

CITY OF EL CAMPO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2014

Courtney Sladek
Director of Finance

Mindi R. Snyder
City Manager

Issued By:
Finance Department

TABLE OF CONTENTS

	<u>Pages</u>
<u>INTRODUCTORY SECTION</u>	
City Manager and Finance Director’s Letter of Transmittal	i-vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Organizational Chart	viii
Directory of Principal Officials	ix
<u>FINANCIAL SECTION</u>	
Independent Auditors’ Report	3-4
Management’s Discussion and Analysis	5-12
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16-17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Net Position – Component Units	25
Statement of Activities – Component Units	26-27
Notes to Financial Statements	29-56
<u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	58
Historical Pension Benefits Information	59-60
Notes to Required Supplementary Information	61
<u>Combining and Individual Fund Statements and Schedules</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	67
Combining Balance Sheet - Nonmajor Special Revenue Funds	68-69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	70-71
Combining Balance Sheet - Nonmajor Capital Projects Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual - General Fund	74-75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Debt Service Fund	76

CITY OF EL CAMPO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2014

TABLE OF CONTENTS

	<u>Pages</u>
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Basis) and Actual - Utility Fund	77
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Basis) and Actual – Emergency Medical Services Fund	78
Statement of Net Position – Internal Service Fund – Information Technology Fund	79
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund – Information Technology Fund	80
Statement of Cash Flows – Internal Service Fund – Information Technology Fund	81

STATISTICAL SECTION

Net Position by Component	84-85
Changes in Net Position	86-89
Fund Balances, Governmental Funds	90-91
Changes in Fund Balances, Governmental Funds	92-93
Assessed and Estimated Actual Value of Taxable Property	94-95
Water Produced and Consumed and Wastewater Treated	96-97
Direct and Overlapping Property Tax Rates per \$100 of Assessed Value	98-99
Principal Property Taxpayers	100
Ten Largest Water Customers	101
Property Tax Levies and Collections	103
Ratios of Outstanding Debt by Type	104-105
Ratios of Net General Bonded Debt Outstanding	106-107
Direct and Overlapping Governmental Activities Debt	108
Pledged-Revenue Coverage	109
Demographic and Economic Statistics	110
Principal Employers	111
Full-Time Equivalent City Government Employees by Function/Program	112-113
Operating Indicators by Function/Program	114-115
Capital Assets Statistics by Function/Program	116-117



February 9, 2015

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, 2014, 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 focus has been to explore doing more with what funds are available without considering a tax increase. 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. 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.

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 and that has assisted in maintaining a lower ad valorem tax rate and reducing the scope of the debt issuances.

MAJOR INITIATIVES

In developing the FY14-15 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.

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

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.

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.

Achievements in FY13-14:

The following were goals of the FY13-14 Adopted Budget: focus on economic development, increase housing diversity, continue to work on personnel development and to work towards development of a park on the West Side of town.

Housing Diversification

The City approved the plat for El Campo Village, a low to moderate income housing development in June. The City has seen 7 housing starts in the last fiscal year, with values ranging from \$85,000 to \$500,000. The median value of a new house was \$239,205.

The City will continue to focus on housing diversification in the upcoming fiscal year through programs such as residential developer's rebates and infrastructure improvements (strip paving).

Personnel Development

The FY13-14 Adopted budget included merit based increases for all positions or any additional personnel at 2.0%, as the City continued its performance review system that is consistent for employees, rewards achievements and recognizes longevity, education and other factors. Also included in the FY13-14 Adopted Budget was an increase to TMRS, the City's municipal retirement system, for employees. The contribution from the employee increased from 5% to 6%, with the City matching funds 1.5 to 1.

West Loop Park

A park on the west side of town is becoming a reality. El Campo Little League is developing acreage identified on the west side of town for fields.

The City has been involved through the planning process for the Master Plan of the West Loop Park and by providing the infrastructure for the park by participating with the dirt work, water and sewer lines and roadways and parking areas that will serve both the Youth Sports Complex for Little League and the High School and also the West Loop Park.

Additional Infrastructure Projects

The City focused on aging infrastructure in the FY13-14 Adopted Budget and included funding for the following replacement program(s)/equipment:

- seal coating program,
- main replacements,

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

- pad foot roller,
- vehicles (3 units for Patrol, and a truck for Streets) replacements,
- new decking at the Aquatic Center.

El Campo, the next five years, goals for FY14-15 and beyond:

In 2014, 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.

1. Comprehensive Approach to City's Infrastructure

Utilities

Systematic Replacement, Elevated Water Tower to serve northern reaches of the City, Replace original 1905 Water Line on Mechanic Street, Employ remote monitoring flow meters.

Roads

Connectivity to I 69/US loop extensions, Complete inventory and assessment of existing RDS, Continue to incentivize curb/gutter, storm drainage, cone streets with sidewalks, Continue rehabilitation of high traffic roadways (ie Norris St.), Complete strip paving of existing gravel roads within City limits.

Drainage

Complete Tres Palacios Drainage Project, Complete Plan for Blue Creek Water Shed, Complete Plan for Town and Country Area, Continue to implement new development standards regarding retention/detention.

2. Economic Development

Downtown Revitalization

Make downtown a destination that will attract residents and tourists, create a venue for gathering sidewalk sales, music, art and food, attract specific merchants with theme of microbrewery, arts, food, etc., establish a Downtown Association to identify needs, (current/future merchants), overall continuity of building facades and sidewalks, ensure all buildings are occupied.

Involve all stakeholders in developing an Economic Development Strategy

Conduct a Planning Retreat with Council/CDC/Chamber to ensure all are on the same page.

Conduct a Community Business Summit.

Housing Stock

Market land availability to developers, develop an Incentive Policy, attract housing that meets the needs of our population; build on the success of current projects.

3. Quality of Life

Parks and Recreation

Continue Green Space policy for new development, Each park should have its own identity, Develop/Implement Parks Plan that address; maintenance, overall upgrade and specific attention on how to increase public participation, Connectivity of parks-hike/bike

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

trails, Explore ways to partner with school system, Implement recreational programs that meet the needs of the community.

Housing Stock

The Council acknowledges that housing is a quality of life concern as well as economic development.

Safe Community

The community must continue to feel safe because of effective public safety initiatives, Develop Strategy on how to increase support of our medical facilities.

4. 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, Invest in Training and Development of the workforce, Invest specifically in Leadership Development for staff in supervisory/management roles, Implement Succession Planning, Continue to express value to our volunteers through training and development.

City Facilities

Conduct in depth study on all city facilities to determine best use and maximizing service delivery to the public.

FINANCIAL INFORMATION

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

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

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund, Debt Service Fund, 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 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



Government Finance Officers Association

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

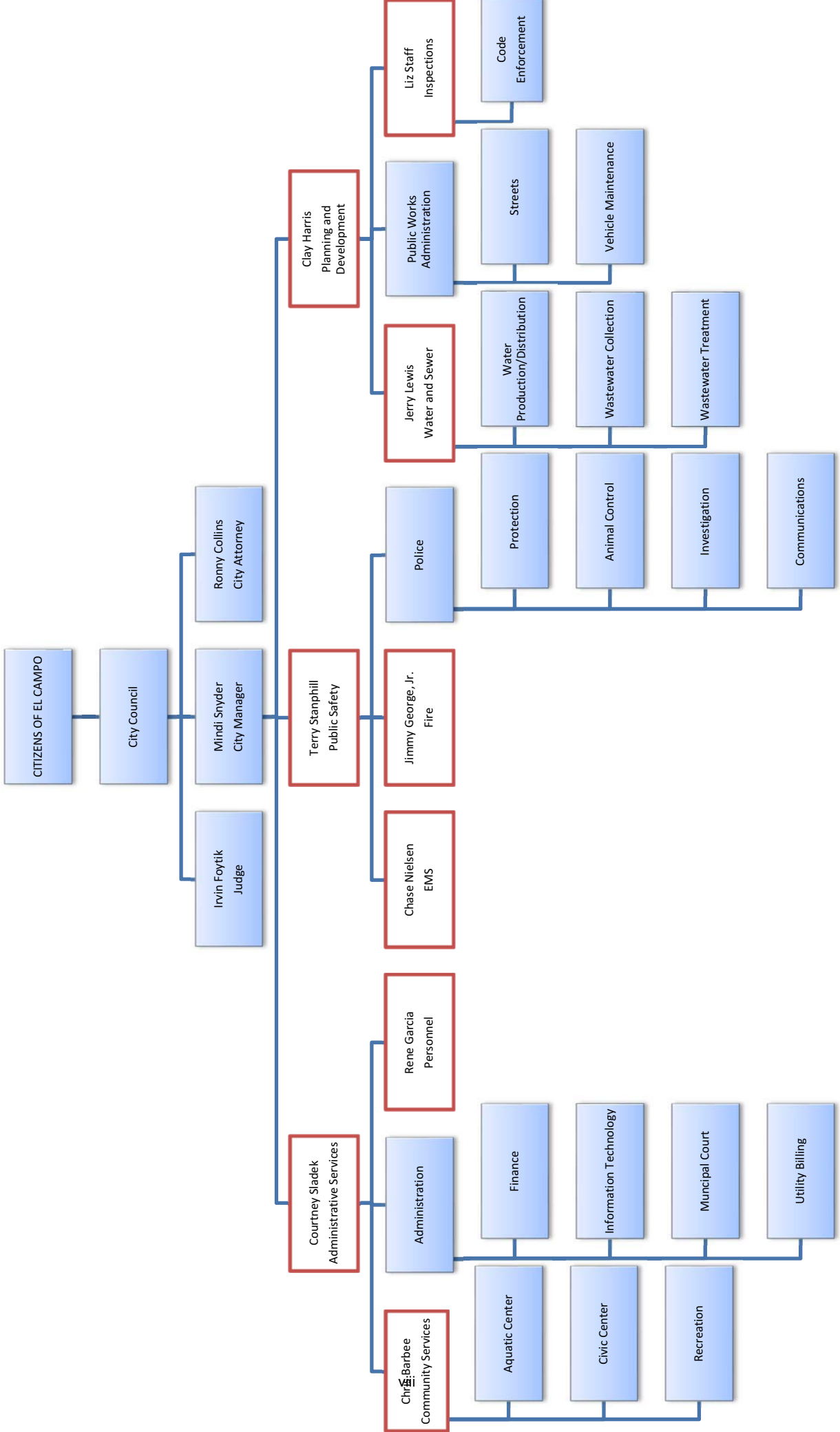
Presented to

**City of El Campo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



CITIZENS OF EL CAMPO

City Council

Mindi Snyder
City Manager

Invin Foytik
Judge

Ronny Collins
City Attorney

Terry Stanphill
Public Safety

Courtney Sladek
Administrative Services

Clay Harris
Planning and Development

Chris Barbee
Community Services

Administration

Rene Garcia
Personnel

Chase Nielsen
EMS

Jimmy George, Jr.
Fire

Police

Jerry Lewis
Water and Sewer

Public Works Administration

Liz Staff
Inspections

Aquatic Center

Finance

Protection

Animal Control

Water Production/Distribution

Streets

Code Enforcement

Civic Center

Information Technology

Investigation

Wastewater Treatment

Wastewater Collection

Vehicle Maintenance

Wastewater Treatment

Vehicle Maintenance

Recreation

Municipal Court

Communications

Wastewater Treatment

Wastewater Collection

Investigation

Wastewater Treatment

Vehicle Maintenance

Utility Billing

Personnel

EMS

Fire

Police

Water and Sewer

Public Works Administration

Inspections

CITY OF EL CAMPO, TEXAS
DIRECTORY OF PRINCIPAL OFFICIALS
September 30, 2014

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

(This Page Intentionally Left Blank)

FINANCIAL SECTION

(This Page Intentionally Left Blank)



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, 2014, 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 3 percent, 5 percent and 4 percent, respectively, of the assets, net position and revenues of the City of El Campo. Those 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, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 58 and pension information on pages 59-60 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' basic financial statements. The other supplementary information and introductory section are presented for purposes of additional analysis and is not a required part of the basic financial statements.

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



Sugar Land, Texas
February 3, 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, 2014.

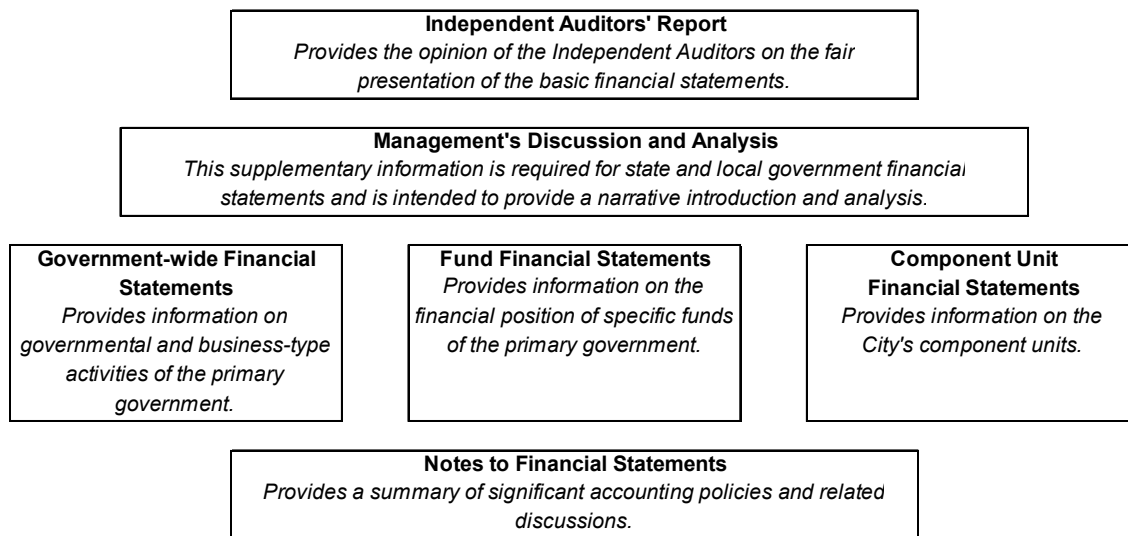
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2014, by \$27,019,887. Of this amount, \$10,567,291 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 \$16,662,580 for the fiscal year. The net expense was \$9,053,263. During the year, the City's net expenses exceeded general revenues of the governmental activities by \$2,096,624. This represents a 3.71% decrease in net position from the previous fiscal year as a result of operations.
- At September 30, 2014, the City's governmental funds reported combined ending fund balances of \$4,642,232, a net increase of \$84,276 in comparison with the prior year.
- At September 30, 2014, unassigned fund balance for the General Fund was \$4,589,898 or 39.1% 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.

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 or 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 ten individual governmental funds during the 2014 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, which is considered a major fund. 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.

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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 historical 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 \$27,019,887 at the close of the fiscal year 2014.

By far, the largest portion of the City's net position (60.58%) 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, 2014

City of El Campo, Texas
Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS						
Current assets	\$ 6,310,038	\$ 5,700,737	\$ 6,257,978	\$ 3,769,458	\$ 12,568,016	\$ 9,470,195
Capital assets (net)	17,112,847	14,946,961	18,537,086	18,951,250	35,649,933	33,898,211
Total Assets	23,422,885	20,647,698	24,795,064	22,720,708	48,217,949	43,368,406
LIABILITIES						
Current liabilities	1,675,871	1,054,328	519,452	1,294,784	2,195,323	2,349,112
Noncurrent liabilities	6,926,755	2,676,487	12,075,984	10,290,316	19,002,739	12,966,803
Total Liabilities	8,602,626	3,730,815	12,595,436	11,585,100	21,198,062	15,315,915
NET POSITION						
Net Investment in						
capital assets	9,777,017	12,448,707	6,586,509	8,115,580	16,363,526	20,564,287
Restricted	214,477	341,963			214,477	341,963
Unrestricted	4,828,765	4,126,213	5,613,119	3,020,028	10,441,884	7,146,241
Total Net Position	\$ 14,820,259	\$ 16,916,883	\$ 12,199,628	\$ 11,135,608	\$ 27,019,887	\$ 28,052,491

An additional portion of the City's net position (0.79%) 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 (\$10,441,884) 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 \$2,096,624. Key elements of this decrease are as follows:

- Issuance of debt, increasing long-term liabilities, \$4,611,060; however debt retirement for 2014 was \$413,558
- Depreciation expense \$981,752

Business-type activities. Business-type activities increased the City's net position by \$1,064,020. The key element of this increase relates to the increase in charges for services in excess of prior year in the amount of \$325,927.

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

City of El Campo, Texas
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for services	\$ 1,169,096	\$ 969,114	\$ 6,440,221	\$ 5,504,070	\$ 7,609,317	\$ 6,473,184
Operating grants		145,583		851,622		997,205
Capital grants		24,969		104,132		129,101
General Revenues:						
Property taxes	2,833,021	2,832,186			2,833,021	2,832,186
Sales taxes	3,533,651	2,908,788			3,533,651	2,908,788
Franchise taxes	929,726	602,873			929,726	602,873
Other taxes	19,840	159,487			19,840	159,487
Investment earnings	9,620	10,307	14,327	7,941	23,947	18,248
Miscellaneous	680,474	250,569			680,474	250,569
Total Revenues	9,175,428	7,903,876	6,454,548	6,467,765	15,629,976	14,371,641
EXPENSES						
General government	2,832,544	1,409,439			2,832,544	1,409,439
Public safety	3,781,836	3,555,073			3,781,836	3,555,073
Public works	2,352,547	2,340,330			2,352,547	2,340,330
Parks and recreation	1,218,866	880,902			1,218,866	880,902
Interest on long-term debt	123,993	109,774	1,496,446		1,620,439	109,774
Utilities			3,590,114	4,586,250	3,590,114	4,586,250
Emergency medical services			1,266,234	1,195,259	1,266,234	1,195,259
Total Expenses	10,309,786	8,295,518	6,352,794	5,781,509	16,662,580	14,077,027
Change in net position before transfers	(1,134,358)	(391,642)	101,754	686,256	(1,032,604)	294,614
Transfers	(962,266)	630,034	962,266	(630,034)		
Change in Net Position	(2,096,624)	238,392	1,064,020	56,222	(1,032,604)	294,614
Net Position - Beginning	16,916,883	16,678,491	11,135,608	11,079,386	28,052,491	27,757,877
Net Position - Ending	\$ 14,820,259	\$ 16,916,883	\$ 12,199,628	\$ 11,135,608	\$ 27,019,887	\$ 28,052,491

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 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.

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,642,232, an increase of \$84,276 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 \$4,589,898. Unassigned fund balance represents 39.1% of total General Fund expenditures. The fund balance of the City's General Fund increased by \$504,319 during fiscal year 2014. This was primarily due to the sale of capital assets as well as savings in the operating budget.

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 \$5,001,348 and \$611,771, respectively. The increase in net position for the funds was \$1,064,020.

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 \$2,509,765 more than the final budgeted amounts or appropriations. The major differences in expenditures were:

- \$4,976 in City Administration due to advertising notices, some of which were reimbursed but credited to Miscellaneous Revenue;
- \$14,968 in Communications due to personnel expenses;
- \$244,928 in Streets due to seal coating costs that were budgeted as a transfer to the General Government CIP Fund rather than an operating cost;
- \$64,136 in Parks and Recreation due to recreational improvements that were also budgeted as a transfer to the General Government CIP Fund rather than an operating.

The fiscal year 2014 budget was amended from the original budget adopted by Council. The following were included in the amendments:

- \$33,400 increase in sales tax collection;
- \$30,190 increase in grant revenues for LCRA grant, TxDOT grants, and Wal-Mart grant;
- \$31,000 increase in miscellaneous revenue;
- \$6,400 increase in General Liability for deductible reimbursements on claims;
- \$36,810 increase in miscellaneous services for costs associated with Retail Strategies, payroll services and costs associated with the new Public Safety Building;
- \$2,135 appropriation educational reimbursements to train employee for Public Safety;
- \$35,000 decrease in Section 380 Agreement, as no funds were used in FY14;
- \$3,900 increase in City Development Corporation line item to reflect actual sales tax credits;
- \$500 increase in Travel and Training in the City Council Division for costs associated with TML;
- \$1,380 increase in various retirement accounts due to timing of TMRS adjustment;
- \$2,800 increase in equipment maintenance for generator repairs;
- \$6,250 increase for communications for new phone system;

CITY OF EL CAMPO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2014

- \$55,900 increase in overtime line-items for new hires, unscheduled absences and grant services;
- \$19,000 increase in vehicle maintenance for repairs on the grass truck;
- \$3,500 increase in funds for gas and oil in Parks Maintenance;
- \$1,950 increase in parks housekeeping supplies for updated restrooms;
- \$7,000 appropriation for repairs to awning and pantry at Civic Center;
- \$69,000 increase in sewer revenue;
- \$40,000 increase to purchase additional meters;
- \$29,000 increase in water wells and pumps for repairs to the Kentucky Street well;
- \$17,490 appropriation for debt issued in October 2013;
- \$6,160 appropriation for Siemens performance guarantee;
- \$71,705 increase in ambulance fees to reflect collections;
- \$50,000 appropriation for grant fund revenue for the purchase of a new ambulance;
- \$21,705 increase to support new technology in EMS;
- \$50,000 increase in Regular Earnings in EMS to account for additional personnel.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to \$35,649,934 (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 5.16% (a 14.47% increase for governmental activities and a 2.19% decrease in business-type activities). Major capital asset events during the current fiscal year included the following:

- The net additions to equipment and infrastructure for governmental activities were \$1,172,622. Additions for fiscal year 2014 included the purchase of vehicles, various other equipment and infrastructure.
- The additions to construction in progress were \$2,912,877 for governmental activities primarily include services paid on the West Loop Park, and the W. Norris street project.
- The net additions to water works and sewer systems for business-type activities were \$2,635,425. These costs included the lines in the West Loop Park as well as improvements.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 574,785	\$ 498,445	\$ 30,498	\$ 30,498	\$ 605,283	\$ 528,943
Machinery and equipment	1,527,064	1,707,059	961,808	1,148,456	2,488,872	2,855,515
Buildings and improvements	4,622,971	4,722,803	564,243	606,936	5,187,214	5,329,739
Water works system			10,261,270	8,101,311	10,261,270	8,101,311
Sewer system			6,511,391	6,722,616	6,511,391	6,722,616
Infrastructure	7,083,254	6,558,833			7,083,254	6,558,833
Construction in progress	3,304,773	1,459,821	207,876	2,341,433	3,512,649	3,801,254
Total	\$ 17,112,847	\$ 14,946,961	\$ 18,537,086	\$ 18,951,250	\$ 35,649,933	\$ 33,898,211

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 \$17,260,000. Of this amount, \$500,000 represents 2014 Tax Notes, Series A, \$2,890,000 represents Certificates of Obligation Series 2014, \$375,000 represents Certificates of Obligation, Series 2014 A \$2,525,000 represents 2013 Certificates of Obligation, Series A, \$2,795,000 represents 2013 Certificates of Obligations, \$1,325,000 represents General Obligation Refunding Bonds, Series 2013, and \$2,345,000 represents General Obligation Refunding Bonds, Series 2012A. The remainder of the City's bonded debt represents \$4,505,000 Combination Tax and Revenue Certificates of Obligation, Series 2008 and 2010. The City's bonded debt had a net increase of \$5,650,000 or 27.29% during the fiscal year ended September 30, 2014. The increase included the issuance of the 2013 Certificates of Obligations and the 2013 General Obligation Refunding Bonds. The decrease included current year payments of principal and the refunding of the 2007 Certificates of Obligation with the issuance of the 2013 General Obligation Refunding Bonds.

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 2014, the City made payments on the outstanding capital leases in the amount of \$249,011. The balance on all capital leases at September 30, 2014 was \$1,445,718.

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 \$3,523,500 (including funds dispersed to the City Development Corporation of El Campo, Inc.) This amount is consistent with the FY14 year end figures.
- The City amended water, sewer and garbage rates for 2015.
- Also included in the FY15 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 2014-2015 fiscal year.

The certified assessed taxable property valuations for the 2014 tax roll total \$534,034,982 and \$390,607 for the senior tax freeze, with a tax rate of \$0.51058 per \$100 valuation. The increase in the tax rate from the prior year is due to debt payments for FY15. \$0.41460 was allocated for maintenance and operations, and \$0.09598 was allocated for interest and sinking (debt service). The projected total property tax due is \$3,054,937 for the 2014 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

(This Page Intentionally Left Blank)

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 2,535,810	\$ 3,850,316	\$ 6,386,126	\$ 525,670
Investments	2,400,703	1,387,716	3,788,419	1,701,773
Receivables (net)	615,461	1,069,630	1,685,091	
Internal balances	49,684	(49,684)		
Due from other governments	655,117		655,117	98,716
Notes receivable	18,518		18,518	
Prepaid items	5,323		5,323	
Inventory	29,422		29,422	
Capital assets:				
Land and other assets not being depreciated	3,879,558	238,374	4,117,932	116,746
Buildings, infrastructure and equipment (net)	13,233,289	18,298,712	31,532,001	1,776,854
Total Assets	23,422,885	24,795,064	48,217,949	4,219,759
Liabilities				
Accounts payable and accrued liabilities	1,071,453	268,313	1,339,766	5,056
Deposits	14,791	191,373	206,164	
Accrued interest payable	8,881	59,766	68,647	
Due to component unit	98,716		98,716	
Due to other governments	72,955		72,955	
Long-term liabilities due within one year	409,075	820,676	1,229,751	18,517
Long-term liabilities due in more than one year	6,926,755	11,255,308	18,182,063	
Total Liabilities	8,602,626	12,595,436	21,198,062	23,573
Net Position				
Net investment in capital assets	9,777,017	6,586,509	16,363,526	1,875,083
Restricted for:				
Debt service	41,193		41,193	
Police and emergency services	173,284		173,284	
Other				8,974
Unrestricted	4,828,765	5,613,119	10,441,884	2,312,129
Total Net Position	\$ 14,820,259	\$ 12,199,628	\$ 27,019,887	\$ 4,196,186

CITY OF EL CAMPO, TEXAS
STATEMENT OF ACTIVITIES
Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 2,832,544	\$ 149,723	\$
Public safety	3,781,836	475,974	
Public works	2,352,547	113,905	
Parks and recreation	1,218,866	429,494	
Interest on long-term debt	123,993		
Total Governmental Activities	<u>10,309,786</u>	<u>1,169,096</u>	
Business-type Activities			
Utilities	5,000,348	4,992,362	
Emergency medical services	1,352,446	1,367,954	
Total Business-type Activities	<u>6,352,794</u>	<u>6,360,316</u>	
Total Primary Government	<u>\$ 16,662,580</u>	<u>\$ 7,529,412</u>	<u>\$</u>
Component Units	\$ 1,231,310	\$ 154,966	\$ 192,927
Total Component Units	<u>\$ 1,231,310</u>	<u>\$ 154,966</u>	<u>\$ 192,927</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	Total	Component Units
\$ (2,682,821)	\$	\$ (2,682,821)	\$
(3,305,862)		(3,305,862)	
(2,238,642)		(2,238,642)	
(789,372)		(789,372)	
(123,993)		(123,993)	
<u>(9,140,690)</u>		<u>(9,140,690)</u>	
	(7,986)	(7,986)	
	15,508	15,508	
	7,522	7,522	
<u>\$ (9,140,690)</u>	<u>\$ 7,522</u>	<u>\$ (9,133,168)</u>	<u>\$</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (883,417)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (883,417)</u>
\$ 2,833,021	\$	\$ 2,833,021	\$
3,533,651		3,533,651	588,028
929,726		929,726	
19,840		19,840	
9,620	14,327	23,947	16,101
306,279		306,279	10,123
374,195	79,905	454,100	20,492
(962,266)	962,266		
<u>7,044,066</u>	<u>1,056,498</u>	<u>8,100,564</u>	<u>634,744</u>
<u>(2,096,624)</u>	<u>1,064,020</u>	<u>(1,032,604)</u>	<u>(248,673)</u>
<u>16,916,883</u>	<u>11,135,608</u>	<u>28,052,491</u>	<u>4,444,859</u>
<u>\$ 14,820,259</u>	<u>\$ 12,199,628</u>	<u>\$ 27,019,887</u>	<u>\$ 4,196,186</u>

CITY OF EL CAMPO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,362,066	\$ 173,744	\$ 2,535,810
Investments	2,003,417	397,286	2,400,703
Receivables (net)	491,056	124,405	615,461
Due from other funds	813,827		813,827
Due from other governments	655,117		655,117
Note receivable from component unit		18,518	18,518
Prepaid items	465		465
Inventory	29,422		29,422
Total Assets	<u>\$ 6,355,370</u>	<u>\$ 713,953</u>	<u>\$ 7,069,323</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 811,912	\$ 19,576	\$ 831,488
Accrued expenditures	239,454		239,454
Deposits	14,791		14,791
Due to component unit	98,716		98,716
Due to other governments	43,497	29,458	72,955
Due to other funds	124,048	557,722	681,770
Total Liabilities	<u>1,332,418</u>	<u>606,756</u>	<u>1,939,174</u>
Deferred Inflows of Resources			
Unavailable revenue	403,167	84,750	487,917
Fund Balances			
Fund Balances:			
Nonspendable	29,887		29,887
Restricted		185,500	185,500
Committed		(13,041)	(13,041)
Unassigned	4,589,898	(150,012)	4,439,886
Total Fund Balances	<u>4,619,785</u>	<u>22,447</u>	<u>4,642,232</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 6,355,370</u>	<u>\$ 713,953</u>	<u>\$ 7,069,323</u>

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.	\$ (56,136)
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.	487,917
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.	(30,771)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	17,112,847
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,335,830)
Net Position of Governmental Activities	<u>\$ 14,820,259</u>

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, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 6,932,715	\$ 370,961	\$ 7,303,676
Licenses and permits	113,905		113,905
Intergovernmental	149,723		149,723
Charges for services	266,538	6,956	273,494
Fines and forfeitures	473,261	2,713	475,974
Investment income	8,834	786	9,620
Miscellaneous	299,944	74,251	374,195
Total Revenues	8,244,920	455,667	8,700,587
Expenditures			
Current:			
General government	2,592,463	52,698	2,645,161
Public safety	3,605,103	61,449	3,666,552
Public works	1,713,547	40,018	1,753,565
Parks and recreation	937,459		937,459
Debt Service:			
Principal retirement		197,263	197,263
Interest and fiscal charges		123,993	123,993
Capital Outlay	2,883,823	298,905	3,182,728
Total Expenditures	11,732,395	774,326	12,506,721
(Deficiency) of Revenues			
(Under) Expenditures	(3,487,475)	(318,659)	(3,806,134)
Other Financing Sources (Uses)			
Sale of capital assets	306,279		306,279
Proceeds from the sale of debt	4,546,397		4,546,397
Transfers in	529,260	2,876	532,136
Transfers (out)	(1,390,142)	(104,260)	(1,494,402)
Total Other Financing Sources (Uses)	3,991,794	(101,384)	3,890,410
Net Change in Fund Balances	504,319	(420,043)	84,276
Fund Balances - Beginning	4,115,466	442,490	4,557,956
Fund Balances - Ending	\$ 4,619,785	\$ 22,447	\$ 4,642,232

See Notes to Financial Statements.

(This Page Intentionally Left Blank)

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, 2014

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

Net change in fund balances - total governmental funds	\$ 84,276
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.	(56,136)
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	3,067,052
Depreciation expense	(981,752)
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	(4,611,060)
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	413,558
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.	(12,562)
Change in Net Position of Governmental Activities	<u><u>\$ (2,096,624)</u></u>

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Utility	Emergency Medical Services	Total	Internal Service Fund
Assets				
Current Assets:				
Cash and cash equivalents	\$ 3,580,366	\$ 269,950	\$ 3,850,316	\$
Investments	1,387,316	400	1,387,716	
Receivables (net)	688,105	381,525	1,069,630	
Prepaid items				4,858
Total Current Assets	5,655,787	651,875	6,307,662	4,858
Noncurrent Assets:				
Capital assets:				
Land and construction in progress	238,374		238,374	
Buildings, improvements and equipment (net)	18,000,560	298,152	18,298,712	3,538
Total Noncurrent Assets	18,238,934	298,152	18,537,086	3,538
Total Assets	23,894,721	950,027	24,844,748	8,396
Liabilities				
Current Liabilities:				
Accounts payable	220,785		220,785	511
Accrued expenses	7,424	40,104	47,528	
Deposits	191,373		191,373	
Accrued interest payable	59,766		59,766	
Due to other funds	49,684		49,684	82,373
Compensated absences	12,541		12,541	
Current portion of capital leases	208,033		208,033	
Current general obligation bonds	109,522		109,522	
Current certificates of obligation	490,580		490,580	
Total Current Liabilities	1,349,708	40,104	1,389,812	82,884
Noncurrent Liabilities:				
Compensated absences	112,866		112,866	
Capital leases, noncurrent	945,805		945,805	
Premiums on long-term debt	146,872		146,872	
General obligation bonds, noncurrent	1,496,741		1,496,741	
Certificates of obligation, noncurrent	8,553,024		8,553,024	
Total Noncurrent Liabilities	11,255,308		11,255,308	
Total Liabilities	12,605,016	40,104	12,645,120	82,884
Net Position (Deficit)				
Net investment in capital assets	6,288,357	298,152	6,586,509	3,538
Unrestricted	5,001,348	611,771	5,613,119	(78,026)
Total Net Position (Deficit)	\$ 11,289,705	\$ 909,923	\$ 12,199,628	\$ (74,488)

CITY OF EL CAMPO, TEXAS

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

PROPRIETARY FUNDS

Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Utility	Emergency Medical Services	Total	Internal Service Fund
<u>Operating Revenues</u>				
Charges for services	\$ 4,992,362	\$ 1,367,954	\$ 6,360,316	\$ 156,000
Miscellaneous	21,717	58,188	79,905	
Total Operating Revenues	5,014,079	1,426,142	6,440,221	156,000
<u>Operating Expenses</u>				
Personnel	654,269	968,333	1,622,602	
Materials and supplies	69,358	125,576	194,934	12,378
Repairs and maintenance	729,528	27,587	757,115	87,226
Other services and charges	2,136,959	144,738	2,281,697	112,532
Depreciation	848,667	76,817	925,484	
Total Operating Expenses	4,438,781	1,343,051	5,781,832	212,136
Operating Income (Loss)	575,298	83,091	658,389	(56,136)
<u>Non-Operating Revenues (Expenses)</u>				
Investment income	14,121	206	14,327	
Interest and fiscal charges	(561,567)	(9,395)	(570,962)	
Total Non-Operating Revenues (Expenses)	(547,446)	(9,189)	(556,635)	
Income (Loss) Before Transfers	27,852	73,902	101,754	(56,136)
Transfers in (out)	988,121	(25,855)	962,266	
Change in Net Position	1,015,973	48,047	1,064,020	(56,136)
Net Position (Deficit), Beginning	10,273,732	861,876	11,135,608	(18,352)
Net Position (Deficit), Ending	\$ 11,289,705	\$ 909,923	\$ 12,199,628	\$ (74,488)

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Utility	Emergency Medical Services	Total	Internal Service Fund
Cash Flows From Operating Activities				
Cash received from customers	\$ 4,962,197	\$ 1,426,142	\$ 6,388,339	\$ 156,000
Cash paid for goods and services	(2,902,328)	(349,803)	(3,252,131)	(211,625)
Cash paid to employees for services	(654,269)	(968,333)	(1,622,602)	
Net Cash Provided (Used) by Operating Activities	1,405,600	108,006	1,513,606	(55,625)
Cash Flows From Noncapital Financing Activities				
Transfers	988,122	(25,855)	962,267	55,625
Net Cash Provided (Used) by Noncapital Financing Activities	988,122	(25,855)	962,267	55,625
Cash Flows From Capital and Related Financing Activities				
Acquisition & construction of capital assets	(501,868)		(501,868)	
Issuance of long term debt	1,818,168		1,818,168	
Principal paid on debt	(740,432)		(740,432)	
Interest paid	(561,567)	(9,395)	(570,962)	
Net Cash Provided (Used) by Capital and Related Financing Activities	14,301	(9,395)	4,906	
Cash Flows From Investing Activities				
Purchase of investments	(857,339)		(857,339)	
Investment income	14,121	206	14,327	
Net Cash Provided (Used) by Investing Activities	(843,218)	206	(843,012)	
Net Increase (Decrease) in Cash and Cash Equivalents	1,564,805	72,962	1,637,767	
Cash and cash equivalents, beginning	2,015,561	196,988	2,212,549	
Cash and Cash Equivalents, Ending	\$ 3,580,366	\$ 269,950	\$ 3,850,316	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 575,298	\$ 83,091	\$ 658,389	\$ (56,136)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:				
Depreciation and amortization	848,667	76,817	925,484	
(Increase) decrease in accounts rec.	(55,974)		(55,974)	
(Increase) decrease in prepaid items	28,693	15,834	44,527	
Increase (decrease) in accounts payable	(2,400)	(7,739)	(10,139)	511
Increase (decrease) in accrued expenses	7,224	(59,997)	(52,773)	
Increase (decrease) in deposits	4,092		4,092	
Total adjustments	830,302	24,915	855,217	511
Net Cash Provided (Used) by Operating Activities	\$ 1,405,600	\$ 108,006	\$ 1,513,606	\$ (55,625)

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2014

Assets	City Development Corporation of El Campo, Inc.	El Campo Volunteer Fire Department	Total
Current Assets:			
Cash and cash equivalents	\$ 208,878	\$ 316,792	\$ 525,670
Investments	1,701,773		1,701,773
Due from primary government	98,716		98,716
Total Current Assets	2,009,367	316,792	2,326,159
Noncurrent Assets:			
Capital assets:			
Land and construction in progress	107,746	9,000	116,746
Buildings, improvements and equipment (net)	628,830	1,148,024	1,776,854
Total Noncurrent Assets	736,576	1,157,024	1,893,600
Total Assets	2,745,943	1,473,816	4,219,759
Liabilities			
Accounts payable	5,056		5,056
Due within one year	18,517		18,517
Total Liabilities	23,573		23,573
Net Position			
Net investment in capital assets	718,059	1,157,024	1,875,083
Restricted for:			
Other purposes		8,974	8,974
Unrestricted	2,004,311	307,818	2,312,129
Total Net Position	\$ 2,722,370	\$ 1,473,816	\$ 4,196,186

See Notes to Financial Statements.

CITY OF EL CAMPO, TEXAS
STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Component Units			
City Development Corporation of El Campo, Inc.	\$ 1,017,779	\$ 36,000	\$
El Campo Volunteer Fire Department	213,531	118,966	192,927
Total Component Units	<u>\$ 1,231,310</u>	<u>\$ 154,966</u>	<u>\$ 192,927</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	Total
\$ (981,779)	\$	\$ (981,779)
	98,362	98,362
<u>\$ (981,779)</u>	<u>\$ 98,362</u>	<u>\$ (883,417)</u>
\$ 588,028	\$	\$ 588,028
15,127	974	16,101
10,123		10,123
	20,492	20,492
<u>613,278</u>	<u>21,466</u>	<u>634,744</u>
<u>(368,501)</u>	<u>119,828</u>	<u>(248,673)</u>
3,090,871	1,353,988	4,444,859
<u>\$ 2,722,370</u>	<u>\$ 1,473,816</u>	<u>\$ 4,196,186</u>

(This Page Intentionally Left Blank)

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. (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, 2014.

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, 2013, 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 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 reported in another fund.

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, 2014.

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, 2014. 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. 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.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Compliance

There were several situations of expenditures exceeding the amount appropriated during the fiscal year.

Fund Name and Department	Budget	Actual	Variance
General Fund			
Communications	\$ 402,000	\$ 413,188	\$ (11,188)
Emergency Management	18,170	39,754	(21,584)
Streets	974,490	1,277,059	(302,569)
Parks and Recreation	515,570	548,464	(32,894)
Capital Outlay	372,650	2,883,823	(2,511,173)

City Administration saw an overage because of public notices, some of these funds were reimbursed and credited to Miscellaneous Revenue. Funds in Streets and Parks and Recreation were budgeted as transfers, rather than operating expenses thus creating the excess in each Department.

B. Deficit Fund Equity

As of September 30, 2014 the following funds had deficit equity balances:

<u>Fund</u>	<u>Fund Balance/ Net Position</u>
Nonmajor Governmental Funds	
Special Revenue Fund - Municipal Court Technology	\$ 5,441
Special Revenue Fund - Transportation Reinvestment Zone	199,006
Capital Projects Fund	825
Internal Service Funds	
Information Technology	74,488

Steps will be taken to eliminate these deficits in the upcoming fiscal year.

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Public Funds Investment Pools		
MBIA Investment Pool	\$ 1,294,260	40.00
L.O.G.I.C. Pool	503,518	57.00
U.S. Government Securities	1,990,641	42.09
Total Fair Value	<u>\$ 3,788,419</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. The L.O.G.I.C. and MBIA Investment Pool's weighted average maturity cannot exceed 60 days.

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 MBIA Investment Pools. These pools operate in full compliance with the Public Funds Investment Act. The L.O.G.I.C. and MBIA Investment Pools (which represent approximately 64% of the portfolio) are rated AAAm by Standard & Poor's. The remaining 36% of the City's portfolio has a AA+ rating issued 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, 2014, and for the year then ended, the City was not exposed to any custodial credit risk.

Please see Notes 16 and 17 for discussions relative to the investments of the City's component units.

NOTE 4: RECEIVABLES

Receivables at September 30, 2014, consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Emergency Medical Services</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Gross receivables:					
Accounts	\$	\$ 687,356	\$ 1,526,101	\$ 595,701	\$ 2,809,158
Ad valorem taxes	316,448			39,655	356,103
Franchise taxes	87,850				87,850
Fines	1,374,258				1,374,258
Interest	469	749			1,218
Total Gross Receivables	1,779,025	688,105	1,526,101	635,356	4,628,587
Less allowances	1,287,969		1,144,576	510,951	2,943,496
Total Net Receivables	<u>\$ 491,056</u>	<u>\$ 688,105</u>	<u>\$ 381,525</u>	<u>\$ 124,405</u>	<u>\$ 1,685,091</u>

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 \$0.48064 per \$100 of assessed valuation, which were prorated between operations and debt service in the amounts of \$0.44753 and \$0.03311, respectively. The resulting adjusted total tax levy was \$2,817,164 on the total adjusted taxable valuation of \$521,851,574 for the 2013 tax year.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 5: CAPITAL ASSETS

The City's capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 498,445	\$ 116,340	\$ (40,000)	\$ 574,785
Construction in progress	<u>1,459,821</u>	<u>2,912,877</u>	<u>(1,067,925)</u>	<u>3,304,773</u>
Total capital assets not being depreciated	<u>1,958,266</u>	<u>3,029,217</u>	<u>(1,107,925)</u>	<u>3,879,558</u>
Capital assets being depreciated:				
Machinery and equipment	4,855,801	118,698	(26,862)	5,001,361
Buildings	8,180,385			8,180,385
Infrastructure	<u>21,842,392</u>	<u>1,053,924</u>		<u>22,896,316</u>
Total capital assets being depreciated	<u>34,878,578</u>	<u>1,172,622</u>	<u>(26,862)</u>	<u>36,078,062</u>
Less accumulated depreciation				
Machinery and equipment	3,148,742	352,417	(26,862)	3,474,297
Buildings	3,457,582	99,832		3,557,414
Infrastructure	<u>15,283,559</u>	<u>529,503</u>		<u>15,813,062</u>
Total accumulated depreciation	<u>21,889,883</u>	<u>981,752</u>	<u>(26,862)</u>	<u>22,844,773</u>
Net capital assets being depreciated	<u>12,988,695</u>	<u>190,870</u>		<u>13,233,289</u>
Total Governmental Activities	<u>\$ 14,946,961</u>	<u>\$ 3,220,087</u>	<u>\$ (1,107,925)</u>	<u>\$ 17,112,847</u>

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 30,498	\$	\$	\$ 30,498
Construction in progress	2,341,433	501,868	(2,635,425)	207,876
Total capital assets not being depreciated	<u>2,371,931</u>	<u>501,868</u>	<u>(2,635,425)</u>	<u>238,374</u>
Capital assets being depreciated:				
Machinery and equipment	3,372,311			3,372,311
Buildings	2,123,074			2,123,074
Water works system	13,385,620	2,563,319		15,948,939
Sewer system	11,111,784	72,106		11,183,890
Total capital assets being depreciated	<u>29,992,789</u>	<u>2,635,425</u>		<u>32,628,214</u>
Less accumulated depreciation				
Machinery and equipment	2,223,855	186,648		2,410,503
Buildings	1,516,138	42,693		1,558,831
Water works system	5,284,309	403,360		5,687,669
Sewer system	4,389,168	283,331		4,672,499
Total accumulated depreciation	<u>13,413,470</u>	<u>916,032</u>		<u>14,329,502</u>
Net capital assets being depreciated	<u>16,579,319</u>	<u>1,719,393</u>		<u>18,298,712</u>
Total Business-Type Activities	<u>\$ 18,951,250</u>	<u>\$ 2,221,261</u>	<u>\$ (2,635,425)</u>	<u>\$ 18,537,086</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 26,701
Public safety	222,895
Public works	662,884
Parks and recreation	69,272
Total Governmental Activities Depreciation	<u>\$ 981,752</u>
Business-Type Activities:	
Utilities	\$ 839,215
Emergency medical services	76,817
Total Business-Type Activities Depreciation	<u>\$ 916,032</u>

NOTE 6: UNAVAILABLE REVENUE

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

	General	Nonmajor Governmental	Total
Property taxes	\$ 267,247	\$ 30,017	\$ 297,264
Fines	135,920		135,920
Assessments		54,733	54,733
	<u>\$ 403,167</u>	<u>\$ 84,750</u>	<u>\$ 487,917</u>

NOTE 7: EMPLOYEES' RETIREMENT PLAN

Plan Description

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report may be obtained from TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2013	Plan Year 2014
Employee deposit rate	5.00%	6.00%
Matching ratio (City to employee)	1.5 to 1	1.5 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating transfers	100% repeating transfers
Annuity increase to retirees	70% of CPI repeating	70% of CPI repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation (asset) are as follows:

Contributions Required and Contributions Made			
Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 601,992	100%	\$
2013	500,610	100%	
2012	504,085	100%	

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2012 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

	Actuarial Valuation Information		
	December 31, 2011	December 31, 2012	December 31, 2013
Actuarial cost method	projected unit credit	projected unit credit	projected unit credit
Amortization method	level percent of payroll	level percent of payroll	level percent of payroll
GASB 25 equivalent single amortization period	26 years; closed period	26.8 years; closed period	25.0 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10 year smoothed market	10 year smoothed market	10 year smoothed market
Investment rate of return *	7%	7%	7%
Projected salary increases *	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3%	3%	3%
Cost of living adjustments	2.10%	2.10%	2.10%

Funded Status and Funding Progress

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 19,566,962	\$ 24,046,060	81.4%	\$ 4,479,098	\$ 4,915,560	91.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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, 2014, 2013, and 2012 were \$10,323, \$9,834, and \$9,216, 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, 2013, 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, 2013, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	\$	2,679
Terminated participants entitled to benefits but not yet receiving them		2,161
Active participants (vested and nonvested)		4,036
	<u>\$</u>	<u>8,876</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 August 31, 2013, total contributions (dues and prior services) of \$4,176,659 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The State did not appropriate any maximum state contribution for the fiscal years ending August 31, 2013 and 2014. Total contributions made were equal to the contributions required by the state statute and were equal to the contributions required based on the revised August 31, 2011, actuarial valuation.

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, 2013, revealed the adequacy of the expected contributions from the political subdivisions (dues and prior service contributions) together with the actual state appropriations for the fiscal year ending August 31, 2014, (\$620,411 to help pay for the TESRS's administrative expenses) and with the assumed continuation of legislative appropriations of 1) the maximum state contribution amount in

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

future years for up to 30 years as is necessary for the TESRS to have a 30-year amortization period, and 2) approximately \$530,000 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.

Three Year Trend Information - State Wide

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

State contributions to the City's plan for the year ended September 30, 2014, 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	Annual		
	Required	Percentage	Net
September 30	Contributions	Contributed	Obligation
2014	\$ 33,119	100%	\$
2013	34,538	100%	
2012	36,593	100%	

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, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and certificates payable:					
Certificates of obligation	\$ 70,000	\$ 4,546,397	\$ 70,000	\$ 4,546,397	\$ 127,421
General obligation bonds	2,311,000		127,264	2,183,736	200,478
Plus deferred amounts:					
Issuance premiums	87,820	106,428	14,124	180,124	14,124
Net bonds and certificates payable	<u>2,468,820</u>	<u>4,652,825</u>	<u>211,388</u>	<u>6,910,257</u>	<u>342,023</u>
Capital leases payable	<u>340,282</u>		<u>48,402</u>	<u>291,880</u>	<u>49,794</u>
Compensated absences	<u>299,779</u>	<u>167,806</u>	<u>153,768</u>	<u>313,817</u>	<u>31,382</u>
Total Government Activities Long-Term Liabilities	\$ 3,108,881	\$ 4,820,631	\$ 413,558	\$ 7,515,954	\$ 423,199
Business-Type Activities:					
Bonds and certificates payable:					
Certificates of obligation	\$ 7,635,000	\$ 1,743,603	\$ 335,000	\$ 9,043,603	\$ 490,580
General obligation bonds	1,714,000		107,737	1,606,263	109,522
Plus deferred amounts:					
Issuance premiums	163,715		16,842	146,873	16,842
Net bonds and certificates payable	<u>9,512,715</u>	<u>1,743,603</u>	<u>459,579</u>	<u>10,796,739</u>	<u>616,944</u>
Capital leases payable	<u>1,354,447</u>		<u>200,609</u>	<u>1,153,838</u>	<u>208,033</u>
Compensated absences	<u>131,086</u>	<u>74,565</u>	<u>80,244</u>	<u>125,407</u>	<u>12,541</u>
Total Business-Type Activities Long-Term Liabilities	\$ 10,998,248	\$ 1,818,168	\$ 740,432	\$ 12,075,984	\$ 837,518

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 16 and 17 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
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

General obligation bonds currently outstanding are as follows:

	<u>Term</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Refunding Bonds 2012A	2/13-2/21	2-3%	\$ 2,540,000
Refunding Bonds 2012B	2/13-2/15	2%	350,000
Refunding Bonds 2013	2/13-2/27	2-2.25%	1,345,000
Series 2014	9/14-9/39	2-4%	2,890,000
Series 2014A	2/15-2/24	.25-1%	375,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ended September 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 200,478	\$ 48,401	\$ 109,522	\$ 41,481	\$ 399,882
2016	163,326	44,763	146,674	38,919	393,682
2017	169,993	41,429	150,008	35,952	397,382
2018	171,659	37,821	153,341	32,535	395,356
2019	178,326	33,934	156,675	28,660	397,595
2020-2024	959,954	83,937	890,043	34,484	1,968,418
2025-2027	340,000	11,588			351,588
	<u>\$ 2,183,736</u>	<u>\$ 301,873</u>	<u>\$ 1,606,263</u>	<u>\$ 212,031</u>	<u>\$ 4,303,903</u>

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:

	<u>Term</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Series 2008	8/08-2/29	4.25-6%	3,430,000
Series 2010	3/10-2/30	3.25-4.5%	1,710,000
Series 2013	2/13-2/32	2-2.75%	2,920,000
Series 2013A	10/13-10/33	2.907-4.0%	2,525,000
Series 2014A	9/14-9/24	.25-1.07%	375,000
Series 2014A	2/14-2/39	2.0-4.0%	2,890,000
2014 Tax Note	2/15-2/21	.6-2.25%	500,000

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Annual debt service requirements to maturity for C.O.'s are as follows:

<u>Year Ended September 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 127,421	\$ 156,255	\$ 490,580	\$ 297,920	\$ 1,072,176
2016	149,150	152,712	462,850	281,948	1,046,660
2017	153,610	148,128	478,390	267,261	1,047,389
2018	157,500	143,422	484,501	252,635	1,038,058
2019	157,500	139,252	649,501	241,744	1,187,997
2020-2024	877,060	636,627	2,351,940	962,364	4,827,991
2025-2029	1,054,578	468,300	3,090,423	481,519	5,094,820
2030-2034	1,142,741	237,211	952,260	62,339	2,394,551
2035-2039	726,837	67,589	83,158	8,183	885,767
	<u>\$ 4,546,397</u>	<u>\$ 2,149,496</u>	<u>\$ 9,043,603</u>	<u>\$ 2,855,913</u>	<u>\$ 18,595,409</u>

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%. \$ 127,983

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%. 163,896

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%. 323,979

Lease purchase agreement on water meters. The original amount of the lease, entered into in 2004, was \$1,784,239. The lease is payable in quarterly installments of \$40,859 and bears interest at 4.25%. 829,860
\$ 1,445,718

The present value of the capital leases after deduction of imputed interest is \$1,445,718.

<u>Year Ended September 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 49,794	\$ 7,858	\$ 208,033	\$ 40,857	\$ 306,542
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
2020-2022	44,070	1,752			45,822
	<u>\$ 291,880</u>	<u>\$ 26,364</u>	<u>\$ 1,153,838</u>	<u>\$ 127,735</u>	<u>\$ 1,599,817</u>

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, 2014, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ 49,684
	Nonmajor Governmental	
	Muni Court Technology	3,562
	Trans Reinvest Zone	199,006
	Police Seizure	5,393
	Capital Projects	314,360
	Debt Service	35,401
	Internal Service	
	Information Technology	82,373
		<u>\$ 689,779</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:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Total</u>
Nonmajor Governmental	General	\$ 104,260
General	Nonmajor Governmental	2,876
Emergency Medical Services	General	25,855
General	Utility	<u>988,121</u>
		<u>\$ 1,121,112</u>

NOTE 13: RELATED PARTY TRANSACTIONS

At September 30, 2014, 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 \$98,716.

Note Receivable from Component Unit

On June 7, 1995, as part of the City's Tax and Revenue Certificates of Obligation Series 1995 Bonds, the Debt Service Fund loaned \$200,000 to the City Development Corporation of El Campo, Inc., a component unit of the City. At September 30, 2014, the amount outstanding of \$18,517 is shown as a note receivable from the component unit in the Statement of Net Position. Annual installments ranging from \$17,695 to \$19,089 are due through February 1, 2015, with interest rates varying from 7.5% to 5.5%. The total annual payments for the note receivable outstanding balance at September 30, 2014, was \$18,517 due in 2015.

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, 2014, 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, 2014, 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>
Siemen's project	\$ 136,906
West Loop Park	1,545,812
West Norris Project	2,050,379
Willie Bell Park	124,150
	<u>\$ 3,857,247</u>

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

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 15: FUND BALANCES

The following is a detail of the governmental fund balances as of September 30, 2014:

	Governmental Fund Balances				Total
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	
General:					
Prepaid items	\$ 465	\$	\$	\$	\$ 465
Inventory	29,422				29,422
Unassigned				4,589,898	4,589,898
Nonmajor Governmental:					
Public safety		173,284			173,284
Various capital projects		12,216			12,216
Steet paving			(13,041)		(13,041)
Unassigned				(150,012)	(150,012)
Total Net Receivables	<u>\$ 29,887</u>	<u>\$ 185,500</u>	<u>\$ (13,041)</u>	<u>\$ 4,439,886</u>	<u>\$ 4,642,232</u>

NOTE 16 : 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 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, 2014.

Deposits and Investments

As of September 30, 2014, CDC had a certificate of deposit with an amortized cost of \$1,701,773 and a weighted average maturity of 878 days.

Interest Rate Risk

In accordance with CDC's investment policy, 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 deposit 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. CDC was not exposed to credit risk.

Concentration of Credit Risk

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, CDC was not exposed to concentration of credit risk.

Custodial Credit Risk -Deposits

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

As of September 30, 2014, CDC had deposits in financial institutions and the deposits were FDIC insured at each institution up to \$250,000. At September 30, 2014, all of the CDC's bank balance of \$208,878 was properly collateralized per the CDC investment policy by securities pledged to 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, 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, CDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CDC was not exposed to custodial credit risk.

Sales Taxes

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. CDC's outstanding receivable of the sales tax earned by the City for the year ended September 30, 2014, was \$98,716. The City collects the sales tax from the State of Texas and then pays CDC's portion monthly when collected.

Capital Assets

CDC's capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 135,246	\$	\$ 27,500	\$ 107,746
Total capital assets not being depreciated	<u>135,246</u>		<u>27,500</u>	<u>107,746</u>
Capital assets being depreciated:				
Buildings	809,995			809,995
Office equipment	16,840			16,840
Total capital assets being depreciated	<u>826,835</u>			<u>826,835</u>
Less accumulated depreciation				
Buildings	159,113	22,052		181,165
Office equipment	16,840			16,840
Total accumulated depreciation	<u>175,953</u>	<u>22,052</u>		<u>198,005</u>
Net capital assets being depreciated	<u>650,882</u>	<u>(22,052)</u>		<u>628,830</u>
Total Governmental Activities	<u>\$ 786,128</u>	<u>\$ (22,052)</u>	<u>\$ 27,500</u>	<u>\$ 736,576</u>

Long-Term Debt

During the year ended September 30, 2014, the following changes occurred in CDC's long-term debt:

	<u>Notes Payable</u>
	<u>City of</u>
	<u>El Campo</u>
Balance at beginning of year	\$ 35,665
New issues	
Principal retirements	<u>(17,148)</u>
Balance at end of year	<u>\$ 18,517</u>
Due within one year	<u>\$ 18,517</u>

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 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%. The principal and interest due on February 1, 2015 is \$18,517 and \$572, respectively.

Lessor Agreements

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. There are \$3,000 of minimum future rentals due CDC under non-cancelable lease agreements as of September 30, 2014.

NOTE 17: 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.

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.

CITY OF EL CAMPO, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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, 2013. The ECVFD has cash and demand deposits of \$316,791 at December 31, 2013.

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:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets not being depreciated	<u>9,000</u>			<u>9,000</u>
Capital assets being depreciated:				
Training facility	1,870,856	18,943		1,889,799
Total capital assets being depreciated	<u>1,870,856</u>	<u>18,943</u>		<u>1,889,799</u>
Less accumulated depreciation				
Training facility	648,929	92,846		741,775
Total accumulated depreciation	<u>648,929</u>	<u>92,846</u>		<u>741,775</u>
Net capital assets being depreciated	<u>1,221,927</u>	<u>(73,903)</u>		<u>1,148,024</u>
Total Governmental Activities	<u>\$ 1,230,927</u>	<u>\$ (73,903)</u>	<u>\$</u>	<u>\$ 1,157,024</u>

Long-Term Debt

On October 23, 2003, the ECVFD opened a construction line of credit at Commercial State Bank for construction of the training facility collateralized by 30 acres of land. On April 19, 2004, the loan was paid off and renewed for \$1,120,000 at 3.25% payable yearly with the final unpaid principal and interest due April 12, 2025. The note was fully retired at December 31, 2013.

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, 2014

	Budgeted Amounts		Actual	Variance from Final
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 7,003,490	\$ 7,036,890	\$ 6,932,715	\$ (104,175)
Licenses and permits	114,790	114,790	113,905	(885)
Intergovernmental	121,390	30,190	149,723	119,533
Charges for services	262,110	262,110	266,538	4,428
Fines and forfeitures	544,620	544,620	473,261	(71,359)
Investment income	25,000	25,000	8,834	(16,166)
Miscellaneous	76,390	61,350	299,944	238,594
Total Revenues	8,147,790	8,074,950	8,244,920	169,970
<u>Expenditures</u>				
Current:				
General government	2,557,500	2,732,930	2,592,463	140,467
Public safety	3,677,060	3,739,590	3,605,103	134,487
Public works	1,445,080	1,445,180	1,713,547	(268,367)
Parks and recreation	919,750	932,280	937,459	(5,179)
Capital Outlay	372,650	372,650	2,883,823	(2,511,173)
Total Expenditures	8,972,040	9,222,630	11,732,395	(2,509,765)
(Deficiency) of Revenues (Under) Expenditures	(824,250)	(1,147,680)	(3,487,475)	(2,339,795)
<u>Other Financing Sources (Uses)</u>				
Gain on sale of capital assets			306,279	306,279
Proceeds from the issuance of debt			4,546,397	4,546,397
Transfers in	794,600	794,600	529,260	(265,340)
Transfers (out)			(1,390,142)	(1,390,142)
Total Other Financing Sources (Uses)	794,600	794,600	3,991,794	3,197,194
Net Change in Fund Balance	(29,650)	(353,080)	504,319	857,399
Fund Balance - Beginning	4,115,466	4,115,466	4,115,466	
Fund Balance - Ending	\$ 4,085,816	\$ 3,762,386	\$ 4,619,785	\$ 857,399

TEXAS MUNICIPAL RETIREMENT SYSTEM

The schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded AAL (UAAL)	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
12/31/13	\$ 19,566,962	\$ 24,046,060	81.4%	\$ 4,479,098	\$ 4,915,560	91.1%
12/31/12	18,571,925	20,696,802	89.7%	2,124,877	4,682,866	45.4%
12/31/11	17,321,560	19,636,079	88.2%	2,314,519	4,386,471	52.8%
12/31/10	16,369,313	18,848,698	86.8%	2,479,385	4,426,088	56.0%
12/31/09	10,391,825	14,719,666	70.6%	4,327,841	4,386,471	98.7%
12/31/08	10,246,891	14,458,248	70.9%	4,211,357	4,170,422	101.0%
12/31/07	10,202,248	13,954,179	73.1%	3,751,931	3,816,186	98.3%
12/31/06	10,173,047	12,762,866	79.7%	2,589,819	3,348,699	77.3%
12/31/05	10,051,419	12,544,550	80.1%	2,493,131	3,399,727	73.3%
12/31/04	9,178,723	11,588,951	79.2%	2,410,228	3,195,778	75.4%

TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

Actuarial Value Information

	8/31/12	8/31/13
Actuarial cost method	entry age	entry age
Amortization method	level dollar, open	level dollar, open
Amortization period	Infinity	Infinity
Asset valuation method	market value smoothed by a 5-year deferred recognition method with a 80-120% corridor on market value	market value smoothed by a 5-year deferred recognition method with a 80-120% corridor on market value
Investment rate of return *	7.75%, net of expenses	7.75%, net of expenses
Projected salary increases	n/a	n/a
* Includes inflation at	3.5%	3.5%
Cost of living adjustment	none	none

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded AAL (UAAL)	Annual Covered Payroll	UAAL per Member Covered
8/31/12	\$ 67,987,487	\$ 101,856,042	66.7%	\$ 33,868,555	\$ 9,448	\$ 3,585
8/31/10	64,113,803	81,264,230	78.9%	17,150,427	8,644	1,984
8/31/08	60,987,157	64,227,341	95.0%	3,240,184	8,254	393
8/31/06	42,268,305	58,082,828	72.8%	15,814,523	8,061	1,962

Three Year Trend Information - Statewide

Fiscal Year Ending August 31	Annual Required Contributions	Actual Contributions	Percentage Contributed
2014	\$5,707,002	\$4,176,659	73%
2013	5,020,980	5,020,980	100%
2012	4,423,898	3,517,455	80%

State contributions to the City's plan for the fiscal year 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

Fiscal Year Ending September 30	Annual Required Contributions	Percentage Contributed	Net Obligation
2014	\$33,119	100%	\$ -
2013	34,538	100%	-
2012	36,593	100%	-

CITY OF EL CAMPO, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014

NOTE 1: 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.

NOTE 2: BUDGETARY LEGAL COMPLIANCE

For the year ended September 30, 2014, the City complied with budgetary restrictions at all departmental levels except the following:

Fund/Department	Budget	Actual	Variance
General Fund			
Communications	\$402,000	\$413,188	(\$11,188)
Emergency Management	18,170	39,754	(21,584)
Streets	974,490	1,277,059	(302,569)
Parks and Recreation	515,570	548,464	(32,894)
Capital Outlay	372,650	2,883,823	(2,511,173)

(This Page Intentionally Left Blank)

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

(This Page Intentionally Left Blank)

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 General Fund.

CITY OF EL CAMPO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Special Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 173,744	\$	\$	\$ 173,744
Investments	25,675	58,076	313,535	397,286
Receivables (net)	39,655	30,017	54,733	124,405
Note receivable from component unit		18,518		18,518
Total Assets	\$ 239,074	\$ 106,611	\$ 368,268	\$ 713,953
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable	\$ 19,576	\$	\$	\$ 19,576
Due to other governments	29,458			29,458
Due to other funds	207,961	35,401	314,360	557,722
Total Liabilities	256,995	35,401	314,360	606,756
<u>Deferred Inflows of Resources</u>				
Unavailable revenue		30,017	54,733	84,750
<u>Fund Balances</u>				
Restricted	173,284		12,216	185,500
Committed			(13,041)	(13,041)
Unassigned	(191,205)	41,193		(150,012)
Total Fund Balances	(17,921)	41,193	(825)	22,447
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 239,074	\$ 106,611	\$ 368,268	\$ 713,953

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 178,012	\$ 192,949	\$	\$ 370,961
Charges for services			6,956	6,956
Fines and forfeitures		2,713		2,713
Investment income	328	155	303	786
Miscellaneous	72,758	1,493		74,251
Total Revenues	<u>251,098</u>	<u>197,310</u>	<u>7,259</u>	<u>455,667</u>
Expenditures				
Current:				
General government	52,698			52,698
Public safety	61,449			61,449
Public works			338,923	338,923
Debt Service:				
Principal retirement		197,263		197,263
Interest and fiscal charges		123,993		123,993
Total Expenditures	<u>114,147</u>	<u>321,256</u>	<u>338,923</u>	<u>774,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,951	(123,946)	(331,664)	(318,659)
Other Financing Sources (Uses)				
Transfers in		2,876		2,876
Transfers (out)	(104,260)			(104,260)
Total Other Financing Sources (Uses)	<u>(104,260)</u>	<u>2,876</u>		<u>(101,384)</u>
Net Change in Fund Balances	32,691	(121,070)	(331,664)	(420,043)
Fund Balances, Beginning of Year	(50,612)	162,263	330,839	442,490
Fund Balances, End of Year	<u>\$ (17,921)</u>	<u>\$ 41,193</u>	<u>\$ (825)</u>	<u>\$ 22,447</u>

CITY OF EL CAMPO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2014

	<u>Municipal Court Technology</u>	<u>Municipal Court Building Security</u>	<u>Hotel/Motel Tax</u>	<u>Transportation Reinvestment Zone</u>	<u>Police Seizure</u>
<u>Assets</u>					
Cash and cash equivalents	\$	\$ 6,444	\$ 6,798	\$	\$ 92,070
Investments					25,675
Accounts receivable			39,655		
Total Assets	\$	\$ 6,444	\$ 46,453	\$	\$ 117,745
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts payable	\$ 1,879	\$	\$ 10,197	\$	\$ 7,500
Due to other governments			29,458		
Due to other funds	3,562			199,006	5,393
Total Liabilities	5,441		39,655	199,006	12,893
<u>Fund Balances</u>					
Restricted					173,284
Unassigned	(5,441)	6,444	6,798	(199,006)	(68,432)
Total Fund Balances	(5,441)	6,444	6,798	(199,006)	104,852
Total Liabilities and Fund Balances	\$	\$ 6,444	\$ 46,453	\$	\$ 117,745

<u>EMS Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 68,432	\$ 173,744 25,675 39,655
<u>\$ 68,432</u>	<u>\$ 239,074</u>

\$	\$ 19,576 29,458 207,961
<u> </u>	<u>256,995</u>

<u>68,432</u>	173,284 <u>(191,205)</u>
<u>68,432</u>	<u>(17,921)</u>
<u>\$ 68,432</u>	<u>\$ 239,074</u>

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended September 30, 2014

	<u>Municipal Court Technology</u>	<u>Municipal Court Building Security</u>	<u>Hotel/Motel Tax</u>	<u>Transportation Reinvestment Zone</u>	<u>Police Seizure</u>
<u>Revenues</u>					
Taxes	\$	\$	\$ 149,522	\$ 28,490	\$
Investment income		7	6		181
Miscellaneous	8,787	6,437			57,534
Total Revenues	<u>8,787</u>	<u>6,444</u>	<u>149,528</u>	<u>28,490</u>	<u>57,715</u>
<u>Expenditures</u>					
Current:					
General government	14,228		38,470		
Public safety					61,449
Total Expenditures	<u>14,228</u>		<u>38,470</u>		<u>61,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,441)	6,444	111,058	28,490	(3,734)
<u>Other Financing (Uses)</u>					
Transfers (out)			(104,260)		
Total Other Financing Sources (Uses)			<u>(104,260)</u>		
Net Change in Fund Balances	(5,441)	6,444	6,798	28,490	(3,734)
Fund Balances, Beginning of Year				(227,496)	108,586
Fund Balances, End of Year	<u>\$ (5,441)</u>	<u>\$ 6,444</u>	<u>\$ 6,798</u>	<u>\$ (199,006)</u>	<u>\$ 104,852</u>

<u>EMS Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$	\$
134	178,012
	328
	72,758
<u>134</u>	<u>251,098</u>
	52,698
	61,449
	<u>114,147</u>
134	136,951
	(104,260)
	<u>(104,260)</u>
	(104,260)
134	32,691
<u>68,298</u>	<u>(50,612)</u>
<u>\$ 68,432</u>	<u>\$ (17,921)</u>

CITY OF EL CAMPO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2014

	<u>2004 Bonds</u>	<u>Street Paving</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets</u>			
Investments	\$ 313,535	\$	\$ 313,535
Receivables (net):			
Other		54,733	54,733
Total Assets	<u>\$ 313,535</u>	<u>\$ 54,733</u>	<u>\$ 368,268</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
<u>Liabilities</u>			
Due to other funds	301,319	13,041	314,360
Total Liabilities	<u>301,319</u>	<u>13,041</u>	<u>314,360</u>
<u>Deferred Inflows of Resources</u>			
Unavailable revenue		54,733	54,733
<u>Fund Balances</u>			
Restricted for various capital projects	12,216		12,216
Unassigned		(13,041)	(13,041)
Total Fund Balances	<u>12,216</u>	<u>(13,041)</u>	<u>(825)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 313,535</u>	<u>\$ 54,733</u>	<u>\$ 368,268</u>

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended September 30, 2014

	2004 Bonds	Street Paving	Total Nonmajor Capital Projects Funds
<u>Revenues</u>			
Charges for services - street assessments	\$	\$ 6,956	\$ 6,956
Investment earnings	273	30	303
Total Revenues	<u>273</u>	<u>6,986</u>	<u>7,259</u>
<u>Expenditures</u>			
Current:			
Public works	298,905	40,018	338,923
Total Expenditures	<u>298,905</u>	<u>40,018</u>	<u>338,923</u>
Net Change in Fund Balances	(298,632)	(33,032)	(331,664)
Fund Balances, Beginning of Year	<u>310,848</u>	<u>19,991</u>	<u>330,839</u>
Fund Balances, End of Year	<u>\$ 12,216</u>	<u>\$ (13,041)</u>	<u>\$ (825)</u>

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

Year Ended September 30, 2014

with Comparative Actual Balances for the Year Ended September 30, 2013

	2014		Variance from Final	2013 Actual
	Budget	Actual		
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 2,752,220	\$ 2,599,020	\$ (153,200)	\$ 2,619,420
Sales	3,523,590	3,533,651	10,061	2,908,788
Franchise	749,580	780,204	30,624	602,873
Alcoholic beverage	11,500	19,840	8,340	11,521
Licenses and permits	114,790	113,905	(885)	125,333
Intergovernmental	30,190	149,723	119,533	121,368
Charges for services	262,110	266,538	4,428	275,802
Fines and forfeitures	544,620	473,261	(71,359)	505,884
Investment income	25,000	8,834	(16,166)	8,752
Industrial agreement				13,103
Miscellaneous	61,350	299,944	238,594	163,123
Total Revenues	8,074,950	8,244,920	169,970	7,355,967
<u>Expenditures</u>				
General Government:				
City administration	2,265,425	2,129,617	135,808	868,063
Finance	294,610	290,472	4,138	274,857
Municipal court	172,895	172,374	521	166,920
Total General Government	2,732,930	2,592,463	140,467	1,309,840
Public Safety:				
Police	2,805,960	2,700,149	105,811	2,507,022
Fire	250,370	203,772	46,598	181,562
Fire marshal	14,810	11,939	2,871	20,273
Inspection	248,280	236,301	11,979	229,160
Communications	402,000	413,188	(11,188)	339,625
Emergency management	18,170	39,754	(21,584)	17,882
Total Public Safety	3,739,590	3,605,103	134,487	3,295,524
Public Works:				
Streets	974,490	1,277,059	(302,569)	1,125,921
Administration/engineering	359,790	326,390	33,400	311,128
Vehicle and facility maintenance	110,900	110,098	802	107,065
Total Public Works	1,445,180	1,713,547	(268,367)	1,544,114

	2014		Variance from Final	2013 Actual
	Budget	Actual		
<u>Expenditures (continued)</u>				
Parks and Recreation:				
Parks and recreation	515,570	548,464	(32,894)	460,140
Civic center	119,850	100,123	19,727	99,065
Aquatic center	296,860	288,872	7,988	246,031
Total Parks and Recreation	<u>932,280</u>	<u>937,459</u>	<u>(5,179)</u>	<u>805,236</u>
Capital Outlay	<u>372,650</u>	<u>2,883,823</u>	<u>(2,511,173)</u>	<u>1,647,627</u>
Total Expenditures	<u>9,222,630</u>	<u>11,732,395</u>	<u>(2,509,765)</u>	<u>8,602,341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,147,680)</u>	<u>(3,487,475)</u>	<u>(2,339,795)</u>	<u>(1,246,374)</u>
<u>Other Financing Sources (Uses)</u>				
Gain on sale of capital assets		306,279	306,279	32,932
Issuance of debt		4,546,397	4,546,397	210,662
Transfers in	794,600	529,260	(265,340)	662,090
Transfers (out)		(1,390,142)	(1,390,142)	(40,000)
Total Other Financing Sources (Uses)	<u>794,600</u>	<u>3,991,794</u>	<u>3,197,194</u>	<u>865,684</u>
Net Change in Fund Balance	(353,080)	504,319	857,399	(380,690)
Fund Balance - Beginning	<u>4,115,466</u>	<u>4,115,466</u>		<u>4,496,156</u>
Fund Balance - Ending	<u>\$ 3,762,386</u>	<u>\$ 4,619,785</u>	<u>\$ 857,399</u>	<u>\$ 4,115,466</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, 2014
with Comparative Actual Balances for the Year Ended September 30, 2013

	2014		Variance from Final	2013 Actual
	Final Budget	Actual		
Revenues				
Property taxes	\$ 168,900	\$ 192,949	\$ 24,049	\$ 255,827
Investment income	250	155	(95)	261
Other	18,640	4,206	(14,434)	
Total Revenues	<u>187,790</u>	<u>197,310</u>	<u>9,520</u>	<u>256,088</u>
Expenditures				
Debt Service:				
Principal retirement	570,000	197,263	372,737	175,597
Interest and fiscal agent fees	369,770	123,993	245,777	45,350
Debt issuance costs				72,713
Total Expenditures	<u>939,770</u>	<u>321,256</u>	<u>618,514</u>	<u>293,660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(751,980)</u>	<u>(123,946)</u>	<u>628,034</u>	<u>(37,572)</u>
Other Financing Sources (Uses)				
Refunding bonds issued				1,345,000
Premium on bonds				49,635
Payment to escrow				(1,352,446)
Transfers in	751,980	2,876	(749,104)	39,129
Total Other Financing Sources (Uses)	<u>751,980</u>	<u>2,876</u>	<u>(749,104)</u>	<u>81,318</u>
Change in Fund Balance		(121,070)	(121,070)	43,746
Fund Balance - Beginning	162,263	162,263		118,517
Fund Balance - Ending	<u>\$ 162,263</u>	<u>\$ 41,193</u>	<u>\$ (121,070)</u>	<u>\$ 162,263</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, 2014
with Comparative Actual Balances for the Year Ended September 30, 2013

	2014			2013 Actual
	Final Budget	Actual	Variance from Final	
<u>Operating Revenues</u>				
Water	\$ 1,530,710	\$ 1,402,524	\$ (128,186)	\$ 1,430,432
Sewer	1,823,020	1,670,658	(152,362)	1,619,036
Sanitation	1,700,000	1,766,231	66,231	1,593,301
Billing fees				126,695
Penalties	99,600	119,779	20,179	88,218
Connection and installation fees	15,000	33,170	18,170	60,951
Other	15,000	21,717	6,717	20,383
Total Revenues	5,183,330	5,014,079	(169,251)	4,939,016
<u>Operating Expenses</u>				
Utility Operations:				
Personnel	702,520	654,269	48,251	783,923
Materials and supplies	74,360	69,358	5,002	83,401
Repairs and maintenance	326,060	729,528	(403,468)	192,396
Other services and charges	2,295,780	2,136,959	158,821	2,531,999
Capital outlay	946,073	501,868	444,205	126,526
Total Operating Expenses	4,344,793	4,091,982	252,811	3,718,245
Operating Income before				
Nonoperating Revenues (Expenses)				
and Transfers	838,537	922,097	83,560	1,220,771
<u>Nonoperating Revenues (Expenses)</u>				
Investment income		14,121	14,121	7,826
Noncapital grants and contributions				10,814
Principal retirement	(491,139)	(491,139)		(424,070)
Interest and fiscal charges	(260,841)	(345,634)	(84,793)	(424,867)
Transfers in		1,492,257	1,492,257	
Transfers (out)		(720,069)	(720,069)	(542,229)
Total Nonoperating Revenues				
(Expenses)	(751,980)	(50,464)	701,516	(1,372,526)
Change in Net Position -				
(Non-GAAP Basis)	\$ 86,557	871,633	\$ 785,076	(151,755)
<u>Adjustments</u>				
Principal portion of debt payments		491,139		424,070
Depreciation		(848,667)		(789,808)
Capital grants and contributions				271,739
Capital outlay		501,868		126,526
Change in Net Position-GAAP Basis		1,015,973		(119,228)
Net position, beginning of year		10,273,732		10,392,960
Net Position, End of Year		\$ 11,289,705		\$ 10,273,732

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, 2014
with Comparative Actual Balances for the Year Ended September 30, 2013

	2014			2013 Actual
	Final Budget	Actual	Variance from Final	
<u>Operating Revenues</u>				
Ambulance services	\$ 1,365,095	\$ 1,367,954	\$ 2,859	\$ 552,443
Other	60,000	58,188	(1,812)	12,611
Total Revenues	1,425,095	1,426,142	1,047	565,054
<u>Operating Expenses</u>				
Utility Operations:				
Personnel	1,002,550	968,333	34,217	892,209
Materials and supplies	126,305	125,576	729	84,113
Repairs and maintenance	26,460	27,587	(1,127)	21,001
Other services and charges	176,480	144,738	31,742	106,977
Capital outlay	55,000		55,000	148,263
Total Operating Expenses	1,386,795	1,266,234	120,561	1,252,563
Operating Income (Loss) before Nonoperating Revenues (Expenses) and Transfers	38,300	159,908	121,608	(687,509)
<u>Nonoperating Revenues (Expenses)</u>				
Investment income		206	206	115
Noncapital grants and contributions				840,808
Principal retirements	(5,400)	(5,400)		
Interest and fiscal charges	(1,870)	(9,395)	(7,525)	
Transfers (out)	(28,000)	(25,855)	2,145	(35,268)
Total Nonoperating Revenues (Expenses)	(35,270)	(40,444)	(5,174)	805,655
Change in Net Position - (Non-GAAP Basis)	\$ 3,030	119,464	\$ 116,434	118,146
<u>Adjustments</u>				
Depreciation		(76,817)		(90,959)
Principal retirements		5,400		
Capital outlay				148,263
Change in Net Position-GAAP Basis		48,047		175,450
Net position, beginning of year		861,876		686,426
Net Position, End of Year		\$ 909,923		\$ 861,876

CITY OF EL CAMPO, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
September 30, 2014

Assets

Current Assets:

Prepaid items	\$ 4,858
Total Current Assets	<u>4,858</u>

Noncurrent Assets:

Capital assets:	
Buildings, improvements and equipment, net	3,538
Total Noncurrent Assets	<u>3,538</u>
Total Assets	<u>8,396</u>

Liabilities

Current Liabilities:

Accounts Payable	511
Due to other funds	82,373
Total Current Liabilities	<u>82,884</u>

Net Position (Deficit)

Net investment in capital assets	3,538
Unrestricted	(78,026)
Total Net Position (Deficit)	<u>\$ (74,488)</u>

CITY OF EL CAMPO, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
Year Ended September 30, 2014

Operating Revenues

Charges for services	\$ 156,000
Total Operating Revenues	<u>156,000</u>

Operating Expenses

Materials and supplies	12,378
Repairs and maintenance	87,226
Other services and charges	112,532
Depreciation	
Total Operating Expenses	<u>212,136</u>
Operating (Loss)	<u>(56,136)</u>

Non-Operating Revenues

Investment earnings	<u> </u>
Total Non-Operating Revenues	<u> </u>

Change in Net Position (56,136)

Net Position (Deficit), Beginning (18,352)

Net Position (Deficit), Ending \$ (74,488)

CITY OF EL CAMPO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND - INFORMATION TECHNOLOGY FUND
Year Ended September 30, 2014

Cash Flows from Operating Activities

Cash received from other funds	\$ 156,000
Cash paid to suppliers for goods and services	(156,000)
Net Cash Provided (Used) by Operating Activities	_____

Cash Flows from Investing Activities

Investment income	_____
Net Cash Provided by Investing Activities	_____
Net Increase (Decrease) in Cash and Cash Equivalents	_____
Cash and cash equivalents, beginning	_____
Cash and Cash Equivalents, Ending	\$ _____

Reconciliation of Operating (Loss) to

Net Cash Provided (Used) by Operating Activities	\$ _____
Operating (loss)	(56,136)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities	
(Increase) in accounts payable and accrued liab.	511
Increase in due to other funds	55,625

Net Cash Provided (Used) by Operating Activities	\$ _____

(This Page Intentionally Left Blank)

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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84-93
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	94-103
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	104-109
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place.	110-111
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	112-117

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 12,588,438	\$ 11,890,772	\$ 11,783,741	\$ 11,802,324
Restricted	344,823	292,694	284,411	239,496
Unrestricted	<u>6,421,514</u>	<u>7,249,296</u>	<u>7,491,671</u>	<u>6,823,104</u>
Total governmental activities net position	<u>\$ 19,354,775</u>	<u>\$ 19,432,762</u>	<u>\$ 19,559,823</u>	<u>\$ 18,864,924</u>
Business-type activities				
Net investment in capital assets	\$ 6,454,462	\$ 6,824,445	\$ 7,094,356	\$ 7,239,131
Unrestricted	<u>2,015,929</u>	<u>2,383,222</u>	<u>2,353,223</u>	<u>2,910,875</u>
Total business-type activities net position	<u>\$ 8,470,391</u>	<u>\$ 9,207,667</u>	<u>\$ 9,447,579</u>	<u>\$ 10,150,006</u>
Primary government				
Net investment in capital assets	\$ 19,042,900	\$ 18,715,217	\$ 18,878,097	\$ 19,041,455
Restricted	344,823	292,694	284,411	239,496
Unrestricted	<u>8,437,443</u>	<u>9,632,518</u>	<u>9,844,894</u>	<u>9,733,979</u>
Total primary government net position	<u>\$ 27,825,166</u>	<u>\$ 28,640,429</u>	<u>\$ 29,007,402</u>	<u>\$ 29,014,930</u>

(1) Accrual basis of accounting

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 13,175,250	\$ 12,651,611	\$ 12,096,688	\$ 11,780,074	\$ 12,448,707	\$ 9,777,017
293,532	596,548	394,422	250,288	341,963	214,477
<u>4,355,197</u>	<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>\$ 17,823,979</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>
\$ 6,040,671	\$ 8,185,040	\$ 8,171,231	\$ 8,668,743	\$ 8,115,580	\$ 6,461,102
<u>4,287,504</u>	<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>\$ 10,328,175</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>
\$ 19,215,921	\$ 20,836,651	\$ 20,267,919	\$ 20,448,817	\$ 20,564,287	\$ 16,238,119
293,532	596,548	394,422	250,288	341,963	214,477
<u>8,642,701</u>	<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>\$ 28,152,154</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>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Expenses				
General government	\$ 1,231,557	\$ 1,364,142	\$ 1,847,968	\$ 1,735,303
Public safety	3,157,010	3,140,921	3,299,795	4,036,711
Public works	2,795,238	2,210,670	1,991,662	1,853,152
Parks and recreation	676,385	711,395	662,876	705,118
Interest on long-term debt	110,901	106,953	99,957	146,150
Total expenses	<u>7,971,091</u>	<u>7,534,081</u>	<u>7,902,258</u>	<u>8,476,434</u>
Program revenues				
Charges for services				
General government	151,589	128,353	166,974	148,938
Public safety	927,081	981,327	1,071,589	1,267,229
Public works	9,879	26,079	39,240	32,206
Parks and recreation	172,965	142,997	171,566	186,210
Operating grants and contributions	163,174	192,895	640,257	115,606
Capital grants and contributions	<u>2,169,237</u>	<u>121,009</u>	<u>25,000</u>	<u>160,359</u>
Total program revenues	<u>3,593,925</u>	<u>1,592,660</u>	<u>2,114,626</u>	<u>1,910,548</u>
Total governmental activities net program (expense) revenue	(4,377,166)	(5,941,421)	(5,787,632)	(6,565,886)
General revenues and other changes in net position				
Taxes				
Property taxes	2,058,280	2,210,482	2,185,347	2,350,642
Sales taxes	2,000,244	2,150,320	2,154,527	2,422,347
Franchise taxes	639,487	633,442	604,425	604,010
Other taxes	131,053	125,111	120,776	136,673
Investment earnings	206,046	319,572	407,748	285,267
Gain (loss) on sale of capital assets	-	72,787	-	-
Miscellaneous	67,953	33,812	140,150	167,151
Transfers	<u>367,735</u>	<u>434,033</u>	<u>301,720</u>	<u>345,100</u>
Total general revenues and other changes in net position	<u>5,470,798</u>	<u>5,979,559</u>	<u>5,914,693</u>	<u>6,311,190</u>
Total governmental activities change in net position	<u>\$ 1,093,632</u>	<u>\$ 38,138</u>	<u>\$ 127,061</u>	<u>\$ (254,696)</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,730,446	\$ 1,700,404	\$ 1,748,982	\$ 1,598,194	\$ 1,409,439	\$ 2,832,544
4,197,726	3,331,347	3,181,009	3,486,798	3,555,073	3,781,836
2,258,781	1,933,738	2,205,043	2,220,393	2,340,330	2,352,547
754,293	745,235	682,760	860,990	880,902	1,218,866
152,972	144,355	136,246	133,211	109,774	123,993
<u>9,094,218</u>	<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>
130,103	134,468	131,517	134,253	162,534	149,723
843,653	670,620	580,613	599,335	505,909	475,974
20,308	29,651	55,955	33,332	31,466	113,905
172,042	187,309	231,917	251,355	269,205	429,494
200,212	148,542	162,233	181,085	145,583	-
179,786	-	71,424	-	24,969	-
<u>1,546,104</u>	<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>
(7,548,114)	(6,684,489)	(6,720,381)	(7,100,226)	(7,155,852)	(9,140,690)
2,627,352	2,641,886	2,811,094	2,834,559	2,832,186	2,833,021
2,291,988	2,161,373	2,405,245	2,840,198	2,908,788	3,533,651
612,731	603,132	650,585	622,421	602,873	929,726
127,396	102,424	104,512	145,210	159,487	19,840
154,964	57,935	38,222	33,478	10,307	9,620
-	-	-	-	-	306,279
178,636	295,309	173,116	243,932	250,569	374,195
<u>514,102</u>	<u>(196,916)</u>	<u>477,959</u>	<u>375,176</u>	<u>630,034</u>	<u>(962,266)</u>
<u>6,507,169</u>	<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>\$ (1,040,945)</u>	<u>\$ (1,019,346)</u>	<u>\$ (59,648)</u>	<u>\$ (5,252)</u>	<u>\$ 238,392</u>	<u>\$ (2,096,624)</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities				
Expenses				
Utilities	\$ 3,004,005	\$ 3,434,174	\$ 3,528,587	\$ 3,862,890
Emergency medical services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>3,004,005</u>	<u>3,434,174</u>	<u>3,528,587</u>	<u>3,862,890</u>
Program revenues				
Charges for services				
Utilities	3,642,874	4,101,097	3,918,547	4,312,032
Emergency medical services				
Operating grants and contributions				
Capital grants and contributions	<u>1,252,082</u>	<u>409,122</u>	<u>104,804</u>	<u>101,676</u>
Total program revenues	<u>4,894,956</u>	<u>4,510,219</u>	<u>4,023,351</u>	<u>4,413,708</u>
Total business-type activities net program (expense) revenue	1,890,951	1,076,045	494,764	550,818
General revenues and other changes in net position				
Investment earnings	55,909	102,960	46,868	99,331
Miscellaneous	73,633	-	-	-
Transfers	<u>(367,735)</u>	<u>(434,033)</u>	<u>(301,720)</u>	<u>(345,100)</u>
Total general revenues and other changes in net position	<u>(238,193)</u>	<u>(331,073)</u>	<u>(254,852)</u>	<u>(245,769)</u>
Total business-type activities change in net position	<u>\$ 1,652,758</u>	<u>\$ 744,972</u>	<u>\$ 239,912</u>	<u>\$ 305,049</u>
Total primary government change in net position	<u>\$ 2,746,390</u>	<u>\$ 783,110</u>	<u>\$ 366,973</u>	<u>\$ 50,353</u>

(1) Accrual basis of accounting

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 4,065,879	\$ 4,219,111	\$ 4,269,546	\$ 4,529,419	\$ 4,586,250	\$ 5,000,348
<u>-</u>	<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>4,065,879</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>
4,350,603	4,337,210	4,996,082	4,850,584	4,939,016	4,992,362
	294,344	389,720	327,559	565,054	1,367,954
	655,472	796,510	817,196	851,622	-
<u>336,738</u>	<u>-</u>	<u>-</u>	<u>245,868</u>	<u>104,132</u>	<u>-</u>
<u>4,687,341</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>
621,462	17,283	875,503	627,975	678,315	7,522
70,809	23,680	8,725	7,489	7,941	14,327
-	-	-	-	-	79,905
<u>(514,102)</u>	<u>196,916</u>	<u>(477,959)</u>	<u>(375,176)</u>	<u>(630,034)</u>	<u>962,266</u>
<u>(443,293)</u>	<u>220,596</u>	<u>(469,234)</u>	<u>(367,687)</u>	<u>(622,093)</u>	<u>1,056,498</u>
<u>\$ 178,169</u>	<u>\$ 237,879</u>	<u>\$ 406,269</u>	<u>\$ 260,288</u>	<u>\$ 56,222</u>	<u>\$ 1,064,020</u>
<u>\$ (862,776)</u>	<u>\$ (781,467)</u>	<u>\$ 346,621</u>	<u>\$ 255,036</u>	<u>\$ 294,614</u>	<u>\$ (1,032,604)</u>

CITY OF EL CAMPO, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last Ten Fiscal Years

(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-
Unassigned	-	-	-	-
Reserved				
Prepaid items	74,787	76,349	60,250	9,626
Inventory	10,971	9,920	18,179	10,787
Unreserved	<u>5,522,797</u>	<u>5,473,008</u>	<u>5,624,841</u>	<u>6,033,298</u>
Total general fund	<u>\$ 5,608,555</u>	<u>\$ 5,559,277</u>	<u>\$ 5,703,270</u>	<u>\$ 6,053,711</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	127,835	117,832	100,225	94,254
Unreserved, reported in				
Special revenue funds	39,803	39,878	71,576	26,573
Debt service fund	213,250	262,310	251,958	216,811
Capital project funds	<u>1,019,807</u>	<u>789,462</u>	<u>746,838</u>	<u>716,994</u>
Total all other governmental funds	<u>\$ 1,400,695</u>	<u>\$ 1,209,482</u>	<u>\$ 1,170,597</u>	<u>\$ 1,054,632</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ -	\$ -	\$ 65,249	\$ 63,852	\$ 119,970	\$ 465
-	-	21,928	65,449	37,566	29,422
-	-	3,774,325	4,366,855	3,957,930	4,589,898
10,554	10,177	-	-	-	-
16,820	27,831	-	-	-	-
<u>3,810,126</u>	<u>3,309,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,837,500</u>	<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>
\$ -	\$ -	\$ 52,098	\$ 35,664	\$ 18,517	\$ -
-	-	259,416	82,853	143,746	-
-	-	21,203	7,062	-	-
-	-	457	-	-	-
-	-	99,564	142,796	176,884	173,284
-	-	430,584	312,006	310,848	12,216
-	-	9,670	6,751	19,991	(13,041)
-	-	-	(89,318)	(227,496)	(150,012)
81,393	67,103	-	-	-	-
48,449	81,471	-	-	-	-
266,302	254,258	-	-	-	-
<u>677,196</u>	<u>628,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,073,340</u>	<u>\$ 1,031,100</u>	<u>\$ 872,992</u>	<u>\$ 497,814</u>	<u>\$ 442,490</u>	<u>\$ 22,447</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Taxes	\$ 4,869,425	\$ 5,110,463	\$ 5,129,477	\$ 5,553,867
Licenses and permits	100,367	87,717	125,546	110,520
Intergovernmental	387,033	192,895	580,162	497,283
Charges for services	521,660	530,601	505,985	557,310
Fines and forfeitures	533,007	494,368	632,966	627,661
Investment income	206,046	319,572	407,748	285,267
Miscellaneous	<u>2,011,249</u>	<u>229,359</u>	<u>180,636</u>	<u>159,023</u>
Total revenues	<u>8,628,787</u>	<u>6,964,975</u>	<u>7,562,520</u>	<u>7,790,931</u>
Expenditures				
Current				
General government	1,173,582	1,332,860	1,906,962	1,641,061
Public safety	2,674,482	3,020,822	3,352,675	3,818,081
Public works	1,311,721	1,297,906	1,948,665	1,443,436
Parks and recreation	576,742	653,067	617,806	652,629
Capital outlay	2,189,325	1,127,237	131,070	1,002,344
Debt service				
Principal retirement	158,816	184,704	193,453	169,842
Interest and fiscal charges	115,528	108,196	101,097	133,531
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,765</u>
Total expenditures	<u>8,200,196</u>	<u>7,724,792</u>	<u>8,251,728</u>	<u>8,918,689</u>
Excess (deficiency) of revenues over (under) expenditures	428,591	(759,817)	(689,208)	(1,127,758)
Other financing sources (uses)				
Bonds issued less payment to escrow	-	-	-	1,650,000
Gain on sale of capital assets	11,651	85,293	16,546	45,959
Capital leases	-	-	476,050	65,426
Transfers in	519,703	539,076	434,260	412,212
Transfers (out)	<u>(151,968)</u>	<u>(105,043)</u>	<u>(132,540)</u>	<u>(67,112)</u>
Total other financing sources (uses)	<u>379,386</u>	<u>519,326</u>	<u>794,316</u>	<u>2,106,485</u>
Changes in fund balances	<u>\$ 807,977</u>	<u>\$ (240,491)</u>	<u>\$ 105,108</u>	<u>\$ 978,727</u>
Debt service as a percentage of noncapital expenditures	<u>4.78%</u>	<u>4.65%</u>	<u>3.76%</u>	<u>4.78%</u>

(1) Modified accrual basis of accounting

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 5,742,713	\$ 5,530,398	\$ 6,069,161	\$ 6,517,911	\$ 6,546,395	\$ 7,303,676
82,013	98,729	86,460	100,726	125,333	113,905
503,073	218,104	207,131	108,291	121,368	149,723
494,131	217,408	284,405	264,130	291,202	273,494
581,037	655,274	571,100	599,285	505,909	475,974
154,370	57,772	37,794	33,247	10,010	9,620
199,637	214,896	186,522	244,901	269,148	374,195
<u>7,756,974</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>
1,672,339	1,611,531	1,648,537	1,504,136	1,357,424	2,645,161
4,048,711	3,260,752	3,173,120	3,241,872	3,338,576	3,666,552
1,461,833	1,540,477	1,729,891	1,860,922	1,726,136	1,753,565
689,063	692,676	669,346	980,005	805,236	937,459
2,935,358	401,725	65,980	159,875	1,647,627	12,506,721
239,702	163,536	172,872	185,659	175,597	197,263
151,847	141,654	133,641	109,404	45,350	123,993
-	-	-	33,980	72,713	3,182,728
<u>11,198,853</u>	<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>
(3,441,879)	(819,770)	(150,814)	(207,362)	(1,299,294)	(16,312,855)
-	-	-	(32,526)	42,189	532,136
49,664	12,729	15,845	80,551	32,932	4,546,397
-	-	-	167,470	210,662	-
2,114,539	959,725	544,392	616,050	741,219	(1,494,402)
<u>(1,600,437)</u>	<u>(467,713)</u>	<u>(53,102)</u>	<u>(364,250)</u>	<u>(163,722)</u>	<u>-</u>
<u>563,766</u>	<u>504,741</u>	<u>507,135</u>	<u>467,295</u>	<u>863,280</u>	<u>3,584,131</u>
<u>\$ (2,878,113)</u>	<u>\$ (315,029)</u>	<u>\$ 356,321</u>	<u>\$ 259,933</u>	<u>\$ (436,014)</u>	<u>\$ (12,728,724)</u>
<u>4.97%</u>	<u>4.30%</u>	<u>4.24%</u>	<u>4.34%</u>	<u>4.06%</u>	<u>38.92%</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
2005	2004	\$ 256,739,192	\$ 75,364,421	\$ 9,757,410	\$ 52,474,549	\$ 2,027,313
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

(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
\$ 80,381,916	\$ 315,980,969	0.6207	\$ 315,980,969	100.00%
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%

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>
2005	669,899,000	497,394,000	172,505,000	25.75%	513,066,000
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

SOURCE: City of El Campo

Total Direct Rate		
Base Rate	Water Usage Rate	Sewer Usage Rate
\$ 22.30	\$ 2.20	\$ 2.68
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

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	Total	School District	Junior College	Wharton County/ FMLR
2005	\$ 0.0767	\$ 0.5440	\$ 0.6207	\$ 1.4164	\$ 0.1689	\$ 0.6899
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

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	Total
\$ 0.0300	\$ 0.0190	-	\$ 0.1145	\$ 3.0594
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

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

2014

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal Mart Stores	\$ 11,823,086	2.99%
Key Energy Services, Inc.	8,588,926	2.17%
United Agriculture Coop Inc.	6,372,382	1.61%
Winfield Solutions LLC	5,033,961	1.27%
American Electric Power	6,017,970	1.52%
Kansas City Southern Railway	4,931,370	1.25%
HEB	4,219,737	1.07%
Express Energy Services	3,802,110	0.96%
Leedo Manufacturing Co	3,709,404	0.94%
Ryan Services	3,564,260	0.90%
	<u>\$ 61,312,156</u>	<u>14.69%</u>

2005

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
WalMart Stores	\$ 9,566,593	3.03%
Owl Creek Production Co., Inc.	5,327,180	1.69%
AEP Texas Central Co.	4,566,800	1.45%
Key Energy - Gulf Coast	4,274,140	1.35%
Farmers Coop of El Campo	2,777,550	0.88%
Southwestern Bell Telephone Co.	2,727,670	0.86%
Cardell Cabintry	2,717,580	0.86%
Olympic Plaza Assoc.	1,828,220	0.58%
Don Davis Motor Co., Inc.	1,692,303	0.54%
Wincup	1,589,260	0.50%
	<u>\$ 37,067,296</u>	<u>11.74%</u>

SOURCE: Wharton County Tax Assessor/Collector

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

2014

Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
El Campo Housing Authority	Housing	152,391	2.27%
Isaacson Municipal Utility District	Municipal District	147,700	2.20%
Jones-Co Properties	Housing	42,010	0.63%
PHPM Mission Care Centers	Housing	62,552	0.93%
Los Cucos Mexican Café	Restaurant	30,440	0.45%
Roane & Roane Properties	Housing	37,867	0.56%
Country Aire Mobile Home Park	Housing	39,882	0.59%
El Campo Little League Ball Park	Baseball Park	29,603	0.44%
Oakcrest Apartments	Housing	33,940	0.51%
Rock-on Equities, LLC	Housing	28,115	0.42%

2005

Customer	Type of Business	12-Month Water Consumption (In Thousands)	Percent of Total Billed
El Campo Housing Authority	Housing	129,581	2.93%
WinCup	Manufacturing	90,250	2.04%
Isaacson Municipal Utility District	Housing	68,410	1.55%
Oakcrest Apartments	Housing	44,397	1.00%
New ICM	Manufacturing	39,500	0.89%
Country Aire Mobile Home Park	Housing	38,362	0.87%
Greenbriar Apartments	Housing	34,406	0.78%
El Campo Memorial Hospital	Hospital	34,250	0.77%
Roane and Roane	Housing	31,321	0.71%
El Campo Independent School Dist.	School	23,379	0.53%

SOURCE: City of El Campo Utility Billing Office

(This Page Intentionally Left Blank)

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
2005	\$ 2,043,015	\$ 2,009,199	98.34%	\$ 33,218	\$ 2,042,417	99.97%
2006	2,207,005	2,102,119	95.25%	46,194	2,148,313	97.34%
2007	2,243,450	2,139,050	95.35%	40,420	2,179,470	97.15%
2008	2,354,108	2,275,266	96.65%	78,906	2,354,172	100.00%
2009	2,664,871	2,565,253	96.26%	57,698	2,565,253	96.26%
2010	2,676,392	2,547,219	95.17%	94,182	2,641,400	98.69%
2011	2,799,518	2,745,509	98.07%	50,795	2,796,304	99.89%
2012	2,826,754	2,777,421	98.25%	40,945	2,818,366	99.70%
2013	2,841,656	2,776,467	97.71%	25,106	2,801,573	98.59%
2014	2,849,544	2,752,813	96.61%		2,752,813	96.61%

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

CITY OF EL CAMPO, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last ten fiscal years
(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		
	Certificates of Obligation	General Obligation Bonds	Capital Leases	Certificates of Obligation	General Obligation Bonds	Capital Leases
2005	\$ 2,016,984	\$ 208,242	\$ 103,089	\$ 2,528,016	\$ 2,306,758	\$ 1,784,239
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

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

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 8,947,328	N/A	\$ 817
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

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	Total	
2005	\$ 2,016,984	\$ 208,242	\$ 2,225,226	\$ 213,250
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	4,546,397	2,183,736	6,730,133	58,076

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

SOURCE: City of El Campo

<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ 2,011,976	100.00%	\$ 184
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
6,672,057	100.00%	575

CITY OF EL CAMPO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(UNAUDITED)

September 30, 2014

	<u>Gross Debt Outstanding</u>		<u>Percentage</u>	<u>Amount</u>
	<u>Date</u>	<u>Amount</u>	<u>To City</u>	<u>To City</u>
Direct Debt:				
City of El Campo (1)	9/30/2014	<u>\$ 18,825,717</u>	100.00%	<u>\$ 18,825,717</u>
Overlapping Debt:				
Wharton County	12/31/2013	-	26.00%	-
El Campo Independent School District	8/31/2014	<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>\$ 40,845,713</u>		<u>\$ 28,142,377</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.

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

CITY OF EL CAMPO, TEXAS
PLEDGED-REVENUE COVERAGE
Last ten fiscal years
(Unaudited)

Water and Sewer Revenue Bonds					
Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements	Times Debt Coverage
2004	\$ 3,440,389	\$ 2,224,096	\$ 1,216,293	\$ 364,871	3.33
2005	3,772,416	2,284,745	1,487,671	344,293	4.32
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

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
2005	10,945	N/A	\$ 14,464	3,623	6.0%
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%

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 One Year Ago

2014

Employer	Employees	Percentage of Total Area Employment
El Campo Independent School District	505	10.69%
Greenleaf Nursery	341	7.22%
El Campo Memorial Hospital	202	4.28%
Wal-Mart	195	4.13%
HEB	171	3.62%
Prasek's Hillje Smokehouse	170	3.60%
Fesco	112	2.37%
City of El Campo	106	2.24%
Mark's Machine	101	2.14%
New ICM	75	1.59%
	<u>1,978</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: Information for nine years ago was not readily 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program				
General government				
Administration	6	6	5	5
Finance	-	-	-	-
Municipal court	4	4	4	4
Inspections	3.50	4	4	5
Public Safety				
Police	29	29	29	33
Communications	8	8	8	8
Fire marshal	0.50	-	-	-
EMS	10	10	10	10
Public Works				
Administration	4	3	3	3
Streets and drainage	2	2	2	2
Vehicle maintenance	14	14	14	14
Community and recreational services	-	-	1	1
Parks maintenance	5	5	5	5
Civic center	-	-	-	-
Aquatic center	-	-	2	2
Water and Sewer				
Administration	2	1.50	1.50	1
Water production and distribution	5	6	6	6
Wastewater collection	5	5	5	5
Wastewater treatment	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u><u>100</u></u>	<u><u>99.50</u></u>	<u><u>101.50</u></u>	<u><u>106.00</u></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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
2	2	2	2	2	2
4	4	4	4	4	4
4	4	4	4	4	4
5	4	4	4	4	4
33	33	33	34	35	35
8	7	8	8	8	8
-	-	-	-	-	-
10	10	10	10	11	11
3	3	3	3	4	4
2	2	2	13	13	13
14	14	14	3	2	2
1	1	1	1	1	1
5	5	5	5	5	5
-	-	-	-	-	-
2	2	2	2	2	1
1	1	1	3	3	3
6	6	6	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>107.00</u>	<u>105.00</u>	<u>106.00</u>	<u>108.00</u>	<u>109.50</u>	<u>108.50</u>

CITY OF EL CAMPO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function/Program			
General government			
Building permits issued	714	586	606
Building inspections conducted	830	652	789
Fire inspections conducted	19	17	23
Public safety			
Police			
Physical arrests	1,662	1,802	2,018
Traffic violations (includes warnings)	7,560	12,675	9,459
Fire			
Total Incidents	172	175	190
Streets and highways			
Street resurfacing (miles)	5.10	6.59	6.60
Water and wastewater			
Water			
Active water connections	4,277	4,314	4,301
Average daily consumption (in 000's)	1,470	1,468	1,355
Peak daily consumption (in 000's)	3,590	3,575	2,400
Wastewater			
Active sewer connections	3,890	3,932	3,900
Average daily flow	1,190	1,234	1,278

NOTE: N/A denotes information not available

SOURCE: Various City departments

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
641	545	508	503	498	545	539
708	588	489	453	523	468	485
10	26	9	22	15	8	13
2,035	N/A	N/A	1,756	1,613	1,332	1,332
10,588	9,674	N/A	10,517	8,065	6,483	9,555
331	252	193	343	261	256	201
3.20	4.00	6.50	10.89	12.28	7.34	7.34
4,351	4,013	3,655	4,093	4,583	4,636	4,739
1,707	1,876	1,496	2,053	1,759	1,740	1,594
3,303	3,839	2,642	2,837	3,376	3,599	3,266
3,931	3,919	3,573	3,869	4,369	4,320	4,288
1,232	958	1,208	885	1,037	996	1,000

CITY OF EL CAMPO, TEXAS**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM***Last ten fiscal years**(Unaudited)*

	<u>2005</u>	<u>2006</u>	<u>2007</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1	1	1	1	1	1	1
5	5	5	5	5	5	5
1	1	1	1	1	1	1
75	76.6	76.6	78	79.1 **	80.3	77.9
6	6	6	5	3.9	0	
56	56	56	56	56	63.5	63.5
1	1	1	1	1	1	1
8	8	8	8	8	8	8
1	1	1	1	1	1	1
81	81	81	86.5	86.5	86.5	108.8
75	75	75	88	88	88	86.2
15	15	15	15	15	15	40