

CITY OF CASTROVILLE, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2020**





CITY OF CASTROVILLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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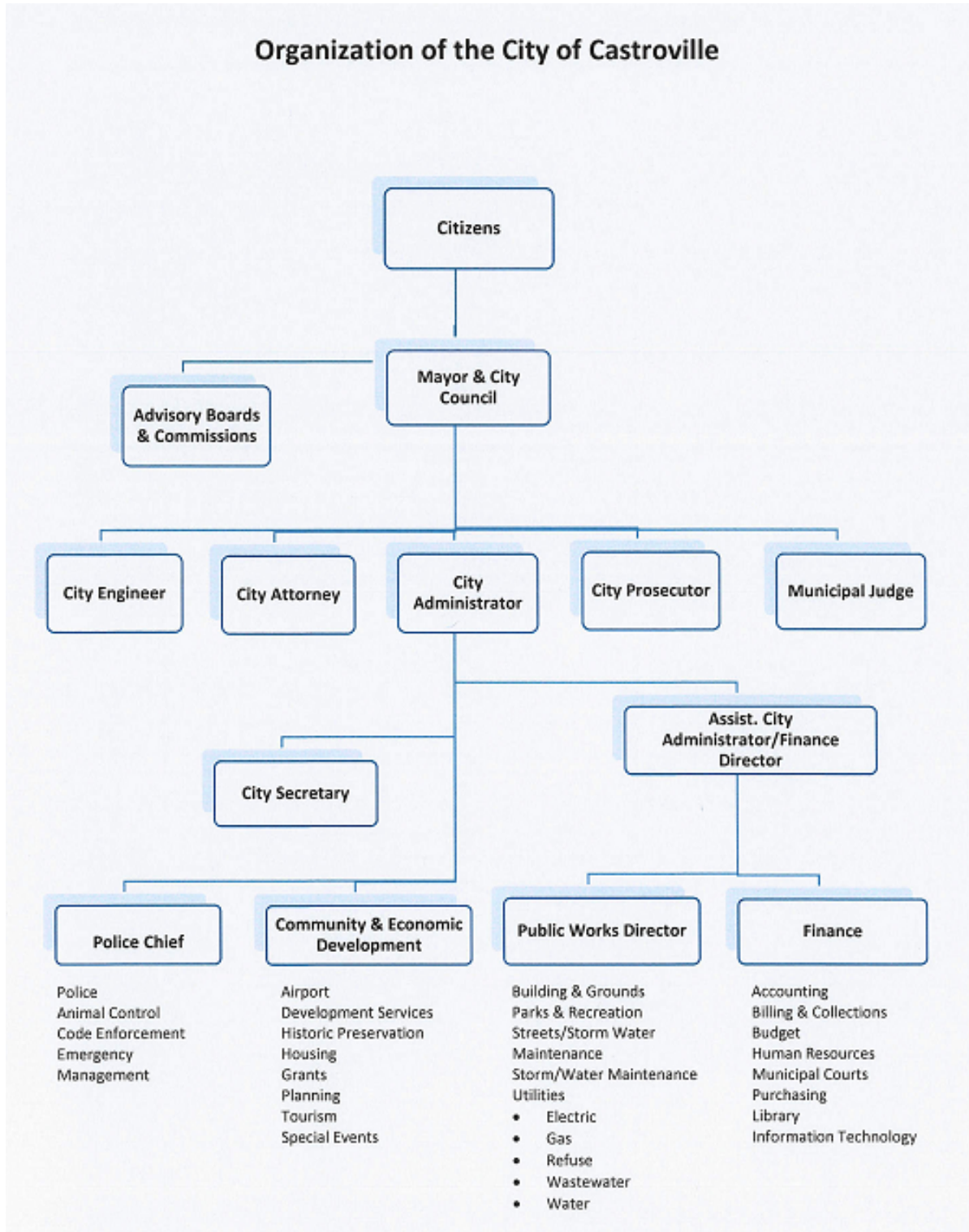
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CITY OF CASTROVILLE
PRINCIPAL OFFICERS
AS OF SEPTEMBER 30, 2020

CITY OFFICIALS

MAYOR	VACANT
MAYOR PRO-TEM	DARRIN SCHROEDER
CITY COUNCIL	TODD TSCHIRHART
	PHIL KING
	PAUL CAREY
	SHEENA MARTINEZ
INTERIM CITY ADMINISTRATOR	LEROY VIDALES
ATTORNEY	DENTON, NAVARRO, ROCHA, BERNAL & ZECH

CITY OF CASTROVILLE
ORGANIZATIONAL CHART





Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Castroville

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Castroville, 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

The City of Castroville's 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 an opinion on these financial statements based on our audit. 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Castroville, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

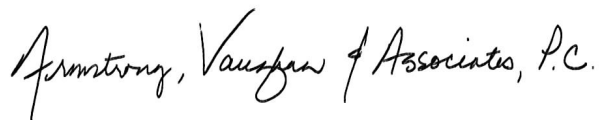
Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and schedule of changes – net pension liability and related ratios as well as Total OPEB liability and related ratios as identified in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), 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 regarding the methods of preparing the information and comparing the information for consistency with management's response 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Castroville's financial statements as a whole. The supplementary information (comparative statements and combining statements) are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

February 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Castroville's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

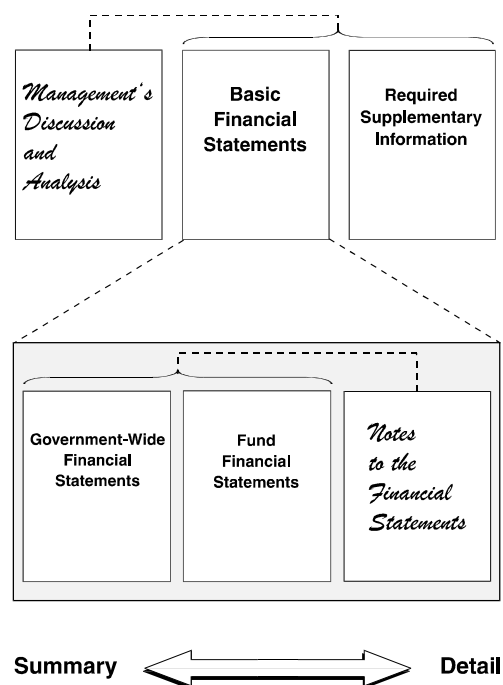
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$25.5 million (total net position) at September 30, 2020. Of this amount, \$7.7 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- During the year, the City's total net position increased by \$2.0 million.
- As of September 30, 2020, the City's governmental funds reported a combined ending fund balance of \$3.7 million, an increase of \$779 thousand from the prior year.
- The City did not obtain any additional debt during the year ended September 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

Figure A-1, Required Components of the City's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
Fund Statements			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the city that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer
<i>Required financial statements</i>	• Statement of net position	• Balance Sheet	• Statement of net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses & changes in net position • Statement of cash flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances.

The statement of net position presents information on all of the City's assets, deferred outflows, deferred inflows, and liabilities, with the difference 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 City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, public safety, public works and park maintenance. The business-type activities of the City include a Utility fund and an Airport fund.

The government-wide financial statements can be found on pages 13-16 of this report.

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. The funds of the City can be divided into two categories: governmental and proprietary.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in 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 maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison schedule has been provided as supplementary information to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found beginning on page 17 of this report.

Proprietary funds: The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility and Airport activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund, the Airport fund and the Utility Capital Projects fund, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Notes to the basic 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. The notes to the financial statements can be found beginning on page 27 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's adopted budget and the City's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information related to the budget and pension benefits can be found beginning on page 54 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds can be found beginning on pages 63 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$25.5 million at the close of fiscal year 2020.

By far the largest portion of the City's net position (63%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table provides a summary of the City's net assets at September 30, 2020 (See Table A-1).

Table A-1
City's Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2020 - 2019
	2020	2019	2020	2019	2020	2019	
<i>Assets:</i>							
Current and Other Assets	\$ 3,892,107	\$ 3,073,690	\$ 6,888,371	\$ 6,553,937	\$ 10,780,478	\$ 9,627,627	12.0
Restricted Assets	-	-	3,467,289	3,506,656	3,467,289	3,506,656	(1.1)
Capital Assets (net)	1,820,924	1,836,561	26,802,617	26,843,294	28,623,541	28,679,855	(0.2)
<i>Total Assets</i>	<u>5,713,031</u>	<u>4,910,251</u>	<u>37,158,277</u>	<u>36,903,887</u>	<u>42,871,308</u>	<u>41,814,138</u>	2.5
<i>Deferred Outflows of Resources</i>	<u>126,931</u>	<u>289,413</u>	<u>74,844</u>	<u>138,624</u>	<u>201,775</u>	<u>428,037</u>	(52.9)
<i>Liabilities:</i>							
Current Liabilities	180,146	145,089	1,101,883	1,046,141	1,282,029	1,191,230	7.6
Long-Term Liabilities	996,637	1,370,020	15,091,661	16,119,587	16,088,298	17,489,607	(8.0)
<i>Total Liabilities</i>	<u>1,176,783</u>	<u>1,515,109</u>	<u>16,193,544</u>	<u>17,165,728</u>	<u>17,370,327</u>	<u>18,680,837</u>	(7.0)
<i>Deferred Inflows of Resources</i>	<u>106,039</u>	<u>25,870</u>	<u>74,707</u>	<u>20,818</u>	<u>180,746</u>	<u>46,688</u>	287.1
<i>Net Position:</i>							
Net Investment in							
Capital Assets	1,211,359	1,095,885	14,993,705	14,190,937	16,205,064	15,286,822	6.0
Restricted	244,622	205,508	1,406,849	1,173,846	1,651,471	1,379,354	19.7
Unrestricted	3,101,159	2,357,292	4,564,316	4,491,182	7,665,475	6,848,474	11.9
<i>Total Net Position</i>	<u>\$ 4,557,140</u>	<u>\$ 3,658,685</u>	<u>\$ 20,964,870</u>	<u>\$ 19,855,965</u>	<u>\$ 25,522,010</u>	<u>\$ 23,514,650</u>	8.5

An additional portion of the City's net position \$1.7 million (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$7.7 million (31%) may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position: The City's net position increased \$2.0 million. (See Table A-2.)

Table A-2
Changes in City's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2020	2019	2020	2019	2020	2019	2020 - 2019
<i>Program Revenues:</i>							
Charges for Services	\$ 526,928	\$ 732,834	\$ 7,971,665	\$ 7,518,162	\$ 8,498,593	\$ 8,250,996	3.0
Operating Grants and Contributions	39,455	4,756	50,000	46,595	89,455	51,351	74.2
Capital Grants and Contributions	-	-	-	-	-	-	0.0
<i>General Revenues:</i>							
Taxes	2,566,069	2,319,995	-	-	2,566,069	2,319,995	10.6
Interest Earnings	28,463	23,060	71,303	88,192	99,766	111,252	(10.3)
Miscellaneous	22,488	50,621	-	70,812	22,488	121,433	(81.5)
TOTAL REVENUES	3,183,403	3,131,266	8,092,968	7,723,761	11,276,371	10,855,027	3.9
<i>Program Expenditures:</i>							
General Administration	898,107	935,816	-	-	898,107	935,816	(4.0)
Public Safety	1,205,552	1,145,685	-	-	1,205,552	1,145,685	5.2
Public Transportation	450,075	387,343	-	-	450,075	387,343	16.2
Culture and Recreation	555,150	628,960	-	-	555,150	628,960	(11.7)
Interest in Debt	19,506	22,370	-	-	19,506	22,370	(12.8)
Utility	-	-	5,268,634	4,846,887	5,268,634	4,846,887	8.7
Airport	-	-	871,987	607,836	871,987	607,836	43.5
TOTAL EXPENSES	3,128,390	3,120,174	6,140,621	5,454,723	9,269,011	8,574,897	8.1
Transfers	843,442	876,954	(843,442)	(876,954)	-	-	0.0
Increase (Decrease) in Net Position after Transfers	\$ 898,455	\$ 888,046	\$ 1,108,905	\$ 1,392,084	\$ 2,007,360	\$ 2,280,130	(12.0)

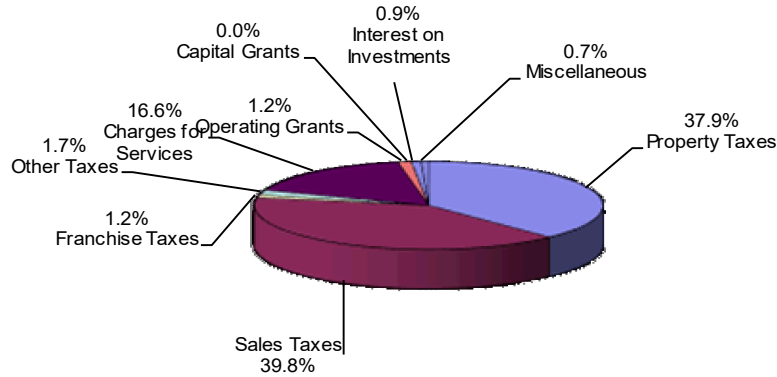
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2020.

Governmental Activities

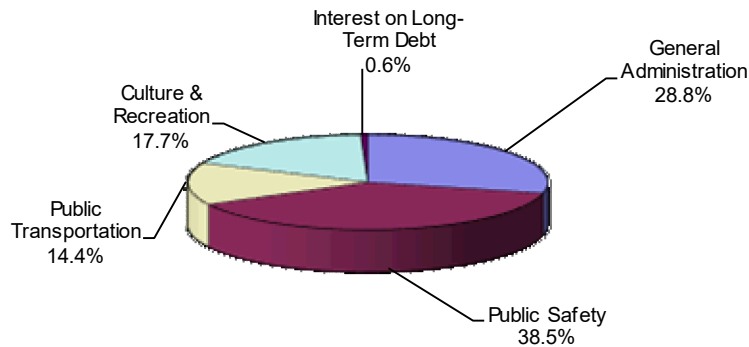
- Ad Valorem taxes increased \$87 thousand from the previous year.
- Sales tax increased \$161 thousand over the previous year.
- Charges for Services decreased \$206 from the previous year.

Governmental activities showed an increase of \$55 thousand before transfers from business-type activities. The business-type activities transferred \$843 thousand to governmental activities resulting in an increase in net position of \$898 thousand.

2020 Governmental Revenues



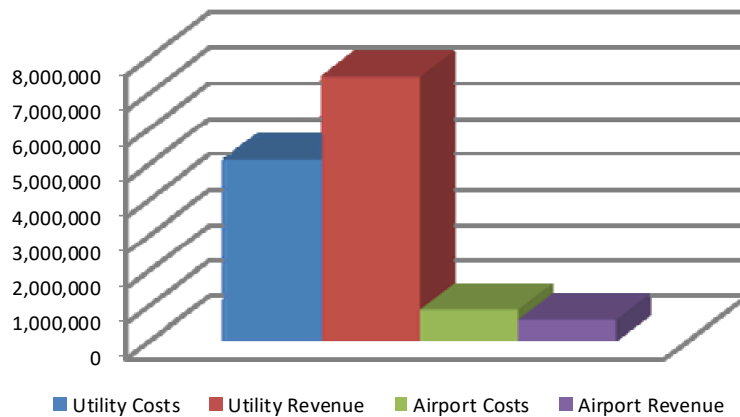
2020 Governmental Function Expenses



Business-Type Activities

Business-type activities increased the City's net position by \$1.1 million after transfers to governmental activities of \$843 thousand. This increase is partially attributed to the increased charges for services for utilities as well as reduction in expenses for the utility fund.

Business-Type Activities



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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3.7 million. Of this total amount, \$247 thousand is restricted by constraints imposed by external providers such as grantors and enabling legislation, \$303 thousand is committed and reported in special revenue and capital improvement funds, and \$3.2 million is unassigned in the governmental funds. The unassigned fund balance is the amount available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$3.2 million. The City's general fund balance showed an increase of \$728 thousand during the year. This is attributed to increases in ad valorem tax, sales tax, as well as a slight reduction in overall expenditures from the previous year.

Proprietary funds

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

The unrestricted net position of the Utility Fund at the end of the year amounted to \$4.3 million. The increase in net position was \$1.4 million. This increase is attributable to an increase in utility rates and reduction in expenses. Unrestricted net position of the Airport Fund at the end of the year amounted to \$298 thousand. The decrease in net position was \$259 thousand. This decrease is attributable to depreciation on capital assets. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no budget amendments that increased approved expenditures from the original budget to the final budget. The general fund revenues were over budget by \$207 thousand as a result of increased ad valorem and sales tax revenue. The general fund expenditures were under budget by \$713 thousand as a result of cost containment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, the City had invested \$28.7 million in a broad range of capital assets, including land, buildings and improvements, equipment and vehicles, and infrastructure (See Table A-3.). This amount represents a net decrease (including additions and deductions) of \$56 thousand from last year. The decrease is due to current year depreciation over current year acquisitions. More detailed information about the City's capital assets is presented in the notes to the financial statements.

Table A-3
City's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2020 - 2019
	2020	2019	2020	2019	2020	2019	
Land	\$ 105	\$ 105	\$ 2,297	\$ 2,297	\$ 2,402	\$ 2,402	0.0
Construction in Progress	-	-	2,422	13,032	2,422	13,032	(81.4)
Water Rights	-	-	176	176	176	176	0.0
Buildings and Improvements	601	601	6,542	6,509	7,143	7,110	0.5
Vehicles and Equipment	1,237	1,108	2,073	1,796	3,310	2,904	14.0
Infrastructure	1,814	1,814	22,519	11,830	24,333	13,644	78.3
Totals at Historical Cost	3,757	3,628	36,029	35,640	39,786	39,268	1.3
Total Accumulated Depreciation	(1,936)	(1,791)	(9,227)	(8,797)	(11,163)	(10,588)	5.4
Net Capital Assets	\$ 1,821	\$ 1,837	\$ 26,802	\$ 26,843	\$ 28,623	\$ 28,680	(0.2)

Long Term Debt

At year-end the City had \$15.5 million in bonds and notes outstanding as shown in Table A-4. More detailed information about the City's debt is presented in the notes to the financial statements. The City's S&P rating was upgraded to AA Stable.

Table A-4
City's Long-Term Debt
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2020 - 2019
	2020	2019	2020	2019	2020	2019	
Bonds Payable	\$ 596	\$ 725	\$ 144	\$ 175	\$ 740	\$ 900	(17.8)
Notes Payable	-	-	410	568	410	568	(27.8)
Capital Lease Payable	-	-	19	36	19	36	(47.2)
TWDB Bonds Payable	-	-	14,315	15,020	14,315	15,020	(4.7)
Total Long-Term Debt	\$ 596	\$ 725	\$ 14,888	\$ 15,799	\$ 15,484	\$ 16,524	(6.3)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The General Fund budgeted revenues and other financing sources of transfers in of \$4,130,432 for FY 2021 which is an increase of 8.7% of FY 2020 budgeted revenues and other financing sources. The General Fund budgeted expenditures and other financing uses of transfers out of \$4,130,432 for FY 2021 which is a increase from FY 2020 budgeted expenditures and other financing uses.
- Total ad valorem rates dropped from 0.507771 per \$100 valuation in FY 2020 to 0.495178 per \$100 valuation in FY 2021.
- The population of the City is estimated to be 3,059.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 Administrative Services Department, 1209 Fiorella, Castroville, Texas, 78009. Telephone No. (830) 931-4070.



BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 3,756,399	\$ 5,762,674	\$ 9,519,073
Receivables (net of allowances for uncollectibles)			
Ad Valorem Taxes	11,985	-	11,985
Sales & Mixed Beverage Taxes	223,211	-	223,211
Other	21,346	816,634	837,980
Inventory	755	187,474	188,229
Internal Balances	(121,589)	121,589	-
Restricted Assets:			
Cash and Investments	-	1,616,690	1,616,690
Investments Held in Escrow	-	1,850,599	1,850,599
Capital Assets:			
Land	105,330	2,297,441	2,402,771
Construction in Progress	-	2,422,059	2,422,059
Water Rights	-	176,126	176,126
Building and Improvements	600,670	6,542,111	7,142,781
Vehicles and Equipment	1,236,734	2,073,291	3,310,025
Infrastructure	1,814,385	22,518,981	24,333,366
Accumulated Depreciation	(1,936,195)	(9,227,392)	(11,163,587)
TOTAL ASSETS	5,713,031	37,158,277	42,871,308
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	21,098	5,235	26,333
Deferred Pension Related Outflows	95,496	60,926	156,422
Deferred OPEB Related Outflows	10,337	8,683	19,020
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 126,931	\$ 74,844	\$ 201,775

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 97,334	\$ 837,025	\$ 934,359
Accrued Expenses	79,830	38,375	118,205
Accrued Interest Payable	2,982	29,891	32,873
<i>Payable from Restricted Assets:</i>			
Customer Deposits	-	196,592	196,592
<i>Noncurrent Liabilities:</i>			
Due within One Year	134,627	889,229	1,023,856
Due in more than One Year	496,036	14,007,461	14,503,497
Compensated Absences	56,447	38,705	95,152
Net Pension Liability	201,294	92,898	294,192
Total OPEB Liability	108,233	63,368	171,601
TOTAL LIABILITIES	1,176,783	16,193,544	17,370,327
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	104,928	74,114	179,042
Deferred OPEB Related Inflows	1,111	593	1,704
TOTAL DEFERRED INFLOWS OF RESOURCES	106,039	74,707	180,746
NET POSITION			
Net Investment in Capital Assets	1,211,359	14,993,705	16,205,064
Restricted	244,622	1,406,849	1,651,471
Unrestricted	3,101,159	4,564,316	7,665,475
TOTAL NET POSITION	\$ 4,557,140	\$ 20,964,870	\$ 25,522,010

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General Administration	\$ 898,107	\$ 100,930	\$ 34,221	\$ -
Public Safety	1,205,552	194,030	3,185	-
Public Transportation	450,075	104,350	-	-
Culture and Recreation	555,150	127,618	2,049	-
Interest on Long-term Debt	19,506	-	-	-
<i>Total Governmental Activities</i>	<u>3,128,390</u>	<u>526,928</u>	<u>39,455</u>	<u>-</u>
<i>Business-Type Activities</i>				
Utility	5,268,634	7,441,004	-	-
Airport	871,987	530,661	50,000	-
<i>Total Business-Type Activities</i>	<u>6,140,621</u>	<u>7,971,665</u>	<u>50,000</u>	<u>-</u>
Total Primary Government	<u>\$ 9,269,011</u>	<u>\$ 8,498,593</u>	<u>\$ 89,455</u>	<u>\$ -</u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (762,956)	\$ -	\$ (762,956)
(1,008,337)	-	(1,008,337)
(345,725)	-	(345,725)
(425,483)	-	(425,483)
(19,506)	-	(19,506)
<u>(2,562,007)</u>	<u>-</u>	<u>(2,562,007)</u>
-	2,172,370	2,172,370
-	(291,326)	(291,326)
<u>-</u>	<u>1,881,044</u>	<u>1,881,044</u>
<u>(2,562,007)</u>	<u>1,881,044</u>	<u>(680,963)</u>
1,205,706	-	1,205,706
1,270,493	-	1,270,493
37,136	-	37,136
52,734	-	52,734
28,463	71,303	99,766
22,488	-	22,488
<u>2,617,020</u>	<u>71,303</u>	<u>2,688,323</u>
<u>843,442</u>	<u>(843,442)</u>	<u>-</u>
898,455	1,108,905	2,007,360
<u>3,658,685</u>	<u>19,855,965</u>	<u>23,514,650</u>
<u>\$ 4,557,140</u>	<u>\$ 20,964,870</u>	<u>\$ 25,522,010</u>

CITY OF CASTROVILLE
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 3,186,491	\$ 569,908	\$ 3,756,399
Receivables (net of allowance):			
Property Taxes	11,190	795	11,985
Sales & Mixed Beverage Taxes	223,211	-	223,211
Other Receivables	4,567	16,779	21,346
Due from Other Funds	46,791	11,702	58,493
Inventory	755	-	755
TOTAL ASSETS	<u>\$ 3,473,005</u>	<u>\$ 599,184</u>	<u>\$ 4,072,189</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 96,219	\$ 1,115	\$ 97,334
Accrued Expenditures	79,074	756	79,830
Due to Other Funds	133,291	46,791	180,082
<i>Total Liabilities</i>	<u>308,584</u>	<u>48,662</u>	<u>357,246</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenue - Property Tax	11,190	795	11,985
<i>Total Deferred Inflows of Resources</i>	<u>11,190</u>	<u>795</u>	<u>11,985</u>
<i>Fund Balances:</i>			
Nonspendable	755	-	755
Restricted	-	246,809	246,809
Committed	-	302,918	302,918
Unassigned	3,152,476	-	3,152,476
<i>Total Fund Balances</i>	<u>3,153,231</u>	<u>549,727</u>	<u>3,702,958</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	<u>\$ 3,473,005</u>	<u>\$ 599,184</u>	<u>\$ 4,072,189</u>

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 3,702,958

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 in the funds. 1,820,924

Other long-term assets are not available to pay for current period expenditures
and, therefore, are deferred in the funds. 11,985

Long-term liabilities, including bonds payable, are not due and payable in the
current period and, therefore, not reported in the funds.

Accrued Vacation Leave Payable	(56,447)	
Deferred Charge on Refunding	21,098	
Bonds Payable	<u>(630,663)</u>	(666,012)

Net pension liabilities (and related deferred inflows and outflows of resources)
do not consume current financial resources and are not reported in the funds.

Net Pension Liability	(201,294)	
Pension Related Deferred Outflows	95,496	
Pension Related Deferred Inflows	<u>(104,928)</u>	(210,726)

Total OPEB liabilities (and related deferred inflows and outflows of resources)
do not consume current financial resources and are not reported in the funds.

Total OPEB Liability	(108,233)	
OPEB Related Deferred Outflows	10,337	
OPEB Related Deferred Inflows	<u>(1,111)</u>	(99,007)

Accrued interest payable on long-term-bonds is not due and payable in the
current period and, therefore, not reported in the funds. (2,982)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 4,557,140

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	\$ 1,121,765	\$ 80,381	\$ 1,202,146
Sales Taxes	1,270,493	-	1,270,493
Franchise Fees	37,136	-	37,136
Other Taxes	4,873	47,861	52,734
Licenses and Permits	95,840	-	95,840
Charges for Services	132,709	111,621	244,330
Fines and Forfeitures	186,758	-	186,758
Intergovernmental Revenue	38,269	1,186	39,455
Interest Income	23,132	5,331	28,463
Miscellaneous	21,512	976	22,488
TOTAL REVENUES	2,932,487	247,356	3,179,843
EXPENDITURES			
<i>Current:</i>			
General Administration			
City Administration	217,969	53,040	271,009
Finance	300,201	-	300,201
City Council	37,609	-	37,609
City Secretary	122,697	-	122,697
Information Technology	99,736	-	99,736
Human Resources	10,485	-	10,485
Non-Departmental	36,854	-	36,854
Public Safety			
Animal Control	62,149	-	62,149
Community Development	175,376	-	175,376
Municipal Court	98,308	2,499	100,807
Police Department	822,857	48	822,905
Public Transportation			
Streets	371,539	638	372,177
Culture and Recreation			
Library	165,128	51	165,179
Parks	256,562	-	256,562
RV Park	34,666	-	34,666
Pool	77,533	-	77,533
<i>Capital Outlay</i>	146,923	-	146,923
<i>Debt Service:</i>			
Principal	-	128,900	128,900
Interest and Fiscal Charges	-	22,362	22,362
TOTAL EXPENDITURES	3,036,592	207,538	3,244,130
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	\$ (104,105)	\$ 39,818	\$ (64,287)

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 853,747	\$ 138,409	\$ 992,156
Transfers Out	<u>(21,223)</u>	<u>(127,491)</u>	<u>(148,714)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>832,524</u>	<u>10,918</u>	<u>843,442</u>
Net Change in Fund Balance	728,419	50,736	779,155
Fund Balances at Beginning of Year	<u>2,424,812</u>	<u>498,991</u>	<u>2,923,803</u>
Fund Balances at End of Year	<u><u>\$ 3,153,231</u></u>	<u><u>\$ 549,727</u></u>	<u><u>\$ 3,702,958</u></u>

See accompanying notes to basic financial statements.



CITY OF CASTROVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS			\$ 779,155
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 reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.			
		(15,637)	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
		3,560	
The issuance of long-term debt (e.g. bonds, leases,) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal Repayments on Bonds	128,900		
Amortization of Deferred Charges & Premiums	<u>2,210</u>	131,110	
Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that the contributions exceeded the actuarially determined pension expense.			
		24,196	
Governmental funds report required contributions to other post-employment benefits as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that the actuarially determined OPEB expense exceeded contributions.			
		(10,746)	
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in Compensated Absences	(13,828)		
Change in Accrued Interest	<u>645</u>	<u>(13,183)</u>	
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES			<u>\$ 898,455</u>

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2020

	ENTERPRISE FUNDS		
	Major Fund	Major Fund	Totals
	Utility Fund	Airport Fund	
ASSETS			
<i>Current Assets:</i>			
Cash and Investments	\$ 5,470,066	\$ 292,608	\$ 5,762,674
Receivables (net of allowance)	806,539	10,095	816,634
Due from Other Funds	121,371	48,973	170,344
Inventory	170,839	16,635	187,474
<i>Total Current Assets</i>	<u>6,568,815</u>	<u>368,311</u>	<u>6,937,126</u>
<i>Restricted Assets:</i>			
Cash and Cash Equivalents	1,616,690	-	1,616,690
Investments Held in Escrow	1,850,599	-	1,850,599
<i>Total Restricted Assets</i>	<u>3,467,289</u>	<u>-</u>	<u>3,467,289</u>
<i>Non-Current Assets:</i>			
Capital Assets, Net of Accumulated			
Depreciation	18,943,947	7,858,670	26,802,617
<i>Total Non-Current Assets</i>	<u>18,943,947</u>	<u>7,858,670</u>	<u>26,802,617</u>
TOTAL ASSETS	<u>28,980,051</u>	<u>8,226,981</u>	<u>37,207,032</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	5,235	5,235
Deferred Pension Related Outflows	53,383	7,543	60,926
Deferred OPEB Related Outflows	7,766	917	8,683
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 61,149</u>	<u>\$ 13,695</u>	<u>\$ 74,844</u>

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONTINUED)
SEPTEMBER 30, 2020

	ENTERPRISE FUNDS		
	Major Fund	Major Fund	
	Utility	Airport	
	Fund	Fund	Totals
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 834,639	\$ 2,386	\$ 837,025
Accrued Expenses	34,758	3,617	38,375
Due to Other Funds	11,612	37,143	48,755
Accrued Interest Payable	29,173	718	29,891
Current Portion of Long Term Debt	840,000	49,229	889,229
<i>Total Current Liabilities</i>	<u>1,750,182</u>	<u>93,093</u>	<u>1,843,275</u>
<i>Liabilities Payable from Restricted Assets:</i>			
Customer Deposits	<u>196,592</u>	<u>-</u>	<u>196,592</u>
<i>Non-Current Liabilities:</i>			
Compensated Absences	35,067	3,638	38,705
Net Pension Liability	78,713	14,185	92,898
Total OPEB Liability	55,094	8,274	63,368
Long-Term Debt	13,885,000	122,461	14,007,461
<i>Total Non-Current Liabilities</i>	<u>14,053,874</u>	<u>148,558</u>	<u>14,202,432</u>
TOTAL LIABILITIES	<u>16,000,648</u>	<u>241,651</u>	<u>16,242,299</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Inflows	65,481	8,633	74,114
Deferred OPEB Related Inflows	<u>511</u>	<u>82</u>	<u>593</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>65,992</u>	<u>8,715</u>	<u>74,707</u>
NET POSITION			
Net Investment in Capital Assets	7,301,490	7,692,215	14,993,705
Restricted	1,406,849	-	1,406,849
Unrestricted	4,266,221	298,095	4,564,316
TOTAL NET POSITION	<u>\$ 12,974,560</u>	<u>\$ 7,990,310</u>	<u>\$ 20,964,870</u>

See accompanying notes to basic financial statements.

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

	ENTERPRISE FUNDS		
	Major Fund	Major Fund	
	Utility	Airport	
	Fund	Fund	Totals
OPERATING REVENUES			
Charges for Services	\$ 7,359,773	\$ 511,242	\$ 7,871,015
Fines and Forfeitures	72,230	4,323	76,553
Operating Grants	-	50,000	50,000
Miscellaneous Revenues	9,001	15,096	24,097
TOTAL OPERATING REVENUES	7,441,004	580,661	8,021,665
OPERATING EXPENSES			
Personnel Services	1,074,782	124,279	1,199,061
Supplies	98,521	2,637	101,158
Other Services and Charges	1,295,793	498,362	1,794,155
Electric Purchases	1,772,126	-	1,772,126
Gas Purchases	118,287	-	118,287
Sanitation Services	468,274	-	468,274
Depreciation and Amortization	264,153	241,868	506,021
TOTAL OPERATING EXPENSES	5,091,936	867,146	5,959,082
OPERATING INCOME (LOSS)	2,349,068	(286,485)	2,062,583
NONOPERATING REVENUES (EXPENSES)			
Interest Income	68,902	2,401	71,303
Interest and Fiscal Charges	(176,698)	(4,841)	(181,539)
TOTAL NONOPERATING REVENUES (EXPENSES)	(107,796)	(2,440)	(110,236)
Net Income (Loss) Before Transfers	2,241,272	(288,925)	1,952,347
Transfers In	-	36,338	36,338
Transfers Out	(873,780)	(6,000)	(879,780)
	(873,780)	30,338	(843,442)
CHANGE IN NET POSITION	1,367,492	(258,587)	1,108,905
NET POSITION AT BEGINNING OF YEAR	11,607,068	8,248,897	19,855,965
NET POSITION AT END OF YEAR	\$ 12,974,560	\$ 7,990,310	\$ 20,964,870

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	ENTERPRISE FUNDS		
	Major Fund	Major Fund	
	Utility	Airport	
	Fund	Fund	Totals
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 7,512,124	\$ 591,883	\$ 8,104,007
Cash Paid to Employee Wages & Benefits	(1,080,354)	(99,641)	(1,179,995)
Cash Paid to Suppliers for Goods and Services	(3,771,012)	(494,214)	(4,265,226)
Net Cash Provided (Used) by Operating Activities	<u>2,660,758</u>	<u>(1,972)</u>	<u>2,658,786</u>
Cash Flows From Noncapital Financing Activities:			
Interfund Payables	30,198	(27,568)	2,630
Transfer (to) from Other Funds	(873,780)	30,338	(843,442)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(843,582)</u>	<u>2,770</u>	<u>(840,812)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(465,344)	-	(465,344)
Retirement of Long-Term Debt	(840,000)	(71,525)	(911,525)
Interest and Fiscal Charges Paid	(176,980)	(5,115)	(182,095)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,482,324)</u>	<u>(76,640)</u>	<u>(1,558,964)</u>
Cash Flows From Investing Activities:			
Investment Interest Received	68,902	2,401	71,303
Net Cash Provided (Used) by Investing Activities	<u>68,902</u>	<u>2,401</u>	<u>71,303</u>
Net Increase (Decrease) in Cash and Cash Equivalents	403,754	(73,441)	330,313
Cash and Investments at Beginning of Year:			
Cash and Investments	5,026,945	366,049	5,392,994
Restricted Cash and Investments	3,506,656	-	3,506,656
	<u>8,533,601</u>	<u>366,049</u>	<u>8,899,650</u>
Cash and Investments at End of Year:			
Cash and Investments	5,470,066	292,608	5,762,674
Restricted Cash and Investments	3,467,289	-	3,467,289
	<u>\$ 8,937,355</u>	<u>\$ 292,608</u>	<u>\$ 9,229,963</u>

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	ENTERPRISE FUNDS		
	Major Fund	Major Fund	Totals
	Utility Fund	Airport Fund	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 2,349,068	\$ (286,485)	\$ 2,062,583
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	264,153	241,868	506,021
(Increase) Decrease in Operating Assets:			
Accounts Receivable	57,751	11,222	68,973
Inventory	(49,876)	13,519	(36,357)
Increase (Decrease) in Current Liabilities:			
Accounts Payable	31,865	(6,734)	25,131
Accrued Expenses	17,233	1,438	18,671
Customer Deposits	13,369	-	13,369
Compensated Absences	10,969	486	11,455
Net Pension Liability and Related Deferred Inflows and Outflows	(34,666)	15,275	(19,391)
Total OPEB Liability and Related Deferred Inflows and Outflows	892	7,439	8,331
Total Adjustments to Reconcile Operating Activities	311,690	284,513	596,203
Net Cash Provided (Used) by Operating Activities	\$ 2,660,758	\$ (1,972)	\$ 2,658,786

See accompanying notes to basic financial statements.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Castroville, Texas ("City"), was incorporated in 1948. The City operates under a general law, Mayor-Council type of government, and provides the following services: public safety (law enforcement), public transportation (streets), culture, recreation, water, sewer, electricity, natural gas, sanitation, airport hangar leases and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

In evaluating how to define the City for financial reporting purposes, 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 GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the City has no component units.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. This measurement focus is also used for 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. Revenue types which have been accrued consist of revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. 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. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

Governmental fund level financial statements are reported using 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 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 revenue to be available if collected within 60 days of the end of the current fiscal period.

Property taxes, franchise taxes, sales tax, occupancy tax, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property and sales taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public transportation, culture and recreation, capital acquisition, and debt service.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Nonmajor funds include special revenue funds, debt service fund, and capital improvement fund.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows.

Proprietary Funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. 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 City reports the following major proprietary funds:

The Utility Fund accounts for the activities of the City's water, sewer, gas and electric operations.

The Airport Fund accounts for the activities of the City's airport operations.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d).

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. INVESTMENTS (Continued)

Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, government investment pools, and certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

The City reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2019 and past due after January 31, 2020. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Revenues for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are billable services for certain contracts and billable services for the City's water utilities, sewer services, and solid waste management. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts. The allowances for uncollectible property taxes and utility customer accounts as of September 30, 2020 are \$15,678 and \$35,381, respectively.

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds represented long term interfund receivables/payables that had an agreement for the repayment of funds.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. INVENTORY

Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenses in the proprietary fund types when used.

9. RESTRICTED ASSETS

Certain resources are set aside for customer meter deposits. Deposits are classified as restricted assets on the balance sheet because they may be refunded at a point in time if the customer is in good standing with the water/sewer department.

Part of the agreement for bond proceeds from the Texas Water Development Board required reserve funds to be kept in a restricted bank account to serve as collateral. These funds are shown as Investments Held in Escrow under the section of Restricted Assets on the Statement of Net Position.

10. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sewer, sidewalks, curbs and bridges. Capital assets are recorded at historical costs 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. Interest has not been capitalized during the construction period on property plant and equipment.

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

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	7 to 50 years
Machinery and Equipment	5 to 35 years
Infrastructure	5 to 50 years

11. DEFERRED INFLOWS AND OUTFLOWS 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and other post-employment benefit related deferred outflows of resources.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (Continued)

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under the modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resource in the period the amounts become available. The City also has pension-related deferred inflows.

12. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue. The City's collection of future hanger lease payments would also be shown as Unearned Revenue.

13. COMPENSATED ABSENCES

Employees earn vacation leave at varying rates depending on length of service: 10 days leave for each year from year 1 through 5 (not available for use until first six months of service is completed), an additional 7 days for each year from year 6 through 9, and an additional 3 days for each year from year 10 through 14, and an additional 5 days per year for each year of service thereafter up to a maximum of 20 days per year. Annual leave exceeding 40 days will not be carried over, except with City Administrator approval.

Employees earn sick leave at the rate of 3.69 hours per pay period starting ninety days after the date of employment. No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave. Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

14. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are amortized over the life of the bond.

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.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. PENSIONS

The net pension (asset) liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

17. FUND EQUITY

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted – Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed – Represents amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision making authority. The governing council is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council is the only entity that may make assignments at this time as the Council has not designated any other individuals with the authority to make assignments.

Unassigned – Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second, and assigned third.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

19. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

20. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water and sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

21. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- 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 pledge securities in an amount sufficient to protect 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 bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Deposits

At September 30, 2020, the carrying amount of the City's cash on hand was \$1,420, the carrying amount of deposits in bank was \$11,134,343, and the bank balance was \$11,215,166. The bank balance was covered by federal deposit insurance at Castroville State Bank for \$250,000 as well as the City's depository had pledged securities having a face value of \$13,200,000 and market value of \$11,910,625 as collateral for the City's deposits. All of the City's cash was fully collateralized.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. The Act requires that the Council review the investment policy at least annually, investment officers obtain minimum investment training, and investment officers sign quarterly investment reports submitted to Council. Audit procedures in this area, conducted as part of the basic financial statements, disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act in all material respects. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investment policy further prioritizes investments as: (1) safety, (2) liquidity, (3) public trust, and (4) yield.

	Fair Value	Weighted Average Maturity (Days)
Held in Escrow:		
Invesco Govt and Agency Investment Fund	\$ 1,850,599	34
Total Investments	<u>\$ 1,850,599</u>	<u>34</u>

All investments are valued using prices quoted in active markets (Level 1 inputs).

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other 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. At year end, the City was not significantly exposed to credit risk.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

3. Analysis of Specific Deposit and Investment Risks (Continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City had exposure to concentration of credit risk as \$2,091,658 was held at a single financial institution as this represents the amounts held in escrow by the Texas Water Development Board in the City's name.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

4. 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 nonparticipating 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 fair 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 "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

5. Held in Escrow

The amount of funds approved by the Texas Water Development Board but not yet drawn down by the City is held in escrow by the Texas Water Development Board in the City's name. The amount held in escrow as of September 30, 2020 was \$1,850,599.

NOTE C -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Medina County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2019, upon which the fiscal 2020 levy was based, was \$209,392,632 (i.e., market value less exemptions). The estimated market value was \$280,701,411, making the taxable value 74.6% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2020, was \$0.507771 per \$100 of assessed value, which means that the City has a tax margin of \$1.992229 for each \$100 value and could increase its annual tax levy by approximately \$4,171,581 based upon the present assessed valuation before the limit is reached. However, the City may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

NOTE D -- OTHER RECEIVABLES

Other receivables for the City as of September 30, 2020 are as follows:

	General Fund	Nonmajor Governmental Funds	Utility Fund	Airport Fund
Franchise Fees	\$ 4,567	\$ -	\$ -	\$ -
Occupancy Tax	-	16,779	-	-
Customer Receivables, Net of Allowance for Uncollectibles	-	-	806,539	10,095
Total Other Receivables	<u>\$ 4,567</u>	<u>\$ 16,779</u>	<u>\$ 806,539</u>	<u>\$ 10,095</u>

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE E -- INTERFUND RECEIVABLE/PAYABLE AND TRANSFERS

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, and service debt. As of September 30, 2020, the following balances were due between funds:

Receivable Fund	Payable Fund	Amount	Reason
General Fund	Nonmajor Governmental Fund	\$ 46,791	Reimbursement for Costs
Utility Fund	General Fund	84,228	Reimbursement for Costs
Utility Fund	Airport Fund	37,143	Reimbursement for Costs
Airport Fund	General Fund	48,973	Reimbursement for Costs
Nonmajor Governmental Fund	General Fund	90	Reimbursement for Costs
Nonmajor Governmental Fund	Utility Fund	11,612	Reimbursement for Costs
		<u>\$ 228,837</u>	

Transfers during the year ended September 30, 2020, were as follows:

Transfer In	Transfers Out	Amount	Purpose
General Fund	Utility Fund	\$ 847,747	In support of admin costs
General Fund	Airport Fund	6,000	Supplement Funding
Nonmajor Governmental Fund	General Fund	21,223	Supplement Funding
Nonmajor Governmental Fund	Nonmajor Governmental Fund	91,153	In support of debt service
Nonmajor Governmental Fund	Utility Fund	26,033	In support of debt service
Airport Fund	Nonmajor Governmental Fund	36,338	In support of debt service
		<u>\$ 1,028,494</u>	

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE F -- CAPITAL ASSETS

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

<i>Governmental Activities</i>	Balance 10/1/2019	Additions/ Transfer In	Disposals/ Transfer Out	Balance 9/30/2020
Land	\$ 105,330	\$ -	\$ -	\$ 105,330
Buildings and Improvements	600,670	-	-	600,670
Vehicles and Equipment	1,107,590	129,144	-	1,236,734
Infrastructure	1,814,385	-	-	1,814,385
	<u>3,627,975</u>	<u>129,144</u>	<u>-</u>	<u>3,757,119</u>
Less Accumulated Depreciation				
Buildings and Improvements	(310,411)	(21,549)	-	(331,960)
Vehicles and Equipment	(886,913)	(89,137)	-	(976,050)
Infrastructure	(594,090)	(34,095)	-	(628,185)
	<u>(1,791,414)</u>	<u>(144,781)</u>	<u>-</u>	<u>(1,936,195)</u>
Governmental Capital Assets, Net	<u>\$ 1,836,561</u>	<u>\$ (15,637)</u>	<u>\$ -</u>	<u>\$ 1,820,924</u>
<i>Business-Type Activities</i>	Balance 10/1/2019	Additions/ Transfer In	Disposals/ Transfer Out	Balance 9/30/2020
Land	\$ 2,297,441	\$ -	\$ -	\$ 2,297,441
Construction in Progress	13,031,951	79,481	(10,689,373)	2,422,059
Water Rights	176,126	-	-	176,126
Buildings and Improvements	6,509,311	32,800	-	6,542,111
Vehicles and Equipment	1,795,788	353,063	(75,560)	2,073,291
Infrastructure	11,829,608	-	10,689,373	22,518,981
	<u>35,640,225</u>	<u>465,344</u>	<u>(75,560)</u>	<u>36,030,009</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,999,897)	(133,330)	-	(2,133,227)
Vehicles and Equipment	(1,082,311)	(115,685)	75,560	(1,122,436)
Infrastructure	(5,714,723)	(257,006)	-	(5,971,729)
	<u>(8,796,931)</u>	<u>(506,021)</u>	<u>75,560</u>	<u>(9,227,392)</u>
Business-Type Capital Assets, Net	<u>\$ 26,843,294</u>	<u>\$ (40,677)</u>	<u>\$ -</u>	<u>\$ 26,802,617</u>

Land, Construction in Progress, and Water Rights are not depreciated.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE F -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the functions as follows:

Governmental Activities:

General Administration	\$ 13,893
Public Safety	47,491
Public Transportation	67,830
Culture and Recreation	15,567
Total Depreciation Expense - Governmental Activities	<u>\$ 144,781</u>

Business-Type Activities:

Utility	\$ 264,153
Airport	241,868
Total Depreciation Expense - Business-Type Activities	<u>\$ 506,021</u>

NOTE G -- LONG-TERM DEBT

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business-type activities. These instruments include general obligation bonds, certificates of obligation, tax notes, and capital leases. These debt obligations are secured by either future property tax revenue or future revenue from charges for services.

Public Borrowings

A summary of the general obligation debt is as follows:

Issue Amount	Maturity	Interest Rate	Balance
General Obligation Refunding Bonds:			
2012 Series	\$ 2,020,000	2026	2.0 - 3.0%
			<u>\$ 740,000</u>

The City issued General Obligation Refunding Bonds, Series 2012 on October 30, 2012 in the amount of \$2,020,000 to advance refund 1) General Obligation Refunding Bonds, Series 2004 in the amount of \$200,000; 2) Certificates of Obligation, Series 2003 in the amount of \$960,000; and 3) Certificates of Obligation, Series 2004 in the amount of \$860,000.

Private Placement Note Agreements

The City entered into a loan agreement with the Texas Department of Transportation in January 2004 to borrow the sum of \$278,748 for the construction of aviation T-hangers at the airport. The loan is due and payable with 15 annual payments of \$23,350, which include interest at 3%. The final maturity of the loan is May 15, 2020.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE G -- LONG-TERM DEBT (Continued)

In 2012, the City received a note through the Texas Water Development Board for \$725,000 to fund improvements to the City's water and waste water lines. Interest rates vary from .05% - 1.22% and .08% - 1.52%, respectively. In 2015, the City received an additional federal award of a note through the Texas Water Development Board to fund improvements to the City's water and waste water lines in the amount of \$15,600,000 as well as additional funding of \$1,500,000 in 2017. Interest rates vary from 0% - 1.8%. The bonds were privately placed with the Texas Water Development Board and contain no subjective acceleration clauses, events of default with finance-related consequences or termination events with finance-related consequences.

The City issued tax notes in October 2016 for \$935,000 for purchase of land and water rights. The notes are due and payable over seven years. Interest rates vary from 0.85% - 1.4%. The notes were privately placed with a bank and contain no subjective acceleration clauses, events of default with finance-related consequences or termination events with finance-related consequences.

Changes in Long-Term Debt

	Balance 10/01/19	Additions	Reductions	Balance 9/30/2020	Due Within One Year
<i>Governmental Activities:</i>					
2012 Refunding Bonds	\$ 725,200	\$ -	\$ (128,900)	\$ 596,300	\$ 128,900
2012 Premium on Bonds	40,090	-	(5,727)	34,363	5,727
<i>Total Governmental Activities</i>	<u>765,290</u>	<u>-</u>	<u>(134,627)</u>	<u>630,663</u>	<u>134,627</u>
<i>Business-Type Activities:</i>					
2012 Refunding Bonds	174,800	-	(31,100)	143,700	31,100
2012 Premium on Bonds	9,949	-	(1,421)	8,528	1,421
TXDOT Note	22,673	-	(22,673)	-	-
Capital Lease - Jet Refueler	35,793	-	(16,331)	19,462	16,708
TWDB - DWSRF	140,000	-	(35,000)	105,000	35,000
TWDB - DWSRF - Construction	2,925,000	-	(170,000)	2,755,000	170,000
TWDB - CWSRF	160,000	-	(40,000)	120,000	40,000
TWDB - CWSRF - Construction	2,460,000	-	(145,000)	2,315,000	145,000
Series 2015 Revenue Bonds	7,930,000	-	(270,000)	7,660,000	270,000
TWDB - CWSRF - Additional	1,405,000	-	(45,000)	1,360,000	45,000
Series 2016 Tax Notes	545,000	-	(135,000)	410,000	135,000
<i>Total Business-Type Activities</i>	<u>15,808,215</u>	<u>-</u>	<u>(911,525)</u>	<u>14,896,690</u>	<u>889,229</u>
 Total Primary Government	 <u>\$ 16,573,505</u>	 <u>\$ -</u>	 <u>\$ (1,046,152)</u>	 <u>\$ 15,527,353</u>	 <u>\$ 1,023,856</u>

The total deferred charges remaining on the refunding is \$26,333 as of September 30, 2020 and is shown on the Statement of Net Position as a deferred outflow of resources.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE G -- LONG-TERM DEBT (Continued)

Annual requirements to amortize all bonded debt outstanding as of September 30, 2020 are as follows:

Year Ending September 30,	Public Offerings			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 128,900	\$ 17,893	\$ 31,100	\$ 4,307
2022	132,900	14,024	32,100	3,376
2023	137,000	10,035	33,000	2,415
2024	64,500	5,924	15,500	1,426
2025	68,500	3,990	16,500	960
2026	64,500	1,934	15,500	466
	<u>\$ 596,300</u>	<u>\$ 53,800</u>	<u>\$ 143,700</u>	<u>\$ 12,950</u>

Year Ending September 30,	Private Placement - Business-Type Activities			
	Notes Payable		TWDB Agreements	
	Principal	Interest	Principal	Interest
2021	\$ 135,000	\$ 5,470	\$ 705,000	\$ 169,203
2022	135,000	3,783	705,000	167,934
2023	140,000	980	720,000	165,352
2024	-	-	645,000	161,790
2025	-	-	645,000	157,878
2026 - 2030	-	-	3,315,000	701,781
2031 - 2035	-	-	3,545,000	487,819
2036 - 2040	-	-	1,885,000	270,241
2041 - 2045	-	-	2,030,000	112,367
2046 - 2047	-	-	120,000	2,550
	<u>\$ 410,000</u>	<u>\$ 10,233</u>	<u>\$ 14,315,000</u>	<u>\$ 2,396,915</u>

The City leased a used fuel truck in October 2016. The lease has an effective interest rate of 2.29% and a bargain purchase option of \$1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2021	\$ 18,361
2022	1,412
	<u>19,773</u>
Less: Interest Amount	<u>(311)</u>
	<u>\$ 19,462</u>

The following is an analysis of the equipment under capital lease as of September 30, 2020:

Transportation & Equipment	\$ 80,000
Less: Accumulated Depreciation	<u>(62,667)</u>
Net Leased Property	<u>\$ 17,333</u>

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

The City participates, as one of 888 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 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 the TMRS retirement system.

2. Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

	2018	2019
Inactive employees or beneficiaries currently receiving benefits	36	36
Inactive employees entitled to but not yet receiving benefits	64	69
Active employees	42	41
	<u>142</u>	<u>146</u>

3. 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 CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

3. Contributions (Continued)

For the year ending September 30, 2020, employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.06% and 8.75% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$192,144, and were greater to the required contributions by \$5,287.

4. Net Pension Liability

The City's Net Pension Liability (NPL) or Asset 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.

5. Actuarial Assumptions

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

Inflation	2.50% per year
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return*	6.75%

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding the expected inflation.

In determining their best estimated of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	<u>100.00%</u>	

6. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

7. Discount Rate Sensitivity Analysis

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:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 1,135,361	\$ 294,192	\$ (385,025)

8. 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 at www.tmrs.com.

9. Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2019:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2018	\$ 5,698,500	\$ 4,994,061	\$ 704,439
Changes for the year:			
Service Cost	218,311	-	218,311
Interest	382,332	-	382,332
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(6,066)	-	(6,066)
Changes of Assumptions	13,239	-	13,239
Contributions - Employer	-	161,592	(161,592)
Contributions - Employee	-	89,179	(89,179)
Net Investment Income	-	771,784	(771,784)
Benefit Payments, Including Refunds of Employee Contributions	(286,952)	(286,952)	-
Administrative Expense	-	(4,363)	4,363
Other Changes	-	(129)	129
Net Changes	320,864	731,111	(410,247)
Balance at December 31, 2019	\$ 6,019,364	\$ 5,725,172	\$ 294,192

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2020, the City recognized a pension expense of \$148,558. Also, as of 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
Differences between Expected and Actual Economic Experience	\$ -	\$ 4,950
Changes in Actuarial Assumptions	6,717	-
Differences between Projected and Actual Investment Earnings	-	174,092
Contributions Subsequent to the Measurement Date	149,705	-
	<u>\$ 156,422</u>	<u>\$ 179,042</u>

Deferred outflows of resources in the amount of \$149,705 is 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 plan year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year ended December 31,	
2020	\$ (49,409)
2021	(50,931)
2022	14,952
2023	(86,937)
	<u>\$ (172,325)</u>

NOTE I -- OTHER POST EMPLOYMENT BENEFIT (OPEB)

The City also participates in the cost sharing, multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) and 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 annual 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. Membership in the plan at December 31, 2019, the valuation and measurement date, consisted of:

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE I -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

Inactive Employees or Beneficiaries Currently Receiving Benefits	24
Inactive Employees Entitled to but Not Yet Receiving Benefits	11
Active Employees	41
	<u>76</u>

The SDBF required contribution rates, based on these assumptions, are as follows:

<u>For the Calendar Year Ended December 31,</u>	<u>Total SBDF Contribution Rate</u>	<u>Retiree Portion of SDBF Contribution Rate</u>
2018	0.32%	0.11%
2019	0.31%	0.08%
2020	0.30%	0.10%

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.

These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.75% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE I -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's Total OPEB Liability (TOL), based on the actuarial factors, as of December 31, 2019 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2018	<u>\$ 141,794</u>
Changes for the year:	
Service Cost	8,561
Interest	5,393
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(9,208)
Changes of Assumptions or Other Inputs	26,488
Benefit Payments	<u>(1,427)</u>
Net Changes	<u>29,807</u>
Balance at December 31, 2019	<u><u>\$ 171,601</u></u>

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 2.75% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) and 1-percentage point higher (3.75%) than the current rate:

	Discount Rate 1.75%	Discount Rate 2.75%	Discount Rate 3.75%
Total OPEB Liability	<u>\$ 206,937</u>	<u>\$ 171,601</u>	<u>\$ 144,792</u>

For the year ended September 30, 2020, the City recognized OPEB expense of \$20,815. Also as of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 1,704
Changes in Actuarial Assumptions	17,309	-
Contributions Subsequent to the Measurement Date	1,711	-
	<u>\$ 19,020</u>	<u>\$ 1,704</u>

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE I -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

Deferred outflows of resources in the amount of \$1,711 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year Ended December 31,

2020	\$	6,861
2021		4,985
2022		3,759
	<u>\$</u>	<u>15,605</u>

NOTE J -- FUND BALANCE

The City reported fund balance designations at September 30, 2020 as follows:

Fund Balance Designation	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:			
Debt Service	\$ -	\$ 80,456	\$ 80,456
Tourism	-	103,561	103,561
Library	-	1,987	1,987
Police Training and Operations	-	7,930	7,930
Court Security & Technology	-	52,875	52,875
Total Restricted Fund Balance	-	246,809	246,809
Committed for:			
Drainage Projects	-	288,241	288,241
Facilities Maintenance	-	14,677	14,677
Total Committed Fund Balance	-	302,918	302,918
Unassigned	3,152,476	-	3,152,476
Total Fund Balance	<u>\$ 3,152,476</u>	<u>\$ 549,727</u>	<u>\$ 3,702,203</u>

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE K -- RESTRICTED NET POSITION

The City reported restricted net position at September 30, 2020 as follows:

Net Position Restricted for:	Governmental Activities	Business-type Activities	Total Restricted Net Position
Debt Service	\$ 78,269	\$ -	\$ 78,269
Tourism	103,561	-	103,561
Library	1,987	-	1,987
Police Training and Operations	7,930	-	7,930
Court Security	52,875	-	52,875
Water Acquisition	-	570,081	570,081
Capital Improvements - Impact Fees	-	836,768	836,768
			-
Total Restricted Net Position	<u>\$ 244,622</u>	<u>\$ 1,406,849</u>	<u>\$ 1,651,471</u>

NOTE L -- COMMITMENTS AND CONTINGENCIES

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

Construction Commitments

The City has entered into construction and engineering contracts for the following projects. Estimated future commitments associated with these contracts as of September 30, 2020 are as follows:

Commitment	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
Engineering Fees	\$ 248,755	\$ 216,506	\$ 32,249
Testing & Inspection Fees	364,000	328,574	35,426
Eastside Liftstation	1,918,946	1,899,918	19,028
	<u>\$ 2,531,701</u>	<u>\$ 2,444,998</u>	<u>\$ 86,703</u>

Utility Capital Projects

During the year ended September 30, 2013 and 2016, the Texas Water Development Board (TWDB) awarded the City financial assistance in the amount of \$375,000 and \$3,050,000, respectively, from the Clean Water State Revolving Fund (CWSRF), for improvements to the East Side Sanitary Lift Station. Both loans were identified as TWDB Project No. 73646. As of September 30, 2020, the City had \$103,600 and \$911,710, respectively, of remaining funds available with future commitments of \$94,996.

CITY OF CASTROVILLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

NOTE L -- COMMITMENTS AND CONTINGENCIES (Continued)

During the year ended September 30, 2013 and 2016, the Texas Water Development Board (TWDB) awarded the City financial assistance in the amount of \$350,000 and \$3,500,000, respectively, from the Drinking Water State Revolving Fund (DWSRF), for improvements to the Water Line Replacement. Both loans were identified as TWDB Project No. 62534. As of September 30, 2020, the City had \$82,668 and \$1,025,161, respectively, of remaining funds available.

During the year ended September 30, 2016 and 2017, the Texas Water Development Board (TWDB) awarded the City financial assistance in the amount of \$9,050,000 and \$1,500,000, respectively, from the Clean Water State Revolving Fund (CWSRF), for improvements and expansion of the Wastewater Treatment Plant. Both loans were identified as TWDB Project No. 73707. As of September 30, 2020, the City had \$411,148 and \$533,941, respectively, of remaining funds available with future commitments of \$478,523.

Chapter 380 Economic Development Agreement

The purpose of the development agreement program is to provide loans and grants for the development and diversification of the economy and the elimination of unemployment in the City. The authority of the program is Chapter 380 of the Texas Local Government Code (Chapter 380) for the purposes of economic development to promote State and local economic development to stimulate business and commercial activity.

During the year ended September 30, 2020, the City approved an economic development agreement between the City and the Hwy 90 Castroville Partners, LTD. The agreement allows the City to reimburse the Developer in the form of ad valorem tax grants an amount not to exceed \$23,596,331 upon the Developer's performing certain obligations as defined in the agreement. The ad valorem tax grants represent 100% of city ad valorem property taxes levied for purposes other than payment of debt service and up to 100% of city sales and hotel occupancy taxes as imposed and collected within a proposed development. As the agreement was signed on September 24, 2019 and there have been no taxes paid yet, the City has made no payments during the previous and current fiscal year.

NOTE M -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts for losses up to \$3,000,000. Annual contributions for the year ended September 30, 2020 were \$122,081 for property and casualty and workers compensation coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability and Related Ratios
- Notes to Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Changes – Total OPEB Liability and Related Ratios
- Notes to Schedule of Changes – Total OPEB Liability and Related Ratios

CITY OF CASTROVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budget Amounts		Actual	Variance	
	Original	Final	Amounts	Favorable (Unfavorable)	2019
REVENUES					
Ad Valorem Taxes	\$ 984,511	\$ 984,511	\$ 1,121,765	\$ 137,254	\$ 1,031,070
Sales Taxes	1,074,830	1,074,830	1,270,493	195,663	1,109,577
Franchise Fees	24,100	24,100	37,136	13,036	34,276
Other Taxes	5,033	5,033	4,873	(160)	5,274
Licenses and Permits	135,000	135,000	95,840	(39,160)	152,059
Charges for Services	212,500	212,500	132,709	(79,791)	215,302
Fines and Forfeitures	245,787	245,787	186,758	(59,029)	249,588
Intergovernmental Revenue	-	-	38,269	38,269	3,503
Interest Income	10,000	10,000	23,132	13,132	18,287
Miscellaneous	34,051	34,051	21,512	(12,539)	44,168
TOTAL REVENUES	2,725,812	2,725,812	2,932,487	206,675	2,863,104
EXPENDITURES					
<i>Current:</i>					
General Administration					
City Administration	331,641	331,641	217,969	113,672	251,127
Finance	321,210	321,210	300,201	21,009	313,497
City Council	50,306	50,306	37,609	12,697	28,383
City Secretary	136,240	136,240	122,697	13,543	119,108
Information Technology	163,081	163,081	99,736	63,345	67,188
Human Resources	11,850	11,850	10,485	1,365	58,624
Non-Departmental	30,000	30,000	36,854	(6,854)	23,282
Public Safety					
Animal Control	71,823	71,823	62,149	9,674	52,004
Community Development	231,500	231,500	175,376	56,124	128,063
Municipal Court	113,738	113,738	98,308	15,430	95,779
Police Department	822,589	822,589	822,857	(268)	812,521
Public Transportation					
Streets	579,072	579,072	371,539	207,533	327,551
Culture and Recreation					
Library	164,628	165,128	165,128	-	194,314
Parks	299,981	299,981	256,562	43,419	269,583
RV Park	29,250	29,250	34,666	(5,416)	7,143
Pool	137,620	137,620	77,533	60,087	132,443
<i>Capital Outlay</i>	254,900	254,900	146,923	107,977	171,742
TOTAL EXPENDITURES	3,749,429	3,749,929	3,036,592	713,337	3,052,352
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (1,023,617)	\$ (1,024,117)	\$ (104,105)	\$ 920,012	\$ (189,248)

CITY OF CASTROVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budget Amounts		Actual	Variance	
	Original	Final	Amounts	Favorable (Unfavorable)	2019
OTHER FINANCING					
SOURCES (USES)					
Transfers In	\$ 873,347	\$ 873,347	\$ 853,747	\$ (19,600)	\$ 853,747
Transfers Out	(25,000)	(25,000)	(21,223)	3,777	(21,223)
Proceeds from Sale of Assets	2,000	2,000	-	(2,000)	-
TOTAL OTHER FINANCING					
SOURCES (USES)	850,347	850,347	832,524	(17,823)	832,524
Net Change in Fund Balance	(173,270)	(173,770)	728,419	902,189	643,276
Fund Balance - Beginning of Year	2,424,812	2,424,812	2,424,812	-	1,781,536
Fund Balance - End of Year	<u>\$ 2,251,542</u>	<u>\$ 2,251,042</u>	<u>\$ 3,153,231</u>	<u>\$ 902,189</u>	<u>\$ 2,424,812</u>

CITY OF CASTROVILLE
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
SEPTEMBER 30, 2020

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Debt Service Funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

CITY OF CASTROVILLE
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX CALENDAR YEARS

	Total Pension Liability					
	2014	2015	2016	2017	2018	2019
Service Cost	\$ 162,880	\$ 193,289	\$ 222,617	\$ 226,467	\$ 226,730	\$ 218,311
Interest (on the Total Pension Liability)	314,941	330,968	334,854	355,826	365,524	382,332
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(47,315)	(112,683)	29,527	(117,537)	(30,664)	(6,066)
Changes of Assumptions	-	52,240	-	-	-	13,239
Benefit Payments, Including Refunds of Employee Contributions	(185,781)	(247,734)	(243,830)	(312,626)	(329,800)	(286,952)
Net Change in Total Pension Liability	244,725	216,080	343,168	152,130	231,790	320,864
Total Pension Liability - Beginning	4,510,607	4,755,332	4,971,412	5,314,580	5,466,710	5,698,500
Total Pension Liability - Ending	<u>\$ 4,755,332</u>	<u>\$ 4,971,412</u>	<u>\$ 5,314,580</u>	<u>\$ 5,466,710</u>	<u>\$ 5,698,500</u>	<u>\$ 6,019,364</u>
	Plan Fiduciary Net Position					
	2014	2015	2016	2017	2018	2019
Contributions - Employer	\$ 116,470	\$ 140,635	\$ 166,452	\$ 167,071	\$ 165,825	\$ 161,592
Contributions - Employee	73,753	80,739	91,865	91,097	89,830	89,179
Net Investment Income	235,951	6,437	293,031	643,319	(156,558)	771,784
Benefit Payments, Including Refunds of Employee Contributions	(185,781)	(247,734)	(243,830)	(312,626)	(329,800)	(286,952)
Administrative Expense	(2,464)	(3,920)	(3,311)	(3,335)	(3,027)	(4,363)
Other	(203)	(195)	(178)	(167)	(159)	(129)
Net Change in Plan Fiduciary Net Position	237,726	(24,038)	304,029	585,359	(233,889)	731,111
Plan Fiduciary Net Position - Beginning	4,124,874	4,362,600	4,338,562	4,642,591	5,227,950	4,994,061
Plan Fiduciary Net Position - Ending	<u>\$ 4,362,600</u>	<u>\$ 4,338,562</u>	<u>\$ 4,642,591</u>	<u>\$ 5,227,950</u>	<u>\$ 4,994,061</u>	<u>\$ 5,725,172</u>
Net Pension Liability - Ending	\$ 392,732	\$ 632,850	\$ 671,989	\$ 238,760	\$ 704,439	\$ 294,192
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.74%	87.27%	87.36%	95.63%	87.64%	95.11%
Covered Payroll	\$ 1,475,068	\$ 1,614,779	\$ 1,796,745	\$ 1,821,939	\$ 1,796,595	\$ 1,783,584
Net Pension Liability as a Percentage of Covered Payroll	26.62%	39.19%	37.40%	13.10%	39.21%	16.49%

Note: The schedule above reflects the changes in the net pension liability for the current year and the five previous plan years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10 year period beginning December 31, 2014 as data becomes available.

CITY OF CASTROVILLE
SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES
LAST SEVEN FISCAL YEARS

Schedule of Contributions:

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 115,497	\$ 139,842	\$ 156,977	\$ 168,611	\$ 166,662
Contribution in Relation to the Actuarially Determined Contribution	115,497	139,842	156,977	168,611	166,662
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,459,385	\$ 1,643,667	\$ 1,744,669	\$ 1,843,395	\$ 1,808,304
Contributions as a Percentage of Covered Payroll	7.91%	8.51%	9.00%	9.15%	9.22%

Schedule of Contributions:

	2019	2020
Actuarially Determined Contribution	\$ 155,635	\$ 186,857
Contribution in Relation to the Actuarially Determined Contribution	155,635	192,144
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (5,287)</u>
Covered Payroll	\$ 1,710,410	\$ 2,120,912
Contributions as a Percentage of Covered Payroll	9.10%	8.81%

Note: The schedule above reflects the TMRS contributions made by the City for the current year and the six previous fiscal years. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10 year period beginning September 30, 2014 as data becomes available.

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (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	26 Years
Asset Valuation Method	10 Year Smoothed Market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year

CITY OF CASTROVILLE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES – OTHER POST EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS
LAST THREE CALENDAR YEARS

	Total OPEB Liability		
	2017	2018	2019
Service Cost	\$ 8,563	\$ 9,342	\$ 8,561
Interest (on the Total OPEB Liability)	4,259	4,413	5,393
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	9,802	(9,208)
Changes of Assumptions	9,414	(9,423)	26,488
Benefit Payments, Including Refunds of Employee Contributions	(2,004)	(1,976)	(1,427)
Net Change in Total OPEB Liability	20,232	12,158	29,807
Total OPEB Liability - Beginning	109,404	129,636	141,794
Total OPEB Liability - Ending	<u>\$ 129,636</u>	<u>\$ 141,794</u>	<u>\$ 171,601</u>
Covered Payroll	\$ 1,821,939	\$ 1,796,595	\$ 1,783,584
Total OPEB Liability as a Percentage of Covered Payroll	7.12%	7.89%	9.62%

Note: The schedule above reflects the changes in the Total OPEB Liability for the current plan year and previous two plan years. GASB Statement No. 75 requires 10 fiscal years of data to be provided in this schedule. The City will build the schedule over the 10-year period beginning December 31, 2017 as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Methods and Assumptions Used to Determine Contribution Rate

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.75% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.



SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Balance Sheets – General Fund
- Statement of Revenues, Expenditures & Changes in Fund Balance – Budget and Actual – Debt Service Funds
- Combining Statements – Nonmajor Funds

CITY OF CASTROVILLE
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Investments	\$ 3,186,491	\$ 2,456,275
Receivables (net of allowances for uncollectibles):		
Property Taxes	11,190	7,741
Sales & Mixed Beverage Taxes	223,211	186,714
Other Receivables	4,567	4,024
Due from Other Funds	46,791	46,631
Inventory	<u>755</u>	<u>6,425</u>
TOTAL ASSETS	<u><u>\$ 3,473,005</u></u>	<u><u>\$ 2,707,810</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 96,219	\$ 91,186
Accrued Expenditures	79,074	49,656
Due to Other Funds	<u>133,291</u>	<u>134,415</u>
<i>Total Liabilities</i>	<u><u>308,584</u></u>	<u><u>275,257</u></u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue - Property Tax	<u>11,190</u>	<u>7,741</u>
<i>Total Deferred Inflows of Resources</i>	<u><u>11,190</u></u>	<u><u>7,741</u></u>
<i>Fund Balances:</i>		
Nonspendable:		
Inventory	755	6,425
Unassigned	<u>3,152,476</u>	<u>2,418,387</u>
<i>Total Fund Balances</i>	<u><u>3,153,231</u></u>	<u><u>2,424,812</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	<u><u>\$ 3,473,005</u></u>	<u><u>\$ 2,707,810</u></u>

CITY OF CASTROVILLE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR 2019)

	Budget Amounts		Actual	Variance	
	Original	Final	Amounts	Favorable (Unfavorable)	2019
REVENUES					
Ad Valorem Taxes	\$ 76,671	\$ 76,671	\$ 80,381	\$ 3,710	\$ 91,686
Interest Income	93	93	1,252	1,159	1,715
TOTAL REVENUES	<u>76,764</u>	<u>76,764</u>	<u>81,633</u>	<u>4,869</u>	<u>93,401</u>
EXPENDITURES					
<i>Current:</i>					
General Administration	-	-	274	(274)	-
<i>Debt Service:</i>					
Principal	155,000	155,000	128,900	26,100	157,000
Interest	24,550	24,550	22,362	2,188	25,105
TOTAL EXPENDITURES	<u>179,550</u>	<u>179,550</u>	<u>151,536</u>	<u>28,014</u>	<u>182,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(102,786)</u>	<u>(102,786)</u>	<u>(69,903)</u>	<u>32,883</u>	<u>(88,704)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	116,869	116,869	117,186	317	114,319
Transfers Out	-	-	(36,338)	(36,338)	(3,195)
TOTAL OTHER FINANCING SOURCES (USES)	<u>116,869</u>	<u>116,869</u>	<u>80,848</u>	<u>(36,021)</u>	<u>111,124</u>
Net Change in Fund Balance	14,083	14,083	10,945	(3,138)	22,420
Fund Balance - Beginning of Year	<u>69,511</u>	<u>69,511</u>	<u>69,511</u>	-	<u>47,091</u>
Fund Balance - End of Year	<u>\$ 83,594</u>	<u>\$ 83,594</u>	<u>\$ 80,456</u>	<u>\$ (3,138)</u>	<u>\$ 69,511</u>

CITY OF CASTROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE				
	Drainage Fund	Hotel Occupancy Fund	Alsatian House Fund	Biry House Fund	Library Memorial Fund
ASSETS					
Cash and Investments	\$ 276,666	\$ 88,638	\$ 10,337	\$ 4,515	\$ 1,987
Receivables (net of allowances for uncollectibles):					
Property Taxes	-	-	-	-	-
Other Receivables	-	16,779	-	-	-
Due from Other Funds	11,612	-	-	-	-
TOTAL ASSETS	<u>\$ 288,278</u>	<u>\$ 105,417</u>	<u>\$ 10,337</u>	<u>\$ 4,515</u>	<u>\$ 1,987</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	\$ 940	\$ -	\$ 175	\$ -
Accrued Expenditures	-	756	-	-	-
Due to Other Funds	37	160	-	-	-
<i>Total Liabilities</i>	<u>37</u>	<u>1,856</u>	<u>-</u>	<u>175</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>					
Unavailable Revenues	-	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>					
Restricted	-	103,561	-	-	1,987
Committed	288,241	-	10,337	4,340	-
<i>Total Fund Balances</i>	<u>288,241</u>	<u>103,561</u>	<u>10,337</u>	<u>4,340</u>	<u>1,987</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 288,278</u>	<u>\$ 105,417</u>	<u>\$ 10,337</u>	<u>\$ 4,515</u>	<u>\$ 1,987</u>

SPECIAL REVENUE					
DEA Forfeiture Fund	Police Dept. Training Fund	Court Security Fund	Court Technology Fund	Debt Service Funds	Total Non Major Funds
\$ 881	\$ 7,049	\$ 36,635	\$ 16,150	\$ 127,050	\$ 569,908
-	-	-	-	795	795
-	-	-	-	-	16,779
-	-	42	48	-	11,702
<u>\$ 881</u>	<u>\$ 7,049</u>	<u>\$ 36,677</u>	<u>\$ 16,198</u>	<u>\$ 127,845</u>	<u>\$ 599,184</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,115
-	-	-	-	-	756
-	-	-	-	46,594	46,791
-	-	-	-	46,594	48,662
-	-	-	-	795	795
-	-	-	-	795	795
881	7,049	36,677	16,198	80,456	246,809
-	-	-	-	-	302,918
<u>881</u>	<u>7,049</u>	<u>36,677</u>	<u>16,198</u>	<u>80,456</u>	<u>549,727</u>
<u>\$ 881</u>	<u>\$ 7,049</u>	<u>\$ 36,677</u>	<u>\$ 16,198</u>	<u>\$ 127,845</u>	<u>\$ 599,184</u>

CITY OF CASTROVILLE
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE				
	Drainage Fund	Hotel Occupancy Fund	Alsatian House Fund	Biry House Fund	Library Memorial Fund
REVENUES					
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	47,861	-	-	-
Charges for Services	104,349	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Interest Income	2,885	681	84	13	24
Miscellaneous	-	-	976	-	-
TOTAL REVENUES	<u>107,234</u>	<u>48,542</u>	<u>1,060</u>	<u>13</u>	<u>24</u>
EXPENDITURES					
<i>Current:</i>					
General Administration					
City Administration	-	48,628	160	3,978	-
Public Safety					
Municipal Court	-	-	-	-	-
Police Department	-	-	-	-	-
Public Transportation					
Streets	638	-	-	-	-
Culture and Recreation					
Library	-	-	-	-	51
<i>Debt Service:</i>					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>638</u>	<u>48,628</u>	<u>160</u>	<u>3,978</u>	<u>51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>106,596</u>	<u>(86)</u>	<u>900</u>	<u>(3,965)</u>	<u>(27)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	21,223	-	-	-
Transfers Out	(91,153)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(91,153)</u>	<u>21,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	15,443	21,137	900	(3,965)	(27)
Fund Balances at Beginning of Year	<u>272,798</u>	<u>82,424</u>	<u>9,437</u>	<u>8,305</u>	<u>2,014</u>
Fund Balances at End of Year	<u>\$ 288,241</u>	<u>\$ 103,561</u>	<u>\$ 10,337</u>	<u>\$ 4,340</u>	<u>\$ 1,987</u>

SPECIAL REVENUE					
DEA Forfeiture Fund	Police Dept. Training Fund	Court Security Fund	Court Technology Fund	Debt Service Funds	Total Non Major Funds
\$ -	\$ -	\$ -	\$ -	\$ 80,381	\$ 80,381
-	-	-	-	-	47,861
-	-	3,304	3,968	-	111,621
-	1,186	-	-	-	1,186
11	-	270	111	1,252	5,331
-	-	-	-	-	976
11	1,186	3,574	4,079	81,633	247,356
-	-	-	-	274	53,040
-	-	2,299	200	-	2,499
48	-	-	-	-	48
-	-	-	-	-	638
-	-	-	-	-	51
-	-	-	-	128,900	128,900
-	-	-	-	22,362	22,362
48	-	2,299	200	151,536	207,538
(37)	1,186	1,275	3,879	(69,903)	39,818
-	-	-	-	117,186	138,409
-	-	-	-	(36,338)	(127,491)
-	-	-	-	80,848	10,918
(37)	1,186	1,275	3,879	10,945	50,736
918	5,863	35,402	12,319	69,511	498,991
\$ 881	\$ 7,049	\$ 36,677	\$ 16,198	\$ 80,456	\$ 549,727

