

ANNUAL FINANCIAL REPORT

City of Campbell, Texas

Fiscal Year Ended September 30, 2020



**CITY OF CAMPBELL, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
List of Officials.....	3
FINANCIAL SECTION	
Independent Auditor's Report on Financial Statements.....	4
A. Management Discussion and Analysis.....	6
B. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet - Governmental Fund.....	17
Reconciliation of the Governmental Fund	
Balance Sheet to the Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in	
Fund Balance - Governmental Fund.....	19
Reconciliation of the Governmental Fund Statement of Revenues,	
Expenditures and Changes in Fund Balance.....	20
Proprietary Fund Financial Statements:	
Statement of Net Position - Proprietary Fund.....	21
Statement of Revenues, Expenses, and Changes in	
Fund Net Position - Proprietary Fund.....	22
Statement of Cash Flows - Proprietary Fund.....	23
Notes to the Financial Statements	24
C. Required Supplementary Information:	
Schedule of Contributions - TMRS.....	39
Schedule of Changes in Net Position Liability and Related Ratios - TMRS.....	40
Schedule of Changes in Total OPEB Liability and Related Ratios - TMRS.....	41
Statement of Revenues, Expenditures, and Changes in	
Fund Balance - Budget to Actual - General Fund.....	42
D. Supplementary Information:	
Balance Sheet-Component Unit.....	45
Statement of Revenues, Expenditures, and Changes in Fund Balance Component	
Unit.....	46



INTRODUCTORY SECTION

City of Campbell, Texas
City Council
For the Year Ended September 30, 2020

Carter Ketcham	Mayor
Tracey Bowman	Mayor Pro-Tem
Frankie Morris	Council Member
Charles Herring	Council Member
Shannon Ross	Council Member
Fay Morgan	Council Member

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

(903) 269-6211
mward@mikewardcpa.com

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Campbell, Texas
506 West Main Street
Campbell, Texas 75422

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Campbell, Texas ("City") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I express no such opinion. An audit also includes assessing 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

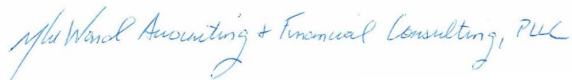
Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Campbell, Texas as of September 30, 2020, and the respective changes in financial position, where applicable, and cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Mike Ward Accounting & Financial Consulting, PLLC". The signature is written in a cursive, flowing style.

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
April 19, 2021

CITY OF CAMPBELL, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

This discussion and analysis of the City of Campbell's ("City") financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

Financial Highlights

- The assets exceeded liabilities of the City at the close of the fiscal year by \$973,485 (net position).
- The City's total net position increased by \$43,559 at the close of the fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$162,101, an increase of \$16,730, or 12% in comparison with the prior year. Approximately 100% of this total amount, or \$162,101, is available for spending at the City's discretion (unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$162,101, or 115%, of total general fund expenditures.
- The City's total bonded debt decreased by (\$31,000), or 7% during the current fiscal year.

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 consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

**CITY OF CAMPBELL, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 171,484	\$ 155,299	\$ 532,816	\$ 529,777	\$ 704,300	\$ 685,076
Capital assets	65,806	68,414	765,595	787,963	831,401	856,377
Total assets	237,290	223,713	1,298,411	1,317,740	1,535,701	1,541,453
Deferred outflows-pension	-	-	21,291	21,043	21,291	21,043
Current liabilities	1,036	140	17,870	18,852	18,906	18,992
Long-term liabilities	-	-	556,818	610,701	556,818	610,701
Total liabilities	1,036	140	574,688	629,553	575,724	629,693
Deferred inflows-pension	-	-	7,783	2,877	7,783	2,877
Net position:						
Net investment in capital assets	65,806	68,414	778,674	781,478	844,480	849,892
Restricted	-	-	17,063	7,075	17,063	7,075
Unrestricted	170,448	155,159	(58,506)	(82,200)	111,942	72,959
Total net position	\$ 236,254	\$ 223,573	\$ 737,231	\$ 706,353	\$ 973,485	\$ 929,926

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net assets of the City exceeded liabilities by, \$973,485, as of September 30, 2020. Net position increased by \$43,559, or 5%, for the fiscal year ended September 30, 2020.

Net investment in capital assets:

The largest portion of the City's net position, \$844,480, or 87%, reflects the City's investment in capital assets, (e.g. buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Campbell's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position:

Restricted net position in the amount of \$17,063, or 2%, represents external restrictions on how they may be used, or by enabling legislation. The business-type fund is the only fund with restricted net position and it is for debt service.

Unrestricted net position:

The City has an unrestricted net position of \$111,942 available for future operations of the City.

CITY OF CAMPBELL, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUE						
Program Revenues						
Charge for Services	\$ 53,238	\$ 53,672	\$ 96,738	\$ 99,570	\$ 149,976	\$ 153,242
General Revenues						
Property Tax	16,795	21,630	57,911	49,996	74,706	71,626
Franchise Tax	31,758	32,688	-	-	31,758	32,688
Sales Tax	76,171	43,080	-	-	76,171	43,080
Investment Income	94	104	1,319	1,445	1,413	1,549
Miscellaneous	5,732	2,443	426	376	6,158	2,819
Total Revenues	<u>183,788</u>	<u>153,617</u>	<u>156,394</u>	<u>151,387</u>	<u>340,182</u>	<u>305,004</u>
EXPENSES						
Program Expenses						
General Government	77,056	49,279	-	-	77,056	49,279
Public Works	22,645	26,715	-	-	22,645	26,715
Sanitation	43,785	33,782	-	-	43,785	33,782
Sewer	-	-	153,137	193,648	153,137	193,648
Total Expenses	<u>143,486</u>	<u>109,776</u>	<u>153,137</u>	<u>193,648</u>	<u>296,623</u>	<u>303,424</u>
Increase (decrease) in net position before transfers	40,302	43,841	3,257	(42,261)	43,559	1,580
Transfers	<u>(27,621)</u>	<u>(23,000)</u>	<u>27,621</u>	<u>23,000</u>	<u>-</u>	<u>-</u>
Intergovernmental - Component Units	-	-	-	-	-	-
Increase (decrease) in net position	12,681	20,841	30,878	(19,261)	43,559	1,580
Net Position - October 1	223,573	202,732	706,353	725,614	929,926	928,346
Prior Period Adjustments	-	-	-	-	-	-
Net Position - September 30	<u>\$ 236,254</u>	<u>\$ 223,573</u>	<u>\$ 737,231</u>	<u>\$ 706,353</u>	<u>\$ 973,485</u>	<u>\$ 929,926</u>

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City of Campbell's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$162,101. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 115% of total General Fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the City did not revise the budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Total revenues were more than the budgeted amounts overall. Expenditures were also less than budget overall.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The unrestricted net position of the Proprietary Fund at the end of the fiscal year amounted to a deficit of (\$58,506).

Request for Information

This report is designed to provide a general overview of the City's finances for 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 City of Campbell, P. O. Box 27, Campbell, Texas 75422.

**CITY OF CAMPBELL, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Capital assets - The City of Campbell's capital assets for its governmental and business-type activities as of September 30, 2020, totals, \$831,401, net of accumulated depreciation. The capital assets include buildings, roads and bridges, machinery and equipment.

**Capital Assets
As of September 30, 2020
(net of accumulated depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Infrastructure	\$ 26,881	\$ 27,105	\$ 733,176	\$ 753,901	\$ 760,057	\$ 781,006
Buildings	734	2,676	6,521	7,288	7,255	9,964
Machinery & Equipment	1,048	1,490	2,046	2,922	3,094	4,412
Land	37,143	37,143	23,852	23,852	60,995	60,995
Total	\$ 65,806	\$ 68,414	\$ 765,595	\$ 787,963	\$ 831,401	\$ 856,377

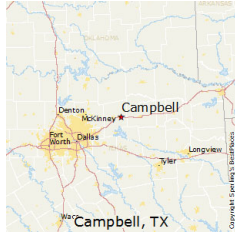
More detailed information about the City's capital asset activity is presented in Note F to the financial statements.

Long-term Debt - As of September 30, 2019, the City of Campbell had total long-term debt outstanding of \$521,000 which increased \$486,000 from the previous year.

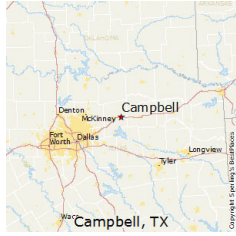
**Outstanding Long-term Debt
As of September 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of Obligations	\$ -	\$ -	\$ 460,000	\$ 491,000	\$ 460,000	\$ 491,000

More detailed information about the City's long-term debt is presented in Note G to the financial statements.



BASIC FINANCIAL STATEMENTS



**CITY OF CAMPBELL, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
ASSETS				
Cash and cash equivalents	\$ 147,019	\$ 20,644	\$ 167,663	\$ 9,680
Receivables (net of allowance for uncollectibles)	24,465	6,988	31,453	-
Restricted assets:				
Cash and cash equivalents	-	505,184	505,184	-
Capital assets not being depreciated:				
Land	37,143	23,852	60,995	-
Capital assets, net of accumulated depreciation:				
Infrastructure	26,881	733,176	760,057	-
Buildings and improvements	734	6,521	7,255	-
Machinery and equipment	1,048	2,046	3,094	-
Total assets	<u>237,290</u>	<u>1,298,411</u>	<u>1,535,701</u>	<u>9,680</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred pension	-	21,291	21,291	-
LIABILITIES				
Current Liabilities:				
Accounts payable	-	671	671	-
Other liabilities	1,036	1,280	2,316	-
Deposits payable	-	15,919	15,919	-
Notes payable	-	-	-	-
Bonds payable	-	32,000	32,000	-
Noncurrent liabilities:				
Notes payable	-	-	-	-
Net pension liability	-	91,508	91,508	-
Net OPEB liability	-	5,310	5,310	-
Bonds payable	-	428,000	428,000	-
Total liabilities	<u>1,036</u>	<u>574,688</u>	<u>575,724</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Deferred pension	-	7,783	7,783	15,566
NET POSITION				
Net investment in capital assets	65,806	778,674	844,480	-
Restricted for:				
Debt service	-	17,063	17,063	-
Unrestricted	170,448	(58,506)	111,942	9,680
Total net position	<u>\$ 236,254</u>	<u>\$ 737,231</u>	<u>\$ 973,485</u>	<u>\$ 9,680</u>
Total Liabilities and Net Position	<u>\$ 237,290</u>	<u>\$ 1,311,919</u>	<u>\$ 1,549,209</u>	<u>\$ 9,680</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 77,056	\$ 1,000	\$ -	\$ -
Streets	22,645	-	-	-
Sanitation	43,785	52,238	-	-
Total governmental activities	<u>143,486</u>	<u>53,238</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Sewer fund	153,137	96,738	-	-
Total business-type activities	<u>153,137</u>	<u>96,738</u>	<u>-</u>	<u>-</u>
Total primary government	<u>296,623</u>	<u>149,976</u>	<u>-</u>	<u>-</u>
Component unit:				
Economic Development Corporation	\$ 846	\$ -	\$ -	\$ -

General revenues:
 Property taxes
 Sales taxes
 Franchise taxes
 Investment income
 Miscellaneous
 Transfers
 Total general revenues
 Change in net position
 Net position - beginning
 Net position - ending

The accompanying notes to the basic financial statements are an integral part of this financial statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business Activities	Total
\$ (76,056)	\$ -	\$ (76,056)
(22,645)	-	(22,645)
8,453	-	8,453
<u>(90,248)</u>	<u>-</u>	<u>(90,248)</u>
-	(56,399)	(56,399)
-	(56,399)	(56,399)
<u>(90,248)</u>	<u>(56,399)</u>	<u>(146,647)</u>
<u>\$ (846)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,795	\$ 57,911	\$ 74,706
76,171	-	76,171
31,758	-	31,758
94	1,319	1,413
5,732	426	6,158
(27,621)	27,621	-
<u>102,929</u>	<u>87,277</u>	<u>190,206</u>
12,681	30,878	43,559
223,573	706,353	929,926
<u>\$ 236,254</u>	<u>\$ 737,231</u>	<u>\$ 973,485</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2020**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 147,019
Receivables (net of allowance for uncollectibles)	24,465
Total assets	<u>171,484</u>
LIABILITIES	
Other liabilities	1,034
Total liabilities	<u>1,034</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	8,349
Total deferred inflows of resources	<u>8,349</u>
FUND BALANCE	
Unassigned	162,101
Total fund balance	<u>162,101</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 171,484</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balance - governmental funds balance sheet	\$ 162,101
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	240,786
Accumulated depreciation has not been included in governmental fund financial statements.	(174,982)
Revenue reported as unavailable revenue in the governmental fund financial statements was recorded as revenue in the government-wide financial statement.	8,349
Net position of governmental activities - statement of net position	<u>\$ 236,254</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	General Fund
REVENUES	
Property taxes	\$ 18,236
Franchise taxes	31,758
Sales tax	76,171
Mixed beverage tax	1,696
Sanitation revenues	52,238
Permits	1,000
Investment income	94
Miscellaneous	4,036
Total revenues	<u>185,229</u>
EXPENDITURES	
Current:	
General government	83,136
Streets	13,957
Sanitation	43,785
Total expenditures	<u>140,878</u>
Excess (deficiency) of revenues over (under) expenditures	44,351
Other financing sources (uses)	
Transfers out	<u>(27,621)</u>
Total other financing sources (uses)	<u>(27,621)</u>
Net change in fund balance	16,730
Fund balance, beginning of year	145,371
Fund balance, end of year	<u>\$ 162,101</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balance - total governmental funds	\$ 16,730
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reports as depreciation expense. This is the amount of capital in the current period.	6,080
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources.	(8,688)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statement.	(1,441)
Change in net position of governmental activities - statement of activities	<u>\$ 12,681</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020**

	Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 20,644
Receivables (net of allowance for uncollectible)	6,988
Restricted cash and cash equivalents	505,184
Total current assets	<u>532,816</u>
Noncurrent assets:	
Capital assets:	
Land	23,852
Building	23,012
Machinery & equipment	37,328
Infrastructure	1,923,084
Less: accumulated depreciation	<u>(1,241,688)</u>
Total noncurrent assets	<u>765,588</u>
Total assets	<u>1,298,404</u>
 DEFERRED OUTFLOW OF RECOURCES	
Deferred pension	<u>21,291</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	665
Other liabilities	1,286
Payable from restricted assets:	
Customer deposits	15,919
Bond payable - current	32,000
Net pension liability	91,508
Net OPEB liability	<u>5,310</u>
Total current liabilities	<u>146,688</u>
Noncurrent Liabilities:	
Bond payable	<u>428,000</u>
Total noncurrent liabilities	<u>428,000</u>
Total liabilities	<u>574,688</u>
 DEFERRED INFLOW OF RECOURCES	
Deferred pension	<u>7,783</u>
 NET POSITION	
Net investment in capital assets	778,674
Restricted for:	
Debt	17,063
Unrestricted	<u>(58,506)</u>
Total net position	<u>\$ 737,231</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Sewer Fund
OPERATING REVENUES:	
Charges for services:	
Sewer fees	\$ 96,738
Total operating revenues	<u>96,738</u>
OPERATING EXPENSES:	
Salaries and payroll expense	41,044
Supplies and materials	3,299
Maintenance and repair	18,738
Contractual services	28,555
Depreciation	44,668
Total operating expenses	<u>136,304</u>
Operating income (loss)	<u>(39,566)</u>
NON-OPERATING REVENUES (EXPENSES):	
Property taxes	57,911
Interest expense	(16,833)
Investment income	1,319
Miscellaneous expense	426
Total non-operating revenues (expenses)	<u>42,823</u>
Change in net position	30,878
Net position - beginning	706,353
Net position - ending	<u>\$ 737,231</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Sewer Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 99,886
Other revenues	58,337
Cash payments to employees for services	(63,374)
Cash payments to suppliers for goods and services	(50,214)
Net cash provided by (used in) operating activities	<u>44,635</u>
Cash Flows from Capital and Related Financing Activities	
Interest and fiscal charges on debt	(16,833)
Acquisition of capital assets	(22,300)
Principal paid	(31,000)
Cash used in capital and related financing activities	<u>(70,133)</u>
Cash Flows from Investing Activities	
Investment earnings	1,319
Cash provided by (used in) investing activities	<u>1,319</u>
Net increase (decrease) in cash and cash equivalents	3,442
Cash and cash equivalents at beginning of year	522,386
Cash and cash equivalents at end of year	<u>\$ 525,828</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (39,566)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	44,668
Property tax revenue	57,911
Miscellaneous revenue	426
Change in assets and liabilities:	
Decrease (increase) in receivables	156
Increase (decrease) in accounts payable	6,123
Increase (decrease) in other liabilities	(27,827)
Total adjustments	<u>84,201</u>
Net cash provided by (used in) operating activities	<u>\$ 44,635</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Campbell ("City") was incorporated in November, 1973. The City operates under a Mayor-Council form of government and provides general administrative services and owns and operates the sewer infrastructure.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP"), applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments-Audit and Accounting Guide*, and by the Financial Accounting Standards Board, when applicable. The more significant accounting policies of the City are described below:

1. Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units".

Under GASB Statement No. 14, component units are organizations for which the City is financially accountable and all organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board, and is either able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is dependent on the City. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB Statement No. 14 by including as component units entities which meet all three of the following requirements:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

Based upon the application of these tests, the City of Campbell does not have any component units.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria may be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. The evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

2. Basis of Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting, and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the government funds. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is prepared that compares the original adopted and final amended General Fund budget with actual results.

The City's basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of Presentation (continued)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Streets, Administrative Services, etc.) or program are 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, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost by function is normally covered by general revenues, (property and sales taxes, franchise taxes, and interest income).

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statement. The major governmental fund is the General Fund. The major proprietary fund is the Sewer Fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The City does not have any nonmajor funds.

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 sewer business-type fund is charges to customers for services. Operating expenses for business-type funds include the cost of sales and service, administrative expenses, and depreciation on assets. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

3. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 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 the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund, and ad valorem tax revenues in the Proprietary Fund are recognized under the susceptible to accrual concept. Charges for services, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

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 needed.

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities, except for those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the governmental fund of the City:

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Measurement Focus, Basis of Accounting (continued)

The **General Fund** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreements to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs, that are not paid through other funds, are paid from the General Fund.

Proprietary funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

Proprietary funds are financed and operated in a manner similar to private business enterprises. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City has one proprietary fund:

The **Sewer Fund** accounts for the operations of the sanitary sewer utilities which is a self-supporting activity rendering services on a user-charge basis.

4. Financial Statement Amounts

a. Cash and Cash Equivalents

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 in certificates of deposits, authorized investment pools and funds, U.S. Government Securities, commercial paper, and repurchase agreements.

b. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid obscuring of significant components by aggregation.

Trade receivables are shown net of an allowance for uncollectible. The uncollectible amount of property tax receivables is immaterial and is not recorded.

c. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the proprietary fund represent cash and cash equivalents and investments set aside for bond covenants.

Customer deposits received for sewer service are, by law, to be considered restricted assets. These activities are included in the Sewer Fund.

d. Capital Assets

Capital assets, which includes land, buildings, equipment, and improvements, purchased or donated, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. The City defines a capital asset as an item with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Construction in progress is not depreciated until the asset is placed in service. There was no interest capitalized in the current period.

**CITY OF CAMPBELL, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. Financial Statement Amounts (continued)

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	7 - 40 years
Buildings	10 - 30 years
Building Improvements	5 - 10 years
Vehicles and Machinery	5 - 7 years

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The government does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an increase of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report deferred revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

f. Long-Term Obligations

In the government-wide financial statements, and 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method and netted with the long term obligations in the liabilities. The City has compared this method to the effective interest rate method and found the difference between the two methods to be immaterial. Bonds payable are reported net of the applicable bond premium or discount, if any. Bond issuance costs are expensed during the year they are incurred in accordance with GASB Statement No. 65.

g. Fund Balance Policies

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* - amounts that can only be used for specific purposes determined by a resolution of the City Council. Commitments may be changed or lifted only by a resolution of the City Council. The resolution must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- *Assigned fund balance* - amounts that are constrained by the City's *intent* to be used for specific purposes. The intent can be established by the City Council.
- *Unassigned fund balance* - the residual classification for the City General Fund that includes amounts not contained in the other classifications.

**CITY OF CAMPBELL, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. Financial Statement Amounts (continued)

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. Committed funds will be used first followed by assigned funds.

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

The City's goal is to achieve and maintain an unassigned fund balance in the General Fund equal to 16.67% of expenditures. The City considers a balance of less than 8.34% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

The City's unassigned fund balance is sufficiently more than the adopted policy required at the end of the current fiscal year.

h. Comparative Data

Comparative total data for the current year to budget have been presented in the supplementary section of the financial statements in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

i. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None reported	Not applicable

3. Budgets and Budgetary Accounting

The City adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the final amended budget to actual revenues and expenditures.

**CITY OF CAMPBELL, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

B. COMPLIANCE AND ACCOUNTABILITY (continued)

The following procedures are followed in establishing the budgetary data:

- No later than the first City Council meeting each August, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- Total estimated expenditures of the General Fund are to be budgeted.
- The level of control (the level at which expenditures may not exceed budget) is the fund level. The Mayor and Mayor Pro-tem approval is required to approve a transfer of budgeted amounts within accounts; however, any revisions that alter the total of any fund must be approved by the City Council.

Budgets for the General Fund are legally adopted on a modified accrual basis of accounting.

C. DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect the City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks dollar amount of Federal Deposit Insurance Corporation ("FDIC").

Cash Deposits:

At September 30, 2020, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$672,847 and the bank balance was \$679,667. The City's cash deposits at September 30, 2020, and during the year ended September 30, 2020, were entirely covered by FDIC, or pledged securities.

The following is a schedule of restricted cash as required:

Restricted Cash

Business-Type		
Debt	\$	17,063
Bond Proceeds	\$	473,171
Customer deposits		14,950
Total	\$	<u>505,184</u>

Investments:

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report non-participating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "non-participating" means that the investments' value does not vary with market interest rate changes. Non-negotiable certificates of deposits are examples of non-participating interest-earning investment contracts.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Public Funds Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state or local governmental units by pledging unit. The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

C. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

D. PROPERTY TAXES

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. The Appraisal Board of Review establishes appraised value at 100% estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Taxes are due October 1 (immediately following the levy date) and are delinquent after the following January 31st. Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 30 days following the close of the fiscal year have been recognized as a revenue at fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years, however, the City may, at its own expense, require annual reviews of appraisal values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous years.

E. RECEIVABLES

Receivables at September 30, 2020 for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Proprietary	Total
Receivables:			
Taxes	\$ 25,286	\$ -	\$ 25,286
Fees & Services	-	8,013	8,013
Allowance for			
Uncollectibles	(821)	(1,025)	(1,846)
Net Receivables	\$ 24,465	\$ 6,988	\$ 31,453

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

F. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2020 was as follows:

	Beginning Balances	Additions	Decreases	Ending Balances
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 37,143	\$ -	\$ -	\$ 37,143
Construction In progress	-	-	-	-
Total capital assets, not being depreciated	<u>37,143</u>	<u>-</u>	<u>-</u>	<u>37,143</u>
Capital assets, being depreciated:				
Buildings & improvements	61,111	-	-	61,111
Infrastructure	92,578	6,080	-	98,658
Machinery & equipment	43,876	-	-	43,876
Total capital assets being depreciated	<u>197,565</u>	<u>6,080</u>	<u>-</u>	<u>203,645</u>
Less accumulated depreciation for:				
Buildings & improvements	(58,435)	(1,942)	-	(60,377)
Infrastructure	(65,474)	(6,304)	-	(71,778)
Machinery & equipment	(42,385)	(442)	-	(42,827)
Total accumulated depreciation	<u>(166,294)</u>	<u>(8,688)</u>	<u>-</u>	<u>(174,982)</u>
Total capital assets being depreciated, net	<u>31,271</u>	<u>(2,608)</u>	<u>-</u>	<u>28,663</u>
Governmental activities capital assets, net	<u>\$ 68,414</u>	<u>\$ (2,608)</u>	<u>\$ -</u>	<u>\$ 65,806</u>
	Beginning Balances	Additions	Decreases	Ending Balances
Business-type Activities				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, not being depreciated:				
Land	\$ 23,852	\$ -	\$ -	\$ 23,852
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>23,852</u>	<u>-</u>	<u>-</u>	<u>23,852</u>
Capital assets, being depreciated				
Buildings & improvements	23,012	-	-	23,012
Sewer plant & infrastructure	1,900,787	22,300	-	1,923,087
Equipment	37,325	-	-	37,325
Construction in progress	-	-	-	-
Total assets being depreciated	<u>1,961,124</u>	<u>22,300</u>	<u>-</u>	<u>1,983,424</u>
Less accumulated depreciation for:				
Buildings & improvements	(15,724)	(767)	-	(16,491)
Sewer plant & infrastructure equipment	(1,146,886)	(43,025)	-	(1,189,911)
equipment	(34,403)	(876)	-	(35,279)
Total accumulated depreciation	<u>(1,197,013)</u>	<u>(44,668)</u>	<u>-</u>	<u>(1,241,681)</u>
Total capital assets, being depreciated, net	<u>764,111</u>	<u>(22,368)</u>	<u>-</u>	<u>741,743</u>
Business-type activities capital assets, net	<u>\$ 787,963</u>	<u>\$ (22,368)</u>	<u>\$ -</u>	<u>\$ 765,595</u>

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

F. CAPITAL ASSETS (Continued)

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

Governmental activities:		
General Government		\$ 2,248
Public Works		6,397
Total depreciation expense - governmental activities		<u>\$ 8,645</u>
Business-type activities:		
Sewer		<u>\$ 56,310</u>

G. LONG-TERM OBLIGATIONS

Changes in Proprietary Long-term Debt

Description	Interest Rate Payable	Amounts Original Issue	Amounts	Issued	Retired	Amounts	Due Within One Year
			Outstanding September 30, 2020			Outstanding September 30, 2020	
Series 2018, CO	3.44%	534,000	491,000	-	(31,000)	460,000	32,000
Total		<u>\$ 534,000</u>	<u>\$ 491,000</u>	<u>\$ -</u>	<u>\$ (31,000)</u>	<u>\$ 460,000</u>	<u>\$ 32,000</u>

Debt service requirements are as follows:

Year Ending September 30:	Total		
	Principal	Interest	Requirements
2021	32,000	15,824	47,824
2022	33,000	14,723	47,723
2023	34,000	13,588	47,588
2024-32	361,000	64,913	425,913
Totals	<u>\$ 460,000</u>	<u>\$ 109,048</u>	<u>\$ 569,048</u>

\$534,000 Series 2018 Combination Tax and Revenue Certificates of Obligation were issued for the purpose of construction and extensions of the City's sewer system. Property tax revenues will pay for the principal and interest payments on this bond.

**CITY OF CAMPBELL, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

H. HEALTH CARE COVERAGE

The City offers health insurance through Texas Municipal League ("TML"). One employee is covered by this insurance plan to which the City contributed \$781 per month. The health insurance plan covers health, dental and eye care.

I. INSURANCE COVERAGE & RISK MANAGEMENT

In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Municipal League Intergovernment Risk Pool ("TMLIRP"), a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$125,000 and for aggregate loss. The City participates in TMLIRP for liability (general, automobile, and errors/omissions), and property insurance.

The City maintains a deductible of \$10,000 per accident, with an annual aggregate retention of \$300,000. For property, the City maintains a \$250 deductible. All insurance claims are paid by TMLIRP, with the City reimbursing TMLIRP for the deductible.

The City is exposed to various risks of loss related to torts, theft, damage to, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has general liability coverage at a cost that is considered to be economically justifiable. TMLIRP is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TMLIRP for its coverages no later than October 1 of each year.

GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no liabilities incurred at the end of the current fiscal period.

There were no significant reductions in insurance coverage from the prior year.

J. DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City of Campbell participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

B. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contribution, with interest, and the city-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to, but not yet receiving benefits	-
Active employees	$\frac{2}{2}$

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

J. DEFINED BENEFIT PENSION PLANS

C. Contributions (Continued)

Employees of the City of Campbell were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates of the City of Campbell were 42% in the 2019 calendar year. The City's contributions to TMRS for the year ended September 30, 2020, were \$25,845 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding need of TMRS.

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

J. DEFINED BENEFIT PENSION PLANS

D. Net Pension Liability (Continued)

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 3.78% (based on weekly rate closest to, but not later than the measurement date of the 20-year Bond Buyer Index, as published by the Federal Reserve). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2017. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions, and the projection of cash flows, the City's fiduciary net position, and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension plan liability of the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e.the employer normal costs).

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as 12/31/2018	\$ 164,374	\$ 48,771	\$ 115,603
Changes for the year:			
Service cost	4,146	-	4,146
Interest	11,235	-	11,235
Changes in current period benefits	-	-	-
Difference between expected and actual experience	(1,619)	-	(1,619)
Changes in assumptions	(1,313)	-	(1,313)
Contributions - employer	-	25,866	(25,866)
Contributions - employee	-	3,094	(3,094)
Net investment income	-	7,627	(7,627)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	(42)	42
Other changes	-	(1)	1
Net changes	<u>\$ 12,449</u>	<u>\$ 36,544</u>	<u>\$ (24,095)</u>
Balance as 12/31/2019	<u>\$ 176,823</u>	<u>\$ 85,315</u>	<u>\$ 91,508</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	<u>\$ 115,194</u>	<u>\$ 91,508</u>	<u>\$ 71,505</u>

Pension Plan Fiduciary Net Position

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

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

J. DEFINED BENEFIT PENSION PLANS (Continued)

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

For the year ended September 30, 2020, the city recognized pension expense of \$9,802.

At September 30, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	-	(1,871)
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	1,798	(76)
Contributions subsequent to the measurement date	18,919	-
Total	20,717	(1,947)

A total of \$18,919 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:		
2019	\$	(27)
2020		(27)
2021		(28)
2022		34
2023		(101)
Thereafter		-
Total	\$	(149)

F. Group-term Life Insurance

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the 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 1, of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit", or OPEB.

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

Total OPEB Liability

The City of Campbell's total OPEB liability of \$5,310 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

**CITY OF CAMPBELL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

K. LITIGATION

Currently, management is unaware of significant pending litigation against the City of Campbell, Texas.

L. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2020 up through April 19, 2020, the date the financial statements were available to be issued. During this period, management was unaware of subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CAMPBELL, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**SCHEDULE OF CONTRIBUTIONS
 LAST FOUR FISCAL YEARS (UNAUDITED)**

	2020	2019	2018	2017
Actuarially determined contribution	\$ 25,845	\$ 24,818	\$ 20,162	\$ 16,596
Contributions in relation to the actuarially determined contribution	25,845	24,818	20,162	16,596
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 61,880	\$ 60,070	\$ 54,814	\$ 55,065
Contributions as a percentage of covered employee payroll	41.77%	41.32%	36.78%	30.14%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	5 years
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%

Retirement Age

Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.

Mortality

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

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

Other Information:

Notes

There were no benefit changes during the year.

See accompanying notes to these financial statements for more detail.

Note: Years will continue to be added until there are 10 years for comparison

**CITY OF CAMPBELL, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS-TMRS**

	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Total pension liability				
Service cost	\$ 4,146	\$ 4,025	\$ 4,019	\$ 334
Interest (on the Total Pension Liability)	11,235	10,345	9,519	8,780
Changes of benefit terms	-	-	-	129,900
Difference between expected and actual experience	(1,619)	(1,236)	(1,312)	-
Change of assumptions	(1,313)	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Net Change in Total Pension Liability	12,449	13,134	12,226	139,014
Total Pension Liability - Beginning	164,374	151,240	139,014	-
Total Pension Liability - Ending	\$ 176,823	\$ 164,374	\$ 151,240	\$ 139,014
Plan Fiduciary Net Position				
Contribution - employer	\$ 25,866	\$ 23,492	\$ 17,991	\$ 1,499
Contribution - employee	3,094	3,003	3,003	250
Net investment income	7,627	(696)	244	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	(42)	(13)	(1)	-
Other	(1)	(1)	-	-
Net Change in Plan Fiduciary Net Position	36,544	25,785	21,237	1,749
Plan Fiduciary Net Position - Beginning	48,771	22,986	1,749	-
Plan Fiduciary Net Position - Ending	\$ 85,315	\$ 48,771	\$ 22,986	\$ 1,749
Net Pension Liability - Ending	\$ 91,508	\$ 115,603	\$ 128,254	\$ 137,265
Plan Fiduciary Net Position as a percentage of				
Total Pension Liability	48.25%	29.67%	15.20%	1.26%
Covered employee payroll	\$ 61,879	\$ 60,070	\$ 60,070	\$ 5,006
Net Pension Liability as a percentage of				
covered employee payroll	147.88%	192.45%	213.51%	2742.01%

See accompanying notes to these financial statements for more detail.

Note: Years will continue to be added until there are 10 years for comparison

**CITY OF CAMPBELL, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS-TMRS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Total OPEB liability			
Service cost	\$ 291	\$ 306	\$ 264
Interest (on the Total OPEB Liability)	157	144	134
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(183)	(219)	-
Change of assumptions	947	(336)	396
Benefit payments, including refunds of employee contributions	-	-	-
	-	-	-
Net Change in Total Pension Liability	<u>1,212</u>	<u>(105)</u>	<u>794</u>
Total OPEB Liability - Beginning	<u>4,098</u>	<u>4,203</u>	<u>3,409</u>
Total OPEB Liability - Ending	<u><u>\$ 5,310</u></u>	<u><u>\$ 4,098</u></u>	<u><u>\$ 4,203</u></u>
Covered employee payroll	\$ 61,879	\$ 60,070	\$ 60,070
Total OPEB Liability as a percentage of covered employee payroll	8.58%	6.82%	7.00%

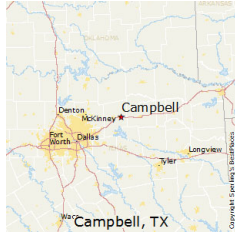
See accompanying notes to these financial statements for more detail.

Note: Years will continue to be added until there are 10 years for comparison

**CITY OF CAMPBELL, TEXAS
GENERAL FUND-STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUE				
Property taxes	\$ 11,000	\$ 11,000	\$ 18,236	\$ 7,236
Franchise taxes	23,000	23,000	31,758	8,758
Sales tax	30,000	30,000	76,171	46,171
Beverage tax	-	-	1,696	1,696
Sanitation revenues	48,000	48,000	52,238	4,238
Permits	-	-	1,000	1,000
Interest income	-	-	94	94
Miscellaneous	3,600	3,600	4,036	436
Total revenues	115,600	115,600	185,229	69,629
EXPENDITURES				
General government				
Administration	81,100	81,100	83,136	(2,036)
Total general government	81,100	81,100	83,136	(2,036)
Streets	65,500	65,500	13,957	51,543
Sanitation	42,000	42,000	43,785	(1,785)
Total Streets and Sanitation	107,500	107,500	57,742	49,758
Net change in fund balance	(73,000)	(73,000)	16,730	
Fund Balance/Equity, October 1	145,371	145,371	145,371	
Fund Balance/Equity, September 30	\$ 72,371	\$ 72,371	\$ 162,101	

The accompanying notes to the basic financial statements are an integral part of this financial statement.



SUPPLEMENTARY INFORMATION

**CITY OF CAMPBELL, TEXAS
BALANCE SHEET - COMPONENT UNIT
CAMPBELL ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2020**

	EDC Fund
ASSETS	
Cash and cash equivalents	\$ 9,680
Receivable	-
Total assets	<u>9,680</u>
LIABILITIES	
Accounts payable	-
Total liabilities	<u>-</u>
FUND BALANCE	
Unassigned	9,680
Total fund balance	<u>9,680</u>
Total liabilities and fund balance	<u>\$ 9,680</u>

**CITY OF CAMPBELL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - COMPONENT UNIT
CAMPBELL, TEXAS ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	EDC Fund
REVENUES	
Sales tax	\$ 10,525
Investment income	1
Miscellaneous	-
Total revenues	<u>10,526</u>
EXPENDITURES	
Current:	
Projects	500
Supplies and maintenance	219
Miscellaneous	127
Total expenditures	<u>846</u>
 Excess (deficiency) of revenues over (under) expenditures	 9,680
 Net change in fund balance	 <u>9,680</u>
 Fund balance, beginning of year	 -
Fund balance, end of year	<u><u>\$ 9,680</u></u>