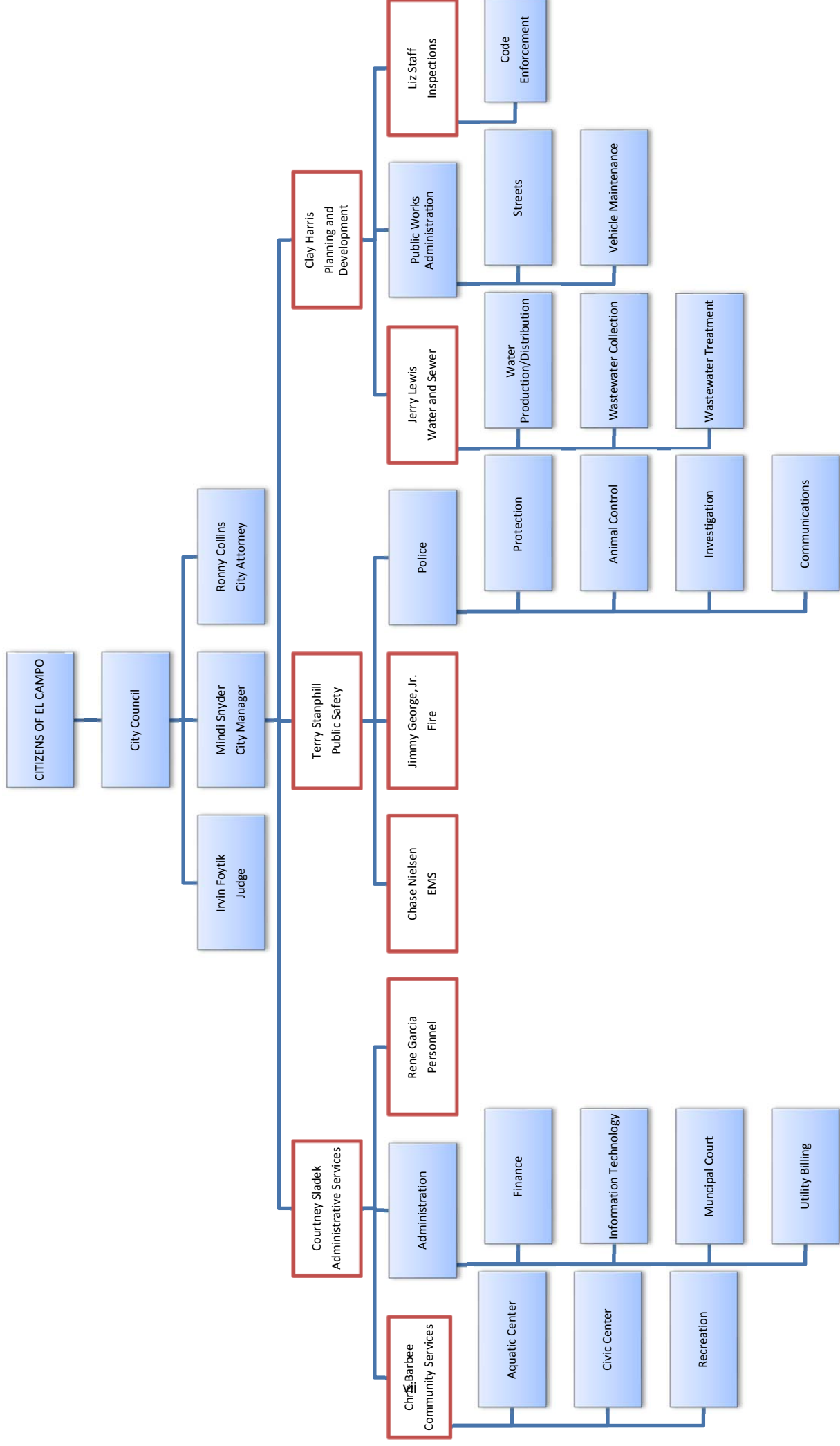
**City of El Campo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO



CITY OF EL CAMPO, TEXAS
DIRECTORY OF PRINCIPAL OFFICIALS
September 30, 2015

City Officials

Randy Collins

Richard Young

Steve Ward

Gloria Harris

Edgar Erwin

Tommy Hitzfeld

Anisa Vasquez

Elective Positions

Mayor

Mayor Pro-Tem

Council Member

Council Member

Council Member

Council Member

Council Member

Key Staff

Mindi R. Snyder

Ronald B. Collins

Courtney Sladek

Appointive Positions

City Manager

City Attorney

Director of Finance

FINANCIAL SECTION

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130 Industrial Blvd, Suite 130 • Sugar Land, Texas 77478 • 281/242-3232 • fax 281/242-3252 • www.sktx.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of El Campo, Texas, as of and for the year ended September 30, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The City of El Campo Volunteer Fire Department, which represent 0.6 percent, 6.8 percent and 2.3 percent, respectively, of the assets, net position and revenues of the City of El Campo, Texas. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The City of El Campo Volunteer Fire Department, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of El Campo, Texas, as of September 30, 2015, and the

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, budgetary comparison information on page 60 and pension information on pages 62 through 66 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 of El Campo, Texas's basic financial statements. The introductory, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

A handwritten signature in black ink, appearing to read "Sugar Land & Co.", is written in a cursive, flowing style.

Sugar Land, Texas
March 14, 2016

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

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, 2015.

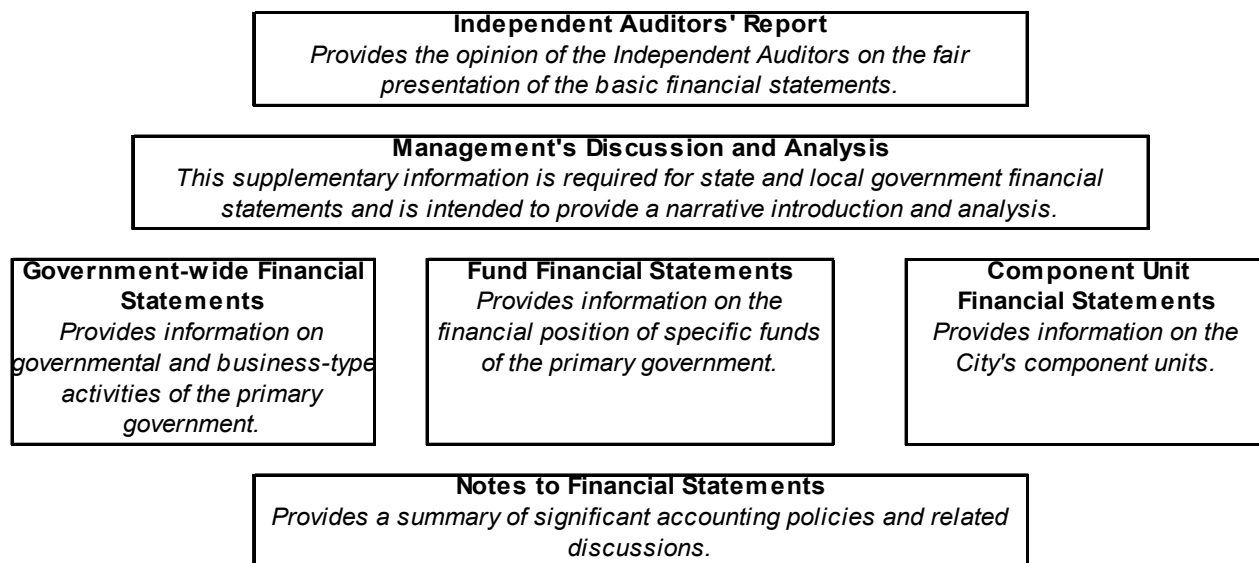
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2015, by \$23,404,233. Of this amount, \$3,663,570 of unrestricted net position is available to meet the City's ongoing obligations to citizens and creditors.
- The total cost of all City activities was \$17,189,670 for the fiscal year. The net expense was \$8,963,201. During the year, the City's net expenses exceeded general revenues of the governmental activities by \$663,818. This represents a 2.8% decrease in net position from the previous fiscal year as a result of operations.
- At September 30, 2015, the City's governmental funds reported combined ending fund balances of \$10,531,155, a net increase of \$2,937,440 in comparison with the prior year.
- At September 30, 2015, unassigned fund balance for the General Fund was \$3,103,928 or 32.2% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



Government-Wide Financial Statements

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

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. 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, parks and recreation, and principal and interest on long-term debt. The business-type activities of the City include utilities and emergency medical services.

The government-wide financial statements include not only the City itself (known as the primary government) but also the component units of City Development Corporation of El Campo, Inc., and El Campo Volunteer Fire Department. These component units are not included as part of the primary government.

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained eleven individual governmental funds during the 2015 fiscal year. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund and Capital Projects Fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. Schedules of revenues, expenditures, and changes in fund balances - budget and actual (GAAP basis) have been provided for each of the funds to demonstrate compliance with the appropriated budgets.

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

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 enterprise funds to account for its water/wastewater utility service, for its solid waste operations, and for its emergency medical services. The City uses an internal service fund to account for its information technology services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in a more detailed format. The proprietary fund financial statements provide information for the water/wastewater utility service, for the solid waste operation, and for the emergency medical service, which are considered to be major funds of the City.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information is included which presents a budgetary comparison schedule for the City's General Fund and pension benefits information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position, the amount that assets exceeded liabilities was \$23,404,233 at the close of fiscal year 2015.

By far, the largest portion of the City's net position (51.7%) reflects its investment in capital assets (i.e., land, buildings, infrastructure, and machinery and equipment). The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

City of El Campo, Texas
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current assets	\$ 11,778,502	\$ 8,532,519	\$ 3,636,551	\$ 3,855,373	\$ 15,415,053	\$ 12,387,892
Capital assets (net)	20,411,948	17,112,847	18,086,655	18,537,086	38,498,603	35,649,933
Total Assets	32,190,450	25,645,366	21,723,206	22,392,459	53,913,656	48,037,825
DEFERRED OUTFLOWS OF RESOURCES	507,000	353,407	165,413	115,302	672,413	468,709
LIABILITIES						
Current liabilities	935,554	1,675,871	391,012	519,452	1,326,566	2,195,323
Noncurrent liabilities	17,749,336	9,309,440	12,014,119	12,933,720	29,763,455	22,243,160
Total Liabilities	18,684,890	10,985,311	12,405,131	13,453,172	31,090,021	24,438,483
DEFERRED INFLOWS OF RESOURCES	69,229		22,586		91,815	
NET POSITION						
Net investment in capital assets	5,094,853	9,777,017	7,003,324	6,586,509	12,098,177	16,363,526
Restricted	7,642,486	214,477			7,642,486	214,477
Unrestricted	1,205,992	5,021,968	2,457,578	2,468,080	3,663,570	7,490,048
Total Net Position	\$ 13,943,331	\$ 15,013,462	\$ 9,460,902	\$ 9,054,589	\$ 23,404,233	\$ 24,068,051

An additional portion of the City's net position (33.0%) represents resources that are subject to external restrictions on how they may be used (i.e., debt service). The remaining balance of unrestricted net position (\$3,663,570) may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the primary government as a whole.

Governmental activities. Governmental activities decreased the City's net position by \$1,070,131. Key elements of this decrease are as follows:

- Issuance of debt, increased long-term liabilities, \$7,848,562; however, debt retirement for 2015 was \$546,743.
- Depreciation expense \$1,103,900

Business-Type activities. Business-type activities increased the City's net position by \$406,313. The key element of this increase relates to the increase in charges for services in excess of the prior year in the amount of \$509,601.

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

City of El Campo, Texas
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program Revenues:						
Charges for services	\$ 1,139,380	\$ 1,169,096	\$ 6,949,822	\$ 6,440,221	\$ 8,089,202	\$ 7,609,317
Operating grants	137,267				137,267	
General Revenues:						
Property taxes	3,118,814	2,833,021			3,118,814	2,833,021
Sales taxes	3,568,802	3,533,651			3,568,802	3,533,651
Franchise taxes	827,649	929,726			827,649	929,726
Other taxes	17,369	19,840			17,369	19,840
Investment earnings	26,974	9,620	9,776	14,327	36,750	23,947
Miscellaneous	535,618	680,474	194,381		729,999	680,474
Total Revenues	9,371,873	9,175,428	7,153,979	6,454,548	16,525,852	15,629,976
EXPENSES						
General government	3,126,552	2,832,544			3,126,552	2,832,544
Public safety	3,781,285	3,781,836			3,781,285	3,781,836
Public works	2,228,376	2,352,547			2,228,376	2,352,547
Parks and recreation	1,152,451	1,218,866			1,152,451	1,218,866
Interest on long-term debt	236,628	123,993			236,628	123,993
Utilities			5,045,412	5,086,560	5,045,412	5,086,560
Emergency medical services			1,618,966	1,266,234	1,618,966	1,266,234
Total Expenses	10,525,292	10,309,786	6,664,378	6,352,794	17,189,670	16,662,580
Change in net position before transfers	(1,153,419)	(1,134,358)	489,601	101,754	(663,818)	(1,032,604)
Transfers	83,288	(962,266)	(83,288)	962,266		
Change in Net Position	(1,070,131)	(2,096,624)	406,313	1,064,020	(663,818)	(1,032,604)
Net Position - Beginning	15,013,462	17,110,086	9,054,589	7,990,569	24,068,051	25,100,655
Net Position - Ending	\$ 13,943,331	\$ 15,013,462	\$ 9,460,902	\$ 9,054,589	\$ 23,404,233	\$ 24,068,051

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,531,155, an increase of \$2,937,440 from the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$3,103,928. Unassigned fund balance represents 32.2% of total General Fund expenditures. The fund balance of the City's General Fund decreased by \$1,484,687 during fiscal year 2015.

Proprietary Funds

The City's proprietary funds, the Utility Fund and the Emergency Medical Services Fund, provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund and the Emergency Medical Services Fund at the end of the current fiscal year amounted to \$2,208,029 and \$249,549, respectively. The increase in net position for the funds was \$406,313.

Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual fiscal year expenditures in the General Fund were \$830,183 more than the final budgeted amounts or appropriations. The major differences in expenditures were:

- \$247,969 in Multi-departmental due to miscellaneous expenses, including grant work approved by Council;
- \$3,629 in Finance due to appraisal services;
- \$108,042 in Streets due to seal coating costs and the purchase of a gradall that were budgeted as a transfer to the General Government CIP Fund rather than an operating cost;
- \$84,047 in Parks and Recreation due to recreational improvements that were also budgeted as a transfer to the General Government CIP Fund rather than operating.

The fiscal year 2015 budget was amended from the original budget adopted by Council. The following were included in the amendments:

- \$13,410 increase in grant revenues including funds for Texas Capital Grant;
- \$143,506 increase in miscellaneous revenue for insurance reimbursement;
- \$1,160 increase in business licenses;
- \$76,000 increase in building permit revenue;
- \$2,630 increase in mechanical permit revenue;
- \$18,900 increase in Aquatic Center fees;
- \$17,790 increase in computers to fund a new server;
- \$12,200 increase in miscellaneous services for work performed for Texas Capital Fund Grant;
- \$40,000 increase to transfers to the General Government Capital Project Fund for rust repairs at the aquatic center;

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

- \$99,000 increase for three new Tahoes for Police;
- \$6,000 increase to minor equipment for radio replacement in Police;
- \$256,756 increase in Major Equipment to fund replacement Gradall;
- \$22,020 increase in Major Equipment and Vehicles in EMS for a radio for new ambulance and LUCAS device.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to \$38,498,603 (net of accumulated depreciation) at the end of the current fiscal year. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, service delivery system, infrastructure, and construction in progress. The net increase in the City's investment in capital assets was 8.0%. Major capital asset events during the current fiscal year included the following:

- The net additions to equipment and infrastructure for governmental activities were \$3,299,101. Additions for fiscal year 2015 included the purchase of vehicles, various other equipment and infrastructure.
- The decrease to construction in progress for governmental activities is attributable to the completion of the West Loop Park, and the West Norris Phase I street project.

City of El Campo, Texas
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 574,785	\$ 574,785	\$ 30,498	\$ 30,498	\$ 605,283	\$ 605,283
Machinery and equipment	1,654,679	1,527,064	933,120	961,808	2,587,799	2,488,872
Buildings and improvements	6,803,791	4,622,971	521,550	564,243	7,325,341	5,187,214
Water works system			10,039,926	10,261,270	10,039,926	10,261,270
Sewer system			6,274,494	6,511,391	6,274,494	6,511,391
Infrastructure	10,078,611	7,083,254			10,078,611	7,083,254
Construction in progress	1,300,082	3,304,773	287,067	207,876	1,587,149	3,512,649
Totals	\$ 20,411,948	\$ 17,112,847	\$ 18,086,655	\$ 18,537,086	\$ 38,498,603	\$ 35,649,933

Additional information on the City's capital assets can be found in Note 5 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,311,998. The City's bonded debt had a net increase of \$6,931,999 or 39.9% during the fiscal year ended September 30, 2015. The increase included the issuance of the 2015 General Obligation Bonds, Certificates of Obligation Series 2015 and the Certificates of Obligation Series 2015A.

The City maintains a bond rating of "AA-" from Standard & Poor's. As a Home Rule City, the City is not limited by law in the amount of debt it may issue; however, all new local bond issues must be approved by the State Attorney General.

During fiscal year 2015, the City made payments on the outstanding capital leases in the amount of \$257,827. The balance on all capital leases at September 30, 2015 was \$1,187,891.

Additional information on the City's long-term debt can be found in Note 11 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The total sales payments received by the City from the State Comptroller and retained by the City for its own utility billing for the current fiscal year totaled \$3,374,849 (including funds dispersed to the City Development Corporation of El Campo, Inc.) This amount is consistent with the FY15 year-end figures.
- The City amended water, sewer and garbage rates for 2016.
- Also included in the FY16 Budget is a Capital Improvement Program that has allowed us to budget for operations only in the fund budgets and transfer the surplus funds to address capital needs.
- On a fund by fund basis, the needs were assessed and the only items that were allowed to increase the base budget involved areas of emphasis where amounts had been reduced to unrealistic levels. Department Heads were encouraged to shift funds within their respective budgets as they saw necessary.

All of these factors were considered in preparing the City's budget for the 2015-2016 fiscal year.

The certified assessed taxable property valuations for the 2015 tax roll total \$538,094,146 and \$417,941 for the senior tax freeze, with a tax rate of \$0.59177 per \$100 valuation. The increase in the tax rate from the prior year is due to debt payments for FY15. \$0.41446 was allocated for maintenance and operations, and \$0.17731 was allocated for interest and sinking (debt service). The projected total property tax due is \$3,530,176 for the 2015 tax year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 315 E. Jackson, El Campo, Texas 77437.

BASIC FINANCIAL STATEMENTS

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CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
September 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Assets				
Cash and cash equivalents	\$ 8,186,231	\$ 442,670	\$ 8,628,901	\$ 498,494
Investments	2,256,802	1,785,012	4,041,814	1,392,272
Receivables (net)	580,012	1,359,213	1,939,225	12,401
Internal balances	(45,874)	45,874		
Due from other governments	746,941		746,941	112,460
Notes receivable	18,518		18,518	
Prepaid items	14,256	3,782	18,038	
Inventory	21,616		21,616	
Capital assets:				
Land and other assets not being depreciated	1,874,867	317,565	2,192,432	506,970
Buildings, infrastructure and equipment (net)	18,537,081	17,769,090	36,306,171	1,847,500
Total Assets	32,190,450	21,723,206	53,913,656	4,370,097
Deferred Outflows of Resources				
Deferred outflows	507,000	165,413	672,413	
Total Deferred Outflows of Resources	507,000	165,413	672,413	
Liabilities				
Accounts payable and accrued liabilities	620,639	135,047	755,686	3,700
Deposits	18,981	196,199	215,180	
Accrued interest payable	8,881	59,531	68,412	
Due to other governments	287,053	235	287,288	
Long-term liabilities due within one year	520,498	833,604	1,354,102	
Long-term liabilities due in more than one year	17,228,838	11,180,515	28,409,353	
Total Liabilities	18,684,890	12,405,131	31,090,021	3,700
Deferred Inflows of Resources				
Deferred inflows	69,229	22,586	91,815	
Total Deferred Inflows of Resources	69,229	22,586	91,815	
Net Position				
Net investment in capital assets	5,094,853	7,003,324	12,098,177	2,354,470
Restricted for:				
Debt service	60,005		60,005	
Police and emergency services	204,052		204,052	
Capital projects	7,378,429		7,378,429	
Memorial donations				8,035
Unrestricted	1,205,992	2,457,578	3,663,570	2,003,892
Total Net Position	\$ 13,943,331	\$ 9,460,902	\$ 23,404,233	\$ 4,366,397

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF ACTIVITIES
Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 3,126,552	\$ 209,755	\$ 137,267
Public safety	3,781,285	419,142	
Public works	2,228,376	223,309	
Parks and recreation	1,152,451	287,174	
Interest on long-term debt	236,628		
Total Governmental Activities	<u>10,525,292</u>	<u>1,139,380</u>	<u>137,267</u>
Business-Type Activities			
Utilities	5,045,412	5,336,727	
Emergency medical services	1,618,966	1,613,095	
Total Business-Type Activities	<u>6,664,378</u>	<u>6,949,822</u>	
Total Primary Government	<u>\$ 17,189,670</u>	<u>\$ 8,089,202</u>	<u>\$ 137,267</u>
 Component Units	 \$ 870,500	 \$ 186,372	 \$ 208,326
Total Component Units	<u>\$ 870,500</u>	<u>\$ 186,372</u>	<u>\$ 208,326</u>

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise taxes
 Other taxes
 Investment earnings
 Gain on sale of capital assets
 Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning

Net Position, Ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (2,779,530)	\$	\$ (2,779,530)	\$
(3,362,143)		(3,362,143)	
(2,005,067)		(2,005,067)	
(865,277)		(865,277)	
(236,628)		(236,628)	
<u>(9,248,645)</u>		<u>(9,248,645)</u>	
	291,315	291,315	
	(5,871)	(5,871)	
	<u>285,444</u>	<u>285,444</u>	
<u>\$ (9,248,645)</u>	<u>\$ 285,444</u>	<u>\$ (8,963,201)</u>	<u>\$</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (475,802)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (475,802)</u>
\$ 3,118,814	\$	\$ 3,118,814	\$
3,568,802		3,568,802	577,591
827,649		827,649	
17,369		17,369	
26,974	9,776	36,750	17,306
245,302		245,302	21,938
290,316	194,381	484,697	29,178
83,288	(83,288)		
<u>8,178,514</u>	<u>120,869</u>	<u>8,299,383</u>	<u>646,013</u>
<u>(1,070,131)</u>	<u>406,313</u>	<u>(663,818)</u>	<u>170,211</u>
<u>15,013,462</u>	<u>9,054,589</u>	<u>24,068,051</u>	<u>4,196,186</u>
<u>\$ 13,943,331</u>	<u>\$ 9,460,902</u>	<u>\$ 23,404,233</u>	<u>\$ 4,366,397</u>

CITY OF EL CAMPO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015

	General	Capital Projects	Non-Major Governmental Funds	Totals Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 510,221	\$ 7,459,269	\$ 216,741	\$ 8,186,231
Investments	2,146,977		109,825	2,256,802
Receivables (net)	436,068		143,944	580,012
Due from other funds	511,322		28,490	539,812
Due from other governments	746,941			746,941
Note receivable from component unit			18,518	18,518
Prepaid items	9,554			9,554
Inventory	21,616			21,616
Total Assets	\$ 4,382,699	\$ 7,459,269	\$ 517,518	\$ 12,359,486
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable	\$ 228,328	\$ 83,685	\$ 12,573	\$ 324,586
Accrued expenditures	273,927	21,551		295,478
Deposits	18,981			18,981
Due to component unit	205,276			205,276
Due to other governments	45,456		36,321	81,777
Due to other funds	124,048		322,939	446,987
Total Liabilities	896,016	105,236	371,833	1,373,085
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	351,585		103,661	455,246
<u>Fund Balances</u>				
Fund Balances:				
Nonspendable	31,170			31,170
Restricted		7,354,033	288,453	7,642,486
Unassigned	3,103,928		(246,429)	2,857,499
Total Fund Balances	3,135,098	7,354,033	42,024	10,531,155
Total Liabilities, Deferred Inflows and Fund Balances	\$ 4,382,699	\$ 7,459,269	\$ 517,518	\$ 12,359,486

Governmental activities in the statement of net position are different because:

The internal service funds are used by the City to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. \$ (131,034)

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures; therefore are reported as "unavailable" in the funds. 455,246

Because the focus on governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by unavailable revenues in the governmental funds and thus are not included in fund balances. (32,671)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 20,411,948

Deferred outflows and inflows of resources pertaining to actuarial pension differences between expected and actual economic experience (\$69,229), projected and actual investment earnings (\$160,649) and pension contributions made subsequent to the measurement date (\$346,351) are not financial resources and, therefore, are not reported in the funds. 437,771

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (17,729,084)

Net Position of Governmental Activities **\$ 13,943,331**

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended September 30, 2015

	General	Capital Projects	Non-Major Governmental Funds	Totals Governmental Funds
<u>Revenues</u>				
Taxes	\$ 6,793,790	\$	\$ 771,515	\$ 7,565,305
Licenses and permits	185,889			185,889
Intergovernmental	137,267			137,267
Charges for services	295,930		37,420	333,350
Fines and forfeitures	419,142			419,142
Investment earnings	19,721	6,523	730	26,974
Miscellaneous	197,688		92,628	290,316
Total Revenues	8,049,427	6,523	902,293	8,958,243
<u>Expenditures</u>				
Current:				
General government	2,580,067		58,830	2,638,897
Public safety	3,565,671		39,311	3,604,982
Public works	1,513,478			1,513,478
Parks and recreation	1,027,723			1,027,723
Debt Service:				
Principal retirement			371,126	371,126
Interest and fiscal charges			250,752	250,752
Debt issuance costs		214,299		214,299
Capital Outlay	925,590	3,433,872	50,048	4,409,510
Total Expenditures	9,612,529	3,648,171	770,067	14,030,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,563,102)	(3,641,648)	132,226	(5,072,524)
<u>Other Financing Sources (Uses)</u>				
Gain on sale of capital assets	245,302			245,302
Issuance of debt		7,436,290		7,436,290
Premiums on bonds		245,084		245,084
Transfers in	4,890,894	810,411	28,413	5,729,718
Transfers (out)	(5,057,781)	(447,587)	(141,062)	(5,646,430)
Total Other Financing Sources (Uses)	78,415	8,044,198	(112,649)	8,009,964
Net Change in Fund Balances	(1,484,687)	4,402,550	19,577	2,937,440
Fund Balances - Beginning	4,619,785	2,951,483	22,447	7,593,715
Fund Balances - Ending	\$ 3,135,098	\$ 7,354,033	\$ 42,024	\$ 10,531,155

See Notes to Financial Statements.

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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***Year Ended September 30, 2015*

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

Net change in fund balances - total governmental funds	\$ 2,937,440
The internal service funds are used by the City to charge the costs of information technology services to the individual funds. The net activity of the internal service funds are reported with governmental activities.	(131,034)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Increase in capital assets	4,409,510
Depreciation expense	(1,103,900)
Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Debt proceeds	(7,436,290)
Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:	
Debt retirement	371,126
Some expenses reported in the Statement of Activities do not require the use of financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in the net pension liability (\$1,383), deferred outflows of resources (\$153,592) and deferred inflows of resources (\$70,611).	(77,803)
Because some property taxes will not be collected for several months after the City's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year-end and are not reported as revenue in the governmental funds.	(39,180)
Change in Net Position of Governmental Activities	\$ (1,070,131)

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Utility	Emergency Medical Services	Totals	
<u>Assets</u>				
<u>Current Assets:</u>				
Cash and cash equivalents	\$ 98,937	\$ 343,733	\$ 442,670	\$
Investments	1,784,612	400	1,785,012	
Receivables (net)	977,688	381,525	1,359,213	
Due from other funds	95,558		95,558	
Prepaid items	3,782		3,782	4,702
Total Current Assets	2,960,577	725,658	3,686,235	4,702
<u>Noncurrent Assets:</u>				
Capital assets:				
Land and construction in progress	317,565		317,565	
Buildings, improvements and equipment (net)	17,547,755	221,335	17,769,090	3,538
Total Noncurrent Assets	17,865,320	221,335	18,086,655	3,538
Total Assets	20,825,897	946,993	21,772,890	8,240
<u>Deferred Outflows of Resources</u>				
Deferred outflows	74,638	90,775	165,413	
Total Deferred Outflows of Resources	74,638	90,775	165,413	
<u>Liabilities</u>				
<u>Current Liabilities:</u>				
Accounts payable	95,589	2,638	98,227	575
Accrued expenses	3,459	33,361	36,820	
Deposits	196,199		196,199	
Accrued interest payable	59,531		59,531	
Due to other funds	49,684		49,684	138,699
Due to other governments	235		235	
Compensated absences	5,241	8,078	13,319	
Current portion of capital leases	215,743		215,743	
Current general obligation bonds	138,798		138,798	
Current certificates of obligation	465,744		465,744	
Total Current Liabilities	1,230,223	44,077	1,274,300	139,274
<u>Noncurrent Liabilities:</u>				
Compensated absences	47,167	72,707	119,874	
Net pension liability	359,890	437,705	797,595	
Capital leases, noncurrent	730,062		730,062	
General obligation bonds, noncurrent	1,328,667		1,328,667	
Certificates of obligation, noncurrent	8,204,317		8,204,317	
Total Noncurrent Liabilities	10,670,103	510,412	11,180,515	
Total Liabilities	11,900,326	554,489	12,454,815	139,274
<u>Deferred Inflows of Resources</u>				
Deferred inflows	10,191	12,395	22,586	
Total Deferred Inflows of Resources	10,191	12,395	22,586	
<u>Net Position (Deficit)</u>				
Net investment in capital assets	6,781,989	221,335	7,003,324	3,538
Unrestricted	2,208,029	249,549	2,457,578	(134,572)
Total Net Position (Deficit)	\$ 8,990,018	\$ 470,884	\$ 9,460,902	\$ (131,034)

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS

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

PROPRIETARY FUNDS

Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Utility	Emergency Medical Services	Totals	
<u>Operating Revenues</u>				
Charges for services	\$ 5,336,727	\$ 1,613,095	\$ 6,949,822	\$ 201,000
Miscellaneous	185,508	8,873	194,381	
Total Operating Revenues	5,522,235	1,621,968	7,144,203	201,000
<u>Operating Expenses</u>				
Personnel	743,902	1,178,281	1,922,183	58,999
Materials and supplies	66,625	267,289	333,914	7,443
Repairs and maintenance	482,850	46,133	528,983	65,706
Other services and charges	2,893,393	50,446	2,943,839	125,398
Depreciation	855,700	76,817	932,517	
Total Operating Expenses	5,042,470	1,618,966	6,661,436	257,546
Operating Income (Loss)	479,765	3,002	482,767	(56,546)
<u>Non-Operating Revenues (Expenses)</u>				
Investment earnings	9,635	141	9,776	
Interest and fiscal charges	(2,942)		(2,942)	
Total Non-Operating Revenues (Expenses)	6,693	141	6,834	
Income (Loss) Before Transfers	486,458	3,143	489,601	(56,546)
Transfers (out)	(15,288)	(68,000)	(83,288)	
Change in Net Position	471,170	(64,857)	406,313	(56,546)
Net Position (Deficit), Beginning	8,518,848	535,741	9,054,589	(74,488)
Net Position (Deficit), Ending	\$ 8,990,018	\$ 470,884	\$ 9,460,902	\$ (131,034)

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities -
		Emergency Medical Services		Internal Service Fund
	Utility		Totals	
<u>Cash Flows From Operating Activities</u>				
Cash received from customers	\$ 5,137,094	\$ 1,621,968	\$ 6,759,062	\$ 201,000
Cash paid for goods and services	(3,627,923)	(363,868)	(3,991,791)	(201,000)
Cash paid to employees for services	(716,830)	(1,116,458)	(1,833,288)	
Net Cash Provided by Operating Activities	792,341	141,642	933,983	
<u>Cash Flows From Noncapital Financing Activities</u>				
Transfers	(15,288)	(68,000)	(83,288)	
Net Cash (Used) by Noncapital Financing Activities	(15,288)	(68,000)	(83,288)	
<u>Cash Flows From Capital and Related Financing Activities</u>				
Acquisition & construction of capital assets	(663,646)		(663,646)	
Principal paid on debt	(831,542)		(831,542)	
Interest paid	(2,942)		(2,942)	
Net Cash (Used) by Capital and Related Financing Activities	(1,498,130)		(1,498,130)	
<u>Cash Flows From Investing Activities</u>				
Purchase of investments	(457,888)		(457,888)	
Investment income	9,635	141	9,776	
Net Cash Provided (Used) by Investing Activities	(448,253)	141	(448,112)	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,169,330)	73,783	(1,095,547)	
Cash and Cash Equivalents, Beginning	1,268,267	269,950	1,538,217	
Cash and Cash Equivalents, Ending	\$ 98,937	\$ 343,733	\$ 442,670	\$
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Operating income (loss)	\$ 479,765	\$ 3,002	\$ 482,767	\$ (56,546)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	855,700	76,817	932,517	
(Increase) decrease in accounts rec.	(342,008)	(12,219)	(354,227)	
(Increase) decrease in prepaid items	(3,782)		(3,782)	156
Increase (decrease) in accounts payable	(198,195)		(198,195)	64
Increase (decrease) in due to other funds				56,326
Increase (decrease) in accrued expenses	(3,965)	74,042	70,077	
Increase (decrease) in deposits	4,826		4,826	
Total adjustments	312,576	138,640	451,216	56,546
Net Cash Provided by Operating Activities	\$ 792,341	\$ 141,642	\$ 933,983	\$

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2015

	City Development Corporation of El Campo, Inc.	El Campo Volunteer Fire Department	Totals
<u>Assets</u>			
<u>Current Assets:</u>			
Cash and cash equivalents	\$ 155,351	\$ 343,143	\$ 498,494
Investments	1,392,272		1,392,272
Due from other governments	112,460		112,460
Other receivables	4,909	7,492	12,401
Total Current Assets	1,664,992	350,635	2,015,627
<u>Noncurrent Assets:</u>			
Capital assets:			
Land and construction in progress	497,970	9,000	506,970
Buildings, improvements and equipment (net)	606,778	1,240,722	1,847,500
Total Noncurrent Assets	1,104,748	1,249,722	2,354,470
Total Assets	2,769,740	1,600,357	4,370,097
<u>Liabilities</u>			
Accounts payable	2,922	778	3,700
Total Liabilities	2,922	778	3,700
<u>Net Position</u>			
Net investment in capital assets	1,104,748	1,249,722	2,354,470
Restricted for:			
Memorial donations		8,035	8,035
Unrestricted	1,662,070	341,822	2,003,892
Total Net Position	\$ 2,766,818	\$ 1,599,579	\$ 4,366,397

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Component Units			
City Development Corporation of El Campo, Inc.	\$ 624,058	\$ 52,438	\$
El Campo Volunteer Fire Department	246,442	133,934	208,326
Total Component Units	<u>\$ 870,500</u>	<u>\$ 186,372</u>	<u>\$ 208,326</u>

General Revenues:

Taxes
Sales taxes
Investment earnings
Gain on sale of capital assets
Miscellaneous

Total General Revenues

Change in Net Position

Net Position, Beginning

Net Position, Ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Component Units		
City Development Corporation of El Campo, Inc.	El Campo Volunteer Fire Department	Totals
\$ (571,620)	\$	\$ (571,620)
	95,818	95,818
<u>\$ (571,620)</u>	<u>\$ 95,818</u>	<u>\$ (475,802)</u>
\$ 577,591	\$	\$ 577,591
16,361	945	17,306
21,938		21,938
178	29,000	29,178
<u>616,068</u>	<u>29,945</u>	<u>646,013</u>
44,448	125,763	170,211
2,722,370	1,473,816	4,196,186
<u>\$ 2,766,818</u>	<u>\$ 1,599,579</u>	<u>\$ 4,366,397</u>

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 is allowed to 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.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the City's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Under these guidelines, the reporting entity consists of the primary government (all funds of the City), organizations for which the primary government is financially accountable, organizations for which the primary government is not financially accountable, organizations that raise and hold economic resources for the direct benefit of the primary government, and any other organization for which the nature and significance of their relationship with the primary government is such that exclusion could cause the City's financial statements to be misleading or incomplete. Entities other than the primary government that are included in the primary government's financial statements are called component units. The component units discussed in this note are included in the City's financial statements because of the significance of their financial relationships with the City.

The component unit column in the financial statements includes the financial data from two component units. These component units are reported in a separate column to emphasize that they are legally separate from the City.

The component unit column is made of the following:

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. CDC was incorporated under the Texas Development Corporation Act of 1979, as amended, Article 5190.6 Vernon's Ann.CIV.ST. Section 4A, as amended, and qualifies as a tax-exempt organization under Code Section 501(c)(4) of the Internal Revenue Code. All powers of CDC are vested in the Board of Directors appointed by the City Council. The City is also able to impose its will on CDC, including approving its operating budget. The amounts reported for CDC are as of September 30, 2015.

The El Campo Volunteer Fire Department (the "ECVFD") - was formed as a tax-exempt organization under Code Section 501(c)(3) of the Internal Revenue Code. The purpose of the ECVFD is the preservation and protection of property and lives from and during such fires as may occur in the City and vicinity and any other disaster or situation wherein the ECVFD may be of assistance in protecting or promoting the safety and welfare of the public. The ECVFD raises and holds economic resources for the direct benefit of the City. These resources have been received by the City and are deemed significant to the City's financial statements. The amounts reported for the ECVFD in the financial statements are as of December 31, 2014, which is the most recent information available.

These component units are discretely presented in the financial statements. Complete financial statements of the individual component units can be obtained from El Campo City Hall, 315 E. Jackson, El Campo, Texas, 77437.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and discretely presented component units. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, fines, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - the General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for and

CITY OF EL CAMPO, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

reported in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources designated to construct or acquire capital facilities and improvements. Such resources are derived partially from proceeds from the sale of bonds.

The City reports the following major proprietary funds:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises -where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Utility Fund, an enterprise fund, accounts for the activities of the City related to its sewage treatment plant, water distribution system, and the City's garbage collection.

The Emergency Medical Services Fund, an enterprise fund, accounts for activities of the City related to providing emergency medical services to the residents and visitors of the City. The Fund utilizes ambulance revenues, interest and contributions from the Wharton County Emergency Services District #4 to fund this service.

Additionally, the City reports the following fund types:

The Special Revenue Funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

The Capital Project Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets. Capital Project Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The City has two Capital Project Funds. The 2004 Bond Fund accounts for the use of the proceeds from the City's 2004 Certificates of Obligation; and the Street Paving Fund accounts for paving the City's remaining unpaved streets through assessments to adjacent landowners and transfers from General 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. The City maintains one Internal Service Fund: Information Technology Fund.

The proprietary funds are accounted for on a flow of *economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

Procedures in establishing budgetary data reflected in the financial statements are as follows:

1. 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 fund 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.
2. At any time during the fiscal year, the City Manager is authorized to transfer unencumbered budgeted amounts between line items within a department; however, any revisions that alter the total budgeted expenditures of any department must be approved by the City Council.
3. Formal budgetary integration is employed as a management control device by expenditure category during the year for the City's Governmental Funds.
4. Legally adopted annual budgets for the General and Debt Service Funds are prepared on a basis consistent with generally accepted accounting principles (GAAP) at the departmental level (i.e., administration, municipal court, etc.), the legal level of budgetary control. An annual budget is also adopted for the enterprise funds on a non-GAAP budgetary basis. The legal level of budgetary control for the enterprise funds is at the fund level.
5. Unencumbered budget appropriations lapse at year-end and do not carry forward to future periods.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for

the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Amounts encumbered for a specific purpose for which amounts have not been previously restricted, committed, or assigned, are reported as committed or assigned fund balance at year-end. There are no outstanding encumbrances at September 30, 2015.

F. 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.

The City may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or otherwise secured; and certain repurchase agreements.

The City Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the City are in compliance with the City Council's investment policies.

Investments are recorded at fair value as of September 30, 2015. Fair value is defined by GASB as the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Quoted market prices were used to determine fair value at the end of the current fiscal period. See Note 3 for further discussion.

G. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles.

H. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are valued at cost (first-in, first-out). Estimated cost is used when actual cost figures are not available. Inventories are not maintained in the Utility Fund since materials and supplies are charged to related expenditure accounts when purchased. As these amounts are not material to the financial statements, the exclusion of inventories does not materially affect the financial position or result of operations of the Utility Fund.

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are reported as deferred expenditures (governmental funds) or prepaid expenses (proprietary funds) in the fund financial statements and as deferred expenditures/expenses in the government-wide statements.

I. Restricted Assets

Certain proceeds of the City's Utility Fund debt are classified as restricted assets on the balance sheet because they are restricted for use in construction.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. The City defines capital assets 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 are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	5-40
Water works	5-40
Sewer system	5-40
Infrastructure	20-50
Machinery and equipment	5-15

K. 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 absence 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.

L. Deferred Inflows of Resources

Deferred inflows of resources represent 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. Deferred inflows of resources consist of unavailable revenues (property tax revenues) and differences between expected and actual economic experiences related to pensions.

M. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources consist of differences between projected and actual investment earnings related to pensions, and pension contributions made subsequent to the actuarial measurement date.

N. 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.

L. Long-Term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Balance Policies

Fund balances of Governmental Funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Council through a resolution. Once the resolution is passed, the commitment remains in place until another resolution is passed to remove or revise the commitment.

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 in order to remove the assignment.

For the classification of governmental fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

N. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to be reported as restricted net position in the government-wide and proprietary financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

O. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with GAAP requires the City to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

P. Date of Management's Review

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through March 14, 2016, the date that the financial statements were available to be issued.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Compliance

There were several situations of expenditures exceeding the amount appropriated at the departmental level of the General Fund during the fiscal year. See page 61 in the Required Supplementary Information section as well as additional explanations on page 10 in the MD&A for further information.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

B. Deficit Fund Equity

As of September 30, 2015, the following funds had deficit equity balances:

Fund	Fund Balance/ Position
Nonmajor Governmental Funds:	
Special Revenue Fund - Municipal Court Technology	\$ 9,966
Special Revenue Fund - Transportation Reinvestment Zone	199,006
Capital Projects Fund - 2004 Bonds	37,457
Internal Service Fund:	
Information Technology	131,034

Steps will be taken to eliminate these deficits in the upcoming fiscal year. The 2004 Bond funds will be reimbursed by a FEMA grant in 2016. The Transportation Reinvestment Zone will be reimbursed as TIRZ funds become available.

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2015, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Public Funds Investment Pools:		
Texas Class	\$ 650,454	62
L.O.G.I.C. Pool	502,775	59
Certificates of deposit	2,042,707	570
U.S. Government Securities	845,878	912
Total Fair Value	<u>\$ 4,041,814</u>	

The investment pool operates in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. The pool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of the shares in the pool.

As previously discussed in Note 1, the investments are reported in the accompanying statements at fair value.

Interest Rate Risk

In accordance with the City's 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 non-operating 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 L.O.G.I.C. and Texas Class Investment Pools. These pools operate in full compliance with the Public Funds Investment Act. The L.O.G.I.C. and Texas Class Investment Pools (which represent approximately 29% of the portfolio) are rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk.

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. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized and therefore the City was not exposed to custodial credit risk.

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 securities be held in the name of the City or held on behalf of the City and that all securities are purchased using the delivery versus payment method. As of September 30, 2015, and for the year then ended, the City was not exposed to any custodial credit risk.

Please see Notes 18 and 19 for discussions relative to the investments of the City's component units.

NOTE 4: RECEIVABLES

Receivables at September 30, 2015, consist of the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		
				<u>Emergency</u>	
	<u>General</u>	<u>Nonmajor</u>	<u>Utility</u>	<u>Medical</u>	<u>Totals</u>
		<u>Funds</u>		<u>Services</u>	
Net Receivables:					
Accounts	\$	\$	\$ 658,715	\$ 381,525	\$ 1,040,240
Taxes	308,236	82,106			390,342
Fines	127,363				127,363
Interest	469		749		1,218
Other		61,838	318,224		380,062
Totals	<u>\$ 436,068</u>	<u>\$ 143,944</u>	<u>\$ 977,688</u>	<u>\$ 381,525</u>	<u>\$ 1,939,225</u>

CITY OF EL CAMPO, TEXAS

NOTES TO FINANCIAL STATEMENTS

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The City's property taxes are levied annually on October 1st on the basis of the Appraisal District's assessed values as of January 1st of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Wharton County Tax Assessor-Collector and are due and payable on January 31st. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on the property on February 1st of the subsequent calendar year.

The City provides an exemption from property taxes of \$10,000 of the assessed value of residential homesteads for persons 65 years of age or older. An exemption from \$1,500 to \$3,000 is allowed to disabled veterans on any one piece of property. Additionally, the market value of agricultural land is reduced to agricultural value for purposes of the City's tax levy calculation.

The City, under Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population and by City Home Rule Charter, is limited to levy ad valorem tax at a rate up to \$2.50 per \$100 assessed valuation for general government services. Within the \$2.50 maximum levy, there is no legal limit on the amount of property taxes that can be levied for debt service.

Property taxes are prorated between operations and debt service based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.51058 per \$100 of assessed valuation, which were prorated between operations and debt service in the amounts of \$0.41460 and \$0.09598, respectively. The resulting adjusted total tax levy was \$3,112,849 on the total adjusted taxable valuation of \$609,669,374 for the 2014 tax year.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 5: CAPITAL ASSETS

The City's capital asset activity for the year ended, September 30, 2015, was as follows:

	Balances Oct. 1, 2014	Increases	(Decreases)	Balances Sept. 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 574,785	\$	\$	\$ 574,785
Construction in progress	3,304,773	3,939,379	(5,944,070)	1,300,082
Total capital assets not being depreciated	3,879,558	3,939,379	(5,944,070)	1,874,867
Capital assets being depreciated:				
Machinery and equipment	5,001,361	558,994	(238,506)	5,321,849
Buildings	8,180,385	2,339,130		10,519,515
Infrastructure	22,896,316	3,604,970		26,501,286
Total capital assets being depreciated	36,078,062	6,503,094	(238,506)	42,342,650
Less accumulated depreciation for:				
Machinery and equipment	(3,474,297)	(335,977)	143,104	(3,667,170)
Buildings	(3,557,414)	(158,310)		(3,715,724)
Infrastructure	(15,813,062)	(609,613)		(16,422,675)
Total accumulated depreciation	(22,844,773)	(1,103,900)	143,104	(23,805,569)
Total capital assets being depreciated, net	13,233,289	5,399,194	(95,402)	18,537,081
Governmental activities capital assets, net	<u>\$ 17,112,847</u>	<u>\$ 9,338,573</u>	<u>\$ (6,039,472)</u>	<u>\$ 20,411,948</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 30,498	\$	\$	\$ 30,498
Construction in progress	207,876	260,751	(181,560)	287,067
Total capital assets not being depreciated	238,374	260,751	(181,560)	317,565
Capital assets being depreciated:				
Machinery and equipment	3,372,311	221,335		3,593,646
Buildings	2,123,074			2,123,074
Water works system	15,948,939	181,560		16,130,499
Sewer system	11,183,890			11,183,890
Total capital assets being depreciated	32,628,214	402,895		33,031,109
Less accumulated depreciation for:				
Machinery and equipment	(2,410,503)	(250,023)		(2,660,526)
Buildings	(1,558,831)	(42,693)		(1,601,524)
Water works system	(5,687,669)	(402,904)		(6,090,573)
Sewer system	(4,672,499)	(236,897)		(4,909,396)
Total accumulated depreciation	(14,329,502)	(932,517)		(15,262,019)
Total capital assets being depreciated, net	18,298,712	(529,622)		17,769,090
Business-Type activities capital assets, net	<u>\$ 18,537,086</u>	<u>\$ (268,871)</u>	<u>\$ (181,560)</u>	<u>\$ 18,086,655</u>

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Depreciation was charged to governmental activities as follows:

General government	\$ 25,104
Public safety	219,254
Public works	728,756
Parks and recreation	130,786
Total Governmental Activities Depreciation Expense	\$ 1,103,900

Depreciation was charged to business-type activities as follows:

Utilities	\$ 855,700
Emergency medical services	76,817
Total Business-Type Activities Depreciation Expense	\$ 932,517

NOTE 6: UNAVAILABLE REVENUE

The City defers revenue recognition in connection with resources that have been received, but not yet available. At the end of the current fiscal year, the governmental funds report unavailable revenue from the following sources:

	General	Nonmajor Governmental	Totals
Property taxes	\$ 225,182	\$ 33,212	\$ 258,394
Fines	126,403		126,403
Assessments		70,449	70,449
Totals	\$ 351,585	\$ 103,661	\$ 455,246

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City of El Campo, Texas, participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code ("the TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report ("CAFR") that can be obtained at www.tmrs.com.

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

CITY OF EL CAMPO, TEXAS
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choose to receive their retirement benefit in one of seven payment 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.

Plan provisions adopted by the City are as follows:

Employee deposit rate	6%
Municipal current matching ratio	1.5-1
Updated service credit:	
Rate (%)	100T**
Year effective	2014R*
Increased benefits to retirees:	
Rate (%)	70
Year effective	2014R*
Military service credit effective date	10-90
Buyback effective date	11-07-77
Vesting	5 yrs
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	4/94
Supplemental death benefits	Employees, Retirees
Statutory maximum (%)	Removed

* Annually repeating. Ordinance automatically renews effective January 1 of each successive year.

** Includes transfer credits.

Employees covered by benefit terms.

At the December 31, 2014, valuation and measurement date, the following employees were covered by the benefit terms:

	2014
Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	51
Active employees	109
Total	<u>221</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under 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, Texas, were required to contribute 6.0% of their annual gross earnings during the fiscal year. The contribution rates for the City of El Campo, Texas, were 12.7% and 11.97% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$643,203, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability ("NPL") was measured as of December 31, 2014, 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, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-district RP2000 Combined Healthy Mortality Table 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 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006, through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal ("EAN") actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/13	\$ 24,046,060	\$ 20,805,639	\$ 3,240,421
Changes for the year:			
Service cost	574,183		574,183
Interest	1,671,854		1,671,854
Change of benefit terms			
Difference between expected and actual experience	(117,116)		(117,116)
Changes of assumptions			
Contributions - employer		642,038	(642,038)
Contributions - employee		308,429	(308,429)
Net investment income		1,190,068	(1,190,068)
Benefit payments, including refunds of employee contributions	(899,035)	(899,035)	
Administrative expense		(12,426)	12,426
Other changes		(1,022)	1,022
Net changes	\$ 1,229,886	\$ 1,228,052	\$ 1,834
Balance at 12/31/14	\$ 25,275,946	\$ 22,033,691	\$ 3,242,255

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%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

CITY OF EL CAMPO, TEXAS
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	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 6,705,773	\$ 3,242,255	\$ 392,098

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2015, the City recognized pension expense of \$522,625.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$	\$ (91,815)
Changes in actuarial assumptions		
Difference between projected and actual investment earnings	213,062	
Contributions subsequent to the measurement date	459,351	
Totals	\$ 672,413	\$ (91,815)

\$459,351 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended Dec 31:</u>	
2015	\$ 27,964
2016	27,964
2017	27,964
2018	37,355
2019	
Thereafter	
	\$ 121,247

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN

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

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 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 prefund retired term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended September 30, 2015, 2014 and 2013 were \$10,277, \$10,323, and \$9,834, respectively, which equaled the required contributions each year.

NOTE 9: TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

Plan Description

The Fire Fighters' Pension Commissioner ("FFPC") 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. TESRS is considered a component unit of the State of Texas financial reporting entity and is included in the State's financial reports as a pension trust fund. The Office of the FFPC issues a publicly available annual financial report that includes financial statements and required supplementary information ("RSI"). This report may be obtained by writing to FFPC, 920 Colorado Street, 11th Floor, Austin, Texas 78701 in addition, the report is available on FFPC's website at www.ffpc.state.tx.us. At August 31, 2014, there were 188 members of fire or emergency services departments participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department.

At August 31, 2014, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,991
Terminated participants entitled to benefits but not yet receiving them	2,211
Active participants (vested and nonvested)	4,016
Total	<u>9,218</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 provision 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/her 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.

Funding Policy

Contribution provisions were originally established by Senate Bill 411, 65th Legislature, Regular Session (1977) and were amended by board rule in 2006. No contributions are required by individual members of participating departments. The governing bodies of participating departments are required to contribute at least the minimum prescribed amount per month for each active member and may contribute more. Additional contributions may be made by a governing body to pay for granting credit for service before the department began participating in TESRS (prior service). The State may also be required to make annual contributions up to a limited amount to make TESRS actuarially sound.

Annual Required 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 September 30, 2015, total contributions (dues and prior services) of \$3,515,546 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The State appropriated \$1,637,308 for the fiscal years ending August 31, 2015.

The purpose of the biennial actuarial valuation is to test the adequacy of the financing arrangement to determine if it is adequate to pay the benefits that are promised. The actuarial valuation as of August 31, 2014, revealed the adequacy of the expected contributions from the political subdivisions (dues and prior service contributions) together with the actual state appropriations and with the assumed continuation of legislative appropriations of 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 \$625,000 each year to help pay for the TESRS's administrative expenses.

Without the expected future annual contributions from the State, TESRS would have an inadequate contribution arrangement.

Year Ended August 31	Required Contributions	Actual Contributions	Percentage Contributed
2015	\$ 5,152,854 *	\$ 3,515,546	68%
2014	5,707,002	4,176,659	73%
2013	5,020,980	5,020,980	100%
2012	4,423,898	3,517,455	80%

* Includes a requested state contribution of \$1,637,308

State contributions to the City's plan for the year ended September 30, 2015, has been deemed insignificant to the financial statements. Therefore, no amounts have been recognized as revenues and expenditures during the period.

Three Year Trend Information - City of El Campo, Texas			
Year Ended September 30	Annual Required Contributions	Percentage Contributed	Net Obligation
2015	\$ 42,222	100%	\$
2014	33,119	100%	
2013	34,538	100%	

CITY OF EL CAMPO, TEXAS
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NOTE 10 : RISK MANAGEMENT

The City is exposed to various risks of loss encompassed in the areas of general liabilities and workers compensation claims. The City has purchased commercial insurance to cover potential losses in those areas. The City has entered into interlocal agreements with the Texas Municipal League Intergovernmental Risk Pool coverage. Through the payment of contributions to the Texas Municipal League Intergovernmental Risk Pool, the City has transferred these risks to the pool. The City has not retained any risks other than the deductibles and is covered up to the limits of coverage after the deductible. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 11 : LONG-TERM DEBT

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Balances Oct. 1, 2014	Additions	(Reductions)	Balances Sept. 30, 2015	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 2,183,736	\$ 5,000,000	\$ (171,202)	\$ 7,012,534	\$ 171,202
Certificates of obligation	5,034,683	2,436,290	(150,132)	7,320,841	266,256
Issuance premiums	180,124	245,084	(14,124)	411,084	
Net pension liability	2,443,277	1,383		2,444,660	
Capital leases	291,880		(49,794)	242,086	51,227
Compensated absences	313,817	165,805	(161,491)	318,131	31,813
Total Governmental Activities	\$ 10,447,517	\$ 7,848,562	\$ (546,743)	\$ 17,749,336	\$ 520,498
Business-Type Activities:					
General obligation bonds	\$ 1,606,263	\$	\$ (138,798)	\$ 1,467,465	\$ 138,798
Certificates of obligation	8,555,317	423,710	(467,869)	8,511,158	465,744
Issuance premiums	146,873	28,872	(16,842)	158,903	
Net pension liability	797,144	451		797,595	
Capital leases	1,153,838		(208,033)	945,805	215,743
Compensated absences	125,407	79,683	(71,897)	133,193	13,319
Total Business-Type Activities	\$ 12,384,842	\$ 532,716	\$ (903,439)	\$ 12,014,119	\$ 833,604

Compensated absences are generally liquidated by the General Fund for the governmental activities and by the Utility Fund for the business-type activities. Please see Notes 18 and 19 for discussions relative to the long-term debt of the City's component units.

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The bonds have been issued for both governmental and business-type activities.

CITY OF EL CAMPO, TEXAS
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General obligation bonds outstanding as of September 30, 2015, are as follows:

Series	Term	Interest Rate (%)	Original Amount	Debt Outstanding
Refunding 2012A	2/13-2/21	2.00-3.00	\$ 2,540,000	\$ 2,136,348
Refunding 2012B	2/13-2/15	2.00	350,000	108,652
Refunding 2013	2/13-2/27	2.00-2.25	1,345,000	1,235,000
Series 2015	2/16-2/45	3.00-4.00	5,000,000	5,000,000

Annual debt service requirements to maturity for the general obligation bonds, including interest, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2016	\$ 171,202	\$ 217,408	\$ 138,798	\$ 36,829	\$ 564,237
2017	273,048	241,460	141,953	34,021	690,482
2018	274,893	233,868	145,107	30,788	684,656
2019	286,739	225,873	148,262	27,121	687,995
2020	295,430	217,332	154,571	22,949	690,282
2021-2025	1,476,222	938,739	738,774	52,806	3,206,541
2026-2030	955,000	749,876			1,704,876
2031-thereafter	3,280,000	1,080,800			4,360,800
Totals	\$ 7,012,534	\$ 3,905,356	\$ 1,467,465	\$ 204,514	\$ 12,589,869

Combination Tax and Revenue Certificates of Obligation

The City also issues combination tax and revenue certificates of obligation ("C.O.'s") to provide funds for the acquisition and construction of major capital facilities payable from the proceeds of an annual ad valorem tax and further payable from a junior and subordinate pledge of the net revenues of the City's water and sewer system. The C.O.'s have been issued for both governmental and business-type activities. C.O.'s currently outstanding are as follows:

Certificates of obligation outstanding as of September 30, 2015, are as follows:

Series	Term	Interest Rate (%)	Original Amount
Series 2008	8/08-2/29	4.25-6.00	\$ 3,430,000
Series 2010	3/10-2/30	3.25-4.50	1,710,000
Series 2013	2/13-2/32	2.00-2.75	2,920,000
Series 2013A	10/13-10/33	2.907-4.00	2,525,000
Series 2014A	9/14-9/24	0.25-1.07	375,000
2014 Tax Note	2/15-2/21	0.60-2.25	500,000
Series 2014	9/14-9/39	2.00-4.00	2,850,000
Series 2015A	9/15-9/35	2.00-4.00	2,710,000
Series 2015	2/16-2/25	.13-1.21	150,000

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Annual debt service requirements to maturity for the certificates of obligation, including interest, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2016	\$ 266,256	\$ 238,784	\$ 465,744	\$ 273,599	\$ 1,244,383
2017	267,095	237,873	479,906	260,572	1,245,446
2018	270,984	230,673	486,016	247,135	1,234,808
2019	276,353	223,718	650,648	234,340	1,385,059
2020	290,071	217,366	446,930	221,595	1,175,962
2021-2025	1,577,600	958,916	2,479,401	885,118	5,901,035
2026-2030	1,900,485	640,521	2,849,516	370,842	5,761,364
2031-thereafter	2,471,997	309,579	652,997	49,308	3,483,881
Totals	\$ 7,320,841	\$ 3,057,430	\$ 8,511,158	\$ 2,542,509	\$ 21,431,938

Capital Leases

Lease purchase agreement on a motor grader. The original amount of the lease, entered into in 2012, was \$167,470. The lease is payable in monthly installments of \$1,637 and bears interest at 3.25%.	\$ 112,272
Lease purchase agreement on a street sweeper. The original amount of the lease, entered into in 2013, was \$210,662. The lease is payable in monthly installments of \$3,168 and bears interest at 2.65%.	129,813
Lease purchase agreement on generators. The original amount of the lease, entered into in 2013, was \$399,753. The lease is payable in monthly installments of \$7,121 and bears interest at 2.65%.	246,172
Lease purchase agreement on a water meters. The original amount of the lease, entered into in 2004, was \$1,784,239. The lease is payable in quaterly installments of \$40,859 and bears interest at 4.25%.	699,634
	<u>\$ 1,187,891</u>

The present value of the capital leases after deduction of imputed interest is \$1,187,891.

Year Ending September 30,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2016	\$ 51,227	\$ 6,426	\$ 215,743	\$ 33,146	\$ 306,542
2017	52,701	4,951	223,754	25,137	306,543
2018	54,218	3,434	232,073	16,817	306,542
2019	39,870	1,943	274,235	11,778	327,826
2020	18,479	1,159			19,638
2021-2022	25,591	593			26,184
Totals	\$ 242,086	\$ 18,506	\$ 945,805	\$ 86,878	\$ 1,293,275

NOTE 12: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables and Payables

At times during the fiscal year the various funds of the City were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund. Interfund receivable and payable balances as of September 30, 2015, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ 49,684
	Nonmajor Governmental Funds	322,939
	Information Technology	138,699
		<u>\$ 511,322</u>
Utility	General	\$ 95,558
		<u>\$ 95,558</u>
Nonmajor Governmental Funds	General	\$ 28,490
		<u>\$ 28,490</u>

Interfund Transfers

Each year various funds of the City transfer funds to other funds. The most significant of these are the planned transfers from the City's enterprise funds to specified governmental funds. These transfers are intended to provide the necessary resources to meet the operating and debt service obligations of the receiving funds. During the current fiscal year, transfers between funds consisted of the following:

Transfers are used to move revenues from the fund with collection authorization to other funds to finance various programs and projects of the City.

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Totals</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Capital Projects</u>	
Nonmajor governmental	\$ 4,890,894	\$	\$ 141,062	\$ 5,031,956
General	5,057,781	28,413	810,411	5,896,605
Utility			15,288	
Emergency medical services			68,000	68,000
Capital projects	447,587			447,587
Totals	<u>\$ 10,396,262</u>	<u>\$ 28,413</u>	<u>\$ 1,034,761</u>	<u>\$ 11,444,148</u>

NOTE 13: RELATED PARTY TRANSACTIONS

At September 30, 2015, the primary government owed the City Development Corporation of El Campo, Inc., a discretely presented component unit, for a percentage of sales tax that was collected by the City in the amount of \$560,185.

NOTE 14: COMMITMENTS AND CONTINGENCIES

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, 2015, 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.

Construction and Acquisition Commitments

As of September 30, 2015, the City had entered into contractual commitments with contractors for various City projects. The commitments with contractors were as follows:

<u>Project</u>	<u>Remaining Commitment</u>
DWSRF	\$ 180,084
W. Norris Ph 1	104,096
CWSRF	20,339
W. Norris Ph II	2,344,476
Public Safety Building	10,087,882
TAP Sidewalks	88,205
I-69	8,000,000
	<u>\$ 20,825,082</u>

The commitments are being funded by various federal grants, bond proceeds, and service revenues.

NOTE 15: FUND BALANCES

The following is a detail of the governmental fund balances as of September 30, 2015:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Nonspendable:				
Prepays	\$ 9,554	\$	\$	\$ 9,554
Inventory	21,616			21,616
Subtotal	<u>31,170</u>			<u>31,170</u>
Restricted for:				
Public safety			204,052	204,052
Debt service			60,005	60,005
Capital projects		7,354,033	24,396	7,378,429
Subtotal		<u>7,354,033</u>	<u>288,453</u>	<u>7,642,486</u>
Unassigned	<u>3,103,928</u>		<u>(246,429)</u>	<u>2,857,499</u>
Totals	<u>\$ 3,135,098</u>	<u>\$ 7,354,033</u>	<u>\$ 42,024</u>	<u>\$ 10,531,155</u>

NOTE 16: IMPLEMENTATION OF NEW STANDARDS

In the current fiscal year, the City implemented the following new standards:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans administered as trusts or equivalent arrangements that meet certain criteria. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and Amendment of GASB 68* ("GASB 71"), requires employer contributions made between the measurement date, which is the date used to determine an employer's net pension liability ("NPL"), and the employer's fiscal year end be reported as a deferred outflow of resources ("DOOR").

NOTE 17: RESTATEMENT OF FUND BALANCE/NET POSITION

The Capital Projects Fund beginning fund balance was restated from \$0 to \$2,951,483 to reflect the net change of the recording of prior year debt issuances between governmental activities and business-type activities (\$2,951,483). The Capital Projects Fund was created in the 2015 fiscal year to account for two debt issuances that were previously recorded in the Utility Fund.

The Utility Fund beginning net position was restated from \$11,289,705 to \$8,518,848 to reflect the net change of implementation of GASB 68 and 71, as discussed in Note 16 (-\$307,660) and changes made to the recording of prior year debt issuances between governmental activities and business-type activities (-\$2,463,197).

The Emergency Medical Services Fund beginning net position was restated from \$909,923 to \$535,741 to reflect the net change of implementation of GASB 68 and 71, as discussed in Note 16 (-\$374,182).

Governmental activities beginning net position was restated from \$14,820,259 to \$15,013,462 to reflect the net change of implementation of GASB 68 and 71, as discussed in Note 16 (-\$2,089,870) and changes made to the recording of prior year debt issuances between governmental activities and business-type activities (\$2,283,073).

Business-type activities beginning net position was restated from \$12,199,628 to \$9,054,589 to reflect the net change of implementation of GASB 68 and 71, as discussed in Note 16 (-\$681,842) and changes made to the recording of prior year debt issuances between governmental activities and business-type activities (-\$2,463,197).

NOTE 18 : CITY DEVELOPMENT CORPORATION OF EL CAMPO, INC.

As described in Note 1, the City Development Corporation of El Campo, Inc. is a component unit of the City. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the City. Following are note disclosures relating to this component unit.

Organization

The City Development Corporation of El Campo, Inc. ("CDC") was formed as a non-profit corporation

governed by the Texas Development Corporation Act of 1979, as amended. The purpose of the CDC was to promote, assist, and enhance economic development in the City.

CDC directors are appointed and/or removed by the City Council of the City and the CDC is therefore a component unit of the City.

Summary of Significant Accounting Policies

The accounting and reporting policies of CDC conform to Generally Accepted Accounting Principles ("GAAP"), as applicable to governmental units. For inclusion in this report, CDC's operations are reported as a governmental fund type.

The budget is adopted on a GAAP basis. The budget is based on expenditures amounting to a percentage of revenues recognized. A budget is adopted for the General Fund.

Legal Compliance –Budget

The CDC director prepares an estimate of revenues and expenditures. The Board of Directors adopts a budget based on these estimates. Before being formalized, the City Council must approve the budget.

Amendments to the budget may be made by the Board of Directors at the object level. Expenditures may not exceed legally budgeted appropriations in total. CDC has complied with all legal budget requirements for the year ended September 30, 2015.

Deposits and Investments

As of September 30, 2015, the CDC had a certificate of deposit with an amortized cost of \$1,392,272 and a weighted average maturity of 298 days.

Interest Rate Risk

In accordance with the CDC's investment policy, the CDC manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 60 months or less. The CDC has obtained a waiver from its depository for any early withdrawal penalty, therefore the CDC's certificates of deposits are not exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The CDC was not exposed to credit risk.

Concentration of Credit Risk

The CDC's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the CDC was not exposed to concentration of credit risk.

Custodial Credit Risk -Deposits

The CDC's custodial credit risk refers to the risk that in the event of a bank failure, the CDC's deposits may not be returned to it. The CDC's investment policies require that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the CDC by the depository in an amount equal to at least 102% of the carrying value of deposits held.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

As of September 30, 2015, the CDC had deposits in financial institutions and the deposits were FDIC insured at each institution up to \$250,000. As of September 30, 2015, all of the CDC's bank balance of \$155,351 was properly collateralized per the CDC investment policy by securities pledged to the CDC by the financial institution.

It is managements' recent understanding that the CDC and any other 4A and 4B economic development entity is not considered a "political subdivision" as defined by Section 330.15 of the FDIC's regulation. Therefore, the CDC's bank deposits may not be insured above \$250,000 even though they are secured by a pledged collateral agreement.

Custodial Credit Risk –Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the CDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CDC was not exposed to custodial credit risk.

Sales Taxes

The CDC, by law, is to receive one-sixth of the sales tax earned by the City and paid monthly to the City by the State of Texas. The CDC's outstanding receivable of the sales tax earned by the City for the year ended September 30, 2015, was \$112,460. The City collects the sales tax from the State of Texas and then pays CDC's portion monthly when collected.

Capital Assets

The CDC's capital asset activity for the year ended September 30, 2015, was as follows:

	Balances Oct. 1, 2014	Increases	(Decreases)	Balances Sept. 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 107,746	\$ 304,138	\$ (45,000)	\$ 366,884
Construction in progress		131,086		131,086
Total capital assets not being depreciated	107,746	435,224	(45,000)	497,970
Capital assets being depreciated:				
Buildings	809,995			809,995
Office equipment	16,840			16,840
Total capital assets being depreciated	826,835			826,835
Less accumulated depreciation for:				
Buildings	(181,165)	(22,052)		(203,217)
Office equipment	(16,840)			(16,840)
Total accumulated depreciation	(198,005)	(22,052)		(220,057)
Total capital assets being depreciated, net	628,830	(22,052)		606,778
Governmental activities capital assets, net	<u>\$ 736,576</u>	<u>\$ 413,172</u>	<u>\$ (45,000)</u>	<u>\$ 1,104,748</u>

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Long-Term Debt

During the year ended September 30, 2015, the following changes occurred in CDC's long-term debt:

	Notes Payable
	City of
	El Campo
Balance at beginning of year	\$ 18,517
New issues	
Principal retirements	(18,517)
Balance at end of year	
Due within one year	\$

Notes Payable to City of El Campo, Texas

On June 7, 1995, CDC received \$200,000 from the City as part of the City's Tax and Revenue Certificate of Obligation Series 1995 Bonds of which the CDC is obligated to repay. Annual installments ranging from \$16,620 to \$19,088 are due through February 1, 2015, with interest rates varying from 5.5% to 7.5%. As of September 30, 2015, the note payable has been paid in full.

Lessor Agreements

The CDC leases two commercial buildings to unrelated third parties. Substantially all of CDC's capital assets are leased to third parties. The future rentals disclosed below include only the base lease payment and the 5% fee for administrative costs. The variable costs, which are insurance and ad valorem taxes, are not included. The following is an analysis of minimum future rentals due to the CDC under non-cancelable lease agreements as of September 30, 2015.

Year Ending	
September 30	
2016	\$ 60,464
2017	20,155
Total	\$ 80,619

NOTE 19: EL CAMPO VOLUNTEER FIRE DEPARTMENT

As described in Note 1, the El Campo Volunteer Fire Department (the "ECVFD") is a component unit of the City. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the City. Following are note disclosures relating to this component unit.

Organization

The ECVFD was formed as a tax-exempt organization under Code Section 501(c)(3) of the Internal Revenue Code. The purpose of the ECVFD is the preservation and protection of property and lives from and during such fires as may occur in the City and vicinity and any other disaster or situation wherein ECVFD may be of assistance in protecting or promoting the safety and welfare of the public.

Summary of Significant Accounting Policies

The accounting and reporting policies of the ECVFD conform to GAAP, as applicable to governmental units. For inclusion in this report, the ECVFD's operations are reported as a governmental fund type.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Budget

The budget is adopted on income tax basis. The budget is based on expenditures amounting to a percentage of revenues recognized. A budget is adopted for the General Fund.

Cash

The ECVFD has demand deposits, money market accounts, and certificates of deposit that are held by one institution within the State of Texas. The deposits were fully insured by the FDIC at December 31, 2014. The ECVFD has cash and demand deposits of \$343,143 at December 31, 2014.

Capital Assets

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In compliance with GASB Statement No. 34, depreciation policies were adopted to include useful lives. The following is a summary of the changes in capital assets:

	Balances Jan. 1, 2014	Increases	(Decreases)	Balances Dec. 31, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets not being depreciated	9,000			9,000
Capital assets being depreciated:				
Equipment	189,951	192,803		382,754
Training facility	1,699,848			1,699,848
Total capital assets being depreciated	1,889,799	192,803		2,082,602
Less accumulated depreciation for:				
Training facility and equipment	(741,774)	(100,106)		(841,880)
Total accumulated depreciation	(741,774)	(100,106)		(841,880)
Total capital assets being depreciated, net	1,148,025	92,697		1,240,722
Governmental activities capital assets, net	<u>\$ 1,157,025</u>	<u>\$ 92,697</u>	<u>\$</u>	<u>\$ 1,249,722</u>

Long-Term Debt

The ECVFD had no long-term debt as of December 31, 2014.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EL CAMPO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2015

Exhibit B-1

	Budgeted Amounts			Variance from Final Budget
	Original	Final	Actual	
<u>Revenues</u>				
Taxes	\$ 6,889,380	\$ 6,889,380	\$ 6,793,790	\$ (95,590)
Licenses and permits	95,770	175,560	185,889	10,329
Intergovernmental	125,000	138,320	137,267	(1,053)
Charges for services	263,670	263,670	295,930	32,260
Fines and forfeitures	539,610	539,610	419,142	(120,468)
Investment earnings	17,500	17,500	19,721	2,221
Other	58,720	179,996	197,688	17,692
Total Revenues	7,989,650	8,204,036	8,049,427	(154,609)
<u>Expenditures</u>				
Current:				
General government	2,263,610	2,325,810	2,580,067	(254,257)
Public safety	3,750,780	3,756,780	3,565,671	191,109
Public works	1,448,810	1,448,810	1,513,478	(64,668)
Parks and recreation	976,400	976,400	1,027,723	(51,323)
Capital outlay		274,546	925,590	(651,044)
Total Expenditures	8,439,600	8,782,346	9,612,529	(830,183)
(Deficiency) of Revenues (Under) Expenditures	(449,950)	(578,310)	(1,563,102)	(984,792)
<u>Other Financing Sources (Uses)</u>				
Gain on sale of capital assets			245,302	
Operating transfers in	491,080	578,310	4,890,894	4,312,584
Operating transfers (out)			(5,057,781)	(5,057,781)
Total Other Financing Sources (Uses)	491,080	578,310	78,415	(745,197)
Net Change in Fund Balance	41,130		(1,484,687)	(1,729,989)
Fund Balance - Beginning	4,619,785	4,619,785	4,619,785	
Fund Balance - Ending	\$ 4,660,915	\$ 4,619,785	\$ 3,135,098	\$ (1,729,989)

A. Budgetary Basis of Accounting

The City annually adopts budgets that are prepared using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

B. Budgetary Legal Compliance

For the year ending September 30, 2015, the City complied with budgetary restrictions at all departmental levels except the following:

Fund/Department	Budget	Actual	Variance
General Fund:			
Multi-departmental	\$ 1,814,740	\$ 2,062,709	\$ (247,969)
Finance	201,910	205,539	(3,629)
Personnel	130,210	131,600	(1,390)
Municipal court	178,950	180,219	(1,269)
Streets	980,940	1,088,982	(108,042)
Vehicle and facility maintenance	115,180	115,459	(279)
Parks and recreation	541,990	626,037	(84,047)
Civic center	104,430	107,514	(3,084)
Capital outlay	274,546	925,590	(651,044)

CITY OF EL CAMPO, TEXAS
**TEXAS MUNICIPAL RETIREMENT SYSTEM - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Years***

	2014	2013	2012	2011
Total Pension Liability				
Service cost	\$ 574,183	\$ N/A	\$ N/A	\$ N/A
Interest (on the total pension liability)	1,671,854	N/A	N/A	N/A
Changes of benefit terms		N/A	N/A	N/A
Difference between expected and actual experience	(117,116)	N/A	N/A	N/A
Change of assumptions		N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(899,035)	N/A	N/A	N/A
Net Change in Total Pension Liability	1,229,886	N/A	N/A	N/A
Total Pension Liability - Beginning	24,046,060	N/A	N/A	N/A
Total Pension Liability - Ending (a)	\$ 25,275,946	\$ N/A	\$ N/A	\$ N/A
Plan Fiduciary Net Position				
Contributions - employer	\$ 642,038	\$ N/A	\$ N/A	\$ N/A
Contributions - employee	308,429	N/A	N/A	N/A
Net investment income	1,190,068	N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(899,035)	N/A	N/A	N/A
Administrative expense	(12,426)	N/A	N/A	N/A
Other	(1,022)	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	1,228,052	N/A	N/A	N/A
Plan Fiduciary Net Position - Beginning	20,805,639	N/A	N/A	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 22,033,691	\$ N/A	\$ N/A	\$ N/A
Net Pension Liability - Ending (a) - (b)	\$ 3,242,255	\$ N/A	\$ N/A	\$ N/A
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.17%	N/A	N/A	N/A
Covered Employee Payroll	\$ 5,140,488	\$ N/A	\$ N/A	\$ N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	63.07%	N/A	N/A	N/A

Notes to Schedule: N/A

* GASB 68 requires ten years of data to be provided in this schedule, however, only one year is currently available.

2010		2009		2008		2007		2006		2005	
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A		N/A		N/A
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A		N/A		N/A
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A		N/A		N/A

CITY OF EL CAMPO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SCHEDULE OF
EMPLOYER CONTRIBUTIONS
*Last Ten Years**

	2014	2013	2012	2011
Actuarially Determined Contributions	\$ 642,038	\$ N/A	\$ N/A	\$ N/A
Contributions in Relation to the Actuarially Determined Contributions	\$ 642,038	\$ N/A	\$ N/A	\$ N/A
Contribution Deficiency (Excess)	\$	\$ N/A	\$ N/A	\$ N/A
Covered Employee Payroll	\$ 5,140,488	\$ N/A	\$ N/A	\$ N/A
Contributions as a Percentage of Covered Employee Payroll	12.49%	N/A	N/A	N/A

* GASB 68 requires ten years of data to be provided in this schedule, however, only one year is currently available.

Exhibit B-4

2010	2009	2008	2007	2006	2005
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF EL CAMPO, TEXAS**TEXAS MUNICIPAL RETIREMENT SYSTEM - NOTES TO THE
SCHEDULE OF EMPLOYER CONTRIBUTIONS****Exhibit B-5****Valuation Date:**

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
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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; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.
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COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Municipal Court Technology and Building Security Funds - Account for funds received in addition to municipal court fines to enhance these specific areas.

Hotel/Motel Tax Fund - Accounts for the collection of hotel and motel taxes collected within the City.

Transportation Reinvestment Zone Fund - Accounts for the City's potential tax benefit from the transportation projects in the designated zone along U.S. Highway 59.

Police Seizure Fund - Accounts 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.

EMS Grant Fund - Accounts for donations from local foundations and hospitals for ambulances and other emergency equipment.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets. Capital Projects Funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

2004 Bonds Fund - Accounts for the use of the proceeds from the City's 2004 Certificates of Obligation.

Street Paving 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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 183,734	\$	\$ 33,007	\$ 216,741
Investments	25,711	58,156	25,958	109,825
Receivables (net)	48,894	33,212	61,838	143,944
Due from other funds	28,490			28,490
Note receivable from component unit		18,518		18,518
Total Assets	\$ 286,829	\$ 109,886	\$ 120,803	\$ 517,518
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable	\$ 12,573	\$	\$	\$ 12,573
Due to other governments	36,321			36,321
Due to other funds	242,855	16,669	63,415	322,939
Total Liabilities	291,749	16,669	63,415	371,833
<u>Deferred Inflows of Resources</u>				
Unavailable revenues		33,212	70,449	103,661
<u>Fund Balances</u>				
Restricted	204,052	60,005	24,396	288,453
Unassigned	(208,972)		(37,457)	(246,429)
Total Fund Balances	(4,920)	60,005	(13,061)	42,024
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 286,829	\$ 109,886	\$ 120,803	\$ 517,518

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals Nonmajor Governmental Funds
<u>Revenues</u>				
Taxes	\$ 181,789	\$ 589,726	\$	\$ 771,515
Charges for services			37,420	37,420
Investment earnings	256	82	392	730
Other	67,694	24,934		92,628
Total Revenues	<u>249,739</u>	<u>614,742</u>	<u>37,812</u>	<u>902,293</u>
<u>Expenditures</u>				
Current:				
General government	58,830			58,830
Public safety	39,311			39,311
Capital outlay			50,048	50,048
Debt Service:				
Principal retirement		371,126		371,126
Interest and fiscal charges		250,752		250,752
Total Expenditures	<u>98,141</u>	<u>621,878</u>	<u>50,048</u>	<u>770,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	151,598	(7,136)	(12,236)	132,226
<u>Other Financing Sources (Uses)</u>				
Transfers in		28,413		28,413
Transfers (out)	(138,597)	(2,465)		(141,062)
Total Other Financing Sources (Uses)	<u>(138,597)</u>	<u>25,948</u>		<u>(112,649)</u>
Net Change in Fund Balances	13,001	18,812	(12,236)	19,577
Fund Balances, Beginning of Year	<u>(17,921)</u>	<u>41,193</u>	<u>(825)</u>	<u>22,447</u>
Fund Balances, End of Year	<u>\$ (4,920)</u>	<u>\$ 60,005</u>	<u>\$ (13,061)</u>	<u>\$ 42,024</u>

CITY OF EL CAMPO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2015

	Municipal Court Technology	Municipal Court Building Security	Hotel/Motel Tax	Transportation Reinvestment Zone	Police Seizure
<u>Assets</u>					
Cash and cash equivalents	\$	\$ 11,296	\$ 3,278	\$	\$ 100,645
Investments					25,711
Due from other funds				28,490	
Receivables (net)			48,894		
Total Assets	\$	\$ 11,296	\$ 52,172	\$ 28,490	\$ 126,356
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts payable	\$	\$	\$ 12,573	\$	\$
Due to other governments			36,321		
Due to other funds	9,966			227,496	5,393
Total Liabilities	9,966		48,894	227,496	5,393
<u>Fund Balances</u>					
Restricted		11,296	3,278		120,963
Unassigned	(9,966)			(199,006)	
Total Fund Balances	(9,966)	11,296	3,278	(199,006)	120,963
Total Liabilities and Fund Balances	\$	\$ 11,296	\$ 52,172	\$ 28,490	\$ 126,356

EMS Grant	Totals Nonmajor Special Revenue Funds
\$ 68,515	\$ 183,734
	25,711
	28,490
	48,894
<u>\$ 68,515</u>	<u>\$ 286,829</u>
\$	\$ 12,573
	36,321
	242,855
	<u>291,749</u>
68,515	204,052
	(208,972)
<u>68,515</u>	<u>(4,920)</u>
<u>\$ 68,515</u>	<u>\$ 286,829</u>

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended September 30, 2015

	Municipal Court Technology	Municipal Court Building Security	Hotel/Motel Tax	Transportation Reinvestment Zone	Police Seizure
<u>Revenues</u>					
Taxes	\$	\$	\$ 181,789	\$	\$
Investment earnings		10	25		138
Other	7,568	4,842			55,284
Total Revenues	7,568	4,852	181,814		55,422
<u>Expenditures</u>					
Current:					
General government	12,093		46,737		
Public safety					39,311
Total Expenditures	12,093		46,737		39,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,525)	4,852	135,077		16,111
<u>Other Financing (Uses)</u>					
Transfers (out)			(138,597)		
Total Other Financing (Uses)			(138,597)		
Net Change in Fund Balances	(4,525)	4,852	(3,520)		16,111
Fund Balances, Beginning of Year	(5,441)	6,444	6,798	(199,006)	104,852
Fund Balances, End of Year	\$ (9,966)	\$ 11,296	\$ 3,278	\$ (199,006)	\$ 120,963

EMS Grant	Totals Nonmajor Special Revenue Funds
\$	\$ 181,789
83	256
	67,694
83	249,739
	58,830
	39,311
	98,141
83	151,598
	(138,597)
	(138,597)
83	13,001
68,432	(17,921)
\$ 68,515	\$ (4,920)

CITY OF EL CAMPO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2015

	2004 Bonds	Street Paving	Totals Nonmajor Capital Projects Funds
<u>Assets</u>			
Cash	\$	\$ 33,007	\$ 33,007
Investments	25,958		25,958
Receivables (net):			
Other		61,838	61,838
Total Assets	\$ 25,958	\$ 94,845	\$ 120,803
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
<u>Liabilities</u>			
Due to other funds	63,415		63,415
Total Liabilities	63,415		63,415
<u>Deferred Inflows of Resources</u>			
Unavailable revenues		70,449	70,449
<u>Fund Balances</u>			
Restricted		24,396	24,396
Unassigned	(37,457)		(37,457)
Total Fund Balances	(37,457)	24,396	(13,061)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,958	\$ 94,845	\$ 120,803

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended September 30, 2015

	2004 Bonds	Street Paving	Totals Nonmajor Capital Projects Funds
<u>Revenues</u>			
Charges for services - street assessments	\$	\$ 37,420	\$ 37,420
Investment earnings	375	17	392
Total Revenues	<u>375</u>	<u>37,437</u>	<u>37,812</u>
<u>Expenditures</u>			
Capital outlay	50,048		50,048
Total Expenditures	<u>50,048</u>		<u>50,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(49,673)</u>	<u>37,437</u>	<u>(12,236)</u>
Net Change in Fund Balances	(49,673)	37,437	(12,236)
Fund Balances, Beginning of Year	<u>12,216</u>	<u>(13,041)</u>	<u>(825)</u>
Fund Balances, End of Year	<u><u>\$ (37,457)</u></u>	<u><u>\$ 24,396</u></u>	<u><u>\$ (13,061)</u></u>

CITY OF EL CAMPO, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended September 30, 2015

with Comparative Actual Balances for the Year Ended September 30, 2014

	2015			
	Budget	Actual	Variance from Final	2014 Actual
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 2,558,160	\$ 2,561,759	\$ 3,599	\$ 2,599,020
Sales	3,523,500	3,387,013	(136,487)	3,533,651
Franchise	793,720	827,649	33,929	780,204
Alcoholic beverage	14,000	17,369	3,369	19,840
Licenses and permits	175,560	185,889	10,329	113,905
Intergovernmental	138,320	137,267	(1,053)	149,723
Charges for services	263,670	295,930	32,260	266,538
Fines and forfeitures	539,610	419,142	(120,468)	473,261
Investment earnings	17,500	19,721	2,221	8,834
Miscellaneous	179,996	197,688	17,692	299,944
Total Revenues	8,204,036	8,049,427	(154,609)	8,244,920
<u>Expenditures</u>				
General Government:				
Multi-departmental	1,814,740	2,062,709	(247,969)	2,129,617
Finance	201,910	205,539	(3,629)	290,472
Personnel	130,210	131,600	(1,390)	
Municipal court	178,950	180,219	(1,269)	172,374
Total General Government	2,325,810	2,580,067	(254,257)	2,592,463
Public Safety:				
Police	2,803,450	2,660,407	143,043	2,700,149
Fire	218,750	210,825	7,925	203,772
Fire marshal	14,820	13,270	1,550	11,939
Inspection	249,050	241,024	8,026	236,301
Communications	449,920	424,814	25,106	413,188
Emergency management	20,790	15,331	5,459	39,754
Total Public Safety	3,756,780	3,565,671	191,109	3,605,103
Public Works:				
Streets	980,940	1,088,982	(108,042)	1,277,059
Administration/engineering	352,690	309,037	43,653	326,390
Vehicle and facility maintenance	115,180	115,459	(279)	110,098
Total Public Works	1,448,810	1,513,478	(64,668)	1,713,547

	2015		Variance from Final	2014 Actual
	Budget	Actual		
Expenditures (continued)				
Parks and Recreation:				
Parks and recreation	541,990	626,037	(84,047)	548,464
Civic center	104,430	107,514	(3,084)	100,123
Aquatic center	329,980	294,172	35,808	288,872
Total Parks and Recreation	<u>976,400</u>	<u>1,027,723</u>	<u>(51,323)</u>	<u>937,459</u>
Capital Outlay	<u>274,546</u>	<u>925,590</u>	<u>(651,044)</u>	<u>2,883,823</u>
Total Expenditures	<u>8,782,346</u>	<u>9,612,529</u>	<u>(830,183)</u>	<u>11,732,395</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(578,310)</u>	<u>(1,563,102)</u>	<u>(984,792)</u>	<u>(3,487,475)</u>
Other Financing Sources (Uses)				
Gain on sale of capital assets		245,302	245,302	306,279
Debt issuance				4,546,397
Transfers in	578,310	4,890,894	4,312,584	529,260
Transfers (out)		(5,057,781)	(5,057,781)	(1,390,142)
Total Other Financing Sources (Uses)	<u>578,310</u>	<u>78,415</u>	<u>(499,895)</u>	<u>3,991,794</u>
Net Change in Fund Balance		(1,484,687)	(1,484,687)	504,319
Fund Balance - Beginning	<u>4,619,785</u>	<u>4,619,785</u>		<u>4,115,466</u>
Fund Balance - Ending	<u>\$ 4,619,785</u>	<u>\$ 3,135,098</u>	<u>\$ (1,484,687)</u>	<u>\$ 4,619,785</u>

CITY OF EL CAMPO, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

Year Ended September 30, 2015

with Comparative Actual Balances for the Year Ended September 30, 2014

	2015		
	Final Budget	Actual	Variance from Final
			2014 Actual
Revenues			
Property taxes	\$ 596,610	\$ 589,726	\$ (6,884)
Investment earnings	160	82	(78)
Miscellaneous	19,090	24,934	5,844
Total Revenues	<u>615,860</u>	<u>614,742</u>	<u>(1,118)</u>
Expenditures			
Debt Service:			
Principal retirement	1,083,100	371,126	711,974
Interest and fiscal fees	554,340	250,752	303,588
Total Expenditures	<u>1,637,440</u>	<u>621,878</u>	<u>1,015,562</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,021,580)</u>	<u>(7,136)</u>	<u>1,014,444</u>
Other Financing Sources (Uses)			
Transfers in	1,021,580	28,413	(993,167)
Transfers (out)		(2,465)	(2,465)
Total Other Financing Sources (Uses)	<u>1,021,580</u>	<u>25,948</u>	<u>(995,632)</u>
Change in Fund Balance		<u>18,812</u>	<u>18,812</u>
Fund Balance - Beginning	<u>41,193</u>	<u>41,193</u>	<u>162,263</u>
Fund Balance - Ending	<u>\$ 41,193</u>	<u>\$ 60,005</u>	<u>\$ 18,812</u>
			<u>\$ 41,193</u>

CITY OF EL CAMPO, TEXAS

SCHEDULE OF REVENUES, EXPENSES, AND

CHANGES IN NET POSITION - BUDGET (NON-GAAP BASIS) AND ACTUAL

ENTERPRISE FUND - UTILITY FUND

Year Ended September 30, 2015

with Comparative Actual Balances for the Year Ended September 30, 2014

	2015			
	Final Budget	Actual	Variance from Final	2014 Actual
<u>Operating Revenues</u>				
Water	\$ 1,611,480	\$ 1,445,035	\$ (166,445)	\$ 1,402,524
Sewer	1,823,020	1,719,991	(103,029)	1,670,658
Sanitation	1,700,000	1,834,854	134,854	1,766,231
Penalties	126,100	118,991	(7,109)	119,779
Connection and installation fees	25,000	21,660	(3,340)	33,170
Miscellaneous	17,000	381,704	364,704	21,717
Total Revenues	5,302,600	5,522,235	219,635	5,014,079
<u>Operating Expenses</u>				
Utility Operations:				
Personnel	821,260	743,902	77,358	654,269
Materials and supplies	73,100	66,625	6,475	69,358
Repairs and maintenance	276,050	447,072	(171,022)	729,528
Other services and charges	2,277,210	2,930,290	(653,080)	2,136,959
Capital outlay		36,897	(36,897)	501,868
Total Operating Expenses	3,447,620	4,224,786	(777,166)	4,091,982
Operating Income before				
Nonoperating Revenues (Expenses)				
and Transfers	1,854,980	1,297,449	(557,531)	922,097
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	6,500	9,635	3,135	14,121
Principal retirement	260,841	(260,841)	(521,682)	(491,139)
Interest and fiscal charges		(1,823)	(1,823)	(345,634)
Transfers in	145,530	1,356,144	1,210,614	1,492,257
Transfers (out)	(1,715,950)	(1,371,432)	344,518	(720,069)
Total Nonoperating Revenues				
(Expenses)	(1,303,079)	(268,317)	1,034,762	(50,464)
Change in Net Position -				
(Non-GAAP Basis)	\$ 551,901	1,029,132	\$ 477,231	871,633
<u>Adjustments</u>				
Principal portion of debt payments		260,841		491,139
Depreciation		(855,700)		(848,667)
Capital outlay		36,897		501,868
Change in Net Position-GAAP Basis		471,170		1,015,973
Net Position, Beginning of Year		8,518,848		7,502,875
Net Position, End of Year		\$ 8,990,018		\$ 8,518,848

CITY OF EL CAMPO, TEXAS

SCHEDULE OF REVENUES, EXPENSES, AND

CHANGES IN NET POSITION - BUDGET (NON-GAAP BASIS) AND ACTUAL

ENTERPRISE FUND - EMERGENCY MEDICAL SERVICES FUND

Year Ended September 30, 2015

with Comparative Actual Balances for the Year Ended September 30, 2014

	2015		
	Final Budget	Actual	Variance from Final
			2014 Actual
Operating Revenues			
Ambulance services	\$ 1,293,390	\$ 1,613,095	\$ 319,705
Miscellaneous	10,000	8,873	(1,127)
Total Revenues	1,303,390	1,621,968	318,578
Operating Expenses			
Utility Operations:			
Personnel	1,116,220	1,178,281	(62,061)
Materials and supplies	112,670	267,289	(154,619)
Repairs and maintenance	35,190	46,133	(10,943)
Other services and charges	50,330	50,446	(116)
Capital outlay	140,000	158,404	(18,404)
Total Operating Expenses	1,454,410	1,700,553	(246,143)
Operating Income (Loss) before			
Nonoperating Revenues (Expenses)			
and Transfers	(151,020)	(78,585)	72,435
Nonoperating Revenues (Expenses)			
Investment earnings		141	141
Principal retirements			206
Interest and fiscal charges			(5,400)
Transfers (out)	(68,000)	(68,000)	(9,395)
Total Nonoperating Revenues			
(Expenses)	(68,000)	(67,859)	141
Change in Net Position -			
(Non-GAAP Basis)	\$ (219,020)	(146,444)	\$ 72,576
Adjustments			
Depreciation		(76,817)	(76,817)
Principal retirements			5,400
Capital outlay		158,404	
Change in Net Position-GAAP Basis		(64,857)	48,047
Net Position, Beginning of Year		535,741	487,694
Net Position, End of Year		\$ 470,884	\$ 535,741

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
September 30, 2015

Assets

Current Assets:

Prepaid items	\$ 4,702
Total Current Assets	4,702

Noncurrent Assets:

Capital assets:	
Buildings, improvements and equipment, net	3,538
Total Noncurrent Assets	3,538
Total Assets	8,240

Liabilities

Current Liabilities:

Accounts payable	575
Due to other funds	138,699
Total Current Liabilities	139,274

Net Position (Deficit)

Net investment in capital assets	3,538
Unrestricted	(134,572)
Total Net Position (Deficit)	\$ (131,034)

CITY OF EL CAMPO, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
Year Ended September 30, 2015

Operating Revenues

Charges for services	\$ 201,000
Total Operating Revenues	201,000

Operating Expenses

Personnel	58,999
Materials and supplies	7,443
Repairs and maintenance	65,706
Other services and charges	125,398
Total Operating Expenses	257,546
Operating (Loss)	(56,546)

Non-Operating Revenues

Investment earnings	
Total Non-Operating Revenues	

Change in Net Position (56,546)

Net (Deficit), Beginning (74,488)

Net (Deficit), Ending \$ (131,034)

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
Year Ended September 30, 2015

Cash Flows from Operating Activities

Cash received from other funds	\$ 201,000
Cash paid to suppliers for goods and services	<u>(201,000)</u>
Net Cash Provided (Used) by Operating Activities	<u><u> </u></u>

Cash Flows from Investing Activities

Investment earnings	<u> </u>
Net Cash Provided by Investing Activities	<u> </u>
Net Increase (Decrease) in Cash and Cash Equivalents	
Cash and Cash Equivalents, Beginning	<u> </u>
Cash and Cash Equivalents, Ending	<u><u>\$ </u></u>

Reconciliation of Operating (Loss) to

Net Cash Provided (Used) by Operating Activities	
Operating (loss)	\$ (56,546)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:	
(Increase) in accounts payable and accrued liabilities	64
Increase in prepaids	156
Increase in due to other funds	56,326
Net Cash Provided (Used) by Operating Activities	<u><u>\$ </u></u>

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STATISTICAL SECTION

(UNAUDITED)

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

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

CITY OF EL CAMPO, TEXAS
NET POSITION BY COMPONENT (1)
Last Ten Fiscal Years
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 11,890,772	\$ 11,783,741	\$ 11,802,324	\$ 13,175,250
Restricted	292,694	284,411	239,496	293,532
Unrestricted	<u>7,249,296</u>	<u>7,491,671</u>	<u>6,823,104</u>	<u>4,355,197</u>
Total governmental activities net position	<u>\$ 19,432,762</u>	<u>\$ 19,559,823</u>	<u>\$ 18,864,924</u>	<u>\$ 17,823,979</u>
Business-type activities				
Net investment in capital assets	\$ 6,824,445	\$ 7,094,356	\$ 7,239,131	\$ 6,040,671
Unrestricted	<u>2,383,222</u>	<u>2,353,223</u>	<u>2,910,875</u>	<u>4,287,504</u>
Total business-type activities net position	<u>\$ 9,207,667</u>	<u>\$ 9,447,579</u>	<u>\$ 10,150,006</u>	<u>\$ 10,328,175</u>
Primary government				
Net investment in capital assets	\$ 18,715,217	\$ 18,878,097	\$ 19,041,455	\$ 19,215,921
Restricted	292,694	284,411	239,496	293,532
Unrestricted	<u>9,632,518</u>	<u>9,844,894</u>	<u>9,733,979</u>	<u>8,642,701</u>
Total primary government net position	<u>\$ 28,640,429</u>	<u>\$ 29,007,402</u>	<u>\$ 29,014,930</u>	<u>\$ 28,152,154</u>

(1) Accrual basis of accounting.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 12,651,611	\$ 12,096,688	\$ 11,780,074	\$ 12,448,707	\$ 9,777,017	\$ 5,094,853
596,548	394,422	250,288	341,963	214,477	7,642,486
<u>3,556,474</u>	<u>4,253,875</u>	<u>4,648,129</u>	<u>4,126,213</u>	<u>4,828,765</u>	<u>1,205,992</u>
<u>\$ 16,804,633</u>	<u>\$ 16,744,985</u>	<u>\$ 16,678,491</u>	<u>\$ 16,916,883</u>	<u>\$ 14,820,259</u>	<u>\$ 13,943,331</u>
\$ 8,185,040	\$ 8,171,231	\$ 8,668,743	\$ 8,115,580	\$ 6,461,102	\$ 7,003,324
<u>2,381,014</u>	<u>2,801,092</u>	<u>2,410,643</u>	<u>3,020,028</u>	<u>5,738,526</u>	<u>2,457,578</u>
<u>\$ 10,566,054</u>	<u>\$ 10,972,323</u>	<u>\$ 11,079,386</u>	<u>\$ 11,135,608</u>	<u>\$ 12,199,628</u>	<u>\$ 9,460,902</u>
\$ 20,836,651	\$ 20,267,919	\$ 20,448,817	\$ 20,564,287	\$ 16,238,119	\$ 12,098,177
596,548	394,422	250,288	341,963	214,477	7,642,486
<u>5,937,488</u>	<u>7,054,967</u>	<u>7,058,772</u>	<u>7,146,241</u>	<u>10,567,291</u>	<u>3,663,570</u>
<u>\$ 27,370,687</u>	<u>\$ 27,717,308</u>	<u>\$ 27,757,877</u>	<u>\$ 28,052,491</u>	<u>\$ 27,019,887</u>	<u>\$ 23,404,233</u>

CITY OF EL CAMPO, TEXAS
CHANGES IN NET POSITION (1)
Last Ten Fiscal Years
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Expenses				
General government	\$ 1,364,142	\$ 1,847,968	\$ 1,735,303	\$ 1,730,446
Public safety	3,140,921	3,299,795	4,036,711	4,197,726
Public works	2,210,670	1,991,662	1,853,152	2,258,781
Parks and recreation	711,395	662,876	705,118	754,293
Interest on long-term debt	106,953	99,957	146,150	152,972
Total expenses	<u>7,534,081</u>	<u>7,902,258</u>	<u>8,476,434</u>	<u>9,094,218</u>
Program revenues				
Charges for services				
General government	128,353	166,974	148,938	130,103
Public safety	981,327	1,071,589	1,267,229	843,653
Public works	26,079	39,240	32,206	20,308
Parks and recreation	142,997	171,566	186,210	172,042
Operating grants and contributions	192,895	640,257	115,606	200,212
Capital grants and contributions	<u>121,009</u>	<u>25,000</u>	<u>160,359</u>	<u>179,786</u>
Total program revenues	<u>1,592,660</u>	<u>2,114,626</u>	<u>1,910,548</u>	<u>1,546,104</u>
Total governmental activities net program (expense) revenue	(5,941,421)	(5,787,632)	(6,565,886)	(7,548,114)
General revenues and other changes in net position				
Taxes:				
Property taxes	2,210,482	2,185,347	2,350,642	2,627,352
Sales taxes	2,150,320	2,154,527	2,422,347	2,291,988
Franchise taxes	633,442	604,425	604,010	612,731
Other taxes	125,111	120,776	136,673	127,396
Investment earnings	319,572	407,748	285,267	154,964
Gain (loss) on sale of capital assets	72,787			
Miscellaneous	33,812	140,150	167,151	178,636
Transfers	<u>434,033</u>	<u>301,720</u>	<u>345,100</u>	<u>514,102</u>
Total general revenues and other changes in net position	<u>5,979,559</u>	<u>5,914,693</u>	<u>6,311,190</u>	<u>6,507,169</u>
Total governmental activities change in net position	<u>\$ 38,138</u>	<u>\$ 127,061</u>	<u>\$ (254,696)</u>	<u>\$ (1,040,945)</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 1,700,404	\$ 1,748,982	\$ 1,598,194	\$ 1,409,439	\$ 2,832,544	\$ 3,126,552
3,331,347	3,181,009	3,486,798	3,555,073	3,781,836	3,781,285
1,933,738	2,205,043	2,220,393	2,340,330	2,352,547	2,228,376
745,235	682,760	860,990	880,902	1,218,866	1,152,451
144,355	136,246	133,211	109,774	123,993	236,628
<u>7,855,079</u>	<u>7,954,040</u>	<u>8,299,586</u>	<u>8,295,518</u>	<u>10,309,786</u>	<u>10,525,292</u>
134,468	131,517	134,253	162,534	149,723	209,755
670,620	580,613	599,335	505,909	475,974	419,142
29,651	55,955	33,332	31,466	113,905	223,309
187,309	231,917	251,355	269,205	429,494	287,174
148,542	162,233	181,085	145,583		137,267
	71,424		24,969		
<u>1,170,590</u>	<u>1,233,659</u>	<u>1,199,360</u>	<u>1,139,666</u>	<u>1,169,096</u>	<u>1,276,647</u>
(6,684,489)	(6,720,381)	(7,100,226)	(7,155,852)	(9,140,690)	(9,248,645)
2,641,886	2,811,094	2,834,559	2,832,186	2,833,021	3,118,814
2,161,373	2,405,245	2,840,198	2,908,788	3,533,651	3,568,802
603,132	650,585	622,421	602,873	929,726	827,649
102,424	104,512	145,210	159,487	19,840	17,369
57,935	38,222	33,478	10,307	9,620	26,974
				306,279	245,302
295,309	173,116	243,932	250,569	374,195	290,316
(196,916)	477,959	375,176	630,034	(962,266)	83,288
<u>5,665,143</u>	<u>6,660,733</u>	<u>7,094,974</u>	<u>7,394,244</u>	<u>7,044,066</u>	<u>8,178,514</u>
<u>\$ (1,019,346)</u>	<u>\$ (59,648)</u>	<u>\$ (5,252)</u>	<u>\$ 238,392</u>	<u>\$ (2,096,624)</u>	<u>\$ (1,070,131)</u>

CITY OF EL CAMPO, TEXAS
CHANGES IN NET POSITION (1)
Last Ten Fiscal Years
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-type activities				
Expenses				
Utilities	\$ 3,434,174	\$ 3,528,587	\$ 3,862,890	\$ 4,065,879
Emergency medical services				
Total expenses	<u>3,434,174</u>	<u>3,528,587</u>	<u>3,862,890</u>	<u>4,065,879</u>
Program revenues				
Charges for services				
Utilities	4,101,097	3,918,547	4,312,032	4,350,603
Emergency medical services				
Operating grants and contributions				
Capital grants and contributions	<u>409,122</u>	<u>104,804</u>	<u>101,676</u>	<u>336,738</u>
Total program revenues	<u>4,510,219</u>	<u>4,023,351</u>	<u>4,413,708</u>	<u>4,687,341</u>
Total business-type activities net program (expense) revenue	1,076,045	494,764	550,818	621,462
General revenues and other changes in net position				
Investment earnings	102,960	46,868	99,331	70,809
Miscellaneous				
Transfers	<u>(434,033)</u>	<u>(301,720)</u>	<u>(345,100)</u>	<u>(514,102)</u>
Total general revenues and other changes in net position	<u>(331,073)</u>	<u>(254,852)</u>	<u>(245,769)</u>	<u>(443,293)</u>
Total business-type activities change in net position	<u>\$ 744,972</u>	<u>\$ 239,912</u>	<u>\$ 305,049</u>	<u>\$ 178,169</u>
Total primary government change in net position	<u>\$ 783,110</u>	<u>\$ 366,973</u>	<u>\$ 50,353</u>	<u>\$ (862,776)</u>

(1) Accrual basis of accounting.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 4,219,111	\$ 4,269,546	\$ 4,529,419	\$ 4,586,250	\$ 5,000,348	\$ 5,045,412
<u>1,050,632</u>	<u>1,037,263</u>	<u>1,083,813</u>	<u>1,195,259</u>	<u>1,352,446</u>	<u>1,618,966</u>
<u>5,269,743</u>	<u>5,306,809</u>	<u>5,613,232</u>	<u>5,781,509</u>	<u>6,352,794</u>	<u>6,664,378</u>
4,337,210	4,996,082	4,850,584	4,939,016	4,992,362	5,336,727
294,344	389,720	327,559	565,054	1,367,954	1,613,095
655,472	796,510	817,196	851,622		
		<u>245,868</u>	<u>104,132</u>		
<u>5,287,026</u>	<u>6,182,312</u>	<u>6,241,207</u>	<u>6,459,824</u>	<u>6,360,316</u>	<u>6,949,822</u>
17,283	875,503	627,975	678,315	7,522	285,444
23,680	8,725	7,489	7,941	14,327	9,776
196,916	(477,959)	(375,176)	(630,034)	79,905	194,381
				<u>962,266</u>	<u>(83,288)</u>
<u>220,596</u>	<u>(469,234)</u>	<u>(367,687)</u>	<u>(622,093)</u>	<u>1,056,498</u>	<u>120,869</u>
\$ <u>237,879</u>	\$ <u>406,269</u>	\$ <u>260,288</u>	\$ <u>56,222</u>	\$ <u>1,064,020</u>	\$ <u>406,313</u>
\$ <u>(781,467)</u>	\$ <u>346,621</u>	\$ <u>255,036</u>	\$ <u>294,614</u>	\$ <u>(1,032,604)</u>	\$ <u>(663,818)</u>

CITY OF EL CAMPO, TEXAS**FUND BALANCES, GOVERNMENTAL FUNDS (1)***Last Ten Fiscal Years**(Unaudited)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable				
Prepaid items	\$	\$	\$	\$
Inventory				
Unassigned				
Reserved				
Prepaid items	76,349	60,250	9,626	10,554
Inventory	9,920	18,179	10,787	16,820
Unreserved	<u>5,473,008</u>	<u>5,624,841</u>	<u>6,033,298</u>	<u>3,810,126</u>
Total General Fund	<u>\$ 5,559,277</u>	<u>\$ 5,703,270</u>	<u>\$ 6,053,711</u>	<u>\$ 3,837,500</u>
All Other Governmental Funds				
Nonspendable				
Noncurrent notes receivable	\$	\$	\$	\$
Restricted				
Retirement of long-term debt				
Municipal court				
State and federal grant programs				
Public safety				
Various capital projects				
Committed				
Street paving				
Unassigned				
Reserved				
Noncurrent receivables	117,832	100,225	94,254	81,393
Unreserved, reported in				
Special revenue funds	39,878	71,576	26,573	48,449
Debt service fund	262,310	251,958	216,811	266,302
Capital project funds	<u>789,462</u>	<u>746,838</u>	<u>716,994</u>	<u>677,196</u>
Total All Other Governmental Funds	<u>\$ 1,209,482</u>	<u>\$ 1,170,597</u>	<u>\$ 1,054,632</u>	<u>\$ 1,073,340</u>

(1) Modified accrual basis of accounting.

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	\$ 65,249	\$ 63,852	\$ 119,970	\$ 465	\$ 9,554
	21,928	65,449	37,566	29,422	21,616
	3,774,325	4,366,855	3,957,930	4,589,898	3,103,928
10,177					
27,831					
3,309,065					
<u>\$ 3,347,073</u>	<u>\$ 3,861,502</u>	<u>\$ 4,496,156</u>	<u>\$ 4,115,466</u>	<u>\$ 4,619,785</u>	<u>\$ 3,135,098</u>
\$	\$ 52,098	\$ 35,664	\$ 18,517	\$	\$
	259,416	82,853	143,746		60,005
	21,203	7,062			
	457				
	99,564	142,796	176,884	173,284	204,052
	430,584	312,006	310,848	12,216	7,378,429
	9,670	6,751	19,991		
		(89,318)	(227,496)	(163,053)	(246,429)
67,103					
81,471					
254,258					
628,268					
<u>\$ 1,031,100</u>	<u>\$ 872,992</u>	<u>\$ 497,814</u>	<u>\$ 442,490</u>	<u>\$ 22,447</u>	<u>\$ 7,396,057</u>

CITY OF EL CAMPO, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues				
Taxes	\$ 5,110,463	\$ 5,129,477	\$ 5,553,867	\$ 5,742,713
Licenses and permits	87,717	125,546	110,520	82,013
Intergovernmental	192,895	580,162	497,283	503,073
Charges for services	530,601	505,985	557,310	494,131
Fines and forfeitures	494,368	632,966	627,661	581,037
Investment earnings	319,572	407,748	285,267	154,370
Miscellaneous	<u>229,359</u>	<u>180,636</u>	<u>159,023</u>	<u>199,637</u>
Total revenues	<u>6,964,975</u>	<u>7,562,520</u>	<u>7,790,931</u>	<u>7,756,974</u>
Expenditures				
Current				
General government	1,332,860	1,906,962	1,641,061	1,672,339
Public safety	3,020,822	3,352,675	3,818,081	4,048,711
Public works	1,297,906	1,948,665	1,443,436	1,461,833
Parks and recreation	653,067	617,806	652,629	689,063
Capital outlay	1,127,237	131,070	1,002,344	2,935,358
Debt service				
Principal retirement	184,704	193,453	169,842	239,702
Interest and fiscal charges	108,196	101,097	133,531	151,847
Bond issuance costs			<u>57,765</u>	
Total expenditures	<u>7,724,792</u>	<u>8,251,728</u>	<u>8,918,689</u>	<u>11,198,853</u>
Excess (deficiency) of revenues over (under) expenditures	(759,817)	(689,208)	(1,127,758)	(3,441,879)
Other financing sources (uses)				
Bonds issued less payment to escrow			1,650,000	
Debt issuances				
Premiums on bonds				
Gain on sale of capital assets	85,293	16,546	45,959	49,664
Capital leases		476,050	65,426	
Transfers in	539,076	434,260	412,212	2,114,539
Transfers (out)	<u>(105,043)</u>	<u>(132,540)</u>	<u>(67,112)</u>	<u>(1,600,437)</u>
Total other financing sources (uses)	<u>519,326</u>	<u>794,316</u>	<u>2,106,485</u>	<u>563,766</u>
Changes in fund balances	<u>\$ (240,491)</u>	<u>\$ 105,108</u>	<u>\$ 978,727</u>	<u>\$ (2,878,113)</u>
Debt service as a percentage of noncapital expenditures	<u>4.44%</u>	<u>3.63%</u>	<u>3.83%</u>	<u>4.74%</u>

(1) Modified accrual basis of accounting.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 5,530,398	\$ 6,069,161	\$ 6,517,911	\$ 6,546,395	\$ 7,303,676	\$ 7,565,305
98,729	86,460	100,726	125,333	113,905	185,889
218,104	207,131	108,291	121,368	149,723	137,267
217,408	284,405	264,130	291,202	273,494	333,350
655,274	571,100	599,285	505,909	475,974	419,142
57,772	37,794	33,247	10,010	9,620	26,974
<u>214,896</u>	<u>186,522</u>	<u>244,901</u>	<u>269,148</u>	<u>374,195</u>	<u>290,316</u>
<u>6,992,581</u>	<u>7,442,573</u>	<u>7,868,491</u>	<u>7,869,365</u>	<u>8,700,587</u>	<u>8,958,243</u>
1,611,531	1,648,537	1,504,136	1,357,424	2,645,161	2,638,897
3,260,752	3,173,120	3,241,872	3,338,576	3,666,552	3,604,982
1,540,477	1,729,891	1,860,922	1,726,136	1,753,565	1,513,478
692,676	669,346	980,005	805,236	937,459	1,027,723
401,725	65,980	159,875	1,647,627	12,506,721	4,409,510
163,536	172,872	185,659	175,597	197,263	371,126
141,654	133,641	109,404	45,350	123,993	250,752
		33,980	72,713	3,182,728	214,299
<u>7,812,351</u>	<u>7,593,387</u>	<u>8,075,853</u>	<u>9,168,659</u>	<u>25,013,442</u>	<u>14,030,767</u>
(819,770)	(150,814)	(207,362)	(1,299,294)	(16,312,855)	(5,072,524)
		(32,526)	42,189	532,136	
				4,546,397	7,436,290
					245,084
12,729	15,845	80,551	32,932		245,302
		167,470	210,662		
959,725	544,392	616,050	741,219		5,729,718
<u>(467,713)</u>	<u>(53,102)</u>	<u>(364,250)</u>	<u>(163,722)</u>	<u>(1,494,402)</u>	<u>(5,646,430)</u>
<u>504,741</u>	<u>507,135</u>	<u>467,295</u>	<u>863,280</u>	<u>3,584,131</u>	<u>8,009,964</u>
<u>\$ (315,029)</u>	<u>\$ 356,321</u>	<u>\$ 259,933</u>	<u>\$ (436,014)</u>	<u>\$ (12,728,724)</u>	<u>\$ 2,937,440</u>
<u>4.12%</u>	<u>4.07%</u>	<u>3.73%</u>	<u>2.94%</u>	<u>2.57%</u>	<u>6.46%</u>

CITY OF EL CAMPO, TEXAS**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY***Last Ten Fiscal Years**(Unaudited)*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2006	2005	\$ 278,957,276	\$ 80,744,642	\$ 10,298,750	\$ 60,280,579	\$ 1,933,296
2007	2006	338,101,034	90,486,538	24,481,270	65,885,619	2,864,917
2008	2007	368,505,594	86,210,538	23,884,110	63,901,790	2,314,400
2009	2008	323,722,131	94,366,875	15,724,130	80,504,423	2,372,776
2010	2009	313,579,986	107,166,897	19,811,993	82,931,557	4,694,823
2011	2010	332,985,664	131,323,057	17,581,159	86,173,058	4,950,072
2012	2011	339,317,982	133,722,061	16,361,555	83,283,843	6,733,351
2013	2012	339,656,351	142,088,841	16,542,764	87,609,386	4,778,486
2014	2013	348,994,091	151,116,990	18,417,381	99,641,390	4,586,692
2015	2014	426,695,090	158,635,328	20,120,885	104,453,000	4,086,324

(1) Includes tax-exempt property.

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

SOURCE: Wharton County Appraisal District.

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
\$ 83,758,809	\$ 348,455,734	0.6207	\$ 348,455,734	100.00%
126,633,708	395,185,670	0.5598	395,185,670	100.00%
124,259,716	420,556,716	0.5598	420,556,716	100.00%
109,735,389	406,954,946	0.5598	406,954,946	100.00%
108,563,844	419,621,412	0.5444	419,621,412	100.00%
112,395,082	460,617,928	0.5280	460,617,928	100.00%
107,524,105	471,894,687	0.5254	471,894,687	100.00%
114,047,196	476,628,632	0.5073	476,628,632	100.00%
100,904,970	521,851,574	0.4806	521,851,574	100.00%
104,321,253	609,669,374	0.5158	609,669,374	100.00%

CITY OF EL CAMPO, TEXAS**WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED***Last Ten Fiscal Years**(Unaudited)*

<u>Fiscal Year</u>	<u>Gallons of Water Produced</u>	<u>Gallons of Water Consumed</u>	<u>Gallons of Water Unbilled</u>	<u>Average Percent Unbilled</u>	<u>Gallons of Wastewater Treated</u>
2006	665,466,000	578,346,000	87,120,000	13.09%	384,631,000
2007	566,452,000	494,834,000	71,618,000	12.64%	466,698,000
2008	635,048,000	551,382,000	83,666,000	13.17%	451,881,000
2009	685,027,000	609,054,500	75,972,500	11.09%	350,015,000
2010	556,683,000	488,754,900	67,928,100	12.20%	441,316,000
2011	749,552,000	671,189,100	78,362,900	10.45%	332,235,000
2012	642,247,000	574,495,400	67,751,600	10.55%	378,650,000
2013	647,102,000	586,673,800	60,428,200	9.34%	352,993,000
2014	581,607,000	519,861,910	61,745,090	10.62%	365,139,000
2015	566,310,000	505,776,800	60,533,200	10.69%	399,294,000

SOURCE: City of El Campo.

Total Direct Rate		
Base Rate	Water	Sewer
	Usage Rate	Usage Rate
\$ 22.30	\$ 2.20	\$ 2.68
22.30	2.20	2.68
22.30	2.20	2.68
22.30	1.49	3.27
22.30	1.91	3.80
22.30	2.01	4.13
22.30	2.01	4.13
22.30	2.01	4.13
22.30	2.01	4.13
24.07	2.16	4.13

CITY OF EL CAMPO, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates		
	Debt Service	General Fund	Totals	School District	Junior College	Wharton County/ FMLR
2006	\$ 0.0857	\$ 0.5350	\$ 0.6207	\$ 1.4366	\$ 0.1560	\$ 0.6699
2007	0.0607	0.4991	0.5598	1.4302	0.1358	0.5736
2008	0.0577	0.5020	0.5598	1.1580	0.1349	0.5634
2009	0.0883	0.4715	0.5598	1.1922	0.1380	0.5458
2010	0.0553	0.4891	0.5444	1.1949	0.1445	0.5318
2011	0.0526	0.4753	0.5280	1.1949	0.1445	0.5318
2012	0.0548	0.4706	0.5254	1.1962	0.1382	0.5022
2013	0.0449	0.4624	0.5073	1.1962	0.1382	0.5022
2014	0.0331	0.4475	0.4806	1.1957	0.1342	0.4881
2015	0.0960	0.4146	0.5106	1.1780	0.1266	0.4600

SOURCE: Tax department records of the various taxing authorities.

Overlapping Rates				
Emergency Services District #1	Coastal Bend Groundwater Conservation District	Emergency Services District #4	West Wharton County Hospital District	Totals
\$ 0.0300	\$ 0.0165		\$ 0.1145	\$ 3.0442
0.0300	0.0112		0.0999	2.8405
0.0300	0.0085		0.1300	2.5844
0.0300	0.0071		0.1399	2.6127
0.0300	0.0073	0.0680	0.1828	2.7036
0.0300	0.0073	0.0680	0.1828	2.6873
0.0300	0.0073	0.0643	0.1833	2.6467
0.0300	0.0073	0.0643	0.1833	2.6286
0.0300	0.0076	0.0618	0.1760	2.5740
0.0300	0.0077	0.0598	0.1613	2.5340

CITY OF EL CAMPO, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)
Current Year and Nine Years Ago

2015		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal Mart Stores	\$ 12,107,377	1.99%
Key Energy Services, Inc.	4,441,016	0.73%
United Agriculture Coop Inc.	4,395,500	0.72%
Winfield Solutions LLC	5,669,070	0.93%
American Electric Power	4,601,175	0.75%
Kansas City Southern Railway	5,163,300	0.85%
HEB	4,189,164	0.69%
Express Energy Services	4,187,000	0.69%
Leedo Manufacturing Co	3,503,949	0.57%
Ryan Services	3,458,795	0.57%
	<u>\$ 51,716,346</u>	<u>8.48%</u>

2006		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Bon L. Campo, Ltd.	\$ 12,820,987	3.68%
Lerio Corporation	6,860,527	1.97%
Wal Mart Stores, Inc.	5,354,360	1.54%
Central Power and Light Company	4,274,140	1.23%
Clayton Williams Energy, Inc.	4,006,170	1.15%
Southwestern Bell Telephone Company	3,340,160	0.96%
Cardell Cabinets	2,777,016	0.80%
Farmers Co-op of El Campo	2,680,270	0.77%
Bayard Drilling Technologies	2,185,710	0.63%
Don Davis Motor Co.	2,121,890	0.61%
	<u>\$ 46,421,230</u>	<u>13.32%</u>

SOURCE: Wharton County Tax Assessor/Collector.

CITY OF EL CAMPO, TEXAS
TEN LARGEST WATER CUSTOMERS
(UNAUDITED)
Current Year and Nine Years Ago

2015			
Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Isaacson Municipal Utility District	Municipal District	131,610	2.60%
Roane & Roane Properties	Housing	54,316	1.07%
El Campo Housing Authority	Housing	43,054	0.85%
Country Aire Mobile Home Park	Housing	50,655	1.00%
Socha Enterprise	Carwash	50,587	1.00%
Jones-Co Properties	Housing	48,425	0.96%
Oakcrest Apartments	Housing	42,540	0.84%
PHPM Mission Care Centers	Housing	32,058	0.63%
Vallejo Properties	Apartments	24,926	0.49%
Rock-on Equities, LLC	Housing	29,396	0.58%
2006			
Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
Isaacson Municipal Utility District	Municipal District	145,800	2.52%
El Campo Housing Authority	Housing	116,453	2.01%
WinCup Holdings, Inc.	Manufacturing	74,530	1.29%
Country Aire Mobile Home Park	Housing	66,675	1.15%
Speedy Stop Food Stores LTD	Retail	48,105	0.83%
Jones-Co Properties	Housing	42,075	0.73%
Cardell Cabinets	Manufacturing	41,870	0.72%
Oakcrest Apartments	Housing	31,790	0.55%
El Campo Memorial Hospital	Housing	29,928	0.52%
PHPM Mission Care Center	Housing	29,245	0.51%

SOURCE: City of El Campo Utility Billing Office.

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CITY OF EL CAMPO, TEXAS**PROPERTY TAX LEVIES AND COLLECTIONS***Last Ten Fiscal Years**(Unaudited)*

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 2,207,005	\$ 2,102,119	95.25%	\$ 47,663	\$ 2,149,782	97.41%
2007	2,243,450	2,139,050	95.35%	41,550	2,180,600	97.20%
2008	2,354,108	2,275,266	96.65%	78,842	2,354,108	100.00%
2009	2,664,871	2,565,253	96.26%	59,766	2,565,253	96.26%
2010	2,676,392	2,547,219	95.17%	96,927	2,644,146	98.80%
2011	2,799,518	2,745,509	98.07%	53,607	2,799,116	99.99%
2012	2,826,754	2,777,421	98.25%	45,021	2,822,442	99.85%
2013	2,841,656	2,776,467	97.71%	33,163	2,809,630	98.87%
2014	2,849,544	2,752,813	96.61%	22,946	2,775,759	97.41%
2015	3,112,849	3,050,108	97.98%		3,050,108	97.98%

SOURCES: City of El Campo.
Wharton County Tax Assessor/Collector.

CITY OF EL CAMPO, TEXAS**RATIOS OF OUTSTANDING DEBT BY TYPE***Last Ten Fiscal Years**(Unaudited)*

Fiscal Year	Governmental Activities			Business-Type Activities		
	Certificates of Obligation	General Obligation Bonds	Capital Leases	Certificates of Obligation	General Obligation Bonds	Capital Leases
2006	\$ 1,883,175	\$ 157,320	\$ 45,017	\$ 2,466,825	\$ 1,742,680	\$ 1,695,226
2007	1,742,272	104,742	447,460	2,402,728	1,160,258	1,602,369
2008	3,241,060	86,112	442,592	5,763,940	953,888	1,505,502
2009	3,021,644	65,826	282,470	5,673,356	729,174	1,404,453
2010	2,878,808	45,126	153,406	7,226,192	499,874	1,299,040
2011	2,727,878	23,184	47,463	8,772,122	256,816	1,189,075
2012	1,410,000	1,071,597	157,917	4,915,000	1,818,403	1,074,361
2013	70,000	2,311,000	340,282	7,635,000	1,714,000	1,354,447
2014	4,546,397	2,183,736	291,880	9,043,603	1,606,263	1,153,838
2015	7,320,841	7,423,618	242,086	8,511,158	1,626,368	945,805

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

"N/A" denotes information not available.

SOURCE: City of El Campo.

Total Primary Government		Percentage of Personal Income	Per Capita	
\$	7,990,243	N/A	\$	730
	7,459,829	N/A		628
	11,993,094	N/A		1,010
	11,176,923	N/A		894
	12,102,446	N/A		968
	13,016,538	N/A		1,041
	10,447,278	N/A		836
	13,424,729	N/A		1,074
	18,825,717	N/A		1,506
	26,069,876	N/A		2,086

CITY OF EL CAMPO, TEXAS**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING***Last Ten Fiscal Years**(Unaudited)*

Fiscal Year	General Bonded Debt Outstanding			Debt Service Monies Available
	Certificates of Obligation	General Obligation Bonds	Totals	
2006	\$ 1,883,175	\$ 157,320	\$ 2,040,495	\$ 262,310
2007	1,742,272	104,742	1,847,014	352,183
2008	3,241,060	86,112	3,327,172	311,065
2009	3,021,644	65,826	3,087,470	347,995
2010	2,878,808	45,126	2,923,934	321,661
2011	2,727,878	23,184	2,751,062	311,514
2012	1,410,000	1,071,597	2,481,597	118,517
2013	70,000	2,311,000	2,381,000	162,243
2014	13,590,000	4,116,996	17,706,996	58,076
2015	15,831,999	9,049,986	24,881,985	60,005

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

SOURCE: City of El Campo

Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
\$ 1,778,185	100.00%	\$ 162
1,494,831	100.00%	134
3,016,107	100.00%	270
2,739,475	100.00%	245
2,602,273	100.00%	224
2,439,548	100.00%	210
2,363,080	100.00%	204
2,218,757	100.00%	191
17,648,920	100.00%	1,521
24,821,980	100.00%	2,139

CITY OF EL CAMPO, TEXAS**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****(UNAUDITED)****September 30, 2015**

	<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 (1)	9/30/2015	<u>\$ 14,744,459</u>	100.00%	<u>\$ 14,744,459</u>
Overlapping Debt:				
Wharton County	12/31/2014		26.00%	
El Campo Independent School District	8/31/2015	<u>22,019,996</u>	42.31%	<u>9,316,660</u>
Total Overlapping Debt		<u>22,019,996</u>		<u>9,316,660</u>
Total		<u>\$ 36,764,455</u>		<u>\$ 24,061,119</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 \$1.50 for cities over 5,000 population.

(1) Figures do not include accrued compensation absences and/or capital lease obligations.

SOURCES: City of El Campo, El Campo Independent School District, Wharton County.

CITY OF EL CAMPO, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

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
2006	\$ 4,204,057	\$ 2,629,017	\$ 1,575,040	\$ 310,775	5.07
2007	3,965,415	2,729,534	1,235,881	286,964	4.31
2008	4,411,363	3,002,612	1,408,751	411,167	3.43
2009	4,421,412	3,107,355	1,314,057	410,894	3.20
2010	4,360,539	3,196,292	1,164,247	410,894	2.83
2011	5,014,682	3,228,255	1,786,427	390,349	4.58
2012	4,878,603	3,357,623	1,520,980	310,575	4.90
2013	4,957,658	3,591,719	1,365,939	467,450	2.92
2014	5,028,200	3,590,114	1,438,086	507,493	2.83
2015	5,231,870	4,143,637	1,088,233	604,542	1.80

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 the 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
(UNAUDITED)
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (000's)	Per Capita Personal Income	(2) School Enrollment	(3) Unemployment Rate
2006	10,945	\$ N/A	\$ N/A	3,442	4.8%
2007	11,187	N/A	30,694	3,404	4.3%
2008	11,187	N/A	28,152	3,590	4.8%
2009	12,500	N/A	29,861	3,481	8.1%
2010	12,500	N/A	32,249	3,460	8.2%
2011	11,602	N/A	28,152	3,508	8.6%
2012	11,602	N/A	35,556	3,545	5.7%
2013	11,602	N/A	37,750	3,631	5.30%
2014	11,602	N/A	37,750	3,662	4.30%
2015	11,602	N/A	40,869	3,600	4.70%

NOTES: Per capita income figures and personal income figures for 1998 through 2007 are not available.
The unemployment rates are a twelve - month average from October through September.
N/A denotes information not available

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
(UNAUDITED)
Current Year and Two Years Ago

2015		
Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	505	10.69%
Greenleaf Nursery	326	7.22%
El Campo Memorial Hospital	209	4.28%
Wal-Mart	178	4.13%
HEB	180	3.62%
Prasek's Hillje Smokehouse	200	3.60%
Fesco	84	2.37%
City of El Campo	106	2.24%
Mark's Machine	80	2.14%
New ICM	75	1.59%
	<u>1,943</u>	<u>41.88%</u>
2013		
Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	497	10.52%
Greenleaf Nursery	376	7.96%
El Campo Memorial Hospital	212	4.49%
Wal-Mart	192	4.06%
HEB	180	3.81%
Prasek's Hillje Smokehouse	160	3.39%
City of El Campo	110	2.32%
Mark's Machine	99	2.10%
New ICM	91	1.93%
Key Energy	70	1.48%
	<u>1,987</u>	<u>42.04%</u>

NOTE: The requirement for statistical data is ten years, however, only two years are currently available. 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**(Unaudited)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function/Program				
General government				
Administration	6	5	5	2
Finance				4
Municipal court	4	4	4	4
Inspections	4	4	5	5
Public Safety				
Police	29	29	33	33
Communications	8	8	8	8
Fire marshal				
EMS	10	10	10	10
Public Works				
Administration	3	3	3	3
Streets and drainage	2	2	2	2
Vehicle maintenance	14	14	14	14
Community and recreational services		1	1	1
Parks maintenance	5	5	5	5
Civic center				
Aquatic center		2	2	2
Water and Sewer				
Administration	1.50	1.50	1	1
Water production and distribution	6	6	6	6
Wastewater collection	5	5	5	5
Wastewater treatment	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Totals	<u>99.50</u>	<u>101.50</u>	<u>106.00</u>	<u>107.00</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.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
2	2	2	2	2	2
4	4	4	4	4	4
4	4	4	4	4	4
4	4	4	4	4	4
33	33	34	35	35	35
7	8	8	8	8	8
10	10	10	11	11	11
3	3	3	4	4	4
2	2	13	13	13	13
14	14	3	2	2	2
1	1	1	1	1	1
5	5	5	5	5	5
2	2	2	2	1	1
1	1	3	3	3	3
6	6	5	5	5	5
5	5	5	5	5	5
<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>105.00</u>	<u>106.00</u>	<u>108.00</u>	<u>109.50</u>	<u>108.50</u>	<u>109.00</u>

CITY OF EL CAMPO, TEXAS**OPERATING INDICATORS BY FUNCTION/PROGRAM***Last Ten Fiscal Years**(Unaudited)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program			
General government			
Building permits issued	586	606	641
Building inspections conducted	652	789	708
Fire inspections conducted	17	23	10
Public safety			
Police			
Physical arrests	1,802	2,018	2,035
Traffic violations (includes warnings)	12,675	9,459	10,588
Fire			
Total Incidents	175	190	331
Streets and highways			
Street resurfacing (miles)	6.59	6.60	3.20
Water and wastewater			
Water			
Active water connections	4,314	4,301	4,351
Average daily consumption (in 000's)	1,468	1,355	1,707
Peak daily consumption (in 000's)	3,575	2,400	3,303
Wastewater			
Active sewer connections	3,932	3,900	3,931
Average daily flow	1,234	1,278	1,232

NOTE: N/A denotes information not available.

SOURCE: Various City departments.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
545	508	503	498	545	539	553
588	489	453	523	468	485	450
26	9	22	15	8	13	14
N/A	N/A	1,756	1,613	1,332	1,332	1,231
9,674	N/A	10,517	8,065	6,483	9,555	9,396
252	193	343	261	256	201	224
4.00	6.50	10.89	12.28	7.34	7.34	12.70
4,013	3,655	4,093	4,583	4,636	4,739	4,760
1,876	1,496	2,053	1,759	1,740	1,594	1,547
3,839	2,642	2,837	3,376	3,599	3,266	3,680
3,919	3,573	3,869	4,369	4,320	4,288	4,612
958	1,208	885	1,037	996	1,000	1,092

CITY OF EL CAMPO, TEXAS**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM***Last Ten Fiscal Years**(Unaudited)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program			
Public safety			
Police			
Stations	1	1	1
Patrol units	5	5	5
Fire			
Fire stations	1	1	1
Public Works			
Streets			
Streets paved (miles)	75	75	75
Streets unpaved (miles)	6	6	6
Parks			
Acreage	56	56	56
Swimming pools	1	1	1
Tennis courts	8	8	8
Community centers	1	1	1
Water and wastewater			
Water			
Water mains (miles)	81	81	81
Wastewater			
Sanitary sewers (miles)	75	75	75
Storm sewers (miles)	15	15	15

SOURCE: Various City departments.

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1 5	1 5	1 5	1 5	1 5	1 5	1 5
1	1	1	1	1	1	1
76.6 6	76.6 6	78 5	79.1 ** 3.9	80.3 3.1	77.9 3.1	80.3 3.52
56 1 8 1	56 1 8 1	56 1 8 1	56 1 8 1	63.5 1 8 1	63.5 1 8 1	63.5 1 8
81	81	86.5	86.5	86.5	108.8	110.1
75 15	75 15	88 15	88 15	88 15	86.2 40	88 15

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