

CITY OF LAMPASAS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor, Members of the City Council, and Citizens of
City of Lampasas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Lampasas, Texas (the "City") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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, the aggregate remaining fund information, and the discretely presented component unit of the City as of September 30, 2018; and, the respective changes in financial position, where applicable cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits related schedules following the notes section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

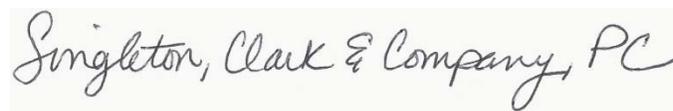
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC
Cedar Park, Texas

February 15, 2019

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

As management of the City of Lampasas, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- At the end of the current fiscal year, the City's governmental activities (full accrual presentation) net position decreased by \$1,398,644 as a result of this year's current operations to end at \$2,079,700 (including a restatement decrease of \$681,875). The assets of the business-type activities of the City exceeded its liabilities at the close of the most recent fiscal year by \$20,413,823 as a result of this year's current operations (including a restatement decrease of \$192,323).
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$8,202,185, a decrease of \$1,636,151 in comparison with the prior year. At the end of the current fiscal year, the General Fund had \$2,668,528 in spendable fund balance which represents approximately 25% of the General Fund's expenditures for the fiscal year.
- At the end of the current fiscal year, the city's proprietary funds reported total ending net position of 20,413,823. The majority of ending proprietary net position related to the Electric Fund and the Water/Wastewater Fund which ended at \$7,294,125 and \$10,255,494 after the year's increases of \$363,087 and \$1,274,095, respectively.
- The City's component unit ended the year with a net position balance of \$1,151,369 after the year's increase of \$87,323.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City include a water/wastewater utility operation, electric operation, aviation operation, golf course operation and an economic development operation.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-14 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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 assessing 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 fifteen 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 and the Capital Projects Fund Certificates of Obligation, Series 2016, which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-19 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Proprietary Funds. The City has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its electric utility operations, water/wastewater utility operations, economic development operations, aviation operations and its golf course operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a City's functions. The City is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements. The City does not currently operate any internal service funds.

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 electric utility and water/wastewater utility which are considered major proprietary funds. Data from the economic development, aviation, and golf course operations of the City are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City currently does not maintain any fiduciary funds.

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

The notes to the financial statements can be found on pages 23-48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's participation in the Texas Municipal Retirement System employee pension program and the other post-employment benefit program for its employees. Required supplementary information can be found on pages 49-57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and proprietary funds are presented immediately following the required supplementary information on pensions and other post-employment benefits.

Combining and individual fund statements and schedules can be found on pages 60-68 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities for governmental activities by \$2,079,700 and for business-type activities by \$20,413,823 at the close of the most recent fiscal year.

City of Lampasas, Texas's Net Position

	Governmental Activities 2018	Governmental Activities 2017	Change	Business- Type Activities 2018	Business- Type Activities 2017	Change
Current & other assets	\$ 9,768,143	\$ 11,218,904	\$ (1,450,761)	\$ 9,271,787	\$ 8,690,478	\$ 581,309
Capital assets	10,300,700	9,860,462	440,238	16,742,573	15,913,011	829,562
Deferred outflows	1,406,147	1,163,082	243,065	396,607	328,049	68,558
Total assets and deferred outflows	\$ 21,474,990	\$ 22,242,448	\$ (767,458)	\$ 26,410,967	\$ 24,931,538	\$ 1,479,429
Current liabilities	\$ 978,758	\$ 603,213	\$ 375,545	\$ 1,325,190	\$ 1,318,558	\$ 6,632
Long-term liabilities	17,575,247	17,458,573	116,674	4,434,669	4,623,637	(188,968)
Deferred inflows	841,285	20,443	820,842	237,285	5,765	231,520
Total liabilities and deferred inflows	19,395,290	18,082,229	1,313,061	5,997,144	5,947,960	49,184
Net Position						
Net investment in capital assets	2,179,077	3,500,963	(1,321,886)	14,080,058	12,947,023	1,133,035
Restricted	2,263,448	2,375,022	(111,574)	2,534,131	2,507,667	26,464
Unrestricted	(2,362,825)	(1,715,766)	(647,059)	3,799,634	3,528,888	270,746
Total net position	\$ 2,079,700	\$ 4,160,219	\$ (2,080,519)	\$ 20,413,823	\$ 18,983,578	\$ 1,430,245

By far, the largest portion of the City's net position, approximately 72%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, about 21%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,436,809 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, for the government as a whole. However, the City reported a negative balance in the unrestricted net position for its governmental activities in the amount of (\$2,362,825). This balance was negative in the prior year also and relates primarily to the City's restricted net position as well as the recording of pension and OPEB amounts.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Governmental Activities. During the current fiscal year, net position for governmental activities decreased by \$1,398,644 from the prior fiscal year as a result of current activities. Net position for governmental activities ended at \$2,079,700. Additionally, the City recorded a restatement of net position related to implementation of a new accounting standard for post-employment benefits other than pensions decreasing beginning net position by \$681,875.

City of Lampasas, Texas Changes in Net Position

	Governmental Activities 2018	Governmental Activities 2017	Change	Business- Type Activities 2018	Business- Type Activities 2017	Change
Revenues:						
Program Revenues:						
Charges for services	\$ 1,592,452	\$ 1,589,036	\$ 3,416	\$17,117,376	\$15,820,487	\$ 1,296,889
Operating grants & contributions	144,548	196,818	(52,270)	-	-	-
General Revenues:						
Property taxes	1,629,080	1,558,898	70,182	-	-	-
Other taxes	1,499,393	1,486,812	12,581	-	-	-
Grants and contributions not restricted to specific programs	933,625	913,565	20,060	-	-	-
Other	1,927,937	1,996,526	(68,589)	178,690	158,616	20,074
Total revenue	<u>7,727,035</u>	<u>7,741,655</u>	<u>(14,620)</u>	<u>17,296,066</u>	<u>15,979,103</u>	<u>1,316,963</u>
Expenses:						
General government	3,091,738	2,718,288	373,450	-	-	-
Public safety	4,055,064	3,895,816	159,248	-	-	-
Highways and streets	659,773	840,382	(180,609)	-	-	-
Sanitation	1,181,898	1,170,846	11,052	-	-	-
Health and Welfare	163,533	153,870	9,663	-	-	-
Culture and recreation	1,020,517	1,087,984	(67,467)	-	-	-
Conservation	127,687	52,356	75,331	-	-	-
Interest on long-term debt	394,441	371,013	23,428	-	-	-
Electric Fund	-	-	-	8,434,875	8,198,601	236,274
Water/Wastewater Fund	-	-	-	4,702,689	4,913,717	(211,028)
Nonmajor Enterprise funds	-	-	-	966,962	928,702	38,260
Total expenses	<u>10,694,651</u>	<u>10,290,555</u>	<u>404,096</u>	<u>14,104,526</u>	<u>14,041,020</u>	<u>63,506</u>
Increase (decrease) in net position before transfers	<u>(2,967,616)</u>	<u>(2,548,900)</u>	<u>(418,716)</u>	<u>3,191,540</u>	<u>1,943,581</u>	<u>1,247,959</u>
Transfers	<u>1,568,972</u>	<u>2,117,155</u>	<u>(548,183)</u>	<u>(1,568,972)</u>	<u>(2,117,155)</u>	<u>548,183</u>
Increase (decrease) in net position	<u>(1,398,644)</u>	<u>(431,745)</u>	<u>(966,899)</u>	<u>1,622,568</u>	<u>(173,574)</u>	<u>1,796,142</u>
Net position - beginning (as restated)	<u>3,478,344</u>	<u>4,591,964</u>	<u>(1,113,620)</u>	<u>18,791,255</u>	<u>19,157,152</u>	<u>(365,897)</u>
Net position - ending	<u>\$ 2,079,700</u>	<u>\$ 4,160,219</u>	<u>\$ (2,080,519)</u>	<u>\$20,413,823</u>	<u>\$18,983,578</u>	<u>\$ 1,430,245</u>

Business-type Activities. For the City's business-type activities, the results of the current fiscal year caused overall net position to increase by \$1,622,568. Net position for business-type activities ended at \$20,413,823. Additionally, the City recorded a restatement of net position related to implementation of a new accounting standard for post-employment benefits other than pensions decreasing beginning net position by \$192,323.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2018, the City's governmental funds reported combined fund balances of \$8,202,185, a decrease of \$1,636,151 in comparison with the prior year. Approximately 10% of this amount, \$827,310 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form \$205,306, 2) restricted for particular purposes \$5,328,351, 3) committed for particular purposes \$1,783,405, or 4) assigned for particular purposes \$57,813.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$827,310, while total fund balance increased to \$2,699,213. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 10% of total General Fund expenditures, while total fund balance represents approximately 25% of that same amount. The fund balance of the City's General Fund increased by \$348,990 during the current fiscal year. The increase in the fund balance of the General Fund was attributable to a transfer from the City's proprietary fund to the General Fund.

The Capital Projects Fund (CPF) Certificates of Obligation, Series 2016, is used to account for the proceeds from the issue of certificates of obligation amounting to \$5,355,000 and to account for revenues and expenditures related to the authorized capital asset acquisitions. At the end of the current fiscal year, the fund ended with a fund balance of \$3,083,608 which was restricted for capital projects.

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

Unrestricted net position of the Electric Fund at the end of the year was \$3,626,304, and the total increase in net position for the Electric Fund was \$363,087. Unrestricted net position of the Water/Wastewater Fund was \$10,255,494, and the total increase in the net position was \$1,274,095. The increase for the Water/Wastewater Fund is the result of a transfer during the year from the Capital Projects Fund Certificate of Obligation, Series 2016.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Generally, the movement of the appropriations between departments was *not* significant.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$10,300,700 and \$16,742,573 net of accumulated depreciation, respectively. This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant.

City of Lampasas, Texas Capital Assets

	Governmental Activities 2018	Governmental Activities 2017	Change
Land	\$ 1,214,431	\$ 1,214,431	\$ -
Construction in Progress	949,900	363,118	586,782
Buildings	13,309,089	12,966,601	342,488
Furniture and Equipment	4,282,535	4,118,382	164,153
Total	<u>19,755,955</u>	<u>18,662,532</u>	<u>1,093,423</u>
Less Accumulated Depreciation	<u>(9,455,255)</u>	<u>(8,802,070)</u>	<u>(653,185)</u>
Capital assets, net of depreciation	<u><u>\$ 10,300,700</u></u>	<u><u>\$ 9,860,462</u></u>	<u><u>\$ 440,238</u></u>
	Business-type Activities 2018	Business-type Activities 2017	Change
Land	\$ 983,061	\$ 983,061	\$ -
Construction in Progress	2,158,709	296,204	1,862,505
Buildings	5,048,261	5,025,684	22,577
Furniture and Equipment	5,197,101	5,173,861	23,240
Infrastructure	24,403,195	24,340,095	63,100
Total	<u>37,790,327</u>	<u>35,818,905</u>	<u>1,971,422</u>
Less Accumulated Depreciation	<u>(21,047,754)</u>	<u>(19,905,894)</u>	<u>(1,141,860)</u>
Capital assets, net of depreciation	<u><u>\$ 16,742,573</u></u>	<u><u>\$ 15,913,011</u></u>	<u><u>\$ 829,562</u></u>

Additional information on the City's capital assets can be found in Note III.D on pages 32-33 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,205,231 and \$2,662,515 related to governmental activities and business-type activities, respectively. The remainder of the City's long-term obligations is comprised of compensated absences, other post-employment benefits and net pension liabilities.

City of Lampasas, Texas Outstanding Debt

	Governmental Activities 2018	Governmental Activities 2017	Change
General Obligation Bonds	\$ 11,205,231	\$ 11,489,410	\$ (284,179)
Net Pension Liability	2,915,570	3,564,824	(649,254)
Other Post-Employment Benefit Liability	2,812,324	2,034,582	777,742
OPEB- Supplemental Death Benefit Liability	259,389	-	259,389
Compensated Absences	382,733	369,757	12,976
Total	<u>\$ 17,575,247</u>	<u>\$ 17,458,573</u>	<u>\$ 116,674</u>
	Business-type Activities 2018	Business-type Activities 2017	Change
General Obligation Bonds	\$ 2,662,515	\$ 2,965,988	\$ (303,473)
Net Pension Liability	822,340	1,005,463	(183,123)
Other Post-Employment Benefit Liability	793,219	573,855	219,364
OPEB- Supplemental Death Benefit Liability	73,161	-	73,161
Compensated Absences	83,434	78,331	5,103
Total	<u>\$ 4,434,669</u>	<u>\$ 4,623,637</u>	<u>\$ (188,968)</u>

The City's total debt decreased primarily due to scheduled payments of long term debts during the year. Additional information on the City's long-term debt can be found in Note III.I on pages 43-45 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2018-2019 fiscal year budget:

- * Sales Tax continued growth and stability
- * City Council election
- * City's diversified portfolio
- * Increase in Insurance Rates
- * Growth through Economic Development

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

The adopted budget for the City's General Fund for fiscal year 2018-2019 was approximately \$9.8 million which reflects an approximate increase of \$367,000 from the fiscal year 2017-2018 General Fund adopted budget. The proposed tax rates to finance General Fund and Debt Service Fund operations were \$0.3070701 and \$0.088147, respectively, for a total tax rate of \$0.395218 per \$100 valuation.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of Lampasas, Texas 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 Office of the Director of Finance, 312 E. Third Street, Lampasas, Texas, 76550, or by calling (512) 556-3641.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lampasas EDC
ASSETS				
Cash and cash equivalents	\$ 5,072,603	\$ 4,058,493	\$ 9,131,096	\$ 935,000
Investments - current	3,689,544	2,921,587	6,611,131	-
Taxes receivable - delinquent	94,262	-	94,262	-
Allowance for uncollectible taxes	(9,426)	-	(9,426)	-
Accounts receivable, net	799,829	1,399,347	2,199,176	-
Notes receivable, net	-	270,069	270,069	-
Internal balances	90,646	6,094	96,740	-
Inventories	13,748	501,447	515,195	-
Prepaid items	16,937	114,750	131,687	-
Capital assets, not being depreciated:				
Land	1,214,431	983,061	2,197,492	923,350
Construction in progress	949,900	-	949,900	-
Capital assets, being depreciated:				
Buildings and improvements	13,309,089	5,048,261	18,357,350	17,975
Machinery, equipment, and vehicles	4,282,535	5,197,101	9,479,636	-
Infrastructure	-	2,158,709	2,158,709	802,266
Other capital assets, depreciable	-	24,403,195	24,403,195	-
Accumulated depreciation	(9,455,255)	(21,047,754)	(30,503,009)	(82,253)
Total assets	<u>20,068,843</u>	<u>26,014,360</u>	<u>46,083,203</u>	<u>2,596,338</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	1,188,955	335,347	1,524,302	-
Deferred outflows - OPEB	217,192	61,260	278,452	-
Total deferred outflows of resources	<u>1,406,147</u>	<u>396,607</u>	<u>1,802,754</u>	<u>-</u>
LIABILITIES				
Accounts payable	592,277	638,743	1,231,020	5,446
Accrued salaries and benefits	99,204	18,005	117,209	-
Accrued liabilities	-	19,644	19,644	-
Retainage payable	105,280	-	105,280	-
Intergovernmental payable	-	29,082	29,082	-
Due to other funds	6,094	90,646	96,740	-
Accrued interest payable	71,098	11,358	82,456	3,661
Other current liabilities	104,805	8,516	113,321	-
Customer deposits	-	509,196	509,196	-
Noncurrent liabilities:				
Due within one year	340,000	300,000	640,000	102,086
Due in more than one year:				
Bonds payable - due within one year	10,160,000	2,300,000	12,460,000	1,333,776
Unamortized premium on bonds	705,231	62,515	767,746	-
Net pension obligation	2,915,570	822,340	3,737,910	-
Other post-employment benefits	2,812,324	793,219	3,605,543	-
OPEB supplemental death benefits	259,389	73,161	332,550	-
Compensated absences payable	382,733	83,434	466,167	-
Total liabilities	<u>18,554,005</u>	<u>5,759,859</u>	<u>24,313,864</u>	<u>1,444,969</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	841,285	237,285	1,078,570	-
Total deferred inflows of resources	<u>841,285</u>	<u>237,285</u>	<u>1,078,570</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	2,179,077	14,080,058	16,259,135	225,476
Restricted for debt service	193,523	-	193,523	-
Restricted for capital projects	553,903	-	553,903	-
Restricted for other specific purposes	1,516,022	-	1,516,022	-
Restricted for operations & maintenance	-	2,534,131	2,534,131	-
Restricted for Lampasas EDC	-	-	-	925,893
Unrestricted	(2,362,825)	3,799,634	1,436,809	-
Total net position	<u>\$ 2,079,700</u>	<u>\$ 20,413,823</u>	<u>\$ 22,493,523</u>	<u>\$ 1,151,369</u>

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

CITY OF LAMPASAS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental activities:			
General government	\$ 3,091,738	\$ 15,467	\$ -
Public safety	4,055,064	-	143,218
Highways and streets	659,773	302,987	-
Sanitation	1,181,898	1,170,588	-
Health and welfare	163,533	15,907	-
Culture and recreation	1,020,517	87,503	1,330
Conservation	127,687	-	-
Interest and bank fees	394,441	-	-
Total governmental activities:	<u>10,694,651</u>	<u>1,592,452</u>	<u>144,548</u>
Business-type activities:			
Electric fund	8,434,875	11,727,453	-
Water/Wastewater fund	4,702,689	4,729,221	-
Nonmajor enterprise funds	966,962	660,702	-
Total business-type activities:	<u>14,104,526</u>	<u>17,117,376</u>	<u>-</u>
Total primary government	<u>\$ 24,799,177</u>	<u>\$ 18,709,828</u>	<u>\$ 144,548</u>
Component unit:			
Lampasas economic development corporation	\$ 222,423	\$ -	\$ -
	<u>\$ 222,423</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
Sales taxes
Hotel/motel taxes
Franchise taxes
Contributions and donations
Investment earnings
Intergovernmental revenue
Miscellaneous
Special item - sale of capital assets
Transfers
Total general revenues and transfers

Change in net position
Net position - beginning (as restated)
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activites	Total	Lampasas EDC
\$ (3,076,271)	\$ -	\$ (3,076,271)	\$ -
(3,911,846)	-	(3,911,846)	-
(356,786)	-	(356,786)	-
(11,310)	-	(11,310)	-
(147,626)	-	(147,626)	-
(931,684)	-	(931,684)	-
(127,687)	-	(127,687)	-
(394,441)	-	(394,441)	-
<u>(8,957,651)</u>	<u>-</u>	<u>(8,957,651)</u>	<u>-</u>
-	3,292,578	3,292,578	-
-	26,532	26,532	-
-	(306,260)	(306,260)	-
-	3,012,850	3,012,850	-
<u>(8,957,651)</u>	<u>3,012,850</u>	<u>(5,944,801)</u>	<u>-</u>
			(222,423)
			<u>(222,423)</u>
1,629,080	-	1,629,080	-
1,499,393	-	1,499,393	298,357
145,974	-	145,974	-
933,625	-	933,625	-
15,861	-	15,861	-
132,353	96,335	228,688	9,179
1,237,903	-	1,237,903	-
354,443	82,355	436,798	2,210
41,403	-	41,403	-
1,568,972	(1,568,972)	-	-
<u>7,559,007</u>	<u>(1,390,282)</u>	<u>6,168,725</u>	<u>309,746</u>
(1,398,644)	1,622,568	223,924	87,323
3,478,344	18,791,255	22,269,599	1,064,046
<u>\$ 2,079,700</u>	<u>\$ 20,413,823</u>	<u>\$ 22,493,523</u>	<u>\$ 1,151,369</u>

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FUND FINANCIAL STATEMENTS

CITY OF LAMPASAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	CPF, Cert. of Obligation, Series 2016	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,747,624	\$ 142,927	\$ 2,182,052	\$ 5,072,603
Investments - current	302,029	3,135,421	252,094	3,689,544
Taxes receivable - delinquent	73,479	-	20,783	94,262
Allowance for uncollectible delinquent taxes	(7,348)	-	(2,078)	(9,426)
Accounts receivable	221,150	-	38,449	259,599
Allowance for uncollectible accounts receivable	(33,232)	-	-	(33,232)
Due from other funds	-	90,646	4,501	95,147
Inventories	13,748	-	-	13,748
Prepaid items	16,937	-	-	16,937
Total assets	<u>\$ 3,334,387</u>	<u>\$ 3,368,994</u>	<u>\$ 2,495,801</u>	<u>\$ 9,199,182</u>
LIABILITIES				
Accounts payable	\$ 386,635	\$ 180,106	\$ 25,536	\$ 592,277
Accrued salaries and benefits	96,820	-	2,384	99,204
Retainage payable	-	105,280	-	105,280
Due to other funds	4,501	-	6,094	10,595
Other current liabilities	81,087	-	23,718	104,805
Total liabilities	<u>569,043</u>	<u>285,386</u>	<u>57,732</u>	<u>912,161</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	66,131	-	18,705	84,836
Total deferred inflows of resources	<u>66,131</u>	<u>-</u>	<u>18,705</u>	<u>84,836</u>
FUND BALANCES				
Nonspendable:				
Inventories	13,748	-	-	13,748
Prepays	16,937	-	-	16,937
Endowments	-	-	174,621	174,621
Restricted:				
Debt service	-	-	174,818	174,818
Capital projects	-	3,083,608	553,903	3,637,511
Other specific purposes	-	-	1,516,022	1,516,022
Committed for:				
Working capital	1,783,405	-	-	1,783,405
Assigned:				
Comprehensive plan	9,084	-	-	9,084
580 complex	46,979	-	-	46,979
Park improvements	1,750	-	-	1,750
Unassigned	827,310	-	-	827,310
Total fund balances	<u>2,699,213</u>	<u>3,083,608</u>	<u>2,419,364</u>	<u>8,202,185</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,334,387</u>	<u>\$ 3,368,994</u>	<u>\$ 2,495,801</u>	<u>\$ 9,199,182</u>

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

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

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

Total fund balance of all governmental funds		\$ 8,202,185
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$19,755,955	
Less: accumulated depreciation	<u>(9,455,255)</u>	10,300,700
Other long-term assets, such as uncollected property taxes, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		84,836
Uncollected municipal court fines are not available resources; therefore, are not reported in the funds.		
		573,462
Long-term liabilities, including bonds payable, pension liabilities, and other post employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(10,500,000)	
Plus: Issuance premium	(705,231)	
Net pension liability, including pension def. inflows & outflows	(2,567,900)	
Other post-employment benefit obligations	(2,617,265)	
OPEB - supplemental death benefit	(237,256)	
Compensated absences	(382,733)	
Accrued interest payable	<u>(71,098)</u>	<u>(17,081,483)</u>
Net position of governmental activities		<u>\$ 2,079,700</u>

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

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	CPF, Cert. of Obligation, Series 2016	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 1,256,816	\$ -	\$ 365,670	\$ 1,622,486
Sales taxes	1,499,393	-	-	1,499,393
Hotel/motel taxes	-	-	145,974	145,974
Franchise taxes	933,625	-	-	933,625
Licenses and permits	57,323	-	-	57,323
Intergovernmental revenues	1,237,903	-	98,036	1,335,939
Charges for services	1,585,938	-	6,514	1,592,452
Fines	321,089	-	9,783	330,872
Investment earnings	28,737	81,393	22,223	132,353
Rent	11,656	-	-	11,656
Grants and contributions	58,128	-	4,245	62,373
Miscellaneous revenue	80,725	-	28,679	109,404
Total revenues	7,071,333	81,393	681,124	7,833,850
EXPENDITURES				
Current:				
General government	2,362,676	-	237,614	2,600,290
Public safety				
Police	2,321,394	-	34,073	2,355,467
Fire	1,359,780	-	-	1,359,780
Highways and streets	603,275	-	-	603,275
Sanitation	1,086,672	-	-	1,086,672
Health and welfare	141,900	-	-	141,900
Culture and recreation				
Swimming pools	168,299	-	-	168,299
Parks	520,124	510	7,044	527,678
Libraries	236,710	-	-	236,710
Conservation	-	-	117,399	117,399
Debt service:				
Bond principal	-	-	245,000	245,000
Interest - bonds	-	-	414,885	414,885
Other debt	-	-	650	650
Capital outlay	593,421	647,402	5,400	1,246,223
Total expenditures	9,394,251	647,912	1,062,065	11,104,228
Excess (deficiency) of revenues over expenditures	(2,322,918)	(566,519)	(380,941)	(3,270,378)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,709,190	-	450,085	3,159,275
Transfers out	(102,537)	(1,479,784)	(7,982)	(1,590,303)
Sale of general capital assets	41,403	-	-	41,403
Insurance recoveries	23,852	-	-	23,852
Total other financing sources (uses)	2,671,908	(1,479,784)	442,103	1,634,227
Net change in fund balance	348,990	(2,046,303)	61,162	(1,636,151)
Fund balance - beginning	2,350,223	5,129,911	2,358,202	9,838,336
Fund balance - ending	\$ 2,699,213	\$ 3,083,608	\$ 2,419,364	\$ 8,202,185

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

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Net change in fund balances for total governmental funds \$ (1,636,151)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Expenditure for capitalized assets	\$ 1,246,223	
Less: current year depreciation	(805,985)	440,238

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (178,664)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment of general obligation debt	245,000	
Premium amortization	39,179	
Accrued interest	(18,085)	
Increase in compensated absences	(12,976)	253,118

Other changes in long term assets, such as property taxes, are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the funds. 6,594

The net effect of various transactions involving the City's net pension liability and the net OPEB liability is to decrease net position (283,779)

Change in net position for governmental activities \$ (1,398,644)

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

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CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,227,731	\$ 1,256,816	\$ 1,256,816	\$ -
Sales taxes	1,485,500	1,499,393	1,499,393	-
Franchise taxes	886,500	933,625	933,625	-
Licenses and permits	56,050	57,323	57,323	-
Intergovernmental revenues	1,232,519	1,237,903	1,237,903	-
Charges for services	1,602,300	1,585,938	1,585,938	-
Fines	363,346	321,089	321,089	-
Investment earnings	9,000	28,737	28,737	-
Rents and royalties	11,040	11,656	11,656	-
Contributions and donations, private sources	5,300	57,528	58,128	600
Miscellaneous revenue	66,459	81,322	80,725	(597)
Total revenues	6,945,745	7,071,330	7,071,333	3
EXPENDITURES				
Current:				
General government	2,553,453	2,376,616	2,362,676	13,940
Public safety				
Police	2,360,746	2,321,518	2,321,394	124
Fire	1,324,164	1,360,472	1,359,780	692
Highways and streets	633,919	635,629	603,275	32,354
Sanitation	1,095,000	1,095,000	1,086,672	8,328
Health and welfare	148,414	142,451	141,900	551
Culture and recreation				
Swimming pools	162,907	168,780	168,299	481
Parks	555,895	520,340	520,124	216
Libraries	237,113	236,818	236,710	108
Capital outlay	575,000	792,156	593,421	198,735
Total expenditures	9,646,611	9,649,780	9,394,251	255,529
Excess (deficiency) of revenues over expenditures	(2,700,866)	(2,578,450)	(2,322,918)	255,532
OTHER FINANCING SOURCES (USES)				
Transfers in	2,830,384	2,355,577	2,709,190	353,613
Transfers out	(157,018)	(157,036)	(102,537)	54,499
Sale of general capital assets	7,500	41,403	41,403	-
Insurance recoveries	20,000	23,978	23,852	(126)
Total other financing sources (uses)	2,700,866	2,263,922	2,671,908	407,986
Net change in fund balances	-	(314,528)	348,990	663,518
Fund balance - beginning	2,350,223	2,350,223	2,350,223	-
Fund balance - ending	\$ 2,350,223	\$ 2,035,695	\$ 2,699,213	\$ 663,518

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

CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities			
	Electric Fund	Water/WW Fund	Total Non-major Funds	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3,593,195	\$ 158,570	\$ 306,728	\$ 4,058,493
Investments - current	2,045,724	835,305	40,558	2,921,587
Accounts receivable, net	1,057,868	334,281	7,198	1,399,347
Notes receivable, net	-	-	270,069	270,069
Due from other funds	-	-	6,094	6,094
Inventories	331,123	129,524	40,800	501,447
Prepaid items	-	114,750	-	114,750
Total current assets	<u>7,027,910</u>	<u>1,572,430</u>	<u>671,447</u>	<u>9,271,787</u>
Noncurrent Assets:				
Land	56,812	69,965	856,284	983,061
Construction in progress	-	2,040,209	118,500	2,158,709
Buildings	553,157	839,243	3,655,861	5,048,261
Infrastructure	2,737,658	21,665,537	-	24,403,195
Furnishings and equipment	2,805,618	2,138,493	252,990	5,197,101
Accumulated depreciation	(4,472,627)	(14,382,366)	(2,192,761)	(21,047,754)
Total noncurrent assets	<u>1,680,618</u>	<u>12,371,081</u>	<u>2,690,874</u>	<u>16,742,573</u>
Total assets	<u>8,708,528</u>	<u>13,943,511</u>	<u>3,362,321</u>	<u>26,014,360</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensiom	112,705	125,176	97,466	335,347
Deferred outflows - OPEB	19,826	24,367	17,067	61,260
Total deferred outflows of resources	<u>132,531</u>	<u>149,543</u>	<u>114,533</u>	<u>396,607</u>
LIABILITIES				
Current liabilities:				
Accounts payable	493,789	118,952	26,002	638,743
Accrued salaries payable	8,560	2,201	7,244	18,005
Accrued liabilities	-	16,801	2,843	19,644
Intergovernmental payable	29,076	-	6	29,082
Due to other funds	-	90,646	-	90,646
Accrued interest payable	-	11,358	-	11,358
Other current liabilities	-	8,516	-	8,516
Customer deposits	336,781	172,415	-	509,196
Total current liabilities	<u>868,206</u>	<u>420,889</u>	<u>36,095</u>	<u>1,325,190</u>
Noncurrent Liabilities:				
Bonds payable - due in more than one year	-	2,300,000	-	2,300,000
Bonds payable - due within one year	-	300,000	-	300,000
Unamortized premium on bonds	-	62,515	-	62,515
Net pension obligation	278,936	301,924	241,480	822,340
Other post-employment benefits	264,020	301,146	228,053	793,219
OPEB supplemental death benefits	23,678	29,100	20,383	73,161
Compensated absences payable	35,225	27,747	20,462	83,434
Total noncurrent liabilities	<u>601,859</u>	<u>3,322,432</u>	<u>510,378</u>	<u>4,434,669</u>
Total liabilities	<u>1,470,065</u>	<u>3,743,321</u>	<u>546,473</u>	<u>5,759,859</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	76,869	94,239	66,177	237,285
NET POSITION				
Net investment in capital assets	1,680,618	9,708,566	2,690,874	14,080,058
Restricted for operations and maintenance	1,987,203	546,928	-	2,534,131
Unrestricted	3,626,304	-	173,330	3,799,634
Total net position	<u>\$ 7,294,125</u>	<u>\$ 10,255,494</u>	<u>\$ 2,864,204</u>	<u>\$ 20,413,823</u>

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

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/WW Fund	Total Nonmajor Funds	
Operating revenues:				
Charges for services:				
Water sales	\$ -	\$ 4,729,221	\$ -	\$ 4,729,221
Electricity sales	11,727,453	-	-	11,727,453
Other charges for services	-	-	660,702	660,702
Miscellaneous revenue	24,747	6,361	51,247	82,355
Total operating revenues	<u>11,752,200</u>	<u>4,735,582</u>	<u>711,949</u>	<u>17,199,731</u>
Operating expenses:				
Personnel services	562,731	718,312	477,397	1,758,440
Purchased prof. and technical services	24,216	1,070,042	16,776	1,111,034
Purchased property services	89,597	181,236	37,901	308,734
Other purchased services	552,945	208,885	81,212	843,042
Materials and supplies	6,340,487	230,091	170,975	6,741,553
Other operating expenses	781,211	1,276,956	49,311	2,107,478
Depreciation	83,688	924,782	133,390	1,141,860
Total operating expenses	<u>8,434,875</u>	<u>4,610,304</u>	<u>966,962</u>	<u>14,012,141</u>
Operating income (loss)	3,317,325	125,278	(255,013)	3,187,590
Nonoperating revenues (expenses)				
Investment earnings	67,172	21,214	7,949	96,335
Interest expense	-	(92,385)	-	(92,385)
Total nonoperating revenues (expenses)	<u>67,172</u>	<u>(71,171)</u>	<u>7,949</u>	<u>3,950</u>
Transfers in	-	1,479,784	239,535	1,719,319
Transfers out	(3,021,410)	(259,796)	(7,085)	(3,288,291)
Change in net position	363,087	1,274,095	(14,614)	1,622,568
Net position-beginning (as restated)	6,931,038	8,981,399	2,878,818	18,791,255
Net position-ending	<u>\$ 7,294,125</u>	<u>\$ 10,255,494</u>	<u>\$ 2,864,204</u>	<u>\$ 20,413,823</u>

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

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CITY OF LAMPASAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities			
	Electric Fund	Water/WW Fund	Total Nonmajor Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$11,548,079	\$ 4,691,538	\$ 671,807	\$16,911,424
Other receipts	-	6,361	47,806	54,167
Payments to suppliers and service providers	(7,862,986)	(2,969,132)	(351,146)	(11,183,264)
Payments to employees for salaries and benefits	(562,803)	(714,398)	(475,943)	(1,753,144)
Payments to other funds for services provided	-	55,379	-	55,379
Other payments	-	16,801	-	16,801
Net cash provided by (used for) operating activities	<u>3,122,290</u>	<u>1,086,549</u>	<u>(107,476)</u>	<u>4,101,363</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	(3,021,410)	1,219,988	232,450	(1,568,972)
Net cash provided by (used for) capital and financing activities	<u>(3,021,410)</u>	<u>1,219,988</u>	<u>232,450</u>	<u>(1,568,972)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(37,904)	(1,792,441)	(141,077)	(1,971,422)
Principal paid on capital debt	-	(303,473)	-	(303,473)
Interest paid on capital debt	-	(92,385)	-	(92,385)
Net pension obligation	(59,266)	(72,839)	(51,018)	(183,123)
Net OPEB obligation	94,674	116,355	81,496	292,525
Deferred outflow of resources	(22,188)	(27,270)	(19,100)	(68,558)
Deferred inflow of resources	74,930	92,090	64,500	231,520
Prior period adjustment of beginning net position	(62,244)	(76,499)	(53,580)	(192,323)
Notes receivable	-	-	16,776	16,776
Net cash provided by (used for) capital and related financing activities	<u>(11,998)</u>	<u>(2,156,462)</u>	<u>(102,003)</u>	<u>(2,270,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	(12,719)	(618)	(13,337)
Proceeds from sale of investments	(31,180)	-	-	(31,180)
Intergovernmental	4,078	-	6	4,084
Interest on investments	67,172	21,214	7,949	96,335
Net cash provided by investing activities	<u>40,070</u>	<u>8,495</u>	<u>7,337</u>	<u>55,902</u>
Net increase (decrease) in cash and cash equivalents	128,952	158,570	30,308	317,830
Cash and cash equivalents-beginning	3,464,243	-	276,420	3,740,663
Cash and cash equivalents-ending	<u>\$ 3,593,195</u>	<u>\$ 158,570</u>	<u>\$ 306,728</u>	<u>\$ 4,058,493</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	3,317,325	125,278	(255,013)	3,187,590
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	83,688	924,782	133,390	1,141,860
(Increase) decrease in accounts receivable	(196,804)	(37,683)	7,664	(226,823)
(Increase) decrease in due from other funds	-	55,379	-	55,379
(Increase) decrease in inventories	(17,512)	5,389	6,958	(5,165)
(Increase) decrease in prepaid items	-	(3,750)	-	(3,750)
(Decrease) increase in accounts payable	(74,530)	(5,095)	(408)	(80,033)
(Decrease) increase in accrued liabilities	(135)	96	(1,295)	(1,334)
(Decrease) increase in compensated absences	63	3,818	1,228	5,109
(Decrease) increase in other non current liabilities	-	-	-	-
(Decrease) increase in Customer Deposits	10,195	2,293	-	12,488
(Decrease) increase in other current liabilities	-	203	-	203
(Decrease) increase in Accrued Liabilities	-	16,801	-	16,801
(Decrease) increase in accrued interest	-	(962)	-	(962)
Total adjustments	<u>(195,035)</u>	<u>961,271</u>	<u>147,537</u>	<u>913,773</u>
Net cash provided by (used for) operating activities	<u>\$ 3,122,290</u>	<u>\$ 1,086,549</u>	<u>\$ (107,476)</u>	<u>\$ 4,101,363</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Lampasas, Texas (the “City”) is a municipal corporation governed by an elected mayor and six-member governing council (the “Council”). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component units

The Lampasas Economic Development Corporation (the “Lampasas EDC”) was established in 1998 after the citizens of Lampasas voted to pass a \$.0025 sales tax dedicated to economic development. The Lampasas EDC’s primary purpose is to assist in bringing meaningful and rewarding employment opportunities to citizens in the area through funding assistance provided to businesses to relocate or expand in Lampasas. A separate governing board oversees the Lampasas EDC which is appointed by the Council and consists of individuals from the community and related governmental entities in the area. The City’s employees manage the operations of the Lampasas EDC.

The Lampasas EDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City and the Lampasas EDC does not solely serve the City. A copy of the Lampasas EDC financial report may be obtained by contacting the City of Lampasas Finance Department.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The *CPF Certificate of Obligation, Series 2016* is a capital projects fund. It was formed to record the proceeds from the issuance of the Certificate of Obligation, Series 2016 during the year and to account for current, and future, expenditures related to the authorized projects for which the debt was issued.

The City reports the following major enterprise funds:

The *Electric Fund* accounts for the electricity services provided to customers and the related costs of operations to provide those services.

The *Water/Wastewater Fund* accounts for water and wastewater services provided to customers and the related costs of operations to provide those services.

Additionally, the City reports the following fund types:

Special revenue funds account for resources restricted, committed, or assigned for specific purposes by the City or outside grantors in order for transparent accountability.

The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

Capital project funds account for the proceeds from long term debt financing or other revenues and expenditures related to the City's capital projects.

Enterprise funds account for services provided to customers and related costs of operations. The City reported three non-major enterprise funds which are the *G/F Economic Development Fund*, the *Aviation Fund*, and the *Golf Course Fund*.

A Permanent Fund accounts for an endowment, the principal of which may not be expended and where the income may only be used for a specific purpose. The City reports a permanent *Cemetery Fund*.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the proprietary funds. Capital projects funds are appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. Excess of expenditures over appropriations

For the year ended September 30, 2018, expenditures did not exceeded appropriations within any line items of the appropriated budgets for the General Fund and the Debt Service Fund.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (TexPool and TexStar) when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and utility operations repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	10-40
Machinery and equipment	5-20
Vehicles	5-10
Improvements	10-40
Infrastructure	10-50

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

6. *Net position flow assumption*

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

7. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City 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. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The council has by resolution authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. *Program revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

2. Property taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2017, upon which the levy for the 2017-2018 fiscal year was based, was \$406,535,167. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2018, to finance General Fund and Debt Service Fund operations were \$.305950 and \$.089268, respectively, for a total tax rate of \$.395218 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2017-2018 fiscal year was \$1,606,700. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2018, were 100% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

3. Compensated absences

Vacation

City policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. However, employees having twenty or more years of service with the City upon separation are eligible to receive a portion of their accumulated sick leave balance based on a separation pay calculation.

Compensatory Time Off

The City grants non-exempt employees compensatory time (comp time) in lieu of compensation for hours worked in excess of 40 hours a week, or other permissible work schedule based on position. Employees may accrue comp time off at one and one-half times the number of overtime hours worked, up to specified limits.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Wastewater fund and Electric Fund are charges to customers for sales and services. The Water/Wastewater fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

No violations of legal or contractual provisions were noted during the current year.

B. Deficit fund equity

For the year ended September 30, 2018, there were no funds reported with deficit fund equity.

III. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk. As of September 30, 2018, the City's bank balance was \$10,200,914 which was not exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

B. Investments

The TexPool and TexStar Investment Pools (Pools) operate in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. The Pools have a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pools invest in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

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As of September 30, 2018, the government had the following investments:

Investment Type	Maturity Time in Years			
	Less than 1	1-5	6-10	More Than 10
TexPool Investment Pool	\$ 4,857,174	\$ -	\$ -	\$ -
TexStar Investment Pool	1,753,957	-	-	-
Total Investments	<u>\$ 6,611,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest rate risk. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2018, the City's investment in the TexPool and TexSTAR investment pool was rated AAAM by Standard & Poor's.

Concentration of credit risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

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

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of the proprietary funds of the government, including the applicable allowances for uncollectible accounts:

Proprietary Funds:

Receivables	Electric Fund	Water/ Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Accounts receivable	\$ 1,077,943	\$ 346,782	\$ 7,198	\$ 1,431,923
Notes Receivable	-	-	270,069	270,069
Gross receivables	1,077,943	346,782	277,267	1,701,992
Less: Allowance for uncollectibles	(20,075)	(12,501)	-	(32,576)
Net receivables	<u>\$ 1,057,868</u>	<u>\$ 334,281</u>	<u>\$ 277,267</u>	<u>\$ 1,669,416</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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D. Capital Assets

Capital assets activity for the year ended September 30, 2018, was as follows:

Governmental Activities:

	Balance 10/1/17	Increases	Decreases	Balance 9/30/18
Capital assets, not being depreciated:				
Land	\$ 1,214,431	\$ -	\$ -	\$ 1,214,431
Construction in progress	363,118	586,782	-	949,900
Total capital assets, not being depreciated	<u>1,577,549</u>	<u>586,782</u>	<u>-</u>	<u>2,164,331</u>
Capital assets, being depreciated:				
Buildings and improvements	12,966,601	342,488	-	13,309,089
Machinery, equipment, and vehicles	4,118,382	316,953	(152,800)	4,282,535
Total capital assets, being depreciated	<u>17,084,983</u>	<u>659,441</u>	<u>(152,800)</u>	<u>17,591,624</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,505,911)	(530,949)	-	(6,036,860)
Machinery, equipment, and vehicles	(3,296,159)	(275,036)	152,800	(3,418,395)
Total accumulated depreciation	<u>(8,802,070)</u>	<u>(805,985)</u>	<u>152,800</u>	<u>(9,455,255)</u>
Total capital assets being depreciated, net	<u>8,282,913</u>	<u>(146,544)</u>	<u>-</u>	<u>8,136,369</u>
Governmental activities capital assets, net	<u>\$ 9,860,462</u>	<u>\$ 440,238</u>	<u>\$ -</u>	<u>\$ 10,300,700</u>

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

Governmental Activities:

General government	\$ 227,867
Public safety	325,571
Highways and streets	52,866
Sanitation	95,226
Health & welfare	12,435
Culture and recreation	92,020
Total depreciation expense - governmental activities	<u>\$ 805,985</u>

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Business-Type Activities:

	Balance				Balance
	10/1/17	Increases	Decreases	Adjustments	9/30/18
Capital assets, not being depreciated:					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction in progress	296,204	1,788,690	-	73,815	2,158,709
Total capital assets, not being depreciated	<u>1,279,265</u>	<u>1,788,690</u>	<u>-</u>	<u>73,815</u>	<u>3,141,770</u>
Capital assets, being depreciated:					
Buildings and improvements	5,025,684	22,577	-	-	5,048,261
Machinery, equipment, and vehicles	5,173,861	23,240	-	-	5,197,101
Infrastructure	24,340,095	136,919	-	(73,819)	24,403,195
Total capital assets, being depreciated	<u>34,539,640</u>	<u>182,736</u>	<u>-</u>	<u>(73,819)</u>	<u>34,648,557</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,890,097)	(150,476)	-	-	(3,040,573)
Machinery, equipment, and vehicles	(4,546,318)	(203,996)	-	-	(4,750,314)
Infrastructure	(12,469,479)	(787,388)	-	-	(13,256,867)
Total accumulated depreciation	<u>(19,905,894)</u>	<u>(1,141,860)</u>	<u>-</u>	<u>-</u>	<u>(21,047,754)</u>
Total capital assets being depreciated, net	<u>14,633,746</u>	<u>(959,124)</u>	<u>-</u>	<u>(73,819)</u>	<u>13,600,803</u>
Business-type activities capital assets, net	<u>\$ 15,913,011</u>	<u>\$ 829,566</u>	<u>\$ -</u>	<u>\$ (4)</u>	<u>\$ 16,742,573</u>

E. Defined Benefit Pension Plan

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

CITY OF LAMPASAS, TEXAS
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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 payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan Provisions

Employee Deposit Rate	7%
Municipal Current Matching Ratio	2:1

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	65
Active employees	114
	244
	244

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.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.83% and 14.82% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$783,943 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the actuarial assumptions in the following page:

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Inflation	2.5% per year
Overall payroll growth	3% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 93.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014, Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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 to TMRS.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100%</u>	

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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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2016	\$ 23,251,251	\$ 18,680,964	\$ 4,570,287
Changes for the year:			
Service cost	862,764	-	862,764
Interest	1,562,900	-	1,562,900
Difference between expected and actual exp.	449,529	-	449,529
Changes of assumptions	-	-	-
Contributions - employer	-	768,456	(768,456)
Contributions - employee	-	362,723	(362,723)
Net investment income	-	2,590,489	(2,590,489)
Benefit payments, including refunds of emp. contr.	(1,057,114)	(1,057,114)	-
Administrative expense	-	(13,418)	13,418
Other changes	-	(680)	680
Net changes	1,818,079	2,650,456	(832,377)
Balance at December 31, 2017	\$ 25,069,330	\$ 21,331,420	\$ 3,737,910

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

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

	1% Decrease in Discount Rate 5.75%	Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability	\$ 7,755,322	\$ 3,737,910	\$ 496,872

Pension Plan Fiduciary Net Position

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

CITY OF LAMPASAS, TEXAS
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018 the City recognized pension expense of \$145,715.

At September 30, 2018, 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	\$ 432,907	\$ -
Changes in actuarial assumptions	-	13,816
Difference between projected and actual investment earnings	498,316	1,064,754
Contributions subsequent to the measurement date	593,079	-
Total	\$ 1,524,302	\$ 1,078,570

Deferred outflows of resources related to pensions in the amount of \$593,079 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec 31:	Pension Expense Amount
2018	\$ 140,840
2019	84,109
2020	(160,729)
2021	(211,567)
2022	-
Total	\$ (147,347)

F. Other Post-Employment Benefit (OPEB) Obligations

Benefits Provided

The City of Lampasas provides for the continuation of health insurance by covering the cost of premium for the retiree only for the Scott & White Consumer Choice 30 Plan (or cheaper plan), comparable to that which is provided for regular employees, for those employees eligible to retire under TMRS with a minimum of twenty (20) years of service with the City of Lampasas and who comply with and meet the following additional requirements as listed under Items 1 through 3.

1. The employee, at the time of submittal for retirement, must elect to maintain health insurance under the City of Lampasas' group health insurance policy for self and, if the retiree so chooses, any covered dependents at the time of retirement. The retiree will not be allowed to elect health insurance coverage under the City of Lampasas' group health insurance policy after retirement.

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2. If a retiree, at any time during retirement, elects to cancel his/her or dependent coverage under the City of Lampasas' group health insurance policy, the retiree's and/or his/her dependents' group health insurance coverage will cease. When this occurs, the retiree's and/or his/her dependents', as applicable, will not be allowed to participate in the City of Lampasas' group health insurance policy from the date of the cancellation forward.

3. The retiree, with a minimum of five (5) years but less than twenty (20) years, is responsible for making timely payments to the City of Lampasas if the retiree has elected to participate in retiree health insurance coverage provided for in this section of the policies. For retirees with a minimum of twenty (20) years with the City of Lampasas, the City will cover the cost of premium for the Scott & White Consumer Choice 30 Plan (or cheaper plan) for the retiree only. The retiree is responsible for the cost difference of the Scott & White HMO Plan (or more expensive plan). The retiree is also responsible for the cost of covering any dependents.

The City Council may change the policy at any time through Council action. At the age of 65, or as soon as the retiree qualifies for coverage under Medicare, the retiree will no longer be covered under the City of Lampasas' medical insurance policies and will need to find substitute coverage with a Medicare supplemental insurance policy.

Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	6
Inactive, nonretired Members	-
Active Members	105
	111
	111

Contributions

The City is not currently making contributions to the OPEB plan other than monthly benefit payments related to retirees.

Plan Assets

At the December 31, 2017 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-10.5% including inflation
Discount rate	3.31% as of December 31, 2017

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Schedule of Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2016	\$ 3,196,289	\$ -	\$ 3,196,289
Changes for the year:			
Service cost	183,563	-	183,563
Interest	123,535	-	123,535
Difference between expected and actual exp.	-	-	-
Changes of assumptions	193,533	-	193,533
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of emp. contr.	(91,376)	-	(91,376)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	409,255	-	409,255
Balance at December 31, 2017	\$ 3,605,544	\$ -	\$ 3,605,544

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.31% or 1-percentage-point higher 4.31% than the current rate:

	1% Decrease in Discount Rate 2.31%	Discount Rate 3.31%	1% Increase in Discount Rate 4.31%
City's net OPEB liability	\$ 4,026,227	\$ 3,605,544	\$ 3,229,243

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

For the year ended September 30, 2018, the city recognized OPEB expense of \$184,920.

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At September 30, 2018, 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	\$ -	\$ -
Changes in actuarial assumptions	172,175	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	77,900	-
Total	\$ 250,075	\$ -

Deferred outflows of resources related to OPEB amounting to \$77,900 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SDBF liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended Dec 31:	OPEB Expense Amount
2019	\$ 21,358
2020	21,358
2021	21,358
2022	21,358
2023	21,358
Thereafter	65,385
Total	\$ 172,175

G. Other Post-Employment Benefit (OPEB) Obligations – Supplemental Death Benefit Fund (SDBF)

Benefits Provided

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) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

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Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	9
Active employees	114
	177
	177

Contributions

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

The City's contributions to the TMRS SDBF for the years September 30, 2017 and 2018 were \$9,797 and \$9,649 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2017 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-10.5% including inflation per year
Discount rate	3.31% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

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Schedule of Changes in the Total OPEB SDBF Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2016	\$ 286,346	\$ -	\$ 286,346
Changes for the year:			
Service cost	12,436	-	12,436
Interest	11,010	-	11,010
Difference between expected and actual exp.	-	-	-
Changes of assumptions	25,349	-	25,349
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of emp. contr.	(2,591)	-	(2,591)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	46,204	-	46,204
Balance at December 31, 2017	<u>\$ 332,550</u>	<u>\$ -</u>	<u>\$ 332,550</u>

Sensitivity of the net OPEB SDBF liability to changes in the discount rate

The following presents the net OPEB SDBF liability of the City, calculated using the discount rate of 3.31%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.31% or 1-percentage-point higher 4.31% than the current rate:

	1% Decrease in Discount Rate 2.31%	Discount Rate 3.31%	1% Increase in Discount Rate 4.31%
City's net OPEB SDBF liability	\$ 397,084	\$ 332,550	\$ 281,729

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB SDBF

For the year ended September 30, 2018, the city recognized OPEB SDBF expense of \$13,906.

At September 30, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	21,173	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	7,203	-
Total	<u>\$ 28,376</u>	<u>\$ -</u>

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Deferred outflows of resources related to OPEB SDBF amounting to \$7,203 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SDBF liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB SDBF will be recognized in OPEB SDBF expense as follows:

Year Ended Dec 31:	OPEB SDBF Expense Amount
2018	\$ 4,176
2019	4,176
2020	4,176
2021	4,176
2022	4,176
Thereafter	293
Total	\$ 21,173

H. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

I. Long-Term Liabilities

General Obligation Bonds

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. These long-term debt instruments are direct obligations and pledge the full faith and credit of the City. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 5 to 25 years.

Details of long-term debt obligations outstanding at September 30, 2018 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/18
Bonds Payable					
Certificate of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 3,615,000
Certificate of Obligation, Series 2011	2011	2,010,000	3.0-4.5%	2036	1,530,000
Certificate of Obligation, Series 2016	2016	5,355,000	2.0-4.0%	2036	5,355,000
Total Bonds Payable					<u>\$ 10,500,000</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/18
General Obligation Bonds:					
Comb. Tax & Rev. Cert. of Oblig., Series 2006	2006	\$ 1,020,000	4.30%	2019	\$ 120,000
General Obligation of Ref. Bonds, Series 2012	2012	3,525,000	2.0-4.0%	2036	2,480,000
Total General Obligation Bonds					\$ 2,600,000

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2018 are as follows:

Governmental Activities:

Description	Balance 10/1/17	Additions	Deletions	Balance 9/30/18	Due in One Year
Bonds payable					
Certificates of obligation	\$ 10,745,000	\$ -	\$ (245,000)	\$ 10,500,000	\$ 340,000
Premium	744,410	-	(39,179)	705,231	-
Total bonds payable	11,489,410	-	(284,179)	11,205,231	340,000
Other long-term debt					
Compensated absences	369,757	12,976	-	382,733	-
Total other long-term debt	369,757	12,976	-	382,733	-
Governmental activities long-term liabilities	\$ 11,859,167	\$ 12,976	\$ (284,179)	\$ 11,587,964	\$ 340,000

Business-type Activities:

Description	Balance 10/1/17	Additions	Deletions	Balance 9/30/18	Due in One Year
Bonds payable					
Certificates of obligation	\$ 2,900,000	\$ -	\$ (300,000)	\$ 2,600,000	\$ 225,000
Premium	65,988	-	(3,473)	62,515	-
Total bonds payable	2,965,988	-	(303,473)	2,662,515	225,000
Other long-term debt					
Compensated absences	78,331	5,103	-	83,434	-
Total other long-term debt	78,331	5,103	-	83,434	-
Total long-term liabilities	\$ 3,044,319	\$ 5,103	\$ (303,473)	\$ 2,745,949	\$ 225,000

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

The debt service requirements for the City’s bonds are shown as follows.

Governmental Activities:

Year Ended September 30,	<u>Governmental Activities</u>	
	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 340,000	\$ 405,671
2020	480,000	392,495
2021	500,000	373,239
2022	465,000	353,150
2023	485,000	336,657
2024-2028	2,700,000	1,401,524
2029-2033	3,250,000	860,130
2034--2036	2,280,000	188,000
Totals	<u>\$ 10,500,000</u>	<u>\$ 4,310,866</u>

Business-type Activities:

Year Ended September 30,	<u>Business-Type Activities</u>	
	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 225,000	\$ 88,886
2020	110,000	81,900
2021	110,000	79,150
2022	115,000	75,775
2023	115,000	72,325
2024-2028	640,000	306,050
2029-2033	755,000	183,900
2034--2036	530,000	32,400
Totals	<u>\$ 2,600,000</u>	<u>\$ 920,386</u>

J. Interfund Receivables and Payables

The interfund receivables and payables as of September 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Fund	General Fund	\$ 4,501
CPF, Certificates of Obligation, Series 2016	Water/ WW Fund	90,646
Non Major Enterprise Fund	Non Major Capital Projects Fund	6,094
Total		<u>\$ 101,241</u>

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

K. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2018 is as follows:

	Transfer in to:				
	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Gov. Funds</u>	<u>Water Waste- Water Fund</u>	<u>Nonmajor Prop. Funds</u>	
Transfer out from:					
General Fund	\$ -	\$ 102,537	\$ -	\$ -	\$ 102,537
CPF, Cert. of Oblig., Series 2016	-	-	1,479,784	-	1,479,784
Nonmajor gov. funds	6,000	-	-	-	6,000
Permanent Fund	1,982	-	-	-	1,982
Electric Fund	2,701,208	80,667	-	239,535	3,021,410
Water/Wastewater Fund	-	259,796	-	-	259,796
Nonmajor prop. funds	-	7,085	-	-	7,085
LEDC Component Unit	-	-	-	47,806	47,806
Total	<u>\$2,709,190</u>	<u>\$ 450,085</u>	<u>\$ 1,479,784</u>	<u>\$ 287,341</u>	<u>\$4,926,400</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, and 3) move resources from the Electric Fund to the General Fund to subsidize governmental activities, 4) move CPF, Certificate of Obligation, Series 2016 funds to Water/Wastewater fund for capital projects.

L. Discretely Presented Component Unit

Lampasas Economic Development Corporation (the “Lampasas EDC”)

Capital assets activity for the Lampasas EDC for the year ended September 30, 2018 was as shown on the following page:

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Component Unit

	Balance			Balance
	10/1/17	Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 923,350	\$ -	\$ -	\$ 923,350
Total capital assets, not being depreciated	923,350	-	-	923,350
Capital assets, being depreciated:				
Buildings and improvements	17,975	-	-	17,975
Infrastructure	802,266	-	-	802,266
Total capital assets, being depreciated	820,241	-	-	820,241
Less accumulated depreciation for:				
Buildings and improvements	(10,788)	(1,798)	-	(12,586)
Infrastructure	(41,588)	(28,079)	-	(69,667)
Total accumulated depreciation	(52,376)	(29,877)	-	(82,253)
Total capital assets being depreciated, net	767,865	(29,877)	-	737,988
Total component unit capital assets, net	\$ 1,691,215	\$ (29,877)	\$ -	\$ 1,661,338

Details of long-term debt obligations outstanding for the Lampasas EDC at September 30, 2018 are as follows:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/18
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 347,563
Lampasas EDC Note Payable 2015	2015	1,345,000	3.35%	2030	1,088,425
Total					<u>\$ 1,435,988</u>

Long-term debt activity for the Lampasas EDC for the year ended September 30, 2018 was as follows:

Description	Balance 10/1/17	Additions	Deletions	Adjustments	Balance 9/30/18	Due in One Year
General obligation bonds	\$ 369,539	\$ -	\$ (21,976)	\$ -	\$ 347,563	\$ 23,077
Note payable 2015	1,164,832	-	(76,427)	(106)	1,088,299	79,009
Total long-term liabilities	<u>\$ 1,534,371</u>	<u>\$ -</u>	<u>\$ (98,403)</u>	<u>\$ (106)</u>	<u>\$ 1,435,862</u>	<u>\$ 102,086</u>

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CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

M. Contingencies

As of year end and through the date of the report, various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

N. Subsequent Events

As of the issuance date of this report, there were no subsequent events that met the requirements for disclosure.

O. Restatement of Net Position

During the year, the City implemented Governmental Accounting Standards Board Statement No. 75 – *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* (GASB 75). The primary objective of GASB 75 is to improve the accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits, or OPEB).

In the year of implementation, GASB 75 requires a retroactive restatement of prior periods to reflect the effect on net position as if the standard had been in effect in prior years. As such, the effect on beginning net position as shown within these financial statements is as follows:

	Governmental Activities
Net position as previously stated at September 30, 2017	\$ 4,160,219
Effect of restatement of net position due to implementation of GASB 75	(681,875)
Net position as restated at September 30, 2017	\$ 3,478,344

	Business-Type Activities					Total Business-Type Activities
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	Electric Fund	Water/WW Fund	
Net Position as Previously Stated at September 30, 2017	\$ 628,434	\$ 1,445,432	\$ 858,532	\$ 6,993,282	\$ 9,057,898	\$ 18,983,578
Effect of restatement of net position due to implementation of GASB 75	(11,345)	-	(42,235)	(62,244)	(76,499)	\$ (192,323)
Net Position as Restated at September 30, 2017	\$ 617,089	\$ 1,445,432	\$ 816,297	\$ 6,931,038	\$ 8,981,399	\$ 18,791,255

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Measurement Year			
	2014	2015	2016	2017
A. Total pension liability				
1. Service cost	\$ 677,167	\$ 770,772	\$ 849,924	\$ 862,764
2. Interest (on the Total Pension Liability)	1,299,682	1,402,049	1,461,093	1,562,900
3. Changes of benefit terms	-	-	-	-
4. Difference between expected and actual experience	41,340	129,577	74,287	449,529
5. Changes of assumptions	-	(46,453)	-	-
6. Benefit payments, including refunds of employee cont.	(557,066)	(648,128)	(709,824)	(1,057,114)
7. Net change in total pension liability	\$ 1,461,123	\$ 1,607,817	\$ 1,675,480	\$ 1,818,079
8. Total pension liability - beginning	18,506,831	19,967,954	21,575,771	23,251,251
9. Total pension liability - ending	<u>\$19,967,954</u>	<u>\$21,575,771</u>	<u>\$23,251,251</u>	<u>\$25,069,330</u>
B. Plan fiduciary net position				
1. Contributions - employer	\$ 694,494	\$ 702,185	\$ 729,485	\$ 768,456
2. Contributions - employee	326,986	338,887	371,393	362,723
3. Net investment income	881,447	24,708	1,159,150	2,590,489
4. Benefit payments, including refunds of employee cont.	(557,066)	(648,128)	(709,824)	(1,057,114)
5. Administrative expense	(9,202)	(15,048)	(13,086)	(13,418)
6. Other	(757)	(743)	(705)	(680)
7. Net change in plan fiduciary net position	\$ 1,335,902	\$ 401,861	\$ 1,536,413	\$ 2,650,456
8. Plan fiduciary net position - beginning	15,406,789	16,742,691	17,144,552	18,680,964
9. Plan fiduciary net position - ending	<u>\$16,742,691</u>	<u>\$17,144,552</u>	<u>\$18,680,965</u>	<u>\$21,331,420</u>
C. Net pension liability [A.9 - B.9]	\$ 3,225,263	\$ 4,431,219	\$ 4,570,286	\$ 3,737,910
D. Plan fiduciary net position as a % of the total pension liability [B.9/A.9]	83.85%	79.46%	80.34%	85.09%
E. Covered-employee payroll	\$ 4,589,171	\$ 4,811,308	\$ 5,110,789	\$ 5,181,764
F. Net position as a percentage of covered employee payroll [C / E]	70.28%	92.10%	89.42%	72.14%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Fiscal Year			
	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 704,715	\$ 748,756	\$ 775,929	\$ 783,943
Contributions in relation to the actuarially determined contribution	<u>704,715</u>	<u>748,756</u>	<u>775,929</u>	<u>783,943</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,737,449	\$ 5,182,317	\$ 5,226,251	\$ 5,288,893
Contributions as a percentage of covered employee payroll	14.88%	14.45%	14.85%	14.82%

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CITY OF LAMPASAS, TEXAS
NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5% per year
Salary Increases	3.50% to 10.5%, 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 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Measurement Year
	2017
A. Total OPEB liability	
1. Service cost	\$ 183,563
2. Interest (on the Total OPEB Liability)	123,535
3. Changes of benefit terms	-
4. Difference between expected and actual experience	-
5. Changes of assumptions	193,533
6. Benefit payments, including refunds of employee contributions	(91,376)
7. Net change in total OPEB liability	\$ 409,255
8. Total OPEB liability - beginning	3,196,289
9. Total OPEB liability - ending	\$ 3,605,544
E. Covered-employee payroll	\$ 5,181,764
F. Net position as a percentage of covered employee payroll [C / E]	69.58%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Fiscal Year	
	2017	2018
Actuarially Determined Contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 5,226,251	\$ 5,288,893
Contributions as a percentage of covered employee payroll	0.00%	0.00%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Valuation Date: December 31, 2017

Methods and Assumptions:

Actuarial Cost Method Individual Entry-Age

Discount Rate 3.31% as of December 31, 2017

Inflation 2.50%

Salary Increases 3.50% to 10.5%, including inflation

Demographic Assumptions Based on the experience study covering four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).

Mortality For healthy retirees, the gender-distinct RP2000 Combined Mortality Table with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Health Care Trend Rates Initial rate of 7.20% declining to an ultimate rate of 5.00% after 11 years.

Participation Rates 100% for retirees with over 20 years of City service at retirement;
 20% for retirees with over 5 years but less than 20 years of City service;
 0% for retirees with less than 5 years of City service.

Other Information:

Notes The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF CHANGES IN NET OPEB SDBF LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Measurement Year
	2017
A. Total OPEB liability	
1. Service cost	\$ 12,436
2. Interest (on the Total OPEB Liability)	11,010
3. Changes of benefit terms	-
4. Difference between expected and actual experience	-
5. Changes of assumptions	25,349
6. Benefit payments, including refunds of employee contributions	(2,591)
7. Net change in total OPEB liability	\$ 46,204
8. Total OPEB liability - beginning	286,346
9. Total OPEB liability - ending	\$ 332,550
 E. Covered-employee payroll	\$ 5,181,764
 F. Net position as a percentage of covered employee payroll [C / E]	6.42%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Fiscal Year	
	2017	2018
Actuarially Determined Contribution	\$ 9,797	\$ 9,649
Contributions in relation to the actuarially determined contribution	9,797	9,649
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 5,226,251	\$ 5,288,893
Contributions as a percentage of covered employee payroll	0.19%	0.18%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

Valuation Date: December 31, 2017

Methods and Assumptions:

Inflation 2.5%

Salary Increases 3.50% to 10.5% including inflation

Discount Rate 3.31% as of December 31, 2017

Retiree' share of benefit-related costs \$0

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 RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates - disabled retirees RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Tracy Guthrie Memorial Fund – to account for donation received for library operations.

Police Seizures Fund – to account for the receipt and disbursement of funds related to police seizures.

Municipal Court Technology Fund – to account for the special assessment revenue and related disbursements for the improvement of municipal court technology.

Library Board Fund – to account for the application of any gifts and donations received for the benefit of the library.

Court Security Fund – to account for the special assessment revenue and related disbursements for court security improvements.

Hotel/Motel Tax Fund – to account for the receipt and disbursement of funds received by the City from the assessment of hotel and motel occupancy tax.

Employee Benefit Accrual Fund – to account for the resources restricted for the payment of long-term employee benefit obligations.

Animal Shelter Fund – to account for the receipt and disbursement of funds related to the operation of the City's animal shelter.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not the original endowment investment body, may be used for specific purposes.

Cemetery Fund – to account for an endowment, the principal of which may not be expended and where the income may only be used for the benefit of City cemeteries.

Debt Service Fund

Debt Service Fund – to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of City funds.

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Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

Key Avenue Fund – to account for the receipt and disbursement of funds received for special improvements related to Key Avenue.

Capital Projects Fund (CPF), Certificates of Obligation, Series 2011 – to account for the acquisition and construction of the City's major capital facilities purchased from the resources obtained from the certificate of obligation bonds issued.

Airport Hangar Project Fund – to account for the receipt and disbursement of funds received for improvements related to the airport hangar improvement project.

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court	
			Technology Fund	Library Board Fund
ASSETS				
Cash and cash equivalents	\$ 100,432	\$ 22,282	\$ 7,528	\$ 6,548
Investments - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Allowance for uncoll. taxes	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	4,501	-	-
Total assets	<u>\$ 100,432</u>	<u>\$ 26,783</u>	<u>\$ 7,528</u>	<u>\$ 6,548</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,065	\$ 60	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Other current liabilities	-	23,718	-	-
Total liabilities	<u>-</u>	<u>26,783</u>	<u>60</u>	<u>-</u>
DEF. INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Endowments	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other specific purposes	100,432	-	7,468	6,548
Total Fund balances	<u>100,432</u>	<u>-</u>	<u>7,468</u>	<u>6,548</u>
Total liabilities, def. inflows, and fund balances	<u>\$ 100,432</u>	<u>\$ 26,783</u>	<u>\$ 7,528</u>	<u>\$ 6,548</u>

Special Revenue Funds				Permanent Fund	Debt Service Fund
Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
\$ 29,137	\$ 1,336,497	\$ 6,720	\$ 12,100	\$ 70,643	\$ 30,168
-	3,466	-	-	103,978	144,650
-	-	-	-	-	20,783
-	-	-	-	-	(2,078)
-	10,523	-	27,926	-	-
-	-	-	-	-	-
<u>\$ 29,137</u>	<u>\$ 1,350,486</u>	<u>\$ 6,720</u>	<u>\$ 40,026</u>	<u>\$ 174,621</u>	<u>\$ 193,523</u>
\$ -	\$ 18,341	\$ -	\$ 4,070	\$ -	\$ -
-	-	-	2,384	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	18,341	-	6,454	-	-
-	-	-	-	-	18,705
-	-	-	-	-	18,705
-	-	-	-	174,621	-
-	-	-	-	-	174,818
-	-	-	-	-	-
29,137	1,332,145	6,720	33,572	-	-
<u>29,137</u>	<u>1,332,145</u>	<u>6,720</u>	<u>33,572</u>	<u>174,621</u>	<u>174,818</u>
<u>\$ 29,137</u>	<u>\$ 1,350,486</u>	<u>\$ 6,720</u>	<u>\$ 40,026</u>	<u>\$ 174,621</u>	<u>\$ 193,523</u>

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CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Key Avenue Fund	CPF, Certificates of Obligation, Series 2011	Airport Hangar Fund	
ASSETS				
Cash and cash equivalents	\$ 420,549	\$ 130,998	\$ 8,450	\$ 2,182,052
Investments - current	-	-	-	252,094
Taxes receivable - delinquent	-	-	-	20,783
Allowance for uncoll. taxes	-	-	-	(2,078)
Accounts receivable	-	-	-	38,449
Due from other funds	-	-	-	4,501
Total assets	<u>\$ 420,549</u>	<u>\$ 130,998</u>	<u>\$ 8,450</u>	<u>\$ 2,495,801</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 25,536
Accrued salaries and benefits	-	-	-	2,384
Due to other funds	-	-	6,094	6,094
Other current liabilities	-	-	-	23,718
Total liabilities	<u>-</u>	<u>-</u>	<u>6,094</u>	<u>57,732</u>
DEF. INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	18,705
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,705</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Endowments	-	-	-	174,621
Restricted for:				
Debt service	-	-	-	174,818
Capital projects	420,549	130,998	2,356	553,903
Other specific purposes	-	-	-	1,516,022
Total Fund balances	<u>420,549</u>	<u>130,998</u>	<u>2,356</u>	<u>2,419,364</u>
Total liabilities, def. inflows, and fund balances	<u>\$ 420,549</u>	<u>\$ 130,998</u>	<u>\$ 8,450</u>	<u>\$ 2,495,801</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court	
			Technology Fund	Library Board Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines	-	-	5,767	-
Investment earnings	395	89	25	-
Contributions from private sources	-	-	-	4,245
Miscellaneous revenue	-	11,671	-	5,451
Total revenues	395	11,760	5,792	9,696
EXPENDITURES				
Current:				
General government	-	-	8,689	-
Public safety				
Police	-	34,073	-	-
Culture and recreation				
Libraries	-	-	-	7,044
Economic development and assistance	-	-	-	-
Debt service:				
Bond principal	-	-	-	-
Interest - bonds	-	-	-	-
Other debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	34,073	8,689	7,044
Excess (deficiency) of revenues over expenditures	395	(22,313)	(2,897)	2,652
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,501	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	4,501	-	-
Net change in fund balance	395	(17,812)	(2,897)	2,652
Fund balance - beginning	100,037	17,812	10,365	3,896
Fund balance - ending	\$ 100,432	\$ -	\$ 7,468	\$ 6,548

Special Revenue Funds				Permanent Fund	Debt Service Fund
Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,670
-	145,974	-	-	-	-
-	-	-	98,036	-	-
-	-	-	6,514	-	-
4,016	-	-	-	-	-
110	14,730	52	-	2,045	2,499
-	-	-	-	-	-
-	-	-	11,557	-	-
4,126	160,704	52	116,107	2,045	368,169
-	-	-	192,660	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	117,399	-	-	-	-
-	-	-	-	-	245,000
-	-	-	-	-	414,885
-	-	-	-	-	650
-	-	-	5,400	-	-
-	117,399	-	198,060	-	660,535
4,126	43,305	52	(81,953)	2,045	(292,366)
-	-	-	98,036	-	347,548
-	-	(6,000)	-	(1,982)	-
-	-	(6,000)	98,036	(1,982)	347,548
4,126	43,305	(5,948)	16,083	63	55,182
25,011	1,288,840	12,668	17,489	174,558	119,636
\$ 29,137	\$ 1,332,145	\$ 6,720	\$ 33,572	\$ 174,621	\$ 174,818

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CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Key Avenue Fund	CPF, Certificates of Obligation, Series 2011	Airport Hangar Fund	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 365,670
Hotel/motel taxes	-	-	-	145,974
Intergovernmental revenues	-	-	-	98,036
Charges for services	-	-	-	6,514
Fines	-	-	-	9,783
Investment earnings	1,669	576	33	22,223
Contributions from private sources	-	-	-	4,245
Miscellaneous revenue	-	-	-	28,679
Total revenues	<u>1,669</u>	<u>576</u>	<u>33</u>	<u>681,124</u>
EXPENDITURES				
Current:				
General government	-	36,265	-	237,614
Public safety				
Police	-	-	-	34,073
Culture and recreation				
Libraries	-	-	-	7,044
Economic development and assistance	-	-	-	117,399
Debt service:				
Bond principal	-	-	-	245,000
Interest - bonds	-	-	-	414,885
Other debt	-	-	-	650
Capital outlay	-	-	-	5,400
Total expenditures	<u>-</u>	<u>36,265</u>	<u>-</u>	<u>1,062,065</u>
Excess (deficiency) of revenues over expenditures	<u>1,669</u>	<u>(35,689)</u>	<u>33</u>	<u>(380,941)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	450,085
Transfers out	-	-	-	(7,982)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,103</u>
Net change in fund balance	1,669	(35,689)	33	61,162
Fund balance - beginning	418,880	166,687	2,323	2,358,202
Fund balance - ending	<u>\$ 420,549</u>	<u>\$ 130,998</u>	<u>\$ 2,356</u>	<u>\$ 2,419,364</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Nonmajor Enterprise Funds			Total Nonmajor Proprietary Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
	ASSETS			
Current Assets:				
Cash and cash equivalents	\$ 64,740	\$ 207,287	\$ 34,701	\$ 306,728
Investments - current	2,450	37,804	304	40,558
Accounts receivable, net	-	7,818	(620)	7,198
Notes receivable	270,069	-	-	270,069
Due from other funds	-	6,094	-	6,094
Inventories	-	12,392	28,408	40,800
Total current assets	<u>337,259</u>	<u>271,395</u>	<u>62,793</u>	<u>671,447</u>
Noncurrent Assets:				
Land	373,962	141,292	341,030	856,284
Construction/development in progress	-	118,500	-	118,500
Buildings	-	1,288,259	379,899	1,668,158
Improvements other than buildings	-	484,450	1,503,253	1,987,703
Furnishings and equipment	-	58,587	194,403	252,990
Accumulated depreciation	-	(861,030)	(1,331,731)	(2,192,761)
Total noncurrent assets	<u>373,962</u>	<u>1,230,058</u>	<u>1,086,854</u>	<u>2,690,874</u>
Total assets	<u>711,221</u>	<u>1,501,453</u>	<u>1,149,647</u>	<u>3,362,321</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	21,306	-	76,160	97,466
Deferred outflows - OPEB	3,614	-	13,453	17,067
Total deferred outflows of resources	<u>24,920</u>	<u>-</u>	<u>89,613</u>	<u>114,533</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,155	1,087	23,760	26,002
Accrued salaries and benefits	1,642	-	5,602	7,244
Accrued liabilities	-	-	2,843	2,843
Intergovernmental payable	-	6	-	6
Total current liabilities	<u>2,797</u>	<u>1,093</u>	<u>32,205</u>	<u>36,095</u>
Noncurrent Liabilities:				
Net pension obligation	53,181	-	188,299	241,480
Other post-employment benefits	49,457	-	178,596	228,053
OPEB - supplemental death benefits	4,317	-	16,066	20,383
Compensated absences payable	-	-	20,462	20,462
Total noncurrent liabilities	<u>106,955</u>	<u>-</u>	<u>403,423</u>	<u>510,378</u>
Total liabilities	<u>109,752</u>	<u>1,093</u>	<u>435,628</u>	<u>546,473</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	14,022	-	52,155	66,177
NET POSITION				
Net investment in capital assets	373,962	1,230,058	1,086,854	2,690,874
Unrestricted	238,405	270,302	(335,377)	173,330
Total net position	<u>\$ 612,367</u>	<u>\$ 1,500,360</u>	<u>\$ 751,477</u>	<u>\$ 2,864,204</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Nonmajor Enterprise Funds			Total Nonmajor Proprietary Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
Operating revenues:				
Charges for services:				
Other charges for services	\$ -	\$ 144,094	\$ 516,608	\$ 660,702
Miscellaneous revenue	47,806	894	2,547	51,247
Total operating revenues	<u>47,806</u>	<u>144,988</u>	<u>519,155</u>	<u>711,949</u>
Operating expenses:				
Personnel services	100,333	-	377,064	477,397
Purchased prof. and tech. services	65	4,468	12,243	16,776
Purchased property services	-	9,147	28,754	37,901
Other purchased services	-	25	81,187	81,212
Materials and supplies	-	72,361	98,614	170,975
Other operating expenses	-	15,126	34,185	49,311
Depreciation	-	63,571	69,819	133,390
Total operating expenses	<u>100,398</u>	<u>164,698</u>	<u>701,866</u>	<u>966,962</u>
Operating income (loss)	(52,592)	(19,710)	(182,711)	(255,013)
Nonoperating revenues (expenses)				
Investment earnings	6,689	1,255	5	7,949
Total nonoperating revenues (expenses)	<u>6,689</u>	<u>1,255</u>	<u>5</u>	<u>7,949</u>
Income before transfers in (out)	(45,903)	(18,455)	(182,706)	(247,064)
Transfers in	41,181	80,468	117,886	239,535
Transfers out	-	(7,085)	-	(7,085)
Change in net position	<u>(4,722)</u>	<u>54,928</u>	<u>(64,820)</u>	<u>(14,614)</u>
Net position-beginning (as restated)	617,089	1,445,432	816,297	2,878,818
Net position-ending	<u>\$ 612,367</u>	<u>\$ 1,500,360</u>	<u>\$ 751,477</u>	<u>\$ 2,864,204</u>

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CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Nonmajor Enterprise Funds			Total Nonmajor Proprietary Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ -	\$ 150,734	\$ 521,073	\$ 671,807
Other receipts	47,806	-	-	47,806
Payments to suppliers and service providers	(523)	(110,258)	(240,365)	(351,146)
Payments to employees for salaries and benefits	(100,286)	-	(375,657)	(475,943)
Net cash provided by (used for) operating activities	(53,003)	40,476	(94,949)	(107,476)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	41,181	73,383	117,886	232,450
Net cash provided by (used for) capital and financing activities	41,181	73,383	117,886	232,450
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(118,500)	(22,577)	(141,077)
Net pension obligation	(10,803)	-	(40,215)	(51,018)
Net OPEB obligation	17,256	-	64,240	81,496
Deferred outflow of resources	(4,044)	-	(15,056)	(19,100)
Deferred inflow of resources	13,656	-	50,844	64,500
Prior period adjustment of beginning net position	(11,345)	-	(42,235)	(53,580)
Notes receivable	16,776	-	-	16,776
Net cash provided by (used for) capital and related financing activities	21,496	(118,500)	(4,999)	(102,003)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(38)	(576)	(4)	(618)
Intergovernmental	-	6	-	6
Interest on investments	6,689	1,255	5	7,949
Net cash provided by investing activities	6,651	685	1	7,337
Net increase (decrease) in cash and cash equivalents	16,325	(3,956)	17,939	30,308
Cash and cash equivalents-beginning	48,415	211,243	16,762	276,420
Cash and cash equivalents-ending	\$ 64,740	\$ 207,287	\$ 34,701	\$ 306,728
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	(52,592)	(19,710)	(182,711)	(255,013)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	63,571	69,819	133,390
(Increase) decrease in accounts receivable	-	5,746	1,918	7,664
(Increase) decrease in inventories	-	3,296	3,662	6,958
(Decrease) increase in compensated absences	-	-	1,228	1,228
(Decrease) increase in accounts payable	(458)	(12,427)	12,477	(408)
(Decrease) increase in Accrued Salaries	47	-	179	226
(Decrease) increase in accrued liabilities	-	-	(1,521)	(1,521)
Total adjustments	(411)	60,186	87,762	147,537
Net cash provided by (used for) operating activities	\$ (53,003)	\$ 40,476	\$ (94,949)	\$ (107,476)

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CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 320,337	\$ 320,337	\$ 365,670	\$ 45,333
Investment earnings	800	800	2,499	1,699
Total revenues	<u>321,137</u>	<u>321,137</u>	<u>368,169</u>	<u>47,032</u>
EXPENDITURES				
Current:				
Debt service:				
Bond principal	245,000	245,000	245,000	-
Interest - bonds	414,885	414,885	414,885	-
Other debt	500	500	650	(150)
Total expenditures	<u>660,385</u>	<u>660,385</u>	<u>660,535</u>	<u>(150)</u>
Excess (deficiency) of revenues over expenditures	<u>(339,248)</u>	<u>(339,248)</u>	<u>(292,366)</u>	<u>46,882</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	347,548	347,548	347,548	-
Total other financing sources (uses)	<u>347,548</u>	<u>347,548</u>	<u>347,548</u>	<u>-</u>
Net change in fund balances	8,300	8,300	55,182	46,882
Fund balance - beginning	119,636	119,636	119,636	-
Fund balance - ending	<u>\$ 127,936</u>	<u>\$ 127,936</u>	<u>\$ 174,818</u>	<u>\$ 46,882</u>

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OTHER SUPPLEMENTARY INFORMATION SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable Mayor, Members of the City Council, and Citizens of
City of Lampasas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Lampasas, Texas ("the City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Singleton, Clark & Company, PC". The signature is written in a cursive style and is set against a light yellow rectangular background.

Singleton, Clark & Company, PC
Cedar Park, Texas

February 15, 2019

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Under the guidelines of federal Uniform Guidance, a Single Audit was not required due to expenditures of federal awards being less than \$750,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2018 and 2017.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

Not applicable.

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STATISTICAL SECTION

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

Contents	Pages
Financial Trends	73-82
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	83-88
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	89-93
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	

CITY OF LAMPASAS, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 747,000	\$ 1,581,000	\$ 436,000	\$ 771,128
Restricted	4,599,000	4,154,000	5,647,000	5,532,880
Unrestricted	777,000	1,052,000	1,001,000	1,232,515
Total Governmental Activities Net Position	\$ 6,123,000	\$ 6,787,000	\$ 7,084,000	\$ 7,536,523
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 9,812,000	\$ 11,143,000	\$ 10,840,000	\$ 10,572,965
Restricted	5,797,000	5,797,000	5,393,000	5,156,820
Unrestricted	2,325,000	2,037,000	3,549,000	4,380,601
Total Business-type Activities Net Position	\$ 17,934,000	\$ 18,977,000	\$ 19,782,000	\$ 20,110,386
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 10,559,000	\$ 12,724,000	\$ 11,276,000	\$ 11,344,093
Restricted	10,396,000	9,951,000	11,040,000	10,689,700
Total Primary Government Net Position	\$ 24,057,000	\$ 25,764,000	\$ 26,866,000	\$ 27,646,909

TABLE 1

2013	2014	2015	2016	2017	2018
\$ 1,950,175	\$ 2,418,796	\$ 3,180,867	\$ 3,706,170	\$ 3,500,963	\$ 2,179,077
2,914,531	2,369,001	2,833,708	2,325,877	2,375,022	2,263,448
3,041,824	2,986,307	(1,806,130)	(1,440,083)	(1,715,766)	(2,362,825)
<u>\$ 7,906,530</u>	<u>\$ 7,774,104</u>	<u>\$ 4,208,445</u>	<u>\$ 4,591,964</u>	<u>\$ 4,160,219</u>	<u>\$ 2,079,700</u>
\$ 10,564,759	\$ 12,288,611	\$ 13,025,534	\$ 12,759,887	\$ 12,947,023	\$ 14,080,058
4,486,820	4,490,449	2,867,877	2,726,401	2,507,667	2,534,131
5,425,742	4,141,523	3,393,861	3,670,864	3,528,888	3,799,634
<u>\$ 20,477,321</u>	<u>\$ 20,920,583</u>	<u>\$ 19,287,272</u>	<u>\$ 19,157,152</u>	<u>\$ 18,983,578</u>	<u>\$ 20,413,823</u>
\$ 12,514,934	\$ 14,707,407	\$ 16,206,401	\$ 16,466,057	\$ 16,447,986	\$ 16,259,135
7,401,351	6,859,450	5,701,585	5,052,278	4,882,689	4,797,579
<u>\$ 28,383,851</u>	<u>\$ 28,694,687</u>	<u>\$ 23,495,717</u>	<u>\$ 23,749,116</u>	<u>\$ 23,143,797</u>	<u>\$ 22,493,523</u>

CITY OF LAMPASAS, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

CITY OF LAMPASAS, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental Activities:				
General Government	\$ 2,324,000	\$ 2,664,000	\$ 2,751,000	\$ 2,144,309
Public Safety	2,669,000	2,618,000	2,079,000	2,801,991
Highways and Streets	1,021,000	1,093,000	1,976,000	618,732
Sanitation	-	-	-	970,308
Health and Welfare	-	-	-	114,582
Conservation	-	-	-	53,398
Culture and Recreation	1,015,000	966,000	1,008,000	1,084,794
Interest on Long-Term Debt	274,000	262,000	259,000	301,895
Total Gov. Activities Expenses	<u>7,303,000</u>	<u>7,603,000</u>	<u>8,073,000</u>	<u>8,090,009</u>
Business-type Activities				
Water/Wastewater	14,184,000	13,277,000	13,297,000	3,617,208
Electric Fund	-	-	-	8,906,129
Other Nonmajor Enterprise Funds	-	-	-	756,692
Total Business-type Act. Expenses	<u>14,184,000</u>	<u>13,277,000</u>	<u>13,297,000</u>	<u>13,280,029</u>
Total Primary Gov. Expenses	<u>\$21,487,000</u>	<u>\$20,880,000</u>	<u>\$21,370,000</u>	<u>\$21,370,038</u>
Program Revenues				
Governmental Activities:				
General Government:				
Charges for Service	\$ 2,519,000	\$ 2,796,000	\$ 2,757,000	\$ 3,222,279
Operating Grants and Contributions	907,000	1,330,000	204,000	84,047
Total Gov. Activities Program Revenues	<u>3,426,000</u>	<u>4,126,000</u>	<u>2,961,000</u>	<u>3,306,326</u>
Business-type Activities:				
Program Revenue:				
Charges for Services:	15,006,000	14,859,000	15,627,000	15,059,288
Operating Grants & Contributions	-	-	-	-
Total Business-type Act. Prog. Revenues	<u>15,006,000</u>	<u>14,859,000</u>	<u>15,627,000</u>	<u>15,059,288</u>
Total Primary Gov. Prog. Revenues	<u>\$18,432,000</u>	<u>\$18,985,000</u>	<u>\$18,588,000</u>	<u>\$18,365,614</u>
Net (Expense)/Revenue				
Governmental Activities	(3,877,000)	(3,477,000)	(5,112,000)	(4,783,683)
Business-type Activities	822,000	1,582,000	2,330,000	1,779,259
Total Primary Government Net Expense	<u>\$ (3,055,000)</u>	<u>\$ (1,895,000)</u>	<u>\$ (2,782,000)</u>	<u>\$ (3,004,424)</u>

TABLE 2

2013	2014	2015	2016	2017	2018
\$ 2,022,456	\$ 2,223,490	\$ 2,291,288	\$ 2,696,527	\$ 2,718,288	\$ 3,091,738
2,955,907	3,186,403	3,407,906	3,493,501	3,895,816	4,055,064
671,618	699,633	660,402	620,679	840,382	659,773
1,051,846	1,058,171	1,126,129	1,195,220	1,170,846	1,181,898
118,503	128,549	139,303	133,720	153,870	163,533
44,954	48,646	56,512	92,752	52,356	127,687
964,600	1,008,322	1,133,436	1,067,490	1,087,984	1,020,517
279,734	268,213	255,130	241,563	371,013	394,441
8,109,618	8,621,427	9,070,106	9,541,452	10,290,555	10,694,651
3,783,437	4,269,573	4,443,566	4,651,178	4,913,717	4,702,689
8,500,187	9,193,037	9,649,508	8,258,476	8,198,601	8,434,875
732,341	808,386	927,302	872,931	928,702	966,962
13,015,965	14,270,996	15,020,376	13,782,585	14,041,020	14,104,526
\$ 21,125,583	\$ 22,892,423	\$ 24,090,482	\$ 23,324,037	\$ 24,331,575	\$ 24,799,177
\$ 2,285,216	\$ 1,395,338	\$ 1,548,820	\$ 1,582,065	\$ 1,589,036	\$ 1,592,452
502,432	641,953	344,801	137,834	196,818	144,548
2,787,648	2,037,291	1,893,621	1,719,899	1,785,854	1,737,000
14,773,779	15,160,953	15,900,317	15,854,405	15,820,487	17,117,376
-	-	-	-	5,498	-
14,773,779	15,160,953	15,900,317	15,854,405	15,825,985	17,117,376
\$ 17,561,427	\$ 17,198,244	\$ 17,793,938	\$ 17,574,304	\$ 17,611,839	\$ 18,854,376
(5,321,970)	(6,584,136)	(7,176,485)	(7,821,553)	(8,504,701)	(8,957,651)
1,757,814	889,957	879,941	2,071,820	1,784,965	3,012,850
\$ (3,564,156)	\$ (5,694,179)	\$ (6,296,544)	\$ (5,749,733)	\$ (6,719,736)	\$ (5,944,801)

CITY OF LAMPASAS, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

**CITY OF LAMPASAS, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
Net (Expense)/Revenue				
Governmental Activities	\$ (3,877,337)	\$ (3,476,287)	\$ (5,113,105)	\$ (4,783,683)
Business-type Activities	821,902	1,582,369	2,330,265	1,779,259
Total Primary Government Net Expense	<u>(3,055,435)</u>	<u>(1,893,918)</u>	<u>(2,782,840)</u>	<u>(3,004,424)</u>
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property Taxes	1,209,306	1,226,081	1,272,469	1,345,349
Sales Taxes	1,142,555	1,146,768	1,163,562	1,192,491
Franchise Fees	957,880	914,549	943,413	905,082
Hotel/Motel Taxes	-	-	-	-
Penalty and Interest	17,887	27,830	24,932	21,452
Contributions and Donations	52,367	36,636	133,583	18,478
Miscellaneous Revenue	543,857	98,054	311,693	239,662
Investment Earnings	61,410	16,840	13,961	17,380
Gain/loss on sale of capital assets				
Total Governmental Activities	<u>3,985,262</u>	<u>3,466,758</u>	<u>3,863,613</u>	<u>3,739,894</u>
Business-type Activities:				
Miscellaneous Revenue	824,818	81,970	-	32,838
Investment Earnings	69,518	23,765	21,816	11,343
Total Business-type Activities	<u>894,336</u>	<u>105,735</u>	<u>21,816</u>	<u>44,181</u>
Total Primary Government	<u>4,879,598</u>	<u>3,572,493</u>	<u>3,885,429</u>	<u>3,784,075</u>
Transfers In (Out)	20,341	28,690	-	-
Change in Net Position				
Governmental Activities	107,925	(9,529)	(1,249,492)	(1,043,789)
Business-type Activities	1,716,238	1,688,104	2,352,081	1,823,440
Total Primary Government	<u>\$ 1,824,163</u>	<u>\$ 1,678,575</u>	<u>\$ 1,102,589</u>	<u>\$ 779,651</u>

TABLE 3

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (5,321,970)	\$ (6,584,136)	\$ (7,176,485)	\$ (7,821,553)	\$ (8,504,701)	\$ (8,957,651)
1,760,287	889,857	879,941	2,071,820	1,784,965	3,012,850
(3,561,683)	(5,694,279)	(6,296,544)	(5,749,733)	(6,719,736)	(5,944,801)
1,381,515	1,410,139	1,453,654	1,498,205	1,558,898	1,629,080
1,154,769	1,234,608	1,339,222	1,436,371	1,486,812	1,499,393
898,937	931,165	955,286	930,989	913,565	933,625
84,026	87,550	74,297	76,192	135,879	145,974
-	-	-	-	-	-
23,192	11,515	7,880	9,044	5,864	15,861
732,562	2,172,833	2,483,834	1,925,773	1,777,383	1,592,346
14,831	8,955	13,439	14,915	77,400	132,353
		(110,791)	-	-	41,403
4,289,832	5,856,765	6,216,821	5,891,489	5,955,801	5,990,035
166,546	46,063	23,310	77,856	109,876	82,355
24,606	24,613	28,639	33,787	48,740	96,335
191,152	70,676	51,949	111,643	158,616	178,690
4,480,984	5,927,441	6,268,770	6,003,132	6,114,417	6,168,725
-	77,574	50,936	-	-	-
(1,032,138)	(727,371)	(959,664)	(1,930,064)	(2,548,900)	(2,967,616)
1,951,439	960,533	931,890	2,183,463	1,943,581	3,191,540
\$ 919,301	\$ 233,162	\$ 23,162	\$ 253,399	\$ (605,319)	\$ 223,924

CITY OF LAMPASAS, TEXAS
 FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
 FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
NonSpendable	\$ 15,077	\$ 12,026	\$ 9,337	\$ 15,491
Restricted, Committed, or Assigned	1,808,453	1,763,872	1,794,537	1,833,004
Unassigned	283,119	565,089	652,384	620,340
Total General Fund	\$ 2,106,649	\$ 2,340,987	\$ 2,446,921	\$ 2,468,835
All Other Governmental Funds				
Restricted for:				
Capital Projects Funds	\$ 3,043,255	958,219	923,404	2,247,640
Debt Service Fund	148,050	149,983	159,699	164,426
Endowments	174,558	174,558	174,558	174,558
Other Specific Purpose	1,028,771	1,115,263	1,106,426	1,115,260
Total All Other Governmental Funds	\$ 4,394,634	\$ 2,398,023	\$ 2,364,087	\$ 3,701,884

TABLE 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 22,923	\$ 58,743	\$ 51,191	\$ 27,990	\$ 29,599	\$ 30,685
1,832,914	1,832,480	1,834,048	1,835,013	1,836,963	1,841,218
764,355	653,146	139,451	387,299	483,661	827,310
<u>\$ 2,620,192</u>	<u>\$ 2,544,369</u>	<u>\$ 2,024,690</u>	<u>\$ 2,250,302</u>	<u>\$ 2,350,223</u>	<u>\$ 2,699,213</u>
1,370,948	\$ 774,455	\$ 155,838	\$ 650,889	\$ 5,717,801	\$ 3,637,511
168,856	171,040	1,212,323	218,011	119,636	174,818
174,558	174,558	174,558	174,558	174,558	174,621
1,185,449	1,233,232	1,275,243	1,262,407	1,476,118	1,516,022
<u>\$ 2,899,811</u>	<u>\$ 2,353,285</u>	<u>\$ 2,817,962</u>	<u>\$ 2,305,865</u>	<u>\$ 7,488,113</u>	<u>\$ 5,502,972</u>

CITY OF LAMPASAS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Ad valorem taxes	\$ 1,215,138	\$ 1,250,663	\$ 1,289,325	\$ 1,370,826
Sales taxes	1,142,555	1,146,768	1,163,562	1,192,491
Hotel/Motel taxes	-	-	-	-
Franchise fees	957,880	914,549	943,413	905,082
Licenses and permits	29,447	34,457	24,375	28,008
Intergovernmental	907,471	1,330,451	322,430	84,047
Service fees	2,270,176	2,526,354	2,714,482	2,272,053
Fines and penalties	12,015	20,969	21,929	419,173
Special Assessments	190,307	191,252	192,363	192,380
Interest income	61,410	16,840	13,961	17,381
Rents and Royalties	19,942	22,867	26,456	23,234
Contributions and Donations	52,367	19,360	15,202	18,478
Miscellaneous income	489,783	98,054	303,374	254,041
Total Revenues	7,348,491	7,572,584	7,030,872	6,777,194
Expenditures				
General Government	659,475	818,242	1,254,843	937,126
Public Safety Police/Fire	2,655,646	2,582,849	2,524,663	2,637,477
Highway and Streets	1,199,989	1,103,306	1,077,476	1,061,416
Sanitation	812,258	872,352	892,840	893,502
Health and Welfare	257,763	104,104	109,455	268,051
Culture and Recreation	824,951	3,022,908	993,284	968,055
Conservation	-	43,462	45,973	57,219
Capital Outlay/Misc	1,603,708	902,309	1,512,149	980,164
Debt Service				
Principal	316,000	395,709	382,229	333,825
Interest and fiscal charges	265,330	256,959	241,656	293,359
Bond issuance costs	-	-	-	125
Total Expenditures	8,595,120	10,102,200	9,034,568	8,430,319
Excess of Revenues Over (Under) Expenditures	(1,246,629)	(2,529,616)	(2,003,696)	(1,653,125)
Other Financing Sources (Uses)				
Transfers In	2,119,258	4,324,266	1,745,203	1,979,951
Transfers Out	(2,957,831)	(3,560,614)	(197,129)	(485,118)
Issuance of long-term debt	-	-	2,036,036	-
Premium or discount on bonds issued				
Other resources	70,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	20,340	3,690	2,942	6,645
Total Other Financing				
Sources (Uses)	(748,233)	767,342	3,587,052	1,501,478
Net Change in Fund Balances	\$ (1,994,862)	\$ (1,762,274)	\$ 1,583,356	\$ (151,647)
Debt Service as a Percentage of Noncapital Expenditures	10.9%	12.1%	10.9%	11.3%

CITY OF LAMPASAS, TEXAS
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

TABLE 5

		Fiscal Year					
2013	2014	2015	2016	2017	2018		
\$ 1,378,807	\$ 1,405,387	\$ 1,452,783	\$ 1,482,248	\$ 1,566,730	\$ 1,622,486		
1,154,769	1,234,608	1,339,222	1,436,371	1,486,812	1,499,393		
84,026	87,550	74,297	76,192	135,879	145,974		
898,937	931,165	955,286	930,989	913,565	933,625		
44,153	45,981	55,735	60,420	50,667	57,323		
502,432	1,994,914	1,997,911	1,355,669	1,331,057	1,335,939		
2,285,216	1,395,338	1,548,820	1,582,065	1,589,036	1,592,452		
334,368	329,222	358,403	379,819	359,859	325,105		
204,360	9,414	8,029	7,801	6,739	5,767		
14,831	8,955	13,439	14,915	77,400	132,353		
22,416	8,570	7,900	7,070	9,351	11,656		
23,192	11,515	7,880	9,044	111,548	62,373		
114,582	169,744	387,539	106,803	128,287	109,404		
<u>7,062,089</u>	<u>7,632,363</u>	<u>8,207,244</u>	<u>7,449,406</u>	<u>7,766,930</u>	<u>7,833,850</u>		
1,868,743	2,053,956	2,098,606	2,455,291	2,435,509	2,600,290		
2,786,442	2,938,563	3,133,478	3,307,491	3,473,689	3,715,247		
851,924	644,611	609,260	601,244	758,902	603,275		
963,066	980,334	1,045,238	1,110,857	1,081,870	1,086,672		
108,501	119,093	128,207	125,835	137,322	141,900		
879,508	930,538	1,052,019	1,041,199	976,762	932,687		
41,160	45,068	52,453	86,205	48,377	117,399		
1,146,256	734,396	1,139,048	747,874	1,252,119	1,246,223		
335,000	360,000	365,000	380,000	245,000	245,000		
282,983	270,701	257,644	244,159	386,124	414,885		
-	250	250	250	450	650		
<u>9,263,583</u>	<u>9,077,510</u>	<u>9,881,203</u>	<u>10,100,405</u>	<u>10,796,124</u>	<u>11,104,228</u>		
<u>(2,201,494)</u>	<u>(1,445,147)</u>	<u>(1,673,959)</u>	<u>(2,650,999)</u>	<u>(3,029,194)</u>	<u>(3,270,378)</u>		
1,811,287	1,931,071	2,307,289	2,997,201	2,572,192	3,159,275		
(273,192)	(1,336,126)	(637,820)	(683,618)	(455,037)	(1,590,303)		
12,683	-	-	-	5,355,000	-		
-	10,759	13,118	44,501	762,760	-		
-	-	-	-	60,937	23,852		
-	217,094	3,867	6,430	15,511	41,403		
<u>1,550,778</u>	<u>822,798</u>	<u>1,686,454</u>	<u>2,364,514</u>	<u>8,311,363</u>	<u>1,634,227</u>		
<u>\$ (650,716)</u>	<u>\$ (622,349)</u>	<u>\$ 12,495</u>	<u>\$ (286,485)</u>	<u>\$ 5,282,169</u>	<u>\$ (1,636,151)</u>		
9.6%	9.5%	9.0%	8.4%	8.1%	8.2%		

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CITY OF LAMPASAS, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 6

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Total
2009	\$ 1,215,138	\$ 1,142,555	\$ 957,880	\$ 3,315,573
2010	1,250,663	1,146,768	914,549	3,311,980
2011	1,289,325	1,163,562	943,413	3,396,300
2012	1,370,826	1,192,491	905,082	3,468,399
2013	1,378,807	1,154,769	898,937	3,432,513
2014	1,405,387	1,234,608	931,165	3,571,160
2015	1,452,783	1,339,222	955,286	3,747,291
2016	1,482,248	1,436,371	930,989	3,849,608
2017	1,566,730	1,486,812	913,565	3,967,107
2018	1,622,486	1,499,393	933,625	4,055,504
10-year \$ Change	\$ 407,348	\$ 356,838	\$ (24,255)	\$ 739,931
10-year % Change	398.3%	420.2%	-3849.2%	548.1%

CITY OF LAMPASAS, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property
2009	2008	\$ 73,656,060	\$ 284,963,120	\$ (35,735,980)
2010	2009	78,618,530	288,702,750	(35,913,417)
2011	2010	79,019,370	289,690,060	(35,851,120)
2012	2011	77,443,550	310,439,970	(35,353,687)
2013	2012	78,436,600	301,810,400	(35,164,450)
2014	2013	82,466,610	308,761,460	(37,463,750)
2015	2014	79,659,155	320,799,539	(37,099,540)
2016	2015	85,565,235	330,282,892	(50,340,765)
2017	2016	89,878,302	360,637,509	(43,147,770)
2018	2017	89,822,910	369,507,060	(63,566,080)

Source: Lampasas Central Appraisal District

TABLE 7

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 322,883,200	0.3900	\$ 316,570,041	98.04%
331,407,863	0.3900	318,511,133	96.11%
332,858,310	0.4000	318,522,890	95.69%
352,529,833	0.3952	340,983,388	96.72%
345,082,550	0.3952	344,754,618	99.90%
353,764,320	0.3952	353,119,544	99.82%
363,359,154	0.3952	364,615,688	100.35%
363,359,154	0.3952	365,152,900	100.49%
407,368,041	0.3952	378,621,000	92.94%
395,763,890	0.3952	393,000,000	99.30%

CITY OF LAMPASAS, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)**

Taxpayer	2018		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 25,985,662	1	7.13%
Wal-mart Real Estate	7,970,940	2	2.19%
Benny Boyd Ltd DBA Benny	5,689,760	3	1.56%
Hoffpauir James Lee	4,973,310	4	1.36%
Patel Sanjay B and Devang C	4,547,000	5	1.25%
The Estates of Lampasas LP	3,655,500	6	1.00%
Hoffpauir Jim Inc	2,405,690	7	0.66%
Oil States Industries	2,384,660	8	0.65%
Big Diamond Inc	2,326,460	9	0.64%
H E Butt Grocery Company	2,283,870	10	0.63%
Total	\$ 62,222,852		17.07%

(1) Source: Lampasas Central Appraisal District

TABLE 8

Taxpayer	2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 4,287,767	1	1.93%
Windsor Quality Foods	1,215,190	2	0.55%
Wal-mart Real Estate	10,024,120	3	4.50%
Windsor Quality Foods	2,655,010	4	1.19%
Oil States Industries	2,481,760	5	1.11%
Diya & Mansi LLC	2,375,740	6	1.07%
Southwestern Bell Telephone Co.	2,103,440	7	0.94%
Oil States Industries	2,011,240	8	0.90%
Benny Boyd Ltd DBA Benny	2,001,890	9	0.90%
B Boyd Landco LLC	1,875,760	10	0.84%
Total	<u>\$ 31,031,917</u>		<u>13.93%</u>

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CITY OF LAMPASAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 9

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy ¹
2009	\$ 1,213,384	\$ 1,180,267	97.27%	\$ 30,712	\$ 1,210,979	99.80%
2010	1,230,637	1,196,684	97.24%	31,842	1,228,526	99.83%
2011	1,271,572	1,232,818	96.95%	33,435	1,266,253	99.58%
2012	1,347,628	1,318,085	97.81%	22,443	1,340,528	99.47%
2013	1,357,361	1,332,308	98.15%	11,210	1,343,518	98.98%
2014	1,392,610	1,366,605	98.13%	11,372	1,377,977	98.95%
2015	1,441,027	1,412,184	98.00%	12,789	1,424,973	98.89%
2016	1,479,052	1,437,252	97.17%	16,853	1,454,105	98.31%
2017	1,528,124	1,498,010	98.03%	35,076	1,533,086	100.32%
2018	1,606,700	1,576,228	98.10%	25,971	1,602,199	99.72%

Source: Lampasas Central Appraisal District

CITY OF LAMPASAS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	General Bonded Debt			Business-type Activities	
	General	Tax	Certificates of	Tax & Revenue	
	Obligation	Notes	Obligation	Refunding	Certificates of
	Bonds			Bonds	Obligations
2009	\$ -	\$ 465,000	\$ 5,580,000	\$ 3,307,000	\$ 1,645,000
2010	-	355,000	5,360,000	3,242,000	1,480,000
2011	-	240,000	7,161,036	3,174,000	1,315,000
2012	-	120,000	6,979,995	-	4,348,353
2013	-	-	6,763,954	-	4,089,880
2014	-	-	6,402,913	-	3,826,407
2015	-	-	6,036,872	-	3,547,934
2016	-	-	5,655,829	-	3,259,461
2017	-	-	11,489,410	-	2,965,988
2018	-	-	11,205,231	-	2,662,515

Fiscal Year	Total Primary Government	Total All Government	Population	Per Capita Income (1)	Personal Income
2009	\$ 10,997,000	\$ 10,997,000	7,465	\$ 107	\$ 798,755
2010	10,437,000	10,437,000	7,465	869	6,487,085
2011	11,890,036	11,890,036	7,465	832	6,210,880
2012	11,448,348	11,448,348	6,681	790	5,277,990
2013	10,853,834	10,853,834	6,681	833	5,565,273
2014	10,229,320	10,229,320	6,695	1,084	7,257,380
2015	9,584,806	9,584,806	6,695	1,036	6,936,020
2016	8,915,290	8,915,290	7,223	985	7,114,655
2017	14,455,398	14,455,398	7,687	1,611	12,383,757
2018	13,867,746	13,867,746	7,826	1,722	13,478,329

(1) Information from 2000 census, 2010 census and modified by City staff estimates.

TABLE 10

Other Governmental Activities Debt		
Certificate of Obligations	General Obligation Bonds	Tax & Revenue Refunding Bonds
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Percentage of Outstanding Debt	
Percentage of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
1376.77%	\$ 1,473
160.89%	1,398
191.44%	1,593
216.91%	1,714
195.03%	1,625
140.95%	1,528
138.19%	1,432
125.31%	1,234
116.73%	1,880
102.89%	1,772

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CITY OF LAMPASAS, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 11

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Property Value	Per Capita
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2009	\$ -	\$ 465,000	\$ 5,580,000	\$ 5,580,000	1.73%	\$ 416
2010	-	355,000	5,360,000	5,715,000	1.72%	426
2011	-	240,000	7,161,036	7,401,036	2.22%	552
2012	-	120,000	6,979,995	7,099,995	2.01%	529
2013	-	-	6,763,954	6,763,954	1.96%	504
2014	-	-	6,402,913	6,402,913	1.81%	478
2015	-	-	6,036,872	6,036,872	1.66%	450
2016	-	-	5,655,829	5,655,829	1.56%	305
2017	-	-	11,489,410	11,489,410	2.82%	620
2018	-	-	11,205,231	11,205,231	2.83%	605

CITY OF LAMPASAS, TEXAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed Valuation	\$322,883,200	\$331,407,863	\$332,858,310	\$352,529,833
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	x 1.5
Legal Annual Maximum Debt Payment	<u>\$ 4,843,248</u>	<u>\$ 4,971,118</u>	<u>\$ 4,992,875</u>	<u>\$ 5,287,947</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>652,668</u>	<u>623,885</u>	<u>627,309</u>	<u>617,983</u>
Legal Debt Margin for Annual Debt Service Requirements	<u>\$ 4,190,580</u>	<u>\$ 4,347,233</u>	<u>\$ 4,365,566</u>	<u>\$ 4,669,964</u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	13.48%	12.55%	12.56%	11.69%

Source: Lampasas Central Appraisal District
 Audited Financial Statements of the City of Lampasas

TABLE 12

2013	2014	2015	2016	2017	2018
<u>\$ 345,082,550</u>	<u>\$ 345,082,550</u>	<u>\$ 364,615,608</u>	<u>\$ 364,615,608</u>	<u>\$ 386,653,467</u>	<u>\$ 406,535,167</u>
x 1.5	x 1.5	x 1.5	1.5	1.5	1.5
<u>\$ 5,176,238</u>	<u>\$ 5,176,238</u>	<u>\$ 5,469,234</u>	<u>\$ 5,469,234</u>	<u>\$ 5,799,802</u>	<u>\$ 6,098,028</u>
<u>630,951</u>	<u>630,951</u>	<u>622,894</u>	<u>1,016,698</u>	<u>577,652</u>	<u>587,652</u>
<u>\$ 4,545,287</u>	<u>\$ 4,545,287</u>	<u>\$ 4,846,340</u>	<u>\$ 4,452,536</u>	<u>\$ 5,222,150</u>	<u>\$ 5,510,376</u>
12.19%	12.19%	11.39%	18.59%	9.96%	9.64%