

CITY OF LAMPASAS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor, Members of the City Council, and Citizens of the
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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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, 2020 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 liabilities 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

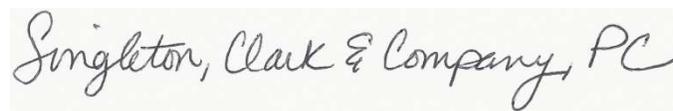
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules and the statistical section are presented for purposes of additional analysis and are not a required part 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 January 29, 2021, 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

January 29, 2021

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020. 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 increased by \$640,001 as a result of this year's current operations to end at \$1,924,733. This includes the net effect of two prior period adjustments totaling (\$4,937). The assets of the business-type activities of the City exceeded its liabilities at the close of the most recent fiscal year by \$21,605,787 as a result of this year's current operations. This includes the effect of a prior period adjustment totaling (\$180,215).
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$6,643,946, a decrease of \$73,536 in comparison with the prior year. At the end of the current fiscal year, the General Fund had \$3,412,851 in spendable fund balance which represents approximately 36% 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 \$21,605,787. The majority of ending proprietary net position related to the Electric Fund and the Water/Wastewater Fund which ended at \$8,213,873 and \$10,767,330 after the year's increase of \$947,396 and \$50,133, respectively.
- The City's component unit ended the year with a net position balance of \$1,271,240 after the year's increase of \$26,221.

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, 2020

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 17-19 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other fifteen 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 22-27 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 enterprise funds 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 28-31 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 35-57 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 60-71 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 76-89 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 and business-type activities by \$1,924,733 and \$21,605,787, respectively as of the close of the most recent fiscal year.

City of Lampasas, Texas's Net Position

	Governmental Activities 2020	Governmental Activities 2019	Change	Business- Type Activities 2020	Business- Type Activities 2019	Change
ASSETS	\$ 7,761,038	\$ 8,293,823	\$ (532,785)	\$ 11,037,042	\$ 10,077,945	\$ 959,097
Capital assets	10,799,571	11,187,149	(387,578)	16,900,030	16,871,069	28,961
Deferred outflows	1,907,394	2,437,706	(530,312)	566,688	687,559	(120,871)
Total assets and deferred outflows	<u>\$ 20,468,003</u>	<u>\$ 21,918,678</u>	<u>\$ (1,450,675)</u>	<u>\$ 28,503,760</u>	<u>\$ 27,636,573</u>	<u>\$ 867,187</u>
LIABILITIES	\$ 615,813	\$ 966,795	\$ (350,982)	\$ 1,339,955	\$ 1,815,928	\$ (475,973)
Long-term liabilities	16,085,179	18,898,122	(2,812,943)	5,009,632	4,691,511	318,121
Deferred inflows	1,842,278	764,092	1,078,186	548,386	215,512	332,874
Total liabilities and deferred inflows	<u>18,543,270</u>	<u>20,629,009</u>	<u>(2,085,739)</u>	<u>6,897,973</u>	<u>6,722,951</u>	<u>175,022</u>
NET POSITION						
Net investment in capital assets	1,247,698	1,717,386	(469,688)	13,799,461	14,436,658	(637,197)
Restricted	3,047,630	2,410,140	637,490	2,726,401	2,686,288	40,113
Unrestricted	<u>(2,370,595)</u>	<u>(2,837,857)</u>	<u>467,262</u>	<u>5,079,925</u>	<u>3,790,676</u>	<u>1,289,249</u>
Total net position	<u>\$ 1,924,733</u>	<u>\$ 1,289,669</u>	<u>\$ 635,064</u>	<u>\$ 21,605,787</u>	<u>\$ 20,913,622</u>	<u>\$ 692,165</u>

By far, the largest portion of the City's net position, approximately 64% or \$15,047,159, 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 25% or \$5,774,031, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,709,330 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 deficit balance in the unrestricted net position for its governmental activities in the amount of (\$2,370,595). 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, 2020

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$640,001 from the prior fiscal year as a result of current activities. Net position for governmental activities ended at \$1,924,733. Additionally, the City recorded two prior period adjustments related to accounts receivable in the amount of (\$43,472) and collection agency fees payable in the amount of \$38,535, which amounts to a net effect of (\$4,937) on net position for governmental activities.

Business-type Activities. For the City's business-type activities, the results of the current fiscal year caused overall net position to increase by \$872,380. Net position for business-type activities ended at \$21,605,787. Additionally, the City recorded a prior period adjustment related to accounts receivable which had an effect of (\$180,215) on net position for business-type activities.

City of Lampasas, Texas Changes in Net Position

	Governmental Activities 2020	Governmental Activities 2019	Change	Business- Type Activities 2020	Business- Type Activities 2019	Change
REVENUES						
Program Revenues:						
Charges for services	\$ 1,685,356	\$ 2,001,266	\$ (315,910)	\$ 17,221,695	\$ 16,952,681	\$ 269,014
Operating grants & contributions	337,828	44,271	293,557	-	-	-
General Revenues:						
Property taxes	1,774,622	1,689,257	85,365	-	-	-
Other taxes	1,756,563	1,580,877	175,686	-	-	-
Grants and contributions not restricted to specific programs	915,067	899,556	15,511	-	-	-
Other	2,195,721	1,901,225	294,496	418,738	362,128	56,610
Total revenue	8,665,157	8,116,452	548,705	17,640,433	17,314,809	325,624
EXPENSES						
General government	2,834,371	3,311,913	(477,542)	-	-	-
Public safety	4,209,622	4,286,779	(77,157)	-	-	-
Highways and streets	724,613	725,560	(947)	-	-	-
Sanitation	1,227,845	1,204,509	23,336	-	-	-
Health and welfare	197,523	193,716	3,807	-	-	-
Culture and recreation	1,203,844	1,259,968	(56,124)	-	-	-
Conservation	95,939	103,002	(7,063)	-	-	-
Interest on long-term debt	322,755	347,615	(24,860)	-	-	-
Electric Fund	-	-	-	7,926,244	8,519,945	(593,701)
Water/Wastewater Fund	-	-	-	4,917,388	4,801,323	116,065
Nonmajor Enterprise Funds	-	-	-	1,133,065	990,856	142,209
Total expenses	10,816,512	11,433,062	(616,550)	13,976,697	14,312,124	(335,427)
Increase (decrease) in net position						
before transfers	(2,151,355)	(3,316,610)	1,165,255	3,663,736	3,002,685	661,051
Transfers	2,791,356	2,502,886	288,470	(2,791,356)	(2,502,886)	(288,470)
Increase (decrease) in net position	640,001	(813,724)	1,453,725	872,380	499,799	372,581
Net position - beginning	1,289,669	2,079,700	(790,031)	20,913,622	20,413,823	499,799
Prior period adjustment	(4,937)	23,693	(28,630)	(180,215)	-	(180,215)
Net position - ending	\$ 1,924,733	\$ 1,289,669	\$ 635,064	\$ 21,605,787	\$ 20,913,622	\$ 692,165

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020, the City's governmental funds reported combined fund balances of \$6,643,946, a decrease of \$73,536 in comparison with the prior year. Approximately 23% of this amount, \$1,559,538 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 \$200,708, 2) restricted for particular purposes \$3,030,387, 3) committed for particular purposes \$1,783,405, or 4) assigned for particular purposes \$69,908.

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 \$1,559,538, while total fund balance increased to \$3,438,860. 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 16% of total General Fund expenditures, while total fund balance represents approximately 36% of that same amount. The fund balance of the City's General Fund increased by \$644,583 during the current fiscal year. The increase in the fund balance of the General Fund was primarily attributable to the City receiving CARES Act grant revenue while recognizing less than originally expected expenditures related to general government, police, and culture and recreation during the year.

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

Unrestricted net position of the Electric Fund at the end of the year was \$4,675,461, and the total increase in net position for the Electric Fund was \$947,396. Unrestricted net position of the Water/Wastewater Fund was \$295,951, and the total increase in the net position was \$50,133.

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, 2020

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, 2020, amounts to \$10,799,571 and \$16,900,030 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 2020	Governmental Activities 2019	Change
Land	\$ 1,214,431	\$ 1,214,431	\$ -
Buildings	15,942,424.00	13,879,262.00	2,063,162
Furniture and equipment	4,579,008.00	4,455,567.00	123,441
Construction in progress	213,846	1,924,298	(1,710,452)
Total	<u>21,949,709</u>	<u>21,473,558</u>	<u>476,151</u>
Less accumulated depreciation	<u>(11,150,138)</u>	<u>(10,286,409)</u>	<u>(863,729)</u>
Capital assets, net of depreciation	<u><u>\$ 10,799,571</u></u>	<u><u>\$ 11,187,149</u></u>	<u><u>\$ (387,578)</u></u>
	Business-type Activities 2020	Business-type Activities 2019	Change
Land	\$ 983,061	\$ 983,061	\$ -
Buildings	6,170,921	5,058,261	1,112,660
Furniture and equipment	5,504,923	5,407,432	97,491
Construction in progress	118,500	1,189,759	(1,071,259)
Infrastructure	27,479,572	26,424,530	1,055,042
Total	<u>40,256,977</u>	<u>39,063,043</u>	<u>1,193,934</u>
Less accumulated depreciation	<u>(23,356,947)</u>	<u>(22,191,974)</u>	<u>(1,164,973)</u>
Capital assets, net of depreciation	<u><u>\$ 16,900,030</u></u>	<u><u>\$ 16,871,069</u></u>	<u><u>\$ 28,961</u></u>

Additional information on the City's capital assets can be found in Note III. D on page 43 of this report.

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$9,551,873 and \$3,100,569 related to governmental activities and business-type activities, respectively. The remainder of the City's long-term obligations is comprised of compensated absences.

City of Lampasas, Texas Outstanding Debt

	Governmental Activities 2020	Governmental Activities 2019	Change
General obligation bonds	\$ 9,551,873	\$ 10,826,052	\$ (1,274,179)
Compensated absences	340,960	393,107	(52,147)
Total	\$ 9,892,833	\$ 11,219,159	\$ (1,326,326)
	Business-type Activities 2020	Business-type Activities 2019	Change
General obligation bonds	\$ 3,100,569	\$ 2,434,042	\$ 666,527
Compensated absences	106,969	91,608	15,361
Total	\$ 3,207,538	\$ 2,525,650	\$ 681,888

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 52-54 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 2020-2021 fiscal year budget:

- * Sales Tax continued growth and stability
- * City Council election
- * City's diversified portfolio
- * Census Data
- * Growth through Economic Development

The adopted budget for the City's General Fund for fiscal year 2020-2021 is approximately \$12.2 million which reflects an approximate increase of \$1.5 million in originally-budgeted expenditures from fiscal year 2019-2020 to fiscal year 2020-2021. The proposed tax rates to finance General Fund and Debt Service Fund operations were \$0.31423 and \$0.080988, 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) 556-6831.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Lampasas EDC
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 5,144,648	\$ 6,647,177	\$ 11,791,825	\$ 900,754
Investments - current	1,155,096	2,833,295	3,988,391	-
Taxes receivable - delinquent	87,845	-	87,845	-
Allowance for uncollectible taxes	(8,787)	-	(8,787)	-
Accounts receivable, net	665,595	1,222,646	1,888,241	-
Intergovernmental Receivable	244,583	-	244,583	-
Notes receivable, net	-	236,420	236,420	-
Internal balances	446,049	(446,049)	-	-
Inventories	9,072	425,053	434,125	-
Prepaid items	-	118,500	118,500	-
Other assets	16,937	-	16,937	-
Capital assets, not being depreciated:				
Land	1,214,431	983,061	2,197,492	923,350
Construction in progress	213,846	118,500	332,346	-
Capital assets, being depreciated:				
Buildings and improvements	15,942,424	6,170,921	22,113,345	17,975
Machinery, equipment, and vehicles	4,579,008	5,504,923	10,083,931	-
Infrastructure	-	27,479,572	27,479,572	802,266
Accumulated depreciation	(11,150,138)	(23,356,947)	(34,507,085)	(142,005)
Total assets	<u>18,560,609</u>	<u>27,937,072</u>	<u>46,497,681</u>	<u>2,502,340</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	1,667,451	498,070	2,165,521	-
Deferred outflows - OPEB	239,943	68,618	308,561	-
Total deferred outflows of resources	<u>1,907,394</u>	<u>566,688</u>	<u>2,474,082</u>	<u>-</u>
LIABILITIES				
Accounts payable	371,671	721,013	1,092,684	73
Accrued salaries and benefits	155,594	30,117	185,711	-
Accrued liabilities	-	3,110	3,110	-
Retainage payable	10,542	-	10,542	-
Intergovernmental payable	-	27,466	27,466	-
Accrued interest payable	42,065	12,274	54,339	3,169
Other current liabilities	35,941	15,991	51,932	-
Customer deposits	-	529,984	529,984	-
Noncurrent liabilities:				
Due within one year	505,000	125,000	630,000	109,912
Due in more than one year:				
Bonds payable	8,420,000	2,920,000	11,340,000	1,117,946
Unamortized premium on bonds	626,873	55,569	682,442	-
Net pension obligation	3,029,462	904,904	3,934,366	-
Other post-employment benefits	2,856,928	805,800	3,662,728	-
OPEB supplemental death benefits	305,956	91,390	397,346	-
Compensated absences payable	340,960	106,969	447,929	-
Total liabilities	<u>16,700,992</u>	<u>6,349,587</u>	<u>23,050,579</u>	<u>1,231,100</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	1,704,948	509,270	2,214,218	-
Deferred inflows - OPEB	137,330	39,116	176,446	-
Total deferred inflows of resources	<u>1,842,278</u>	<u>548,386</u>	<u>2,390,664</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	1,247,698	13,799,461	15,047,159	-
Restricted for operations & maintenance	-	2,726,401	2,726,401	-
Restricted for debt service	290,085	-	290,085	-
Restricted for capital projects	1,144,056	-	1,144,056	-
Restricted for other specific purposes	1,613,489	-	1,613,489	-
Restricted for Lampasas EDC	-	-	-	1,271,240
Unrestricted	(2,370,595)	5,079,925	2,709,330	-
Total net position	<u>\$ 1,924,733</u>	<u>\$ 21,605,787</u>	<u>\$ 23,530,520</u>	<u>\$ 1,271,240</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, 2020

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 2,834,371	\$ 52,630	\$ -
Public safety			
Police	2,730,297	8,816	337,134
Fire	1,479,325	-	-
Highways and streets	724,613	317,485	-
Sanitation	1,227,845	1,211,686	-
Health and welfare	197,523	53,985	-
Culture and recreation			
Swimming pools	73,663	21,348	-
Parks	863,188	6,090	-
Libraries	266,993	13,316	694
Economic development and assistance	95,939	-	-
Interest and bank fees	322,755	-	-
Total governmental activities:	<u>10,816,512</u>	<u>1,685,356</u>	<u>337,828</u>
Business-type activities:			
Electric Fund	7,926,244	11,726,656	-
Water/Wastewater Fund	4,917,388	4,912,598	-
Nonmajor enterprise funds	1,133,065	582,441	-
Total business-type activities:	<u>13,976,697</u>	<u>17,221,695</u>	<u>-</u>
Total primary government	<u>\$ 24,793,209</u>	<u>\$ 18,907,051</u>	<u>\$ 337,828</u>
Component units:			
Lampasas Economic Development Corporation	\$ 329,319	\$ -	\$ -
	<u>\$ 329,319</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:			
Property taxes			
Sales taxes			
Hotel/motel taxes			
Franchise taxes			
Contributions and donations			
Investment earnings			
Intergovernmental revenue			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
Prior period adjustment			
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
\$ (2,781,741)	\$ -	\$ (2,781,741)	\$ -
(2,384,347)	-	(2,384,347)	-
(1,479,325)	-	(1,479,325)	-
(407,128)	-	(407,128)	-
(16,159)	-	(16,159)	-
(143,538)	-	(143,538)	-
(52,315)	-	(52,315)	-
(857,098)	-	(857,098)	-
(252,983)	-	(252,983)	-
(95,939)	-	(95,939)	-
(322,755)	-	(322,755)	-
<u>(8,793,328)</u>	<u>-</u>	<u>(8,793,328)</u>	<u>-</u>
-	3,800,412	3,800,412	-
-	(4,790)	(4,790)	-
-	(550,624)	(550,624)	-
<u>-</u>	<u>3,244,998</u>	<u>3,244,998</u>	<u>-</u>
<u>(8,793,328)</u>	<u>3,244,998</u>	<u>(5,548,330)</u>	<u>-</u>
			<u>(329,319)</u>
			<u>(329,319)</u>
1,774,622	-	1,774,622	-
1,756,563	-	1,756,563	350,835
131,886	-	131,886	-
915,067	-	915,067	-
4,825	-	4,825	-
37,161	130,066	167,227	4,705
1,685,426	5,627	1,691,053	-
336,423	283,045	619,468	-
2,791,356	(2,791,356)	-	-
<u>9,433,329</u>	<u>(2,372,618)</u>	<u>7,060,711</u>	<u>355,540</u>
640,001	872,380	1,512,381	26,221
1,289,669	20,913,622	22,203,291	1,245,019
<u>(4,937)</u>	<u>(180,215)</u>	<u>(185,152)</u>	<u>-</u>
<u>\$ 1,924,733</u>	<u>\$ 21,605,787</u>	<u>\$ 23,530,520</u>	<u>\$ 1,271,240</u>

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FUND FINANCIAL STATEMENTS

CITY OF LAMPASAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,245,479	\$ 1,899,169	\$ 5,144,648
Investments - current	311,910	843,186	1,155,096
Taxes receivable - delinquent	68,685	19,160	87,845
Allowance for uncollectible delinquent taxes	(6,870)	(1,917)	(8,787)
Accounts receivable	234,518	43,495	278,013
Allowance for uncollectible accounts receivable	(76,704)	-	(76,704)
Intergovernmental receivable	244,583	-	244,583
Due from other funds	-	452,143	452,143
Inventories	9,072	-	9,072
Other assets	16,937	-	16,937
Total assets	<u>\$ 4,047,610</u>	<u>\$ 3,255,236</u>	<u>\$ 7,302,846</u>
LIABILITIES			
Accounts payable	\$ 348,573	\$ 23,098	\$ 371,671
Accrued salaries and benefits	151,914	3,680	155,594
Retainage payable	10,542	-	10,542
Due to other funds	-	6,094	6,094
Other current liabilities	35,906	35	35,941
Total liabilities	<u>546,935</u>	<u>32,907</u>	<u>579,842</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	61,815	17,243	79,058
Total deferred inflows of resources	<u>61,815</u>	<u>17,243</u>	<u>79,058</u>
FUND BALANCES			
Nonspendable:			
Inventories	9,072	-	9,072
Other assets	16,937	-	16,937
Endowments	-	174,699	174,699
Restricted:			
Debt service	-	272,842	272,842
Capital Projects	-	1,144,056	1,144,056
Other specific purposes	-	1,613,489	1,613,489
Committed:			
Working capital	1,783,405	-	1,783,405
Assigned:			
Comprehensive plan	9,084	-	9,084
580 complex	59,074	-	59,074
Park improvements	1,750	-	1,750
Unassigned	1,559,538	-	1,559,538
Total fund balances	<u>3,438,860</u>	<u>3,205,086</u>	<u>6,643,946</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,047,610</u>	<u>\$ 3,255,236</u>	<u>\$ 7,302,846</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, 2020

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

Total fund balance of all governmental funds		\$ 6,643,946
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 21,949,709	
Less: accumulated depreciation	<u>(11,150,138)</u>	10,799,571
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.		
		79,058
Uncollected municipal court fines are not available resources; therefore, are not reported in the funds.		
		464,286
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	(8,925,000)	
Plus: Issuance premium	(626,873)	
Net pension liability, including pension def. inflows & outflows	(3,066,959)	
Other post-employment benefit obligations	(3,040,914)	
OPEB - supplemental death benefit	(19,357)	
Compensated absences	(340,960)	
Accrued interest payable	<u>(42,065)</u>	<u>(16,062,128)</u>
Net position of governmental activities		<u>\$ 1,924,733</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, 2020

	General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 1,401,951	\$ 373,901	\$ 1,775,852
Sales taxes	1,756,563	-	1,756,563
Hotel/motel taxes	-	131,886	131,886
Franchise taxes	915,067	-	915,067
Licenses and permits	101,246	-	101,246
Intergovernmental revenues	1,323,483	361,943	1,685,426
Charges for services	1,670,935	14,421	1,685,356
Fines	229,490	7,621	237,111
Investment earnings	15,294	21,867	37,161
Grants and contributions	338,018	4,635	342,653
Miscellaneous revenue	51,427	37,832	89,259
Total revenues	<u>7,803,474</u>	<u>954,106</u>	<u>8,757,580</u>
EXPENDITURES			
Current:			
General government	2,356,537	244,614	2,601,151
Public safety			
Police	2,428,927	29,011	2,457,938
Fire	1,332,186	-	1,332,186
Highways and streets	662,590	-	662,590
Sanitation	1,122,748	-	1,122,748
Health and welfare	180,616	-	180,616
Culture and recreation			
Swimming pools	67,358	-	67,358
Parks	762,846	4,269	767,115
Libraries	244,140	-	244,140
Economic development and assistance	-	95,939	95,939
Debt service:			
Bond principal	-	485,000	485,000
Interest - bonds	-	358,559	358,559
Other debt service costs	-	675	675
Capital outlay	373,300	131,364	504,664
Total expenditures	<u>9,531,248</u>	<u>1,349,431</u>	<u>10,880,679</u>
Excess (deficiency) of revenues over expenditures	<u>(1,727,774)</u>	<u>(395,325)</u>	<u>(2,123,099)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,448,306	1,358,715	3,807,021
Transfers out	(94,943)	(920,722)	(1,015,665)
Sale of general capital assets	850	-	850
Insurance recoveries	18,144	-	18,144
Refunding bonds issued	-	590,000	590,000
Payment to refunded bond escrow agent	-	(1,350,787)	(1,350,787)
Total other financing sources (uses)	<u>2,372,357</u>	<u>(322,794)</u>	<u>2,049,563</u>
Net change in fund balance	644,583	(718,119)	(73,536)
Fund balance - beginning	2,799,214	3,923,205	6,722,419
Prior period adjustment	(4,937)	-	(4,937)
Fund balance - ending	<u>\$ 3,438,860</u>	<u>\$ 3,205,086</u>	<u>\$ 6,643,946</u>

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 BALANCE – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances for total governmental funds \$ (73,536)

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	\$ 504,664	
Less: current year depreciation	<u>(892,242)</u>	(387,578)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (110,187)

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	485,000	
Bonds refunded, Net	750,000	
Premium amortization	39,179	
Accrued interest	8,087	
Decrease in compensated absences	<u>52,147</u>	1,334,413

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. (1,230)

The net effect of various transactions involving the City's net pension liability and the net OPEB liability is to decrease net position. (121,881)

Change in net position for governmental activities \$ 640,001

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, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,377,714	\$ 1,377,714	\$ 1,401,951	\$ 24,237
Sales taxes	1,527,500	1,527,500	1,756,563	229,063
Franchise taxes	877,500	877,500	915,067	37,567
Licenses and permits	69,150	69,150	101,246	32,096
Intergovernmental revenues	1,317,377	1,317,377	1,323,483	6,106
Charges for services	1,696,715	1,696,715	1,670,935	(25,780)
Fines	328,950	328,950	229,490	(99,460)
Investment earnings	35,000	35,000	15,294	(19,706)
Rents and royalties	8,150	8,150	-	(8,150)
Grants and contributions	4,023	4,023	338,018	333,995
Miscellaneous revenue	381,000	381,000	51,427	(329,573)
Total revenues	<u>7,623,079</u>	<u>7,623,079</u>	<u>7,803,474</u>	<u>180,395</u>
EXPENDITURES				
Current:				
General government	2,630,878	2,649,483	2,356,537	292,946
Public safety				
Police	2,569,094	2,589,679	2,428,927	160,752
Fire	1,416,637	1,441,737	1,332,186	109,551
Highways and streets	672,190	760,997	662,590	98,407
Sanitation	1,130,000	1,142,000	1,122,748	19,252
Health and welfare	188,395	193,781	180,616	13,165
Culture and recreation				
Swimming pools	181,747	211,527	67,358	144,169
Parks	874,336	889,522	762,846	126,676
Libraries	249,532	258,673	244,140	14,533
Capital outlay	765,000	445,414	373,300	72,114
Total Expenditures	<u>10,677,809</u>	<u>10,582,813</u>	<u>9,531,248</u>	<u>1,051,565</u>
Excess (deficiency) of revenues over expenditures	<u>(3,054,730)</u>	<u>(2,959,734)</u>	<u>(1,727,774)</u>	<u>1,231,960</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,051,730	3,051,730	2,448,306	(603,424)
Transfers out	-	(94,996)	(94,943)	53
Sale of general capital assets	3,000	3,000	850	(2,150)
Insurance recoveries	-	-	18,144	18,144
Total other financing sources (uses)	<u>3,054,730</u>	<u>2,959,734</u>	<u>2,372,357</u>	<u>(587,377)</u>
Net change in fund balances	-	-	644,583	644,583
Fund balance - beginning	2,799,214	2,799,214	2,799,214	-
Prior period adjustment	-	-	(4,937)	(4,937)
Fund balance - ending	<u>\$ 2,799,214</u>	<u>\$ 2,799,214</u>	<u>\$ 3,438,860</u>	<u>\$ 639,646</u>

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

CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities			
	Electric Fund	Water/WW Fund	Total Non-major Funds	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 5,155,331	\$ 1,140,313	\$ 351,533	\$ 6,647,177
Investments - current	1,928,778	862,632	41,885	2,833,295
Accounts receivable, net	893,996	313,205	15,445	1,222,646
Notes receivable, net	-	-	236,420	236,420
Due from other funds	-	-	6,094	6,094
Inventories	260,102	131,161	33,790	425,053
Prepaid items	-	118,500	-	118,500
Total current assets	<u>8,238,207</u>	<u>2,565,811</u>	<u>685,167</u>	<u>11,489,185</u>
Noncurrent Assets:				
Land	56,812	69,965	856,284	983,061
Infrastructure	2,737,657	24,741,915	-	27,479,572
Buildings	553,158	1,951,901	3,665,862	6,170,921
Furnishings and equipment	3,029,558	2,194,056	281,309	5,504,923
Accumulated depreciation	(4,725,976)	(16,225,087)	(2,405,884)	(23,356,947)
Construction/development in progress	-	-	118,500	118,500
Total noncurrent assets	<u>1,651,209</u>	<u>12,732,750</u>	<u>2,516,071</u>	<u>16,900,030</u>
Total assets	<u>9,889,416</u>	<u>15,298,561</u>	<u>3,201,238</u>	<u>28,389,215</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	164,349	189,908	143,813	498,070
Deferred outflows - OPEB	22,290	27,367	18,961	68,618
Total deferred outflows of resources	<u>186,639</u>	<u>217,275</u>	<u>162,774</u>	<u>566,688</u>
LIABILITIES				
Current liabilities:				
Accounts payable	547,997	154,927	18,089	721,013
Accrued salaries payable	15,486	2,852	11,779	30,117
Accrued liabilities	-	-	3,110	3,110
Intergovernmental payable	27,466	-	-	27,466
Due to other funds	-	452,143	-	452,143
Accrued interest payable	-	12,274	-	12,274
Bonds and notes payable - current	-	125,000	-	125,000
Other current liabilities	-	15,991	-	15,991
Customer deposits	350,361	179,623	-	529,984
Total current liabilities	<u>941,310</u>	<u>942,810</u>	<u>32,978</u>	<u>1,917,098</u>
Noncurrent Liabilities:				
Bonds payable	100,000	2,820,000	-	2,920,000
Unamortized premium on bonds	-	55,569	-	55,569
Net pension obligation	302,779	333,452	268,673	904,904
Other post-employment benefits	268,089	306,192	231,519	805,800
OPEB supplemental death benefits	29,732	36,502	25,156	91,390
Compensated absences payable	40,326	33,560	33,083	106,969
Total noncurrent liabilities	<u>740,926</u>	<u>3,585,275</u>	<u>558,431</u>	<u>4,884,632</u>
Total liabilities	<u>1,682,236</u>	<u>4,528,085</u>	<u>591,409</u>	<u>6,801,730</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	167,297	204,729	137,244	509,270
Deferred inflows - OPEB	12,649	15,692	10,775	39,116
Total deferred inflows of resources	<u>179,946</u>	<u>220,421</u>	<u>148,019</u>	<u>548,386</u>
NET POSITION				
Net investment in capital assets	1,551,209	9,732,181	2,516,071	13,799,461
Restricted for operations and maintenance	1,987,203	739,198	-	2,726,401
Unrestricted	4,675,461	295,951	108,513	5,079,925
Total net position	<u>\$ 8,213,873</u>	<u>\$ 10,767,330</u>	<u>\$ 2,624,584</u>	<u>\$ 21,605,787</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, 2020

	Business-Type Activities			
	Electric Fund	Water/WW Fund	Total Non-major Funds	Total Proprietary Funds
REVENUES				
Operating revenues:				
Charges for services:				
Water sales	\$ -	\$ 4,912,598	\$ -	\$ 4,912,598
Electricity sales	11,726,656	-	-	11,726,656
Other charges for services	-	-	582,441	582,441
Miscellaneous revenue	24,017	209,597	49,431	283,045
Total operating revenues	<u>11,750,673</u>	<u>5,122,195</u>	<u>631,872</u>	<u>17,504,740</u>
EXPENSES				
Operating expenses:				
Personnel services	650,866	797,435	519,176	1,967,477
Purchased prof. and technical services	64,228	1,452,840	202,885	1,719,953
Purchased property services	150,060	217,517	33,792	401,369
Other purchased services	552,789	137,031	87,148	776,968
Materials and supplies	5,532,153	238,487	126,379	5,897,019
Other operating expenses	845,812	1,028,035	58,428	1,932,275
Depreciation	124,464	935,252	105,257	1,164,973
Total operating expenses	<u>7,920,372</u>	<u>4,806,597</u>	<u>1,133,065</u>	<u>13,860,034</u>
Operating income (loss)	<u>3,830,301</u>	<u>315,598</u>	<u>(501,193)</u>	<u>3,644,706</u>
Nonoperating revenues (expenses)				
Grants and contributions	-	-	5,627	5,627
Investment earnings	111,135	12,125	6,806	130,066
Debt issuance costs	(4,261)	(19,283)	-	(23,544)
Interest expense	(1,611)	(91,508)	-	(93,119)
Total nonoperating revenues (expenses)	<u>105,263</u>	<u>(98,666)</u>	<u>12,433</u>	<u>19,030</u>
Income before transfers in (out)	<u>3,935,564</u>	<u>216,932</u>	<u>(488,760)</u>	<u>3,663,736</u>
Transfers in	-	919,439	403,984	1,323,423
Transfers out	<u>(2,988,168)</u>	<u>(1,086,238)</u>	<u>(40,373)</u>	<u>(4,114,779)</u>
Change in net position	947,396	50,133	(125,149)	872,380
Net position-beginning	<u>7,388,268</u>	<u>10,775,621</u>	<u>2,749,733</u>	<u>20,913,622</u>
Prior period adjustment	<u>(121,791)</u>	<u>(58,424)</u>	<u>-</u>	<u>(180,215)</u>
Net position-ending	<u>\$ 8,213,873</u>	<u>\$ 10,767,330</u>	<u>\$ 2,624,584</u>	<u>\$ 21,605,787</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, 2020

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/ WW Fund	Total Non-major Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,787,397	\$ 4,933,829	\$ 581,091	\$ 17,302,317
Other receipts	24,017	209,597	49,431	283,045
Payments to suppliers and service providers	(7,037,231)	(3,131,830)	(518,562)	(10,687,623)
Payments to employees for salaries and benefits	(614,871)	(751,305)	(483,518)	(1,849,694)
Net cash provided by (used for) operating activities	4,159,312	1,260,291	(371,558)	5,048,045
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	919,439	403,984	1,323,423
Transfers to other funds	(2,988,168)	(1,086,238)	(40,373)	(4,114,779)
Net cash provided by (used for) noncapital financing activities	(2,988,168)	(166,799)	363,611	(2,791,356)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	-	-	5,627	5,627
Acquisition and construction of capital assets	(36,878)	(1,157,056)	-	(1,193,934)
Principal paid on capital debt	100,000	566,527	-	666,527
Interest paid on capital debt	(5,872)	(110,791)	-	(116,663)
	-	-	17,813	17,813
Net cash provided by (used for) capital and related financing activities	57,250	(701,320)	23,440	(620,630)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(16,904)	(7,790)	-	(24,694)
Interest on investments	111,135	12,125	6,427	129,687
Net cash provided by investing activities	94,231	4,335	6,427	104,993
Net increase (decrease) in cash and cash equivalents	1,322,625	396,507	21,920	1,741,052
Cash and cash equivalents-beginning	3,832,706	743,806	329,613	4,906,125
Cash and cash equivalents-ending	\$ 5,155,331	\$ 1,140,313	\$ 351,533	\$ 6,647,177
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	3,830,301	315,598	(501,193)	3,644,706
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	124,464	935,252	105,257	1,164,973
(Increase) decrease in accounts receivable	60,741	21,231	(1,350)	80,622
(Increase) decrease in inventories	34,484	42,152	(401)	76,235
(Decrease) increase in accounts payable	68,948	(103,094)	(9,529)	(43,675)
(Decrease) increase in accrued liabilities	3,981	5,978	2,485	12,444
(Decrease) increase in intergovernmental payable	(1,933)	-	-	(1,933)
(Decrease) increase in deposits payable	6,312	3,022	-	9,334
(Decrease) increase in compensated absences	2,251	3,683	9,427	15,361
(Increase) decrease in deferred outflow of resources - pension	43,763	53,621	34,911	132,295
(Increase) decrease in deferred outflow of resources - OPEB	(3,779)	(4,631)	(3,014)	(11,424)
(Increase) decrease in net pension obligation	(127,453)	(156,154)	(101,666)	(385,273)
(Increase) decrease in net OPEB obligation	7,114	8,716	5,676	21,506
(Decrease) increase in deferred inflow of resources - pension	110,147	134,952	87,862	332,961
(Decrease) increase in deferred inflow of resources - OPEB	(29)	(35)	(23)	(87)
Total adjustments	329,011	944,693	129,635	1,403,339
Net cash provided by (used for) operating activities	\$ 4,159,312	\$ 1,260,291	\$ (371,558)	\$ 5,048,045

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, 2020

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.

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.

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

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 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.

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.

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

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.

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.

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

2. Excess of expenditures over appropriations

For the year ended September 30, 2020, expenditures did not exceed appropriations within any line item 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.

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

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

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.

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.

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

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.

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, 2019, upon which the levy for the 2019-2020 fiscal year was based, was \$442,512,395. 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, 2020, to finance General Fund and Debt Service Fund operations were \$.30942 and \$.085798, 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 2019-2020 fiscal year was \$1,748,889. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2020, were 99% 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, 2020

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, 2020, 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, 2020, the City's bank balance was \$12,790,165 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.

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

As of September 30, 2020, the government had the following investments:

Investment Type	Maturity Time in Years			
	Less than			More
	1	1-5	6-10	Than 10
TexPool Investment Pool	\$2,360,924	\$ -	\$ -	\$ -
TexStar Investment Pool	1,627,467	-	-	-
Total investments	<u>\$3,988,391</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, 2020, 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:

Proprietary Funds	Water/			Total
	Electric	Wastewater	Nonmajor	
Receivables	Fund	Fund	Proprietary	Proprietary
			Funds	Funds
Accounts receivable	\$ 1,035,862	\$ 384,129	\$ 15,445	\$ 1,435,436
Notes receivable	-	-	236,420	236,420
Gross receivables	<u>1,035,862</u>	<u>384,129</u>	<u>251,865</u>	<u>1,671,856</u>
Less: Allowance for uncollectibles	<u>(141,866)</u>	<u>(70,924)</u>	<u>-</u>	<u>(212,790)</u>
Net receivables	<u>\$ 893,996</u>	<u>\$ 313,205</u>	<u>\$ 251,865</u>	<u>\$ 1,459,066</u>

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

D. Capital Assets

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

Governmental Activities:

	Balance 10/1/19	Increases	Decreases	Adjustments	Balance 9/30/20
Capital assets, not being depreciated:					
Land	\$ 1,214,431	\$ -	\$ -	\$ -	\$ 1,214,431
Construction in progress	1,924,298	343,870	-	(2,054,322)	213,846
Total capital assets, not being depreciated	<u>3,138,729</u>	<u>343,870</u>	<u>-</u>	<u>(2,054,322)</u>	<u>1,428,277</u>
Capital assets, being depreciated:					
Buildings and improvements	13,879,262	8,840	-	2,054,322	15,942,424
Machinery, equipment, and vehicles	4,455,567	151,954	(28,513)	-	4,579,008
Total capital assets, being depreciated	<u>18,334,829</u>	<u>160,794</u>	<u>(28,513)</u>	<u>2,054,322</u>	<u>20,521,432</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,582,050)	(618,649)	-	-	(7,200,699)
Machinery, equipment, and vehicles	(3,704,359)	(273,593)	28,513	-	(3,949,439)
Total accumulated depreciation	<u>(10,286,409)</u>	<u>(892,242)</u>	<u>28,513</u>	<u>-</u>	<u>(11,150,138)</u>
Total capital assets being depreciated, net	8,048,420	(731,448)	-	2,054,322	9,371,294
Governmental activities capital assets, net	<u>\$ 11,187,149</u>	<u>\$ (387,578)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,799,571</u>

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

Governmental activities:

General government	\$ 243,487
Public safety	354,782
Highways and streets	62,023
Sanitation	105,097
Health and welfare	16,907
Culture and recreation	109,946
Total depreciation expense - governmental activities	<u>\$ 892,242</u>

Business-Type Activities:

	Balance 10/1/19	Increases	Decreases	Adjustments	Balance 9/30/20
Capital assets, not being depreciated:					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction in progress	1,189,759	1,092,022	-	(2,163,281)	118,500
Total capital assets, not being depreciated	<u>2,172,820</u>	<u>1,092,022</u>	<u>-</u>	<u>(2,163,281)</u>	<u>1,101,561</u>
Capital assets, being depreciated:					
Buildings and improvements	5,058,261	-	-	1,112,660	6,170,921
Machinery, equipment, and vehicles	5,407,432	97,491	-	-	5,504,923
Infrastructure	26,424,530	4,421	-	1,050,621	27,479,572
Total capital assets, being depreciated	<u>36,890,223</u>	<u>101,912</u>	<u>-</u>	<u>2,163,281</u>	<u>39,155,416</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,165,100)	(139,229)	-	-	(3,304,329)
Machinery, equipment, and vehicles	(4,883,649)	(134,322)	-	-	(5,017,971)
Infrastructure	(14,143,225)	(891,422)	-	-	(15,034,647)
Total accumulated depreciation	<u>(22,191,974)</u>	<u>(1,164,973)</u>	<u>-</u>	<u>-</u>	<u>(23,356,947)</u>
Total capital assets being depreciated, net	14,698,249	(1,063,061)	-	2,163,281	15,798,469
Business-type activities capital assets, net	<u>\$ 16,871,069</u>	<u>\$ 28,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,900,030</u>

CITY OF LAMPASAS, TEXAS
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 FOR THE YEAR ENDED SEPTEMBER 30, 2020

E. Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS'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.

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

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	70
Active employees	119
	256
	256

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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 15.24% and 15.55% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$869,070 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

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

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

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, 2018	\$ 26,767,505	\$ 20,903,062	\$ 5,864,443
Changes for the year:			
Service cost	922,024	-	922,024
Interest	1,807,038	-	1,807,038
Change of benefit terms	-	-	-
Difference between expected and actual experience	(289,963)	-	(289,963)
Changes of assumptions	77,581	-	77,581
Contributions - employer	-	843,943	(843,943)
Contributions - employee	-	387,638	(387,638)
Net investment income	-	3,233,984	(3,233,984)
Benefit payments, incl. refunds of employee contr.	(915,159)	(915,159)	-
Administrative expense	-	(18,260)	18,260
Other changes	-	(548)	548
Net changes	<u>1,601,521</u>	<u>3,531,598</u>	<u>(1,930,077)</u>
Balance at December 31, 2019	<u>\$ 28,369,026</u>	<u>\$ 24,434,660</u>	<u>\$ 3,934,366</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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%	Current Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability	\$ 8,396,913	\$ 3,934,366	\$ 319,115

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020 the City recognized pension expense of \$182,507.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ -	\$ 1,990,608
Differences between expected and actual economic experience	1,444,746	223,610
Difference in assumption changes	59,828	-
Contributions subsequent to the measurement date	660,947	-
Total	\$ 2,165,521	\$ 2,214,218

Deferred outflows of resources related to pensions in the amount of \$660,947 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31st:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (142,537)
2021	(193,375)
2022	8,857
2023	(382,589)
2024	-
Thereafter	-
Total	\$ (709,644)

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

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.
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, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active employees	105
	<hr style="width: 100%; border: 0.5px solid black;"/>
	111
	<hr style="width: 100%; border: 0.5px solid black;"/>

Contributions

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

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

Plan Assets

At the December 31, 2018 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-10.5% including inflation
Discount rate	3.71% as of December 31, 2018

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, 2017	\$ 3,605,544	\$ -	\$ 3,605,544
Changes for the year:			
Service cost	210,828	-	210,828
Interest	120,951	-	120,951
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,869	-	3,869
Changes of assumptions	(164,766)	-	(164,766)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of employee contr.	(113,698)	-	(113,698)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>57,184</u>	<u>-</u>	<u>57,184</u>
Balance at December 31, 2018	<u>\$ 3,662,728</u>	<u>\$ -</u>	<u>\$ 3,662,728</u>

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 3.71%, 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 2.71% or 1-percentage-point higher 4.71% than the current rate:

	1% Decrease in Discount Rate 2.71%	Current Discount Rate 3.71%	1% Increase in Discount Rate 4.71%
City's net OPEB liability	\$ 4,088,849	\$ 3,662,728	\$ 3,282,612

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

For the year ended September 30, 2020, the city recognized OPEB expense of \$-0-.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,442	\$ -
Difference in assumption changes	150,817	146,583
Contributions subsequent to the measurement date	80,788	-
Total	\$ 235,047	\$ 146,583

Deferred outflows of resources related to OPEB amounting to \$28,926 resulting from contributions subsequent to the measurement date were recognized as a reduction of the net OPEB liability for the year ended September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30th:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 3,602
2021	3,602
2022	3,602
2023	3,602
2024	3,602
Thereafter	(10,334)
Total	\$ 7,676

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.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	11
Active employees	119
Total	185

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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, 2019 and 2020 were \$10,340 and \$11,096 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2019 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

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

Inflation	2.5% per year
Salary increases	3.5%-11.5% including inflation per year
Discount rate	2.75% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

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, 2018	\$ 317,653	\$ -	\$ 317,653
Changes for the year:			
Service cost	13,844	-	13,844
Interest	11,980	-	11,980
Change of benefit terms	-	-	-
Difference between expected and actual exp.	(5,376)	-	(5,376)
Changes of assumptions	62,568	-	62,568
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of emp. contr.	(3,323)	-	(3,323)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	79,693	-	79,693
Balance at December 31, 2019	\$ 397,346	\$ -	\$ 397,346

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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 3.75%, 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, 1.75% or 1-percentage-point higher, 3.75% than the current rate:

	1% Decrease in Discount Rate 1.75%	Current Discount Rate 2.75%	1% Increase in Discount Rate 3.75%
City's net OPEB SDBF liability	\$ 476,139	\$ 397,346	\$ 335,166

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

For the year ended September 30, 2020, the city recognized OPEB SDBF expense of \$29,350.

At September 30, 2020, 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	\$ -	\$ 15,039
Changes in actuarial assumptions	65,013	14,824
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	8,501	-
Total	\$ 73,514	\$ 29,863

Deferred outflows of resources related to OPEB SDBF amounting to \$8,501 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB SDBF will be recognized in OPEB SDBF expense as follows:

Measurement Year Ended Dec 31st:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 7,423
2021	7,423
2022	7,423
2023	3,540
2024	9,053
Thereafter	288
Total	\$ 35,150

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.

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

Details of long-term debt obligations outstanding at September 30, 2020 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/20
Bonds Payable					
Certificate of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 2,920,000
Certificate of Obligation, Series 2011	2011	2,010,000	3.0-4.5%	2021	65,000
Certificate of Obligation, Series 2016	2016	5,355,000	2.0-4.0%	2036	5,355,000
General Obligation Refunding Bonds, Series 2019	2019	590,000	1.956%	2031	585,000
Total Bonds Payable					<u>\$ 8,925,000</u>

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/20
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2012	2012	\$ 3,525,000	2.0-4.0%	2036	\$ 2,265,000
General Obligation Refunding Bonds, Series 2019	2019	805,000	1.956%	2034	780,000
Total General Obligation Bonds					<u>\$ 3,045,000</u>

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2020 are as follows:

Governmental Activities

Description	Balance 10/1/19	Additions	Deletions	Adjustments	Balance 9/30/20	Due in One Year
Bonds payable						
Cert. Of Obligation & GO bonds	\$ 10,160,000	\$ 590,000	\$ (485,000)	\$(1,340,000)	\$ 8,925,000	\$ 505,000
Premium	666,052	-	(39,179)	-	626,873	-
Total bonds payable	<u>10,826,052</u>	<u>590,000</u>	<u>(524,179)</u>	<u>(1,340,000)</u>	<u>9,551,873</u>	<u>505,000</u>
Other long-term debt						
Compensated absences	393,107	-	(48,036)	(4,111)	340,960	-
Total other long-term debt	<u>393,107</u>	<u>-</u>	<u>(48,036)</u>	<u>(4,111)</u>	<u>340,960</u>	<u>-</u>
Total long-term liabilities	<u>\$ 11,219,159</u>	<u>\$ 590,000</u>	<u>\$ (572,215)</u>	<u>\$(1,344,111)</u>	<u>\$ 9,892,833</u>	<u>\$ 505,000</u>

Business-type Activities

Description	Balance 10/1/19	Additions	Deletions	Adjustments	Balance 9/30/20	Due in One Year
Bonds payable						
Cert. Of Obligation & GO bonds	\$ 2,375,000	\$ 805,000	\$ (135,000)	\$ -	\$ 3,045,000	\$ 125,000
Premium	59,042	-	(3,473)	-	55,569	-
Total bonds payable	<u>2,434,042</u>	<u>805,000</u>	<u>(138,473)</u>	<u>-</u>	<u>3,100,569</u>	<u>125,000</u>
Other long-term debt						
Compensated absences	91,608	11,250	-	4,111	106,969	-
Total other long-term debt	<u>91,608</u>	<u>11,250</u>	<u>-</u>	<u>4,111</u>	<u>106,969</u>	<u>-</u>
Total long-term liabilities	<u>\$ 2,525,650</u>	<u>\$ 816,250</u>	<u>\$ (138,473)</u>	<u>\$ 4,111</u>	<u>\$ 3,207,538</u>	<u>\$ 125,000</u>

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

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

Governmental Activities:

Year Ended September 30,	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2021	\$ 505,000	\$ 329,158
2022	440,000	308,678
2023	460,000	293,551
2024	475,000	277,967
2025	495,000	261,083
2026-2030	2,790,000	1,027,860
2031-2035	3,080,000	507,630
2036	680,000	27,200
Totals	\$ 8,925,000	\$ 3,033,127

Business-type Activities:

Year Ended September 30,	Business-Type Activities	
	Bonds Payable	
	Principal	Interest
2021	\$ 125,000	\$ 94,260
2022	165,000	90,249
2023	165,000	85,821
2024	165,000	81,367
2025	170,000	76,812
2026-2030	885,000	309,836
2031-2035	1,185,000	136,945
2036	185,000	3,700
Totals	\$ 3,045,000	\$ 878,990

J. Interfund Receivables and Payables

The interfund receivables and payables as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	Water/WW Fund	\$ 452,143
Aviation Fund	Capital Projects Fund	6,094
Total		\$ 458,237

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

K. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2020 is as follows:

	Transfer in to:				
	Governmental Funds		Enterprise Funds		Total
	General Fund	Nonmajor gov. funds	Water/ WW Fund	Nonmajor prop. funds	
Transfer out from:					
General Fund	\$ -	\$ 94,943	\$ -	\$ -	\$ 94,943
Nonmajor gov. funds	1,283	-	919,439	-	920,722
Electric Fund	2,413,318	170,866	-	403,984	2,988,168
Water/WW Fund	-	1,086,238	-	-	1,086,238
Nonmajor prop. funds	33,705	6,668	-	-	40,373
LEDC component unit	-	-	48,337	-	48,337
Total	\$2,448,306	\$1,358,715	\$ 967,776	\$ 403,984	\$5,178,781

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, 2020 is as follows:

Component Unit

	Balance 10/1/19	Increases	Decreases	Balance 9/30/20
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	(14,383)	(1,797)	-	(16,180)
Infrastructure	(97,746)	(28,079)	-	(125,825)
Total accumulated depreciation	(112,129)	(29,876)	-	(142,005)
Total capital assets being depreciated, net	708,112	(29,876)	-	678,236
Business-type activities capital assets, net	\$ 1,631,462	\$ (29,876)	\$ -	\$ 1,601,586

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

Details of long-term debt obligations outstanding for the Lampasas EDC at September 30, 2020 are as follows:

Component Unit

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/20
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 300,223
Lampasas EDC Note Payable 2015	2015	1,345,000	3.35%	2030	927,635
Total					<u>\$ 1,227,858</u>

Long-term debt activity for the Lampasas EDC for the year ended September 30, 2020 was as follows:

Component Unit

Description	Balance 10/1/19	Additions	Deletions	Adjustments	Balance 9/30/20	Due in One Year
Revenue bonds	\$ 324,479	\$ -	\$ (24,256)	\$ -	\$ 300,223	\$ 25,448
Note payable 2015	1,009,280	-	(81,645)	-	927,635	84,464
Total long-term liabilities	<u>\$ 1,333,759</u>	<u>\$ -</u>	<u>\$ (105,901)</u>	<u>\$ -</u>	<u>\$ 1,227,858</u>	<u>\$ 109,912</u>

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. Prior period adjustments

The City made two prior period adjustments during the year. The first was related to allowance adjustments for accounts receivable in the amount \$43,472 in the General Fund, \$121,791 in the Electric Fund, and \$58,424 in the Water/WW Fund. Additionally, the City made a prior period adjustment related to collection agency fees payable in the amount of \$38,535. The effects of these prior period adjustments on the overall net position of the City as well as on the fund balance of the General Fund is as follows:

	Governmental Activities	Business-Type Activities	
		Electric Fund	Water/WW Fund
Net position as previously stated at September 30, 2019	\$ 1,289,669	\$ 7,388,268	\$ 10,775,621
Effect of Prior Period Adjustment for Receivable	(43,472)	(121,791)	(58,424)
Effect of Prior Period Adjustment for Collection Agency Fees Payable	38,535	-	-
Net position as restated at September 30, 2019	<u>\$ 1,284,732</u>	<u>\$ 7,266,477</u>	<u>\$ 10,717,197</u>

	General Fund
Fund balance as previously stated at September 30, 2019	\$ 2,799,214
Effect of Prior Period Adjustment for Receivable	(43,472)
Effect of Prior Period Adjustment for Collection Agency Fees Payable	38,535
Fund balance as restated at September 30, 2019	<u>\$ 2,794,277</u>

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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, 2020

	Measurement Year	
	2014	2015
A. Total pension liability		
1. Service cost	\$ 677,167	\$ 770,772
2. Interest (on the Total Pension Liability)	1,299,682	1,402,049
3. Changes in benefit terms	-	-
4. Difference between expected and actual experience	41,340	129,577
5. Changes in assumptions	-	(46,453)
6. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)
7. Net change in total pension liability	\$ 1,461,123	\$ 1,607,817
8. Total pension liability - beginning	18,506,831	19,967,954
9. Total pension liability - ending	<u>\$ 19,967,954</u>	<u>\$ 21,575,771</u>
 B. Plan fiduciary net position		
1. Contributions - employer	\$ 694,494	\$ 702,185
2. Contributions - employee	326,986	338,887
3. Net investment income	881,447	24,708
4. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)
5. Administrative expense	(9,202)	(15,048)
6. Other	(757)	(743)
7. Net change in plan fiduciary net position	\$ 1,335,902	\$ 401,861
8. Plan fiduciary net position - beginning	15,406,789	16,742,691
9. Plan fiduciary net position - ending	<u>\$ 16,742,691</u>	<u>\$ 17,144,552</u>
 C. Net pension liability [A.9 - B.9]	\$ 3,225,263	\$ 4,431,219
 D. Plan fiduciary net position as a % of the total pension liability [B.9/A.9]	83.85%	79.46%
E. Covered-employee payroll	\$ 4,589,171	\$ 4,811,308
F. Net position as a percentage of covered employee payroll [C/ E]	70.28%	92.10%

Measurement Year			
2016	2017	2018	2019
\$ 849,924	\$ 862,764	\$ 887,924	\$ 922,024
1,461,093	1,562,900	1,690,141	1,807,038
-	-	-	-
74,287	449,529	68,456	(289,963)
-	-	-	77,581
(709,824)	(1,057,114)	(948,346)	(915,159)
\$ 1,675,480	\$ 1,818,079	\$ 1,698,175	\$ 1,601,521
21,575,771	23,251,251	25,069,330	26,767,505
\$ 23,251,251	\$ 25,069,330	\$ 26,767,505	\$ 28,369,026

\$ 729,485	\$ 768,456	\$ 795,284	\$ 843,943
371,393	362,723	377,021	387,638
1,159,150	2,590,489	(639,323)	3,233,984
(709,824)	(1,057,114)	(948,346)	(915,159)
(13,086)	(13,418)	(12,349)	(18,260)
(705)	(680)	(645)	(548)
\$ 1,536,413	\$ 2,650,456	\$ (428,358)	\$ 3,531,598
17,144,552	18,680,964	21,331,420	20,903,062
\$ 18,680,965	\$ 21,331,420	\$ 20,903,062	\$ 24,434,660

\$ 4,570,286	\$ 3,737,910	\$ 5,864,443	\$ 3,934,366
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80.34%	85.09%	78.09%	86.13%
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\$ 5,110,789	\$ 5,181,764	\$ 5,342,504	\$ 5,537,681
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89.42%	72.14%	109.77%	71.05%
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CITY OF LAMPASAS, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 704,715	\$ 748,756	\$ 775,929	\$ 783,943	\$ 834,497	\$ 869,070
Contributions in relation to the actuarially determined contribution	704,715	748,756	775,929	783,943	834,497	869,070
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$4,737,449	\$5,182,317	\$5,226,251	\$5,288,893	\$5,512,650	\$5,616,100
Contributions as a percentage of covered employee payroll	14.88%	14.45%	14.85%	14.82%	15.14%	15.47%

CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

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	26 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50% per year
Salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Measurement Year 2016	Measurement Year 2018
A. Total OPEB liability		
1. Service cost	\$ 183,563	\$ 210,828
2. Interest on Total OPEB Liability	123,535	120,951
3. Changes of benefit terms	-	-
4. Difference between expected and actual experience	-	3,869
5. Changes of assumptions	193,533	(164,766)
6. Benefit payments	(91,376)	(113,698)
7. Net changes	\$ 409,255	\$ 57,184
8. Total OPEB Liability - beginning of the year	3,196,289	3,605,544
9. Total OPEB Liability - end of the year	\$ 3,605,544	\$ 3,662,728
 E. Covered-employee payroll	 \$ 5,181,764	 \$ 5,501,859
 F. Total OPEB Liability as a Percentage of Covered Payroll	 69.58%	 66.57%

CITY OF LAMPASAS, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NET OPEB LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 46,068	\$ 57,476	\$ 39,774
Contributions in relation to the actuarially determined contribution	(46,068)	(57,476)	(39,774)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 Covered employee payroll	 \$5,288,893	 \$5,512,650	 \$ 5,616,100
 Contributions as a percentage of covered employee payroll	 0.87%	 1.04%	 0.71%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Valuation Date: December 31, 2017

Methods and Assumptions:

Actuarial Cost Method Individual Entry-Age

Discount Rate 3.71% as of December 31, 2018

Inflation 2.50%

Salary Increases 3.50% to 10.50%, 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. Ultimate trend rate includes a 0.75% adjustment for excise tax.

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 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB SDBF LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Measurement Year		
	2017	2018	2019
A. Total OPEB liability			
1. Service cost	\$ 12,436	\$ 14,425	\$ 13,844
2. Interest (on the Total OPEB Liability)	11,010	11,202	11,980
3. Changes of benefit terms	-	-	-
4. Difference between expected and actual experience	-	(15,743)	(5,376)
5. Changes of assumptions	25,349	(22,110)	62,568
6. Benefit payments, including refunds of employee contributions	(2,591)	(2,671)	(3,323)
7. Net change in total OPEB liability	\$ 46,204	\$ (14,897)	\$ 79,693
8. Total OPEB liability - beginning	286,346	332,550	317,653
9. Total OPEB liability - ending	<u>\$ 332,550</u>	<u>\$ 317,653</u>	<u>\$ 397,346</u>
 B. Covered-employee payroll	 \$ 5,181,764	 \$ 5,342,504	 \$ 5,537,681
 C. Net position as a percentage of covered employee payroll [A / B]	 6.42%	 5.95%	 7.18%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 9,649	\$ 10,340	\$ 11,096
Contributions in relation to the actuarially determined contribution	9,649	(10,340)	(11,096)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,288,893	\$ 5,342,504	\$ 5,537,681
Contributions as a percentage of covered employee payroll	0.18%	0.19%	0.20%

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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, 2020

Summary of Actuarial Assumptions:

Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate*	2.75%
Retirees' 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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* *The discount rate was based on the Fidelity Index's "20 year Municipal GO AA Index" rate as of December 31, 2019.*

Note: The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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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.

CDBG Grant Fund – to account for the receipt and disbursement of funds received for developing a viable community by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low and moderate income persons.

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.

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.

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds		
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund
ASSETS			
Cash and cash equivalents	\$ 51,693	\$ 7,862	\$ 8,535
Investments - current	-	-	-
Taxes receivable - delinquent	-	-	-
Allowance for uncoll. taxes	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Total assets	\$ 51,693	\$ 7,862	\$ 8,535
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 38
Compensated absences payable	-	-	-
Due to other funds	-	-	-
Other current liabilities	-	35	-
Total liabilities	-	35	38
DEF. INFLOWS OF RESOURCES			
Deferred inflows - unavailable revenues	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	-	-	-
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Other specific purposes	51,693	7,827	8,497
Total Fund balances	51,693	7,827	8,497
Total liabilities, deferred inflows, and fund balances	\$ 51,693	\$ 7,862	\$ 8,535

Special Revenue Funds

Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund
\$ 7,712	\$ 9,369	\$ 1,469,941	\$ 6,816	\$ 31,299
-	-	3,580	-	-
-	-	-	-	-
-	-	-	-	-
-	-	13,023	-	30,472
-	-	-	-	-
<u>\$ 7,712</u>	<u>\$ 9,369</u>	<u>\$ 1,486,544</u>	<u>\$ 6,816</u>	<u>\$ 61,771</u>
\$ -	\$ -	\$ 12,567	\$ -	\$ 10,493
-	-	-	-	3,680
-	-	-	-	-
-	-	-	-	-
-	-	12,567	-	14,173
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,712	9,369	1,473,977	6,816	47,598
<u>7,712</u>	<u>9,369</u>	<u>1,473,977</u>	<u>6,816</u>	<u>47,598</u>
\$ 7,712	\$ 9,369	\$ 1,486,544	\$ 6,816	\$ 61,771

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Permanent Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
	<u>Cemetery Fund</u>	<u>Debt Service Fund</u>	<u>CDBG Grant Fund</u>
ASSETS			
Cash and cash equivalents	\$ 67,318	\$ 123,460	\$ -
Investments - current	107,381	149,382	-
Taxes receivable - delinquent	-	19,160	-
Allowance for uncoll. taxes	-	(1,917)	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 174,699</u>	<u>\$ 290,085</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Compensated absences payable	-	-	-
Due to other funds	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEF. INFLOWS OF RESOURCES			
Deferred inflows - unavailable revenues	-	17,243	-
Total deferred inflows of resources	<u>-</u>	<u>17,243</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	174,699	-	-
Restricted for:			
Debt service	-	272,842	-
Capital projects	-	-	-
Other specific purposes	-	-	-
Total Fund balances	<u>174,699</u>	<u>272,842</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 174,699</u>	<u>\$ 290,085</u>	<u>\$ -</u>

Capital Projects Funds					Total Non-Major Governmental Funds
Key Avenue Fund	Cert. of Obligation, Series 2011	Airport Hangar Fund	Cert. of Obligation, Series 2016		
\$ 106,602	\$ -	\$ 8,562	\$ -	\$	1,899,169
-	-	-	582,843		843,186
-	-	-	-		19,160
-	-	-	-		(1,917)
-	-	-	-		43,495
-	-	-	452,143		452,143
<u>\$ 106,602</u>	<u>\$ -</u>	<u>\$ 8,562</u>	<u>\$ 1,034,986</u>	<u>\$</u>	<u>3,255,236</u>
\$ -	\$ -	\$ -	\$ -	\$	23,098
-	-	-	-		3,680
-	-	6,094	-		6,094
-	-	-	-		35
-	-	6,094	-		32,907
-	-	-	-		17,243
-	-	-	-		17,243
-	-	-	-		174,699
-	-	-	-		272,842
106,602	-	2,468	1,034,986		1,144,056
-	-	-	-		1,613,489
<u>106,602</u>	<u>-</u>	<u>2,468</u>	<u>1,034,986</u>		<u>3,205,086</u>
<u>\$ 106,602</u>	<u>\$ -</u>	<u>\$ 8,562</u>	<u>\$ 1,034,986</u>	<u>\$</u>	<u>3,255,236</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds		
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines	-	-	4,021
Investment earnings	246	49	22
Grants and contributions	-	-	-
Miscellaneous revenue	-	27,216	-
Total revenues	246	27,265	4,043
EXPENDITURES			
Current:			
General government	50,000	-	885
Public safety			
Police	-	29,011	-
Culture and recreation			
Libraries	-	-	-
Economic development and assistance	-	-	-
Debt service:			
Bond principal	-	-	-
Interest - bonds	-	-	-
Issuance Costs	-	-	-
Capital outlay	-	-	-
Total expenditures	50,000	29,011	885
Excess (deficiency) of revenues over expenditures	(49,754)	(1,746)	3,158
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(49,754)	(1,746)	3,158
Fund balance - beginning	101,447	9,573	5,339
Fund balance - ending	\$ 51,693	\$ 7,827	\$ 8,497

Special Revenue Funds

Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	131,886	-	-
-	-	-	-	94,943
1,886	-	5,282	-	7,253
-	3,600	-	-	-
-	23	7,597	21	-
4,635	-	-	-	-
-	-	-	-	10,616
<u>6,521</u>	<u>3,623</u>	<u>144,765</u>	<u>21</u>	<u>112,812</u>
-	-	-	-	193,729
-	-	-	-	-
4,269	-	-	-	-
-	-	95,939	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,340	-	-
<u>4,269</u>	<u>-</u>	<u>97,279</u>	<u>-</u>	<u>193,729</u>
<u>2,252</u>	<u>3,623</u>	<u>47,486</u>	<u>21</u>	<u>(80,917)</u>
-	-	-	-	94,943
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	94,943
<u>2,252</u>	<u>3,623</u>	<u>47,486</u>	<u>21</u>	<u>14,026</u>
<u>5,460</u>	<u>5,746</u>	<u>1,426,491</u>	<u>6,795</u>	<u>33,572</u>
<u>\$ 7,712</u>	<u>\$ 9,369</u>	<u>\$ 1,473,977</u>	<u>\$ 6,816</u>	<u>\$ 47,598</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Permanent Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>
	<u>Cemetery Fund</u>	<u>Debt Service Fund</u>	<u>CDBG Grant Fund</u>
REVENUES			
Property taxes	\$ -	\$ 373,901	\$ -
Hotel/motel taxes	-	-	-
Intergovernmental revenues	-	-	267,000
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	1,299	1,872	-
Grants and contributions	-	-	-
Miscellaneous revenue	-	-	-
Total revenues	<u>1,299</u>	<u>375,773</u>	<u>267,000</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety			
Police	-	-	-
Culture and recreation			
Libraries	-	-	-
Economic development and assistance	-	-	-
Debt service:			
Bond principal	-	485,000	-
Interest - bonds	-	358,559	-
Issuance Costs	-	675	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>844,234</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,299</u>	<u>(468,461)</u>	<u>267,000</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,263,772	-
Transfers out	(1,283)	-	(267,000)
Refunding bonds issued	-	590,000	-
Payment to refunded bond escrow agent	-	(1,350,787)	-
Total other financing sources (uses)	<u>(1,283)</u>	<u>502,985</u>	<u>(267,000)</u>
Net change in fund balance	16	34,524	-
Fund balance - beginning	174,683	238,318	-
Fund balance - ending	<u>\$ 174,699</u>	<u>\$ 272,842</u>	<u>\$ -</u>

Capital Project Funds					Total Non-Major Governmental Funds
Key Avenue Fund	Cert. of Obligation, Series 2011	Airport Hangar Fund	Cert. of Obligation, Series 2016		
\$ -	\$ -	\$ -	\$ -	\$ -	373,901
-	-	-	-	-	131,886
-	-	-	-	-	361,943
-	-	-	-	-	14,421
-	-	-	-	-	7,621
1,274	389	27	9,048	-	21,867
-	-	-	-	-	4,635
-	-	-	-	-	37,832
1,274	389	27	9,048	-	954,106
-	-	-	-	-	244,614
-	-	-	-	-	29,011
-	-	-	-	-	4,269
-	-	-	-	-	95,939
-	-	-	-	-	485,000
-	-	-	-	-	358,559
-	-	-	-	-	675
-	-	-	130,024	-	131,364
-	-	-	130,024	-	1,349,431
1,274	389	27	(120,976)	-	(395,325)
-	-	-	-	-	1,358,715
(319,470)	(132,642)	-	(200,327)	-	(920,722)
-	-	-	-	-	590,000
-	-	-	-	-	(1,350,787)
(319,470)	(132,642)	-	(200,327)	-	(322,794)
(318,196)	(132,253)	27	(321,303)	-	(718,119)
424,798	132,253	2,441	1,356,289	-	3,923,205
\$ 106,602	\$ -	\$ 2,468	\$ 1,034,986	\$ -	\$ 3,205,086

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Nonmajor Enterprise Funds			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
	Fund	Fund	Fund	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 99,329	\$ 209,416	\$ 42,788	\$ 351,533
Investments - current	2,530	39,041	314	41,885
Accounts receivable, net	-	15,445	-	15,445
Notes receivable	236,420	-	-	236,420
Due from other funds	-	6,094	-	6,094
Inventories	-	12,918	20,872	33,790
Total current assets	<u>338,279</u>	<u>282,914</u>	<u>63,974</u>	<u>685,167</u>
Noncurrent Assets:				
Land	373,962	141,292	341,030	856,284
Buildings	-	1,772,710	1,893,152	3,665,862
Furnishings and equipment	-	58,587	222,722	281,309
Accumulated depreciation	-	(981,259)	(1,424,625)	(2,405,884)
Construction/development in progress	-	118,500	-	118,500
Total noncurrent assets	<u>373,962</u>	<u>1,109,830</u>	<u>1,032,279</u>	<u>2,516,071</u>
Total assets	<u>712,241</u>	<u>1,392,744</u>	<u>1,096,253</u>	<u>3,201,238</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	31,304	-	112,509	143,813
Deferred outflows - OPEB	4,021	-	14,940	18,961
Total deferred outflows of resources	<u>35,325</u>	<u>-</u>	<u>127,449</u>	<u>162,774</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,264	3,206	13,619	18,089
Accrued payroll liabilities	2,550	-	9,229	11,779
Accrued liabilities	-	-	3,110	3,110
Total current liabilities	<u>3,814</u>	<u>3,206</u>	<u>25,958</u>	<u>32,978</u>
Noncurrent Liabilities:				
Net pension obligation	59,070	-	209,603	268,673
Other post-employment benefits	50,205	-	181,314	231,519
OPEB - supplemental death benefits	5,344	-	19,812	25,156
Compensated absences payable	5,028	-	28,055	33,083
Total noncurrent liabilities	<u>119,647</u>	<u>-</u>	<u>438,784</u>	<u>558,431</u>
Total liabilities	<u>123,461</u>	<u>3,206</u>	<u>464,742</u>	<u>591,409</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	29,314	-	107,930	137,244
Deferred inflows - OPEB	2,322	-	8,453	10,775
Total deferred inflows of resources	<u>31,636</u>	<u>-</u>	<u>116,383</u>	<u>148,019</u>
NET POSITION				
Net investment in capital assets	373,962	1,109,830	1,032,279	2,516,071
Unrestricted	218,507	279,708	(389,702)	108,513
Total net position	<u>\$ 592,469</u>	<u>\$ 1,389,538</u>	<u>\$ 642,577</u>	<u>\$ 2,624,584</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Nonmajor Enterprise Funds</u>			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
	Fund	Fund	Fund	
Operating revenues:				
Charges for services:				
Other charges for services	\$ -	\$ 103,734	\$ 478,707	\$ 582,441
Miscellaneous revenue	48,337	805	289	49,431
Total operating revenues	<u>48,337</u>	<u>104,539</u>	<u>478,996</u>	<u>631,872</u>
Operating expenses:				
Personnel services	111,749	-	407,427	519,176
Purchased professional and technical services	185,785	1,918	15,182	202,885
Purchased property services	-	7,044	26,748	33,792
Other purchased services	-	-	87,148	87,148
Materials and supplies	-	38,904	87,475	126,379
Other operating expenses	-	14,430	43,998	58,428
Depreciation	-	59,214	46,043	105,257
Total operating expenses	<u>297,534</u>	<u>121,510</u>	<u>714,021</u>	<u>1,133,065</u>
Operating income (loss)	<u>(249,197)</u>	<u>(16,971)</u>	<u>(235,025)</u>	<u>(501,193)</u>
Nonoperating revenues (expenses)				
Grants and contributions	-	5,627	-	5,627
Investment earnings	5,721	1,082	3	6,806
Total nonoperating revenues (expenses)	<u>5,721</u>	<u>6,709</u>	<u>3</u>	<u>12,433</u>
Income before transfers in (out)	<u>(243,476)</u>	<u>(10,262)</u>	<u>(235,022)</u>	<u>(488,760)</u>
Transfers in	233,337	-	170,647	403,984
Transfers out	-	(40,373)	-	(40,373)
Change in net position	<u>(10,139)</u>	<u>(50,635)</u>	<u>(64,375)</u>	<u>(125,149)</u>
Net position-beginning	602,608	1,440,173	706,952	2,749,733
Net position-ending	<u>\$ 592,469</u>	<u>\$ 1,389,538</u>	<u>\$ 642,577</u>	<u>\$ 2,624,584</u>

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CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Nonmajor Enterprise Funds</u>			Total
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ -	\$ 101,796	\$ 479,295	\$ 581,091
Other receipts	48,337	805	289	49,431
Payments to suppliers and service providers	(193,232)	(60,544)	(264,786)	(518,562)
Payments to employees for salaries and benefits	(101,009)	-	(382,509)	(483,518)
Net cash provided by (used for) operating activities	<u>(245,904)</u>	<u>42,057</u>	<u>(167,711)</u>	<u>(371,558)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	233,337	-	170,647	403,984
Transfers to other funds	-	(40,373)	-	(40,373)
Net cash provided by (used for) noncapital financing activities	<u>233,337</u>	<u>(40,373)</u>	<u>170,647</u>	<u>363,611</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	-	5,627	-	5,627
Proceeds from notes receivable issued	17,813	-	-	17,813
Net cash provided by (used for) capital and related financing activities	<u>17,813</u>	<u>5,627</u>	<u>-</u>	<u>23,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	5,698	729	-	6,427
Net cash provided by investing activities	<u>5,698</u>	<u>729</u>	<u>-</u>	<u>6,427</u>
Net increase (decrease) in cash and cash equivalents	10,944	8,040	2,936	21,920
Cash and cash equivalents-beginning	88,385	201,376	39,852	329,613
Cash and cash equivalents-ending	<u>\$ 99,329</u>	<u>\$ 209,416</u>	<u>\$ 42,788</u>	<u>\$ 351,533</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	(249,197)	(16,971)	(235,025)	(501,193)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	59,214	46,043	105,257
(Increase) decrease in accounts receivable	-	(1,938)	588	(1,350)
(Increase) decrease in inventories	-	869	(1,270)	(401)
(Decrease) increase in accounts payable	(7,447)	883	(2,965)	(9,529)
(Decrease) increase in accrued liabilities	600	-	1,885	2,485
(Decrease) increase in compensated absences	5,028	-	4,399	9,427
(Increase) decrease in deferred outflow of resources - pension	7,515	-	27,396	34,911
(Increase) decrease in deferred outflow of resources - OPEB	(649)	-	(2,365)	(3,014)
(Increase) decrease in net pension obligation	(21,883)	-	(79,783)	(101,666)
(Increase) decrease in net OPEB obligation	1,222	-	4,454	5,676
(Decrease) increase in deferred inflow of resources - pension	18,912	-	68,950	87,862
(Decrease) increase in deferred inflow of resources - OPEB	(5)	-	(18)	(23)
Total adjustments	<u>3,293</u>	<u>59,028</u>	<u>67,314</u>	<u>129,635</u>
Net cash provided by (used for) operating activities	<u>\$ (245,904)</u>	<u>\$ 42,057</u>	<u>\$ (167,711)</u>	<u>\$ (371,558)</u>

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
REVENUES				
Property taxes	\$ 338,500	\$ 338,500	\$ 373,901	\$ 35,401
Investment earnings	3,000	3,000	1,872	(1,128)
Total revenues	<u>341,500</u>	<u>341,500</u>	<u>375,773</u>	<u>34,273</u>
EXPENDITURES				
Current:				
Debt service:				
Bond principal	515,235	515,235	485,000	30,235
Interest - bonds	357,085	357,085	358,559	(1,474)
Other debt service costs	675	675	675	-
Total Expenditures	<u>872,995</u>	<u>872,995</u>	<u>844,234</u>	<u>28,761</u>
Excess (deficiency) of revenues over expenditures	<u>(531,495)</u>	<u>(531,495)</u>	<u>(468,461)</u>	<u>63,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	553,001	553,001	1,263,772	710,771
Refunding bonds issued	-	-	590,000	590,000
Payment to refunded bond escrow agent	-	-	(1,350,787)	(1,350,787)
Total Other Financing Sources (Uses)	<u>553,001</u>	<u>553,001</u>	<u>502,985</u>	<u>(50,016)</u>
Net Change in Fund Balances	21,506	21,506	34,524	13,018
Fund balance - beginning	<u>238,318</u>	<u>238,318</u>	<u>238,318</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 259,824</u></u>	<u><u>\$ 259,824</u></u>	<u><u>\$ 272,842</u></u>	<u><u>\$ 13,018</u></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 the
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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2021.

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.

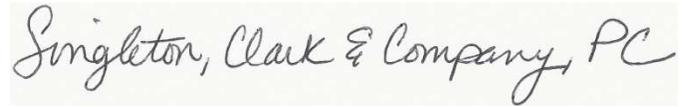
Compliance and Other Matters

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 are 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.

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Singleton, Clark & Company, PC
Cedar Park, Texas

January 29, 2021

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020.

Prior year financial statement findings as required to be restated with current status.

2019-001 Pledged Collateral

Criteria: The City should maintain sufficient pledged collateral in addition to FDIC coverage at all times.

Condition Found: During March 2019, the City’s highest combined cash balance was \$5,338,408. The combined amount of pledged securities and FDIC coverage during this month was \$4,953,840. As a result, the City was under collateralized by \$385,000.

Cause: The City received greater than anticipated tax revenue in March 2019 and the City’s pledged collateral was not increased.

Effect: The effect was noncompliance with the Public Funds Investment Act requirement to have all cash balances fully collateralized at all times during the year.

Current Status: This condition was not observed again during the year ended September 30, 2020.

Contact Person: Yvonne Moreno, Finance Director

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 (Continued)

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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CITY OF LAMPASAS, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

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	102-111
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	113-119
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	120-125
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
(accrual basis of accounting)

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

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 436,000	\$ 771,128	\$ 1,950,175	\$ 2,418,796
Restricted	5,647,000	5,532,880	2,914,531	2,369,001
Unrestricted	1,001,000	1,232,515	3,041,824	2,986,307
Total Governmental Activities Net Position	\$ 7,084,000	\$ 7,536,523	\$ 7,906,530	\$ 7,774,104
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 10,840,000	\$ 10,572,965	\$ 10,564,759	\$12,288,611
Restricted	5,393,000	5,156,820	4,486,820	4,490,449
Unrestricted	3,549,000	4,380,601	5,425,742	4,141,523
Total Business-type Activities Net Position	\$ 19,782,000	\$ 20,110,386	\$ 20,477,321	\$20,920,583
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 11,276,000	\$ 11,344,093	\$ 12,514,934	\$14,707,407
Restricted	11,040,000	10,689,700	7,401,351	6,859,450
Unrestricted	4,550,000	5,613,116	8,467,566	7,127,830
Total Primary Government Net Position	\$ 26,866,000	\$ 27,646,909	\$ 28,383,851	\$28,694,687

TABLE 1

2015	2016	2017	2018	2019	2020
\$ 3,180,867	\$ 3,706,170	\$ 3,500,963	\$ 2,179,077	\$ 1,717,386	\$ 1,247,698
2,833,708	2,325,877	2,375,022	2,263,448	2,410,140	3,047,630
(1,806,130)	(1,440,083)	(1,715,766)	(2,362,825)	(2,837,858)	(2,370,595)
<u>\$ 4,208,445</u>	<u>\$ 4,591,964</u>	<u>\$ 4,160,219</u>	<u>\$ 2,079,700</u>	<u>\$ 1,289,668</u>	<u>\$ 1,924,733</u>
\$ 13,025,534	\$ 12,759,887	\$ 12,947,023	\$ 14,080,058	\$ 14,436,658	\$ 13,799,461
2,867,877	2,726,401	2,507,667	2,534,131	2,686,288	2,726,401
3,393,861	3,670,864	3,528,888	3,799,634	3,790,676	5,079,925
<u>\$ 19,287,272</u>	<u>\$ 19,157,152</u>	<u>\$ 18,983,578</u>	<u>\$ 20,413,823</u>	<u>\$ 20,913,622</u>	<u>\$ 21,605,787</u>
\$ 16,206,401	\$ 16,466,057	\$ 16,447,986	\$ 16,259,135	\$ 16,154,044	\$ 15,047,159
5,701,585	5,052,278	4,882,689	4,797,579	5,096,428	5,774,031
1,587,731	2,230,781	1,813,122	1,436,809	952,818	2,709,330
<u>\$ 23,495,717</u>	<u>\$ 23,749,116</u>	<u>\$ 23,143,797</u>	<u>\$ 22,493,523</u>	<u>\$ 22,203,290</u>	<u>\$ 23,530,520</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			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General Government	\$ 2,751,000	\$ 2,144,309	\$ 2,022,456	\$ 2,223,490
Public Safety	2,079,000	2,801,991	2,955,907	3,186,403
Highways and Streets	1,976,000	618,732	671,618	699,633
Sanitation	-	970,308	1,051,846	1,058,171
Health and Welfare	-	114,582	118,503	128,549
Conservation	-	53,398	44,954	48,646
Culture and Recreation	1,008,000	1,084,794	964,600	1,008,322
Interest on Long-Term Debt	259,000	301,895	279,734	268,213
Total Gov. Activities Expenses	<u>8,073,000</u>	<u>8,090,009</u>	<u>8,109,618</u>	<u>8,621,427</u>
Business-type Activities				
Water/Wastewater	13,297,000	3,617,208	3,783,437	4,269,573
Electric Fund	-	8,906,129	8,500,187	9,193,037
Other Nonmajor Enterprise Funds	-	756,692	732,341	808,386
Total Business-type Act. Expenses	<u>13,297,000</u>	<u>13,280,029</u>	<u>13,015,965</u>	<u>14,270,996</u>
Total Primary Gov. Expenses	<u>\$21,370,000</u>	<u>\$21,370,038</u>	<u>\$21,125,583</u>	<u>\$22,892,423</u>
Program Revenues				
Governmental Activities:				
General Government:				
Charges for Service	\$ 2,757,000	\$ 3,222,279	\$ 2,285,216	\$ 1,395,338
Operating Grants and Contributions	204,000	84,047	502,432	641,953
Total Gov. Activities Program Revenues	<u>2,961,000</u>	<u>3,306,326</u>	<u>2,787,648</u>	<u>2,037,291</u>
Business-type Activities:				
Program Revenue:				
Charges for Services:	15,627,000	15,059,288	14,773,779	15,160,953
Operating Grants & Contributions	-	-	-	-
Total Business-type Act. Prog. Revenues	<u>15,627,000</u>	<u>15,059,288</u>	<u>14,773,779</u>	<u>15,160,953</u>
Total Primary Gov. Prog. Revenues	<u>\$18,588,000</u>	<u>\$18,365,614</u>	<u>\$17,561,427</u>	<u>\$17,198,244</u>
Net (Expense)/Revenue				
Governmental Activities	(5,112,000)	(4,783,683)	(5,321,970)	(6,584,136)
Business-type Activities	2,330,000	1,779,259	1,757,814	889,957
Total Primary Government Net Expense	<u>\$(2,782,000)</u>	<u>\$(3,004,424)</u>	<u>\$(3,564,156)</u>	<u>\$(5,694,179)</u>

TABLE 2

	2015	2016	2017	2018	2019	2020
\$	2,291,288	\$ 2,696,527	\$ 2,718,288	\$ 3,091,738	\$ 3,311,913	\$ 2,834,371
	3,407,906	3,493,501	3,895,816	4,055,064	4,286,779	4,209,622
	660,402	620,679	840,382	659,773	725,560	724,613
	1,126,129	1,195,220	1,170,846	1,181,898	1,204,509	1,227,845
	139,303	133,720	153,870	163,533	193,716	197,523
	56,512	92,752	52,356	127,687	103,002	95,939
	1,133,436	1,067,490	1,087,984	1,020,517	1,259,968	1,203,844
	255,130	241,563	371,013	394,441	347,615	322,755
	<u>9,070,106</u>	<u>9,541,452</u>	<u>10,290,555</u>	<u>10,694,651</u>	<u>11,433,062</u>	<u>10,816,512</u>
	4,443,566	4,651,178	4,913,717	4,702,689	4,801,323	4,917,388
	9,649,508	8,258,476	8,198,601	8,434,875	8,519,945	7,926,244
	927,302	872,931	928,702	966,962	990,856	1,133,065
	<u>15,020,376</u>	<u>13,782,585</u>	<u>14,041,020</u>	<u>14,104,526</u>	<u>14,312,124</u>	<u>13,976,697</u>
\$	<u>24,090,482</u>	<u>23,324,037</u>	<u>24,331,575</u>	<u>24,799,177</u>	<u>25,745,186</u>	<u>24,793,209</u>
\$	1,548,820	\$ 1,582,065	\$ 1,589,036	\$ 1,592,452	\$ 2,001,266	\$ 1,685,356
	344,801	137,834	196,818	144,548	44,271	337,828
	<u>1,893,621</u>	<u>1,719,899</u>	<u>1,785,854</u>	<u>1,737,000</u>	<u>2,045,537</u>	<u>2,023,184</u>
	15,900,317	15,854,405	15,820,487	17,117,376	16,952,681	17,221,695
	-	-	5,498	-	-	-
	<u>15,900,317</u>	<u>15,854,405</u>	<u>15,825,985</u>	<u>17,117,376</u>	<u>16,952,681</u>	<u>17,221,695</u>
\$	<u>17,793,938</u>	<u>17,574,304</u>	<u>17,611,839</u>	<u>18,854,376</u>	<u>18,998,218</u>	<u>19,244,879</u>
	(7,176,485)	(7,821,553)	(8,504,701)	(8,957,651)	(9,387,525)	(8,793,328)
	879,941	2,071,820	1,784,965	3,012,850	2,640,557	3,244,998
\$	<u>(6,296,544)</u>	<u>(5,749,733)</u>	<u>(6,719,736)</u>	<u>(5,944,801)</u>	<u>(6,746,968)</u>	<u>(5,548,330)</u>

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			
	2011	2012	2013	2014
Net (Expense)/Revenue				
Governmental Activities	\$ (5,112,000)	\$ (4,783,683)	\$ (5,321,970)	\$ (6,584,136)
Business-type Activities	2,330,000	1,779,259	1,757,814	889,957
Total Primary Government Net Expense	<u>(2,782,000)</u>	<u>(3,004,424)</u>	<u>(3,564,156)</u>	<u>(5,694,179)</u>
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property Taxes	1,272,469	1,345,349	1,381,515	1,410,139
Sales Taxes	1,163,562	1,192,491	1,154,769	1,234,608
Franchise Fees	943,413	905,082	898,937	931,165
Hotel/Motel Taxes	-	-	84,026	87,550
Penalty and Interest	24,932	21,452	-	-
Contributions and Donations	133,583	18,478	23,192	11,515
Intergovernmental Revenue	-	-	-	-
Miscellaneous Revenue	311,693	239,662	732,562	2,172,833
Investment Earnings	13,961	17,380	14,831	8,955
Gain/loss on sale of capital assets	-	-	-	-
Total Governmental Activities	<u>3,863,613</u>	<u>3,739,894</u>	<u>4,289,832</u>	<u>5,856,765</u>
Business-type Activities:				
Miscellaneous Revenue	-	32,838	166,546	46,063
Intergovernmental Revenue	-	-	-	-
Investment Earnings	21,816	11,343	24,606	24,613
Total Business-type Activities	<u>21,816</u>	<u>44,181</u>	<u>191,152</u>	<u>70,676</u>
Total Primary Government	<u>3,885,429</u>	<u>3,784,075</u>	<u>4,480,984</u>	<u>5,927,441</u>
Transfers In (Out)	28,690	-	-	-
Change in Net Position				
Governmental Activities	(1,248,387)	(1,043,789)	(1,032,138)	(727,371)
Business-type Activities	2,351,816	1,823,440	1,948,966	960,633
Total Primary Government	<u>\$ 1,103,429</u>	<u>\$ 779,651</u>	<u>\$ 916,828</u>	<u>\$ 233,262</u>

TABLE 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (7,176,485)	\$ (7,821,553)	\$ (8,504,701)	\$ (8,957,651)	\$ (9,387,525)	\$ (8,793,328)
879,941	2,071,820	1,784,965	3,012,850	2,640,557	3,244,998
(6,296,544)	(5,749,733)	(6,719,736)	(5,944,801)	(6,746,968)	(5,548,330)
1,453,654	1,498,205	1,558,898	1,629,080	1,689,257	1,774,622
1,339,222	1,436,371	1,486,812	1,499,393	1,580,877	1,756,563
955,286	930,989	913,565	933,625	899,556	915,067
74,297	76,192	135,879	145,974	161,446	131,886
-	-	-	-	-	-
7,880	9,044	5,864	15,861	33,645	4,825
-	-	-	1,237,903	1,265,644	1,685,426
2,483,834	1,925,773	1,777,383	1,592,346	584,741	336,423
13,439	14,915	77,400	132,353	125,348	37,161
(110,791)	-	-	41,403	1,450	-
6,216,821	5,891,489	5,955,801	7,227,938	6,341,964	6,641,973
23,310	77,856	109,876	82,355	209,625	283,045
-	-	-	-	12,761	5,627
28,639	33,787	48,740	96,335	139,742	130,066
51,949	111,643	158,616	178,690	362,128	418,738
6,268,770	6,003,132	6,114,417	7,406,628	6,704,092	7,060,711
77,574	50,936	-	-	-	-
(959,664)	(1,930,064)	(2,548,900)	(1,729,713)	(3,045,561)	(2,151,355)
931,890	2,183,463	1,943,581	3,191,540	3,002,685	3,663,736
\$ 49,800	\$ 304,335	\$ (605,319)	\$ 1,461,827	\$ (42,876)	\$ 1,512,381

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			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 9,337	\$ 15,491	\$ 22,923	\$ 58,743
Restricted, Committed, or Assigned	1,794,537	1,833,004	1,832,914	1,832,480
Unassigned	652,384	620,340	764,355	653,146
Total General Fund	\$ 2,456,258	\$ 2,468,835	\$ 2,620,192	\$ 2,544,369
All Other Governmental Funds				
Restricted for:				
Capital Projects Funds	923,404	2,247,640	1,370,948	774,455
Debt Service Fund	159,699	164,426	168,856	171,040
Endowments	174,558	174,558	174,558	174,558
Other Specific Purpose	1,106,426	1,115,260	1,185,449	1,233,232
Total All Other Governmental Funds	\$ 2,364,087	\$ 3,701,884	\$ 2,899,811	\$ 2,353,285

TABLE 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 51,191	\$ 27,990	\$ 29,599	\$ 30,685	\$ 28,185	\$ 26,009
1,834,048	1,835,013	1,836,963	1,841,218	1,847,223	1,853,313
139,451	387,299	483,661	827,310	923,805	1,559,538
<u>\$ 2,024,690</u>	<u>\$ 2,250,302</u>	<u>\$ 2,350,223</u>	<u>\$ 2,699,213</u>	<u>\$ 2,799,213</u>	<u>\$ 3,438,860</u>
\$ 155,838	\$ 650,889	\$ 5,717,801	\$ 3,637,511	\$ 1,915,781	\$ 1,144,056
1,212,323	218,011	119,636	174,818	238,318	272,842
174,558	174,558	174,558	174,621	174,683	174,699
1,275,243	1,262,407	1,476,118	1,516,022	1,594,423	1,613,489
<u>\$ 2,817,962</u>	<u>\$ 2,305,865</u>	<u>\$ 7,488,113</u>	<u>\$ 5,502,972</u>	<u>\$ 3,923,205</u>	<u>\$ 3,205,086</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			
	2011	2012	2013	2014
Revenues				
Ad valorem taxes	\$ 1,289,325	\$ 1,370,826	\$ 1,378,807	\$ 1,405,387
Sales taxes	1,163,562	1,192,491	1,154,769	1,234,608
Hotel/Motel taxes	-	-	84,026	87,550
Franchise fees	943,413	905,082	898,937	931,165
Licenses and permits	24,375	28,008	44,153	45,981
Intergovernmental	322,430	84,047	502,432	1,994,914
Service fees	2,714,482	2,272,053	2,285,216	1,395,338
Fines and penalties	21,929	419,173	334,368	329,222
Special Assessments	192,363	192,380	204,360	9,414
Interest income	13,961	17,381	14,831	8,955
Rents and Royalties	26,456	23,234	22,416	8,570
Grants and Contributions	15,202	18,478	23,192	11,515
Miscellaneous income	303,374	254,041	114,582	169,744
Total Revenues	7,030,872	6,777,194	7,062,089	7,632,363
Expenditures				
General Government	1,254,843	937,126	1,868,743	2,053,956
Public Safety Police/Fire	2,524,663	2,637,477	2,786,442	2,938,563
Highway and Streets	1,077,476	1,061,416	851,924	644,611
Sanitation	892,840	893,502	963,066	980,334
Health and Welfare	109,455	268,051	108,501	119,093
Culture and Recreation	993,284	968,055	879,508	930,538
Conservation	45,973	57,219	41,160	45,068
Capital Outlay/Misc	1,512,149	980,164	1,146,256	734,396
Debt Service				
Principal	382,229	333,825	335,000	360,000
Interest and fiscal charges	241,656	293,359	282,983	270,701
Bond issuance costs	-	125	-	250
Total Expenditures	9,034,568	8,430,319	9,263,583	9,077,510
Excess of Revenues				
Over (Under) Expenditures	(2,003,696)	(1,653,125)	(2,201,494)	(1,445,147)
Other Financing Sources (Uses)				
Transfers In	1,745,203	1,979,951	1,811,287	1,931,071
Transfers Out	(197,129)	(485,118)	(273,192)	(1,336,126)
Issuance of long-term debt	2,036,036	-	12,683	-
Premium or discount on bonds issued	-	-	-	-
Other resources	-	-	-	10,759
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	2,942	6,645	-	217,094
Total Other Financing				
Sources (Uses)	3,587,052	1,501,478	1,550,778	822,798
Net Change in Fund Balances	\$ 1,583,356	\$ (151,647)	\$ (650,716)	\$ (622,349)
Debt Service as a Percentage of Noncapital Expenditures	10.9%	11.3%	9.6%	9.5%

TABLE 5

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,452,783	\$ 1,482,248	\$ 1,566,730	\$ 1,622,486	\$ 1,693,806	\$ 1,775,852
1,339,222	1,436,371	1,486,812	1,499,393	1,580,877	1,756,563
74,297	76,192	135,879	145,974	161,446	131,886
955,286	930,989	913,565	933,625	899,556	915,067
55,735	60,420	50,667	57,323	76,570	101,246
1,997,911	1,355,669	1,331,057	1,335,939	1,407,362	1,685,426
1,548,820	1,582,065	1,589,036	1,592,452	1,632,769	1,685,356
358,403	379,819	359,859	325,105	350,718	237,111
8,029	7,801	6,739	5,767	-	-
13,439	14,915	77,400	132,353	125,348	37,161
7,900	7,070	9,351	11,656	4,365	4,825
7,880	9,044	111,548	62,373	33,645	342,653
387,539	106,803	128,287	109,404	102,598	84,434
8,207,244	7,449,406	7,766,930	7,833,850	8,069,060	8,757,580
2,098,606	2,455,291	2,435,509	2,600,290	2,875,475	2,601,151
3,133,478	3,307,491	3,473,689	3,715,247	3,816,835	3,790,124
609,260	601,244	758,902	603,275	638,264	662,590
1,045,238	1,110,857	1,081,870	1,086,672	1,107,678	1,122,748
128,207	125,835	137,322	141,900	166,193	180,616
1,052,019	1,041,199	976,762	932,687	949,507	1,078,613
52,453	86,205	48,377	117,399	94,722	95,939
1,139,048	747,874	1,252,119	1,246,223	1,729,921	504,664
365,000	380,000	245,000	245,000	340,000	485,000
257,644	244,159	386,124	414,885	405,670	346,298
250	250	450	650	2,070	12,936
9,881,203	10,100,405	10,796,124	11,104,228	12,126,335	10,880,679
(1,673,959)	(2,650,999)	(3,029,194)	(3,270,378)	(4,057,275)	(2,123,099)
2,307,289	2,997,201	2,572,192	3,159,275	3,288,670	3,807,021
(637,820)	(683,618)	(455,037)	(1,590,303)	(785,784)	(1,015,665)
-	-	5,355,000	-	-	590,000
-	-	762,760	-	-	-
13,118	44,501	60,937	23,852	49,479	18,144
-	-	-	-	-	(1,350,787)
3,867	6,430	15,511	41,403	1,450	850
1,686,454	2,364,514	8,311,363	1,634,227	2,553,815	2,049,563
\$ 12,495	\$ (286,485)	\$ 5,282,169	\$ (1,636,151)	\$ (1,503,460)	\$ (73,536)
9.0%	8.4%	8.1%	8.2%	8.8%	10.2%

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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
2011	\$ 1,289,325	\$ 1,163,562	\$ 943,413	\$ 3,468,399
2012	1,370,826	1,192,491	905,082	3,432,513
2013	1,378,807	1,154,769	898,937	3,571,160
2014	1,405,387	1,234,608	931,165	3,747,291
2015	1,452,783	1,339,222	955,286	3,849,608
2016	1,482,248	1,436,371	930,989	3,967,107
2017	1,566,730	1,486,812	913,565	4,055,504
2018	1,622,486	1,499,393	933,625	4,174,239
2019	1,693,806	1,580,877	899,556	4,174,239
2020	1,775,852	1,756,563	915,067	4,447,482
10-year \$ Change	\$ 486,527	\$ 593,001	\$ (28,346)	\$ 979,083
10-year % Change	365.0%	296.2%	-3228.2%	454.2%

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
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)
2019	2018	92,548,780	382,107,140	(48,995,670)
2020	2019	107,065,060	399,166,010	(43,566,190)

TABLE 7

	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$	352,529,833	0.395218	\$ 318,522,890	90.35%
	345,082,550	0.395218	340,983,388	98.81%
	353,764,320	0.395218	344,754,618	97.45%
	363,359,154	0.395218	353,119,544	97.18%
	365,507,362	0.395218	364,615,688	99.76%
	363,359,154	0.395218	365,152,900	100.49%
	407,368,041	0.395218	378,621,000	92.94%
	395,763,890	0.395218	393,000,000	99.30%
	425,660,250	0.395218	426,625,963	100.23%
	462,664,880	0.395218	439,307,890	94.95%

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	2020		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 30,665,970	1	6.93%
Benny Boyd Limited DBA Benny Boyd C	5,262,960	2	1.19%
Oil States Industries Inc	4,283,810	3	0.97%
Hoffpauir James Lee	4,224,710	4	0.95%
Walmart Real Estate Business Trust	2,949,830	5	0.67%
Oil States Industries Inc	2,582,980	6	0.58%
Prestwick Lampasas LLP	2,582,620	7	0.58%
Hoffpauir Jim Inc	2,309,830	8	0.52%
Cockrell R Enterprises LLC	2,200,810	9	0.50%
MDC Coast 10 LLC	2,035,010	10	0.46%
Total	\$ 59,098,530		13.36%

TABLE 8

Taxpayer	2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 29,578,420	1	9.29%
Windsor Quality Foods	10,291,360	2	3.23%
Walmart Real Estate Business Trust	8,193,740	3	2.57%
Benny Boyd Limited DBA Benny Boyd C	2,766,220	4	0.87%
Diya and Mansi LLC	2,370,820	5	0.74%
Oil States Industries Inc	2,057,950	6	0.65%
Oil States Industries Inc	2,051,550	7	0.64%
Southwestern Bell Telephone LP	1,887,840	8	0.59%
B Boyd LandCo LLC	1,884,370	9	0.59%
Plaza Development LLC	1,760,250	10	0.55%
Total	\$ 62,842,520		19.73%

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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
2011	\$ 1,271,572	\$ 1,232,818	96.95%	\$ 24,224	\$ 1,257,042	98.86%
2012	1,347,628	1,318,085	97.81%	17,953	1,336,038	99.14%
2013	1,357,361	1,332,308	98.15%	12,162	1,344,470	99.05%
2014	1,392,610	1,366,605	98.13%	14,210	1,380,815	99.15%
2015	1,441,027	1,412,184	98.00%	25,746	1,437,930	99.79%
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%
2019	1,661,340	1,627,440	97.96%	32,014	1,659,454	99.89%
2020	1,748,889	1,725,033	98.64%	-	1,725,033	98.64%

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 Obligation Bonds	Tax Notes	Certificates of Obligation	General Obligation Bonds	Tax & Revenue Refunding Bonds	Certificates of Obligations
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
2019	-	-	10,826,052	-	-	2,434,042
2020	585,000	-	8,966,873	780,000	-	2,320,569

Fiscal Year	Total Primary Government	Total All Government	Population	Per Capita Income (1)	Personal Income
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
2019	13,260,094	13,260,094	7,909	1,878	14,849,807
2020	11,287,442	11,287,442	7,982	1,860	14,846,520

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

1,860.41

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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		
2011	\$ -	\$ 240,000	\$ 7,161,036	\$ 7,401,036	2.10%	\$ 552
2012	-	120,000	6,979,995	7,099,995	2.06%	529
2013	-	-	6,763,954	6,763,954	1.91%	504
2014	-	-	6,402,913	6,402,913	1.76%	478
2015	-	-	6,036,872	6,036,872	1.65%	450
2016	-	-	5,655,829	5,655,829	1.56%	422
2017	-	-	11,489,410	11,489,410	2.82%	620
2018	-	-	11,205,231	11,205,231	2.83%	605
2019	-	-	10,826,052	10,826,052	2.54%	584
2020	585,000	-	8,966,873	9,551,873	2.06%	515

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Valuation	\$318,522,890	\$340,983,388	\$344,754,618	\$ 353,119,544
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>\$ 4,992,875</u>	<u>\$ 5,287,947</u>	<u>\$ 5,176,238</u>	<u>\$ 5,176,238</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>623,885</u>	<u>627,309</u>	<u>617,983</u>	<u>630,951</u>
Legal Debt Margin for Annual Debt Service Requirements	<u>\$ 4,365,566</u>	<u>\$ 4,669,964</u>	<u>\$ 4,545,287</u>	<u>\$ 4,545,287</u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	12.56%	11.69%	12.19%	12.19%

TABLE 12

	2015	2016	2017	2018	2019	2020
	\$ 364,615,688	\$ 374,237,084	\$ 386,653,467	\$ 406,535,167	\$ 420,360,289	\$ 442,512,395
x	1.5	1.5	1.5	1.5	1.5	1.5
	\$ 5,469,235	\$ 5,613,556	\$ 5,799,802	\$ 6,098,028	\$ 6,305,404	\$ 6,637,686
	622,894	624,409	631,574	660,535	747,740	844,234
	\$ 4,846,341	\$ 4,989,147	\$ 5,168,228	\$ 5,437,493	\$ 5,557,664	\$ 5,793,452
	11.39%	11.12%	10.89%	10.83%	11.86%	12.72%